

DBE Goal Methodology
Champaign-Urbana Mass Transit District
Triennial DBE Goal: FY 2022 – FY 2024

Overview/Introduction

The Champaign-Urbana Mass Transit District's (MTD) triennial DBE goal is **4.00%**. This is a 100% race neutral goal. 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 2021 through September 2024, excluding the purchase of transit vehicles.

Contracting Opportunities

In the FY 2022 - FY 2024 period, MTD has planned the following FTA-funded projects:

- A. **Illinois Terminal Joint Development Expansion Project.** FY 2019 FTA 5339(b) Bus & Bus Facilities funding in the amount of \$17,275,000 was awarded to MTD for this project. This project will also be funded with approximately \$3,300,000 FTA Section 5307 funding and \$7,725,000 in local funds. This is a joint development project in partnership with a private developer and the City of Champaign. The project includes construction to expand MTD's multimodal facility.
- B. **Underground storage tank replacement.** MTD anticipates utilizing \$583,173 in FY 2021 ARP Section 5307 funding to replace the underground diesel fuel storage tanks.
- C. **Vehicle lift.** MTD anticipates utilizing \$1,106,919 in FY 2021 ARP Section 5307 funding to install inground vehicle lifts in the Maintenance Facility.
- D. **Fall protection.** MTD anticipates utilizing \$54,000 in FY 2021 ARP Section 5307 funding to purchase and install fall protection equipment in the Maintenance Facility.
- E. **Server Room Cooling.** MTD anticipates utilizing \$30,000 in FY 2021 ARP Section 5307 funding to upgrade cooling equipment in the Maintenance Facility server room.
- F. MTD will also utilize FTA funds for eligible **operating expenses**. Anticipated operating expenses were estimated based on historical operating expenses.

All aspects of the projects as well as a recent operating expenses have been evaluated to identify contracting opportunities based on NAICS code (Table 1).

Table 1

NAICS Code	Activity	Estimated Federal Funding
236220	Commercial and Institutional Building Construction	\$2,863,593.68
237120	Oil and Gas Pipeline and Related Structures Construction	\$460,007.25
238110	Poured Concrete Foundation and Structure Contractors	\$2,905,547.00
238140	Masonry	\$3,113,000.00
238150	Glass & Glazing	\$1,698,000.00
238160	Roofing	\$1,981,000.00
238210	Electrical Contractors and Other Wiring Installation Contractors	\$2,844,917.00
238220	Plumbing & HVAC	\$3,709,000.00
238290	Vehicle lift installation	\$51,551.00
238310	Drywall and insulation	\$1,415,000.00
238320	Painting and Wall Covering	\$1,698,000.00
238330	Flooring	\$1,698,000.00
238350	Finish Carpentry	\$1,698,000.00
238910	Site Preparation Contractors	\$2,883,222.00
322230	Stationery Product Manufacturing	\$27,145.82
323111	Printing	\$38,762.35
324110	Oils, fuel, manufacturing	\$799,389.89
324122	Asphalt Shingle and Coating Materials Manufacturing	\$31,476.00
326211	Motor vehicle tires manufacturing	\$139,566.99
332216	Tools	\$168,826.04
334111	Computers and servers	\$153,223.83
423120	Auto Supplies	\$113,951.99
423690	Radio parts and accessories merchant wholesalers	\$26,926.50
423830	Industrial Machinery and Equipment Merchant Wholesalers	\$983,123.24
441110	Vehicle Dealership	\$10,770.76
484220	Specialized Freight (except Used Goods) Trucking, Local	\$2,720.00
485310	Cab (i.e., taxi) services	\$275,495.98
488510	Freight Transportation Arrangement	\$2,861.00
524113	Direct Life Insurance Carriers & Disability insurance carriers	\$165,240.61
524114	Direct Health and Medical Insurance Carriers	\$3,708,307.90
524126	Workers' compensation insurance underwriting	\$160,843.16
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	\$7,683.00
541810	Advertising agencies	\$35,574.18
562119	Waste collection	\$6,985.00
611430	Professional development training	\$278,876.34
811111	Automotive fleet repair and maintenance services	\$2,053,645.03
811211	Radio Repair	\$77,953.02
811310	Equipment Repair	\$695,065.35

Geographic Market Area

We anticipate the substantial majority of subcontractors interested in this project will be within the state of Illinois.

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

Table 2

A	B	C	D	E	F
NAICS Code	# DBE Available (IL UCP Directory)	# Firms Available (American Factfinder)	Relative Availability = B / C	Weight (% of Total Grant Funds)	Weighted Base (= D * E)
236220	107	1384	7.73%	5.75%	0.44%
237120	5	35	14.29%	0.92%	0.13%
238110	146	795	18.36%	5.84%	1.07%
238140	42	892	4.71%	6.25%	0.29%
238150	9	215	4.19%	3.41%	0.14%
238160	19	883	2.15%	3.98%	0.09%
238210	72	2722	2.65%	5.72%	0.15%
238220	60	4084	1.47%	7.45%	0.11%
238290	22	320	6.88%	0.10%	0.01%
238310	53	564	9.40%	2.84%	0.27%
238320	106	1,524	6.96%	3.41%	0.24%
238330	33	818	4.03%	3.41%	0.14%
238350	76	1,376	5.52%	3.41%	0.19%
238910	115	1127	10.20%	5.79%	0.59%
322230	0	23	0.00%	0.05%	0.00%
323111	11	908	1.21%	0.08%	0.00%
324110	0	5	0.00%	1.61%	0.00%
324122	0	9	0.00%	0.06%	0.00%
326211	0	9	0.00%	0.28%	0.00%
332216	1	63	1.59%	0.34%	0.01%
334111	1	8	12.50%	0.31%	0.04%
423120	6	480	1.25%	0.23%	0.00%
423690	7	444	1.58%	0.05%	0.00%
423830	7	1448	0.48%	1.98%	0.01%
441110	0	896	0.00%	0.02%	0.00%
484220	395	1822	21.68%	0.01%	0.00%
485310	1	151	0.66%	0.55%	0.00%
488510	6	1251	0.48%	0.01%	0.00%
524113	0	346	0.00%	0.33%	0.00%
524114	0	184	0.00%	7.45%	0.00%
524126	1	577	0.17%	0.32%	0.00%
532412	13	116	11.21%	0.02%	0.00%
541810	15	625	2.40%	0.07%	0.00%
562119	11	36	30.56%	0.01%	0.00%
611430	4	284	1.41%	0.56%	0.01%
811111	36	3841	0.94%	4.13%	0.04%
811211	2	104	1.92%	0.16%	0.00%
811310	9	886	1.02%	1.40%	0.01%
Base figure percentage (total)					4.00%

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. 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 projects. 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 and also used federal funding for operating expenses. DBE participation in the previous triennial period is shown in Table 3 below.

Table 3

Project	Total Contract Amount	DBE Participation
Hydrogen Production Station	\$8,650,000	3.40%
Hydrogen Facility Modifications	\$2,400,000	0%
Operating Expenses	\$9,000,000	1.34%

The scope of the capital project in the current triennial period is very different from the previous period. 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 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 is maintained to provide a list of support services that provide technical, bonding and other forms of assistance for DBEs and small businesses.
 - d. 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.
 - e. All prime bidders 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.

Consultation

MTD conducted direct and interactive consultation with minority, women's and general contractor groups on December 10, 2021. An invitation to this event was sent to the 2,043 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. Nine firms attended the event. No specific feedback was received on the DBE methodology or goal.

The presentation has been posted on mtd.org/inside/public-info/compliance/disadvantaged-business-enterprise/ along with other resources for DBEs.

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

Updated
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By Jane Sullivan