

# The Delaware Transit Corporation

## Disadvantaged Business Enterprise

### Overall Goal for FY 2023-2025 and Goal Setting Methodology

#### *Introduction*

The Delaware Transit Corporation (DTC) hereby submits its Disadvantaged Business Enterprise (DBE) overall goal and goal setting methodology for federal fiscal years 2023-2025 to the Federal Transit Administration (FTA) for review and approval pursuant to 49 CFR Part 26. The goal and methodology establish DTC's overall DBE goal for FTA-assisted contracts that DTC anticipates awarding in Federal Fiscal Years (FFY) 2023, 2024, and 2025. **The overall goal for FTA-assisted contracting for FFY 2023-2025 is 6.1%.** DTC is projecting that its DBE is **2.5% by race-neutral means** and **3.6% by race-conscious means**. To establish its overall goal, DTC followed federal regulations, including the two-step goal-setting methodology set forth in 49 CFR Part 26.45. DTC determined 'a step-one' base figure for its overall DBE goal using information from the DelDOT DBE Database as well as from the U.S. Census Bureau's County Business Patterns.

#### ***Step 1. Determining a Base Figure – 49 CFR §26.45(c)***

DTC estimates that it will receive approximately \$44.6 million in FTA financial assistance that can be awarded via contracts during FFYs 2023, 2024 and 2025. This does not include FTA financial assistance for the purchase of vehicles

Per 49 CFR §26.45(b), the "triennial goal must be based on demonstrable evidence of the availability of ready, willing and able DBE's relative to participate on your DOT-assisted contracts..." DTC began the DBE goal-setting process by determining a base figure for the relative availability of DBEs. DTC then looked at the individual projects that it anticipates awarding in FFY 2023-2025 and assigned North American Industry Classification System (NAICS) codes, identifying all firms available through the U.S. Census Bureau's County Business Patterns.

Projects were broken down into small segments to allow for as much DBE opportunities as possible. This breakdown is found in Figure 1 below.

Figure 1

Project Description	FTA Funds	NAICS Code	Number of DBEs available to perform this work (1)	Number of Firms available (including DBEs) (2)
<b>Beech Street Maintenance Building - Construction - \$4,800,000</b>				
Poured Concrete Foundation and Structure Contractors	\$ 357,164	238110	3	47
Structural Steel and Precast Concrete Contractors	\$ 268,290	238120	4	17
Masonry Contractors	\$ 294,386	234140	0	75
Glass and Glazing Contractors	\$ 130,488	238150	0	13
Roofing Contractors	\$ 120,191	238160	0	62
Plumbing, Heating and Air Conditioning Contractors	\$ 1,022,846	238220	2	323
Electrical Contractors and Other Wiring Installation Contractors	\$ 295,035	238210	5	274
Flooring Contractors	\$ 78,000	238330	3	60
Site Preparation Contractors	\$ 778,774	238910	6	114
All Other Specialty Trade Contractors	\$ 1,454,826	238990	5	102
	\$ 4,800,000		28	1087
<b>Mid-County Maintenance Facility Expansion - CE - \$280,000</b>				
Engineering Services	\$ 280,000	541330	15	209
<b>Mid County Maintenance Facility Expansion - Construction - \$2,930,864</b>				
Poured Concrete Foundation and Structure Contractors	\$ 152,160	238110	3	47
Structural Steel and Precast Concrete Contractors	\$ 121,728	238120	4	17
Masonry Contractors	\$ 91,312	234140	0	75
Plumbing, Heating and Air Conditioning Contractors	\$ 937,306	238220	2	323
Electrical Contractors and Other Wiring Installation Contractors	\$ 273,888	238210	5	274
Site Preparation Contractors	\$ 200,273	238910	6	114
All Other Specialty Trade Contractors	\$ 1,154,198	238990	5	102
	\$ 2,930,864		25	952
<b>Dover Bus Canopy Solar Panels - Construction - \$2,160,000</b>				
Poured Concrete Foundation and Structure Contractors	\$ 120,000	238110	3	47
Structural Steel and Precast Concrete Contractors	\$ 280,000	238120	4	17
Electrical Contractors and Other Wiring Installation Contractors	\$ 1,600,000	238210	5	274
Site Preparation Contractors	\$ 160,000	238910	6	114
	\$ 2,160,000		18	452
<b>Dover Bus Canopy Solar Panels - Contingency - \$120,000</b>				
Poured Concrete Foundation and Structure Contractors	\$ 20,000	238110	3	47
Structural Steel and Precast Concrete Contractors	\$ 40,000	238120	4	17
Electrical Contractors and Other Wiring Installation Contractors	\$ 40,000	238210	5	274
Site Preparation Contractors	\$ 20,000	238910	6	114
	\$ 120,000		18	452
<b>Resorts Park and Ride Improvements - PE - \$480,000</b>				
Engineering Services	\$ 480,000	541330	15	209
<b>Fairplay Station Parking Expansion - CE - \$520,000</b>				
Engineering Services	\$ 520,000	541330	15	209
<b>Fairplay Station Parking Expansion - Construction - \$9,880,000</b>				
Poured Concrete Foundation and Structure Contractors	\$ 1,600,000	238110	3	47
Structural Steel and Precast Concrete Contractors	\$ 4,800,000	238120	4	17
Electrical Contractors and Other Wiring Installation Contractors	\$ 560,000	238210	5	274
Site Preparation Contractors	\$ 1,720,000	238910	6	114
All Other Specialty Trade Contractors	\$ 1,200,000	238990	5	102
	\$ 9,880,000		23	554
<b>Georgetown Hub - Construction - \$912,000</b>				
Electrical Contractors and Other Wiring Installation Contractors	\$ 80,000	238210	5	274
Site Preparation Contractors	\$ 712,000	238910	6	114
All Other Specialty Trade Contractors	\$ 120,000	238990	5	102
	\$ 912,000		16	490
<b>Wilmington DTC Maintenance - PE - 3,200,000</b>				
Engineering Services	\$ 3,200,000	541330	15	209
<b>Resorts Park &amp; Ride Improvements - Construction - \$5,240,000</b>				
Electrical Contractors and Other Wiring Installation Contractors	\$ 320,000	238210	5	274
Site Preparation Contractors	\$ 4,400,000	238910	6	114
All Other Specialty Trade Contractors	\$ 520,000	238990	5	102
	\$ 5,240,000		16	490
<b>On-Board Real-Time Information System - Procurement - \$3,664,879</b>				
Customer Computer Programming Services	\$ 3,664,880	541511	7	489
<b>Transit Vehicle Cloth Seat Replacement - Procurement - \$666,388</b>				
All Other Miscellaneous Manufacturing	\$ 666,388	339999	0	8
<b>Automated &amp; Dynamic Paratransit Scheduling - Procurement - \$2,244,746</b>				
Computer Systems Design Services	\$ 2,244,746	541512	1	352
<b>Farebox Modernization - Procurement - \$3,913,600</b>				
Computer Systems Design Services	\$ 3,913,600	541512	1	352
<b>DART Reimagined - PD - \$700,000</b>				
Administrative Management & General Management Consulting Services	\$ 700,000	541990	8	354
<b>RideShare Program / Trip Mitigation - Planning - \$2,928,000</b>				
Other Management Consulting Services	\$ 2,928,000	541618	1	20

(1) Information obtained from DeIDOT DBE Directory

(2) Information obtained from US Census Bureau 2020 data (County Business Patterns)

Figure 2 shown below depicts the calculation of the goal (weighted base figure) using the 3-step method

**Figure 2**

Step 1A: All reasonably anticipated FTA-assisted contracting opportunities are identified as:					
NAICS Code	Description of Work	TOTAL DOT FUNDS ON PROJECT	Amount of DOT funds on project	% of Total DOT funds (weight)	
541330	Engineering Services	\$ 5,600,000	\$ 4,480,000	10.04%	
238910	Site Preparation Contractors	\$ 9,988,808	\$ 7,991,047	17.90%	
238210	Electrical Contractors and Other Wiring Installation Contractors	\$ 3,961,154	\$ 3,168,923	7.10%	
238110	Poured Concrete Foundation & Structure Contractors	\$ 2,811,655	\$ 2,249,324	5.04%	
238120	Structural Steel and Precast Concrete Contractors	\$ 6,887,523	\$ 5,510,018	12.34%	
238140	Masonry Contractors	\$ 482,103	\$ 385,682	0.86%	
238150	Glass and Glazing Contractors	\$ 163,110	\$ 130,488	0.29%	
238160	Roofing Contractors	\$ 150,239	\$ 120,191	0.27%	
238220	Plumbing, Heating and Air Conditioning Contractors	\$ 2,450,189	\$ 1,960,151	4.39%	
238330	Flooring Contractors	\$ 97,500	\$ 78,000	0.17%	
238990	All Other Specialty Trade Contractors	\$ 5,561,299	\$ 4,449,039	9.97%	
541511	Custom Computer Programming Services	\$ 3,664,880	\$ 3,664,880	8.21%	
339999	All Other Miscellaneous Manufacturing	\$ 666,388	\$ 666,388	1.49%	
541512	Computer Systems Design Services	\$ 7,697,933	\$ 6,158,346	13.80%	
541611	Administrative Management & General Management Consulting Services	\$ 700,000	\$ 700,000	1.57%	
541618	Other Management Consulting Services	\$ 3,660,000	\$ 2,928,000	6.56%	
		<b>\$ 54,542,781</b>	<b>\$ 44,640,479</b>	<b>100.00%</b>	
Step 1B: Determine the relative availability of DBEs by NAICS Code					
The number of DBEs and of all firms available to perform work on the identified contract					
NAICS Code	Description of Work	Number of DBEs available to perform work	Number of all firms available (including DBEs)	Relative Availability	
541330	Engineering Services	15	209	0.0718	
238910	Site Preparation Contractors	6	114	0.0526	
238210	Electrical Contractors and Other Wiring Installation Contractors	5	274	0.0182	
238110	Poured Concrete Foundation & Structure Contractors	3	47	0.0638	
238120	Structural Steel and Precast Concrete Contractors	4	17	0.2353	
238140	Masonry Contractors	0	75	0.0000	
238150	Glass and Glazing Contractors	0	13	0.0000	
238160	Roofing Contractors	0	62	0.0000	
238220	Plumbing, Heating and Air Conditioning Contractors	2	323	0.0062	
238330	Flooring Contractors	3	60	0.0500	
238990	All Other Specialty Trade Contractors	5	102	0.0490	
541511	Custom Computer Programming Services	7	489	0.0143	
339999	All Other Miscellaneous Manufacturing	0	8	0.0000	
541512	Computer Systems Design Services	1	352	0.0028	
541611	Administrative Management & General Management Consulting Services	8	354	0.0226	
541618	Other Management Consulting Services	1	20	0.0500	
	<b>Combined Totals</b>	<b>60</b>	<b>2519</b>	<b>0.02382</b>	
				<b>overall ability of DBEs</b>	
Step 1C: (Weight) X (Availability) = Weighted Base Figure					
NAICS Code	Description of Work	Weight	X	Relative Availability	Weighted Base Figure
541330	Engineering Services	0.1004	X	0.0718	0.0072
238910	Site Preparation Contractors	0.1790	X	0.0526	0.0094
238210	Electrical Contractors and Other Wiring Installation Contractors	0.0710	X	0.0182	0.0013
238110	Poured Concrete Foundation & Structure Contractors	0.0504	X	0.0638	0.0032
238120	Structural Steel and Precast Concrete Contractors	0.1234	X	0.2353	0.0290
238140	Masonry Contractors	0.0086	X	0.0000	0.0000
238150	Glass and Glazing Contractors	0.0029	X	0.0000	0.0000
238160	Roofing Contractors	0.0027	X	0.0000	0.0000
238220	Plumbing, Heating and Air Conditioning Contractors	0.0439	X	0.0062	0.0003
238330	Flooring Contractors	0.0017	X	0.0500	0.0001
541511	Custom Computer Programming Services	0.0821	X	0.0143	0.0012
339999	All Other Miscellaneous Manufacturing	0.0149	X	0.0000	0.0000
541512	Computer Systems Design Services	0.1380	X	0.0028	0.0004
541889	All Other Professional, Scientific And Technical Services	0.0157	X	0.0408	0.0006
541618	Other Management Consulting Services	0.0656	X	0.0500	0.0033
238990	All Other Specialty Trade Contractors	0.0997	X	0.0490	0.0049
				<b>Total</b>	<b>0.060909851</b>
				<b>Expressed As A % (*100)</b>	<b>6.09%</b>
				<b>Rounded Weighted Base Figure</b>	<b>6.1%</b>

**Step 2. Determining if an adjustment is needed – 49 CFR §26.45(d)**

After establishing the base figure at **6.1%**, DTC considered past participation 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.

The United States Department of Transportation (USDOT’s) “Tips For Goal-Setting” suggests that agencies should examine data on past DBE participation in their USDOT-funded contracts in recent years. USDOT further suggests that agencies should choose the median level of annual

DBE participation for those years as the measure of past participation. DTC's past DBE participation (5 years) is reflected in Figure 3.

**FIGURE 3**

Federal Fiscal Year	Total Federal Participation	Awards to DBE Firms In Dollars (RC)	Awards To DBE Firms In Dollars (RN)	Total DBE Awards	DBE Participation
2017	\$ 10,996,251.00	\$ 614,770.00	\$ 156,531.00	\$ 771,301.00	7.01%
2018	\$ 18,810,913.00	\$ 2,099,972.00	\$ 53,711.00	\$ 2,153,683.00	11.45%
2019	\$ 39,336,105.00	\$ 2,954,279.00	\$ 8,320.00	\$ 2,962,599.00	7.53%
2020	\$ 3,284,905.00	\$ 184,860.00	\$ -	\$ 184,860.00	5.63%
2021	\$ 2,856,030.00	\$ 248,352.00	\$ -	\$ 248,352.00	8.70%
	<b>\$ 75,284,204.00</b>	<b>\$ 6,102,233.00</b>	<b>\$ 218,562.00</b>	<b>\$ 6,320,795.00</b>	<b>7.53% Median</b>

If DTC were to average the Step One weighted goal of 6.1% with the historical median of 7.5%, the result would be  $(6.1 + 7.5)/2 = 6.8\%$ . DTC believes that the unadjusted goal of **6.1%** is achievable given the history of our DBE participation rate. Therefore, DTC has decided to use the unadjusted rate of **6.1%** as our goal.

***Race-Neutral Program Measures – 49 CFR §26.51(c)***

Based on the percentages of past race-neutral participation and given that the contracting opportunities for FFY 2023-2025 are similar, DTC expects to have the same rate of race-neutral participation. Using the median of past race-neutral participation, the expected race-neutral participation rate is **2.5%** (See Figure 4 below).

**Figure 4**

Using 5 Year Past Participation							
Federal Fiscal Year	Total Federal Participation	Awards to DBE Firms In Dollars (RC)	Awards To DBE Firms In Dollars (RN)	Total DBE Awards	DBE Participation	RC %	RN %
2017	\$ 10,996,251.00	\$ 614,770.00	\$ 156,531.00	\$ 771,301.00	7.01%	3.927	0.203
2018	\$ 18,810,913.00	\$ 2,099,972.00	\$ 53,711.00	\$ 2,153,683.00	11.45%	0.975	<b>0.025</b>
2019	\$ 39,336,105.00	\$ 2,954,279.00	\$ 8,320.00	\$ 2,962,599.00	7.53%	0.997	0.003
2020	\$ 3,284,905.00	\$ 184,860.00	\$ -	\$ 184,860.00	5.63%	1	0
2021	\$ 2,856,030.00	\$ 248,352.00	\$ -	\$ 248,352.00	8.70%	1	0
	<b>\$ 75,284,204.00</b>	<b>\$ 6,102,233.00</b>	<b>\$ 218,562.00</b>	<b>\$ 6,320,795.00</b>	<b>7.53% Median</b>	<b>0.965421755</b>	<b>0.034578245</b>

DTC is anticipating that by taking the following steps, we will see an increase in the race-neutral DBE participation:

- The DBE Program Analyst will identify advertising opportunities for future RFPs that would assist in making bidding opportunities readily available to a diverse audience.
- DTC will be utilizing mailing lists to assist DBEs/small businesses about DTC contract opportunities. This will assist those who do not monitor the typical websites/publications for bidding opportunities.
- Development of a more prominent space on DTC's website for DTC procurements and DBE information.

DTC’s DBE Program Analyst will continue to attend various outreach events (County Open For Business meetings, Chamber of Commerce events, Women’s Leadership Conference, DelDOT’s DBE & Small Business Development Summit, Latino Summit, etc.) when they are available.

**Public Participation & Published Notices – 49 CFR §26.45(g) and 26.15(b)(1)**

The public was advised that DTC would be accepting comments on this methodology until 4:30 pm on July 31, 2022. The public was invited to provide feedback in one of the following ways:

- In person at the meetings,
- Via email at [Debbie.erhart@delaware.gov](mailto:Debbie.erhart@delaware.gov), or
- Through regular mail to Delaware Transit Corporation, ATTN: Debbie Erhart, 119 Lower Beech Street, Wilmington, DE 19805

DTC held two public meetings as detailed below:

<b>Wednesday – July 20, 2022 11:00 am – 1:30 pm</b>	<b>Thursday – July 21, 2022 11:00 am – 1:30 pm</b>
New Castle County	Kent County
Delaware Transit Corporation 119 Lower Beech Street Wilmington, DE 19805	Delaware Transit Corporation 900 Public Safety Boulevard Dover, DE 19901

Invitations to these meetings were sent to the following:

- Association of Builders and Contractors
- Bethany-Fenwick Area Chamber of Commerce
- Central Delaware Chamber of Commerce
- Chamber of Commerce of Greater Milford
- Delaware Association of Professional Engineers
- Delaware Black Chamber of Commerce
- Delaware Contractors Association
- Delaware Division of Small Business
- Delaware of Supplier Diversity
- Delaware Small Business Chamber of Commerce
- Delaware State Chamber of Commerce
- Georgetown Chamber of Commerce
- Greater Delmar Chamber of Commerce
- Greater Millsboro Chamber of Commerce
- Laurel Chamber of Commerce
- Lewes Chamber of Commerce
- Middletown Chamber of Commerce
- Milton Chamber of Commerce
- New Castle County Chamber of Commerce
- Rehoboth Beach – Dewey Beach Chamber of Commerce
- Western Sussex Chamber of Commerce

Unfortunately, no one attended the public meetings. In addition to these invitations, this document was published on DTC's website, [www.DartFirstState.com](http://www.DartFirstState.com). As of today's writing, no comments have been received.