

City of Billings
Aviation and Transit Department
MET Transit Division
FFY 2021 – 2023 DBE Goal

The City of Billings MET Transit (MET), in accordance with United States Department of Transportation (USDOT) guidelines, determines MET's Disadvantaged Business Enterprise (DBE) Goal for the Federal Transit Administration (FTA) for Federal fiscal years: 2021, 2022 and 2023.

MET calculates the Goal using the criteria set forth in Title 49 Code of Federal Regulations Part 26. The determination of the level of DBE participation is based on the availability of all DBE businesses that are ready, willing, and able to participate in FTA-assisted contracts in the City of Billings and the surrounding Yellowstone County in relationship to all comparable businesses which are known to be available to compete for FTA-assisted contracts.

For Federal Fiscal Year 2021 – 2023, MET has established a proposed overall DBE goal of 2.33% based on the requirements of 49 CFR Part 26.45. MET is proposing to meet 100% of its overall DBE goal through the use of race-neutral means.

This methodology and the supporting evidence complies with the requirements of the federal regulations and federal guidance, as well as relevant court decisions, including *Western States Paving v Washington State Dept. of Transportation*, 907 F.3d 963 (9th Cir. 2005).

Step 1: Determining the Base Figure

For the Step I Base Figure, MET determined the relative DBE availability in accordance with 49 CFR Part 26.45(c) (1), which is to use DBE Directories and Census Bureau Data. When reviewing these datasets, MET used Yellowstone County as the market area.

To perform the calculation, two figures need to be determined; the number of DBE firms and the number of total firms that are ready, willing, and able to compete for FTA-assisted contracts through MET.

DBE Firms

MET evaluated the DBE Directory based on firms certified as of November 20, 2020. The NAICS codes used are consistent with the type of work MET has performed in past years as well as FTA-assisted contracts MET intends to let in the future. Table 1 provides a breakdown of the number of DBE firms by NAICS code in the market area.

Table 1 – Number of DBE firms by NAICS code for FTA-Assisted Contracts

Number of DBE Firms	NAICS Code	Description
0	236220	Commercial and Institutional Construction
6	237310	Paving
0	238210	Electrical Contractors
0	323111	Printing
0	424710	Petroleum Bulk Stations, Merchant Wholesalers
0	441310	Automotive Parts and Accessories Stores
0	441320	Tire Dealers
0	488410	Motor Vehicle Towing
0	515112	Radio Stations
0	541310	Architectural Services
1	541611	General Management Consulting Services
1	541613	Marketing Consulting Services
0	561320	Temporary Help Services
0	561610	Armored Car Services
0	561621	Security System Services
0	561710	Exterminating and Pest Control Services
5	561730	Landscaping Services
0	561740	Carpet and Upholstery Cleaning Services
0	562211	Hazardous Waste Treatment and Disposal
0	811111	Automotive Mechanical & Electrical Repair & Maintenance
0	811118	Other Automotive Repair & Maintenance
0	811121	Automotive Body, Paint, Interior & Glass Repair
0	811212	Computer & Office Machine Repair & Maintenance
0	811310	Commercial & Industrial Machinery Repair & Maintenance
0	812331	Linen and Uniform Supply
13	Total DBE Firms for FTA-Assisted Contracts	

Total Firms

Using the same NAICS codes as identified in Table 1, MET reviewed the number of businesses published in the US Census Bureau County Business Patterns. Table 2 provides a breakdown of total firms from the Census by their NAICS code.

Table 2 – Number of total firms from Census Data by NAICS code

Number of Total Firms	NAICS Code	Description
30	236220	Commercial and Institutional Construction
19	237310	Paving
55	238210	Electrical Contractors
13	323111	Printing
9	424710	Petroleum Bulk Stations, Merchant Wholesalers
34	441310	Automotive Parts and Accessories Stores
19	441320	Tire Dealers
15	488410	Motor Vehicle Towing
6	515112	Radio Stations
21	541310	Architectural Services
41	541611	General Management Consulting Services
16	541613	Marketing Consulting Services
20	561320	Temporary Help Services
0	561610	Armored Car Services
6	561621	Security System Services
6	561710	Exterminating and Pest Control Services

87	561730	Landscaping Services
10	561740	Carpet and Upholstery Cleaning Services
0	562211	Hazardous Waste Treatment and Disposal
75	811111	Automotive Mechanical & Electrical Repair & Maintenance
6	811118	Other Automotive Repair & Maintenance
29	811121	Automotive Body, Paint, Interior & Glass Repair
8	811212	Computer & Office Machine Repair & Maintenance
33	811310	Commercial & Industrial Machinery Repair & Maintenance
0	812331	Linen and Uniform Supply
558	Total Firms from Census Data for FTA-Assisted Contracts	

The relative DBE availability is calculated as follows:

$$\frac{13 \text{ Ready, willing, and able DBEs}}{558 \text{ Total firms ready, willing and able}} = 2.33\% \text{ DBE availability}$$

When the numerator is divided by the denominator the base figure arrived at for our overall DBE goal is 2.33%.

Base Figure Weighting

In order to weight the relative DBE availability, MET reviewed anticipated projects by work type on FTA-assisted contracts. Table 3 estimates the amounts by work type to be expended for the next three (3) fiscal years based upon budget projections.

Table 3 – FTA Assisted Amounts by Work Type

Work Type	NAICS Code	Amount	% of Total
Construction (non-paving)	236220	\$735,000.00	19%
Paving	237310	\$610,000.00	15%
Electrical Contractors	238210	\$35,000.00	1%
Printing	323111	\$54,000.00	1%
Petroleum Products	424710	\$1,203,000.00	31%
Auto Parts & Access Stores	441310	\$612,000.00	16%
Tire Dealers	441320	\$99,000.00	3%
Motor Vehicle Towing	488410	\$12,000.00	0%
Radio Stations	515112	\$75,000.00	2%
Architectural Services	541310	\$50,000.00	1%
General Management Consulting	541611	\$75,000.00	2%
Marketing Consulting Services	541613	\$30,000.00	1%
Armored Car/Security Services	561610, 561621	\$8,775.00	0%
Exterminating & Pest Control	561710	\$3,500.00	0%
Landscaping Services	561730	\$20,000.00	1%
Carpet & Upholstery Cleaning	561740	\$3,600.00	0%
Waste Treatment & Disposal	562210	\$4,500.00	0%
Auto Repair, Paint & Maintenance	811111,811118,811121	\$210,000.00	5%
Computer & Office Machine Repair & Maintenance	811212	\$48,000.00	1%
Commercial Machine Maintenance/Repair	811310	\$10,000.00	0%
Linen & Uniform Supply	812331	\$41,000.00	1%
Total		\$3,939,375.00	100%

Using the above percentages, the weighted base figure calculates as:
 $[\.15(6/19)+.02(1/41)+.01(1/16)+.01(5/87)]*100 = 4.9\%$ DBE availability

Step 2: Adjustments to the Base Figure

During Step 2, MET examined all relevant evidence in its jurisdiction to determine what adjustments, if any, is needed to the base figure in order to arrive at the overall DBE participation goal.

To determine DBE past participation, MET calculated the median of the range (1.16%).

<u>Year</u>	<u>Established Overall Goal</u>	<u>Past Participation</u>
2018	0.89%	1.16%
2019	0.89%	1.64%
2020	0.89%	0.32%

- the MET's median past participation is 1.16%

Since the past participation figures and the Step 1 base figure (2.33%) and the median figure (1.16%) are similar and vary by less than 2%, MET chose not to make an adjustment based upon median past participation. Further, the weighted figure is influenced by a single large anticipated project (lot paving) and only reflects availability based upon the dollar figures, skewing the results away from all anticipated available projects. With both of these in mind, MET made no adjustments to the base figure of 2.33% in establishing its goal.

Based on U.S.D.O.T. guidance issued because of the U.S. 9th Circuit Court of Appeals, the City of Billings is requesting approval to implement a wholly race-neutral program recommended by the Montana Department of Transportation's Disparity Study completed in July 2016.

Therefore, based upon the above, a race-neutral goal of 2.33% has been established for the City of Billings' MET Transit.

Many efforts have been made to increase DBE participation in FTA-assisted purchases and contracts. As in past years, these efforts included:

- Generating publicity about the Aviation and Transit Department goals for generating DBE participation in the program;
- Including a statement encouraging participation in all Department bid invitations;
- Notifying all vendors (DBE's and Non-DBE's) of small routine purchases, as well as large specific bids for goods of services, which they may be able to supply;
- Facilitating the personal contacts and meeting between DBE's and the various individuals responsible for purchases in the Department as able.

In addition to these on-going efforts, the Department has:

- Supported the Montana Department of Transportation DBE Supportive Services Department, which holds workshops to encourage and educate businesses who may qualify as a DBE to become certified.

- Further encouraged DBE vendors to continue participation, and to communicate about the program to other potential vendors.

In recognition of MET's additional responsibility to foster DBEs, MET has partnered in the past with Montana Procurement Technical Assistance Center (PTAC) to forge community awareness of the DBE program in general through discussions and communications with minority and DBE focused organizations. MET intends to continue this partnership in the coming years and assess further areas of possible engagement.

MET posted notice of the FY2021 - FY2023 FTA Goal Methodology in the *Yellowstone County News* on November 27, December 04, and December 11, 2020, and indicated the goals are available for review and public comment for 45 days from the date of publication. The notice directs all interested parties that the information pertaining to this goal and the description of how it was selected is available for inspection during normal business hours at the MET Transit Office. The notice provides an address where public comments may be sent. The Public Notice was also posted on MET Transit's web site. MET accepts comments until January 25, 2021. All comments received will be provided to the Federal Transit Administration for consideration.