

**MASS TRANSPORTATION AUTHORITY
FLINT, MI
DISADVANTAGE BUSINESS ENTERPRISE PROGRAM (DBE)
GOAL SETTING FOR FY 2018-2020**

I. Policy Statement

The Mass Transportation Authority submits its triennial DBE goal to the Federal Transit Administration (FTA) on August 1 of the specified year. The overall goal submission includes: the goal (including the breakout of estimated race neutral and race conscious participation, as appropriate); a copy of the methodology, worksheets, etc. used to develop the goal; a summary of information and comments received during the public participation process and our responses; and proof of publication of the goal in media outlets.

The methodology used to set the DBE participation goal is:

- (1) Determine types of projects and dollar value of expected projects based on the MTA Capital Program;
- (2) Determine the availability of contractors in the MTA's operating area, including its regional service area, to perform work based on NAICS codes, using data from the Census Bureau's County Business Pattern;
- (3) Determine the availability of DBE contractors in the same operating area used in step (2) using the MUCP Directory as the source;
- (4) Determine the relative availability of DBE contractors in proportion to all contractors;
- (5) Calculate the weighted goal by multiplying the proportion of total expenditure by the relative availability of DBE contractors.
- (6) A notice of public comment was filed in the Flint Journal inviting comments for a period of 30 days.

The entire methodology and calculations can be found in Attachment B for the three-year period FY 2018-2020. The FY 2018-2020 DBE goal for the Mass Transportation Authority is 1.5% participation. The goal will be pursued through .75% race neutral and .75% through race conscious measures.

The race conscious portion of the total DBE goal will be achieved through contract goals. The race neutral DBE goal will be determined by the relative availability of DBE contractors. Not every contract is suited to a contract goal, and the size of contract goals will be adapted to the circumstances of each contract.

**MASS TRANSPORTATION AUTHORITY
FLINT, MI
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM
AND GOAL FOR FY 2018-2020**

Contents

I.	Policy Statement	1
II.	Definitions of Terms	3
III.	Non-Discrimination	3
IV.	Record Keeping and Reporting	3
V.	Assurances	3
VI.	Liaison Officer	4
VII.	DBE Financial Institutions	5
VIII.	DBE Directory	5
IX.	Overconcentration	5
X.	Fostering Small Business Participation	5
XI.	Monitoring and Enforcement	6
XII.	Goal Setting For FY 2018-2020	6
XIII.	Good Faith Efforts	7
XIV.	Counting DBE Participation	7
XV.	Certification	8
XVI.	DBE Participation in MTA Procurements	8

Attachments

A.	Calculation of FY 2018-2020	10
B.	Public Notice	14

II. Definition of Terms

The definitions of terms contained in 49 CFR Part 26.5 shall be used as definitions in the MTA DBE program and are hereby incorporated by reference.

III. Non Discrimination

MTA will not exclude any person from participating in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26, on the basis of race, color, sex, national origin or disability.

In administering its DBE program, MTA will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the program with respect to individuals of a particular race, color, sex, national origin, or disability.

IV. Record Keeping and Reporting

MTA will meet the requirements of 49 CFR Part 26.11 to maintain records and prepare and submit the Uniform Report of DBE Awards or Commitments and Payments at the intervals stated on the form. These reports will reflect payments actually made to DBE's on DOT assisted contracts.

V. Assurances

(a) Each financial assistance agreement MTA signs with U.S. DOT includes the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in the award and administration of DOT assisted contracts. The recipients DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

(b) Each contract MTA signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) includes the following assurance:

The contractor, sub-recipient or subcontractor shall not discriminate on the basis of race, color, national origin, sex or disability in the performance of a contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract or such other remedy as the recipient deems appropriate.

Each contract MTA signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) includes a clause requiring prime contractors to pay subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each payment MTA makes to the prime contractor.

VI. DBE Liaison Officer (DBELO)

The MTA DBE Liaison Officer (DBELO) shall have direct, independent access to the General Manager concerning DBE program matters. The liaison officer shall work with the Procurement staff to implement all aspects of the MTA's DBE program. The MTA DBE Liaison Officer is:

Mary Ann Ketels
Grants Administrator
Mass Transportation Authority
1401 S. Dort Hwy
Flint, MI 48503
810 780-8804
mketels@mtaflint.org

The DBELO duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required by DOT.
2. Works with all departments to set DBE goals.
3. Identifies contracts and procurements so that DBE goals are included in solicitations (both race neutral methods and contract specific goals attainment) and identifies ways to improve progress.
4. Analyzes MTA's progress toward goal attainment.
5. Participates in pre-bid meetings.
6. Reviews documentation provided contractors to ensure compliance with this DBE program and 49 CFR Part 26.
7. Participates in DBE training seminars.
8. Acts as liaison to the Michigan Unified Certification Program (MUCP).
9. Provides outreach to DBE's and community organizations to advise them or opportunities.

The Procurement staff responsibilities include:

1. Ensures bid notices and requests for proposals are available to DBE's in a timely manner.
2. Identifies contracts appropriate for a small business set aside and issues invitations to bid to small businesses, including DBE's that meet SBA 8a criteria.
3. Identifies contracts and procurements so the DBE goals are included in solicitations (both race neutral methods and contract specific goals attainment) and identifies ways to improve progress.
4. Provides DBE's with information and assistance in preparing bids, obtaining bonding, and insurance.
5. Requires contractors provide documentation of good faith efforts to retain DBE subcontractors, pay records, invoices and any other records necessary to verify compliance with DBE requirements.

VII. DBE Financial Institutions

MTA has investigate the availability of financial institutions owned and controlled by socially and economically disadvantaged individuals in the Flint and Genesee County community and to date have found none.

VIII. DBE Directory

MTA utilizes the directory maintained by the Michigan Unified Certification Program (MUCP), for all firms certified by the MUCP (including those certified by other states.) The MUCP Directory contains the information required by 26.31 and is available to the public via the internet at www.mi.gov. The directory is available in print at:

Michigan Department of Transportation
425 W. Ottawa
P.O. Box 30050
Lansing, MI 48909

IX. Overconcentration

MTA researches the availability of DBE forms to perform the types of work funded through DOT contracts when setting the DBE goal. There is no overconcentration of DBE firms in any of the NAICS codes corresponding to grant funded procurements anticipated over the next three year period 2018-2020.

X. Fostering Small Business Participation

MTA's DBE Program includes an element to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.

To implement this program element MTA will utilize the following strategies:

- (1) Establish a race neutral small business set-aside for prime contracts under the amount of \$25,000.
- (2) In multi-year design-build contracts or other large contracts, requiring bidders on the prime contract to specify elements of the contract or specific subcontracts that are of a size that small businesses, including DBE's, can reasonably perform.
- (3) Identifying alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBE's, to compete for and perform prime contracts.
- (4) Ensuring that a reasonable number of prime contracts are of a size that small businesses including DBE's can reasonably perform.

XI. Monitoring and Enforcement

MTA will monitor and enforce the appropriate use of certified DBEs, including but not limited to determination of good faith efforts, ensuring appropriate DBE certification, verifying DBE subcontractors, subcontractor work performance, and timely pay of subcontractors.

XII. Goal Setting for FY 2018-2020

The methodology used to set a DBE participation goal is:

- (1) Determine types of projects and dollar value of expected projects based on the MTA capital program;
- (2) Determine the availability of contractors in the MTA operating area, including its regional service area, to perform work based on NAICS codes, using data from the Census Bureau's County Business Patterns;
- (3) Determine the availability of DBE contractors in the same operating area used in step 2, using the MUCP Directory as the source;
- (4) Determine the availability of DBE contractors in proportion to all contractors;
- (5) Calculate the weighted goal by multiplying the proportion of total expenditures by the relative availability of DBE contractors.

The entire methodology and calculations can be found in Attachment B for the three year period, FY 2018-2020. The FY 2018-2020 Aspirational DBE goal for the Mass Transportation Authority is 1.5% participation. The goal will be pursued through .75% race neutral participation and .75% through race conscious measures.

Contract goals will be used to achieve the race conscious portion of the total goal. Contract goals will be established only for those DOT assisted contracts that have subcontracting possibilities. We need not establish a contract goal for every contract, and the size of the contract goals will be adapted to the circumstances of each contract.

XIII. Good Faith Efforts

When MTA establishes a DBE contract goal, the contract will only be awarded to a bidder/offer who makes good faith efforts to meet it. MTA will determine that a bidder/offer has made good faith efforts if the bidder/offer does either of the following:

- (1) Documents that it has obtained enough DBE participation to meet the goal; or
- (2) Documents that it made adequate good faith efforts to meet the goal, even though it did not succeed in obtaining enough DBE participation to do so.

In procurements for which a contract goal has been established, MTA will require the following:

- The names and addresses of DBE firms that will participate in the contract;
- A description of the work that each DBE will perform;
- The dollar amount of the participation of each DBE firm participating;
- Written documentation of the bidder/offer commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;
- Written confirmation from the DBE that it is participating in the contract as provided in the prime contractor's commitment; and
- If the contract goal is not met, evidence of good faith efforts. MTA will determine whether the documentation of good faith efforts satisfies the guidance found in Attachment A of 49 CFR Part 26.

XIV. Counting DBE Participation

MTA will count DBE participation toward overall and contract aspirational goals as provided in 49 CFR, Section 26.55:

Only the work actually performed by a DBE will be counted toward the DBE goal. The cost of supplies and materials obtained by the DBE or equipment leased (except from the prime contractor or its affiliate) may also be counted.

Expenditures may only be counted from a DBE manufacturer, and on hundred percent of the cost will be counted. If the materials and supplies are purchased from a DBE regular dealer, sixty percent of the cost will be counted.

DBE achievement will not be counted toward the overall goal until the DBE has been paid. The MTA will track the participation of DBEs in goal specific contracts separately from the participation of DBEs that are considered race neutral. Additionally, if certification is removed during the performance of the contract, the MTA will not count the portion of DBE participation that is achieved after certification of the DBE has been removed.

XV. Certification

MTA is a participant in the Michigan Unified Certification Program (MUCP). The MUCP makes all certification decisions on behalf of all DOT recipients in the state with respect to participation in the DOT DBE program. All obligations of the MTA with respect to certification and non-discrimination are carried out by MUCP. The MTA ensures that only firms certified as eligible DBEs by the MUCP are counted as participants in the MTA DBE program.

XVI. DBE Participation in MTA Procurements

FY 2015	<1%
FY 2016	<1%
FY 2017	<1%

Average DBE participation in past procurements is less than 1%. This experience plus the weighted goal of less than 1% indicate that race neutral measures are not sufficient to attract DBE participation. Therefore, race conscious measures will be required. MTA will set contract goals based on the nature of the procurement and availability of DBE businesses to respond to MTA solicitations.

MTA has long struggled with attracting DBE vendors to participate in MTA procurements. There are very few DBE businesses in the immediate area where service is provided. Most DBE Certified Contractors are located in the Detroit area, and are not willing to travel to Flint, and Genesee County, MI. MTA also notes that many DBE business owners have small businesses and do not have the capacity to respond to large bid projects.

In an effort to attract more DBE Certified Contractors, MTA held an information session on becoming a DBE Certified Contractor. While the session was well attended by approximately 35 participants, only three participants followed through with the certification process. It has been MTA's experience that the majority of DBE business owners are reluctant to open their books and businesses to scrutiny by the Michigan Department of Transportation or any other outsider for the purposes of certification. The accompanying paperwork for certification is a daunting project for DBE Contractors, and many decline to even begin the process of certification.

FY 2018-2020 DBE Overall Goal for the Mass Transportation Authority will be 1.5%. MTA estimates that .75% will be obtained from race neutral participation and .75% through race conscious measures.

The MTA posted a public comment notice in the Flint Journal indicating the MTA FY 2018-2020 DBE Goal and inviting public comment for a period of 30 days. MTA did not receive any comments from the public.

A copy of MTA's FY 2018-2020 DBE goal will be sent to the Michigan Minority Business Development Council and the local Chamber of Commerce.

Attachment A:

MASS TRANSPORTATION AUTHORITY						
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM (DBE)						
FY 2018-2020 OVERALL GOAL						
The following projects are in the MTA capital program for FY 2018-2020 (other than vehicle procurements).						
Capital assistance will be sought from the Federal Transportation Authority, (FTA) for these projects during						
FY 2018-2020.						
NAICS Code	Work Item	FY 2018	FY 2019	FY 2020	Total Amount	% of Total
236220	Bus Shelter Construction	\$87,500.00	\$102,500.00	\$102,500.00	\$292,500.00	2.9%
2362	Non-Residential Construction	\$0.00	\$0.00	\$0.00	\$0.00	
237310	Asphalt	\$866,250.00	\$866,250.00	\$866,250.00	\$2,598,750.00	19%
2381	Foundation, Structure, Building Exterior	\$0.00	\$0.00	\$0.00	\$0.00	
2382	Building Equipment Contractors	\$0.00	\$0.00	\$0.00	\$0.00	
2383	Building Finish Contractors	\$0.00	\$0.00	\$0.00	\$0.00	
2389	Specialty Trade Contractors	\$0.00	\$0.00	\$0.00	\$0.00	
5413	Architectural, Engineering, Related Serv	\$0.00	\$0.00	\$0.00	\$0.00	
	TOTAL	\$953,750.00	\$968,750.00	\$968,750.00	\$2,891,250.00	
334514	Farebox Recovery Systems	\$500,000.00	\$500,000.00	\$500,000.00	\$1,500,000.00	10.69%
423610	Security Equipment	\$287,500.00	\$282,500.00	\$287,500.00	\$857,500.00	6.11%
423990	Signs	\$0.00	\$0.00	\$0.00	\$0.00	
44111	New Car Dealers	\$120,000.00			\$120,000.00	0.86%
441310	Shop Equipment	\$245,000.00	\$310,000.00	\$245,000.00	\$800,000.00	5.70%
4413	Automotive Parts and Accessories	\$1,255,000.00	\$1,240,000.00	\$1,150,000.00	\$3,645,000.00	27%
44312	Computer Equipment	\$278,000.00	\$263,000.00	\$263,000.00	\$804,000.00	5.74%
444	Facilities Renovation	\$393,000.00	\$393,000.00	\$393,000.00	\$1,179,000.00	8.40%
51121	Computer Software	\$745,000.00	\$745,000.00	\$745,000.00	\$2,235,000.00	15.93%
	TOTAL	\$3,823,500.00	\$3,733,500.00	\$3,583,500.00	\$11,140,500.00	

MASS TRANSPORTATION AUTHORITY					
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM (DBE)					
FY 2018-2020					
Calculated by multiplying the percent of the planned expenditures by category times					
the relative availability of DBE's by category.					
NAICS Code	Work Item	% of Total Expenditures	Availability of DBE Firms	Weighted Goal	
236220	Bus Shelter Construction	2.90%	2.16%	6.27%	
237310	Asphalt	19%	2.16%	41.04%	
334514	Farebox Collection Equipment	10.69%	0%	0%	
423610	Security Equipment	6.11%	19%	11.61%	
44111	New Car Dealers	0.86%	0%	0%	
441310	Mechanics Tool Merchant	5.70%	0%	0%	
4413	Automotive Parts, Tires, Acces	27%	0%	0%	
44312	Computer and Software	5.74%	0%	0%	
444	Bdg/Garden Supplies Equip	8.40%	0.07%	0.62%	
511210	Computer Software	15.93%	0.36%	0.57%	

MASS TRANSPORTATION AUTHORITY									
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM (DBE)									
CALCULATION OF FY 2018-2020 OVERALL GOAL									
DBE FIRMS BY COUNTY AND NAICS CODES									
NAICS Codes	Work Item	Genesee County	Lapeer County	Livingston County	Oakland County	Saginaw County	Shiawassee County	Number of All Firms	Relative Availability
236220	Bus Shelter Construction	12	13	17	20	17	17	96	2.16%
2362	Non-Residential Construction	16	18	15	23	17	17	105	2.36%
237310	Asphalt	15	14	19	18	15	15	96	2.16%
2381	Foundation, Structure, Exterior	19	20	19	21	20	19	118	2.65%
2382	Building Equipment Contractors	26	26	26	26	25	24	153	3.44%
2383	Building Finish Contractors	19	19	20	24	21	19	122	2.74%
2389	Specialty Trade Contractors	31	31	31	40	33	31	197	4.43%
5413	Architecture/Engineering	36	38	38	45	36	35	228	2.90%
	Construction Total	174	179	185	217	184	177	1115	
334514	Fare Collection Equipment	0	0	0	0	0	0	0	0
423990	Signs Merchant Wholesale	1	1	1	1	1	1	6	0.18%
423610	Security Equipment	9	9	9	10	10	10	57	1.66%
44111	New Car Dealers	0	0	0	0	0	0	0	0
441310	Mechanics Tools Merchant	0	0	0	0	0	0	0	0
4413	Automotive Parts, Tires	0	0	0	0	0	0	0	0
44312	Computer and Software	0	0	0	0	0	0	0	0
444	Building/Garden Equipment	0	1	1	1	1	1	5	0.07%
511210	Computer Software	1	1	1	1	0	0	4	0.37%
541512	Computer Hardware Consult	9	9	10	12	10	10	60	0.77%

MASS TRANSPORTATION AUTHORITY										
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM (DBE)										
CALCULATION OF FY 2018-2020 OVERALL GOAL										
MTA operates in Genesee, Oakland, Livingston, Saginaw, Lapeer, and Shiawasee counties. MTA used the County Business Patterns from the Census Bureau's database for these counties to determine the total number of firms in the area. The number of available DBEs in these same counties was calculated using the state of Michigan DBE certified contractors list.										
ALL FIRMS BY COUNTY AND NAICS CODES										
NAICS Code	Work Item	Genesee County	Lapeer County	Livingston County	Oakland County	Saginaw County	Shiawasee County	Number of all Firms		
23	Construction	555	211	613	2600	339	131	4,449		
33	Manufacturing	273	120	248	1692	195	63	2591		
42	Wholesale Trade	301	55	258	2591	189	42	3436		
44	Retail	241	244	608	4857	836	196	6982		
51	Information/Consultant	92	19	51	835	90	25	1112		
54	Professional	628	121	504	6124	604	62	8043		