



August 24, 2021

To: Fox Cities Transit Commission
Appleton City Council

From: Debra Ebben, Administrative Services Manager

Subject: City of Appleton, Valley Transit Disadvantaged Business Enterprise (DBE) Program

Background:

Valley Transit receives Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance we are required to establish a Disadvantaged Business Enterprise (DBE) Program. A Disadvantaged Business Enterprise is defined as a for-profit small business concern where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations.

Valley Transit's DBE goals must be reviewed every three years and a new goal established to reflect any new trends. The purpose of this program is to ensure that DBE's as defined in Federal Regulations have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy to:

- Ensure nondiscrimination in the award and administration of DOT – assisted contracts
- Create a level playing field on which DBE's can compete fairly for DOT-assisted contracts
- Ensure that the DBE Program is narrowly tailored in accordance with applicable law
- Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBE's
- Help remove barriers to the participation of DBE's in DOT assisted contracts
- Assist the development of firms that can compete successfully in the market place outside the DBE program

Valley Transit has determined its overall goal for FY 2022 through 2024 as 3% of the Federal Financial assistance that it receives (approximately \$52,800 per year). We are required to advertise the goal, allowing time for public comment. Attached you will find Valley Transit's DBE goal submitted to the Federal Transit Administration for approval.

Attachment 2
Section 26.45: Overall Goal Calculation

Amount of Goal

1. Valley Transit has determined its overall goal for FY 2022 as 3% of the Federal Financial assistance that we will expend in DOT-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles.
2. Valley Transit expects to award approximately \$1,760,000 of DOT-assisted contracts during each year beginning FY 2022 through FY 2024. We have set a goal of spending approximately \$52,800 each year with DBEs during this timeframe.

Methodology used to Calculate Overall Goal

Step 1: 26.45(c)

Determine the base figure for the relative availability of DBEs.

The base figure for the relative availability of DBEs was calculated as follows:

$$\text{Base figure} = \frac{\text{Ready, willing, and able DBEs}=65}{\text{All firms ready, willing and able}=6,179}$$

The data source or demonstrable evidence used to derive the numerator was the certified DBE businesses listed for the State of Wisconsin in the WI UCP Eligibility Directory available on the WISDOT website at <https://wisconsin.gov/Pages/doing-bus/civil-rights/dbe/certified-firms.aspx>. The NAICS codes used relative to the types of contracts Valley Transit intends to enter into during the timeframe covered were 238290, 323111, 423430, 423610, 4424710, 441320, 485991, 488410, 541211, 541613, 561612 and 812332.

The data source or demonstrable evidence used to derive the denominator was the Wisconsin establishments listed on the web site for the Census Bureau's NAICS system at <https://data.census.gov/cedsci/table>. NAICS codes used included the same codes used to derive the numerator.

Using this information, we determined that the base figure for Valley Transit's overall goal is 1%.

Step 2: 26.45(d)

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment was needed to the base figure in order to arrive at the overall goal.

In order to reflect as accurately as possible the DBE participation expected in the absence of discrimination, the base figure has been adjusted by 0%.

The data used to determine the adjustment to the base figure is as follows:

- Adjusting the Step One Base with the Median Past Participation: The 5-year history of Valley Transit DBE goal achievement is used for this calculation. The median goal achieved was 5%. This median was added to the base goal of 1% and divided by 2 = 3%. Past participation is relatively indicative of contracting opportunities expected for the period covered by this goal. We are a small transit system whose budget remains relatively flat with the exception of annual salary adjustments. Contracting opportunities are small prime contracts (no sub-contracts) consisting of printing, small amount of landscaping, security services, marketing services, etc. Our larger contracts are paratransit contracts that we advertise the opportunity as Requests for Proposals (RFP) in which we are unable to attract any DBE participation to date.
- Disparity Studies: We were unable to find any disparity studies for our area.
- Analysis of Bidder's List: Valley Transit's bidder's list was reviewed to determine the number of DBEs that have bid or quoted on our DOT-assisted prime contracts or subcontracts in the past year (less than 1%). The analysis reflects no further adjustment to the DBE goal.

26.45(g)(i)

Valley Transit encourages DBE participants. Before establishing the overall goal triennially (as directed by the FTA), Valley Transit consulted with the City of Appleton Community Development Department Diversity Coordinator to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and Valley Transit's efforts to establish a level playing field for the participation of DBEs. After this consultation, Valley Transit determined that an adjustment to the goal would not be necessary.

Following this consultation, we published a notice of the proposed overall goals in the local newspaper and on the City of Appleton website, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the administration office for 30 days following the date of the notice, and informing the public that we and DOT would accept comments on the goals for 45 days from the date of the notice. No comments were received; therefore we did not adjust our goal.

Valley Transit published its DBE goals in the local newspaper on Sunday, August 8, 2021.

From this data, we have established our adjusted goal as 3%.