



REGIONAL TRANSIT AUTHORITY
Overall Disadvantaged Business Enterprise (DBE) Goal
Fiscal Years 2023-2025

SUMMARY

In keeping with the requirements of 49 C.F.R. Part 26, an Overall DBE goal has been developed for DBE participation in DOT – assisted contracting by the Regional Transit Authority (RTA) of New Orleans during Fiscal Year 2023 through Fiscal Year 2025. The RTA receives funding from the Federal Transit Administration (FTA) of U.S. Department of Transportation (USDOT). The RTAs recommended overall DBE goal for 2023-2025 is 32% of the federal financial assistance we will expend in FTA-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles.

This goal identifies the relative availability of DBEs based on evidence of ready, willing, and able DBEs in relationship to all comparable businesses which are known to be available to compete in the RTAs FTA assisted contracts. The overall DBE goal reflects staff’s determination of the level of DBE participation which would be expected absent the effects of discrimination.

The RTA estimates that, in meeting its overall goal of 32%, it will obtain 22% from race conscious participation and 10% through race neutral measures.

OVERALL DBE GOAL METHODOLOGY

FTA assisted contracting for Fiscal Years 2023-2025 is expected to consist of seven construction projects as detailed in **Table 1**. Total dollars per major projects budgeted for FY 2023-2025 are listed in **Table 1**. Additional projects may be undertaken if additional revenue becomes available. The overall DBE goal will be adjusted if necessary.

TABLE 1		
Project	Amount	Weight
St Charles Streetcar – Track	3,671,189	0.101150784
St Charles Streetcar - Pavement	781,553	0.021533813
Shelter Installation/ADA Access	1,500,000	0.041328893
Lower Algiers Ferry Barge	6,590,619	0.181588656
Algiers Point Ferry Barge	7,079,528	0.195059368
Algiers Ferry Terminal Rehab	3,046,333	0.083934379
Transit/Comfort Stations	13,625,000	0.375404107
Total DOT Assisted Contracts	36,294,222	100

In order to obtain an accurate count of ready, willing, and able DBEs, each project was examined and its “scope of services” were detailed for the purpose of defining the type of work and skill-sets necessary to complete the scheduled work. Each work type was assigned a six-digit North American Industry Classification System (NAICS) Code. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America. After establishing NAICS codes, contracting dollars were estimated for each work type on a project basis. **Tables 2 through 8** below illustrate the contract estimates and the NAICS breakdown for each project.

ST CHARLES STREETCAR TRACK					
TABLE 2	NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
	238210	Electrical	45	275	0.163636363
	237310	Traffic	23	49	0.469387755
	238110	Concrete/Earthwork	22	43	0.511627906
	236220	Constr. Management	51	225	0.226666666
	237990	Rail	12	45	0.266666666
	238910	Demolition	39	70	0.557142857
	237130	Utilities	3	22	0.136363636
	561730	Landscaping	21	228	0.092105263
			216	957	2.423597112

ST CHARLES STREETCAR PAVEMENT					
TABLE 3	NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
	238910	Demolition	39	70	0.557142857
	237310	Traffic	23	49	0.469387755
	238110	Concrete/Earthwork	22	43	0.511627906
	237990	Rail	12	45	0.266666666
	238210	Electrical	45	275	0.163636363
			141	482	1.968461547

SHELTER INSTALLATION & ADA ACCESSIBILITY				
TABLE 4				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238910	Demolition	39	70	0.557142857
238110	Concrete/Earthwork	22	43	0.511627906
561730	Landscaping	21	228	0.092105263
237130	Utilities	3	22	0.136363636
332312	Fabrication/Sheet Metal	2	12	0.166666666
		87	375	1.463906328

LOWERS ALGIERS FERRY LANDING BARGE REPLACEMENT				
TABLE 5				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238910	Demolition	39	70	0.557142857
238110	Concrete/Earthwork	22	43	0.511627906
237130	Utilities	3	22	0.136363636
238210	Electrical	45	275	0.163636363
237990	Marine	12	45	0.266666666
332999	Barge Fabrication	2	13	0.153846153
		123	468	4.009580099

ALGIERS POINT FERRY LANDING BARGE REPLACEMENT				
TABLE 6				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238910	Demolition	39	70	0.557142857
238110	Concrete/Earthwork	22	43	0.511627906
237130	Utilities	3	22	0.136363636
238210	Electrical	45	275	0.163636363
237990	Marine	12	45	0.266666666
332999	Barge Fabrication	2	13	0.153846153
		123	468	4.009580099

ALGIERS FERRY TERMINAL – REHAB & MODERNIZATION				
TABLE 7				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238910	Demolition	39	70	0.557142857
238110	Concrete/Earthwork	22	43	0.511627906
541310	Architectural	17	118	0.144067797
561730	Landscaping	21	228	0.092105263
238120	Structural	11	13	0.846153846
237130	Utilities	3	22	0.136363636
238210	Electrical	45	275	0.163636363
238220	HVAC	26	453	0.057395143
237110	Plumbing	14	27	0.518518518
238290	Elevator Installation	4	34	0.117647059
		202	1283	3.144658388

TRANSIT STATIONS/ COMFORT STATIONS				
TABLE 8				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238910	Demolition	39	70	0.557142857
238110	Concrete/Earthwork	22	43	0.511627906
541310	Architectural	17	118	0.144067797
561730	Landscaping	21	228	0.092105263
238120	Structural	11	13	0.846153846
237130	Utilities	3	22	0.136363636
238210	Electrical	45	275	0.163636363
238220	HVAC	26	453	0.057395143
237110	Plumbing	14	27	0.518518518
238140	Masonry	10	20	0.5
		208	1269	3.527011329

GOAL SETTING CALCULATIONS

A two-step process was considered to establish the overall DBE goal, as described herein.

Step One: Compute Base Figure

Per 49 CFR 26.45(c) a base figure was developed to determine the relative availability of DBEs to perform work on anticipated contracts. The formula for calculating the relative availability of DBEs is as follows:

Base figure equals Ready, willing, and able DBEs divided by all firms ready, willing and able (including DBEs and non-DBEs)

Weighting is recommended in USDOT tips to ensure the overall goal accurately reflects the scope of work. Based on guidance from FTA, a weighted base figure was computed that takes into account the relative size of the anticipated contract. The formula used as follows:

Weighted Base Figure = [(Project % of total contract dollars) *(Relative availability of DBEs)] + [(Project % of total contract dollars) *(Relative availability of DBEs)] ...

Weighted Base Figure = 21.23825 (Refer to **Table 9** below.)

The weighted base figure was developed by:

- 1) The relevant market area was determined to specify the geographical area for seeking available businesses.
- 2) Using the Louisiana Unified Certification Program Directory and other local DBE Directory to identify the number of registered DBEs willing to perform work in the Greater New Orleans market area for each of the anticipated contracts, based on the NAICS (North American Industry Classification System) code(s) most relevant to each contract.
- 3) Using 2019 County Business Patterns (CBP) data from the U.S. Census Bureau to identify the total number of businesses available in The Greater New Orleans market area for work on each contract type, based on the same NAICS codes.
- 4) Dividing the number of DBEs by the number of all businesses to determine the relative availability of DBEs in the market area for each contract type.

Dividing the number of market area DBEs by all market area businesses (DBEs and non-DBEs), produced a relative base figure of 21.23, as shown in **Table 9**.

TABLE 9 BASE GOAL					
Project	DBES	All Firms	Relative Availability	Weight	Total
St Charles Streetcar – Track	216	957	0.22570533	10.11	2.28188088
St Charles Streetcar - Pavement	141	482	0.29253112	2.15	0.62894190
Shelter Installation/ADA Access	87	375	0.232	4.13	0.95816
Lower Algiers Ferry Barge	123	468	0.26282051	18.15	4.77019225
Algiers Point Ferry Barge	123	468	0.26282051	19.50	5.12499994
Algiers Ferry Terminal Rehab	202	1283	0.15744349	8.39	1.32095088
Transit/Comfort Stations	208	1269	0.16390859	37.54	6.15312846
	1100	5302	1.59722954	100	21.23825431
Base Goal					21.23825

Step Two: Adjust Base Figure

Per 49 CFR Part 26.45(d), following calculation of a base figure, all available evidence must be examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall DBE goal.

After calculating the Base Figure of 21%, it was determined that this rate of participation is inconsistent with historical data and the realities of the market in the Metropolitan Area and as such, adjustments to the Base Figure are warranted. To ensure that the goals for the RTA truly reflect the participation expected absent the effects of discrimination, this methodology goes beyond the raw formula derived by comparing databases; the methodology factors other subjective considerations into the formula to better estimate local market conditions. As such, the Base Figure was adjusted as detailed below.

Regional Market Data

The following data was considered in determining an adjustment to the Base Figure: Past DBE participation and the City of New Orleans Disparity Study.

The adjusted base Figure is detailed in **Table 10** below.

TABLE 10 ADJUSTED TABLE					
Project	DBES	All Firms	Relative Availability	Weight	Total
St Charles Streetcar – Track	216	957	0.22570533	10.11	2.28188088
St Charles Streetcar - Pavement	141	482	0.29253112	2.15	0.62894190
Shelter Installation/ADA Access	87	375	0.232	4.13	0.95816
Lower Algiers Ferry Barge	123	468	0.26282051	18.15	4.77019225
Algiers Point Ferry Barge	123	468	0.26282051	19.50	5.12499994
Algiers Ferry Terminal Rehab	202	1283	0.15744349	8.39	1.32095088
Transit/Comfort Stations	208	1269	0.16390859	37.54	6.15312846
Base Goal					21.23825
				DBE Annual Goal	Actual Attainment
PAST PARTICIPATION					
2018 – 2019				31%	32.8%
2019 – 2020				30%	9.3%
2020 – 2021				30%	60.7%
AVERAGE PAST PARTICIPATION				30%	34.2
CITY OF NEW ORLEANS DISPARITY					40.6
ADJUSTED DBE GOAL					32%

Disparity Studies:

The RTA explored the feasibility of a Disparity Study and further surveyed the jurisdiction to determine types of relevant evidence available. The 2018 City of New Orleans Disparity Study examined whether there was a playing field for minority and women-owned businesses in New Orleans public and private sector marketplace. This study was used to adjust the final goal.

Past DBE Participation:

The primary form of evidence available is the past participation of DBEs in RTAs contract goals. The RTA's average DBE participation for the past three years has been 34.2%. **Refer to Table 10.** As such, the Base Goal of 21.23% will be adjusted using the average past participation goal of 34.2% and the City of New Orleans Disparity Study of 40.6%. Averaging the Base DBE goal of 21.23% along with the past participation goal of 34.2% and the City of New Orleans Disparity Study of 40.6% yields a Final Adjusted DBE Goal of 32%. **The RTA is recommending a DBE goal of 32%.**

Step Three: Determine Race Neutral and Race Conscious Split

The RTA will use contract goals to meet any portion of the overall goal that the agency 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.

RTA will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. RTA will not need to 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). RTA will establish the contract goals as a percentage of a DOT-assisted contract or the federal share of a DOT-assisted contract.

The regulations require RTA to determine how much of its FFY DBE goal it expects to meet through race-conscious methods and how much through race neutral methods. To break down the overall goal into a race neutral and race conscious component, the RTA relied on past participation from fiscal years 2019 through 2021. The RTA estimates that in meeting its overall goal of 32%, it will obtain 10% from race-neutral participation and 22% from race-conscious measures.

The agency has implemented its race-neutral Small Business Enterprise (SBE) program and currently has small business limited competition for federally funded projects where there are three or more certified small businesses in the market to compete. Race neutral participation has improved.

Methods of Achieving Race-Neutral DBE Goals

In order to achieve race-neutral goals the RTA will continue to identify opportunities for SBE limited competition. The SBE program targets projects up to \$500,000 for limited competition based on availability of certified small businesses to compete for contract awards.

In addition to the SBE Program, the RTA will utilize the following strategies to obtain the race conscious portion of the goal.

- Conduct mandatory DBE outreach sessions for prime bidders on capital and infrastructure projects.

- Identify Technical Assistance resources to support SBEs.
- Arrange solicitation, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that will facilitate DBE, and other small business participation. The RTA will continue to unbundle large contracts to make them more accessible to small businesses, in some cases, requiring and always encouraging prime contractors to subcontract portions of work that they may have otherwise performed with their own workforces.
- Public meetings to provide DBEs and small businesses with information on project priorities.
- Ensure that DBEs and SBEs have access to procurement information, contracting procedures and specific contract opportunities through the agency's electronic bid system (ProcureWare).
- Ensure that the LAUCP Directory is distributed to the widest feasible universe of potential prime contractors.

Moreover, in order to ensure that the DBE program is narrowly tailored to overcome the effects of discrimination, the RTA will track and report race neutral and race conscious DBE participation. For reporting purposes, race neutral DBE participation includes, but is not limited to, the following: DBE participation through the SBE set-asides for small economically disadvantaged businesses; DBE participation through a prime contract where DBE participation is obtained through customary competitive procurement procedures; DBE participation on a prime contract exceeding a stated 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.

Step Four: Public Participation and Consultation

Pursuant to 49 CFR 26.45 (g) (1), the RTA provided the opportunity for public participation during the goal setting process. The public participation process included a public notice and a public meeting for stakeholders, minority and general contractor groups, other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses and/or the effects of discrimination on opportunities for DBEs.

The RTA provided an opportunity for public comment at a public meeting which was held on June 30, 2022. The RTA will consider any written comments it receives from the public in adjusting its final goal.

Public Notice

Pursuant to 26.45 (g)(2), the RTA published a notice announcing the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours for 30 days following the date of the notice and comments regarding these documents will be accepted for 45 days from the date of publication. The public notice indicated

the location(s) where the proposed goal can be reviewed and where comments can be transmitted. The notice is posted on RTA's website and published in the following publications:

- The Advocate
- Louisiana Weekly
- Nola.com
- Small Business Exchange