

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 2011 to Fiscal Year 2013**

**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-2010 from October 1, 2010 thru July 8, 2010.

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-2011 to 2013 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. Twenty 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 U.S. Census Bureau's 2007 Economic Census – Summary Statistics by 2007 North America Industry Classification System (NAICS) for the Montgomery MSA and for the State of Alabama was used to determine the denominator, as well as the 2008 Montgomery Yellow pages. Table one details the NAICS codes with information available at the MSA level, and table 2 details the NAICS codes with information available at the state level, as well as the NAICS codes with no information available at the MSA or state level. The 2008 yellow pages were utilized to determine the number of businesses located within the Montgomery MSA from the NAICS codes only available at the state level. These numbers were then compared to the number of businesses at the state level to ensure the number in the Yellow Pages is realistic. There were two NAICS with no information at the MSA or state level. These two NAICS codes were eliminated from the formula. After reviewing the list of NAICS codes designated by ALDOT, it was determined that the following NAICS code was missing: 56171 (Exterminating and pest control services). According to the 2007 Economic Census, 22

businesses are located with the Montgomery MSA within this NAICS code. The Multimodal methodology used only the U.S. Census data (at the state level) to determine the denominator. Nine hundred and ninety-four businesses were counted from Table 1; five hundred and seventy-two companies were counted from Table 2; and 22 companies were counted from the added NAICS code. The denominator was **1,588**. Certain NAICS codes were adjusted to better fit the Montgomery MSA. The base figure for the Montgomery MSA is 1.26% based on this methodology.

20 DBEs
1,588 DBEs and Non-DBEs

NAICS Code	Description	# Firms Within Montgomery MSA	Comments
323	Printing and related support activities	38	NAICS code adjusted from 323113
4233	Lumber and other construction material merchant wholesalers	37	NAICS code adjusted from 423390
4236	Electrical goods merchant wholesalers	23	NAICS code adjusted from 423610
44132	Tire dealers	35	
448190	Other clothing stores	137	
4532	Office supplies, stationary and gift stores	40	NAICS code adjusted from 453210
5182	Data processing, hosting, and related services	18	NAICS code adjusted from 518210
531120	Leasers' of professional and other office buildings	34	
541211	Office and certified public accountants	120	
541310	Architectural services	33	
541330	Engineering services	58	
541430	Graphic design services	7	
541512	Computer system design services	60	
5416	Management consulting services	66	NAICS code adjusted from 541611, 541613, and 541620
5611	Office administrative services	25	NAICS code adjusted from 561110
56132	Temporary help services	35	NAICS code adjusted from 561312
561612	Security guards and patrol services	18	
561720	Janitorial services	58	
561730	Landscaping services	89	
5629	Remediation and other waste management services	7	NAICS code adjusted from 562910
7223	Mobile food services	26	NAICS code adjusted from 722320
8114	Personal and household goods repair and maintenance	30	NAICS code adjusted from 811412
TOTAL		994	

NAICS Code	Description	Data Available at State Level	# Firms Within State of Alabama	# Firms Within Montgomery MSA	Categories Analyzed in 2008 Montgomery Yellow Pages
2362	Nonresidential building construction	YES	694	169	Building Construction Consultants (5); Building Contractors (27); Contractors General (137)
237130	Power and communication system construction	YES	82	4	Telecommunication contractors (4)
238150	Glass and glazing contractors	YES	81	47	Glass-Automobile, Plate, & Window (18); Glass Coating & Tinting (4); Glass – Stained & Leaded (6); Windows (19)
238210	Electrical contractors	YES	873	52	Electric Contractors (52)
238220	Plumbing/HVAC contractors	YES	1,370	242	Air conditioning contractors & Systems

					(98); Heat Pumps (63); Plumbing contractors (51); Plumbing drains & sewer cleaning (11); Sewer & drain cleaning (9)
238320	Paint and wall cover contractors	YES	279	50	Dry Wall Contractors (10); Painting Contractors (37); Wallpaper hangers & removers (3)
423510	Metal service contractor	YES	198	8	Metal Fabricators (8)
485	Transit and ground passenger transportation	NO	N/A	N/A	N/A
5241	Insurance carriers	NO	N/A	N/A	N/A
611430	Professional and management development training	YES	41	0	N/A
		TOTAL	3,618	572	

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%
- FY-2010 = 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 four year period was 0.75%.

The FY-2011 – FY-2013 DBE Goal was determined by multiplying the base figure (1.26%) and the average DBE participation (0.75%). The results, 0.94%, were rounded to 1.0%. The proposed FY-2010 DBE Goal is 1.0%, with 1.0% 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-2010, 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. Info concerning contracting opportunities will be decimated through general circulation newspapers, e-mail lists, and internet websites for the City of Montgomery and the Montgomery Area Transit System.

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 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 by e-mail.
- (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-2010

Under the requirements for consultation with minority, women and general contractor groups, community organizations, and other officials or organizations, the City of Montgomery and MATS participated in the Stillman DBE Networking Event 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. The following is a list of all the DBE outreach efforts from October 1, 2009 to July 15, 2010.

Date	Event Type, Site, and DBE Liaison	City of Montgomery and MATS’ Subsequent DBE Outreach Efforts
10-13, 2009	Stillman DBE Networking Event Site: Embassy Suites Hotel Montgomery, AL Hosted By: Stillman College	City of Montgomery and MATS participated in the organized networking event with various stakeholders, certified DBEs and possible DBEs.

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 involvement summary will be completed to document the DBE goal preparation and comment process.

Conclusion

Based on the narrative above, the City of Montgomery - Montgomery Area Transit System has established its DBE Goal for FY-2011 to FY-2013 as 1.0% with 0% being race neutral and 1.0% being race conscious. The 1.0% 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-2011 to FY-2013 as it did in FY-2010, meaning that all contractors must either attain the goal or show good faith effort to attain the goal.