




DBE GOAL:  
FY2020-FY2022

**RTA**

**REGIONAL  
TRANSIT AUTHORITY  
OF SOUTHEAST MICHIGAN**



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## REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

### FISCAL YEARS 2020 – 2022 DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL-SETTING METHODOLOGY FEDERAL TRANSIT ADMINISTRATION (FTA) FUNDED PROJECTS

As required in 49 CFR Part 26 of the Code of Federal Regulations, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*, the Regional Transit Authority (RTA) of Southeast Michigan has completed its triennial review and set an overall goal for Disadvantaged Business Enterprise (DBE) participation for Fiscal Years (FYs) 2020 – 2022 contracts funded in whole or in part with Federal Transit Administration (FTA) funds. The recommended goal of **8.26%** attained through **4.51%** from race neutral participation and **3.75%** from race-conscious measures reflects the relative availability of DBEs to participate in contracts and procurements projected by the RTA of Southeast Michigan.

The term “Marketplace” is defined as businesses located in the State of Michigan, that are both Disadvantaged Business Enterprises (DBE) and Non-Disadvantaged Business Enterprises, who are ready, willing and able to participate in RTA of Southeast Michigan contracts.

In accordance with 49 CFR Section 26.45, RTA’s proposed goal will be published in media outlets, listed in Appendix A.

#### **METHODOLOGY**

RTA considered a two-step process defined below to determine its DBE participation goal for FY2020-2022.

##### **STEP 1) Determine the Base Figure for the overall goal:**

- Calculate the relative availability of DBEs to perform the types of work forecasted by RTA of Southeast Michigan.
- Weight the respective contract dollars to be expended in each type of federally-assisted project or procurement.
- Determine the weighted DBE relative availability in the projected types of work.
- Aggregate the weighted availability figures to determine the base figure.

##### **STEP 2) Adjustments to the Base Figure:**

- Due to the difference in types of projects and projected costs of projects, the RTA will be making no adjustments to the Base Figure based on historical data or disparity studies.

Additionally, the methodology includes an explanation of how the forecasted overall goal will be achieved.

## Goal Calculation for FY2020-2022

### STEP 1: Determine the Base Figure for the Overall Goal

The RTA of Southeast Michigan determined that the Michigan Unified Certification Program (MUCP) database of Michigan DBEs and the 2016 United States (U.S.) Census Bureau data for Michigan provided relevant and reliable data to assess RTA’s marketplace availability to DBEs operating within RTA geographic area, and for identifying DBEs capable of completing or contributing to future RTA opportunities. This approach was taken for the following reasons:

- All DBEs certified to work in Michigan are tracked by type of work and by their approved North American Industry Classification System (NAICS) codes on the web-based MUCP database located at [www.michigan.gov/mucp](http://www.michigan.gov/mucp).
- The U.S. 2016 Economic Census data provides economy-wide statistics for Michigan, including the number of vendors by NAICS code on both a state-wide and county-wide basis. The county-wide data for the RTA’s area (Macomb, Oakland, Washtenaw and Wayne Counties) was aggregated to develop an RTA coverage area.

The RTA’s core services that are funded with partial/full federal funding is currently and anticipated during the triennial period to be limited to communications, public relations, engineering and planning/landscape architecture related services. As such the following NAICS codes were used to determine the base figure for RTA services:

- 541840            Communications
- 541820            Public Relations
- 541330            Engineering
- 541320            Urban Planning/Landscape Arch.

Table 1.0 lists the number of DBE firms willing and able to work in the market area for the defined RTA practice areas listed in the MUCP. Table 1.0 also lists the overall firms willing and able to work in the RTA coverage area defined by 2016 Census Data.

**Table 1.0 - DBE & Total Firms Working in the RTA Market Area**

RTA of Southeast Michigan <b>Base Goal Calculation (FY2020-FY2022)</b>		A	B
<b>NAICS Code</b>	<b>Project description</b>	<b># of DBE firms willing and able to work in market area</b>	<b># of overall firms willing and able to work in market area</b>
541840	Communications	6	24
541820	Public Relations	19	75
541330	Engineering	34	1000
541320	Urban Planning/Landscape Arch.	26	59
	<b>Total</b>	<b>85</b>	<b>1158</b>

The following section provides a breakdown of available work for each of these areas:

**a) Communications**

For the defined triennial period, the RTA anticipates using \$100,00 of federal dollars for communications services. This amount represents 17.24% of RTA’s total projected FTA budget. The DBE relative availability for Communications is 25%. The weighted DBE relative availability for this project is 4.31%. **(see Table 2.0)**

**b) Public Relations**

An estimated \$30,000 is projected for FTA-assisted public relations opportunities during the defined period. This amount represents 5.17% of RTA’s total projected FTA budget. The DBE relative availability for Public Relations projects is 25.33%. The weighted DBE relative availability for Public Relations Projects is 1.31%. **(See Table 2.0)**

**c) Engineering**

An estimated \$ 450,000 is projected for FTA-assisted Engineering Activities, representing 77.59% of RTA’s total projected FTA budget. The DBE relative availability for Engineering Activities is 3.4%. The weighted DBE relative availability for Engineering Activities is 4.31%. **(See Table 2.0)**

**d) Planning/Landscape Architecture**

For the defined triennial period, the RTA does not anticipate using any federal dollars for planning/landscape architecture. The RTA will continue to monitor future opportunities and this classification could be change in the future DBE goals.

**Table 2.0 Anticipated RTA Availabilities**

RTA of Southeast Michigan

**Base Goal Calculation (FY2020-FY2022)**

	A	B	C	D	E	F	
<i>NAICS Code</i>	<i>Project description</i>	<i># of DBE firms willing and able to work in market area</i>	<i># of overall firms willing and able to work in market area</i>	<i># DBE firms/ # all Firms (A/B)</i>	<i>Step 1 FTA Contracting opportunities</i>	<i>Step 1 Weighted % Contract (D/ Total Contract Value)</i>	<i>Step 1 Weighted % DBE Goal (C x E)</i>
541840	Communications	6	24	25.00%	\$ 100,000	17.24%	4.31%
541820	Public Relations	19	75	25.33%	\$ 30,000	5.17%	1.31%
541330	Engineering	34	1000	3.40%	\$ 450,000	77.59%	2.64%
541320	Urban Planning/Landscape Arch.	26	59	44.07%	\$ -	0.00%	0.00%
	<b>Total</b>	<b>85</b>	<b>1158</b>		\$ 580,000	100.00%	8.26%

7.34% Goal without weighting

8.26% Weighted Goal

Based on the above data, the Step One base figure for FTA-assisted funds was calculated to be **8.26%**. (See Table 3.0)

<b>Table 3.0 – Step One Base Figure</b> <b>Projected weighted dollar value x DBE relative availability = Weighted DBE relative</b>	
<b>Types of Work Forecast for FY2020 – 2022</b>	<b>Weighted DBE Relative</b>
Communications	4.31%
Public Relations	1.31%
Engineering	2.64%
Planning/Landscape Architecture	0%
<b>FTA Step One Base Figure (Sum of Types of Work)</b>	<b>8.26%</b>

**STEP 2: Adjustments to the Base Figure**

RTA will be making no adjustments to the Base Figure based on historical data or disparity studies, the DBE participation goal for the next tri-annual period will be set at **8.26%**.

The current projects RTA has planned for the FY2020 goal period are different enough compared to the projects from FY2017 – 2019. Due to the difference in projects planned and the difference in funding levels for projects being continued or finished during this tri-annual period, RTA sees no reason to adjust the Base Figure using historical DBE participation from its previous DBE goal.

Evidence has shown that DBEs have participated in the past projects RTA has put out to bid, these DBEs have provided a wide range of goods and services with no evidence of disparity. No known statistical or anecdotal evidence of over utilization or under-utilization of disadvantaged businesses exists within the RTA coverage area.

**RTA has set a DBE goal of 8.26% for FY2020 – 2022**

**RECOMMENDATION for RACE-NEUTRAL (RN) MEANS**

The RTA expects to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. We estimate that in meeting the overall goal of **8.26%**, the RTA of Southeast Michigan will obtain **4.51%** from race neutral participation and **3.75%** from race-conscious measures.

The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious DBE participation:

- In the previous triennial period, the RTA’s DBE goal was 8.8% of which 3.1% will be obtained from race-neutral participation and 5.7 through race-conscious measures.
- During this period, the RTA had an actual DBE participation of 12.00% of which 4.00% was race neutral.

The RTA will consistently examine the effectiveness of using race-neutral means to ensure proper DBE participation and will continue to evaluate the rationale for establishing a race neutral goal.

**Outreach to Minority and Women’s Groups**

The RTA conducted consultation with the following minority, women’s, and business organizations were coordinated with when establishing the RTA’s DBE goals. RTA sent correspondence out to the following groups to seek input on the FY2020 – 2022 goal. Consultation is intended to review the proposed overall DBE goal, receive comments, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and help the RTA build long-term contracting relationships with DBEs in the market area. In addition, staff commits to participate in local events in the upcoming year to increase awareness of future RTA opportunities including those identified below.

- Detroit Chamber of Commerce
- Great Lakes Women’s Business Council
- Michigan Association for Female Entrepreneurs
- Michigan Hispanic Chamber of Commerce
- Michigan Department of Transportation
  - Including participation in MDOT’s Annual DBE Conference
- Southwest Detroit Business Association
- Conference of Minority Transportation Officials
- Women Impacting Public Policy

The RTA will also hold pre-bid conferences on all proposed contracts over \$100,000. The RTA will invite DBEs certified by the Michigan Unified Certification Program (MUCP) to attend the pre-bid/proposal meetings where they can network with prime contractors, and request clarification on any questions that they may have concerning future RTA opportunities.

The RTA attends the Michigan Department of Transportation’s DBE conference and presents upcoming projects to DBE vendors, as well as networks with DBEs interested in bidding on RTA projects. RTA staff also attend Michigan Unified Certification Program (MUCP) quarterly meetings. The meetings are attended by DBE certifying agencies and other FTA covered entities in the State of Michigan. During these meetings any changes to the FTA’s DBE program are discussed, along with any ongoing DBE program related issues entities are experiencing.

## Appendix A

### Media

RTA's announcement of its proposed DBE participation goal for FY2020 – 2022 will be published in the following media sources:

- The Michigan Chronicle
- Detroit News/Detroit Free Press

Web sites:

- [www.rtamichigan.org](http://www.rtamichigan.org)

### Outreach Communications

Copy of a sample outreach communication sent to local and regional DBE stakeholders.

<To be published in the: Detroit News, Detroit Free Press, and the Michigan Chronicle>

**Public Notice:  
RTA of Southeast Michigan Proposed DBE Goals  
For FY 2020 – FY2022**

The Regional Transit Authority of Southeast Michigan (RTA) has established a goal of **8.26%** for its Disadvantaged Business Enterprises (DBE) Program for fiscal years 2020 through FY 2022. This goal will be attained through **4.51%** from race neutral participation and **3.75%** from race-conscious measures which reflects the relative availability of DBEs to participate in contracts and procurements projected by the RTA. The proposed goal and its methodology have been developed in accordance with the Federal Transit Administration's regulations 49 CFR Part 26.

The goal and the methodology used to develop it are available for inspection from 8:30 a.m. to 4:30 p.m. Monday through Friday at RTA's offices located at 1001 Woodward Avenue, Suite 1400, Detroit, Michigan. These materials will be available for 30 days following the date of this notice.

The RTA will accept comments on the goal for 45 days from the date of this notice. Inquiries may be directed to the following:

**RTA of Southeast Michigan**  
1001 Woodward Avenue, Suite 1400  
Detroit, Michigan 48226  
Or e-mail to: [info@rtamichigan.org](mailto:info@rtamichigan.org)





**REGIONAL  
TRANSIT AUTHORITY**  
OF SOUTHEAST MICHIGAN

September 10, 2018

Mrs. Regine Beauboeuf  
President - COMTO Michigan  
P.O. Box 32439  
Detroit, Michigan 48232

RE: RTA DBE Goal for FY 2020, FY2021 and FY2022

Dear Mrs. Beauboeuf,

The Regional Transit Authority of Southeast Michigan (RTA) in accordance with the requirements set forth in 49 CFR Part 26 is setting its Disadvantage Business Enterprise (DBE) Participation Goal for the Fiscal Years 2020, 2021 and 2022. This goal will be applied for projects funded in part by Federal funds for FY2020 through FY2022. The proposed goal of **8.26%** attained through **4.51%** from race neutral participation and **3.75%** from race-conscious measures reflects the relative availability of DBEs to participate in contracts and procurements projected by the RTA of Southeast Michigan. This proposed goal and the methodology (attached) have been developed by the RTA in accordance with federal requirements. Potential projects for this time period include planning studies, engineering analysis for potential future commuter rail investment and public participation assistance.

As a partner of the RTA, I'm reaching out to the Conference of Minority Transportation Officials (COMTO) Michigan Chapter to obtain your feedback on the draft goal, the state of the DBE market in Southeast Michigan and any other information that you would like to share with the RTA.

If COMTO would like to provide comments, please direct them to either: [info@rtamichigan.org](mailto:info@rtamichigan.org) or 1001 Woodward Avenue, Suite 1400, Detroit, Michigan 48226 by October 19, 2018. We look forward to partnering with COMTO on future opportunities.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. V. Will'.

General Manager