

FFY 2022 – FFY 2024

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM METHODOLOGY
FOR**

Cape Fear Public Transportation



WAVE TRANSIT

WILMINGTON, NC

SEPTEMBER 2021

METHODOLOGY for Establishing the FFY 2022 – FFY 2024 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 FFY 2022-2024 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 FFY 2022-2024 overall goal for the Federal financial assistance it will expend in USDOT-assisted contracts is the following:

Overall Goal:	<u>1.13%</u>
Race-Neutral:	<u>0.57%</u>
Race-Conscious:	<u>0.56%</u>

Given the amount of USDOT-assisted contracts that Wave Transit expects to let from FFY 2022-2024, which is approximately **\$12,958,863** this means that Wave Transit has set a goal of expending approximately **\$146,023** with DBEs during this period.

County Commission and City Council are in support of presentation of a .25 cent sales tax referendum to the public for vote in CY2022. The sales tax referendum was identified as the preferred approach by both jurisdictions to securing a local dedicated funding source for public transportation. New Hanover County will bring this forth to the ballot box, the public for vote, effective CY2022 (November 2022 is the date discussed). If the sales tax referendum receives a favorable vote, then a portion (roughly \$6 million annually) will be allocated to Wave Transit. Passage of the referendum would warrant a budget revision and reevaluation of the current DBE Goal.

B. Determination of the Market Area of the study

The normal 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.

**Table 1: Wave Transit
Market Area**

County	Bidders/ Vendors	Percent
Durham	1	4.5%
New Hanover	13	59.1%
Wake	2	9.1%
Market	16	72.7%
*Other	6	27.3%
Total	22	100.0%

SOURCE: Wave Transit

*The Other category is comprised mostly of out of state firms.

C. Determination of relevant NAICS codes

Based on information provided by Wave Transit concerning the proposed projects for this fiscal year, a list of NAICS codes corresponding to these projects was developed and is shown below:

**Table 2a: Wave Transit
FFY 2022 - 2024 Operating Expenses**

FFY 22 - 24 Operating Expenses	
Activity	NAICS
Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120
Tire and Tube Merchant Wholesalers	423130
Janitorial Supplies	423850
Stationery and Office Supplies Merchant Wholesalers	424120
Other Gas stations	447190
Vending Food	452311
Towing	488410
Insurance Agencies	524210
Attorney	541110
Accountant	541211
Planning	541320
IT - Custom Computer Programming Services	541511
Management Consultant	541611
Marketing Consulting	541613
Temporary Help Services	561320
Security Monitoring	561621
Pest Control	561710
Janitorial	561720
Landscaping	561730
Employee Training	611430
Employee Drug Testing	621999
Equipment Maintenance	811310
Uniform Rental	812332

**Table 2b: Wave Transit
FFY 2022 Capital Expenditures**

FFY 2022 - Engineering for Generator (Ops Center)	
Trades	NAICS
Engineering	541330
FFY 2022 - Generator for Ops Center	
Trades	NAICS
Generator	423610
FFY 2022 - Mobile Pay	
Trades	NAICS
IT - Custom Computer Programming Services	541511
FFY 2022 - Hazard Reporting App	
Trades	NAICS
IT - Custom Computer Programming Services	541511

**Table 2c: Wave Transit
FFY 2023 Capital Expenditures**

FFY 2023 - Seat Inserts	
Trades	NAICS
Motor Vehicle Parts	423120
FFY 2023 - Bus Stop Lighting	
Trades	NAICS
Electrical	238210
FFY 2023 - Zonor	
Trades	NAICS
IT - Custom Computer Programming Services	541511

**Table 2d: Wave Transit
FFY 2024 Capital Expenditures**

FFY 2024 - Paint - Forden Station Canopies	
Trades	NAICS
Painting Contractors	238320

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

Table 3a: Wave Transit – Step 1 DBE Base Figure – FFY 2022 Operating Expenses

FFY 2022 - Operations Expenses						
Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Dollars
Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120	1	64	1.56%	\$361,846	\$5,654
Tire and Tube Merchant Wholesalers	423130	0	12	0.00%	\$75,000	\$0
Janitorial Supplies	423850	2	24	8.33%	\$11,500	\$958
Stationery and Office Supplies Merchant Wholesalers	424120	0	26	0.00%	\$40,450	\$0
Other Gas stations	447190	0	31	0.00%	\$476,000	\$0
Vending Food	452311	0	53	0.00%	\$2,000	\$0
Towing	488410	1	57	1.75%	\$5,000	\$88
Insurance Agencies	524210	1	699	0.14%	\$1,986,642	\$2,842
Attorney	541110	1	1002	0.10%	\$30,000	\$30
Accountant	541211	1	333	0.30%	\$57,000	\$171
Planning	541320	8	45	17.78%	\$2,000	\$356
IT - Custom Computer Programming Services	541511	20	651	3.07%	\$87,500	\$2,688
Management Consultant	541611	48	877	5.47%	\$636,540	\$34,839
Marketing Consulting	541613	21	360	5.83%	\$38,500	\$2,246
Temporary Help Services	561320	13	306	4.25%	\$6,300	\$268
Security Monitoring	561621	2	49	4.08%	\$17,500	\$714
Pest Control	561710	0	92	0.00%	\$3,000	\$0
Janitorial	561720	19	539	3.53%	\$70,000	\$2,468
Landscaping	561730	13	634	2.05%	\$29,000	\$595
Employee Training	611430	10	66	15.15%	\$17,000	\$2,576
Employee Drug Testing	621999	2	30	6.67%	\$24,500	\$1,633
Equipment Maintenance	811310	0	77	0.00%	\$18,000	\$0
Uniform Rental	812332	0	5	0.00%	\$39,000	\$0
Total					\$4,034,278	\$58,125
Weighted Step 1 Goal =						1.44%

SOURCES:

1. 2019 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, August 2021.

Table 3b: Wave Transit – Step 1 DBE Base Figure – FFY 2022 Capital Projects

FFY 2022 - Engineering for Generator (Ops Center)						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
Engineering	541330	45	559	8.05%	\$42,100	\$3,389
Total					\$42,100	\$3,389
Weighted Base Figure					8.05%	
FFY 2022 - Generator for Ops Center						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
Generator	423610	3	104	2.88%	\$250,000	\$7,212
Total					\$250,000	\$7,212
Weighted Base Figure					2.88%	
FFY 2022 - Mobile Pay						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
IT - Custom Computer Programming Services	541511	20	651	3.07%	\$150,000	\$4,608
Total					\$150,000	\$4,608
Weighted Base Figure					3.07%	
FFY 2022 - Hazard Reporting App						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
IT - Custom Computer Programming Services	541511	20	651	3.07%	\$5,000	\$154
Total					\$5,000	\$154
Weighted Base Figure					3.07%	

SOURCES:

1. 2019 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, August 2021.

Table 3c: Wave Transit – Step 1 DBE Base Figure – FFY 2023 Operating Expenses

FFY 2023 - Operations Expenses						
Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Dollars
Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120	1	64	1.56%	\$361,846	\$5,654
Tire and Tube Merchant Wholesalers	423130	0	12	0.00%	\$77,250	\$0
Janitorial Supplies	423850	2	24	8.33%	\$11,845	\$987
Stationery and Office Supplies Merchant Wholesalers	424120	0	26	0.00%	\$41,664	\$0
Other Gas stations	447190	0	31	0.00%	\$489,080	\$0
Vending Food	452311	0	53	0.00%	\$2,060	\$0
Towing	488410	1	57	1.75%	\$5,150	\$90
Insurance Agencies	524210	1	699	0.14%	\$2,046,241	\$2,927
Attorney	541110	1	1002	0.10%	\$30,900	\$31
Accountant	541211	1	333	0.30%	\$58,710	\$176
Planning	541320	8	45	17.78%	\$2,060	\$366
IT - Custom Computer Programming Services	541511	20	651	3.07%	\$90,125	\$2,769
Management Consultant	541611	48	877	5.47%	\$636,540	\$34,839
Marketing Consulting	541613	21	360	5.83%	\$39,655	\$2,313
Temporary Help Services	561320	13	306	4.25%	\$6,489	\$276
Security Monitoring	561621	2	49	4.08%	\$18,025	\$736
Pest Control	561710	0	92	0.00%	\$3,090	\$0
Janitorial	561720	19	539	3.53%	\$72,100	\$2,542
Landscaping	561730	13	634	2.05%	\$29,870	\$612
Employee Training	611430	10	66	15.15%	\$17,510	\$2,653
Employee Drug Testing	621999	2	30	6.67%	\$25,235	\$1,682
Equipment Maintenance	811310	0	77	0.00%	\$18,540	\$0
Uniform Rental	812332	0	5	0.00%	\$40,170	\$0
Total					\$4,124,155	\$58,654
Weighted Step 1 Goal =						1.42%

SOURCES:

1. 2019 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, August 2021.

Table 3d: Wave Transit – Step 1 DBE Base Figure – FFY 2023 Capital Projects

FFY 2023 - Seat Inserts						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
Motor Vehicle Parts	423120	1	64	1.56%	\$16,601	\$259
Total					\$16,601	\$259
Weighted Base Figure					1.56%	
FFY 2023 - Bus Stop Lighting						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
Electrical	238210	8	427	1.87%	\$30,000	\$562
Total					\$30,000	\$562
Weighted Base Figure					1.87%	
FFY 2023 - Zonor						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
IT - Custom Computer Programming Services	541511	20	651	3.07%	\$45,000	\$1,382
Total					\$45,000	\$1,382
Weighted Base Figure					3.07%	

Table 3e: Wave Transit – Step 1 DBE Base Figure – FFY 2024 Operating Expenses

FFY 2024 - Operations Expenses						
Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	NAICS Dollars	DBE Dollars
Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120	1	64	1.56%	\$361,846	\$5,654
Tire and Tube Merchant Wholesalers	423130	0	12	0.00%	\$79,568	\$0
Janitorial Supplies	423850	2	24	8.33%	\$12,200	\$1,017
Stationery and Office Supplies Merchant Wholesalers	424120	0	26	0.00%	\$42,913	\$0
Other Gas stations	447190	0	31	0.00%	\$502,552	\$0
Vending Food	452311	0	53	0.00%	\$2,122	\$0
Towing	488410	1	57	1.75%	\$5,305	\$93
Insurance Agencies	524210	1	699	0.14%	\$2,107,628	\$3,015
Attorney	541110	1	1002	0.10%	\$31,827	\$32
Accountant	541211	1	333	0.30%	\$60,471	\$182
Planning	541320	8	45	17.78%	\$2,122	\$377
IT - Custom Computer Programming Services	541511	20	651	3.07%	\$92,829	\$2,852
Management Consultant	541611	48	877	5.47%	\$636,540	\$34,839
Marketing Consulting	541613	21	360	5.83%	\$40,845	\$2,383
Temporary Help Services	561320	13	306	4.25%	\$6,684	\$284
Security Monitoring	561621	2	49	4.08%	\$18,566	\$758
Pest Control	561710	0	92	0.00%	\$3,183	\$0
Janitorial	561720	19	539	3.53%	\$74,263	\$2,618
Landscaping	561730	13	634	2.05%	\$30,766	\$631
Employee Training	611430	10	66	15.15%	\$18,035	\$2,733
Employee Drug Testing	621999	2	30	6.67%	\$25,992	\$1,733
Equipment Maintenance	811310	0	77	0.00%	\$19,096	\$0
Uniform Rental	812332	0	5	0.00%	\$41,375	\$0
Total					\$4,216,728	\$59,199
Weighted Step 1 Goal =						1.40%

SOURCES:

- 2019 County Business Patterns, U.S. Census Bureau.
- North Carolina UCP DBE Directory, August 2021.

Table 3f: Wave Transit – Step 1 DBE Base Figure – FFY 2024 Capital Projects

FFY 2024 - Paint - Forden Station Canopies						
Trades	NAICS	# of DBE Firms	All Firms	%DBE Availability	NAICS Dollars	DBE Dollars
Building Construction	236220	8	223	3.59%	\$45,000	\$1,614
Total					\$45,000	\$1,614
Weighted Base Figure						3.59%

SOURCES:

1. 2019 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, August 2021.

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 “Weighted” DBE Base Figure

The Step 1 DBE Base Figure for each project was derived by multiplying the dollars for each activity by the percentage of relevant DBE firms to all relevant firms. The total DBE goal in dollars was divided by the total project costs to derive the step 1 goals.

The Step 1 DBE Base Figures for Wave Transit are as follows:

Project / Expenditure	Step 1	Table
FFY 2022 - Operating Expenses	1.44%	3a
FFY 2022 - Engineering for Generator (Ops Center)	8.05%	3b
FFY 2022 - Generator for Ops Center	2.88%	3b
FFY 2022 - Mobile Pay	3.07%	3b
FFY 2022 - Hazard Reporting App	3.07%	3b
FFY 2023 - Operating Expenses	1.42%	3c
FFY 2023 - Seat Inserts	1.56%	3d
FFY 2023 - Bus Stop Lighting	1.87%	3d
FFY 2023 - Zonor	3.07%	3d
FFY 2024 - Operating Expenses	1.40%	3e
FFY 2024 - Paint - Forden Station Canopies	3.59%	3f

II. Adjustments to the DBE Base Figure

After the DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

“...additional evidence in the sponsor’s jurisdiction be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal” (26:45(d)).

A. Adjustment Factors to Consider

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure. These include:

“(i) The current capacity of DBEs to perform work in your USDOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.

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

**Table 4: Wave Transit
DBE Accomplishment**

Report Period	DBE Goal	Race Neutral Achieved	Race-Conscious Achieved	Total DBE Achieved
FY 2016 - 1	4.50%	0.10%	0.00%	0.10%
FY 2016 - 2	4.50%	1.00%	0.00%	1.00%
FY 2017 - 1	4.50%	0.63%	0.37%	1.00%
FY 2017 - 2	4.50%	0.50%	0.00%	0.50%
FY 2018 - 1	1.75%	1.04%	0.00%	1.04%
FY 2018 - 2	1.75%	0.22%	0.00%	0.22%
FY 2019 - 1	1.75%	0.00%	0.00%	0.00%
FY 2019 - 2	1.75%	0.00%	0.00%	0.00%
FY 2020 - 1	1.75%	0.00%	0.00%	0.00%
FY 2020 - 2	1.75%	0.00%	0.00%	0.00%
Median	4.50%	0.57%	0.00%	0.75%

SOURCES:

1. Uniform Report of DBE Commitments / Awards and Payments.

The median DBE accomplishment for the periods as shown above for Wave Transit is 0.75%. This accomplishment was compared to the step 1 base figures calculated

above. **FY 2019 and FY 2020 were not used in the median DBE accomplishment calculation because there was 0.00% participation.**

B. Consultations

Wave Transit held two public meetings where the draft goal was presented. Wave Transit presented its draft goal at a regularly scheduled Board meeting on August 26, 2021 and a meeting specifically for DBE consultation on September 8, 2021. The purpose of the meetings were 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.

C. Adjustment to Step 1 DBE Base Figures: Wave Transit, FFY 2022 - FFY 2024

With the adjustment factors considered to this point, Wave Transit will not adjust the Step 1 base figures as calculated in tables 3a – 3f above. The median achievement in table 4 is 0.00% and is not an appropriate adjustment factor.

**Table 5: Wave Transit
FFY 2022 – FFY 2024 Overall Goal**

Federal Fiscal Year	Project	Step1	Step 2 adjustment	Overall Goal	Total project costs	DBE Goal (dollars)
FFY 2022	Operating Expenses	1.44%	0.75%	1.10%	\$4,034,278	\$44,175
	Engineering for Generator (Ops Center)	8.05%	0.75%	4.40%	\$42,100	\$1,852
	Generator for Ops Center	2.88%	0.75%	1.82%	\$250,000	\$4,538
	Mobile Pay	3.07%	0.75%	1.91%	\$150,000	\$2,865
	Hazard Reporting App	3.07%	0.75%	1.91%	\$5,000	\$96
FY 2022 Total				1.19%	\$4,481,378	\$53,526
FFY 2023	Operating Expenses	1.42%	0.75%	1.09%	\$4,124,155	\$44,747
	Seat Inserts	1.56%	0.75%	1.16%	\$16,601	\$192
	Bus Stop Lighting	1.87%	0.75%	1.31%	\$30,000	\$393
	Zonor	3.07%	0.75%	1.91%	\$45,000	\$860
FY 2023 Total				1.10%	\$4,215,756	\$46,191
FFY 2024	Operating Expenses	1.40%	0.75%	1.08%	\$4,216,728	\$45,330
	Paint - Forden Station Canopies	3.59%	0.75%	2.17%	\$45,000	\$977
FY 2024 Total				1.09%	\$4,261,728	\$46,306
FFY 2022 - FY 2024 Overall Goal				1.13%	\$12,958,863	\$146,023

The total DBE goal in dollars was divided by the total project costs to derive the overall DBE goal of 1.13% for FFY 2022 - FFY 2024.

III. Process

Wave Transit will normally submit its overall goal to the FTA on August 1 of each goal year.

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.

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 FFY 2022 to FFY 2024.

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.

Wave Transit will begin using the overall goal on October 1 of each goal year, unless Wave Transit has received other instructions from DOT/FTA (or, if the goal is established on a project basis) by the time of the first solicitation for a DOT/FTA-assisted contract for the projects.

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-conscious goal of **0.56%** and a race-neutral goal of **0.57%**, for a total of **1.13%**. The reason for this breakout is that the projects from previous years

show that the median race-neutral achievement is **0.57%** (see **Table 4**). Therefore, it is projected that **0.57%** of adjusted goal will be achieved using race neutral means and the remainder of **0.56%** will be achieved using race conscious means.

Wave Transit will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) and it will track and report race-neutral and race-conscious participation separately. 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 did not consider a firm's DBE status in making the award.

VI. Contract Goals

Wave Transit will use contract goals to meet any portion of the overall goal that Wave Transit does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through the use of race-neutral means.

Wave Transit will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. Wave Transit need not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

Wave Transit will express its contract goals as a percentage of the Federal share of a DOT-assisted contract.

Appendix A: Resource Listing

A. Resource Documents:

1. North Carolina UCP DBE Directory
2. 2019 County Business Patterns, Census Bureau
3. Uniform Report of DBE Commitments/Awards and Payments