

**City of Phoenix Public Transit's
2024-2026**

**Disadvantaged Business Enterprise
Triennial Goal Public Review
for
Federal Transit Administration
Funded Projects**

Welcome!



Objectives



- ❖ Disadvantaged Business Enterprise Program- What is it?
- ❖ Overview of Federal Transit Administration DBE Program Requirements
- ❖ DBE Goal Setting- Two Step Process
- ❖ DBE Aspirational Goal
- ❖ Contracts Projected for Award
 - ❖ Mesa
 - ❖ Glendale
 - ❖ City of Phoenix
- ❖ Questions/Comments

DBE Program – What is It?



THREE components to the Department of Transportation DBE Requirement

The DBE Program (49 CFR, Part 26.21, Subpart B)

The DBE Triennial Goals/Methodology
(49 CFR, Part 26.45, Subpart C)

**Federal Transit Administration
Semi-Annual DBE Reports**



DBE Program – What is It?



The primary remedial goal and objective of the DBE program is to level the playing field by providing small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for federally funded transportation contracts.



What is a Disadvantaged Business Enterprise?



- **Historically disadvantaged individual based on race, gender and national origin**
- **51% owner must be disadvantaged individual**
- **Owner must control business operations**
- **Personal net worth less than \$1.32 million**
- **U.S. citizen or permanent legal resident**

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Who must set DBE Goals?



FTA recipients that expect to award more than \$250,000 in FTA funds in prime contracts (excluding transit vehicle purchases) in a Federal fiscal year are required to set three-year goals for DBE participation for this DOT-assisted work.

49 C.F.R. § 26.45(a)

DBE Goal/Methodology Requirement



- Triennial submission of goal setting methodology

- What does the City of Phoenix need to submit?
 - Letter stating overall goal for the three Federal Fiscal Years
 - Copy of the methodology used to develop the goal and supporting documents, (e.g., worksheet, spreadsheet, charts, etc.)
 - Copy of published notice informing the public of the DBE goal comment period
 - Consultation Process/Outreach Conducted

Meeting Overall Goals – Race Neutral



Two means of meeting overall DBE goals:

- Race Neutral = DBE wins a contract competitively
- Race Conscious = Contract goals, using race conscious means of achieving DBE participation

Meeting Overall Goals – Race Neutral



- Utilize DBE prime contractors
- Make RFPs/solicitations attractive to DBEs
- Unbundling of contracts
- Simplify or reduce bonding requirements
- Outreach to/for DBEs
- Distribute DBE directories to prime contractors

Goal Setting Principles



DBE Goal – Must be based on demonstrable evidence of the availability of *ready, willing, and able* DBEs

DBE Goal - Must reflect what you would expect the level of DBE participation to be absent the effects of discrimination

DBE Goal Setting Methodology – Two Step Process



Step 1

Step 2

Develop a base
figure



Adjust your base
figure



DBE Goal Setting Methodology – Two Step Process

Step 1 - Develop a base figure

$$\begin{aligned} & \text{DBEs in Trade Area} \div \\ & \text{All firms in Trade Area (including DBEs)} \\ & = \\ & \text{Relative Availability (Base Figure)} \end{aligned}$$

Determine the relative availability of ready, able, and willing DBEs in a trade area compared to total number of ready, able, and willing companies



DBE Goal Setting Methodology – Two Step Process

Step 1

Develop a base figure

- Use all available data
- Accurately account for all contracts
- Use weighting



DBE Goal Setting Methodology – Two Step Process

Step 1 - Example

- Grantee A anticipates spending **\$1 million** resurfacing a parking lot at its bus maintenance facility for **asphalt work (70%)** and **trucking (30%)**
- 10 DBE and 90 non-DBE asphalt companies.
- 5 DBE and 20 non-DBE trucking companies.

Q: What would the standard and weighted DBE goals be?



DBE Goal Setting Methodology – Two Step Process

“Weighted” Step One Formula:

$$\begin{aligned} & (\text{Scope's percentage of overall contracts budget}) \times \\ & (\text{DBEs in trade} \div \text{All firms in trade}) \\ & = \\ & \text{Base Figure} \end{aligned}$$



DBE Goal Setting Methodology – Two Step Process

Step 1 - continued

Standard Base Figure:

15 total DBEs / 125 total firms = 12%

Weighted Base Figure:

.7 (10 asphalt DBEs ÷ 100 total) +
.3 (5 trucking DBEs ÷ 25 total) = 13%

7% + 6% = 13%

DBE Goal Setting Methodology – Two Step Process



Step 2 – Adjust Base Figure

Once a base figure has been calculated, recipients must examine all other evidence available to determine what, if any, adjustment to the base figure is merited.

See 49 CFR 26.45(d).

DBE Goal Setting Methodology – Two Step Process



Step 2 – Weight by % Federal Funds AND Availability Formula

1C (Weight) x (Availability) = Weighted Base Figure						
	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	236210	Asphalt	0.70000	x	0.10000	0.0700
2)	236	Trucking	0.30000	x	0.20000	0.0600
					Total	0.1300
					Expressed as a % (*100)	13.00%
Rounded, Weighted Base Figure:						13%



DBE Goal Setting Methodology – Two Step Process

Step 2 – Adjustments

Past participation:

2012 - 14% ; 2013 - 3% ; 2014 - 7%

Historical median is 7%.

(3, 7, 14,) = 7%

Base Figure: 13%

Median: 7%

Sum 20%

(Divided by 2)

10% Adjusted Base Figure

Key Details



- DBE Goal: expressed as % of FTA-funded contracting opportunities

- Public participation must include:
 - Consultation with sub-recipients
 - Consultation with stakeholders
 - 30-day Comment Period
 - Posting of proposed goal online

2024 - 2026 Aspirational Goal



- **7.83% FFY 2024 - 2026 Aspirational Goal to race-neutral participation**
- **FTA funded contracts only (not including purchases of land or vehicles)**
- **\$(31,915,000.00 estimated combined value)**

FTA Regional and Projects 2024 - 2026



City of Mesa



Transit Infrastructure Grant - Bus Shelters

Projected Award Date: 2023

Estimated Contract Value: \$1,200,000.00

Expected Scopes of Work: Manufacture and install 30-40 bus shelters



City of Glendale



Taxi Voucher Program

Projected Award Date: 2026

Estimated Contract Value: \$180,000.00

Expected Scopes of Work: Transportation for residents requiring repetitive medical appointments. Next solicitation will be federally procured as we may seek possible future 5310 grant funding



City of Phoenix



South Central Transit Oriented Development Community Plan implementation (TOD) Study

Projected Award Date: 2024

Estimated Contract Value: \$1,285,000.00

Expected Scopes of Work: Project will implement a study that works toward achieving the shared vision of the adopted South Central TOD Community Plan which includes affordable housing, pedestrian, bicycle access and mixed- use development



City of Phoenix



West Transit Facility Improvement for Alternative Fuel

Projected Award Date: 2024

Estimated Contract Value: \$10,000,000.00

Expected Scopes of Work: Public Transit is moving towards replacing its current bus fleet to use alternative, zero emission fuels. This project will consist of the construction of the infrastructure needed to install electric and hydrogen fueling stations. Hydrogen stations will begin with a temporary facility followed by a permanent structure. This is for Construction



City of Phoenix



North Transit Facility (Design) Infrastructure Improvement for Alternative Fuel

Projected Award Date: 2025

Estimated Contract Value: \$500,000.00

Expected Scopes of Work: Public Transit is moving towards replacing its current bus fleet to use alternative, zero emission fuels. This project will consist of the design of the infrastructure needed to install electric and hydrogen fueling stations



City of Phoenix



North Transit Facility (Construction) Infrastructure Improvement for Alternative Fuel

Projected Award Date: 2026

Estimated Contract Value: \$8,000,000.00

Expected Scopes of Work: Public Transit is moving towards replacing its current bus fleet to use alternative, zero emission fuels. This project will consist of the design of the infrastructure needed to install electric and hydrogen fueling stations



City of Phoenix



North Transit Facility Parking Structure (Design)

Projected Award Date: 2024

Estimated Contract Value: \$750,000.00

Expected Scopes of Work: Public Transit is moving towards toward replacing its current bus fleet to use alternative, zero emission fuels. This project will be the design of a two-level parking structure. The parking structure will be used for both bus and passenger vehicles and will increase capacity for both.



City of Phoenix



North Transit Facility Parking Structure (Construction)

Projected Award Date: 2024

Estimated Contract Value: \$10,000,000.00

Expected Scopes of Work: Public Transit is moving towards replacing its current bus fleet to use alternative, zero emission fuels. This project will consist of the construction of a two level parking structure. The parking structure will be used for both bus and passenger vehicles and will increase capacity for both.



PUBLIC COMMENTS

All documents related to the proposed goal and methodology is available for review during regular business hours. At any time during the public comment period comments can be provided the followings ways:

- Verbal testimony: Here today at the Public Meeting
- Email: valeria.Williams@phoenix.gov
- Mail: City of Phoenix Public Transit Department

302 North 1st Avenue, 9th floor

Phoenix , Arizona 85003

The public comment period will close on September 5, 2023. All public comments will be reviewed by the City before the final DBE goal to FTA.

THANK YOU!

