

Federal Fiscal Year 2020, 2021, 2022

Goal and Methodology

The City of Springfield (COS) submits this Disadvantaged Business Enterprise (DBE) goal and methodology to the US Department of Transportation's (USDOT) Federal Transit Administration (FTA) for review and approval pursuant to 49 CFR Part 26.45. The goal and methodology established COS's overall DBE goal for FTA-assisted contracts that COS and its sub recipient(s) anticipate awarding in Federal Fiscal Years (FFYs) 2020, 2021, and 2022.

To establish its overall DBE goal, COS followed federal regulations, including the two-step goal-setting methodology set forth in 49 CFR Part 26.45. COS determined a "step one" base figure for its overall DBE goal using information from the Ohio DBE Unified Certification Program (UCP) Directory as well as from NAISC data. COS determined whether a "step two" adjustment was needed to the base figure using information on past DBE participation in USDOT-funded contracts in recent years, among other information.

Step 1. Determining a Base Figure – 49 CFR Part 26.45©

COS projects that it will receive \$4,599,327 in FTA financial assistance during FFYs 2020, 2021, and 2022. That projection is based on information provided by the COS Finance Department and the FTA assisted programs project manager.

Per 49 CFR §26.45(b), the "triennial goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on DOT-assisted contracts." COS began the DBE goal-setting process by determining a base figure for the relative availability of DBEs. COS made that determination by reviewing the proposed expenditures budget for FFYs 2020, 2021, and 2022 as provided by its Finance Department. Each proposed expenditure was evaluated and assigned North American Industry Classification System (NAICS) codes. A majority of FTA financial assistance that COS administers is used for project costs that do not represent contracting opportunities (e.g., building utilities; salaries and fringe benefits; liability insurance; taxes and licensing; and management and administration fees). COS removed those costs not representing contracting opportunities as appropriate. COS then projected the contract dollars that it expects to award as part of FTA-assisted projects during FFYs 2020, 2021, and 2022 in each relevant NAICSA code (\$1,064,670.00). Figure 1 presents those projections.

Figure 1.

Projections of FTA financial assistance for FFYs 2020, 2021, and 2022 for relevant NAICS codes

NAICS Code		
811	Vehicle Repairs	\$ 40,320
811198	Other Automotive Repair and Maintenance	
811112	Automotive exhaust system repair and replacement shops	
811113	Automotive transmission repair shops	
811118	Automotive brake repair shops	
336	Shop and Garage	\$ 192,072.00
336390	Exhaust systems and parts, automotive, truck and bus manufacturing	
336350	Transmissions and parts, automotive truck and bus manufacturing	
336340	Air brake systems and parts, automotive, truck, and bus manufacturing	
336330	Automotive truck and bus steering assemblies and parts manufacturing	
488410	Motor Vehicle Towing	\$ -
811213	Communication Equipment Repair and Maintenance	\$ -
324191	Lubricating oils and greases merchant wholesalers	\$ 261,072
424720	Diesel fuel merchant wholesalers	\$ 8,928
423130	Tire and tube Merchant Wholesalers	\$ 45,458
812331	Linen Supply	\$ 19,803
423490	Other Profession Equipment and Supplies Merchant Wholesalers	\$ -
443142	Electronics Stores	\$ 27,755
453210	Office supplies and Stationary Stores	\$ 60,088
423420	Office equipment merchant wholesalers	\$ 9,750
561621	Security Systems Services	\$ 4,389
561730	Maintenance of plants and shrubs in buildings	\$ 17,733
561720	Janitorial Services	\$ 5,436
562111	Refuse collection services	\$ 3,866
238110	Poured Concrete Foundation and Structure Contractors	\$ 8,000
423490	Other Professional Equipment and Supplies Merchant Wholesalers	\$ -
423490	Other Professional Equipment and Supplies Merchant Wholesalers	\$ 360,000.00
	Total	\$ 1,064,670.00

COS then identified the number of ready, willing, and able DBEs working in each relevant NAICS code as well as the total number of all firms ready, willing, and able to perform work in each NAICS code. COS identified the geographic catchment area for these determinations to be the State of Ohio; thus, all DBEs certified in the State of Ohio and all businesses (per NAICS code) performing services in the State of Ohio were identified.

COS used Ohio's UCP Directory of Certified Firms to identify ready, willing and able DBEs working in relevant NAICS codes. Per 49 CFR§26.81(a), Ohio Department of Transportation (ODOT) is one of the agencies responsible for DBE certifications in the state of Ohio. ODOT maintains Ohio's UCP Directory per 49 CFR§26.81. COS is a member of the UCP. COS began to use the Census Bureau's County Business Patterns databased to determine the number of all firms ready, willing and able to perform work in relevant NAICS codes. However, COS determined that the census data was not refined to a level of use for these calculations. Additionally, COS found that the information available for the State of Ohio that was of use, was outdated and provided 2012 information. As such, COS contacted NAICS Association and purchased a Market Analysis Profile for each of the identified NAICS codes needed to determine all firms ready, willing and able.

COS then calculated the DBE availability percentage for each relevant NAICS code. To do so, COS divided the number of ready, willing and able DBEs working in each NAICS code by the total number of all firms ready, willing and able to perform work in the NAICS code. The DBE availability percentages that COS determined for each relevant NAICS code were then multiplied by the dollar projections presented in Figure 1 to project DBE dollar availability for each relevant NAICS code. Figure 2 presents those results.

As shown in Figure 2, the total projected DBE dollar availability for FFYs 2020, 2021, and 2022 is \$13,127.62, or 1.23%, of the FTA financial assistance that COS projects it will receive during that time (i.e., $\$13,127.62/\$1,064,670.00 = .0123$). Thus, COS has determined that its base figure for its overall DBE goal for FFYs 2020, 2021, and 2022 is 1.23%.

Figure 2.

DBE dollar availability for each relevant NAICS code

NAICS Code		Triennial Projection	Percent	DBE Availability \$
811	Vehicle Repairs	\$ 40,320	0.17%	69.94
811198	Other Automotive Repair and Maintenance			
811112	Automotive exhaust system repair and replacement shops			
811113	Automotive transmission repair shops			
811118	Automotive brake repair shops			
336	Shop and Garage	\$ 192,072.00	0.00%	0.00
336390	Exhaust systems and parts, automotive, truck and bus manufacturing			
336350	Transmissions and parts, automotive truck and bus manufacturing			
336340	Air brake systems and parts, automotive, truck, and bus manufacturing			
336330	Automotive truck and bus steering assemblies and parts manufacturing			
488410	Motor Vehicle Towing	\$ -	0.00%	0.00
811213	Communication Equipment Repair and Maintenance	\$ -	2.27%	0.00
324191	Lubricating oils and greases merchant wholesalers	\$ 261,072	1.96%	3,071.44
424720	Diesel fuel merchant wholesalers	\$ 8,928	3.54%	189.03
423130	Tire and tube Merchant Wholesalers	\$ 45,458	0.00%	0.00
812331	Linen Supply	\$ 19,803	1.67%	198.03
423490	Other Profession Equipment and Supplies Merchant Wholesalers	\$ -	2.48%	0.00
443142	Electronics Stores	\$ 27,755	0.00%	0.00
453210	Office supplies and Stationary Stores	\$ 60,088	0.00%	0.00
423420	Office equipment merchant wholesalers	\$ 9,750	1.08%	63.24
561621	Security Systems Services	\$ 4,389	3.28%	86.44
561730	Maintenance of plants and shrubs in buildings	\$ 17,733	0.78%	138.34
561720	Janitorial Services	\$ 5,436	0.93%	50.41
562111	Refuse collection services	\$ 3,866	3.23%	124.71
238110	Poured Concrete Foundation and Structure Contractors	\$ 8,000	2.63%	210.08
423490	Other Professional Equipment and Supplies Merchant Wholesalers	\$ -	2.48%	0.00
423490	Other Professional Equipment and Supplies Merchant Wholesalers	\$ 360,000.00	2.48%	8,925.62
	Total	\$ 1,064,670	1.23%	\$ 13,127.62

Step 2. Determining if an Adjustment is Needed – 49 CFR Part 26.45(d)

After establishing the base figure, COS considered available information to determine whether any adjustment was needed to the base figure to determine its overall DBE goal and to make it as precise as possible.

Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years. The United States Department of Transportation’s (USDOT’s) “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation in their USDOT-funded contracts in recent years as the measure of past participation. COS uses the median, instead of the average or mean, of past participation to make this adjustment because the process of determining the median excludes all outliers (abnormally high or abnormally low) past participation percentages.

Figure 3 presents past DBE participation based on information provided by the COS Finance Department. Median DBE participation in FTA-funded contracts from FFYs 2016 and 2017 was 4.03% and 3.97% respectively.

Figure 3.

Past DBE participation on FTA-funded contracts, FFY 2016 through 2018¹

FFY	DBE Attainment	Annual DBE Goal	Difference
2016	4.03	14	9.97
2017	3.97	14	10.03
2018	1.04	6.6	5.56
Median past DBE participation	3.97	14	9.97

The information about past DBE participation supported an upward adjustment to COS’s base figure. COS adjusted the DBE availability upward by averaging the base figure (1.36%) and the median past DBE participation (3.97%) (i.e., $(1.23\%+3.97\%)/2=2.60$). Thus, COS has determined that its overall DBE goal for FFYs 2020, 2021, and 2022 is 2.60%.

Information related to employment, self-employment, education, training, unions, and financing. As described by the Ohio Department of Transportation (ODOT), in recent analyses conducted by the state agency as part of their 2015-2016 disparity study, race and gender based disparities exist in terms of acquiring human capital, accruing financial capital, owning businesses, and operating successful businesses. Barriers in the marketplace likely have important effects on the ability of minorities and women to start businesses in the Ohio industries relevant to FTA-assisted projects and operate those businesses successfully. Any difficulties that minorities and women face in starting and operating businesses may reduce their availability for FTA-assisted project and may also reduce the degree to which they are able to successfully compete for FTA-assisted projects.

¹ Until 2018, the City of Springfield applied its legislated MBE/DBE goal of 14% to all federal programs. After consultation with FTA, the goal calculation was applied, and resulted in a 6.6% goal for FY 18.

The City of Springfield, Community Development Department is committed to promoting and sharing opportunities sponsored at the local level as well as through the Ohio Department of Transportation to encourage and develop Disadvantage Business Enterprise participation and growth. The Minority Business Development Coordinator can provide information on upcoming local events, as well as information for contacting the Ohio Department of Transportation EDGE Program and other state programs to enhance DBE participation. The MBE coordinator can be contacted by calling 937-324-7380 or visiting the second floor of City Hall, located at 76 East High Street, Springfield, Ohio 45502.

Race-Neutral Program Measures – 49 CFR Part 26.51©

Per 49 CFR §26.51(a) “You must meet the maximum feasible portion of your triennium goal by using race-neutral means of facilitating DBE participation.” COS will meet 100 percent of its overall DBE goal for FTA-assisted projects through the use of race-neutral measures. In addition, COS will maximize outreach efforts to the DBE contracting community and the use of DBE supportive services through the State of Ohio to increase the utilization and support of DBEs that participate on upcoming COS FTA-assisted projects.

Race-neutral initiatives. COS encourages DBEs and businesses interested in becoming certified DBEs to use the technical assistance programs available through the State of Ohio to assist the businesses in development and growth. Additionally, COS requires the Finance Department to monitor prompt payment to encourage the participation of small businesses – including minority-, woman-owned and disadvantaged businesses – in its FTA-assisted projects.

Technical assistance programs. COS hosts a Minority Business Development Office in the Community Development Department. The Minority Business Development Coordinator is present to provide technical assistance, guidance, and information to individuals aspiring to start, grow, and expand their minority and disadvantaged businesses within the city. However, COS does not administer direct and defined technical assistance programs specifically for small businesses participating in FTA-assisted contracts. COS provides information and encouragement for small businesses to participate in ODOT’s Division of Opportunity, Diversity, and Inclusion events designed to provide DBEs and other small businesses with assistance in the areas of networking, technology, business development, and training on how to do business with ODOT and thus COS. ODOT’s Office of Local Programs provides training in workforce development, organizational excellence, and various other topics that are available through web-based training modules to anyone interested. ODOT also offers reimbursements for various expenses – including technical training, tuition, and books – associated with business development programs that DBEs can apply for through ODOT’s Supportive Services Program (SSP).

Prompt payment policies. COS has policies in place to help ensure prompt payment to both prime contractors and subcontractors. Contractors are required to pay prime contractor invoices within 30 days of receipt, but COS typically pays prime contractors within two weeks of receiving and approving an invoice. COS also enforces prompt payment processes that require prime contractors to pay their subcontractors within 30 days of receiving payment. This process is monitored and enforced in the Finance Department of the COS.

Public Participation

The city has shared this document with The Greater Springfield Chamber of Commerce, the Small Business Development Corporation, the city's Minority Business Development Office, Springfield Clark County Transportation Coordinating Committee, the local chapter of the NAACP, the city's FTA-Assisted DBE database, the Springfield City Commission, and the City of Springfield Human Relations Board.

COS's sub recipient has been notified about the proposed DBE goal and methodology.

Public Outreach notification was placed on the COS website.

Summary

Pursuant to the requirements of 49 CFR §26.45(a)(2), COS submits this proposed triennial DBE Goal to FTA for review and approval. COS followed the requirements of 49 DFR Part 26 in setting its overall DBE goal. **COS's overall DBE Goal of 2.60% for FFYs 2020, 2021, and 2022 is based on the availability of ready, willing, and able DBEs to participate in FTA-assisted projects and COS's DBE attainment on FTA-assisted projects in the recent past.** COS anticipates race- and gender-neutral participation of 100% to meet its overall DBE goal.