



PUBLIC NOTICE: DISADVANTAGED BUSINESS ENTERPRISE TRIENNIAL GOAL FOR FFY 2017 - FFY 2019

The Transportation District Commission of Hampton Roads (TDCHR), the public transportation system serving the Hampton Roads metropolitan area, announces the proposed establishment of an 11% Disadvantaged Business Enterprise (DBE) utilization goal on Federal Transit Administration funded projects for Federal Fiscal Years (FFYs) 2017-2019. The 11% proposed goal was derived using Virginia Department of Small Business and Supplier Diversity's Unified Certification Program Directory, previous fiscal year achievement, US Census Bureau data, and current area business consultations.

In accordance with 49 CFR Part 26.45(g), TDCHR invites maximum public participation and solicits comments regarding the proposed goal. Further, TDCHR invites the submission of evidence and information that may support the use of mixed components of race-conscious and race-neutral measures to achieve the overall goal.

A complete description of this proposed goal is available for public inspection for 30 days from the date of this notice online at: <http://gohrt.com/about/procurement/dbe-program/>. Click on the link **PUBLIC NOTICE: DISADVANTAGED BUSINESS ENTERPRISE GOAL FOR FFYs 2017-2019**; or it can be picked up at the receptionist desks from 9:00 a.m. to 3:30 p.m., at the Hampton Roads Transit headquarter locations of 3400 Victoria Boulevard, Hampton, VA 23661 or 509 East 18th Street, Norfolk, VA 23504 until July 27, 2016.

Comments on the proposed program goal will be accepted after the publication of this notice. Send all comments to the DBE Program Office, at the below address or by email to dbe@hrtransit.org. TDCHR will accept comments only until 3:00 p.m. on July 29, 2016.

Transportation District Commission of Hampton Roads
DBE Program Office
509 E. 18th Street
Norfolk, VA 23504
Attn: Erick Wilkes, DBE Program Manager

It is the policy of TDCHR to initiate actions to ensure that ready, willing, and able DBEs have an equal opportunity to participate in the performance of contracts fully or partially funded by the federal government. TDCHR is committed to maximizing the utilization of DBEs in the development, renovation and restoration of TDCHR facilities. TDCHR will further ensure that all solicitations are sought and considered without restriction based on age, color, disability, national origin, race, religion or sex.

Firms that are able to supply parts, supplies, or services are encouraged to apply for DBE certification by contacting the Commonwealth of Virginia's Department of Small Business and Supplier Diversity.

DBE Overall Goal Methodology for Fiscal Federal Years 2017 through 2019

I. Introduction

Pursuant to Title 49 Code of Federal Regulations (CFR) Part 26, the Transportation District Commission of Hampton Roads (TDCHR) presents its overall Disadvantaged Business Enterprise (DBE) goal and goal methodology for federal fiscal years 2017 through 2019. The purpose of the DBE goal-setting process is to level the playing field so that DBE firms can fairly compete for contracts with funding assistance from the Department of Transportation while ensuring that the program is narrowly tailored in accordance with applicable law.

II. Background

The TDCHR has received U. S. Department of Transportation (USDOT), Federal Transit Administration (FTA) financial assistance. As a condition of receiving this assistance, TDCHR has signed an assurance that it will comply with 49 CFR Part 26 DBE program requirements. The previous FTA DBE goal for TDCHR was developed in 2013 for federal fiscal years 2014 through 2016 (12% DBE goal). After utilizing resources of guidance provided by the USDOT, TDCHR proposes a three-year overall goal of 11% percent for federal fiscal years 2017 through 2019 on federally-assisted contracts. TDCHR estimates that, in meeting its overall goal of 11%, it will obtain 7% from race-conscious measures and 4% through race-neutral participation.

The overall goal is developed by a two-step method set forth within the federal regulations as defined in 49 CFR Part 26.45.

The base figure was determined by forecasting projected projects using federal funds. Over the next three years TDCHR will continue to invest in the maintenance of its facilities and vehicles, including the rehabilitation of the Hampton Administrative and Maintenance Facility, while also targeting IT security, ADA improvements, and addressing safety and security concerns. The base figure for the next three years consists generally on these capital investment projects.

III. FFY 2017-2019 FTA-Assisted Contracts

The information provided in Table 1 displays the TDCHR's FTA-assisted contracts considered in preparation of the goal methodology. These contracts are anticipated to be awarded during federal fiscal years 2017-2019 and obtained through the agency's 2016-2022 transit development plan. The project name and estimated project costs are included in this table. Professional services, construction, transit vehicle repairs, and material/supplies contracting opportunities exist during this period.

Project Name	Estimated Project Cost			
	2017	2018	2019	Total
Financial Services Software	\$ 1,131,000.00	\$ -	\$ -	\$ 1,131,000.00
Bus Stop Signage Update: Real Time Flag	\$ 230,000.00	\$ 234,000.00		\$ 464,000.00
Mobile Vault System	\$ 332,000.00	\$ 338,000.00		\$ 670,000.00
Transit Bus Overhaul Project	\$ 2,743,000.00	\$ 767,000.00	\$ 8,084,000.00	\$ 11,594,000.00
Transit Bus Mid-Life Repower Project	\$ 1,801,000.00	\$ 1,202,000.00	\$ 930,000.00	\$ 3,933,000.00
Bus Stop Amenity Program	\$ 349,000.00		\$ 233,000.00	\$ 582,000.00
ADA Bus Stop Access Upgrades	\$ 350,000.00	\$ 452,000.00	\$ 350,000.00	\$ 1,152,000.00
Newport News Transit Center Upgrades		\$ 630,000.00		\$ 630,000.00
Hampton Transit Center Upgrades		\$ 630,000.00		\$ 630,000.00
Victory Crossing Safety Upgrades		\$ 420,000.00		\$ 420,000.00
HRT Paving Program		\$ 357,000.00		\$ 357,000.00
Mobile Camera Units for Transfer Centers			\$ 108,000.00	\$ 108,000.00
SGR Rolling Stock			\$ 1,910,000.00	\$ 1,910,000.00
IT Network Security			\$ 127,000.00	\$ 127,000.00
Total FTA-Assisted Contract Funds	\$ 6,936,000.00	\$ 5,030,000.00	\$ 11,742,000.00	\$ 23,708,000.00

The information provided in Table 2 displays a summary of the work categories and their respective cost breakdowns. The information for the categories of work and related North American Industry Classification System, or NAICS, codes are provided for purposes of weighting the categories of work based on staff estimates.

Work Categories	NAICS Code	Estimated FTA Dollars Per NAICS	Estimated % of Total FTA Dollars Per NAICS
Custom Computer Programming Services	541511	\$ 1,131,000.00	4.8%
Sign Manufacturing	339950	\$ 464,000.00	2.0%
Office Equipment Merchant Wholesalers	423420	\$ 670,000.00	2.8%
Automotive Repairs/Preventative Maintenance	811111	\$ 15,527,000.00	65.5%
Commercial and Institutional Building Construction	236220	\$ 1,842,000.00	7.8%
Security Systems Equipment	423610	\$ 528,000.00	2.2%
Highway, Street, & Bridge Construction	237310	\$ 1,509,000.00	6.4%
Support Activities for Rail Transportation	488210	\$ 1,910,000.00	8.1%
Computer Systems Design Services	541512	\$ 127,000.00	0.5%
Totals		\$ 23,708,000.00	100.0%

IV. Goal Setting Methodology

Step 1: Establishing Base Figure (49 CFR Part 26.45)

Step one consists of determining the relative availability of DBEs (both prime contractors and subcontractors) to perform the types of contracts that TDCHR intends to let. The prescribed federal methodology was followed to determine the relative availability. The following points were considered when calculating the Transportation District Commission of Hampton Road's goals:

- TDCHR's local market area for contracts (state of Virginia) includes a geographic area with boundaries that were established:

- where a substantial number of prime contractors and subcontractors are located with the availability to submit bids or quotes, and
- where a large majority of contracting dollars are expended.

Table 3 below provided the results of the base figure calculation. The base figure percentage is calculated by using the most refined data available for:

- dividing the number of DBE firms identified for each NAICS work category who are "ready, willing, and able" to bid for the types of work TDCHR will fund during FY 2017-2019 by the number of all firms (DBEs and non-DBEs) also "ready, willing, and able" to bid for TDCHR projects (relative availability),
 - The various categories of business for this analysis are based on the North American Industry Classification System (NAICS). The source of data for the number of DBE firms identified for each NAICS work category who are "ready, willing, and able" to bid is the Commonwealth of Virginia Unified Certification Program (VUCP) DBE directory. The source of data for the number of DBE and non-DBE firms identified for each NAICS work category who are "ready, willing, and able" to bid is the United States Census Bureau County Business Patterns database for the Virginia MSA.
- weighting the relative availability for each work category based on the work category weight taken from Table 2 that corresponds with the estimated percentage of total FTA dollars per NAICS, and
- determining the sum of the weighted ratio figures.

Work Categories	NAICS Code	Category Weight	Total # of DBE Firms	Total # of DBE & Non-DBE Firms	Weighted Ratio
Custom Computer Programming Services	541511	4.8%	222	3433	0.003084941
Sign Manufacturing	339950	2.0%	9	117	0.001505496
Office Equipment Merchant Wholesalers	423420	2.8%	5	212	0.000666521
Automotive Repairs/Preventative Maintenance	811111	65.5%	4	2325	0.001126755
Commercial and Institutional Building Construction	236220	7.8%	209	964	0.016844726
Security Systems Equipment	423610	2.2%	48	281	0.003804293
Highway, Street, & Bridge Construction	237310	6.4%	260	341	0.048530335
Support Activities for Rail Transportation	488210	8.1%	8	18	0.03580601
Computer Systems Design Services	541512	0.5%	245	3784	0.000346836
Base Figure (Sum of Weighted Ratio for Work Categories)		100.0%	1010	11475	0.111715914

The result of the Base Figure calculation for TDCHR is 11% as shown in Table 3 above.

Step 2: Adjusting Base Figure

In order to determine if an adjustment to the base figure is necessary, TDCHR reviewed and assessed other known information that could potentially impact the relative availability of DBEs within the market area. Information considered in making adjustments to the Base Figure included:

Past DBE Goal Attainment

TDCHR's past DBE goal attainment for FY 2014-2016 is shown in Table 4 below:

TABLE 4		
THREE YEAR ACHIEVEMENT FOR TDCHR		
FY	DBE % ACHIEVED	
2014		15%
2015		7%
2016		11%
MEDIAN VALUE		11%

The results of the three year DBE goal attainment for FY 2014-2016 reflect a median value of eleven (11) percent, equaling the Base Figure calculation from Table 3. A disparity study has been conducted in 2011 for the TDCHR local market area. However, based on the median value calculation, information from the Commonwealth of Virginia (CoVA) disparity study will not be applied to a Base Figure goal adjustment. After the determination of the median value of eleven (11) percent, an adjustment of the Base Figure will not be made because the median value of eleven (11) percent equals the Base Figure calculation of eleven (11) percent as shown in Table 3.

V. Overall DBE Goal Proposal

For TDCHR’s FTA assisted contracts for FFY 2017-2019, the final proposed overall DBE goal is 11%. As a part of the prescribed goal-setting methodology, TDCHR must determine the percentages of the proposed overall DBE goal that can be met using race-neutral and race-conscious measures with the maximum feasible amount going towards race-neutral measures.

Calculation of Race-Neutral and Race-Conscious Split (26.51)

The previous DBE goal established for FFY 2014-2016 was 12 percent with a race-neutral goal of 3 percent and a race-conscious goal of 9 percent. However, this goal was adjusted during the three year period from an initial goal of 16.5% with 13% race conscious and 3.5% race neutral split. FTA program guidance indicates that the calculation to determine the race-conscious/race neutral split may be based in part on the amount that DBE goals were exceeded during the previous fiscal years.

Table 5 breaks down the past DBE goals and achievements for race-conscious and race-neutral splits during the previous triennial goal period of FFY 2014-2016. This information provides the foundation for calculating the race-neutral goal for FFY 2017-2019.

TABLE 5: DBE GOALS & ACHIEVEMENTS			
YEAR	FFY14	FFY15	FFY16
GOAL	16.5%	12%	12%
(RC/RN)*	(13/3.5)	(9/3)	(9/3)
ACHIEVEMENT	15%	7%	11%
(RN)	14.2%	5.2%	4.6%
DIFFERENCE (+/-)	-1.5%	-5%	-1%
RC=Race-Conscious, RN=Race-Neutral			
*(RC/RN) = Race-Conscious Goal/Race-Neutral Goal			

Additionally, FTA guidance suggests that the calculation of the extent that each goal was, or could have been, achieved by race-neutral means can be determined by adding the race –neutral goal in a year and the amount by which the total goal was exceeded. The sum is then divided by the total achievement in each year, resulting in the percentage of total achievement that was, or could have been, achieved by race neutral means.

Table 6 provides the results in the first step of determining the DBE race-neutral participation split for FFY 2017-2019. The RN, Difference (+/-), and Achievement data were obtained from Table 5 above. The process of the first step is to add the race-neutral participation to the difference of the overall goal and actual achievement (Difference (+/-) column) and, afterwards, divide this total by the achievement percentage. The results will reflect the past DBE race-neutral participation for the related fiscal year. Repeat this process for the remaining fiscal years to and use the calculated data to determine the median past DBE race-neutral participation.

TABLE 6: CALCULATION TO FIND MEDIAN FOR PAST DBE RACE-NEUTRAL PARTICIPATION					
FFY	RN	DIFFERENCE (+/-)	RN+DIFFERENCE (+/-)	ACHIEVEMENT	RN+DIFFERENCE (+/-)/ACHIEVEMENT
2014	14.2%	-1.5%	12.7%	15%	84.7%
2015	5.2%	-5%	0.2%	7%	2.9%
2016	4.6%	-1%	3.6%	11%	32.3%

Due to having an odd number of data for calculating the median, the median of 84.7%, 2.9%, and 32.3% is 32.3%.

Step two in the process of determining the DBE race-neutral split for FFY 2017-2019 is multiplying the median from step one, 32.3%, to the current established overall DBE goal, 11%.

$$0.323 \times 0.11 = 0.35, \text{ or } 4\%$$

As a result of completing the calculation for race-neutral participation, the proposed overall goal of 11% will consist of a race-neutral/race-conscious split of 4% and 7% respectively. The race-conscious split is based on a calculation of 11% (proposed overall goal) minus 4% (race-neutral split).

VI. Public Notice and Meaningful Consultation

The Transportation District Commission of Hampton Roads has determined that the proposed overall Disadvantaged Business Enterprises goal for federal fiscal years 2017 through 2019 will be 11% percent. The goal is based upon the availability of ready, willing, and able DBEs and non-DBE businesses in the Virginia Beach MSAs and our service area. In order to comply with 49 CFR Part 26.45 requirements for meaningful consultation and public notification, the proposed overall DBE goal has been posted on the agency’s website. Comments will be accepted for a period of thirty (30) days beginning June 27, 2016 and ending on July 27, 2016 while the public notice will remain on the website for FFY 2017-2019. Meaningful consultation will be performed during this period, including the opportunity for a meeting with face-to-face interaction and reaching out to all applicable community organizations, minority, women’s, and general contractor groups, and other officials or organizations in the local area for comments that could impact the established DBE goal.