

FTA

FEDERAL TRANSIT ADMINISTRATION

Transit Vehicle Manufacturers DBE Goal Methodology Refresher Training



Federal Regulatory Requirements

49 C.F.R. § 26.49:

If you are an ***FTA recipient***, you must require that each transit vehicle manufacturer, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, certify that it has complied with the DBE regulatory requirements.

- A transit vehicle manufacturer may obtain this certification by submitting its DBE Goal and Program Plan to the FTA Office of Civil Rights

If you are a ***transit vehicle manufacturer***, you must establish and submit for FTA's approval an annual overall percentage goal. You should be guided, to the extent applicable, ***by the principles underlying § 26.45.***

FTA Goal Review Process

- ❑ On August 1, 2014, TVMs submit the FY15 DBE goal methodology to FTA
- ❑ FTA will either approve the goal and issue a “TVM Certification letter” or identify deficiencies and issue an “In Review letter”
- ❑ TVMs will be given 60 days to correct all noted deficiencies
- ❑ TVMs that do not address all deficiencies within 60 days will receive a “Disapproval letter”
- ❑ FTA will post approved TVMs on the FTA TVM webpage
- ❑ On June 1, 2014, TVMs submit paper copies of the DBE semi-annual report—DOORS system is no longer available

DBE Goal Methodology



What is a DBE Goal

The DBE goal is the percentage of FTA funds you anticipate awarding to ready, willing, and able DBEs who provide supplies or services during FTA-assisted vehicle manufacturing projects.

Principles Underlying 49 C.F.R. 26.45

Goal Methodology

8 Minimum Requirements

1. Detailed list of contracting and subcontracting opportunities
 - List all supplies and/or services out-sourced
2. Identification of the geographic market area(s)
 - How did you determine this area
3. Step 1 Base Figure
 - Explain how you determined the relative availability of DBEs compared to all firms
4. Step 2 Adjustment
 - Did you adjust the Step 1 base figure? Why/why not? Explain the evidence used to make this determination

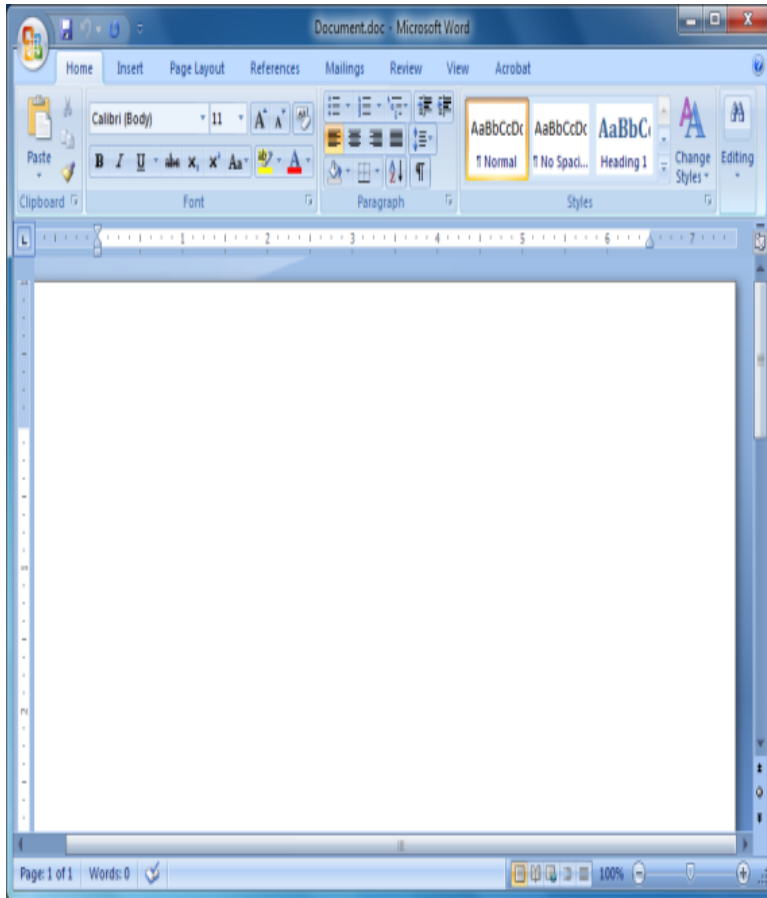
Principles Underlying 49 C.F.R. 26.45

Goal Methodology

8 Minimum Requirements cont'd

5. Race-conscious/race-neutral breakdown
 - Identify the percentage of your goal that will be achieved using race-neutral and race-conscious measures; and specify which race-neutral measures will be used
6. List of all sources used to establish the goal
7. Evidence of Meaningful Consultation
 - Conduct outreach sessions with minority/women/small business advocacy organizations and general business groups and submit evidence of your outreach
8. Proof of Publication
 - Publish goal in at least one general circulation media, one minority-focused media, and one trade publication

August 1st DBE Goal Submission



* Enter all the FTA-assisted projects below. Project amounts should be assigned relevant NAICS Code(s).

	Project	NAICS Codes	Project Description	Amount of DOT feeds on	% of total DOT feeds (weight)
1)	Utopia Central Subway Station	Include all NAICS codes used for this project	Briefly describe what the project will accomplish (i.e. constructing parking garage, etc.)		
2)					
3)					
4)					
5)					
6)					
7)					
8)					
9)					
10)					
Total FTA-Assisted Contract Feeds				\$0.00	0

* Use DBE Directory, census data and/or a bidders list to enter the number of available DBE firms and the number of available firms.

NAICS Code	NAICS Code Description	Specific Contracting Opportunity	Number of DBEs available to perform this work in XYZ market are	Number of all firms available (including DBEs) in XYZ market	Relative Availability
238990	All Other Specialty Trade Contractors	Fence installation			
Combined Totals			0	0	Overall availb

	NAICS Code	Project	Weight	x	Availability	ed Base Figure
1)			0.00000	x	0.00000	
2)			0.00000	x	0.00000	
3)			0.00000	x	0.00000	
4)			0.00000	x	0.00000	
5)			0.00000	x	0.00000	
6)			0.00000	x	0.00000	
7)			0.00000	x	0.00000	
8)			0.00000	x	0.00000	
9)			0.00000	x	0.00000	
10)			0.00000	x	0.00000	
					Total	0.0000
					(*100)	0.00%
					Weighted Base Figure:	0%

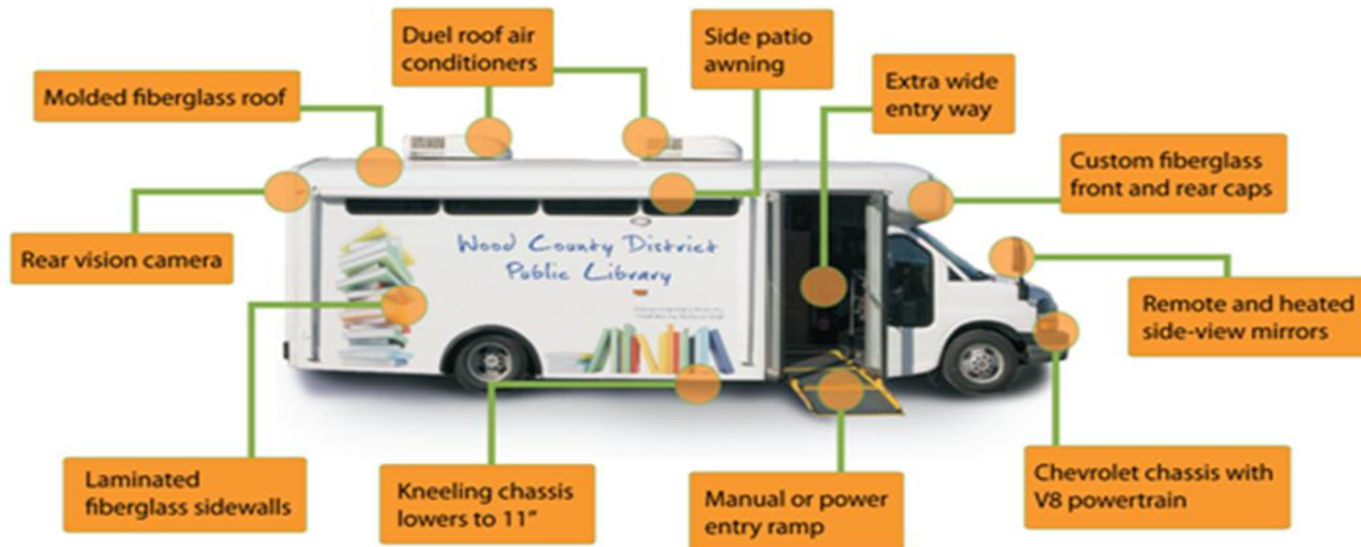
Narrative of each Element

+ Worksheet for Calculations

Detailed List of Contracting Opportunities

Create a list of supplies and services used to manufacture your vehicles

Exclude “in house” services



Detailed List of Contracting Opportunities

Effective Practice

The Bill of Materials may be used to determine which supplies are out-sourced



CDRJC7-45-3-06-EC-RADIATOR
CDRJC7-45-3-07-EC-RADIATOR COOLING FINS
CDRJC7-45-3-08-EC-FRONT COVER PLATE
CDRJC7-45-3-09-EC-STARTING CRANK HANDLE TUBE
CDRJC7-45-3-10-EC-STARTIG CRANK HANDLE
CDRJC7-45-3-11-EC-HOOD TO COMPARTMENT MOUNTING PLATE
CDRJC7-45-4-01-PC-FLOOR
CDRJC7-45-4-02-PC-COMPARTMENT
CDRJC7-45-4-03-PCFRONT WINDOW PANEL
CDRJC7-45-4-03-PCFRONT WINDOW PANEL
CDRJC7-45-4-04-PC-FRONT AND REAR DOOR SIDE FRAME
CDRJC7-45-4-04-PC-FRONT AND REAR DOOR SIDE FRAME
CDRJC7-45-4-05-PC-FRONT DOOR LINTEL
CDRJC7-45-4-06-PC-REAR DOOR LINTEL
CDRJC7-45-4-07-PC-REAR DOOR
CDRJC7-45-4-08-PC-FRONT DOO
CDRJC7-45-4-09-PC-FRONT WINDOW AND TRIM
CDRJC7-45-4-10-PC-REAR WINDOW AND TRIM
CDRJC7-45-4-11-PC-LARGE SIDE WINDOW AND TRIM
CDRJC7-45-4-12-PC-REAR SIDE WINDOW AND TRIM
CDRJC7-45-4-13-PC-FRONT SIDE WINDOW AND TRIM
CDRJC7-45-4-14-PC-SMALL SIDE WINDOW AND TRIM
CDRJC7-45-4-15-PC-DRIVERS SEAT
CDRJC7-45-4-16-PC-PASSENGERS SEAT
CDRJC7-45-4-17-PC-REAR PASSENGERS SEAT
CDRJC7-45-4-18-PC-ROOF
CDRJC7-45-4-19-PC-ROOF RACK

Detailed List of Contracting Opportunities

Recap

- ❑ Identify all supplies and services needed to manufacture your vehicles
- ❑ Remove the supplies and services that are performed “in house”
- ❑ Create a list of all contracting and subcontracting opportunities—including those highly technical components
- ❑ Determine whether any of these contracting opportunities be unbundled
 - ❑ You may separate components of a larger project to increase DBE contracting opportunities and facilitate DBE participation

Geographic Market Area

The geographic market area is the area(s) (i.e., state(s) or region) that you award a substantial majority of your contracts. **It is important to specify how you determined the boundaries of your geographic market area**



The local market area is not necessarily the same area that your facility is geographically located

Geographic Market Area *Example*

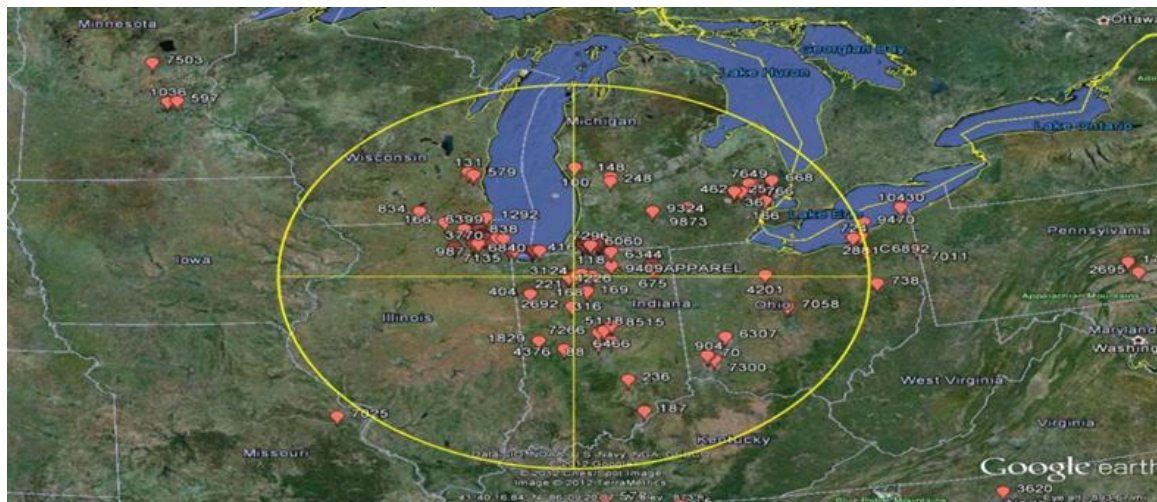
Hypothetical Transit Vehicle Manufacturer (HTVM) anticipates bidding on a FTA-assisted vehicle procurement. After creating a list of its contracting opportunities (i.e., parts, supplies, and services) and reviewing its purchasing history, HTVM notices that 40% of its suppliers are located near its facility in Indiana, 20% of the suppliers are located in Mississippi, another 20% in Michigan, 10% in Ohio, 5% in California, and 5% in various states throughout the United States.

HTVM must identify its geographic market area and explain how it made this determination. HTVM has several options:

1. Identify Indiana, Mississippi, and Michigan as the geographic market area because 80% of its suppliers are located in this area
2. Identify Indiana, Michigan, and Ohio as the geographic market area because 70% of its suppliers are located in this area
3. Other combinations

Geographic Market Area *Effective Practice*

Consider the geographic location of your largest suppliers or the areas where a large majority of your products are sourced



Step 1 Base Figure *Elements*

- Categorize contracting opportunities by North American Industry Classification System (NAICS) codes
- Locate DBEs according to NAICS codes
- Locate non-DBE according to NAICS codes
- Determine relative availability

Step 1 Base Figure

Contract Opportunities and NAICS Codes

NAICS Codes

- Numeric codes used to classify businesses in collecting, analyzing, tabulating and presenting statistical information on the U.S. economy

Using NAICS Codes

- Classify your contracting opportunities according to NAICS code
- List the numerical NAICS code and the title of each NAICS code

Determining Applicable Codes

- Visit <http://www.census.gov/eos/www/naics/>
 - This website provides a list of all NAICS codes and a brief description of what each encompasses

NAICS Codes *Reminder*



- Select NAICS codes that best describe your contracting opportunities
- Avoid broad generalized NAICS codes when possible

Example:

NAICS code 336321, Vehicular Lighting Equipment Manufacturing, should be used instead of 3363, Motor Vehicle Parts Manufacturing

Step 1 Base Figure

Locating DBEs—Resources

Unified Certification Program (“UCP”) directories in your geographic market area

FAA dbE-connect DBE Directory

<https://faa.dbesystem.com/FrontEnd/VendorSearchPublic.asp?XID=7146&TN=faa>

Bidders list

Other reliable sources

Step 1 Base Figure

Locating non-DBEs—Resources

- Census Bureau data

<http://www.census.gov/econ/cbp/>

- Bidders list

- Other reliable sources

Step 1 Base Figure

Determine Relative Availability

Relative Availability: An evaluation/analysis of DBE and non-DBE firms who are “ready, willing, and able” to provide a supply or service to your company

$$\text{DBE Firms} \div \text{All Firms (DBE firms + non-DBE firms)} \\ = \text{Base Figure}$$

Step 1 Base Figure *Example*



NAICS 336321: Vehicular Lighting Equipment Manufacturing

Component/Materials/Services Purchased:
Interior Electrical Lighting Units

DBEs in Michigan UCP: 5

Bidders list included 3 additional MI DBEs

DBEs in Indiana UCP: 7

DBEs in Ohio UCP: 2

Using Census data and the bidders list, you have identify 50 non-DBEs in your market areas under NAICS 336321

Step 1 Base Figure

Example cont'd

DBE Firms \div All Firms (DBE firms + non-DBE firms)

- UCP DBEs (14) + Bidder's list (or other source DBEs) (3)=17
- 17 (DBEs) \div 67 (50+17) (All Firms) =.25373
- .25273 x 100= 25.373

Note: This figure may change once it is “weighed” against other contracting opportunities and the funds associated with those contracts



Step 1 Base Figure *Effective Practice*

Displaying the contracting opportunities, NAICS codes, DBEs, and all firms in a table makes it easier to collect data

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	335312	[REDACTED]	2	13	0.15
2)	331511	[REDACTED]	0	1	0.00
3)	238210	[REDACTED]	16	1,113	0.01
4)	331513	[REDACTED]	0	16	0.00
5)	335931	[REDACTED]	2	23	0.09
6)	336510	[REDACTED]	8	15	0.53
7)	336510	[REDACTED]	2	3	0.67
8)	335311	[REDACTED]	0	4	0.00
9)	484121	[REDACTED]	5	1,072	0.00
10)	561621	[REDACTED]	0	138	0.00
Combined Totals			35	2,398	0.01
					<i>Overall availability of DBEs</i>

Step 1c - (Weight) x (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	Availability	Weighted Base Figure
1)	335312	[REDACTED]	0.41	0.15	0.06
2)	331511	[REDACTED]	0.14	0.00	
3)	238210	[REDACTED]	0.04	0.01	0.00
4)	331513	[REDACTED]	0.04	0.00	
5)	335931	[REDACTED]	0.03	0.09	0.00
6)	336510	[REDACTED]	0.24	0.53	0.13
7)	336510	[REDACTED]	0.06	0.67	0.04
8)	335311	[REDACTED]	0.01	0.00	
9)	484121	[REDACTED]	0.02	0.00	0.00
10)	561621	[REDACTED]	0.01	0.00	
Total					0.23
Expressed as a % (*100)					23.32%

Step 2 Adjustment *Elements*

- ❑ Examine additional evidence that may cause your DBE goal to differ from your calculated projections (upwards or downwards)

Note: Using past participation as a justification for decreasing your goal will not be accepted absent strong evidence

- ❑ Based on this information, determine if an adjustment is needed
- ❑ If an adjustment is warranted, provide the methodology used to adjust your goal (i.e., an explanation of how and why you adjusted the goal)
- ❑ If no adjustment is needed, explain why

Step 2 Adjustment

Evaluating Additional Evidence

Past Participation

First: Determine Past Participation Median (Historical Median)

Example:

- Identify your DBE participation from the past 3-5 years.
 - Note: Past participation is not necessarily the same as the past DBE goal
- Arrange the participation values from low to high. For example, the participation percentages 3, 6, and 1 arranged from low to high is: 1%, 3%, and 6%.

Second: Take the average of your Step 1 Base Figure and the Historical Median

$$(\text{Base Figure} + \text{Historical Median}) \div 2$$

Step 2 Adjustments

Past Participation Example

Data

Base Figure: 8%

Participation:

FFY2011: 10%

FFY2012: 5%

FFY2013: 12%

Calculation

$$8\% + 10\% = 18\%$$

$$18\% \div 2 = 9\%$$

Adjusted Goal: 9%

$$(\text{Base Figure} + \text{Historical Median}) \div 2$$

Step 2 Adjustments

Evaluating Additional Evidence

Disparity Study

Disparity Study: A jurisdictional survey of minority and women owned businesses, the availability of such businesses to perform on contracts, and the effects of past discrimination toward these groups

During the Step 2 adjustment you must:

- Locate disparity studies within your geographic market area
- Determine whether the studies are applicable to your goal
 - Identify similar NAICS codes or work categories discussed in the disparity study
- Indicate whether and how this study impacts your goal

Step 2 Adjustments

Evaluating Additional Evidence

Comparing Similarly Situated TVMs

When using the goals of other TVMs during the Step 2 adjustment process, you must analyze the following:

- ❑ The geographic location of respective TVMs
- ❑ The work scopes included within their goal methodologies
- ❑ The vehicle manufactured (e.g., hybrid bus, diesel bus, rail car, etc.)
- ❑ The factors considered in their Step 2 adjustment
- ❑ The groups/organizations consulted during the public participation process

Step 2 Adjustment

Evaluating Additional Evidence

Vetting Process: If you use a vetting process as a means for adjusting your goal to ensure that all DBEs listed are truly “ready, willing, and able,” you should also perform a similar vetting process for non-DBEs

Bidders List: Compare the number of non-DBEs listed in the bidders list with the Census data

Race-Neutral/Race-Conscious Measures

Race-Neutral: Outreach, technical assistance, procurement process modification, or other measures that can be used to increase opportunities for all small businesses, **not just DBEs**

Race-Conscious: Any measure that seeks to assist **DBEs only**. Currently, contract goals are the only FTA approved race-conscious measures. (Please seek FTA approval prior to establishing any other DBE-focused initiatives that you would categorize as race-conscious measures.)

- See USDOT Question and Answers: What Means Do Recipients use to Meet Overall Goal, <http://www.osdbu.dot.gov/DBEProgram/final/final26.cfm>

Race-Neutral /Race-Conscious Breakdown

Identify the percentage of your goal that will be attained using race-neutral measures and the percentage that will be attained used race-conscious measures

Identify the race-neutral measures, such as:

- Providing technical assistance
- Informing the small business community of your contracting procedures
- Urging prime contractors to identify subcontracting opportunities for small businesses

See 49 C.F.R. 26.51(b) for additional suggestions

Identify Your Sources

Provide the names and locations of the sources used to establish your goal

Source Title: QVZ Disparity Study

Source Location: www.qvz.org

Meaningful Public Participat (2 Components)



Public participation **must** include:

- Consultation** with minority, women and general contractor groups with knowledge of availability of DBEs for feedback on your DBE goal methodology and implementation
 - Phone Calls
 - In-Person Meetings
 - Email Messages
- Publication** of a notice announcing your proposed goal.
 - Must be published in *general circulation media AND minority-focused AND trade-focused publications*
 - Must accept public comments for at least 45 days (i.e., the public comment period)

Consultation



Actively engage minority, women, and general contractor organizations to request feedback on your goal methodology, additional DBE resources, and your overall DBE program implementation



Invite DBEs and non-DBE primes and small businesses to discuss contracting opportunities (e.g., host outreach sessions)



Contact transit agencies (i.e., DBELOs) to request feedback on your goal methodology

Evidence of Consultation

- Summarize all comments received and provide an explanation of how these comments impact the goal
- Names and titles of persons/organizations contacted
- Photocopies of correspondence sent/received during consultation
- Meeting minutes and sign-in sheets
- Dates and times of conversations and information gathered during calls

Consultation

Effective Practice

Disseminate targeted correspondence to small business, minority, and women advocacy groups to solicit comments and feedback from DBE and small business stakeholders

Maintain relationships with national advocacy and small business organizations *throughout the fiscal year*

Send a list of upcoming contracting opportunities to national small business organizations and request that this these opportunities be shared with its membership

Consultation *Effective Practice*

We are a transit bus manufacturing company requesting your assistance in establishing a [REDACTED]. We are actively seeking DBE and Small Business participation for the manufacturing of our product. [REDACTED]

[REDACTED] a Transit Vehicle Manufacturer with final assembly facilities [REDACTED] has established a DBE program in accordance with regulations of the U.S. D.O.T., 49 CFR part 26. Champion Bus, Inc and General Coach America, Inc. proposes a minimum goal of [REDACTED] DBE participation in D.O.T. assisted contracts for FY 2014. This proposed goal and its methodology are available for inspection for up to thirty (30) days during normal business hours Monday thru Friday, and up to 45 days for comments, following the date of this Notice. Comments should be addressed to: Champion Bus, Inc and [REDACTED] Attn: DBELO, [REDACTED] and [REDACTED] Inc. is seeking DBEs certified under 49 CFR Part 26 and Small Business Enterprises meeting SBA standards to submit technical and commercial proposals to us for products and services which are require to manufacture commercial buses and cutaways. Potential supplier work scopes may include fiberglass products / end caps / front caps and components, bumper assemblies, interior trim, wall coverings, flooring and floor coverings, passenger seats, driver's seat assemblies, window assemblies, entrance and exit door assemblies, door control systems, heating and air conditioning systems, video/radio/paging equipment, interior/exterior lighting, wire harnesses, destination signage, belts and restraints, mirrors, running boards, stanchion tubing and fittings, luggage racks, tailpipes, specialty steel (structural steel tubing, etc.), metal fabrications, welding, aluminum extrusions, fire extinguishers, decals/stripping/paint, first aid kits, plywood, hardware, technical manuals, transportation of materials, seals/tapes/caulking, shop tools and cleaning supplies, motor oil, and other stipulated deliverables for installation on commercial buses and cutaways. Certified DBEs and Small Businesses meeting these qualifications should contact [REDACTED]

We would greatly appreciate any feedback or comments regarding this request. [REDACTED]

Consultation

Effective Practice

Use several outreach methods:

- Phone Calls
- In-Person Meetings
- Email Messages



Publication

Goal notice must be published in:

General circulation media

- Local newspaper, magazine, journal distributed to the general public

AND

Minority-focused media

- Minority-focused publication

AND

Trade-focused publications

- Publishing in American Public Transportation Association (APTA) alone is not acceptable

Publication

Public Comment Period

- You must accept public comments for 45 days after the goal is announced
- The public comment period ends 45 days after the last goal notice is published
- Indicate whether you received any comments based on the publications and explain how these comments impact your goal

Publication *Sample Goal Notice*

PUBLIC NOTICE – DBE GOAL

[REDACTED] TRANSIT CORPORATION

By itself or through its affiliates [REDACTED] Mass Transit Corporation, [REDACTED] Corporation, [REDACTED] Transportation Mexico S.A. de C.V., and such parties' parent company, [REDACTED] Inc., is informing the public of a 10.45% FTA Annual DBE participation goal for the fiscal year 2012. This goal is based on anticipated work.

Documents relating to the goal are available for inspection for 30 days following this notice during normal business hours at:

- [REDACTED] Transit Corporation
[REDACTED] – Suite 100
Bensalem, PA 19020

Furthermore, the Department of Transportation and [REDACTED] will accept comments on this goal for 45 days from the day of this notice.

Unacceptable Publication Source

Public Notices

Would your company or agency like to post a Public Notice on www.dbegoodfaith.com? Download and complete our [Public Notice Order Form](#) and fax it back to DBE Goodfaith Inc. For government agencies, the Public Notice is free!

If you have any questions about DBE Goodfaith's Public Notices, contact us at (877) 802-3394 or info@dbegoodfaith.com.

Transit Agencies vs. TVMs

Transit Agencies

- Require TVMs certify DBE compliance before accepting bids or proposals
 - Request and obtain TVM certification letters from TVMs prior to contract award
 - Visit the FTA web page to ensure this TVM is eligible to bid on procurement
 - Print the webpage for your records
- Request FTA approval before establishing a project goal for vehicle purchases
 - Upon approval, submit project goal methodology to FTA for approval

TVMs

- Submit DBE goal to FTA before bidding on FTA-assisted vehicle procurements
- Submit DBE program plan to FTA before bidding on FTA-assisted vehicle procurements
- Submit the TVM certification to transit agencies with bid package
- Notify FTA when a transit agencies place a contract goals on vehicle procurement s