



7239 Pocahontas Trail, Williamsburg, VA 23185

July 16, 2015

Stacie Parkins, Ph.D. | Region III Civil Rights Officer
Federal Transit Administration | U.S. Department of Transportation
1760 Market Street
Suite 500
Philadelphia, PA 19103-4124

Dear Ms. Parkins:

Enclosed is Williamsburg Area Transit Authority's (WATA) proposed overall goal for Disadvantaged Business Enterprise (DBE) participation for Federal Fiscal Years 2016, 2017 and 2018. Also included is a summary of the methodology WATA used to calculate the proposed DBE overall goal and the breakdown of estimated participation for the goal.

WATA anticipates the overall goal that will accrue to WATA will be 10%. We have reviewed the goal development process and believe it represents a fair assessment of the potential DBE participation that can be achieved during the triennium. Our goal will be posted to the public. There have not been any responses in the past to support an allocation to a race-conscious measure, therefore; we will attempt to achieve these goals through the race-neutral measure.

If you have any additional questions, please contact me at (757) 220-5574 or by email at bcreel@gowata.org.

Sincerely,

Barbara Creel
Budget and Grants Administrator
DBE Liaison Officer

Enclosures

Cc:

William C. Porter Jr.
Joseph Patterson
Jamie Jackson
Amy Hibbard

Overall Goals (§26.45)

Amount of goal

WATA's overall goal for FY 2016-18 is 10.0% of the federal financial assistance expended in DOT-assisted contracts. This goal excludes FTA funds to be used for the purchase of transit vehicles.

Method

The following is a summary of the method WATA staff used to calculate this goal:

The method used to calculate the relative availability of DBEs "base figure" for Step 1 of the process was taken from Example 1 of §26.45, which suggests the use of DBE Directories and Census Bureau Data.

f First, WATA staff determined the number of ready, willing and able DBEs from the State's DBE Directory.

f Second, WATA staff examined lists of other MBE/WBE (Minority Business Enterprise/Women Business Enterprise) organizations in the region to ascertain the availability of additional firms that might be certified as ready, willing and able DBEs if they were alerted to the benefits of the program. In making this determination, WATA considered two scenarios. The first scenario assumed that one third (1/3) of those potential DBEs would be eligible or qualify for Virginia's DBE certification. The second scenario considered all of the MBEs as potential DBEs.

f Third, using the US Census Bureau under America Fact Finder, WATA staff determined the number of businesses available in the state of Virginia market that could provide the goods and services that WATA projected for purchase in FY16-18. Staff realizes that not all DBE's across the State will participate in all purchases in Williamsburg; however, we wanted to be liberal in our assumptions.

f Finally, a base figure for each of the scenarios was derived by dividing the number of DBEs and potential DBEs by the number of all regional businesses in the appropriate business sectors. To tailor the data to WATA's contracting program for FY16-18, the relative availability of DBEs was weighted. This calculation method gave more weight to the categories of work in which WATA anticipates expending more money.

Step 1: Determining a Base Figure for the Overall Goal

- a. Link to determine the correct NAICS code. <http://www.census.gov/cgi-bin/sssd/naics/naicsrch>
- b. Link to determine the number of vendors who can provide the service based in the state of Virginia. <http://www.census.gov/econ/cbp/index.html>
- c. Link to Virginia DBE search.
<http://publicsearch.virginiainteractive.org/MBE/DBE/Search/SearchCodeResult?searchKey=541620&searchType=c>

The final rule making, Section 26.45 of 49 CFR Part 26, suggested five methodologies and provided examples for recipients to use as guidelines to set overall goals. The WATA transit system opted to use method number one. This method allows the use of DBE Directories and Census Bureau Data and makes use of the following formula:

Ready, willing and able DBEs

One Base Figure = DBE firms ready, willing and able/all firms ready, willing and able (including DBEs and non-DBEs)

WATA staff was careful to address the issue of determining a percentage as accurately as possible by using the same scope of businesses for both the numerator and the denominator. Staff took into consideration the Census Bureau's Business Pattern (CBP) data available and the area from which WATA draws contractors and subcontractors. Staff also opted to use the state of Virginia as the boundaries for its local market, based on the scope of the contracting opportunities.

The Numerator

To determine the number of ready, willing and able DBEs, WATA staff used the Virginia Department of Minority Business Development's (DMBE) DBE Directory [DMBE is the DBE certifying agent for the state of Virginia and WATA utilizes the State's DBE Directory as its own directory]. As suggested in the Tips for Goal Setting released by the Office of Small and Disadvantaged Business Utilization (OSDBU), WATA staff consulted relevant data sources to supplement the data with potential DBEs for the purpose of goal setting only. In doing so, the following MBE/WBE (Minority Business Enterprise/Women Business Enterprise) directories were carefully examined: *Office of Minority Business Enterprise (MBE) City of Richmond Directory, VA Department of Minority Business Enterprise (Virginia DMBE) Directory, Virginia Minority Supplier Development Council (VMSDC) Directory and the Metropolitan Business League (MBL).*

The total number of potential DBEs became the numerator.

The Denominator

WATA staff derived the denominator from the 2010 Census Bureau's Business Pattern (CBP) database.

Again, the CBP database was sorted to reflect only those fields in which WATA intends to contract during FY16-18. To do this NAICS codes were carefully examined and matched with the categories of work determined to most likely occur in WATA's federal contracting program for FY16-18. The DBE vendor geographic area used was the entire state of Virginia.

Weighting

To tailor the data to WATA's contracting program for FY16-18, the relative availability of DBEs was weighted, giving more weight to the categories of work in which WATA projects expending more money. In performing the weighting by category, WATA staff accounted for the total projected federal expenditures for FY16-18, and then calculated percentages to be spent per project. These percentages were applied to the ratios obtained when comparing the number of DBEs and potential DBEs to the availability of CBP businesses in each of the business sectors.

The results of Step 1 were: Base Figure 1 $581/8628 = 6.7\%$

Step 2: Adjusting the Base Figure

Justification

In accordance with the guidance on DBE goal setting, adjustment to the Step 1 Base Figure was considered, but not required, in order to make it as precise as possible. To determine whether an adjustment is needed or not, WATA reviewed the projects from the last triennial goal calculations and resolved that many of the projects from the previous triennial goal were not implemented or completed; therefore, they carry forward into this triennial DBE goal. The same projects included in this year's projections raised our DBE Goal by 2.3% as more vendors have qualified for DBE certification and additional federal funds are anticipated to be utilized.

This led WATA to the assumption that our previous anticipated rate of DBE participation was to be the same or the change would be minimal as it pertains to DBEs' capabilities in the type of work from FY13-

15. Also under this scenario, the adjustment for future participation would only be the number of ready/willing/able vendors who could perform the tasks associated with our projects. It was determined to not adjust the base rate.

WATA exceeded the DBE goal in two of the three past years under the ARRA projects in the previous triennium. This is due to the fact that the DBE vendors who could perform this work were similar in nature to those vendors who had provided services for WATA's ARRA projects. Therefore, we believe that reaching this goal in the next three years is feasible.

Base Figure(s) Adjustment

WATA staff calculated the adjustment by averaging the figures obtained in Step One with a figure that represented WATA's DBE goal. WATA decided to use the race-neutral rate of 10% which was derived by dividing the amount of federal dollars for upcoming projects with the percentage of DBE ready and willing vendors for each of our upcoming projects.

The final step was to determine the number that would represent the new goal. WATA will use the base figure as the goal.

Base Figure 56,740/566,000 = 10.0%

As indicated before, the types of projects for FY16-18 are similar to the types of projects led in FY13 and a portion of FY15. This leads WATA to the assumption that our previous rate of DBE participation was an accurate reflection of DBE capacity in the projects in FY13-15 if projects were implemented; therefore, staff proposes the DBE goal of 10.0%.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

WATA will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation and will employ all appropriate means described in section 26.51(b) to encourage DBE participation.

WATA estimates that in meeting the overall goal of 10%, we will obtain all participation employing race-neutral means. The lack of information about past DBE compliance makes it impossible for WATA to perform a meaningful analysis of race-neutral vs. race-conscious approaches in setting its DBE goal for FY2016-18.

To ensure that WATA's DBE program will be narrowly tailored to overcome the effects of discrimination, the use of contract goals will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see section 26.51(f)) and will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry DBE goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

WATA will maintain data separately on DBE achievements in those contracts with and without contract goals, respectively.

Recommendation

The following is a summary of the basis of WATA's estimated breakout of race-neutral DBE participation:

In accordance with §26.45, WATA staff recommends:

WATA will adjust the estimated breakout of race-neutral participation as needed to reflect actual DBE participation (§ 26.51 (f)) and will track and report race-neutral participation. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through prime contract a DBE obtains through customary competitive procurement procedures;
- DBE participation through a subcontract on a prime contract that does not carry a DBE goal;
- DBE participation on a prime contract exceeding a contract goal; and
- DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

WATA estimates that in meeting the overall goal of 10%, it will obtain 100% race-neutral participation and 0% through race-conscious measures.

WATA utilizes the Virginia DMBE database and researches available DBE's specific to each Request for Proposals (RFPs) released. WATA then includes these vendors on the RFP distribution list.

Per the rule for submission of DBE goals and goal-setting methodology, WATA will continue to set its overall goal on a triennial basis. WATA will continue to review the DBE opportunities semi-annually to determine if any changes to the goal would be needed.

WATA uses the following means to increase DBE participation:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small businesses' participation.
2. Ensuring availability of the State's DBE directory (WATA's DBE Directory) both internally and to interested parties by advertising to any DBEs listed in the State's list for all RFPs and IFBs.
3. WATA provides a link on the website to the Virginia Department of Rail and Public Transportation (VDRPT). The VDRPT has developed a presentation that outlines how to do business in Virginia; to include information on how to register as a SWAM and/or DBE vendor.

FY16-18 DBE Goal Setting: Data & Calculations

Step 1 - Determine the weight of each type of work by NAICS Code:

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

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	236220	Facility Projects	\$264,000.00	0.4664
2	485991	Special Needs Transportation	\$10,000.00	0.0177
3	511210	Paratransit Software	\$40,000.00	0.0707
4	541211	Audit Services	\$12,000.00	0.0212
5	541330	Engineering	\$120,000.00	0.2120
6	541512	IT Services	\$40,000.00	0.0707
7	541620	NEPA Engineering	\$80,000.00	0.1413
				0.0000
	Total FTA-Assisted Contract Funds		\$566,000.00	1

Step 2 - Determine the relative availability of DBE's by NAICS Code:

* 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	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	236220	Facility Projects	142	964	0.1473
2	485991	Special Needs Transportation	5	92	0.0543
3	511210	Paratransit Software	10	250	0.0400
4	541211	Audit Services	12	1238	0.0097
5	541330	Engineering	224	2016	0.1111
6	541512	IT Services	187	3784	0.0494
7	541620	NEPA Engineering	1	284	0.0035
	0	0			
	Combined Totals		581	8628	0.0673 <i>Overall availability of DBEs</i>

Step 3 - (Weight) x (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	236220	Facility Projects	0.46643	x	0.14730	0.0687
2	485991	Special Needs Transportation	0.01767	x	0.05435	0.0010
3	511210	Paratransit Software	0.07067	x	0.04000	0.0028
4	541211	Audit Services	0.02120	x	0.00969	0.0002
5	541330	Engineering	0.21201	x	0.11111	0.0236
6	541512	IT Services	0.07067	x	0.04942	0.0035
7	541620	NEPA Engineering	0.14134	x	0.00352	0.0005
	0	0	0.00000	x	0.00000	
Total						0.1002
Expressed as a % (*100)						10.02%
Rounded, Weighted Base Figure:						10%

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* Agency Commission not included

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**PUBLIC NOTICE
PROPOSED FY 2016, 2017
and 2018 THREE-YEAR
DISADVANTAGED BUSINESS
ENTERPRISE (DBE) GOAL FOR
WILLIAMSBURG AREA TRANSIT
AUTHORITY**

Williamsburg Area Transit Authority (WATA) is proposing a 10% DBE goal for applicable professional services and contracts during Fiscal years 2016, 2017 and 2018. This is required by the Federal Transit Administration (FTA) for Department of Transportation assisted contracts pursuant to Federal Regulations 49 CFR, Part 26 beginning on July 1, 2015. Information on the manner which the goal was established is available on-line at www.gowata.org or by calling (757) 220-5493 from 8 a.m. – 5 p.m. EST, Monday-Friday for a period of 30 days following the date of this notice. Written comments on this goal will be accepted for 45 days from the date of this notice. The comments are for informational purposes only and may be sent WATA, 7239 Pocahontas Trail Williamsburg Virginia 23185.

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