

## Chittenden County Transportation Authority FY 2015 – FY 2017 Goal

**In FY 2015 – FY 2017, CCTA intends to expend 2.90% of the federal financial assistance received from the Federal Transit Administration with small business concerns owned and controlled by socially and economically disadvantaged individuals (DBEs). It is the intent of CCTA that this expenditure be obtained through race-neutral means.**

### Goal Methodology:

#### **Step 1: Base Figure for the Relative Availability of DBEs**

As in the FY2007-FY2012 DBE plans, CCTA will use method 1 to calculate its base figure. CCTA continues to use the DBE directory maintained by the Vermont Agency of Transportation (as is required).

The other three methods for establishing the base figure were considered but not used for the following reasons:

- 1) *Use a bidders list* – CCTA maintains a bidders list as an ongoing process. DBE participation in bids has been minimal (only three firms in recent years), so depending on this method would result in a lower DBE goal than using the preferred method.
- 2) *Use data from a disparity study* – There are no disparity studies available for the relevant area.
- 3) *Use the goal of another DOT recipient* – In the past, CCTA has used the goal of the Vermont Agency of Transportation as its base figure, but it has found method 1 to produce a more meaningful basis for the type of activities that CCTA pursues.

Following the guidance of section 26.45(c), CCTA projected its federal capital and operating spending for the coming three years. That itemized spending was then categorized by six-digit NAICS code. This collection of codes, federal spending, and their descriptions are shown below in Table 1.

**Table 1. NAICS Codes**

<b>NAICS Code</b>	<b>Description</b>	<b>FY15-FY17 Spending</b>	<b>% of Total (weight)</b>
236220	Commercial and Institutional Building Construction	\$1,164,333	0.0816

238110	Poured Concrete Foundation and Structure Contractors	\$2,306,000	0.1617
238120	Structural Steel and Precast Concrete Contractors	\$1,160,000	0.0813
238140	Masonry Contractors	\$15,000	0.0011
238150	Glass and Glazing Contractors	\$306,565	0.0215
238160	Roofing Contractors	\$745,690	0.0523
238210	Electrical Contractors and Other Wiring Installation Contractors	\$725,165	0.0508
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$629,835	0.0442
238290	Other Building Equipment Contractors	\$109,033	0.0076
238310	Drywall and Insulation Contractors	\$159,476	0.0112
238320	Painting and Wall Covering Contractors	\$8,292	0.0006
238330	Flooring Contractors	\$95,000	0.0067
238390	Other Building Finishing Contractors	\$132,244	0.0093
321918	Other Millwork (including Flooring)	\$80,500	0.0056
323111	Commercial Printing (except Screen and Books)	\$43,439	0.0030
333921	Elevator and Moving Stairway Manufacturing	\$74,800	0.0052
334118	Other Computer Peripheral Equipment Manufacturing	\$175,835	0.0123
335999	All Other Misc. Electrical Equip. and Component Manufacturing	\$12,500	0.0009
337127	Institutional Furniture Manufacturing	\$33,500	0.0023
339950	Sign Manufacturing	\$120,000	0.0084
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers	\$54,865	0.0038
441310	Automotive Parts and Accessories Stores	\$579,526	0.0406
441320	Tire Dealers	\$84,712	0.0059
453210	Office Supplies and Stationery Stores	\$54,376	0.0038
454310	Fuel Dealers	\$1,449,872	0.1017
511110	Newspaper Publishers	\$19,972	0.0014
511210	Software Publishers	\$503,329	0.0353
517110	Wired Telecommunications Carriers	\$18,167	0.0013
517210	Wireless Telecommunications Carriers (except Satellite)	\$38,032	0.0027
524114	Direct Health and Medical Insurance Carriers	\$1,633,088	0.1145
524126	Direct Property and Casualty Insurance Carriers	\$960,712	0.0674
541110	Offices of Lawyers	\$28,080	0.0020
541211	Offices of Certified Public Accountants	\$19,003	0.0013
541370	Surveying and Mapping (except Geophysical) Services	\$10,000	0.0007
541611	Administrative Mgt. and General Mgt. Consulting Services	\$48,600	0.0034
541613	Marketing Consultant Services	\$29,221	0.0020
541618	Other Management Consulting Services	\$48,600	0.0034
541890	Other Services Related to Advertising	\$29,221	0.0020
561613	Armored Car Services	\$4,579	0.0003
561720	Janitorial Services	\$51,480	0.0036
621999	All Other Miscellaneous Ambulatory Health Care Services	\$102,414	0.0072
721110	Hotels (except Casino Hotels) and Motels	\$3,780	0.0003
811111	General Automotive Repair	\$390,000	0.0273

811213	Communication Equipment Repair and Maintenance	\$3,780	0.0003
	TOTAL	\$14,262,616	1.0000

The number of available firms for each of these NAICS codes was then extracted from the Vermont Agency of Transportation DBE Registry and the Census County Business Patterns Database. In all cases but one (see below), the state of Vermont was used as the market area for CCTA. In some cases, CCTA may only purchase services from local contractors (such as janitorial services), but in other cases, firms from around the US would be legitimate contenders for contracts (such as planning and technical services). The use of the state of Vermont for all services balances out these differences, and is consistent with how the Vermont Agency of Transportation develops its DBE goal. CCTA’s bidders list reflects that companies located throughout Vermont regularly express interest in contracting opportunities with CCTA.

The one case where CCTA did not use the state of Vermont as the market area was for NAICS code 238120 - Structural Steel and Precast Concrete Contractors. In this category, there were only five establishments in the state of Vermont according to the County Business Patterns, and none of the five registered DBEs were from Vermont. Two were from New York and one was from Massachusetts. In order to be more realistic about potential contractors for this work, CCTA used the CBP total for Vermont and three neighboring states: New York, Massachusetts and New Hampshire, which would at least include three of the five registered DBE firms providing this service.

Table 2 shows the number of VAOT-certified DBE firms in each of these categories and calculates the unweighted relative availability of DBEs.

**Table 2. Relative Availability of DBE Firms**

NAICS	Code Description	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
236220	Commercial and Institutional Building Construction	16	85	0.1882
238110	Poured Concrete Foundation and Structure Contractors	1	66	0.0152
238120	Structural Steel and Precast Concrete Contractors	5	325	0.0154
238140	Masonry Contractors	2	101	0.0198
238150	Glass and Glazing Contractors	1	13	0.0769
238160	Roofing Contractors	1	78	0.0128
238210	Electrical Contractors and Other Wiring Installation Contractors	4	282	0.0142

238220	Plumbing, Heating, and Air-Conditioning Contractors	2	285	0.0070
238290	Other Building Equipment Contractors	2	20	0.1000
238310	Drywall and Insulation Contractors	1	64	0.0156
238320	Painting and Wall Covering Contractors	4	160	0.0250
238330	Flooring Contractors	1	32	0.0313
238390	Other Building Finishing Contractors	2	14	0.1429
321918	Other Millwork (including Flooring)	1	8	0.1250
323111	Commercial Printing (except Screen and Books)	0	45	0.0000
333921	Elevator and Moving Stairway Manufacturing	0	0	
334118	Other Computer Peripheral Equipment Manufacturing	1	35	0.0286
335999	All Other Misc. Electrical Equipt. and Component Manufacturing	0	3	0.0000
337127	Institutional Furniture Manufacturing	0	1	0.0000
339950	Sign Manufacturing	1	8	0.1250
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers	1	7	0.1429
441310	Automotive Parts and Accessories Stores	1	108	0.0093
441320	Tire Dealers	0	43	0.0000
453210	Office Supplies and Stationery Stores	0	20	0.0000
454310	Fuel Dealers	0	105	0.0000
511110	Newspaper Publishers	0	40	0.0000
511210	Software Publishers	1	25	0.0400
517110	Wired Telecommunications Carriers	0	127	0.0000
517210	Wireless Telecommunications Carriers (except Satellite)	0	17	0.0000
524114	Direct Health and Medical Insurance Carriers	0	12	0.0000
524126	Direct Property and Casualty Insurance Carriers	0	41	0.0000
541110	Offices of Lawyers	1	437	0.0023
541211	Offices of Certified Public Accountants	3	141	0.0213
541370	Surveying and Mapping (except Geophysical) Services	9	50	0.1800
541611	Administrative Mgt. and General Mgt. Consulting Services	18	128	0.1406
541613	Marketing Consultant Services	7	63	0.1111
541618	Other Management Consulting Services	10	13	0.7692
541890	Other Services Related to Advertising	0	19	0.0000
561613	Armored Car Services	0	2	0.0000
561720	Janitorial Services	2	169	0.0118
621999	All Other Miscellaneous Ambulatory Health Care Services	7	418	0.0167
721110	Hotels (except Casino Hotels) and Motels	0	17	0.0000
811111	General Automotive Repair	0	234	0.0000
811213	Communication Equipment Repair and Maintenance	1	339	0.0029
	Total	106	4,200	0.0252

\*CBP total includes New York, Massachusetts, New Hampshire and Vermont

Contracting opportunities for the coming three year period will be notably different because of the construction of CCTA’s Downtown Transit Center (DTC). To properly address its impact on overall spending, CCTA recalculated the overall availability of DBEs using a weighted approach, where NAICS categories that comprise more of the spending count more toward the bottom line average.

The weighted calculation for each of the NAICS categories, shown in Table 1, was multiplied by the percent availability of DBE contractors calculated in Table 2. This calculation is shown below in Table 3.

**Table 3. Weighted Average of DBE Availability**

NAICS Code	Description	Weight		Availability	Weighted Base Figure
236220	Commercial and Institutional Building Construction	0.08164	x	0.18824	0.0154
238110	Poured Concrete Foundation and Structure Contractors	0.16168	x	0.01515	0.0024
238120	Structural Steel and Precast Concrete Contractors	0.08133	x	0.01538	0.0013
238140	Masonry Contractors	0.00105	x	0.01980	0.0000
238150	Glass and Glazing Contractors	0.02149	x	0.07692	0.0017
238160	Roofing Contractors	0.05228	x	0.01282	0.0007
238210	Electrical Contractors and Other Wiring Installation Contractors	0.05084	x	0.01418	0.0007
238220	Plumbing, Heating, and Air-Conditioning Contractors	0.04416	x	0.00702	0.0003
238290	Other Building Equipment Contractors	0.00764	x	0.10000	0.0008
238310	Drywall and Insulation Contractors	0.01118	x	0.01563	0.0002
238320	Painting and Wall Covering Contractors	0.00058	x	0.02500	0.0000
238330	Flooring Contractors	0.00666	x	0.03125	0.0002
238390	Other Building Finishing Contractors	0.00927	x	0.14286	0.0013
321918	Other Millwork (including Flooring)	0.00564	x	0.12500	0.0007
323111	Commercial Printing (except Screen and Books)	0.00305	x	0.00000	
333921	Elevator and Moving Stairway Manufacturing	0.00524	x	0.00000	
334118	Other Computer Peripheral Equipment Manufacturing	0.01233	x	0.02857	0.0004
335999	All Other Misc. Electrical Equipt. and Component Manufacturing	0.00088	x	0.00000	
337127	Institutional Furniture Manufacturing	0.00235	x	0.00000	
339950	Sign Manufacturing	0.00841	x	0.12500	0.0011
424320	Men's and Boys' Clothing and Furnishings	0.00385	x	0.14286	0.0005

	Merchant Wholesalers				
441310	Automotive Parts and Accessories Stores	0.04063	x	0.00926	0.0004
441320	Tire Dealers	0.00594	x	0.00000	
453210	Office Supplies and Stationery Stores	0.00381	x	0.00000	
454310	Fuel Dealers	0.10166	x	0.00000	
511110	Newspaper Publishers	0.00140	x	0.00000	
511210	Software Publishers	0.03529	x	0.04000	0.0014
517110	Wired Telecommunications Carriers	0.00127	x	0.00000	
517210	Wireless Telecommunications Carriers (except Satellite)	0.00267	x	0.00000	
524114	Direct Health and Medical Insurance Carriers	0.11450	x	0.00000	
524126	Direct Property and Casualty Insurance Carriers	0.06736	x	0.00000	
541110	Offices of Lawyers	0.00197	x	0.00229	0.0000
541211	Offices of Certified Public Accountants	0.00133	x	0.02128	0.0000
541370	Surveying and Mapping (except Geophysical) Services	0.00070	x	0.18000	0.0001
541611	Administrative Mgt. and General Mgt. Consulting Services	0.00341	x	0.14063	0.0005
541613	Marketing Consultant Services	0.00205	x	0.11111	0.0002
541618	Other Management Consulting Services	0.00341	x	0.76923	0.0026
541890	Other Services Related to Advertising	0.00205	x	0.00000	
561613	Armored Car Services	0.00032	x	0.00000	
561720	Janitorial Services	0.00361	x	0.01183	0.0000
621999	All Other Miscellaneous Ambulatory Health Care Services	0.00718	x	0.01675	0.0001
721110	Hotels (except Casino Hotels) and Motels	0.00027	x	0.00000	
811111	General Automotive Repair	0.02734	x	0.00000	
811213	Communication Equipment Repair and Maintenance	0.00027	x	0.00295	0.0000
Total					0.0330
Expressed as a % (*100)					3.30%
Rounded, Weighted, Base Figure					3.3%

Thus, the weighted base figure derived from this analysis is 3.3%.

## Step 2: Adjustment to the Base Figure

As specified in Section 26.45, once the relative availability of ready, willing and able DBEs has been determined, it is necessary to examine additional evidence and, if appropriate, make adjustments to the base figure, to ensure that CCTA's goal truly and accurately reflects the level of DBE participation we would expect

absent the effects of discrimination. Table 4 below presents the historical contract awards to DBE firms by year for the past four years, during which time the DBE goal was 1.83%.

**Table 4. Historical Contract Awards to DBE Firms**

<b>Year</b>	<b>Total Dollars</b>	<b>Total to DBEs</b>	<b>Percent to DBEs</b>
2011	\$2,670,632	\$79,374	2.97%
2012	\$2,281,640	\$42,746	1.87%
2013	\$2,253,586	\$42,220	1.87%
2014	\$3,485,987	\$86,796	2.49%
		Median	2.49%

The annual percent to DBEs was calculated by adding together the semi-annual reports for each year, and then dividing the DBE contracting by the total contracting figure. The median figure for the four annual totals is 2.49%.

DBE spending in 2014 already reflected the influence of the DTC, and the majority of the remaining DTC expenses will be in FY15. Expenses will drop off to the historical level after FY15. To complete Step 2 the weighted base figure (3.3%) is averaged with the median of the historical data (2.49%). This results in an adjusted figure of 2.90%.

No other relevant data, on employment, self-employment, education and training or union apprenticeship programs, was available for CCTA’s market area. Thus, CCTA has determined that no further adjustments are warranted. We have, therefore, arrived at the proposed overall goal of 2.90% for FY 2015 – FY 2017 for our FTA-assisted contracts.

**Breakout of Estimated Race-Conscious and Race-Neutral Participation**

CCTA has always taken a non-discriminatory approach to contracting and has sought to increase participation by DBE firms through race-neutral means. Since CCTA has met its DBE goal for three consecutive years, it is not necessary to employ race-conscious means of meeting the DBE goal. Thus, the goal will be achieved through 100% race-neutral means.

## **Public Participation**

Per 49 CFR §26.45 (g)(1), CCTA requested feedback from groups and organizations with knowledge of the DBE contracting community.

- While developing the DBE goal, CCTA staff attended a conference for DBEs and other small businesses, “Making a Match” put on by the Vermont Procurement Technical Assistance Center.
  - At the conference, CCTA met one-on-one with small businesses, DBEs, prime contractors and other organizations and government agencies. CCTA staff discussed the DBE program, upcoming bid opportunities, and the resources available to help bidders. It provided CCTA the opportunity to discuss the effects of discrimination and other challenges for DBEs and the best ways to reach out to them and level the playing field.
- Appendix A describes the feedback CCTA received at the Making a Match conference.
- CCTA sent the DBE goal to 9 Small Business Development Centers throughout Vermont requesting that they share the information with their networks and soliciting feedback on the goal.
- CCTA also sent the goal to the VTrans civil rights officer requesting comments.
- CCTA published a notice in the Burlington Free Press on June 14, 2014 announcing the proposed goal and stating that the proposed goal and its rationale are available for inspection at CCTA’s office for 30 days following the date of the notice and that comments on the goals will be accepted for 45 days from the date of the notice. CCTA received no comments in response to the publication. A copy of the ad is attached.