

FY2018 - FY2020

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
METHODOLOGY**

FOR

**Cobb County Department of Transportation
Transit Division**

MARIETTA, GEORGIA

APRIL 25, 2017

METHODOLOGY for Establishing the FY2018 – FY2020 Overall Disadvantaged Business Enterprise (DBE) Goal for:

Department of Transportation - Transit Division

Marietta GA

April 25, 2017

In fulfillment of the requirements of 49 CFR, 26.45, Cobb County has developed a proposed Overall Goal for FY2018-FY2020 projects within the Transit Division. The methodology used in establishing this goal is described herein.

I. Detail Methodology: Specific Steps

A. Amount of Goal

DBE regulations (49 CFR 26.45) require the establishment of an overall goal based on demonstrable evidence of the availability of ready, willing, and able DBEs relative to all businesses who are ready, willing, and able to participate on DOT assisted contracts. This process begins by determining a base figure for the relative availability of DBEs and then, based on evidence, determining whether the base figure requires adjustments to arrive at the overall goal. The Cobb County Transit Division's (Transit Division) goal setting methodology complies with these regulations. The goal must reflect the Transit Division's determination of the expected level of DBE participation absent the effects of discrimination. The Transit Division does not rely on a national goal, their previous overall goal or past DBE participation rates in their program without reference to the relative availability of DBE's in the Atlanta Metropolitan Statistical Area (MSA).

The industries that will be used for FY2018 – FY2020 federally funded projects fall into construction, wholesale trade, and other services industries. To determine the number of all ready, willing and able DBE businesses available in the Atlanta MSA that perform work in the prime procurement areas, the number of DBE businesses in those categories are summed, then divided by the number of all businesses to derive a base figure for the relative availability of DBE businesses in the Transit Division's market.

Cobb County's DBE goal for the Transit Division for FY2018- FY2020 is 7%.

B. Determination of the Market Area of the study

The 2011 U. S. Census Bureau and the 2008-2012 American Communities Survey was used to obtain the number of DBE Businesses from the Atlanta, GA, Metropolitan Statistical Area. The NAICS codes were applied to the projected FY2018 – FY2020 projects using federal funds. The DBE businesses from the identified NAICS codes were subtracted from the total of all businesses. This gives a base figure to begin with the DBE goal.

TABLE 1: Utilized 29 Counties in the Atlanta – Sandy Springs- Marietta Metropolitan Statistical Area from the Metro Atlanta Chamber (MAC) website:

<http://www.metroatlantachamber.com/docs/resources/map-amp-list-of-counties-primary-cities.pdf?sfvrsn=0>

Construction Services, Wholesale Services and Other Services		
Barrow	Douglas	Meriwether
Bartow	Fayette	Morgan
Butts	Forsyth	Newton
Carroll	Fulton	Paulding
Cherokee	Gwinnett	Pickens
Clayton	Haralson	Pike
Cobb	Heard	Rockdale
Coweta	Henry	Spaulding
Dawson	Jasper	Walton
Dekalb	Lamar	

SOURCE:

1. Metro Atlanta Chamber

C. Determination of Relevant NAICS codes

The North American Industry Standard Classification (NAICS) code used in the calculation for the DOT-assisted contracts for FY 2018 includes:

TABLE 2: Transit Division – FY2018 – FY2020 Project & Activities by Fiscal Year:

FY2018 PROJECTS		
PROJECT	ACTIVITY	NAICS CODE
Construction & Related Professional Services *Renovations/construction of facilities Engineering and Design *MTC, CTC, P/R Lots *Suites 112 and 114 Maintenance Area Upgrade *(Flooring, wall upgrades, bus lifts safety enhancements, CNG Fall Protection System)	*Commercial and Institutional Building Construction	236220
	*Oil and Gas Pipeline and Related Structures Construction	237120
	*Highway, Street, and Bridge Construction	237310
	*Masonry Contractors	238140
	*Roofing Contractors	238160
	*Electrical Contractors and Other Wiring Installation Contractors	238210
	*Plumbing, Heating, and Air-Conditioning Contractors	238220
	*Drywall and Insulation Contractors	238310
	*Painting and Wall Covering Contractors	238320
	*Flooring Contractors	238330
	*Tile and Terrazzo Contractors	238340
	*Finish Carpentry Contractors	238350
	*Other Building Finishing Contractors	238390
	*Site Preparation Contractors	238910
	*All Other Specialty Trade Contractors	238990

<p>Advanced Traffic Management System (ATMS)/Intelligent Transportation System (ITS) & Related Equipment *Fare Collection Equipment – 148 DCUs *Software for TAM, Real time GTFS</p> <p>Support & Security Equipment for the Transit Division *Camera upgrades for admin bldg, transfer centers, P/R lots</p>	<ul style="list-style-type: none"> *Office Equipment Merchant Wholesalers *Other Professional Equipment and Supplies Merchant Wholesalers *Other Electronic Parts and Equipment Merchant Wholesalers *Refrigeration Equipment and Supplies Merchant Wholesalers *Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers 	<p>423420 423490 423690 423740 423860</p>
<p>Leasing/Construction & Related Professional Services *Passenger Amenities (Shelters, benches, lighting, sidewalks, ADA related improvements) *Project Management – 3rd Party *Inspection Services – 3rd Party *Construction Management Services – 3rd Party *Marketing.</p> <p>Transit Planning Studies *Transit Planning to ensure efficiency and effectiveness *Security and Emergency Response Plan</p> <p>Preventive Maintenance Services *Contracts for cleaning, maintenance, landscaping, and other support services</p> <p>Bus Repair/Maintenance projects (Transit Division Buses) *24 Commuter Buses Power Plant Upgrade</p>	<ul style="list-style-type: none"> *Structural Steel and Precast Concrete Contractors *Offices of Real Estate Agents and Brokers *Residential Property Managers *Nonresidential Property Managers *Other Activities Related to Real Estate *Title Abstract and Settlement Offices *Architectural Services *Landscape Architectural Services *Engineering Services *Surveying and Mapping (except Geophysical) Services *Testing Laboratories *Graphic Design Services *Marketing Consulting Services *Environmental Consulting Services *Other Scientific and Technical Consulting Services *Marketing Research and Public Opinion Polling *Translation and Interpretation Services *Janitorial Services *Landscaping Services *Hazardous Waste Collection *Remediation Services *General automotive repair *Other automotive mechanical and electrical repair and maintenance *All other automotive repair and maintenance 	<p>238120 531210 531311 531312 531390 541191 541310 541320 541330 541370 541380 541430 541613 541620 541690 541910 541930 561720 561730 562112 562910 811111 811118 811198</p>

FY2019 PROJECTS		
PROJECT	ACTIVITY	NAICS CODE
Rehab/Renovation projects (Transit Division Facilities) *Restripe Park and Ride Lots *Renovation/construction of facilities	*Commercial and Institutional Building Construction	236220
	*Oil and Gas Pipeline and Related Structures Construction	237120
	*Highway, Street, and Bridge Construction	237310
	*Masonry Contractors	238140
	*Roofing Contractors	238160
	*Electrical Contractors and Other Wiring Installation Contractors	238210
	*Plumbing, Heating, and Air-Conditioning Contractors	238220
	*Drywall and Insulation Contractors	238310
	*Painting and Wall Covering Contractors	238320
	*Flooring Contractors	238330
	*Tile and Terrazzo Contractors	238340
	*Finish Carpentry Contractors	238350
	*Other Building Finishing Contractors	238390
	*Site Preparation Contractors	238910
*All Other Specialty Trade Contractors	238990	
Advanced Traffic Management System (ATMS)/Intelligent Transportation System (ITS) & Related Equipment *Fare Collection Equipment *System Automation Projects Support & Security Equipment for the Transit Division *Miscellaneous safety and security equipment	*Office Equipment Merchant Wholesalers	423420
	*Other Professional Equipment and Supplies Merchant Wholesalers	423490
	*Other Electronic Parts and Equipment Merchant Wholesalers	423690
	*Refrigeration Equipment and Supplies Merchant Wholesalers	423740
	*Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	423860

Leasing/Construction & Related Professional Services *Passenger Amenities (Shelters, benches, lighting, sidewalks, ADA related improvements) *Project Management – 3 rd Party *Inspection Services – 3 rd Party *Construction Management Services – 3 rd Party *Marketing. Transit Planning Studies *Transit Planning to ensure efficiency and effectiveness *Security and Emergency Response Plan Preventive Maintenance Services *Contracts for cleaning, maintenance, landscaping, and other support services	*Structural Steel and Precast Concrete Contractors	238120
	*Offices of Real Estate Agents and Brokers	531210
	*Residential Property Managers	531311
	*Nonresidential Property Managers	531312
	*Other Activities Related to Real Estate	531390
	*Title Abstract and Settlement Offices	541191
	*Architectural Services	541310
	*Landscape Architectural Services	541320
	*Engineering Services	541330
	*Surveying and Mapping (except Geophysical) Services	541370
	*Testing Laboratories	541380
	*Graphic Design Services	541430
	*Marketing Consulting Services	541613
	*Environmental Consulting Services	541620
	*Other Scientific and Technical Consulting Services	541690
	*Marketing Research and Public Opinion Polling	541910
	*Translation and Interpretation Services	541930
	*Janitorial Services	561720
	*Landscaping Services	561730
	*Hazardous Waste Collection	562112
*Remediation Services	562910	

FY2020 PROJECTS		
PROJECT	ACTIVITY	NAICS CODE
Rehab/Renovation projects (Transit Division Facilities) *Renovation/construction of facilities	*Commercial and Institutional Building Construction	236220
	*Oil and Gas Pipeline and Related Structures Construction	237120
	*Highway, Street, and Bridge Construction	237310
	*Masonry Contractors	238140
	*Roofing Contractors	238160
	*Electrical Contractors and Other Wiring Installation Contractors	238210
	*Plumbing, Heating, and Air-Conditioning Contractors	238220
	*Drywall and Insulation Contractors	238310
	*Painting and Wall Covering Contractors	238320
	*Flooring Contractors	238330
	*Tile and Terrazzo Contractors	238340
	*Finish Carpentry Contractors	238350
	*Other Building Finishing Contractors	238390
	*Site Preparation Contractors	238910
	*All Other Specialty Trade Contractors	238990

<p>Advanced Traffic Management System (ATMS)/Intelligent Transportation System (ITS) & Related Equipment *Full Breeze Conversion *AVL Upgrades Support & Security Equipment for the Transit Division *Camera and other system upgrades</p>	<p>*Office Equipment Merchant Wholesalers *Other Professional Equipment and Supplies Merchant Wholesalers *Other Electronic Parts and Equipment Merchant Wholesalers *Refrigeration Equipment and Supplies Merchant Wholesalers *Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers</p>	<p>423420 423490 423690 423740 423860</p>
<p>Leasing/Construction & Related Professional Services *TAMP Recommendations *Passenger Amenities (Shelters, benches, lighting, sidewalks, ADA related improvements) *Project Management – 3rd Party *Inspection Services – 3rd Party *Construction Management Services – 3rd Party *Marketing. Transit Planning Studies *Transit Planning to ensure efficiency and effectiveness *Security and Emergency Response Plan Preventive Maintenance Services *Contracts for cleaning, maintenance, landscaping, and other support services</p>	<p>*Structural Steel and Precast Concrete Contractors *Offices of Real Estate Agents and Brokers *Residential Property Managers *Nonresidential Property Managers *Other Activities Related to Real Estate *Title Abstract and Settlement Offices *Architectural Services *Landscape Architectural Services *Engineering Services *Surveying and Mapping (except Geophysical) Services *Testing Laboratories *Graphic Design Services *Marketing Consulting Services *Environmental Consulting Services *Other Scientific and Technical Consulting Services *Marketing Research and Public Opinion Polling *Translation and Interpretation Services *Janitorial Services *Landscaping Services *Hazardous Waste Collection *Remediation Services</p>	<p>238120 531210 531311 531312 531390 541191 541310 541320 541330 541370 541380 541430 541613 541620 541690 541910 541930 561720 561730 562112 562910</p>

SOURCES:

1. 2011 County Business Patterns (NAICS)
2. GDOT/MARTA Unified DBE Directory (NAICS)

DATA:

18,344 businesses in Atlanta MSA within the above NAICS codes, 467 of them are certified DBEs:

BUSINESS	# OF BUSINESSES	# OF CERTIFIED DBE'S
Construction	6,224	197
Wholesale	631	5
Other Services	12,835	268
TOTAL	19,690	470

The Transit Division anticipates contracting opportunities for the FY2018 –FY2020 as follows:

FISCAL YEAR	PROJECT TOTAL
FY 2018	\$9,885,000
FY 2019	\$2,800,000
FY 2020	\$4,150,000
THREE YEAR PERIOD TOTALS	\$16,835,000

Step 1 Process-Base Figure:

Weighted Process:

Base figure weighted based on projected contracting opportunities totaling \$16,835,000.

Of this amount, 25% will go to Construction, 24% to Wholesale, and 51% to Other Services.

TABLE 3: DBEs-Transit Division, by Relevant NAICS Codes – FY2018 - FY2020

NAICS Code/Activity	Project	Amount	% of Total (Weight)
236220 Commercial and Institutional Building Construction	Renovation of Facilities	\$4,200,000	24.95%
237120 Oil and Gas Pipeline and Related Structures Construction			
237310 Highway, Street, and Bridge Construction			
238140 Masonry Contractors			
238160 Roofing Contractors			
238210 Electrical Contractors and Other Wiring Installation Contractors			
238220 Plumbing, Heating, and Air-Conditioning Contractors			
238310 Drywall and Insulation Contractors			
238320 Painting and Wall Covering Contractors			
238330 Flooring Contractors			
238340 Tile and Terrazzo Contractors			
238350 Finish Carpentry Contractors			
238390 Other Building Finishing Contractors			
238910 Site Preparation Contractors			
238990 All Other Specialty Trade Contractors			

423420 Office Equipment Merchant Wholesalers 423490 Other Professional Equipment and Supplies Merchant Wholesalers 423690 Other Electronic Parts and Equipment Merchant Wholesalers 423740 Refrigeration Equipment and Supplies Merchant Wholesalers 423860 Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	ITS/ATMS Equipment/Support and Security Equipment	\$4,023,000	23.90%
238210 Structural Steel and Precast Concrete Contractors 531210 Offices of Real Estate Agents and Brokers 531311 Residential Property Managers 531312 Nonresidential Property Managers 531390 Other Activities Related to Real Estate 541191 Title Abstract and Settlement Offices 541310 Architectural Services 541320 Landscape Architectural Services 541330 Engineering Services 541370 Surveying and Mapping (except Geophysical) Services 541380 Testing Laboratories 541430 Graphic Design Services 541613 Marketing Consulting Services 541620 Environmental Consulting Services 541690 Other Scientific and Technical Consulting Services 541910 Marketing Research and Public Opinion Polling 541930 Translation and Interpretation Services 561720 Janitorial Services 561730 Landscaping Services 562112 Hazardous Waste Collection 562910 Remediation Services 811111 General automotive repair 811118 Other automotive mechanical and electrical repair and maintenance 811198 All other automotive repair and maintenance	Construction & Professional Services/ Planning Studies/Repair/ Preventative Maintenance	\$8,612,000	51.15%
Project Total			\$16,835,000

D. Determination of Relevant Availability of DBEs in Market Area, Compared to all Businesses

The North American Industry Standard Classification (NAICS) code used in the calculation for the DOT-assisted contracts for FY2018 – FY2020 includes:

TABLE 4: DBEs- Transit Division, by Project – FY2018 – FY2020

Project	DBEs Firms	All Businesses	DBE Businesses Relative Availability (Base Figure)	Weight Total Availability
Renovation of Facilities	197	6,224	.03	24.95%
ITS/ATMS Equipment/Support and Security Equipment	5	631	.01	23.90%
Construction & Professional Services/ Planning Studies/Repair/Preventative Maintenance	268	12,835	.02	51.15%
Step 1 DBE Base Figure	470	19,690	.06	100%

SOURCES:

1. 2011 Economic Census
2. 2008-2012 American Community Survey
3. GDOT/MARTA Unified DBE Directory
4. 2011 County Business Patterns (NAICS)

NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above were used to determine the numerator, or the number of DBE firms in the market area.

E. Determination of the DBE Base Figure FY2018 – FY2020

The Step 1 DBE Base Figures for FY2018 – FY2020 were derived by using a weighted process by which the ratio of dollars spent on various activities (represented by NAICS codes) were multiplied by the percentage of the relevant DBE businesses to all relevant businesses as indicated in Table 4 above.

The Step 1 DBE Base Figure for FY2018 – FY2020 is 6%.

Construction \$4,200,000 total construction project / \$16,835,000 = .25

Wholesale \$4,023,000 total wholesale projects / \$16,835,000 = .24

Other Services \$8,612,000 total other services / \$16,835,000 = .51

The Step One Base Figure Base Figure is calculated by dividing the total number of DBE's by the total number of businesses in each category.

$$\begin{aligned}
 & (197 \text{ Construction DBE's} / 6,224) + (5 \text{ Wholesale DBE's} / 631) + (268 \text{ Other Serv.} / 12,835) \\
 & = .03 + .01 + .02 \\
 & = \mathbf{.06 \text{ or } 6\% \text{ Base Figure}}
 \end{aligned}$$

II. Adjustments to the DBE Base Figure

The Base figure is then weighted to attain the most accurate representation of the available DBE's in each category. The weighted base figure is calculated by multiplying the DBE ratios by their corresponding weights, summing the results for each activity, and taking its percentage. The following computation establishes the Base Figure:

$$\text{Construction} \quad .25(.03) = .01$$

Wholesale .24(.01) = .00
 Other Services .51(.02) = .01

.01+.00+.01= .02 or **2% Base Figure Weighted**

III. Step 2 Process Adjustments

After establishing the base figure of DBE availability at 2%, other evidence available in the Transit Division’s jurisdiction was examined to determine what adjustment, if any, was needed to the base figure in order to establish an overall goal.

TABLE 5: DBEs- Transit Division DBE Accomplishments for – FY2014 - FY2016

Report Period	Approved DBE Goal	Historical Participation
FY2014	7%	17.6%
FY2015	5%	0%
FY2016	5%	11.9%

With the adjustment factor considered to this point, the base figure was added to the actual median (12%) past participation achievement percentages and averaged to obtain the Transit Division’s overall DBE goal as follows:

(2% Base Figure + 11.9% Historical Participation) = 13.9/2 = 6.95%

7% is the DBE Goal for FY2018 – FY2020

A. Consultation

In accordance with 49 CFR Part 26.45, consultations were held with various agencies to gather

“(ii) Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure...

(iii) Data on employment, self-employment, education, training and union apprenticeship programs to the extent you can relate it to the opportunities for DBEs to perform in you program” (26.24, d.)

There are no local disparity studies or similar documents that can be utilized to adjust the Step One DBE Base Figure.

A disparity study was conducted for the Georgia Department of Transportation (GDOT) and the findings were released July 2012. The study demonstrated that there exists

disparity between the availability of minority – and women-owned firms and DBEs to perform GDOT-funded work, and the utilization of said firms. Because the study does not focus on FTA contracts the disparity study data will not be used to make adjustment to the base figure.

None of the entities had any disparity studies or data available for the Cobb County area, and none had any data available noting disparities regarding DBEs' access to bonding, capital, insurance, etc.

There are a number of programs available to DBEs. Georgia Economic & Small Business Development(<http://www.georgia.org/business-resources/small-business-resource/Page/default.aspx>) has resources available for DBEs, including certification information, legislation involving small businesses, and contact information for small and DBE coordinators throughout the state of Georgia.

The Kennesaw State University's Small Business Development Center office in Kennesaw GA also has consultants available to assist DBE firms in: writing business plans; conforming to federal government regulations; bidding on federal, state and local contracts; find capital, etc. The agency does not conduct disparity studies, but does provide resources to assist DBEs in obtaining a greater opportunity to participate in federal contacts.

Resources: Transit Division Disadvantaged Business Enterprise program Methodology (FY2018 – FY2020)

A. Resource Documents:

1. 2011 Economic Census
2. 2008-2012 American Community Survey
3. GDOT/MARTA Unified DBE Directory
4. 2011 County Business Patterns (NAICS)

B. Person, and/or Agencies Consulted with:

1. Federal Transit Administration (FTA)
2. Cobb County DBE Liaison Officer
3. Cobb County Department of Transportation (DOT) Pre-Construction Engineer
4. Cobb County Purchasing

I. Breakout of Estimated Race-Conscious/Race-Neutral Participation

The Transit Division anticipates that FY2018 – FY2020 will hold similar contracting opportunities. The Transit Division will meet its overall goal by using race neutral means of facilitating DBE participation.

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 a DBE goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that does not consider a firm's DBE status in making the award.

The Transit Division will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitation DBE participation. The Transit Division will use combination of the following race-neutral means to increase DBE participation:

Hosting pre-bid meetings to allow large and small businesses the opportunity to connect for contracting/subcontracting opportunities. Arranging solicitations, times for meetings, specifications, and delivery schedules in ways that facilitate DBE participation. (E.g. unbundling large contracts to make them more accessible to DBE's, encouraging prime contractors to subcontract portions of work that they might otherwise perform)

Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuing the inclusion of DBE businesses on recipient mailing lists for bidders, providing a link to bidders on prime contracts the GDOT UCP directory as a resource for subcontractors)

100% of the Transit Division goal will be achieved through race-neutral and 0% through race-conscious.

II. Public Participation – 49 CFR 26.45 (g) (1)

(g) In establishing an overall goal, you must provide for public participation. This public participation must include:

(1) Consultation with minority, women's and general contractor groups, community organizations, 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 your efforts to establish a level playing field for the participation of DBEs.

In an effort to facilitate DBE interest, and the meet public participation requirements, the Transit Division held a public outreach meeting on April 5, 2017 and invited the following firms/agencies/companies to hear an update on the Transit Division's DBE goal development. The invitees included the following:

1. Asian-American Chamber of Commerce of GA, Inc.
2. Atlanta Business League
3. Atlanta Metropolitan Black Chamber of Commerce
4. Citizens Trust Bank
5. Department of Administrative Services
6. Georgia African-American Chamber of Commerce
7. Georgia Highway Contractors Association

8. Georgia Hispanic Chamber of Commerce
9. Georgia-Indo American Chamber of Commerce
10. Georgia Minority Supplier Development Council, Inc.
11. HGM Management & Technologies, Inc.
12. Japanese Chamber of Commerce Georgia, Minority Business Development Agency
13. Korean-American Chamber of Commerce of GA
14. Lemongrass Consulting, Inc.
15. Minority Business Development Agency
16. National Association of Minority Contractors
17. National Black MBA Association
18. Small Business Administration
19. Women's Economic Development Agency
20. Georgia Black Constructors Association

The Transit Division will invite all DBE vendors to participate in the Pre-Bid Meetings in an effort to connect Prime & Small Minority Businesses for opportunities in contracting.

III. Contract Goal

The Transit Division will use a contract goal on all contracts that have subcontracting opportunity. Establishing an overall goal on all contracts with subcontracting opportunity will cumulatively result in meeting the Transit Division's overall goal of 7%.

The Transit Division will include the overall goal on those USDOT-assisted contracts that have subcontracting possibilities, without geographic or local preference.