

## **DBE GOAL METHODOLOGY FOR FISCAL YEARS 2025 THROUGH 2027**

The Interurban Transit Partnership (ITP) overall goal for FYs' 2025 through 2027 is represented as a percentage of the FTA funds (exclusive of FTA funds to be used for the purchase of transit vehicles) that ITP estimates it will be expending in new FTA assisted contracts. The overall rate of DBE participation is 1.81%. The overall goal (1.81% x \$13,991,295 = \$253,248) is based on the total ITP FYs' 2025 through 2027 capital budget in Federal dollars less vehicle purchase which have no subcontracting opportunities. Adjustments are then made for unbid carryover projects from FY'2024 that have DBE contracting opportunities.

The exact calculation is as follows:

\$13,991,295
x 1.81%
\$ 253,248

The following is a summary of the method used to set this goal.

### **SUMMARY**

Pursuant to USDOT regulations adopted under 49 CFR PART 26 which went into effect in FY-2000, ITP has adopted percentage goals for DBE participation which are consistent with ITP's own spending patterns and with the amount of DBE participation that would be expected to be achievable in a RACE NEUTRAL marketplace. The ITP is seeking to obtain its fiscal years 2025 through 2027 goal by using 100% race/gender neutral means. The new regulations require that goals be based upon demonstrable evidence of relative availability of DBEs in the ITP geographical and product markets.

### **Availability Analysis:**

ITP determined the number of ready, willing, and able DBE's in its marketplace from examination of the following DBE directories: MDOT Unified Certification Process (MUCP) directory for DBE firms, local ITP directory, and the U.S. Census County Business Pattern of Kent, Ottawa, Barry, Ionia, Newaygo, Muskegon and Allegan Counties in Michigan to determine the total number of business establishments available in its marketplace identified by North American Industrial Classification Codes (NAIC). (ITP extended its statistical are by 6 counties from past years based on a larger radius of DBE firms willing to travel to Grand Rapids, MI.) The County Business Pattern data is available for FY 2021 in the specific counties which serve as ITP's primary marketplace.

### **Weighting To Reflect The Amount Of Money To Be Spent In Each NAIC Area:**

Each area of minority participation was weighted, based on the relative availability of Federal funds to be spent in each NAIC area: ITP utilized due diligence to sort out DBEs from directories by NAIC which were likely to be judged as willing and able in FTA assisted contracting. This narrowing aspect ensured that a more accurate availability figure would emerge from the Step One calculation. More emphasis was then placed on the ITP FYs 2025 through 2027 Goal.

### **NAIC's Which Made Up A Percentage Of The Total ITP Budget:**

ITP has identified the relevant NAIC code services and commodities approximated for acquisition FYs 2025 through 2027. DBEs were identified in certain NAIC's, and outreach efforts planned to target these commodities to ensure broader participation such as.

## METHODOLOGY FOR DETERMINING DBE GOAL FOR ITP

1. ITP obtained the latest available NAICS report for Kent, Ottawa, Barry, Ionia, Newaygo, Muskegon, and Allegan Counties in Michigan using the U.S. Census County Business Pattern for Kent County.
2. ITP determined the number of certified DBEs in each NAICS code within the area.
3. The number of DBE verses non-DBE firms was calculated in the applicable NAICS code, and the number of DBEs was expressed as a percentage of total businesses in that code.
4. "Weighting" of relative availability to reflect the amount of money to be spent in each NAIC area. The formula used for this calculation can be found on page 5110 Federal Register Vol.64. No. 21, February 2, 1999.
5. Total Federal funds for fiscal years 2025 through 2027 are projected to be \$13,991,295 excluding vehicle purchases.
6. Total DOT assisted funds for each NAICS code with DBE firms was identified for the upcoming fiscal year. A three-year average was determined to find the historical rate of DBE participation with ITP. The applicable percentage was applied to the budget line item. The resulting DBE projected expenditure amount of \$253,248 is the amount to be obtained 100% by race/gender neutral means or 1.81% of the Federal funds.

### The ITP's Planned DBE Outreach Program for FYs 2025 through 2027

- ITP is a participating member in the Michigan Unified Certified Program (MUCP). The MUCP exists to provide an effective means of communication, cooperation, and collaboration among the MUCP agencies, and to enhance our ability to encourage DBE firms to become certified and participate in transit projects. The focus of the MUCP is to provide quality service to our customers through the implementation and administration of this program. ITP will be publicizing a list of potential bid opportunities that will occur in the fiscal year so that firms will have the opportunity to get certified in a timely manner. (ITP notes that the willingness of prospective vendors to participate in the FTA certification process continues to be challenging as firms continue their reluctance to share personal net worth information as well as find the entire process very long and arduous; other certification programs through city and county entities are much simpler).
- ITP is a member in the West Michigan Public Purchasing Alliance – Advocating Diversity & Inclusion. The mission of the group is to ensure fairness, inclusiveness, and equal opportunity for all businesses to sell their products and services. The group makes a special effort to reach out to minorities, women, veterans, and ADA-disabled and small business owners to sell their products and services. An ITP representative continues to attend the group meetings, which are held bi-monthly. An ITP representative will continue to maintain a display booth and also represent as the vendor for explanation on the ITP DBE program at the Regional Alliance for Diversity in Public Purchasing "Meet the Buyers" conference event held annually. The regional Alliance will continue with stepping up efforts in FY'2025 through 2027 to increase membership and to make minority (and non-minority) and small business prime contract and subcontracting opportunities available and known throughout the area.
- ITP has completed a Purchasing Department web page that will publicize bid opportunities and is working on posting instructions for all firms including minority firms and small businesses (on how to do business with ITP).

- A representative from ITP is active in the following local organizations for explanation of ITP DBE program; Minority Business Advocacy Coalition, West Michigan Minority Contractors Association, Regional Small Business Development Center in Grand Rapids Michigan, and West Michigan APEX Accelerator.
- ITP continually looks for opportunities of participation in Zoom meetings that have been giving DBE and SBE firms one on one access to our procurement staff.

**CALCULATION OF THE 2025 through 2027 DBE GOAL**

Step One: Calculation of Dollar Value

**DBE'S IN EACH NAICS CODE**

NAIC	DESCRIPTION	A % BUDGET	B DBE-DIR	C # COUNTY BP
236210	Facility Rehabilitation	6.289625%	1	15
236220	Contractor – Busch Drive	2.858920%	2	200
237130	Site Utilities – Busch Drive	0.857676%	0	17
238110	Foundations – Busch Drive	1.429460%	3	151
238110	Passenger Shelters/Benches/Amenities	7.147301%	3	151
238110	Concrete Rehabilitation	2.287136%	3	151
238120	Superstructure – Busch Drive	6.075206%	1	12
238130	Interior Construction – Busch Drive	8.576761%	2	62
238160	Roofing – Busch Drive	0.428838%	0	89
238170	Exterior Enclosure – Busch Drive	4.288381%	1	64
238210	Electrical – Busch Drive	2.144190%	1	319
238220	Mechanical/Plumbing – Busch Drive	0.714730%	1	548
238220	Mechanical/HVAC– Busch Drive	3.573651%	1	548
238220	Wealthy HVAC Rehabilitation	0.571784%	1	548
238350	Interior Finishes – Busch Drive	3.073339%	0	115
333922	Conveying – Busch Drive	0.171535%	0	20
333999	Shop Equipment – Busch Drive	0.364512%	0	31
333999	Shop Equipment	0.285000%	0	31
337211	Office Furniture/Equipment	0.857676%	0	12
423110	Service Vehicles	1.229336%	0	99
423130	Bus Tire Lease	5.585044%	0	7
423430	Computer Hardware	6.218152%	0	27
423430	Computer Software	6.947177%	0	27
423430	Intelligent Transportation System	9.720330%	0	27
423830	Facility Equipment	0.400249%	0	196
441310	Assoc. Capital Maintenance	13.722818%	0	217
541611	Planning Funds – Busch Drive	1.429460%	1	208
561621	Fire & Security – Busch Drive	0.178683%	1	10
561621	Surveillance/Security Equipment/Security	2.573028%	1	10

Using information from the Table above, the formula is - Column A – (% of budget) times Column B – (Ready, willing & able DBEs) divided by Column C: (Results from formula for Base Rate from County Business Pattern and DBE Directory)

THE RESULTS

236210	6.289625 x 1 divided by 15 =	0.4193%
236220	2.85920 x 2 divided by 200=	0.0286%
237130	0.857676 x 0 divided by 17=	0.0000%
238110	1.429460 x 3 divided by 151=	0.0284%
238110	7.147301 x 3 divided by 151=	0.1420%
238110	2.287136 x 3 divided by 151=	0.0454%
238120	6.075206 x 1 divided by 12=	0.5063%
238130	8.576761 x 2 divided by 62=	0.2767%
238160	0.428838 x 0 divided by 89=	0.0000%
238170	4.288381 x 1 divided by 64=	0.0670%
238210	2.144190 x 1 divided by 319=	0.0067%
238220	0.714730 x 1 divided by 319=	0.0013%
238220	3.573651 x 1 divided by 548=	0.0065%
238220	0.571784 x 1 divided by 548=	0.0010%
238350	3.073339 x 0 divided by 115=	0.0000%
333922	0.171535 x 0 divided by 20=	0.0000%
333999	0.364512 x 0 divided by 31=	0.0000%
333999	0.285000 x 0 divided by 31=	0.0000%
337211	0.857676 x 0 divided by 121=	0.0000%
423110	1.229336 x 0 divided by 99=	0.0000%
423130	5.58044 x 0 divided by 7=	0.0000%
423430	6.218152 x 0 divided by 27=	0.0000%
423430	6.947177 x 0 divided by 27=	0.0000%
423430	9.720330 x 0 divided by 27=	0.0000%
423830	0.400249 x 0 divided by 196=	0.0000%
441310	13.722818 x 0 divided by 217=	0.0000%
541611	1.429460 x 1 divided by 208=	0.0069%
561621	0.178683 x 1 divided by 10=	0.0179%
561621	2.573028 x 1 divided by 10=	0.2573%

Total 1.8113%  
 Base Rate 1.81% (Rounded)

This 1.81% represents the Base Rate for ITP's FYs 2025 through 2027 DBE utilization.

Step Two: Historical Adjustment

The West Michigan area is experiencing a boom of new business construction which is expected to continue through FYs 2025 through 2027 and beyond. Although this boom of construction has made it challenging to convince minority and SBE businesses to consider participating in the process of becoming certified as a DBE ITP believes our methodology demonstrates that we should be able to meet our goal as race neutral with the existing availability of certified DBEs and ITP's planned outreach plan as shared above. ITP deems it unnecessary to conduct a historical adjustment which would only reduce the projected DBE rate. Therefore, the ITP has elected to skip Step Two.