

Disadvantaged Business Enterprise (DBE) Program

Federal Fiscal Years 2021-2023

Goal Methodology

Introduction

In accordance with Federal Regulation 49 CFR Part §26.26.45(f)(3), the Greater-Attleboro Taunton Transportation Authority (GATRA) submits its three-year Disadvantaged Business Enterprise (DBE) overall goal for FFY 2020-2023 on projected contracting opportunities funded in whole or in part by the Federal Transportation Administration (FTA) along with the methodology and supporting documentation for review.

Proposed DBE Goal FFY 2021-2023

GATRA's overall goal for the time period of Federal Fiscal Year (FFY) 2021-2023 (October 1, 2020 through September 30, 2023) is 7.84%. GATRA expects to award approximately \$9,603,532 and it is expected that 7.84% will be expended with DBEs on GATRA DOT-assisted contracts during the next three fiscal years. Of the overall goal, 0.0% will be achieved through race-conscious measures and 7.84% will be achieved through race neutral measures.

Goal Setting Methodology

GATRA's overall goal was set based on the two-step process as described in 49 CFR 26.45. This process ensures that GATRA's goal is based on the availability of ready, willing, and able DBEs in its relevant market.

Step One- Determination of Base Figure

Determination of Market Area and Sources of Information

GATRA determined its market area to be the State of Massachusetts and the State of Rhode Island.

GATRA used two sources of information to determine the availability of total firms and the number of DBEs certified in its market area. These data sources represent the most relevant information available related to GATRA's service area. GATRA did not have any additional DBE companies to add to the analysis from internal data.

1. GATRA is part of a UCP with the Commonwealth of Massachusetts and the Massachusetts Department of Transportation. The Commonwealth's Supplier Diversity Office (SDO) certifies Disadvantaged Businesses and keeps a directory of these businesses on their website which can be downloaded. This is a searchable directory in which DBE certified business can be sorted by NAICS code.
2. To calculate all Firms within the same geographic region GATRA used 2018 Census Data. GATRA utilized the census database site (data.census.gov) to breakdown each category for detailed statistics for each and every NAICS code for the total number of firms available in Massachusetts and Rhode Island.

In the Step One analysis, GATRA determined the percent of total FTA funds related to each NAICS code. Then GATRA calculated the relative availability of DBEs in specific project related areas using the SDO database and NAICS codes from the Census data. The relative availability of DBEs was then multiplied by the weight determined by the total FTA funds by NAICS code. This provided a weighted base figure for each NAICS code as well as an overall weighted base figure for the goal. A summary of the calculation of this step is provided in the tables below.

<i>Weight of each type of work by NAICS Code</i>			
<i>NAICS Code</i>	<i>Description</i>	<i>FTA Funds on Project</i>	<i>% of total FTA funds (weight)</i>
236220	Commercial & Institutional Building Contractors	\$ 3,875,600.00	0.4036
238210	Electrical	\$ 375,000.00	0.0390
238220	Plumbing and Heating	\$ 100,000.00	0.0104
238310	Drywall and Insulation	\$ 100,000.00	0.0104
238320	Painting and Wall Covering	\$ 135,000.00	0.0141
238350	Finish Carpentry	\$ 50,000.00	0.0052
238910	Site Preparation Contractors	\$ 650,000.00	0.0677
323111	Commercial Printing	\$ 65,686.00	0.0068
424720	Operator Gasoline and Petroleum	\$ 1,110,075.00	0.1156
441310	Operator Parts and Supplies	\$ 696,755.60	0.0726
488490	Snow Removal	\$ 168,076.00	0.0175
541330	Engineering and Design	\$ 1,537,000.00	0.1600
541412	IT Hardware/Consulting Services	\$ 157,790.00	0.0164
561720	Janitorial Services	\$ 57,681.25	0.0060
561730	Landscaping Services	\$ 48,420.00	0.0050
562111	Waste Collection	\$ 476,448.00	0.0496
	Total	\$ 9,603,531.85	1

As shown in the table above, GATRA identified its capital and operating projects planned for FY 2021-2023, including the federal funds estimated to be used in each project.

GATRA has five large projects for this goal setting period. Funding for these projects are from federal sources. Two of the five projects will be derived from 5307 formula funds with the balance of three projects coming from 5337 fixed guideway funds. A brief narrative description of these projects along with a corresponding cost and timeframe is as follows:

1. Eastern Service Zone Operations and Maintenance Facility (FFY 2021 – FFY 2023)

In order to address vehicle maintenance demand, circumvent deadhead trips for maintenance and enhance the passenger experience, GATRA is seeking a location for operations and vehicle maintenance in its South Shore service area. Creating this facility could entail a number of options, including the renovation of an existing facility or the design and construction of a new facility. The current estimate for this work is approximately \$2,600,000 to be derived from 5307 formula funds.

2. Attleboro Regional Transit Center (RTC) Commuter Parking Expansion (FFY 2021)

Despite the current availability of commuter parking due to reduced passenger trips because of the pandemic, long-range projections predict a high demand for commuter parking at the Attleboro RTC. Accordingly, GATRA intends to work with the MBTA in expanding at-grade commuter parking at the RTC by approximately 150 spaces. This work is estimated to cost approximately \$1,240,000 to be derived by 5337 fixed guideway funds.

3. Attleboro RTC Ramp & Platform Accessibility Improvements (FFY 2022 – FFY 2023)

The rail passenger boarding platforms and walkways leading thereto at the Attleboro RTC are in a considerable state of repair and provide a tripping hazard for rail passengers. In conjunction with the MBTA, GATRA seeks to perform badly needed repairs on these elements. This work is estimated to cost approximately \$1,192,000 to be derived from 5337 fixed guideway funds.

4. Attleboro Pedestrian Bridge / Sidewalk Design & Construction (FFY 2021 – FFY 2022)

The City of Attleboro and GATRA wish to provide a convenient and accessible pedestrian gateway to the Attleboro RTC via the construction of a pedestrian bridge over the Ten Mile River linking to a pedestrian sidewalk with traffic mitigation including new signals and crosswalks. This work is estimated to cost approximately \$1,103,600 to be derived from 5307 formula funds.

5. Attleboro Commuter Rail Station ADA Boarding Platform Design (FFY 2022)

The existing passenger rail boarding platforms at Attleboro Station are not compliant to the standards set by the 1991 Americans with Disabilities Act (ADA) and as amended. GATRA and the MBTA wish to design two 800 LF level boarding platforms with redundant elevators that will create a completely barrier free paths of travel in order to access inbound and outbound trains. This work is estimated to cost approximately \$687,000 to be derived from 5337 fixed guideway funds.

Additionally, prime and subcontract opportunities may also exist for operating purchases such as janitorial services, waste collection, snow removal, IT consulting and parts, gasoline, and other operator parts and supplies. Further, GATRA will ensure that its prime contractors are aware of the need to evaluate the use of DBE financial institutions.

<i>Relative availability of DBE's by NAICS Code</i>				
<i>NAICS Code</i>	<i>Project</i>	<i>Number of DBEs Available to Perform This Work</i>	<i>Number of All Firms Available (Including DBEs)</i>	<i>Relative Availability</i>
236220	Commercial & Institutional Building Contractors	48	919	0.0522
238210	Electrical	41	2815	0.0146
238220	Plumbing and Heating	13	3639	0.0036
238310	Drywall and Insulation	19	660	0.0288
238320	Painting and Wall Covering	31	1319	0.0235
238350	Finish Carpentry	28	1015	0.0276
238910	Site Preparation Contractors	71	1429	0.0497
323111	Commercial Printing	16	487	0.0329
424720	Operator Gasoline and Petroleum	10	53	0.1887
441310	Operator Parts and Supplies	1	717	0.0014
488490	Snow Removal	10	66	0.1515
541330	Engineering and Design	125	1888	0.0662
541412	IT Hardware/Consulting Services	18	183	0.0984
561720	Janitorial Services	38	1844	0.0206
561730	Landscaping Services	31	4822	0.0064
562111	Waste Collection	6	341	0.0176
Total		506	22197	0.0228

<i>Weighted Base Figure</i>				
<i>NAICS Code</i>	<i>Project</i>	<i>Weight</i>	<i>Availability</i>	<i>Weighted Base Figure</i>
236220	Commercial & Institutional Building Contractors	0.4036	0.0522	0.0211
238210	Electrical	0.0390	0.0146	0.0006
238220	Plumbing and Heating	0.0104	0.0036	0.0000
238310	Drywall and Insulation	0.0104	0.0288	0.0003
238320	Painting and Wall Covering	0.0141	0.0235	0.0003
238350	Finish Carpentry	0.0052	0.0276	0.0001
238910	Site Preparation Contractors	0.0677	0.0497	0.0034
323111	Commercial Printing	0.0068	0.0329	0.0002
424720	Operator Gasoline and Petroleum	0.1156	0.1887	0.0218
441310	Operator Parts and Supplies	0.0726	0.0014	0.0001
488490	Snow Removal	0.0175	0.1515	0.0027
541330	Engineering and Design	0.1600	0.0662	0.0106
541412	IT Hardware/Consulting Services	0.0164	0.0984	0.0016
561720	Janitorial Services	0.0060	0.0206	0.0001
561730	Landscaping Services	0.0050	0.0064	0.0000
562111	Waste Collection	0.0496	0.0176	0.0009
			Total	0.0638
			Total Expressed as Percent	6.38%

Step Two - Adjustment

In accordance with 49 CFR §26.26.45(d)(1) (I), after arriving at the preliminary base figure of 6.38%, GATRA reviewed and assessed other data to determine if the base figure should be adjusted. GATRA considered past participation and available disparity studies.

- Past Participation** - GATRA examined the current capacity of DBEs to perform work on FTA assisted contracts based on the contract awards in the last (2) federal fiscal years (FFY2018-FFY2019) as the complete data for FFY2020 was not available at the time these goals were prepared.

2018	11.44%	0.00 RC	11.44 RN
2019	7.17%	0.00 RC	7.17 RN

The projects analyzed in Step 1 for 2021-2023 are similar to the projects undertaken from 2018-2019. Therefore GATRA has made the following adjustment to its baseline goal utilizing the average participation achieved from 2018-2019:

Step 1 Baseline Goal	6.38%
Average Past DBE Participation	9.30%
Adjustment to Step 1 Baseline Goal	(6.38%+9.30%)/2
FINAL GOAL	7.84%

2. **Disparity Studies** - GATRA researched disparity studies done for the Commonwealth of Massachusetts and could only find one for our state. This study was done by NERA Economic Consulting for a joint effort by the Commonwealth’s Division of Capital Asset Management and the Massachusetts Housing Finance Agency in September 2010. *Race, Sex and Business Enterprise: Evidence from the Commonwealth of Massachusetts: Volume II* shows evidence of racial disparity in the market area. The Massachusetts Department of Transportation has undertaken a diversity study that would be more applicable to an agency such as GATRA; but that study has not been completed at this time. When that is completed GATRA may utilize it in preparing future goals. The disparity ratio cited in the study for Construction related businesses was 0.636¹. GATRA has not adjusted its goal as a result of the data available in this study. GATRA will review and utilize any updated data in preparing future goals.

3. **Statistical Disparities**-The study also showed evidence of statistical disparities in the Capital Market which covers areas of financing, bonding, and insurance. In the study national data is analyzed and compared to a survey conducted by NERA in the Massachusetts region, to examine whether discrimination exists in the small business credit market. The Executive Summary of that study was released to the public, whereas the complete report is marked “Proprietary and Confidential.” The following relevant bullet points are from the published Executive Summary:
 - Minority –owned firms were particularly likely to report that they did not apply for a loan over the preceding three years because they feared the loan would be denied.
 - When minority-owned firms did apply for a loan, their loan requests were substantially more likely to be denied than other groups, even after accounting for differences in factors like size and credit history.
 - When minority-owned firms did receive a loan, they were charged higher interest rates on the loan than was true of comparable White-owned firms.
 - Far more minority-owned firms report that credit market conditions are a serious concern than is the case for White-owned firms.

¹ NERA Economic Consulting, 2010, Table 5.21, pg. 118.

- A greater share of minority-owned firms believes that the availability of credit is the most important issue likely to confront the firm in the next 12 months.

“We conclude that there is statistically significant evidence of discrimination in Massachusetts in the small business credit market, particularly with respect to firms owned by Blacks. We find little or no significant evidence, however, that White females are discriminated against in this market.”²

4. Additional data on employment, self-employment, education, training, and union apprenticeship programs were examined both with the NERA Economic Consulting study and data from the updated 2007 Survey of Business Owners (SBO) Census Data (the study contains 2002 SBO data). The evidence confirms the continuing disparity in all these areas against disadvantaged business, as well as discrimination in union apprenticeship programs.

Race-Neutral and Race Conscious Division

GATRA has projected the race neutral (RN) portion of its 7.84% overall goal to be 7.84%. It is projected that no race conscious (RC) participation will be required to achieve the overall goal of 7.84%. GATRA determined its RN projection based on a review of its RN participation from FY 2018 & 2019. GATRA achieved an average of 9.30% RN participation in 2018 & 2019, accounting for 100% of the total DBE participation. GATRA anticipates a similar scope of projects for the next three fiscal years and therefore used the average FY 2018 & 2019 RN participation to project its RN and corresponding RC goals.

Proof of Publication

GATRA published a notice announcing the DBE goals that it has established as a part of the DBE program of each applicable federal fiscal year (FFY21-23) on its website (www.gatra.org). The Goal will be actively shared with the local Chambers, Minority Activist groups and promoted on the Authority’s Facebook page.

The notice informed the public that a DBE participation program – including DBE goals and a description of how these goals were developed – is available for inspection during normal business hours at the office of the Greater Attleboro Taunton Regional Transit Authority through November 15, 2020. GATRA and the Department of Transportation will accept comments throughout this period.

Minority/Women Contracting Groups

GATRA works with several local Chambers of Commerce, including the Metro South Chamber of Commerce and the Taunton Area Chamber of Commerce to assist in identifying Chamber members and small business associations in the area. GATRA will continue to work with these

² NERA Economic Consulting, 2010, Ch. 1.D.3, pgs. 9-10

local Chamber of Commerce for outreach and to establish relationships with small and minority owned businesses.

In addition to the local Chamber of Commerce organizations, GATRA also participates in the Unified Certification Program (UCP) managed by MassDOT. The UCP provides DBE certification for eligible business and conducts outreach and training across the state. GATRA also uses the database maintained by the UCP to locate DBE-certified businesses.

To improve the impact of outreach efforts, GATRA collaborates with peer Regional Transit Authorities to create greater interest in RTA projects from the DBE community. GATRA intends to continue building these partnerships.