

Overall Disadvantaged Business Enterprise (DBE) Goal Fiscal Years 2023-2025

Overall Goal

Under the requirements of the Code of Federal Regulations 49 CFR Part 26 (Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs), Cache Valley Transit District (the District) developed an overall DBE goal for DBE participation in federal-assisted contracting opportunities for Fiscal Year 2023 through Fiscal Year 2025.

The District's proposed overall DBE goal for the years stated is 0.0% on federal-assisted contracts, exclusive of contracts related to the purchase of transit vehicles. The District anticipates meeting 100% of the goal using race conscious means of facilitating DBE participation.

The remainder of this document describes the public participation/outreach methods and goal methodology.

The District is committed to the DBE program. However, there are only twelve (12) certified DBEs within 60 miles of our location and none are within our metropolitan statistical area. Eight of the twelve certified DBEs within 60 miles of our location perform limited construction work only. Three of the twelve provides engineering type services and one provides staffing services. We excluded those DBEs that only provide airport concessions from this analysis because they are specialized firms that would not provide services to the District. The biggest issue we face is that DBE firms are located too far away to make it cost effective for them to participate on most contracts funded with federal funds.

The District does not have any subrecipients. In addition, the District directly operates all operations.

It should be noted that the District began the process for constructing a new administration, maintenance and bus storage facility during calendar year 2020. As part of this process, the District performed an estimate of the potential DBE participation in the project to determine if a project specific goal should be set. The preliminary calculation estimated potential DBE participation (ready willing and able DBE firms/all firms) at approximately 0.4%. The District's existing DBE goal was 0.5% which was higher. As a result, the District started the project and entered into contracts using the existing goal of 0.5%. The District will continue to monitor the contracts for compliance with the goal for the duration of the project scheduled to be completed in calendar year 2024.

Public Participation/Outreach Methods

The District is a non-certifying member of the Utah Unified Certification Program or UUCP. A link to the state's certified DBEs can be found on our website at www.cvtdbus.org. We recognize the efforts made at the state level to find potential DBE firms and certify them.

We participate with the local chamber of commerce and provide them with our DBE goal. We work other local organizations individually to encourage DBE registration and certification to increase the number of certified DBE firms in our local area. Similar to prior years, our focus has been on local banks that provide loans to small businesses and participation with the local chapter of Women In Business. There are no trade groups or other organizations that represent other potential DBE firms in Cache Valley.

The District has an employee who attends the local Women in Business organizational functions. We discussed contracting opportunities with the president of this organization and have made presentations to them regarding the DBE program and how to become a DBE firm. The District also monitors for locally sponsored events or conferences where small businesses may participate and we send representatives where appropriate.

Once a contracting opportunity is identified, the District encourages small businesses to consider becoming a certified DBE and offer assistance in that process. We have put local businesses in direct contact with our State DOT.

Goal Methodology

The overall goal is expressed as a percentage of the total amount of U.S. DOT funds that the District anticipates expending in the three forthcoming fiscal years on federal-assisted contracts. As described below, the District uses a two-step process to establish the overall DBE goal.

Step 1: Compute Base Figure

As specified in 49 CFR 26.45(c), the District developed a base figure to determine the relative availability of DBEs to perform work on the seven (7) anticipated contracts/projects. The formula for calculating the relative availability of DBEs for each project is:

$$\text{Base figure} = \frac{\text{Ready, willing and able DBEs}}{\text{All firms (including DBEs and non DBEs)}} \quad (\text{divided by})$$

The base figure is also called "Possible DBE Percentage Participation" on Exhibit A, B and C.

To calculate the ready, willing and able DBEs, the District used the Utah Unified Certification Program (UUCP) to identify the number of registered DBEs willing to perform work in the District's market area for each of the anticipated contracts/projects based on the North American Industry Classification System (NAICS) code(s) most relevant to each contract. For all contracts except for janitorial services, we considered any business listed in the UUCP. For janitorial services, we considered all UUCP listed DBEs within 30 miles.

It is interesting to note that for all the contracts/projects, except for janitorial services, there were no available DBEs listed in the UUCP. As a result, the potential DBE participation percentage will always be zero for these contract/projects. Therefore, we did not calculate the total available contractors. For janitorial services, there were no DBEs listed in the UUCP that were located in the state of Utah. Therefore, the potential DBE participation percentage was considered zero and we did not calculate the total available contractors.

Based on guidance from FTA and the U.S. DOT Office of Small and Disadvantaged Business Utilization, the District computed the weighted base figure that takes into account the relative size of the anticipated contracts. The weighted based figure was calculated by multiplying the total estimated contract/project dollars by the relative availability of DBEs to calculate the potential DBE contract dollars for each project, calculating the total potential DBE contract dollars and dividing this total by the total estimated cost of all the contracts/projects (see Exhibits A, B and C).

Based on this methodology, the calculated weighted based figure was 0.0%. The District realized during this process that the best opportunity for DBE participation is on construction type contracts, specifically those involving excavation, parking lot striping or concrete work.

It should be noted that the District began the process for constructing a new administration, maintenance and bus storage facility during calendar year 2020. As part of this process, the District performed an estimate of the potential DBE participation in the project to determine if a project specific goal should be set. The preliminary calculation estimated potential DBE participation (ready willing and able DBE firms/all firms) at approximately 0.4%. The District's existing DBE goal was 0.5% which was higher. As a result, the District started the project using the race conscious goal of 0.5%. The District will continue to use this DBE goal for the duration of the project scheduled to be completed in calendar year 2024.

Step 2: Adjust Base Figure

Per 49 CFR 26.45(d), following calculation of a base figure, all available evidence must be examined to determine what adjustment, if any, is needed to the base figure to arrive at the overall DBE goal. The District considered past experience with DBE participation, particularly as it related to construction contracts. Prior experience shows, the District has had success in attracting DBE firms to bid on small concrete or striping contracts (less than \$50,000). The District does not anticipate using federal funds for any such projects as the District is in the process of building a new administration, maintenance and bus storage facility.

Overall Goal

Based on this analysis, the District proposes an overall DBE goal of 0.0% of FTA funds that will be expended on FTA-assisted contracts in fiscal years 2023-2025, exclusive of transit vehicle purchases. The District remains committed to encouraging DBE participation where possible and will continue to review the UUCP for updates on available DBE's that may be willing to participate in federally funded projects.

Use of Race-Neutral Methods and DBE Contract Goals

The U.S. DOT regulations require that race-neutral methods be used to the maximum extent feasible to achieve the DBE overall goal. Race-neutral methods include making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses; unbundling large contracts to make them more accessible to small business; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; and providing technical assistance, communication programs, and other support services to facilitate consideration of DBEs and other small businesses.

Due to the lack of ready, willing and available DBEs in the District's market area, except for construction contractors, the District recognizes that race-neutral methods have not and probably will not be effective. Therefore, the District proposes reaching its overall goal using 100% race-conscious efforts focused on construction contracts, specifically those involving excavation and concrete work. If any construction contract is released, we will evaluate for potential DBE participation and establish a goal relative to the type of construction and the contract size.

However, the District will continue its outreach efforts to encourage potential DBEs to become certified and monitor for opportunities to use race-neutral methods.