

# GREATER PORTLAND TRANSIT DISTRICT | METRO TRIENNIAL OVERALL GOAL AND GOALSETTING METHODOLOGY FOR FFY 2019-2021

**DBE Goal: 2%**

Effective: October 1, 2018 through September 30, 2021

## INTRODUCTION

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The Greater Portland Transit District (METRO) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (USDOT).

Pursuant to 49 CFR Part 26 and USDOT official guidance, METRO has determined that its overall annual DBE attainment on Federal Transit Administration (FTA) funded projects for FFY 2019-2021 is 2% (the “Overall Goal”). The Overall Goal will be obtained using race- and gender-neutral measures. In establishing its Overall Goal, METRO has actively sought input from women, minorities, and the general contracting community.

This document describes in detail the process used by METRO to establish the Overall Goal.

## STEP 1. DETERMINING A BASE FIGURE

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As specified in 49 CFR 26.45(c), METRO calculated a percentage base figure reflecting the availability of DBEs relative to all businesses ready, willing, and able to participate on FTA-assisted contracts in its local market area. The base figure reflects a DBE participation level that METRO would expect in the absence of discrimination.

### Local Market Area

METRO determined its local market area by reviewing the business locations of the contractors and subcontractors with which METRO does businesses and by considering where METRO spends the substantial majority of its contracting dollars. Based on this information, METRO determined that its local market area encompasses the Portland-South Portland MSA and the Lewiston-Auburn MSA.

### Sources of Data

The number of ready, willing, and able DBEs and the total number of ready, willing, and able businesses in METRO’s market area were determined using the following verifiable sources of data:

- Maine DOT DBE Directory. The directory lists the firm’s name, address, phone number, date of most recent certification, and the type of work the firm has been

certified to perform as a DBE. In addition, the directory lists each type of work for which a firm is eligible to be certified by using the most North American Industry Classification System (NAICS) code available to describe each type of work. The directory is housed and continuously updated online. It is searchable by scope of work, and receives widespread distribution in hard copy at seminars, conferences, trainings, and other networking events.

- Census Bureau County Business Patterns (CBP) database. County Business Patterns provides data on the total number of establishments, mid-March employment, first quarter and annual payroll, and number of establishments by nine employment-size classes by detailed industry for all counties in the United States.
- METRO Bidders List. METRO has created and maintained a bidders list based on vendors who routinely seek to work on USDOT-assisted contracts in METRO's local market area.

### Calculation

METRO used the Maine DOT DBE Directory and Census Bureau data, supplemented by its bidders list, to calculate a base figure, as shown in Figure 1, attached hereto. Specifically, METRO calculated the relative availability percentage as follows:

1. METRO determined the number of ready, willing, and able DBEs in its local market area from the Maine DOT DBE directory and supplemented this number with the DBEs included vendors on its bidders list who are available to perform USDOT-assisted contracts. Then, using the Census Bureau's CBP database, METRO determined the number of all ready, willing, and able businesses available in its local market area that perform work in the same NAICS codes, and also verified that these vendors included all of the vendors on its bidders list. METRO was careful to not double-count firms by including them on the list more than once. (*See Figure 1, Columns A-E*).
2. Data from the CBP database were filtered for METRO's local market area—the Portland-South Portland Metropolitan Statistical Area (MSA) and the Lewiston-Auburn MSA—and for the NAICS codes categories set forth in Figure 1, Column B, which METRO determined are applicable for contracting opportunities on its public transit projects.
3. The CBP database identified a total of 2,745 businesses ready, willing, and able to perform work in the above-described NAICS codes categories in METRO's market area. The Maine DOT DBE directory lists 21 certified DBEs who are ready, willing, and able to perform work in these NAICS codes categories. The METRO bidders list identified a total of 137 businesses in METRO's local market area, all of which were identified in the CBP database, and no certified DBEs.
4. To ensure that the base figure is as accurate as possible, METRO weighted its calculation of the relative availability of firms. Specifically, METRO calculated the ratio of DBEs to the total number of vendors (*see Figure 1, Column F*), and then

multiplied this ratio by the ratio of contract dollars estimated to be spent on each category of NAICS codes (see Figure 1, Column H), to arrive at a weighted ratio for each category of NAICS codes (see Figure 1, Column J).

5. By adding the weighted ratios for each NAICS codes category and reflecting the total as a percentage, METRO derived a base figure of 1.0152% for the relative availability of DBEs in METRO's local market area. METRO has rounded the base figure to 1%.

## Result

Step 1 Base Figure = **1%**

## **STEP 2. DETERMINING IF ADJUSTMENT IS NEEDED**

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As specified in Section 26.45, once the relative availability of ready, willing, and able DBEs in METRO's local market area has been determined, it is necessary to examine additional evidence and, if appropriate, make adjustments to the base figure, to ensure that the DBE goal truly and accurately reflects the level of DBE participation METRO would expect absent the effects of discrimination. Accordingly, METRO has considered and accounted for other evidence of conditions affecting DBEs, as set forth below, and determined that an adjustment to the Step 1 Base Figure is appropriate.

### Factors Considered

After establishing the base figure, METRO considered available information of conditions affecting DBEs to determine whether any adjustment to the base figure would be needed to establish its new overall DBE goal for FTA-funded contracts.

In evaluating whether or not the base figure should be adjusted, METRO actively consulted with DBE organizations and vendors, as more fully set forth in "Public Participation and Outreach" below, to determine any changes in the availability of DBE vendors who could likely provide the goods and services METRO uses in the course of its business. METRO also reflected the capital contracting work anticipated for FFY 2019-2021 in its base figure calculation.

METRO also independently examined the nature of contracting work anticipated for FFY 2019-2021 in relation to contracting needs for the past three years and determined that the anticipated contracting needs are substantially the same as in past years and that the market conditions in METRO's local market area have not substantially changed.

Note that METRO's ability to meet prior DBE goals is attributable in large part to one successful DBE vendor. If that vendor does not maintain its DBE certification or is not awarded future contracts, METRO's actual DBE participation may decrease to a level closer to the Step 1 Base Figure. As set forth more fully below, METRO will make reasonable effort to persuade qualified existing and potential DBE vendors to pursue DBE certification.

Based on these inquiries and evaluations, METRO has determined that no additional data exist that would help to better measure the percentage of work that DBEs would be likely to obtain in the absence of discrimination than the evidence of actual past participation. Furthermore, when comparing the Step 1 Base Figure against the Adjusted Figure, below, METRO has concluded that the Adjusted Figure more accurately represents a level of DBE participation that METRO would expect absent discrimination.

**Calculation: Current Capacity of DBEs to Perform Work on USDOT-Assisted Contracting**

Based on the factors considered, METRO determined that an adjustment based upon past participation is warranted. Because METRO could not determine any more precise way to make the adjustment, it followed the guidance set forth in USDOT’s Tips for Goal-Setting to average the Step 1 Base Figure with a figure which represents METRO’s median past participation, as follows:

1. METRO determined the median past participation percentage based on the actual DBE participation during the most recent three federal fiscal years:

<b>DBE Report Period</b>	<b>METRO Race-Neutral Goal</b>	<b>Actual DBE Participation</b>
Oct – March 2016	8%	23%
April – Sept 2016	8%	2%
Oct – March 2017	8%	3%
April – Sept 2017	8%	0%
Oct – March 2018	8%	1%
<b>HISTORICAL MEDIAN:</b>		<b>2%</b>

The actual DBE participation figures for October 2016 – March 2018 are based on contract activity (not payments) as indicated in METRO’s Uniform Report of DBE Commitments/Awards and Payment Results.

2. METRO then averaged the historical median (2%) and the Step 1 Base Figure (1%) to arrive at an adjusted figure of 2%.

**Result**

Adjusted Figure = **2%**

**RACE-/GENDER-NEUTRAL AND RACE-/GENDER-CONSCIOUS SPLIT**

In accordance with federal regulations and USDOT guidance, METRO will strive to meet the maximum feasible portion of its proposed overall DBE goal by using race- and gender-neutral measures.

Based on information regarding awards and commitments to DBEs, certified DBEs received a median of 2% of the dollars on METRO's FTA-funded contracts in FFY 2016-2018.

METRO did not apply contract goals or any other race- or gender-conscious measures to any FTA-funded contracts that METRO or subrecipients awarded during that timeframe; thus, 100% of DBE contractors and subcontractors were used on contracts without DBE goals.

METRO currently has a broad range of race- and gender-neutral measures to encourage and facilitate DBE participation in its contracts, including:

- Maintaining one-stop DBE certification with Maine DOT;
- Utilizing METRO's website and paid advertisements in newspapers and trade publications to encourage increased DBE participation;
- Using mandatory pre-bid meetings in construction contracts;
- Maintaining a policy on race-neutral measures, and training METRO staff with respect to implementation;
- Continuing administrative enforcement of prompt payments between prime contractors and subcontractors;
- Providing consistent and accurate data collection of DBE participation;
- Continuing to maintain METRO's bidders list;
- Providing timely updates to current DBEs on all bidding and subcontracting opportunities; and
- Continuing to search METRO's active vendor base for prospective new DBE participants and to direct Maine DOT resources and information to DBE eligible companies in efforts to persuade them to become certified as DBEs.

METRO will continue to improve on these measures and increase their use.

Although the DBE vendor base applicable to transit is small in METRO's local market area, METRO continues to review the Maine DOT DBE registry and conduct outreach with individuals and organizations with direct contact with the DBE community for possible additions to its vendor base.

Based on its levels and trends of past participation and its race- and gender-neutral measures, METRO projects that METRO will be able to meet 100% of its new overall DBE goal through race- and gender-neutral measures. Accordingly, METRO projects that it will not need to utilize any race-conscious or gender-conscious measures to meet its proposed Overall Goal.

The levels of DBE participation on FTA-assisted contracts over the past three federal fiscal years supports METRO's projections.

### **ADDITIONAL INFORMATION**

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For additional information about this document or METRO's DBE Program, please contact:

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**Figure 1. GPTD Goalsetting Methodology: Step 1 Base Figure Calculation**

A	B	C	D	E	F	G	H	I	J
Contract Type	NAICS Codes	NAICS Title	Number of Vendors*		Ratio of DBEs to Total	FFY 2019-20 Budget**	Ratio of Total Budget	FFY 2019-21 DBE Budget	Weighted Ratio (Column F x Column H)
			DBE	Total					
Electricity	221122	Electric power distribution	0	17	0.0000	\$ 164,899.00	0.0116	\$0.00	0.0000%
CNG Fuel	221210	Natural gas distribution	0	2	0.0000	\$ 525,573.00	0.0370	\$0.00	0.0000%
Water/Stormwater	221310	Water supply and irrigation systems	0	5	0.0000	\$ 15,636.00	0.0011	\$0.00	0.0000%
Sewer	221320	Sewage treatment facilities	0	0	0.0000	\$ 17,393.00	0.0012	\$0.00	0.0000%
Bus stop improvements	237310	Highway, street and bridge construction	1	26	0.0385	\$ 1,288,000.00	0.0907	\$49,538.46	0.3487%
Electronic fare collection system	334118	Computer terminal and other computer peripheral equipment manufacturing	0	1	0.0000	\$ 420,000.00	0.0296	\$0.00	0.0000%
Transit Buses	336999	All other transportation equipment manufacturing	0	0	0.0000	\$ 8,573,820.00	0.6034	\$0.00	0.0000%
Greases and Fluids	424720	Petroleum and petroleum products merchant wholesalers	0	5	0.0000	\$ 67,095.00	0.0047	\$0.00	0.0000%
Parts	441310	Automotive parts and accessories stores	0	101	0.0000	\$ 366,949.00	0.0258	\$0.00	0.0000%
Tires and Tubes	441320	Tire dealers	0	36	0.0000	\$ 83,160.00	0.0059	\$0.00	0.0000%
Building Supplies	444130	Hardware stores	0	58	0.0000	\$ 99,792.00	0.0070	\$0.00	0.0000%
Minor Equipment- Buildings	444190	Other building material dealers	1	104	0.0096	\$ 10,478.00	0.0007	\$100.75	0.0007%
Office Supplies	453210	Office supplies and stationary stores	0	9	0.0000	\$ 27,594.00	0.0019	\$0.00	0.0000%
Diesel Fuel	454310	Fuel dealers	0	97	0.0000	\$ 528,194.00	0.0372	\$0.00	0.0000%
ADA Paratransit Services	485991	Special needs transportation	1	9	0.1111	\$ 510,300.00	0.0359	\$56,700.00	0.3991%
Postage	491110		0	0	0.0000	\$ 4,550.00	0.0003	\$0.00	0.0000%
Phone/Cell/Internet	517311		0	0	0.0000	\$ 21,727.00	0.0015	\$0.00	0.0000%
WiFi/AVL	517312		0	0	0.0000	\$ 211,463.00	0.0149	\$0.00	0.0000%
Technology Services	518210	Data processing, hosting, and related services	0	36	0.0000	\$ 125,126.00	0.0088	\$0.00	0.0000%
Bank and CC Fees	522320	Financial transaction processing, reserve, and clearinghouse activities	0	18	0.0000	\$ 18,840.00	0.0013	\$0.00	0.0000%
Auto/Liability Insurance	524210	Insurance agencies and brokerages	0	220	0.0000	\$ 305,056.00	0.0215	\$0.00	0.0000%
Legal Fees	541110	Offices of lawyers	0	368	0.0000	\$ 34,020.00	0.0024	\$0.00	0.0000%
Audit Fees	541211	Offices of certified public accountants	0	130	0.0000	\$ 22,491.00	0.0016	\$0.00	0.0000%
Facility study	541330	Engineering services	4	195	0.0205	\$ 60,000.00	0.0042	\$1,230.77	0.0087%
Other Contracted Services (design)	541430	Graphic design services	1	43	0.0233	\$ 47,783.00	0.0034	\$1,111.23	0.0078%
Other Contracted Services Mktg (Promo)	541613	Marketing consulting services	1	87	0.0115	\$ 26,366.00	0.0019	\$303.06	0.0021%
Consulting Svcs	541690	Other scientific and technical consulting services	2	50	0.0400	\$ 100,000.00	0.0070	\$4,000.00	0.0282%
Advertising	541810	Advertising agencies	1	34	0.0294	\$ 35,740.00	0.0025	\$1,051.18	0.0074%
Other Contracted Services Mktg	541820	Public relations agencies	1	23	0.0435	\$ 28,312.00	0.0020	\$1,230.96	0.0087%
Other Contracted Services (bus	541850	Outdoor advertising	1	5	0.2000	\$ 124,740.00	0.0088	\$24,948.00	0.1756%
Other Contracted Services	541922	Commercial photography	0	22	0.00%	\$ 2,268.00	0.0002	\$0.00	0.0000%
Other Contracted Services (gpcog)	541990	All other professional, scientific, and technical services	1	30	0.0333	\$ 20,034.00	0.0014	\$667.80	0.0047%
Snow shoveling temps	561320	Temporary help services	2	76	0.0263	\$ 3,402.00	0.0002	\$89.53	0.0006%
Other Contracted Services - security	561621	Security systems services (except locksmiths)	0	13	0.00%	\$ 44,974.00	0.0032	\$0.00	0.0000%
Custodial Services	561720	Janitorial services	0	229		\$ 34,020.00	0.0024	\$0.00	0.0000%
Snow Plowing and Removal Svc	561730	Landscaping services	2	407	0.0049	\$ 6,804.00	0.0005	\$33.43	0.0002%
Maintenance Services- BLDG	561790	Other services to buildings and dwellings	1	22	0.0455	\$ 48,111.00	0.0034	\$2,186.86	0.0154%
Mktg/Office printing	564139		0	0	0.0000	\$ 45,870.00	0.0032	\$0.00	0.0000%
Maintenance Services- Fleet	811111	General automotive repair	0	283	0.0000	\$ 72,576.00	0.0051	\$0.00	0.0000%
Office Machines Maintenance	811212	Computer and office machine repair and maintenance	1	8	0.1250	\$ 8,350.00	0.0006	\$1,043.75	0.0073%
CNG and HVAC	811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	0	57	0.0000	\$ 56,700.00	0.0040	\$0.00	0.0000%
<b>TOTAL</b>			<b>21</b>	<b>2745</b>		<b>\$ 14,208,206.00</b>	<b>100.00%</b>	<b>\$144,235.78</b>	<b>1.0152%</b>

\* Number of vendors derived from a review of the Maine DOT DBE directory, Census Bureau CBP database, and the METRO bidder list.

\*\* FFY 2019-2021 Budget includes METRO's projected expectations for the three-year period, allocated among NAICS codes.

All amounts are federal share

