

FY 2019 – FY 2021

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM METHODOLOGY
FOR**

Cape Fear Public Transportation



WAVE TRANSIT

WILMINGTON, NC

REVISED FEBRUARY 2020

METHODOLOGY for Establishing the FY 2019 – FY 2021 Overall Disadvantaged Business Enterprise (DBE) Goal for:

*Wave Transit
Wilmington NC*

In fulfillment of the requirements of 49 CFR Part 26, the Cape Fear Public Transportation d/b/a Wave Transit (hereafter ‘Wave Transit’) has developed a proposed Overall Goal for FY 2019-2021 FTA-AIP projects for Wave Transit. The methodology used in establishing this goal is described herein.

Grant Recipient: Cape Fear Public Transportation

Transit Name: Wave Transit

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I. Detailed Methodology: Specific Steps

A. Amount of Goal

Wave Transit’s FY 2019-2021 overall goal for the Federal financial assistance it will expend in USDOT-assisted contracts is the following:

Overall Goal:	1.75%
Race-Neutral:	1.25%
Race-Conscious:	.5%

Given the amount of USDOT-assisted contracts that Wave Transit expects to let from FY 2019-2021, which is approximately **\$6,979,012** this means that Wave Transit has set a goal of expending approximately **\$139,580** with DBEs during this period.

B. Determination of the Market Area of the study

The market area was based on where the substantial majority of bidders, both successful and unsuccessful, are located and where the substantial majority of funding was spent as illustrated in **Table 1** below. The market area was expanded to include Brunswick and Pender counties. Bidders have come from these counties in the past and they are adjacent to New Hanover County.

**Table 1: Wave Transit
Market Area**

County	Bidders	Percent
Brunswick	0	-
New Hanover	10	100.0%
Pender	0	-
Market	10	100.0%
Other	0	0.0%
Total	10	100.0%

SOURCE: Wave Transit

C. Determination of relevant NAICS codes

Project and anticipated procurement activity for Wave Transit for the goal setting period was identified. NAICS codes corresponding to these projects and activity was developed and is illustrated, by fiscal year, in **Table 2a thru Table 2c** below:

**Table 2a: Wave Transit
FY 2019 Projects & Activities**

PROJECT	ACTIVITY	NAICS
Wilmington Multimodal Transportation Center	Building Construction	236220
	Land Subdivision	237210
	Masonry Contractors	238140
	Poured concrete Foundation and Structure Contractors	238110
	Electrical Contractors	238210
	Drywall and Insulation Contractors	238310
	Landscaping	561730
	Plumbing, Heating, and Air-Conditioning Contractors	238220
	Other Foundation, Structure, and Building Exterior Contractors	238190
Passenger Amenities	Building Construction	236220
	Poured concrete Foundation and Structure Contractors	238110
Operating Expenses	Other Gas stations	447190
	Administrative management consulting	541611
	Insurance Agencies	524210
	Marketing Consulting	541613
	Media representatives	541840
	Tire and Tube Merchant Wholesalers	423130
	Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120

	Stationery and Office Supplies Merchant Wholesalers	424120
	Uniform Rental	812332
	Employee Training	611430
	Vending Food	452311
	Landscaping	561730
	Employee Drug Testing	621999
	Background check services	561611
	IT - Custom Computer Programming Services	541511
	Employee Training	611430

**Table 2b: Wave Transit
FY 2020 Projects & Activities**

PROJECT	ACTIVITY	NAICS
Passenger Amenities	Building Construction	236220
	Concrete	238110
	Engineering	541330
Operating Expenses	Other Gas stations	447190
	Administrative management consulting	541611
	Insurance Agencies	524210
	Marketing Consulting	541613
	Media representatives	541840
	Tire and Tube Merchant Wholesalers	423130
	Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120
	Stationery and Office Supplies Merchant Wholesalers	424120
	Uniform Rental	812332
	Employee Training	611430
	Vending Food	452311
	Landscaping	561730
	Employee Drug Testing	621999
	Background check services	561611
	IT - Custom Computer Programming Services	541511
	Employee Training	611430

**Table 2c: Wave Transit
FY 2021 Projects & Activities**

PROJECT	ACTIVITY	NAICS
Passenger Amenities	Building Construction	236220
	Concrete	238110
	Engineering	541330
Operating Expenses	Other Gas stations	447190
	Administrative management consulting	541611
	Insurance Agencies	524210
	Marketing Consulting	541613
	Media representatives	541840
	Tire and Tube Merchant Wholesalers	423130
	Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120
	Stationery and Office Supplies Merchant Wholesalers	424120
	Uniform Rental	812332
	Employee Training	611430
	Vending Food	452311
	Landscaping	561730
	Employee Drug Testing	621999
	Background check services	561611
	IT - Custom Computer Programming Services	541511
	Employee Training	611430

The projects and corresponding NACIS codes from each year were consolidated into a single listing for the three-year goal setting period.

D. Determination of Relative Availability Of DBEs in Market Area, Compared to all Firms

A market analysis was conducted for each project and corresponding NAICS code to (a) determine the availability of *all* firms ready and available for business and (b) determine the number of *DBE firms* ready and available to do business. The summary of these findings are listed by NACIS code in **Table D** below:

Table D: Relative Availability of DBE Firms in Wave Transit Market Area

NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability	
236220	Building construction	1	50	0.0200	
237210	Land Subdivision	0	13	0.0000	
238110	Concrete	1	9	0.1111	
238140	Masonry Contractors	1	30	0.0333	
238190	Other Foundation, Structure, and Building Exterior Contractors	1	11	0.0909	
238210	Electrical Contractors	0	125	0.0000	
238220	Plumbing, Heating, and Air-Conditioning Contractors	1	181	0.0055	
238310	Drywall and Insulation Contractors	0	21	0.0000	
561730	Landscaping	3	201	0.0149	
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	0	11	0.0000	
242120	Stationary and Office Suppliers Merchant Wholesalers	0	9	0.0000	
447190	Other Gas Stations	0	18	0.0000	
452311	Vending Food	0	0	0.0000	
524210	Insurance Agencies	0	149	0.0000	
541330	Engineering	3	86	0.0349	
541511	IT- Custom Computer Programming Services	0	63	0.0000	
541611	Administrative Management Consulting	2	103	0.0194	
541613	Marketing Consulting	0	52	0.0000	
541840	Media Representatives	0	4	0.0000	
561611	Background Check Services	0	7	0.0000	
611430	Employee Training	1	12	0.0833	
621999	Employee Drug Testing	0	6	0.0000	
812332	Uniform Rental	0	0	0.0000	
Combined Totals		14	1161	0.0121	<i>Overall availability of DBEs</i>

SOURCES:

1. 2016 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, June 2018.

E. Development of the DBE Base Figure and “Weighted” DBE Base Figure

The DBE Base Figure was derived by multiplying the dollars for each activity or project by the percentage of available DBE firms, as compared to all firms within each NACIS code and the total market. Please see **Table E1** for the total base figure and base figure per NACIS code.

Table E1: Weight of Each Type of Work by NAICS Code

NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
236220	Building construction	\$2,126,758.00	0.3047
237210	Land Subdivision	\$444,713.00	0.0637
238110	Concrete	\$136,618.00	0.0196
238140	Masonry Contractors	\$143,605.00	0.0206
238190	Other Foundation, Structure, and Building Exterior Contractors	\$449,345.00	0.0644
238210	Electrical Contractors	\$421,551.00	0.0604
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$653,172.00	0.0936
238310	Drywall and Insulation Contractors	\$296,475.00	0.0425
561730	Landscaping	\$52,427.00	0.0075
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	\$15,625.00	0.0022
242120	Stationary and Office Suppliers Merchant Wholesalers	\$95,500.00	0.0137
447190	Other Gas Stations	\$15,625.00	0.0022
452311	Vending Food	\$741,720.00	0.1063
524210	Insurance Agencies	\$19,000.00	0.0027
541330	Engineering	\$702,282.00	0.1006
541511	IT- Custom Computer Programming Services	\$20,000.00	0.0029
541611	Administrative Management Consulting	\$442,000.00	0.0633
541613	Marketing Consulting	\$8,750.00	0.0013
541840	Media Representatives	\$8,750.00	0.0013
561611	Background Check Services	\$20,000.00	0.0029
611430	Employee Training	\$75,096.00	0.0108
621999	Employee Drug Testing	\$20,000.00	0.0029
812332	Uniform Rental	\$70,000.00	0.0100
Total FTA-Assisted Contract Funds		\$6,979,012.00	1

The base figures for each NAICS code and subsequent total were then weighted. To derive the weighted base figure, the *percentage of total DOT funds (weight)* from **Table E1** (column 4) was multiplied by the *relative availability of DBE firms* from **Table D** (column 5). Please refer to **Table E2** below for the total, weighted base figure:

Table E2: Weighted Base Figure

NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
236220	Building construction	0.30474	x	0.02000	0.0061
237210	Land Subdivision	0.06372	x		
238110	Concrete	0.01958	x	0.11111	0.0022
238140	Masonry Contractors	0.02058	x	0.03333	0.0007
238190	Other Foundation, Structure, and Building Exterior Contractors	0.06439	x	0.09091	0.0059
238210	Electrical Contractors	0.06040	x		
238220	Plumbing, Heating, and Air-Conditioning Contractors	0.09359	x	0.00552	0.0005
238310	Drywall and Insulation Contractors	0.04248	x		
561730	Landscaping	0.00751	x	0.01493	0.0001
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	0.00224	x		
242120	Stationary and Office Suppliers Merchant Wholesalers	0.01368	x		
447190	Other Gas Stations	0.00224	x		
452311	Vending Food	0.10628	x		
524210	Insurance Agencies	0.00272	x		
541330	Engineering	0.10063	x	0.03488	0.0035
541511	IT- Custom Computer Programming Services	0.00287	x		
541611	Administrative Management Consulting	0.06333	x	0.01942	0.0012
541613	Marketing Consulting	0.00125	x		
541840	Media Representatives	0.00125	x		
561611	Background Check Services	0.00287	x		
611430	Employee Training	0.01076	x	0.08333	0.0009
621999	Employee Drug Testing	0.00287	x		
812332	Uniform Rental	0.01003	x		
				Total	0.0211
				Expressed as a % (*100)	2.11%
				Rounded, Weighted Base Figure:	2%

II. Adjustments to the DBE Base Figure derived in Step 1

A weighted base figure of 2% for DBE participation was established as per the calculations and tables above. In consultation with 49 CFR Part 26:45(d), additional evidence was then considered to determine if adjustments to the base goal were needed to arrive at our overall goal. The following evidence was considered as part of this determination:

- The current capacity of DBEs to perform work with Wave Transit as measured by the volume of work DBEs have performed in recent years.

The DBE goals accomplished at Wave Transit in the past five years were examined relative to the above consideration. Notice the annual DBE percent accomplishment indicated in **Table 4** below:

**Table 4: Wave Transit
Three Year DBE Accomplishment**

Report Period	DBE Goal	DBE Percent Achieved
FY2013	Race Neutral: 2.7% Race Conscious: 3.3% Total = 6%	11%
FY 2014	Race Neutral: 2.7% Race Conscious: 3.3% Total = 6%	23%
FY 2015	Race Neutral: 2.7% Race Conscious: 3.3 Total = 6%	17.0%
FY 2016	Race Neutral: 2.4 Race Conscious: 2.1 Total = 4.5%	1.1%
FY 2017	Race Neutral: 2.4 Race Conscious: 2.1 Total = 4.5%	1.5%
5 Year Median	6%	11%
3 Year Median (outlier years, FY15 and FY14, removed)	4.5%	1.5%

The median DBE accomplishment with outlier data from FY15 and FY14 removed was 1.5%.

The total weighted goal of 2%, as referenced in Table E2 above, was adjusted using a past participation median of 1.5% to derive a final, three year DBE goal of 1.75%.

III. Outreach and Process

Before establishing the overall goal this year, Wave Transit consulted with minority, women's and general contractor groups, community organizations, and other officials or organizations to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and Wave Transit's efforts to establish a level playing field for the participation of DBEs.

Wave Transit held a public meeting on June 26, 2018. The purpose of the meeting was to solicit information from interested stakeholders about the draft goal, as well as the availability of potential DBEs at Wave Transit, the effects of discrimination on

opportunities for DBEs, and Wave Transit's effort to increase DBE participation. Please see the Appendix B consultation details.

Following this consultation, Wave Transit published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale were available for review and comment during normal business hours at Wave Transit's administrative office for 30 days following the date of the notice. The notice, published on Wave Transit's website, included an address (including offices) to which comments could be sent and an address where the proposed goal could be reviewed. This process was used to establish the goals for FY 2019 to FY 2021.

Wave Transit's overall goal submission to the FTA will include a summary of information and comments received during this public participation process and our responses.

The revised goal submitted to FTA on February 6, 2020 addresses, to the best of our ability, comments provided by FTA in a formal notification provided in January 2020. The revised goal will replace with the current goal listed on Wave Transit's website. A copy of Wave Transit's DBE Program and Three Year Goal can be found at the following link: <https://www.wavetransit.com/documents-and-plans/>.

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

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

- 1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses participation (e.g., unbundling large contracts to make them more accessible to small businesses, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);*
- 2. Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders, ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors).*

Wave Transit proposes a race-neutral goal of **1.25%** and a race-conscious goal of **0.50%**, for a total of **1.75%**. The project activities as referenced by the NAICS codes is non-contract work in which a specific project goal cannot be established. Wave Transit will initiate a construction project for passenger amenities which will be achieved through a competitive procurement process. This is the only projected opportunity during the three year goal period in which a specific project goal can be established and DBE participation can be achieved through race-conscious measures.

Appendix A: Resource Listing

A. Resource Documents:

1. North Carolina UCP DBE Directory
2. 2016 County Business Patterns, Census Bureau
3. Uniform Report of DBE Commitments/Awards and Payments