



REGIONAL TRANSIT AUTHORITY  
 Overall Disadvantaged Business Enterprise (DBE) Goal  
 Fiscal Years 2020-2022

**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 2020 through Fiscal Year 2022. The RTA receives funding from the Federal Transit Authority (FTA) of U.S. Department of Transportation (USDOT). The RTAs recommended overall DBE goal for 2020-2022 is 30% 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 30%, it will obtain 20% from race conscious participation and 10% through race neutral measures.

**OVERALL DBE GOAL METHODOLOGY**

FTA assisted contracting for Fiscal Years 2020-2022 is expected to consist of eight construction projects as detailed in **Table 1**. Total dollars per major projects budgeted for FY 2020-2022 are listed in **Table 1**. Additional projects may be undertaken if additional revenue becomes available. The overall DBE goal will be adjusted if necessary.

<b>TABLE 1</b>		
Project	Amount	Weight
Canal Street Ferry Terminal	36,293,111	0.706078988
Napoleon Facility	4,737,769	0.092172841
Algiers Ferry Terminal	3,046,333	0.059266116
St Charles Streetcar - Pavement	2,180,000	0.042411690
St. Charles Streetcar - Track	2,012,510	0.039153189
Riverfront Streetcar – Track	1,399,999	0.027236846
Algiers Park & Ride	1,140,000	0.022178590
St Charles Streetcar - ADA	591,200	0.011501739
<b>Total DOT Assisted Contracts</b>	<b>51,400,922</b>	<b>100</b>

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 9** below illustrate the contract estimates and the NAICS breakdown for each project.

<b>CANAL STREET FERRY TERMINAL</b>				
<b>TABLE 2</b>				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238210	Electrical	45	283	0.159010601
237110	Plumbing	16	30	0.533333333
238110	Concrete/Earthwork	17	47	0.361702127
236220	Constr. Management	25	220	0.113636364
541310	Architectural	14	112	0.125
238910	Demolition	32	76	0.421052631
561730	Landscaping	15	207	0.024154589
238120	Structural	12	17	0.705882353
237130	Utilities	4	21	0.190476190
238220	HVAC	45	452	0.099557522
237990	Rail	15	50	0.3
237310	Paintings/Prot. Coating	29	43	0.674418605
		269	1558	3.708224315

<b>TABLE 3 NAPOLEON FACILITY</b>				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238210	Electrical	45	283	0.159010601
237110	Plumbing	16	30	0.533333333
238220	Mechanical	45	452	0.099557522
236220	Constr. Management	25	220	0.113636364
541310	Architectural	14	112	0.125
238910	Demolition	32	76	0.421052631
561730	Landscaping	15	207	0.024154589
238120	Structural	12	17	0.705882353
237130	Utilities	4	21	0.190476190
238220	HVAC	45	452	0.099557522
		253	1850	2.328551562

<b>ALGIERS FERRY TERMINAL</b>				
<b>TABLE 4</b>				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238210	Electrical	45	283	0.159010601
237110	Plumbing	16	30	0.533333333
238110	Concrete/Earthwork	17	47	0.361702127
236220	Constr. Management	25	220	0.113636364
541310	Architectural	14	112	0.125
238910	Demolition	32	76	0.421052631
561730	Landscaping	15	207	0.024154589
238120	Structural	12	17	0.705882353
237130	Utilities	4	21	0.190476190
238220	HVAC	45	452	0.099557522
236220	Restoration	25	220	0.113636364
237310	Paintings/Prot. Coating	29	43	0.674418605
		279	1728	3.521860679

<b>ST CHARLES STREETCAR PAVEMENT</b>				
<b>TABLE 5</b>				
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
238210	Electrical	45	283	0.159010601
237310	Traffic	29	43	0.674418605
238110	Concrete/Earthwork	17	47	0.361702127
236220	Constr. Management	25	220	0.113636364
237990	Rail	15	50	0.3
238910	Demolition	32	76	0.421052631
237130	Utilities	4	21	0.190476190
		167	740	2.220296518

<b>ST CHARLES STREETCAR TRACK</b>					
<b>TABLE 6</b>	<b>NAICS</b>	<b>WORK CATEGORIES</b>	<b>*Number of DBEs</b>	<b>All Firms</b>	<b>Relative Availability</b>
	238210	Electrical	45	283	0.159010601
	237310	Traffic	29	43	0.674418605
	238110	Concrete/Earthwork	17	47	0.361702127
	236220	Constr. Management	25	220	0.113636364
	237990	Rail	15	50	0.3
	238910	Demolition	32	76	0.421052631
	237130	Utilities	4	21	0.190476190
	561730	Landscaping	15	207	0.024154589
			182	947	2.244451107

<b>RIVERFRONT STREETCAR TRACK</b>					
<b>TABLE 7</b>	<b>NAICS</b>	<b>WORK CATEGORIES</b>	<b>*Number of DBEs</b>	<b>All Firms</b>	<b>Relative Availability</b>
	238110	Concrete/Earthwork	17	47	0.361702127
	236220	Constr. Management	25	220	0.113636364
	237990	Rail	15	50	0.3
	238910	Demolition	32	76	0.421052631
	541310	Architectural	14	112	0.125
			103	505	1.321391122

<b>ALGIERS PARK &amp; RIDE</b>					
<b>TABLE 8</b>	<b>NAICS</b>	<b>WORK CATEGORIES</b>	<b>*Number of DBEs</b>	<b>All Firms</b>	<b>Relative Availability</b>
	238210	Electrical	45	283	0.159010601
	237310	Traffic	29	43	0.674418605
	238110	Concrete/Earthwork	17	47	0.361702127
	236220	Constr. Management	25	220	0.113636364
	541310	Architectural	14	112	0.125
	238910	Demolition	32	76	0.421052631
	237130	Utilities	4	21	0.190476190
	561730	Landscaping	15	207	0.024154589
	238120	Structural	12	17	0.705882353
			193	1026	2.77533346

ST CHARLES STREETCAR				
TABLE 9	ADA			
NAICS	WORK CATEGORIES	*Number of DBEs	All Firms	Relative Availability
237310	Traffic	29	43	0.674418605
238110	Concrete/Earthwork	17	47	0.361702127
236220	Constr. Management	25	220	0.113636364
238910	Demolition	32	76	0.421052631
237130	Utilities	4	21	0.190476190
561730	Landscaping	15	207	0.024154589
		122	614	1.785440506

### 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 = 17.31886 (Refer to **Table 10** 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 2016 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 17.31, as shown in **Table 10**.

<b>TABLE 10 BASE GOAL</b>					
<b>Project</b>	<b>DBES</b>	<b>All Firms</b>	<b>Relative Availability</b>	<b>Weight</b>	<b>Total</b>
Canal Street Ferry Terminal	269	1558	0.17265725	70.61	12.19132842
Napoleon Facility	253	1850	0.13675676	9.22	1.26089732
Algiers Ferry Terminal	279	1728	0.16145833	5.93	0.95744789
St Charles Streetcar–Pavement	167	740	0.22567567	4.24	0.95686484
St. Charles Streetcar-Track	182	947	0.19218585	3.91	0.75144667
Riverfront Streetcar-Track	103	505	0.20396039	2.72	0.55477223
Algiers Park & Ride	193	1026	0.18810916	2.22	0.41760233
St. Charles Streetcar-ADA	122	614	0.19869707	1.15	0.22850163
	1568	8968	1.47950048	100	17.31886133
<b>Base Goal</b>					<b>17.31886</b>

### **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 17%, 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 11** below.

<b>TABLE 11 ADJUSTED TABLE</b>						
<b>Project</b>	<b>DBES</b>	<b>All Firms</b>	<b>Relative Availability</b>	<b>Weight</b>	<b>Total</b>	
Canal Street Ferry Terminal	269	1558	0.17265725	70.61	12.19132842	
Napoleon Facility	253	1850	0.13675676	9.22	1.26089732	
Algiers Ferry Terminal	279	1728	0.16145833	5.93	0.95744789	
St Charles Streetcar–Pavement	167	740	0.22567567	4.24	0.95686484	
St. Charles Streetcar-Track	182	947	0.19218585	3.91	0.75144667	
Riverfront Streetcar-Track	103	505	0.20396039	2.72	0.55477223	
Algiers Park & Ride	193	1026	0.18810916	2.22	0.41760233	
St. Charles Streetcar-ADA	122	614	0.19869707	1.15	0.22850163	
<b>Base Goal</b>						<b>17.31886</b>
					<b>DBE Annual Goal</b>	<b>Actual Attainment</b>
<b>PAST PARTICIPATION</b>						
<b>2015 – 2016</b>					28%	27.1%
<b>2016 – 2017</b>					31%	15.5%
<b>2017 – 2018</b>					31%	58.4%
<b>AVERAGE PAST PARTICIPATION</b>					<b>30%</b>	<b>33.6</b>
<b>CITY OF NEW ORLEANS DISPARITY</b>						40.6
<b>ADJUSTED DBE GOAL</b>						<b>30%</b>

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 33.6%. **Refer to Table 11.** As such, the Base Goal of 17.31% will be adjusted using the average past participation goal of 33.6% and the City of New Orleans Disparity Study of 40.6%. Averaging the Base DBE goal of 17.31% along with the past participation goal of 33.6% and the City of New Orleans Disparity Study of 40.6% yields a Final Adjusted DBE Goal of 30%. **The RTA is recommending a DBE goal of 30%.**

### **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 2016 through 2018. (Refer to Table 11). RTA's race neutral achievement was 10%. The RTA estimates that in meeting its overall goal of 30%, it will obtain 10% from race-neutral participation and 20% 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 will provide an opportunity for a public meeting which will be held on June 26, 2019. 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 was posted on RTA's website and published in the following publications:

- The Advocate
- Louisiana Weekly
- Data News Weekly
- Nola.com