

DRAFT

**City of Montgomery - Montgomery Area Transit System (MATS)
DBE Program Goal Setting Methodology For Federal Transit Administration
(FTA) Assisted Contracts
Analysis and Methodology for Federal Fiscal Year (FFY) 2010**

**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-2008 and FY-2009.

In accordance with regulations, the City of Montgomery-Montgomery Area Transit System utilized portions of the step one methodology formulated in the FY-2010 DBE Goal for the Alabama Department of Transportation, Transportation Planning and Modal Programs Bureau (Multimodal).

In an effort to determine a picture of DBE representation in the area, the number of local DBEs and the number of local firms (DBE and Non-DBE) ready, willing and able to bid on upcoming projects were determined. The base figure is obtained by dividing the number of ready, willing and able DBEs by the total number of ready, willing and able firms (DBE and Non-DBE).

DBE firms

DBE firms and Non-DBE firms

As part of the ALDOT Multimodal FY-2010 DBE Goal, NAICS codes were selected that described work that could feasibly be part of FTA projects. These codes were utilized in step one of the City of Montgomery-Montgomery Area Transit System FY-2010 DBE Goal. Throughout the rest of the document the NAICS codes selected will be referred to as NAICS codes. The Alabama Department of Transportation (ALDOT) Certified DBE list was analyzed for companies that could be described by two parameters. First, the company must be within the Montgomery MSA, and second, the company must be certified to complete work described by the NAICS codes. Sixteen companies from the list met both parameters. This number became the numerator. In the Multimodal goal, all companies that were certified to complete work described by the NAICS codes were included regardless of location.

The 2002 U.S. Census Bureau's 2002 Economic Census – Summary Statistics by 2002 North America Industry Classification System (NAICS) for the Montgomery MSA and the current yellow pages were utilized to determine the denominator. The Multimodal methodology used only the U.S. Census data (at the state level) to determine the denominator. Because the U.S. Census data at the Montgomery MSA level omitted information on some

NAICS codes, the alternate source of the yellow pages was utilized to determine the number of local companies certified to complete work described by the NAICS codes. Three hundred and eighty-seven companies were counted in the yellow pages and 758 companies were counted in the U.S. Census data. The denominator was 1,145. Table one details the NAICS codes from the U.S. Census data used to determine the numerator and denominator. Table two details the NAICS codes from the yellow pages data used to determine the numerator and denominator. Some NAICS codes utilized in the multimodal goal were omitted because there were no local firms to complete type of work. In addition, certain NAICS codes were adjusted to better fit the Montgomery MSA.

16 DBEs
1,145 DBEs and Non-DBEs

The base figure for the Montgomery MSA is 1.4% based on this methodology.

NAICS Code	Description	# Firms Within Montgomery MSA	Comments
323	Printing and related support activities	37	NAICS code adjusted from 323113
4233	Lumber and other construction material merchant wholesalers	31	NAICS code adjusted from 423390
423510	Metal service contractor	13	
4236	Electrical goods merchant wholesalers	33	NAICS code adjusted from 423610
44132	Tire dealers	30	
448190	Other clothing stores	15	
4532	Office supplies, stationary and gift stores	44	NAICS code adjusted from 453210
485	Transit and ground passenger transportation	13	
5182	Data processing, hosting, and related services	16	NAICS code adjusted from 518210
5241	Insurance carriers	54	
531120	Leasers' of professional and other office buildings	32	
541211	Office and certified public accountants	38	
541310	Architectural services	30	
541330	Engineering services	68	
541430	Graphic design services	0	No Firms in Montgomery MSA
541512	Computer system design services	53	
541611	Administrative management and general management consulting services	34	
541613	Marketing consulting services	0	No Firms in Montgomery MSA
541620	Environmental consulting services	0	No Firms in Montgomery MSA
5611	Office administrative services	24	NAICS code adjusted from 561110
56132	Temporary help services	28	NAICS code adjusted from 561312
561612	Security guards and patrol services	12	
561720	Janitorial services	45	
561730	Landscaping services	69	
562910	Remediation services	0	No Firms in Montgomery MSA
611430	Professional and management development training	0	No Firms in Montgomery MSA
7223	Mobile food services	39	NAICS code adjusted from 722320
811412	Appliance repair and maintenance	0	No Firms in Montgomery MSA

TABLE 2		
NAICS Code	Description	# Firms Within Montgomery MSA
2362	Nonresidential building construction	387
237130	Power and communication system construction	
238150	Glass and glazing contractors	
238210	Electrical contractors	
238220	Plumbing/HVAC contractors	
238320	Paint and wall cover contractors	

Step Two:

The exact methodology utilized in step two of the FY-2010 DBE Goal for the Alabama Department of Transportation, Transportation Planning and Modal Programs Bureau (Multimodal) was used to determine the City of Montgomery-Montgomery Area Transit System FY-2010 DBE Goal. First the past DBE participation was determined for the preceding three years.

- FY-2007 = 1%
- FY-2008 = 2%
- FY-2009 = 0%

Only the DBE participation from FY-2007 to FY-2009 was utilized because before FY-2007 DBE participation was 0%. The average DBE participation for the three year period was 1%.

The FY-2010 DBE Goal was determined by multiplying the base figure (1.4%) and the average DBE participation (1%). The proposed FY-2010 DBE Goal is 1.2%, with 1.2% being race conscious and 0% being race neutral.

Montgomery Area Transit System continues to utilize the services offered by a DBE financial institution (First Tuskegee Bank). 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-2009, 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 contractors 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.

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 and/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-2009

Under the requirements for consultation with minority, women and general contractor groups, community organizations, and other officials or organizations, MATS actively participated in the Alabama DBE Consortium's 12th Annual Statewide EDI Conference 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. At the conference, Mr. Robert Smith was part of a panel discussion on DBE opportunities with the City, MATS, State, Counties, Housing Authority State Port and other governmental agencies. After the panel discussion, Mr. Smith was able to interact with multiple DBEs in attendance. Throughout the year, meetings were conducted to interact with and answer any questions from DBEs throughout the area. The following is a list of all the DBE outreach efforts from October 1, 2008 to May 31, 2009.

Date	Event Type, Site, and DBE Liaison	MATS' Subsequent DBE Outreach Efforts
Jan 09	Face-to-face meeting	Mr. Howard Flint met with C. Charles Lewis & Associates, P.O. Box 231328, Montgomery, AL 36123, regarding potential cleaning products for use throughout facilities.
Feb 09	Face-to-face meeting	Mr. Kelvin Miller, MATS General Manger, met with Al Carmichael, 600 South Court Street, regarding potential general contracting and about obtaining DBE certification.
March 10-13, 2009	Conference: "Alabama DBE Consortium's 12 th Annual Statewide EDI Conference" Site: Renaissance Montgomery Hotel Hosted By: Stillman College	MATS participated in a panel discussion on DBE opportunities with the City, MATS, State, Counties, Housing Authority, State Port and other governmental agencies. MATS interacted with multiple DBE participants at the conference.
March 23, 2009	Face-to-face meeting	Mr. Kelvin Miller, MATS General Manger, met with Mr. Larry Williams of B&L Associates regarding general use products throughout facilities.

March 09	Face-to-face meeting	Mr. Robert Smith, Senior Transportation Planning City of Montgomery/MPO, met with Davis Plumbing Co., LLC about commercial plumbing.
March 09	Phone Discussion	Mr. Robert Smith, Senior Transportation Planning City of Montgomery/MPO, discussed over phone with Victor C. Tyler, P.E., M.ASCE, a DBE engineer, engineering opportunities.
March 09	Face-to-face meeting	Second inquiry by Mr. C. Charles Lewis & Associates, P.O. Box 231328, Montgomery, AL 36123, regarding a quote on Customer Service Training for 125 employees.
May 7, 2009	MATS Quarter Customer Service Training	Carolyn "CiCi" Higgins, P.O. Box 384, Meridianville, AL 35759, conducted MATS 3 rd Quarter Customer Service Training for 125 employees.
May 09	Face-to-face meeting	Second interaction with Al Carmichael, 600 South Court Street. Mr. Howard Flint obtained a quote for the installation of shelter pads.

Public Participation/Public Involvement 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. Once the comment period has ended, a public participation summary will be completed.

Conclusion

Based on the narrative above, the City of Montgomery - Montgomery Area Transit System has established its DBE Goal for FFY-2010 as 1.2% with 0% being race neutral and 1.2% being race conscious. The 1.2% race conscious goal is reflective of the DBE Goal attainment for the previous three years. The race conscious portion of the goal will remain for FY-2010 as it did in FY-2009, meaning that all contractors must either attain the goal or show good faith effort to attain the goal.