

Southwestern Pennsylvania Commission

FFY 2018, 2019, 2020

(October 1, 2018 through September 30, 2020)

Three-Year Goal

for

**Federal Transit Administration-Funded Projects
Disadvantaged Business Enterprises (DBE)**

Amount of goal

SPC's overall goal for Federal Fiscal Years 2018, 2019 and 2020 (October 1, 2018 through September 30, 2020) is **2%** of the Federal financial assistance to be expended in directly-funded Federal Transit Administration (FTA)-assisted contracts. This goal is exclusive of FTA funds used for the purchase of transit vehicles.

Breakout of Estimated Race/Gender Neutral and Race/Gender Conscious Participation

SPC will meet 100% of its Three-Year Goal for DBE participation in the Federal financial assistance to be expended in FTA-directly funded contracts by race/gender neutral means. The following race/gender neutral means will be used:

- Encouraging prime contractors to subcontract portions of the work where feasible
- Arranging solicitations, time to present bids/proposals, bid quantities, specifications, quantities and delivery schedules to facilitate DBE and small business participation where feasible
- Simplifying or reducing bonding requirements where feasible
- Providing information to bidders on potential subcontractors where feasible
- Offering instructions on bid specifications, procedures, and general bidding requirements

Methodology for Determination of Goal

SPC determined its three-year goal for DBE participation in the Federal financial assistance to be expended in FTA-directly funded contracts according to the methodology described below. The goal will be exclusive of FTA funds used for the purchase of transit vehicles.

The number of registered DBE firms located in the SPC region was identified by downloading data for each of the ten counties from the Pennsylvania Unified Certification Program (PA UCP) website (<http://www.paucp.com>). There were a total of 1,741 registered DBE firms in the SPC region as of September 20, 2017. The record for each registered DBE firm included one or more North American Industry Classification System (NAICS) 6-digit code(s) that were reported to the PA UCP by the DBE firms themselves. Table 1 below summarizes the PA UCP information.

Table 1 – DBE Firm Summary

SPC County	All PA UCP Registered DBE Firms
Allegheny	450
Armstrong	5
Beaver	18
Butler	29

Fayette	4
Greene	1
Indiana	2
Lawrence	1
Washington	29
Westmoreland	34
Region Total	573

Contracting Opportunities

SPC utilizes direct FTA funding as a sub-recipient, through agreement with the Port Authority of Allegheny County, of FTA Urbanized Area Formula (Section 5307) funds.

Since 2003, SPC has utilized this funding to support a regional rideshare program called CommuteInfo. The program retains a single contractor for the provision of vanpool vehicles, fleet management and maintenance services, and other vehicle-related services for a regional vanpool program. In addition, the CommuteInfo program offers a wide range of free ridesharing services to employees and employers in the region such as a toll free phone number for information and referrals, vanpool/carpool rider matching, an emergency ride home service, and transit/biking/walking resources. It is anticipated that the CommuteInfo project will extend Federal contracting opportunities amounting to just over \$2,000,000 over Federal Fiscal Years 2018 through 2020.

After reviewing previous contracting opportunities and considering the types of projects SPC engages in that would offer opportunities for any type of contractor, SPC has determined that DBE contracting opportunities in the future will most likely be limited to certain types of activities. While DBE contracting and sub-contracting opportunities may be more robust in certain NAICS Subsectors, the likelihood that projects of such type will be funded with FTA funds seems – at this juncture – remote. An example would be the NAICS Subsector for “Specialty Trade Contractors.”

The most common past expenditures for sub-contracting have been for the provision of transportation services; ancillary administrative support services for such activities; and, professional and technical services in the areas of information technology and data collection/reporting. Therefore, it has been determined to limit the available DBE analysis to five appropriate NAICS code firm types. Table 2 below summarizes the available contract opportunities by amount and relative weight.

Table 2 - FTA-Assisted Projects - Relevant NAICS Codes FFY 2015-2017

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	323111	CommuteInfo Brochure Printing	\$6,000.00	0.00296
2)	485999	CommuteInfo Vanpool Services	\$1,200,000.00	0.59201
3)	541810	Advertising and Development of Ads	\$800,000.00	0.30467
4)	541890	Safety Kits	\$20,000.00	0.00987
5)	541930	Brochure Translation Services	\$1,000.00	0.00049
	Total FTA-Assisted Contract Funds		\$2,027,000.00	1.0000

Relative Availability

The number of registered DBE firms in the SPC region was compared to the overall number of business sites in the region for selected NAICS 6-digit codes. The 2016 Mergent Intellect Database was used to determine the overall number of business sites in the SPC region within each NAICS. The Mergent Intellect Database was used because it was determined to contain the most current information; is updated continuously; and, provides detailed nationwide employment figures by business site. SPC staff downloaded the Mergent Intellect Database in January 2017 (end-of-year 2016 data). The database includes records for all business sites located within the 10-county SPC region.

The record for each business site listed in the 2016 Mergent Intellect Database included up to five NAICS 6-digit code(s). The NAICS codes were used to tally the number of business sites in the SPC region for each applicable NAICS code.

Table 3 below summarizes the percentages of registered DBE firms in the SPC region according to a subset of selected NAICS codes that were deemed by SPC staff as being most likely to be used for SPC contracts utilizing direct recipient funds from the FTA.

The relative availability of registered DBE firms was then calculated for each selected NAICS, ranging from 0.0000 to 0.02381. The average relative availability for the selected NAICS is 0.01034.

Table 3 – Relative Availability of Registered DBE Firms (Six-Digit NAICS Codes) Most Likely to be used for SPC Contracts Utilizing Direct Recipient Funds from the FTA

PAUCP DBE FIRMS COMPARED TO ALL MERGENT INTELLECT FIRMS				
NAICS	NAICS DESCRIPTION	DBE FIRMS	ALL FIRMS	RELATIVE DBE AVAILABILITY
323111	Commercial Printing (except Screen and Books)	6	888	0.00676
485999	All Other Transit and Ground Passenger Transportation	2	84	0.02381
541810	Advertising Agencies	6	501	0.01198
541890	Other Services Related to Advertising	4	219	0.01826
541930	Translation and Interpretation Services	0	49	0.00000
Total		18	1,741	0.01034

Weighting

Based on SPC’s direct-funded project contracting history, Transit and Ground Passenger Transportation activities account for the majority – about 80% – of potential sub-contracting opportunities. All other potential activity categories account for about 20% of contracting opportunities. This is a direct result of the types of projects funded with SPC’s Urban Area Formula funds (capital cost of contracting for vanpool services). Utilizing the FTA-recommended weighting analysis yields an availability factor of 0.01902 expressed as percentage availability of 1.90% and rounded to 2%. Table 4 below summarizes the weighting analysis.

Table 4 - Weighted Base Figure

NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
323111	CommuteInfo Brochure Printing	0.00296	x	0.00676	0.0002
485999	CommuteInfo Vanpool Services	0.59201	x	0.02381	0.01410
541810	Advertising and Development of Ads	0.39467	x	0.01198	0.00473
541890	Safety Kits	0.00570	x	0.00987	0.00018
541930	Brochure Translation Services	0.00049	x	0.00000	0.00000
				Total	0.01902
				Expressed as a %	1.90%
				Rounded, Weighted Base Figure:	2%

Base Figure

The forgoing analyses and weighting yields a **Base Figure Three-Year Goal of 2%** for DBE participation in the Federal financial assistance to be expended in FTA-directly funded contracts - exclusive of FTA funds used for the purchase of transit vehicles.

Adjustment to Base Figure

SPC is not adjusting the Base Figure for the Three-Year Goal for DBE participation in the Federal financial assistance to be expended in FTA-directly funded contracts for the following reasons:

Previous Base Figure Weighting Analysis

SPC is currently utilizing FTA recommended methodology for weighting relative DBE firm eligibility for FTA-direct funded contract opportunities. SPC’s previous weighting procedure utilized alternative weighting methodology to determine its FFY 2015 - 2017 DBE Goal for DBE participation in the Federal financial assistance to be expended in FTA-directly funded contracts. Using current FTA-recommended guidance for weighting yields an appropriate base figure goal.

Experience on past participation

SPC has consistently improved its monitoring of contract opportunities related to its own projects funded with FTA Urbanized Area Formula funding. Current monitoring and reporting indicates that a slightly higher than base figure goal is being achieved. A 2% annual goal for DBE participation in the Federal financial assistance to be expended in FTA-directly funded contracts based on the percentages of available DBE firms across the business activity categories most likely to be used for SPC’s FTA directly-funded projects is justified.

No evidence from disparity studies – SPC has not conducted any recent studies designed to investigate the existence of discrimination in contracting, nor is staff aware of any such studies being conducted by other agencies in the Pittsburgh metropolitan area in the last several years.

All worksheets for the forgoing analyses are attached to this document.

Description of Efforts for Community Engagement of Consultation Regarding Overall Goal

On an ongoing basis, SPC reviews its current contract status; conducts research on current conditions; and, communicates with regional minority, women's and general contractor groups, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and efforts to establish a level playing field for the participation of DBEs. Information received from these consultations is kept on file and utilized in development of goals.

SPC Transportation Planning staff is greatly aided in these specific outreach efforts by its close association with staff from SPC Economic Development planning staff supported by SPC's status as the Federally-assigned Local Development District. SPC staff participates in periodic information to solicit input from small businesses and minority firms.

SPC has incorporated the following non-discriminatory and race-neutral element to its DBE program in order to facilitate competition on DOT-assisted public works projects by small business concerns (both DBEs and non-DBE small businesses).

SPC's existing competitive procurement processes for large procurements (in excess of \$100,000) offers various opportunities to encourage and promote small business participation. SPC averages about 15 of these large contract offerings in a normal business year.

- Large procurements require detailed scope of work analysis prior to bid/qualification solicitation. As a matter of course, such analysis will include the general specification of project scope elements that may represent opportunities for small business participation.
- All competitive proposals require the completion of a Cost and Price Analysis review prior to release of the request for proposal or bid. These analyses offer an opportunity to identify elements of the total project that could be "called out" in a request for proposal of bid document as small business opportunities.
- All competitive proposals and bids received in response to large contract procurement requests are evaluated according to evaluation factors and their relative importance. These are specified in the solicitation, although numerical or percentage ratings or weights are not necessarily disclosed for all procurements. When establishing rating factors and their weights, SPC includes small business participation as a factor for large contracts. This process will be similar to the process currently in place that seeks to identify DBE participation opportunities in some procurements. For procurements with no DBE participation specified, this process will be particularly emphasized.
- Final contract awards for large contracts take into account factors that are most advantageous to the project. Evaluation factors for a specific procurement reflect the subject matter and the elements that are most important to the project. SPC accounts for the advantages of small business participation in various contract elements part of its DBE programs.

SPC provides appropriate assistance to potential prime contractors in the identification of small business participation opportunities. Such assistance consists of sharing information on related firms from SPC's bidders list and/or directing potential bidders to public information concerning small business development within the region.

Currently, SPC has established relationships with two important regional entities that specialize in small business development activities. These relationships are a product of both proximity and partnership in ongoing regional economic development activities. These partnerships are part of SPC's regional planning efforts resulting from the long range land-use and economic development

strategies developed as part of SPC's regulatory responsibilities as the region's Metropolitan Planning Organization.

SPC will continue to enhance existing relationships with the Small Business Development Centers at the University of Pittsburgh;

University of Pittsburgh – Pittsburgh Small Business development Center
Wesley W. Posvar Hall, First Floor
230 South Bouquet Street
Pittsburgh, PA 15260
www.business.pitt.edu/entrepreneur/sbdc

and, the Duquesne Small Business Development Center;

Duquesne Small Business Development Center
Rockwell Hall, Room 108
600 Forbes Avenue
Pittsburgh, PA 15282
www.sbdc.duq.edu/

to identify and support the development of small business opportunities to participate in SPC's DOT-assisted contracts.

Information on outreach efforts are attached to this document.