

DRAFT

**City of Montgomery - Montgomery Area Transit System (MATS)
DBE Program Goal Setting For Federal Transit Administration (FTA)
Assisted Contracts
Analysis and Methodology for Fiscal Year 2009**

**Goal Setting Methodology
OVERALL GOAL**

Base Line

In accordance with 49 Code of Federal Regulations (CFR) part 26.45 the following goal was established. The process used to determine this goal as stated in 49 CFR 26 is as follows:

Step One:

Baseline: As a result of a review of the City of Montgomery, MATS, and Alabama Department of Transportation (ALDOT) bidders list of quoters (DBE and Non DBE), a review of the ALDOT Federal Transit Administration (FTA) DBE Directory and an overall review of ALDOT's list of pre-qualified prime contractors (DBE and Non DBE), we were able to establish which firms were ready willing and able in order to calculate the baseline goal as per 49 CFR 26.45 (c) (2). The period reviewed was for FY-2007 and FY-2008.

After reviewing the FTA existing and future grant projects for upcoming work, the contractors that could possibly do work on Federal Transit Administration contracts were selected from the DBE list. Fifty-one contractors on ALDOT's Certified DBE Directory (15 local) and 9 contractors (3 local) on the FTA DBE Directory are qualified to work on one or more upcoming project. Unfortunately, a total number of Non-DBE firms could not be calculated because FTA does not compile a list of Non-DBE firms and ALDOT does not compile a total list of all companies qualified to work on ALDOT projects.

In an effort to determine a picture of DBE participation in the area, the list of all DBE and Non-DBE companies that requested a quote from ALDOT in FY-2008 was utilized. A total of 64 DBE firms and 345 Non-DBE firms requested a quote from ALDOT from October 1, 2007 to June 10, 2008. The baseline percentage for the area is the ratio of the DBE firms and Non-DBE firms. The ratio is as follows:

$$\frac{\text{ALDOT DBE Firms}}{\text{ALDOT Non-DBE Firms} + \text{ALDOT DBE Firms}} = \text{Baseline Figure}$$

$$\frac{65}{410} = 15.9 \%$$

Step Two:

Before FY-2007, the utilization of DBEs for the City of Montgomery and Montgomery Area Transit System was zero; however, in FY-2007 DBE utilization/attainment was 1% and so far the FY-2008 DBE utilization/attainment is 2%. Montgomery Area Transit System continues to utilize the services offered by a DBE financial institution (First Tuskegee Bank).

The extent to which the FY-2008 goal was met was determined by dividing the estimated final DBE participation percentage by the estimated DBE participation goal attainment in FY-2008. The ratio is as follows:

$$\frac{2\%}{12.5\%} = 16\% \text{ of total } 12.5\% \text{ was met}$$

After analyzing the projects planned for FY-2009 and reflecting on the FY2008 DBE and past participation, it was determined that a more attainable DBE goal needs to be set for FY-2009. In an effort to adjust the goal to be attainable, the City of Montgomery and MATS DBE utilization history and growth was analyzed. As mentioned before, prior to FY 2006 the DBE utilization was zero, in FY-2007 it was 1%, and in FY-2008 it was 2%. Sixteen percent of the FY-2008 DBE goal was realized, but a 200% increase in DBE participation was recorded from FY-2007 to FY-2008.

In order to quantify the analysis for the FY-2009 DBE goal, the Montgomery baseline of 15.9% and the FY-2008 DBE participation was multiplied to determine the preliminary FY 2009 DBE goal with no growth.

FY-2008 DBE Participation X City of Montgomery/MATS Baseline = Preliminary FY2009 DBE Goal

$$16\% \times 15.9\% = 3\%$$

Part of the reason DBE participation is low is the City of Montgomery and Montgomery Area Transit System utilizes race neutral contracting by awarding contracts to the lowest responsible bidder. However, like in FY-2008, the goal will be attempted to be attained by using race conscious measures in all contracting opportunities. A good faith effort is being shown by Prime contactors to obtain the race conscious goal, but the race conscious goal is not being met. Race is not a consideration in receiving any contract, and contracts are awarded to the lowest responsible bidder, unless it is determined that the bidder is not responsible.

The proposed FY-2009 DBE Goal is **3%**, with **3%** being race conscious and **0%** being race neutral.

Measures Initiated to Increase DBE Participation:

Historically usage of certified DBEs has been very low. The City of Montgomery and MATS are utilizing various ways to increase DBE participation, including encouraging minority businesses that might be able to fulfill MATS and City of Montgomery needs to get certified through the ALDOT DBE process and program and encouraging them to get assistance from Alabama State University's (ASU) DBE supportive services program or other programs around the area and State of Alabama. Also, we will continue to disseminate information concerning contracting opportunities to ASU so that they can notify potential DBE and minority businesses to help get the word out by disseminating the information about contracting opportunities or getting certified.

The following means are utilized to increase opportunities for DBEs and small businesses:

- (1) Direct all inquiries regarding becoming a certified DBE to ASU DBE Supportive Services Program located at the Small Businesses Resource Center and ALDOT DBE Office
- (2) Direct all inquiries regarding training on federal bonding and loans to ASU and ALDOT
- (3) Continue to solicit in general circulation newspapers advertisements concerning contracting opportunities, and also solicit quotes that are issued to ASU for dissemination to DBEs or small businesses and also send to businesses that are on bidders list.
- (4) Notify and disseminate information concerning contracting opportunities to ASU DBE Supportive Services Program office and the local chamber of commerce minority business enterprise director

- (5) Use any other reasonable means thought of during the coming year to energize the program by getting better DBE participation or at least making a good faith effort.
- (6) Attending and/or sponsoring conferences and workshops to increase interaction with potential DBEs, certified DBEs, and DBE program officials at ALDOT and the five satellite locations at Alabama State University, the University of Alabama-Birmingham, University of Alabama-Huntsville, Stillman College, and Tuskegee University.

Outreach and Consultation Done During FY-2008

Under the requirements for consultation with minority, women and general contractor groups, community organizations, and other officials or organizations, MATS actively participated in several DBE/WBE focused workshops to (a) facilitate our understanding of the DBE certification process (b) obtain guidance from the various collegiate liaison officers in evaluating MATS' current DBE process (c) examine ways to build our DBE participation goals into our normal business procurement process, and (d) network with various DBE/WBE certified business owners directly. Through this aggressive outreach we were able to speak with them face-to-face about their product/service offering and their ability to supply MATS' procurement needs on an ongoing basis. A majority of the above-described interaction took place (in-person) at the following events:

Date	Event Type, Site, and DBE Liaison	MATS' Subsequent DBE Outreach Efforts
Sep 07	Workshop: "DBE/WBE Participation Practice" Site: Alabama State University Sponsors: Montgomery Chamber of Commerce and South Regions Minority Business Council of Birmingham, AL	MATS subsequently invited two of the DBE participants (Colbert Ball Tax Service and Primerica Life Insurance Company), along with two major companies (H&R Block and Telco Credit Union) to offer their services to our employees during an onsite "financial services fair." In this case, three of the lead agents are recognized as women-owned businesses by the local Chamber of Commerce and SRMBC-B'ham.
Jan 08	Face-to-face meeting	Kelvin Miller, General Manger of MATS, and Victoria Belton, Marketing Director met with Mary and Donald Williams of Dynamic Solutions about contracting opportunities in the areas of marketing, surveying and customer service.
Feb 08	Workshop: "QCI and Bonding Requirements" Site: Embassy Suites-B'ham Sponsors: Tuskegee University and Stillman College	During this 3-day conference, MATS' continued to network with the various DBE participants, as well as consult with the ALDOT staff on how MATS could attract DBEs to transit-oriented work.
Mar 08	Follow-up Meeting with DBE Vendors	Immediately following the B'ham conference, MATS invited one of the DBE companies (C. Edward Lewis & Associates) to meet with MATS' general

manager, Kelvin Miller, and submit a proposal for a potential “customer service” seminar for our transit workforce.

Three other DBE construction firms (Busco Construction-Construction Plus, Melvin Ross, and Columbus Meadows) were invited to submit bids on a small commercial door installation project for MATS’ Intermodal Center.

Mar 08 Face-to-face meeting

Kelvin Miller, General Manger of MATS, and Victoria Belton, Marketing Director met with Shawn Cooper of TGC Consulting about contracting opportunities in the areas of marketing and discussion of goal setting.

Mar 08 Face-to-face meeting

Kelvin Miller met with C. Edward Lewis about contracting opportunities in regards to customer service training for MATS’ employees and goal setting.

Apr 08 Workshop: “11th Annual Entrepreneurial Development Institute”

Site: Embassy Suites-Huntsville

Sponsors: ALDOT and University of Alabama-Huntsville

During this conference, MATS was included as one of the agency panelist for the Bid Opportunities Workshop and provided information on MATS’ RFI/RFI process. Additionally, the DBE vendors were invited to submit information about their respective companies and contact our maintenance director or purchasing agent for products and services directly related to facilities or commercial vehicle maintenance.

Since all three of the above conferences were more than 3-full days in length, MATS engaged in frequent face-to-face dialogue with ALDOT’s DBE staff regarding optimal ways to utilize ALDOT’s DBE certification list, given its heavy composition of highway/building construction and related firms. Two of the ALDOT advisors, Anthony Miller and John Huffman, were particularly interested in MATS taking on a more active role in recruiting new DBE vendors with established product and service offerings related to vehicle maintenance, facilities operations, and administrative services (e.g., tire procurement, environmental assessment/compliance, employee development, etc.).

At ALDOTs behest, MATS reviewed its master procurement listing for small business owners that either provided one-time products to MATS or had otherwise solicited business from us within the last two fiscal years. From that list, MATS directly contacted the below-listed individuals and encouraged each of them to become certified DBE’s through ALDOT:

Potential DBE Vendor

MATS’ Subsequent DBE Outreach Efforts

Rick Arnold, Owner
Razor Sharp Lawn Service
Montgomery, AL

This small businessman approached MATS first approached MATS in April 2007 regarding his lawn service offering, but we already had a minority-owned business fulfilling that need. However, we did encourage Mr. Arnold to pursue ALDOT’s DBE

certification, along with that of the South Region's Minority Business Council-B'ham, which he did. Razor Sharp Lawn Service is now a registered DBE and we may seek his services should our current vendor fail to perform.

Al Gray, President/Owner
Strategic Tire Solutions
Greenville, S.C.

Mr. Gray came to us as a referral from another transit agency for commercial vehicle tires. This business already has DBE status in SC and TN, and Mr. Gray is quite familiar with the process. At last we spoke, he agreed to actively pursue certification through ALDOT, and was referred to Garry Quinn, Tuskegee University, for further information.

Dr. Pamela Long
(offers English-to-Spanish document
translation services)
Montgomery, AL.

Small businesswoman utilized for Spanish translation of MATS' bus schedules. Dr. Long is currently a professor at Auburn University-Montgomery, and she conducts translation services on a part-time basis. She was, however, very interested in increasing her exposure and said that she would contact Tuskegee University's DBE liaison, Garry Quinn, to get started with the process.

Susan Hartin, Owner
Sew What Impressions
Highland Home, AL

Small businesswoman utilized on two prior occasions for MATS' marketing paraphernalia. Ms. Hartin agreed to look into ALDOT's certification process, but she was currently restructuring her business from a part-time to full-time operation and needed to do some background work before she could approach ALDOT.

As previously mentioned, MATS has participated in at least one panel discussion wherein we were seated alongside several other agencies to discuss our respective DBE program and bid solicitation criteria. During the April 2008 event in Huntsville, MATS, sat alongside representatives from Mobile Port Authority, The City of Huntsville, the Wave Transit System (Mobile), the University of Alabama at Huntsville, and ClasTrans (Jefferson County's regional Paratransit service) to discuss current and future bid opportunities, best practices in working with prime contractors, and, DBE certification and renewal practices, as well as OSHA safety standards and contractor hazard liability.

This particular workshop was interactive discussion between the panelist and workshop participants, which was mix of prime and DBE contractors of all business types; state/city planners and civil engineers, and other interested parties. The DBE participants were particularly interested in (1) the mitigation payment conflicts between themselves and the prime contractors (2) more oversight and enforcement of the actual contract by ALDOT and the other statewide certifying agencies (3) proper notice of bid opportunities and (4) the ability to gain access to the state's Bid Express online program. All of the panelists were very forthcoming in their responses to the audience, and ALDOT DBE officials were on hand to answer any questions about the overall DBE program requirements.

Public Participation/Public Comment Period

As required by 49 CFR 26.45(g), the City of Montgomery/Montgomery Area Transit System DBE goal will be advertised in the local newspaper of general circulation to notify the public and solicit comments into the development of the goal. The goal will be advertised for 30 days with the comment period lasting for 45 days. Further public participation will be solicited from the Alabama Road Builders Association and the Alabama DBE Association. The public hearing is in the form of the public comment period to hear comments about the proposed DBE Goal for FY-2009. Once the comment period has ended, a public participation summary will be completed to document public participation. Once the public hearing comment period is over, a final DBE goal will be finalized and forwarded to the Federal Transit Administration (FTA).

Conclusion

Based on the narrative above, the City of Montgomery - Montgomery Area Transit System has established its DBE Goal for FY2009 as **3%** with **0%** being race neutral and **3%** being race conscious. The **3%** race conscious goal is based on what the DBE Goal attainment has been over the last three years. Therefore, the race conscious portion of the goal will remain for FY2009 as it did in FY2008, meaning that all contractors must either attain the goal or show good faith effort to attain the goal.