

**Southwestern Pennsylvania Commission
CommuteInfo Regional Rideshare Program**

FFY 2021, 2022, 2023

(October 1, 2020 through September 30, 2023)

Three-Year Goal

for

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

Amount of goal

SPC has set an overall goal for the CommuteInfo Rideshare Program for Federal Fiscal Years 2021, 2022 and 2023 (October 1, 2020 through September 30, 2023) at **2.4%** 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 through the CommuteInfo Program 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

Staff analysis was used to determine the 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 region was identified by downloading data for each of the ten counties forming the Southwestern Pennsylvania Metropolitan Planning Area from the Pennsylvania Unified Certification Program (PA UCP) website (<http://www.paucp.com>). There were a total of 608 registered DBE firms located in the region as of July 31, 2020. 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 number of registered DBE firms located within the region.

Table 1 – DBE Firm Summary

SPC County	PAUCP-Registered DBE Firms Located in the SPC Region
Allegheny	485
Armstrong	4
Beaver	17
Butler	24
Fayette	5
Greene	1
Indiana	3
Lawrence	1
Washington	31
Westmoreland	37
SPC Region Total	608

Contracting Opportunities

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

Since 2003, SPC has utilized this funding to support the CommuteInfo regional rideshare program. 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 and commuter benefit services to employees and employers in the region such as a website and 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 \$2,500,000 over Federal Fiscal Years 2021 through 2023.

After reviewing previous contracting opportunities and considering the types of projects SPC engages in as part of the CommuteInfo regional rideshare program that would offer opportunities for any type of contractor, analysis 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 and information/outreach. 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 2020-2022

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	511210	Ride Match Software	\$450,000.00	0.17682
2)	485999	CommuteInfo Vanpool Services	\$1,200,000.00	0.47151
3)	541810	Information/Outreach Services	\$800,000.00	0.31434
4)	541890	Safety Kits	\$20,000.00	0.00786
5)	453998	COVID-19 Supplies/Materials	\$75,000.00	0.02947
	Total FTA-Assisted Contract Funds		\$2,545,000.00	1.00000

Relative Availability

The number of registered DBE firms located in the Southwestern Pennsylvania region was compared to the overall number of business sites in the region for the selected 6-digit NAICS codes. The 2020 Mergent Intellect Database was used to determine the overall number of business sites in the region for 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. Staff downloaded the Mergent Intellect Database in January 2020. The database includes records for all business sites located within the 10-county region.

The record for each business site listed in the 2020 Mergent Intellect Database included a primary 6-digit NAICS code. The primary NAICS code was used to tally the number of business sites in the SPC region for each of the selected NAICS codes.

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

The relative availability of registered DBE firms was then calculated for each of the selected NAICS codes, ranging from 0.00037 to 0.04225. The average relative availability for the selected NAICS codes is 0.00464.

Table 3 – Relative Availability of Registered DBE Firms for the 6-Digit NAICS Codes Most Likely to be used for 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
511210	Software Publishers	1	437	0.00229
485999	All Other Transit and Ground Passenger Transportation	3	71	0.04225
541810	Advertising Agencies	5	484	0.01033
541890	Other Services Related to Advertising	8	208	0.03846
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	1	2,678	0.00037
Total		18	3,878	0.00464

Weighting

Based on the direct-funded project contracting history for the CommuteInfo regional ridesharing program, 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 the Urban Area Formula funds (capital cost of contracting for vanpool services). Utilizing the FTA-recommended weighting analysis yields an availability factor of 0.02389 expressed as percentage availability of 2.39% and rounded to 2.4%. Table 4 below summarizes the weighting analysis.

Table 4 - Weighted Base Figure

NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
511210	Ride Match Software	0.17682	x	0.00229	0.00040
485999	CommuteInfo Vanpool Services	0.47151	x	0.04225	0.01992
541810	Marketing Services	0.31434	x	0.01033	0.00325
541890	Safety Kits	0.00786	x	0.03846	0.00030
453998	COVID-19 Supplies/Materials	0.02947	x	0.00037	0.00001
				Total	0.02389
				Expressed as a %	2.39%
				Rounded, Weighted Base Figure:	2.4%

Base Figure

The foregoing analyses and weighting yields a **Base Figure Three-Year Goal of 2.4%** 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. In previous goal-setting utilizing alternative methodology (e.g. FFY2015-2018 DBE Program), there were no significant differences in outcome. The current process, using current FTA-recommended guidance for weighting yields an appropriate base figure goal based on historical results for actual contracting opportunities.

Experience on past participation

CommuteInfo has consistently improved its monitoring of contract opportunities related to its own projects funded with FTA Urban Area Formula funding. Current monitoring and reporting indicates that a slightly higher than base figure goal is consistently being achieved. Contracting opportunities are not expected to change significantly over the next three fiscal years. Therefore it is reasonable to expect that the base figure goal will be achieved. A 2.4% 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, therefore, 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 financial administration staff reviews 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 shared with staff from the CommuteInfo regional ridesharing program to be utilized in development of contracting and DBE participation goals.

SPC planning and CommuteInfo staff are greatly aided in these specific outreach efforts by close association with the Local Development District (LDD) staff which is an additional program of the SPC MPO. CommuteInfo staff participates in periodic information gathering activities designed to solicit input from small businesses and minority firms.

CommuteInfo staff co-hosts an annual event aimed specifically at minority-owned and small businesses. These scheduled events are designed to include as many interested stakeholders as possible and are focused on obtaining information relevant to the DBE goal setting process. The events precede the actual period of goal setting analysis. The most recent annual event was the Allegheny County Department of Equity and Inclusion Annual Open House held on September 19, 2019 and was attended by 103 people representing over 70 distinct small and minority-owned businesses. This year's event is scheduled for September 17, 2020. Results for this year's event will be utilized for goal-setting for the next program.

Description of Efforts for Community Engagement of Consultation Regarding Small Business Development

SPC through the CommuteInfo regional rideshare program 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).

The MPO's existing competitive procurement processes for large procurements (in excess of \$100,000) offers various opportunities to encourage and promote small business participation. The agency averages about 15 of these large contract offerings in a normal business year. Although the potential offerings for the CommuteInfo regional rideshare program are never to this degree, CommuteInfo staff benefits from these processes when it comes to establishing specific potential contracting relationships.

- 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 financial administration staff 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 the overall agency bidders list and/or directing potential bidders to public information concerning small business development within the region.

In addition, CommuteInfo staff through 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.

Through SPC financial administrative staff, CommuteInfo staff will continue to enhance existing relationships with the Small Business Development Centers at the University of Pittsburgh www.business.pitt.edu/entrepreneur/sbdc and, the Duquesne Small Business Development Center www.sbdc.duq.edu/ in order to continue to identify and support the development of small business opportunities to participate in SPC's DOT-assisted contracts.