

DBE Goal Methodology – *updated 5/2019*
Champaign-Urbana Mass Transit District
Triennial DBE Goal: FY 2019 – FY 2021

Overview/Introduction

The Champaign-Urbana Mass Transit District's (MTD) triennial DBE goal is .91%. This is a 100% race neutral goal. MTD only uses federal funding for capital projects, not operating expenses. MTD will not have any subrecipients during this triennial period.

This goal and methodology represent all FTA funds that MTD will expend on all FTA assisted contracting opportunities from October 2018 through September 2021, excluding the purchase of transit vehicles.

Contracting Opportunities

In the FY 2019 - FY 2021 period, MTD has confirmed one FTA-funded project: Hydrogen Fuel Cell Buses & Infrastructure. FY 2017 FTA 5339(c) Low or No Emissions funding in the amount of \$1,450,000 was awarded to MTD for this project. This project will also be funded with approximately \$1,122,500 FTA Section 5307 and \$4,777,500 in State of Illinois Downstate Operating Assistance Program Debt Service funding. This equates to 35% federal funding and 65% state funding with total federal funding at \$7,350,000.

The federally-funded portion of this project has been separated into two separate prime contracts.

Component A includes plans to modify our existing Maintenance Facility to allow the buses to be housed in the facility. Facility modifications will include addition of detection equipment, changes to fire and HVAC systems, exhaust fan equipment, and building electrical changes. A general contractor will be hired through a competitive bidding process to conduct the work.

Component B includes hydrogen production and fueling infrastructure which will be installed on property near current fueling station. Hydrogen infrastructure is expected to include a dispenser, station module, supply storage, fueling storage, supply compressor, electrolyzer, transformer, water, and a pipeline. This will be a design-build procurement, through a competitive request for proposals process.

All aspects of the project have been evaluated to identify subcontracting opportunities (Table 1).

Table 1

Component	NAICS Code	Activity	Estimated Federal Funding
A	236220	Commercial and Institutional Building Construction	\$52,500
	238210	Electrical Contractors and Other Wiring Installation Contractors	\$99,225
	238220	Plumbing, Heating and Air Conditioning Contractors	\$159,565
	238320	Painting and Wall Covering Contractors	\$2,975
	423610	Electrical Apparatus and Equipment, Wiring Supplies and Related Equipment Merchant Wholesalers	\$115,828
B	237110	Water and Sewer Line and Related Structures Construction	\$43,750
	237120	Oil and Gas Pipeline and Related Structures Construction	\$105,000
	237130	Power and Communication Line and Related Structures Construction	\$52,500
	238910	Site Preparation Contractors (Demolition)	\$35,000
	238110	Concrete	\$35,000
	238220	Plumbing & HVAC	\$26,250
	238210	Electrical Work	\$52,500
	238290	Other Building Equipment Contractors	\$52,500
	541330	Engineering Services	\$87,500
	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	\$105,000

Geographic Market Area

We anticipate the substantial majority of subcontractors interested in this project will be within the state of Illinois. In the past, we have identified a market area of a 100-mile radius. However, the scale of this project is likely to cast a wider net, and we therefore include the entire state of Illinois in our geographic market area.

Goal Calculation

Step 1: Develop the base figure to determine relative availability of DBEs

The method used to determine a base figure for the relative availability of Disadvantage Business Enterprises (DBE) for step 1 utilizes DBE Directories and Census data (American Factfinder). The DBE goal was established based on the known availability of qualified DBEs.

- a) We determined the number of ready, willing, and able DBEs in the market area from the **Illinois UCP DBE Directory** for firms within the project NAICS codes. This is shown in Table 2, Column C.
- b) We determined the number of all ready, willing, and able businesses available in the associated market that perform work in the same NAICS codes using the **American Factfinder**. This is shown in Table 2, Column D.
- c) The weight of each activity was multiplied by the relative availability of DBE firms for that activity to find the weighted base. This is shown in Table 1, Column G.

d) The weighted base numbers for each activity were summed to determine the **base figure percentage**.

Table 2

	A	B	C	D	E	F	G
Component	NAICS Code	Activity	# DBE Available (IL UCP Directory)	# Firms Available (American Factfinder)	Relative Availability = C / D	Weight (% of Total Grant Funds)	Weighted Base (= E * F)
A	236220	Commercial and Institutional Building Construction	87	1,365	6.37%	0.71%	0.00%
	238210	Electrical Contractors and Other Wiring Installation Contractors	140	2,746	5.10%	1.35%	0.03%
	238220	Plumbing, Heating and Air Conditioning Contractors	110	3,986	2.76%	2.17%	0.03%
	238320	Painting and Wall Covering Contractors	80	1,472	5.43%	0.04%	0.00%
	423610	Electrical Apparatus and Equipment, Wiring Supplies and Related Equipment Merchant Wholesalers	28	633	4.42%	1.58%	0.07%
B	237110	Water and Sewer Line and Related Structures Construction	34	345	9.86%	0.60%	0.06%
	237120	Oil and Gas Pipeline and Related Structures Construction	4	38	10.53%	1.43%	0.15%
	237130	Power and Communication Line and Related Structures Construction	36	190	18.95%	0.71%	0.14%
	238910	Site Preparation Contractors (Demolition)	103	1,130	9.12%	0.48%	0.04%
	238110	Concrete	157	806	19.48%	0.48%	0.09%
	238220	Plumbing, Heating and Air Conditioning Contractors	110	3,986	2.76%	0.36%	0.00%
	238210	Electrical Contractors and Other Wiring Installation Contractors	140	2,746	5.10%	0.71%	0.02%
	238290	Other Building Equipment Contractors	17	316	5.38%	0.71%	0.04%
	541330	Engineering Services	140	1,871	7.48%	1.19%	0.09%
	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	7	964	0.73%	1.43%	0.01%
Base figure percentage (total)							.91%

Step 2: Adjustment

Disparity Study: MTD reviewed [the Illinois Department of Transportation \(IDOT\) 2017 disparity study](#), which was conducted to help inform IDOT’s implementation of the Federal Disadvantaged Business Enterprise (DBE) Program. Key findings of the study suggest that there may be a need to account for barriers that minorities and women face in human capital and owning businesses in the local contracting industry. However, we determined that this study is not a close enough match to make an adjustment to our DBE goal based on this study. IDOT’s study included both construction and professional service contracts. Our upcoming project does not include any professional service contracts. It is not evident from IDOT’s study whether or not the scope of work for the construction projects is comparable to the scope of work of our upcoming project. Additionally, it is safe to assume that the magnitude of the scope of IDOT’s projects is immense in comparison to MTD’s scope of the upcoming project. No adjustment was made based on the 2017 IDOT Disparity Study.

Past Participation: MTD only had one federal project in the previous triennial period, the Maintenance Facility Expansion. Staff looked to state funded capital project for past DBE participation as well. DBE participation for Federal and State- and federally-funded projects in the past five years is shown in Table 3 below.

Table 3

Project	Total Contract Amount	DBE Participation
Radiant Heater Replacement	\$60,000.00	10%
Chiller Replacement	\$238,038.65	9.8%
Plumbing Replacements	\$29,482.00	9.8%
Pavement Replacement	\$186,293.80	9.74%
Train Platform Rehabilitation	\$254,700.00	9.8%
LED Lighting Retrofit	\$304,538.25	0%
Maintenance Facility Expansion	\$9,208,352	4.65%
Property Demolition	\$38,000	0%
Boiler Replacement	\$144,085	4.63%
Sink & Hand Dryer Replacements	\$27,290	21.59%
Fuel Management System	\$111,749	13.67%

The scope of the project in the current triennial period is very different from the types of projects MTD has let in recent years. Thus, we cannot assume that past rates of DBE participation are an accurate reflection of DBE capacity in the type of work we will perform this triennial period. Based on our evaluation or information, no adjustment is warranted at this time.

Race Neutral Measures

MTD will carry out the following race neutral measures:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses.
 - a. An outreach event announcing the solicitation and DBE goal methodology will be held three weeks prior to a pre-bid meeting.

- b. The outreach event will be advertised to all DBEs in Illinois with NAICS codes related to the solicitation and community stakeholders involved in procurement diversity and workforce diversity.
 - c. During the outreach event for subject solicitation, the date, time, location of a pre-bid meeting for the solicitation will be communicated.
 - d. The pre-bid meeting for the solicitation will be at least three weeks after the outreach event.
 - e. The pre-bid meeting will address business, procurement and technical issues associated with the solicitation.
 - f. The bid submittal date will be at least three weeks after the pre-bid meeting. A list of DBEs categorized by NAICS codes associated with the solicitation and have expressed interest in the project will be included as an appendix in the bid documents.
2. Carrying out information and communications programs on contracting procedures and specific contract opportunities.
 - a. All DBEs in IL with NAICS codes related to the solicitation along with community stakeholders involved in procurement diversity and workforce diversity will be solicited for the outreach event and the pre-bid event.
 - b. Several reminders regarding the solicitation bid date will be provided.
 - c. A webpage will be created and maintained to provide a list of support services that provide technical, bonding and other forms of assistance for DBEs and small businesses.
 - d. This webpage will be developed and posted prior to the initial outreach event.
 - e. A list of all DBES that expressed interested in the solicitation from the outreach event and pre-bid meetings will have their contact information posted on the webpage advertising the solicitation.
 - f. All prime bidder that expressed interested in the solicitation from the outreach event and pre-bid meetings will have their contact information posted on the webpage advertising the solicitation.
3. Ensuring distribution of DBE directory to the widest feasible universe of potential prime contractors.
 - a. A link to the IL UCP DBE Directory as well as a link to a list of all DBES that expressed interested in the solicitation from the outreach event and pre-bid meetings will be placed in any literature distributed during the pre-bid meeting, in the bidding documents, in the RFP, and maintained on the MTD website.
4. Assisting DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.
 - a. City Blue Technologies will be the preferred vendor where the electronic drawings of the solicitation will be hosted. City Blue Technologies supports DBEs and small businesses by providing electronic access drawings at no cost and permits selective printing of drawing sheets for those related to the DBEs specialty reducing their cost exposure.

Consultation

MTD conducted direct and interactive consultation with minority, women's and general contractor groups on April 30, 2019. An invitation to this event was sent to the 608 firms listed as IDOT UCP certified in the appropriate NAICS codes.

At the event, MTD presented a project overview, construction scope, DBE methodology and goal, anticipated schedule, resources and accepted feedback and questions. We also distributed the potential bidders list for Component B (this does not exist yet from Component A, but will be distributed at a later date). Six firms attended the event, which included four DBE firms and two WBE firms. Seven questions were received at the event. The answers to these questions were verbalized at the event and later posted on mtd.org. No feedback was received on the DBE methodology or goal.

The presentation, Q&A, and potential bidders have been posted on mtd.org along with other resources for DBEs.

After completing this outreach, we do not see any adjustment to the goal necessary at this time.