



Addendum 2

FYs 19-21 DBE Program Goal & Methodology

The Franklin Transit Authority (FRTA) receives over \$250,000 in federal financial assistance from FTA and has signed an assurance it will comply with 49CFR, Part 26. Therefore, FRTA has established a DBE program and submitted its goal to FTA for review and approval.

Summary:

The Franklin Transit Authority has established its Disadvantaged Business Enterprise (DBE) goal for Federal Fiscal Years 2019-2021 to be two and one-half percent (2.5%) of the federal financial assistance Franklin Transit will expend in DOT-assisted contracts, exclusive of Federal Transit Administration funds to be used for the purchase of transit vehicles. This goal will be achieved through 100% race-neutral measures. The goal was determined by reviewing the percentage of the revenue spent in fiscal years 2016-2018, the percentage charged to FTA dollars, the availability of DBEs in each purchasing category, the tentative three-year budget, and, finally, the prorated consideration of the anticipated purchases for fiscal years 2019-2021.

An email was sent on September 26, 2019, inviting local area businesses, organizations, and individuals who may have information concerning the availability of disadvantaged and non-disadvantaged businesses to a meeting held on October 22, 2019, at the Franklin Transit Authority. Attached is both the email and sign-in sheet. No attendees came to the public meeting other than staff.

Based upon a subsequent review of previous DBE reports and the demographics, Franklin Transit Authority decided to increase the DBE goal to two and a half percent.

Information Sources:

Franklin Transit Authority reviewed a variety of data sources in order to develop its DBE Goal:

- Prior procurement and project records, and DBE reports
- U. S. Bureau of the Census
- North American Industrial Classification System (NAICS) Codes
- Tennessee Uniform Certification Program (TNUCP) Disadvantaged Business Enterprise (DBE) Directory

Goal Methodology:

Our goal methodology is based on specific projects and contracts that Franklin Transit is going to award and the DBE availability in our area. While there are no plans for major construction or capital contracts, Franklin Transit reviewed its operating contracts. The goal was established as follows:

Franklin Transit followed USDOT guidance, considering all certified DBEs to be Ready, Willing, and Able (RWA) based upon whether or not the business appears in the state's DBE Directory/ Unified Certification Program.

Step 1: Developing a base figure for the relative availability of DBEs

In looking at contracting opportunities for Franklin Transit Authority, there are very few over the next three years that is anticipated. Most capital funds are expended on bus purchases, which are a state contract, preventive maintenance, and capital cost of 3rd party contracting. As of FY2019, potential projects include expanding service, which will necessitate the purchase of vehicles and expanding technology components to the growing service. There are no further large projects planned currently.

However, Franklin Transit Authority can potentially utilize DBEs depicted in the chart below based on the search for registered DBEs by NAICS codes in the Tennessee Uniform Certification Program for daily or ongoing needs.

The Local Market Area was determined to be Nashville-Davidson County, Maury County, Williamson County and Rutherford County; these include the majority of contractors (and subcontractors) with the area beyond being primarily rural. According to the 2016 United States Census data (County Business Patterns), there are 2,953 RWA firms in the statistical area of Nashville-Davidson County, Maury County, Williamson County and Rutherford County, Tennessee, in which DOT funding could be spent by Franklin Transit.

28 businesses in Region III of Tennessee are certified as DBEs with the Tennessee Department of Transportation's Small Business Development Office.

NAICS Code	Anticipated FTA Funds FY19-21	RWA DBEs (Region 3)	All RWA Firms	Base Figure
238210 (Electrical Contractors)	\$ 805.30	8	257	
238220 (Plumbing, Heating, and Air-Conditioning Contractors)	\$ 3,773.84	3	301	
32311 (Printing)	\$ 35,942.50	0	126	
441310 (Automotive Parts and Accessories Stores)	\$ 18,213.01	0	156	
45431 (Fuel Dealers)	\$ 220,298.09	0	12	
518210 (Data Processing, Hosting, and Related Services)	\$ 102,143.91	1	95	
524210 (Insurance Agencies and Brokerages)	\$ 296,023.78	4	625	
541211 (Offices of Certified Public Accountants)	\$ 18,000.00	4	210	
5418 (Advertising and Related Services)	\$ 33,500.19	2	218	
541930 (Translation and Interpretation Services)	\$ 63.36	0	9	
561621 (Security Systems Services (except Locksmiths))	\$ 47,555.27	3	38	
561622 (Locksmiths)	\$ 294.64	0	12	
561710 (Exterminating and Pest Control Services)	\$ 1,632.00	0	64	
561720 (Janitorial Services)	\$ 25,891.20	3	297	
81111 (Automotive Mechanical and Electrical Repair and Maintenance)	\$ 254,078.96	0	280	
Base Figure		28	2700	0.01037037

28 DBE firms/ 2700 All RWA (DBE and non-DBE) firms = 0.010%

In order to ensure that our DBE program will be narrowly tailored to overcome the effects of discrimination, if we use contract goals, we will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation and we 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 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.

We will maintain data separately on DBE achievements in those contracts with and without contract goals, respectively.

Step 2: Adjusting the Base Figure

Franklin Transit has examined all evidence available to determine if an adjustment to the base figure is needed. Expected contracting opportunities in the upcoming three years are substantially similar to the

previous three years. Previous participation included all prime contractors; no subcontractors were used. The historical median DBE participation over the previous three years is 5% calculated as follows:

Participation:

2016—5%

2017 – 4%

2018 – 6%

This number averaged with our step 1 base figure of .009% would make our DBE goal 2.5%. Therefore, the DBE goal for Franklin Transit for FYs 19-21 is 2.5%. This goal will be reached using race neutral means of facilitating DBE participation.

FRTA's DBE goals are currently being achieved through 100% race-neutral measures and we expect to continue to meet our goal through 100% race-neutral measures.

Attachments that support the above methodology include:

1. Past three-year DBE Participation Data
2. Email communications to Stakeholders
3. Sign-in Sheet from goal setting discussion
4. Screen shot of DBE goal setting discussion from TMA Group website
5. Screen shot of DBE goal & methodology on TMA Group website

Consultation

Franklin Transit staff works with several female-owned and minority-owned businesses. Staff has encouraged these businesses to register as DBEs and will continue to work with these businesses and seek the services of DBE firms registered with Tennessee's Uniform Certification Program. In order to facilitate race neutral methods of achieving DBE participation, Franklin Transit will conduct outreach to/for DBEs in advance of projects needing specialized skills or certifications.

Franklin Transit will continue to revisit its DBE plan and will consult with relevant stakeholders throughout the year. One way for this to occur is through bi-monthly board meetings. Locally, Franklin Transit is active in several business organizations such as Williamson Inc., Franklin Tomorrow, Leadership Franklin and Downtown Franklin Association. This provides numerous opportunities to reach out to the business community to promote contracting opportunities as they arise as well as giving the Franklin Transit an opportunity to consult with businesses during this goal setting process. The TMA Executive Director and DBELO, Debbie Henry, is also in charge of all Franklin Transit communications. She is responsible for outreach, event planning, and publicizing the DBE program. Outreach will introduce and build awareness of DBE participation opportunities.