



**Chatham Area Transit Authority
DBE Goal FY2020 – FY 2022
Revised Methodology and Proposed Goal Submission**

Introduction

In fulfillment of the requirements of 49 CFR Part 26, Chatham Area Transit Authority (CAT) has developed a proposed Overall Goal for FY2020, FY2021 and FY2022 FTA projects for the Authority. This Goal and Methodology presented below incorporates the guidance and suggestions of FTA Region IV. An overview of the goal setting process is presented in Section A and information related to the specific steps completed and the resulting data used to set the goal is presented in Section B.

Section A: Process Overview

Goal Methodology

The methodology used to establish the FY2020- FY2022 overall goal, including determining the availability of DBE's in CAT's market area and making any necessary adjustments, consists of a multi-step process and follows guidance outlined in the Federal Register at 49 CFR Part 26.45.

I. Preliminary Actions Completed

1. Determining the Authority's market area for procuring goods and services, by county due to the data format contained in the Census' County Business Patterns and DBE directories.
2. Review of the Authority's proposed FY2020, FY2021 and FY2022 projects in order to determine the types of projects/activities involving federal funds (FTA) proposed for the goal period, broken out according to major NAICS codes.
3. Allocation of project activities and/or types of firms/services required, by the major relevant NAICS codes needed to complete these projects, triggering the market search for both "all firms" and DBE firms within the selected geographic parameters, and for the same NAICS codes, in order to help determine the relative availability of DBE's.
4. Collection of any information available on project cost for proposed project activities in order to allocate these costs according to the identified NAICS codes permitting a "weighted" relative percent by NAICS code.

II. 49 CFR 26.45(c) Step One - Determining a Base Figure for Available DBEs

After review of approach examples presented in the Federal Register, and considering information available in Chatham County on DOT-certified DBEs, CAT chose the approach described at 49 CFR 26.45(c)(1). CAT developed a base figure by using DBE directories and Census Bureau Data to determine the number of ready, willing and able DBEs in CAT's market area and divided this number by the number of all ready, willing and able businesses available in CAT's market area as determined by the Census Bureau's 2016 County Business Pattern (CBP).

III. 49CFR 26.45(c) Step Two - Determining Adjustments to Base Figure

CAT examined all evidence available in our jurisdiction to determine what adjustments, if any, were need to the base figures to arrive at our overall goal and determined that no statutory adjustments were applicable.

IV. Overall Goal

CAT's goal is presented as a percentage of all FTA funds, exclusive of FTA funds to be used for the purchase of transit vehicles that CAT will expend in FTA-assisted contracts in the three fiscal years covered by the goal submission. CAT projects it will meet 100% of its goal be race neutral measures with the basis for this projection discussed in Section B. CAT will review its goal annually and submit for approval any adjustments needed to reflect changed circumstances.

Section B - Goal Setting Steps and Proposed Goal

I. Preliminary Actions Completed

1. Market Area

A review of CAT's federally funded procurements for the previous three (3) fiscal years shows that the majority of bidders and vendors are located within Chatham County, Georgia. Table 1 lists the percentage of bidders and vendors on federally funded procurements for the previous three (3) fiscal years and was used to set the market area. Please see the previously provided Attachment A for Table 1 supporting documentation.

Table 1: Locations of Bidders/Vendors on Recent Similar Projects at CAT

Location of Bidders	Professional Services	Materials, Equipment & Supplies	Vehicle & Heavy Equipment
Chatham County	66%	64%	0
Out of State	34%	36%	0

2. Projected Federally Funded Projects for FY 2020 - FY 2022

CAT's anticipated federally funded projects for fiscal years 2020, 2021 and 2022, excluding transit vehicle purchases, consist of shelter equipment purchases, shelter installations, electric bus charging equipment purchases and electric bus charging equipment installation. The applicable NAICS codes that correspond to the Census Bureau's data for these anticipated projects are: NAICS codes 23 – Construction and 42 Wholesale Trade, with half of expected expenditures to each category.

Anticipated Projects and Federal Contributions Amounts by Fiscal Year¹:

FY2020	Shelter Equipment	\$40,000.00
	Shelter Installation	\$40,000.00
	Electric Bus Charging Equipment	\$360,000.00
	Electric Bus Charging Equipment Installation	\$360,000.00
FY2021	Shelter Equipment	\$40,000.00
	Shelter Installation	\$40,000.00
	Electric Bus Charging Equipment	\$360,000.00
	Electric Bus Charging Equipment Installation	\$360,000.00
FY2022	Shelter Equipment	\$40,000.00
	Shelter Installation	\$40,000.00

3. Allocation by Census Bureau NAICS Code

Shelter additions and replacements and electric bus charging equipment and installation are the only projected projects outside of rolling stock procurements with 1/2 of each project allocated to the Census Bureau's NAICS code categories of 23 – Construction and 42 - Wholesale Trade.

4. Collection of Cost Estimate by Census Bureau NAICS Code

CAT has an adopted passenger amenities program that it anticipates will utilize \$80,000 of federal funds each year to implement shelter additions and replacements. Historically, one-half of the cost is equipment (shelter, bench and trashcan) and the remaining half is expended on installation.

CAT also anticipates the purchase of electric bus charging equipment and the installation of that equipment during FY2020 and FY2021. CAT anticipates that one-half the project cost will be for equipment (charging units, wires, etc.) and the remaining half will be expended on installation and installation related services.

¹ CAT's previously submitted methodology used the total project amount. This revised submission uses only the federal portion of the project, which is 80% of the originally presented amounts. All dollar figures stated in the remainder of this revised methodology are federal contributions only.

The chart bellows shows the anticipated federal contribution by NAICS Code:

	FY 2020	FY 2021	FY 2022
Construction 23	\$400,000	\$400,000	\$40,000
Wholesale Trade 42	\$400,000	\$500,000	\$40,000

II. Base Figure Determination

CAT determined its Base Figure by following the procedure in 49 CFR 26.45(c)(1). In order to maximize the potential use of DBEs, CAT broke-down its anticipated federally funded projects into relevant six-digit NACIS code subcontracting opportunities. Below is a table of the relevant 6-digit NAICS codes by project:

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	238110/23731 0/236220	Electric Bus Charging Equipment Installation Construction	\$630,000.00	0.3750
2)	238910/56211 9	Electric Bus Charging Equipment Installation Construction	\$90,000.00	0.0536
3)	335999	Electric Bus Charging Equipment Wholesale Trade (Sale) / Manufacturing	\$720,000.00	0.4286
4)	238110/23731 0/236220	Shelter Installation	\$120,000.00	0.0714
5)	337127	Shelter Equipment	\$120,000.00	0.0714
Total FTA-Assisted Contract Funds			\$1,680,000.00	1

CAT utilized the DBE directories of Chatham County, Georgia, the City of Savannah, and GDOT for the County of Chatham to obtain the most accurate determination of the number of ready, willing and able DBEs within CAT’s Market Area that are certified in the above six-digit NAICS codes. After removing redundant DBEs appearing on each of the DBE lists, CAT determined that there are a total of 21 DBEs certified in the applicable six-digit NAICS codes. Please see the previously provided Attachment B for the DBE lists utilized by CAT. Below

CAT then used the Census Bureau’s 2016 County Business Pattern (CBP) to obtain the number of all ready, willing and able businesses available in CAT’s Market Area that perform the work identified with the applicable NAICS code categories identified above. From the 2016 CBP, CAT determined that there are a total of 873 businesses that perform services in the 23 and 42 NAICS code categories. Please see the previously provided Attachment C for a print-out of the Census Bureau’s 2016 CBP for Chatham County. Below is a table showing the available DBE firms as compared to all available firms for CAT’s

anticipated federally funded projects:

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	238110/23731 0/236220	Electric Bus Charging Equipment Installation Construction	16	499	0.0321
2)	238910/56211 9	Electric Bus Charging Equipment Installation Construction	5	499	0.0100
3)	335999	Electric Bus Charging Equipment Wholesale Trade (Sale) / Manufacturing	0	374	0.0000
4)	238110/23731	Shelter Installation	16	499	0.0321
5)	337127	Shelter Equipment	0	374	0.0000
		Combined Totals	37	2245	0.0165

To obtain a Base Figure, CAT followed the guidance of 49 CFR 26.45(c)(1) and divided the number of ready, willing and able DBEs by the number of total ready, willing and able businesses and rounded to the nearest hundredth as follows: $21 \div 873 = .02$.

III. Public Notice, Public Participation and Comments

CAT gauged the availability of ready, willing and available DBEs within its market area by participating in the following outreach events:

- Georgia DOT’s Savannah Meet and Greet at the Savannah Civic Center on May 8, 2019. The Meet and Greet is for DBEs to network with primes and government agencies.
- City of Savannah’s Entrepreneurial Center Fall Live Training for DBEs on November 7, 2018. The training event allows potential DBEs to learn about becoming certified DBEs and allows an opportunity for DBEs to learn about successful bid/proposal submission.
- Department of Veterans Affairs on November 6, 2018 to support and educate small businesses and DBEs owned by veterans.

CAT advertised its proposed goal on its website beginning August 1, 2019. The notice can be viewed on CAT’s website at the following address: <https://www.catchacat.org/about-cat/doing-business/small-business-and-dbe/> .

In addition to posting the proposed goal on its website, CAT advertised the posted goal and notice of public meetings regarding the goal with the local trades. CAT also sent invitations for the public meeting regarding the goal to the City of Savannah DBE office, Chatham County DBE office, the City of Pooler DBE office, as well as all of the DBEs registered on CAT’s vendor list. Please see the previously provided Attachment E for an August 1, 2019 screen print of CAT’s website with posted goal, proof of publication, as well as the individual invitations to attend the meeting.

CAT held the public meetings on August 27, 2019 at 10:00 am and 4 pm. Attendees at the public meeting included representatives from the City of Savannah’s DBE/MWBE offices as well as local DBEs. CAT presented its goal methodology and specifically requested that attendees review the

selected six-digit NAICS codes to suggest additional codes applicable to CAT’s anticipated federal projects. After discussing the contracting opportunities within CAT’s anticipated federally funded projects, it was determined that no other NAICS codes are applicable. The attendees, however, did notice a typo with CAT’s stated DBE goal percentage – which should have been stated as 2% not .02%. CAT corrected this typo, however, no correction to CAT’s previously stated dollar amount was needed because CAT correctly multiplied its anticipated federal expenditures by the factor of .02 to obtain the stated goal. Please see the previously provided Attachment F for the public meeting sign-in sheets and the PowerPoint presentation.

On September 12, 2019, a meeting with Chatham County’s DBE/MWBE Coordinator was also held to discuss CAT’s triennial goal and methodology. The coordinator concurred with CAT’s assessment of applicable NAICS codes. After this meeting, CAT received no comments that necessitated an adjustment to its FY2020 – FY2022 DBE Goal Methodology.

IV. DBE Rounded Weighted Base Figure

Subsequent to CAT’s submission of its original goal, and after FTA review of the same, CAT followed the recommended weighted base figure analysis by multiplying the projects percentage of total budget by the base figure. This calculation resulted in a weighted Base Figure of 1% as follows:

NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1) 238110/23731	Electric Bus Charging Equipment Installation Construction	0.37500	x	0.03206	0.0120
2) 238910/56211	Electric Bus Charging Equipment Installation Construction	0.05357	x	0.01002	0.0005
3) 335999	Electric Bus Charging Equipment Wholesale Trade (Sale) / Manufacturing	0.42857	x		
4) 238110/23731	Shelter Installation	0.07143	x	0.03206	0.0023
5) 337127	Shelter Equipment	0.07143	x		
				Total	0.0149
				Expressed as a % (*100)	1.49%
				Rounded, Weighted Base Figure:	1%

CAT conducted this calculation using the FTA’s Weighted Base Figure Worksheet 2016. The full Excel worksheet is attached hereto as Exhibit G.

V. Determining Adjustments to Base Figure

CAT previously considered the adjustments to Base Figure requirements of 49 CFR 26.45(d) and determined that no adjustments were applicable to its Base Figure. Below is a list of the adjustments considered by CAT with an explanation of CAT’s determination regarding the applicability to CAT’s FY2020 – FY2022 Base Figure.

49 CFR 26.45(d)(1) Considerations:

- i. Past performance of DBEs – Due to the nature of CAT’s federally funded projects, and the availability of DBEs in CAT’s market area, CAT was not able to obtain any DBE

participation on federally assisted projects for the previous triennial period. As such, no adjustments to the Base Figure were made using this factor.

- ii. Disparity Studies – CAT is aware of a 2016 Disparity Study in its jurisdiction, however, the disparity study’s market area was determined to be the State of Georgia not CAT’s market area of Chatham County. As the use of the disparity study’s much larger market area would incorrectly skew the true number of ready, willing and able DBEs available to CAT, no adjustments to the Base Figure were made using this factor.
- iii. Base Figure from other recipient – CAT did not use the Base Figure of another recipient and, as such, did not adjust its Base Figure using this factor.

49 CFR 26.45(d)(2) Considerations:

- i. Financing, bonding, and insurance disparities for DBEs – CAT is not aware of any statistical disparities studies or evidence in this regard that would necessitate an adjustment to its Base Figure.
- ii. Education/Apprenticeship Programs – CAT is not aware of any education and/or apprenticeship programs for work involving bus shelter installation or electric bus charging equipment installation and, therefore, did not adjust its Base Figure using this factor.

VI. Overall Goal

The Authority’s overall weighted goal for FY 2020 – FY2022 is **1.0%** of the federal assistance it will expend on anticipated USDOT FTA-assisted contracts. CAT anticipates contributions of \$1,680,000 for the federal portion of upcoming projects. As such, the Authority has set a goal of expending **\$16,800.00** with DBEs.

CAT plans to obtain 100% of its goal using race neutral measures, including the following:

- i. Flexibility in arranging solicitations, times for the presentation of bids, quantities, and delivery schedules in such ways that facilitate participation by DBEs and other small businesses;
- ii. Providing flexibility and a willingness to provide assistance to DBEs and other small businesses to overcome limitations to bonding, financing, and insurance requirements;
- iii. To the maximum extent possible, provide technical assistance on CAT’s solicitation’s to any potential vendors;
- iv. Notifying identified DBEs and other small business within CAT’s market area of procurement opportunities; and
- v. Assuring distribution of CAT’s vendor list to prime contractors.

CAT expects procurement levels to remain consistent during the triennial period, FY 2020 - FY 2022 but will review and adjust this goal if necessary.

ATTACHMENT G

Step 1 - Determine the weight of each type of work by NAICS Code:

* Enter all the FTA-assisted projects below. Project amounts should be assigned relevant NAICS Code(s).

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	238110/237310 /236220	Electric Bus Charging Equipment Installation	\$630,000.00	0.3750
2)	238910/562119	Electric Bus Charging Equipment Installation	\$90,000.00	0.0536
3)	335999	Electric Bus Charging Equipment	\$720,000.00	0.4286
4)	238110/237310 /236220	Shelter Installation	\$120,000.00	0.0714
5)	337127	Shelter Equipment	\$120,000.00	0.0714
6)				0.0000
7)				0.0000
8)				0.0000
9)				0.0000
10)				0.0000
11)				0.0000
12)				0.0000
13)				0.0000
14)				0.0000
15)				0.0000
16)				0.0000
17)				0.0000
18)				0.0000
19)				0.0000
20)				0.0000
21)				0.0000
22)				0.0000
23)				0.0000
24)				0.0000
25)				0.0000
26)				0.0000
27)				0.0000
28)				0.0000
29)				0.0000
30)				0.0000
31)				0.0000

32)				0.0000
33)				0.0000
34)				0.0000
35)				0.0000
	Total FTA-Assisted Contract Funds		\$1,680,000.00	1

Step 2 - Determine the relative availability of DBE's by NAICS Code:

* Use DBE Directory, census data and/or a bidders list to enter the number of available DBE firms and the number of available firms.

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	238110/237310 /236220	Electric Bus Charging Equipment Installation	16	499	0.0321
2)	238910/562119	Electric Bus Charging Equipment Installation	5	499	0.0100
3)	335999	Electric Bus Charging Equipment	0	374	0.0000
4)	238110/237310	Shelter Installation	16	499	0.0321
5)	337127	Shelter Equipment	0	374	0.0000
6)					
7)					
8)					
9)					
10)					
11)					
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24)					
25)					
26)					
27)					
28)					
29)					
30)					
31)					

32)					
33)					
34)					
35)					
	Combined Totals	37	2245	0.0165	<i>Overall availability of DBEs</i>

Step 3 - (Weight) x (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	238110/237310 /236220	Electric Bus Charging Equipment Installation	0.37500	x	0.03206	0.0120
2)	238910/562119	Electric Bus Charging Equipment Installation	0.05357	x	0.01002	0.0005
3)	335999	Electric Bus Charging Equipment	0.42857	x		
4)	238110/237310 /236220	Shelter Installation	0.07143	x	0.03206	0.0023
5)	337127	Shelter Equipment	0.07143	x		
6)				x		
7)				x		
8)				x		
9)				x		
10)				x		
11)				x		
12)				x		
13)				x		
14)				x		
15)				x		
16)				x		
17)				x		
18)				x		
19)				x		
20)				x		
21)				x		
22)				x		
23)				x		
24)				x		
25)				x		
26)				x		
27)				x		
28)				x		
29)				x		
30)				x		
31)				x		

32)			x		
33)			x		
34)			x		
35)			x		
				Total	0.0149
				Expressed as a % (*100)	1.49%
				Rounded, Weighted Base Figure:	1%