

Laredo Transit Management Inc.
Proposed Triennial Goal Calculation for the Participation of
Disadvantaged Business Enterprises in
Department of Transportation, Federal Transit Administration (FTA)
Funded Contracts
FFY 2021-2023

Name of Recipient: Laredo Transit Management Inc.

Goal Period: FY-2021–2023 October 1, 2020, through September 30, 2023

FTA-assisted estimated contract amount: \$12,343,854.00

Proposed Disadvantaged Business Enterprise (DBE) Goal: 3.835%

Total proposed dollar amount to be expended on DBEs: \$473,387.80.

Anticipated Number and Type of Projects for FY 2021-FY2023: One (1)

Market Area

In conducting this goal setting process, Laredo Transit Management Inc. purpose is to determine the extent, if any, to which the firms in its market area have suffered discrimination or its effects, in connection with contracting opportunities or related business opportunities.

The market area is defined by the geographical area in which the substantial majority of firms which seek to do business with El Metro are located and the geographical area in which the firms which receive a substantial majority of contracts are located.

The Market Area selected for this analysis is the State of Texas.

I. METHODOLOGY

Step 1

Step one is a measurement of the actual relative availability of DBEs to perform the types of contracts that Recipient intend to let. In other words, what percentage all firms in the market area that are ready, willing, and able to compete for DOT-assisted contracting projects are DBEs (or firms that could be certified as DBEs). This percentage is calculated by dividing the number of DBEs ready, willing, and able to bid for the types of federally funded contracting opportunities Recipient will let, by the number of all firms (DBEs and non-DBEs) ready, willing, and able to bid for the types of federally funded contracting opportunities Recipient will let. That is, the number of DBEs will be in the numerator, and the number of all firms (DBEs and non-DBEs) will be in the denominator.

The base figure was calculated as follows:

$$\text{Base figure} = \frac{\text{All active DBE firms in the market area in a specific NAICS Code}}{\text{All ready, willing, and able firms in the market area in the same NAICS Code}}$$

To determine a step one base figure, the following steps data sources were utilized:

1. Determination of the anticipated federal funded contracts awarded for federal fiscal years 2021-2023.
2. Calculation of the percent scope breakdown by the six digit North American Industry Classification Code System (NAICS) of all contractable portions of the project(s).
3. Calculation and analysis of a Weighted Availability
4. Research and identify the total number of business in the market area by NAICS number, utilizing The United States Census- State of Texas County Business Patterns-2019 and preserving the data in the form of exhibits.
5. Research and identify the total number of Disadvantaged Business Enterprises in the market area, utilizing Texas Unified Certification Program (TUCP) database of certified DBE firms separated by NAICS Codes as of June 30, 2021, and preserving the data in the form of exhibits.

It is anticipated that the only federal funded project for the above referenced federal fiscal years is **Phase One of The Laredo Transit Management Inc.'s (El Metro) Transit Administration, Operations, and Fleet Maintenance Facility.**

(Numerator)

The State of Texas was used as the local market area, since most of the prime contractors and subcontractors working on contracts with Recipient come from outside Webb County. Additionally, the data provided by Texas Unified Certification Program database (TUCP) include firms interested in working in all counties of Texas. The TUCP database of certified DBE firms was used to calculate the number of all ready, willing, and able DBE businesses available in the market that perform work in the applicable NAICS codes. The source of the data can be found at: <https://txdot.txdotcms.com> and attached as Exhibits A1 - 14

(Denominator)

The recipient researched the total number of establishments in each identified NAICS code. The recipient used United States Census, Table CBP2019 tool The State of Texas County Business Patterns-2019. The location is identified by the link below and attached as Exhibits B1 - 14 <https://data.census.gov/cedsci/table?q=CBP2019.CB1900CBP&t=Business%20and%20Economy&g=0400000US48&y=2019&d=ECNSVY%20Business%20Patterns%20County%20Business%20Patterns&n=541330%3A541380&tid=CBP2019.CB1900CBP&hidePreview=true>

The initial calculation of DBE availability was weighted based on the percentage of contract dollars that would be awarded in each area. Only one project totaling approximately

\$12,343,854.00 is anticipated for Federal FY2021-2023. NAICS codes corresponding to the scope of work in each project was analyzed. (See Table 1) **The weighted availability base figure calculated to 8.67%.**

Table 1 Transit Administration, Operations, and Fleet Maintenance Facility

NAICS Code	Scope	Percentage/weight ¹	Amount	Texas CBP All Firms	TUCP Companies	Weighted % ²
238120	Structural Steel and Precast Concrete Contractors	0.31	\$ 3,813,854.00	371	49	4.08
238150	Glass and Glazing Contractors	0.02	\$ 250,000.00	523	8	0.03
238160	Roofing Contractors	0.03	\$ 400,000.00	1895	54	0.09
238210	Electrical Contractors and Other Wiring Installation Contractors	0.02	\$ 200,000.00	5317	52	0.02
238220	Plumbing, Heating, and Air-Conditioning Contractors	0.02	\$ 200,000.00	7861	27	0.01
238310	Drywall and Insulation Contractors	0.01	\$ 150,000.00	1071	39	0.04
238320	Painting and Wall Covering Contractors	0.01	\$ 100,000.00	1324	80	0.05
238330	Flooring Contractors	0.02	\$ 200,000.00	690	58	0.14
238910	Site Preparation Contractors	0.04	\$ 500,000.00	2401	150	0.25
238990	All Other Specialty Trade Contractors - Sidewalk construction, residential and commercial, concrete paving	0.41	\$ 5,000,000.00	2542	196	3.12
561730	Landscaping Services	0.02	\$ 250,000.00	5021	134	0.05
541380	Testing Laboratories	0.01	\$ 120,000.00	734	31	0.04
541330	Engineering Services	0.08	\$ 960,000.00	5417	473	0.68
541310	Architectural Services	0.02	\$ 200,000.00	1470	63	0.07
	Total	1.00	\$ 12,343,854.00	36637	1414	8.67

¹ The Percentage or weight is calculated by taking the budgeted dollar amount of that scope of work divided by the total budgeted amount of the project which in this case is \$12,343,854.

² The weighted percentage is calculated by taking the multiplying the quotient of the total number of TUCP companies in each NAICS code by the Total number of firms in the same NAICS code by 100 and then multiplying this result by the percent/weight. **Weighted % = ((TUCP Companies/Texas CBP Firms) x 100) x percentage/weight**

Potential Additional FTA Funded Projects

There was a Compressed Natural Gas (CNG) revitalization project slated for FY 2021-2023. However, after consultation with experts, it was determined that constructing a new CNG facility closer to the Transit Administration, Operations, and Fleet Maintenance Facility would be better. El Metro is currently redesigning the projects specifications and therefore is not certain that the project will begin during the referenced federal fiscal years. If it is determined that a new CNG facility will be construction within the referenced federal fiscal years, Recipient will seek permission from FTA, to adjust to reflect changed circumstances pursuant to 49 CFR Part 26.45 (f)(1)(ii).

Step 2-Adjustment of the Step 1 Base figure

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

The recipient reviewed the anticipated contracts for each fiscal year, the availability of the DBE firms by trade classification and the volume of work performed by DBE firms over previous years. El Metro has not conducted a Disparity Study. El Metro does not have any other measurable evidence to use except past history of participation of DBE on federally funded contracts.

Past Participation

Other data used to determine the adjustment to the base figure was the median of historical DBE accomplishment. All the participation was attained via race conscious means. The Step 2 analysis involved calculating the overall DBE participation for fiscal years 2016, 2017, 2018, 2019 and 2020³ and then calculating the median DBE participation for all 5 observations. (See table 2) **The median of all four observations is -1.00%.**

³ El Metro submitted to FTA a DBE Goal Shortfall Letter attached as Exhibit J

Table 2 - Past History of DBE Participation			
Year	Total DBE % Accomplishment	Goal	% +(-) Accomplishment vs. Goal
2016	0.00%	5.00%	-5.00%
2017	0.00%	5.00%	-5.00%
2018	0.00%	1.00%	-1.00%
2019	0.00%	1.00%	-1.00%
2020	0.00%	1.00%	-1.00%

To arrive at an overall goal, we added our Step 1 base figure with our Step 2 adjustment figure and then averaged the total arriving at an overall goal of 3.835%.

Overall Goal = (8.67% + (-1.00%))/2 = 3.835%

This adjusted goal figure should accurately reflect DBE participation that can be achieved for the type of work being awarded during this three-year period. Phase One of The Laredo Transit Management Inc.'s (El Metro) Transit Administration, Operations, and Fleet Maintenance Facility is a large project and Recipient anticipates a strong DBE utilization. However, because of Recipient's history of failing to meet its goal, 3.835% appears to be a real attainable goal.

II. Breakout of the Estimated Race/Gender Neutral and Race/Gender Conscious Participation

Regarding the calculation of the race/gender neutral goal, several factors were considered. They are:

A. Past participation by DBE prime contractors.

On March 21, 2016, City Council approved a construction contract to the lowest bidder ABBA Construction, LLC,⁴ a DBE certified company at the time, in the amount of \$949,790.00 for the El Metro Operations and Maintenance Building Roof Replacement and Building Improvements. The total dollar amount of federally funded contracts awarded that year was \$1,343,810. The total percent Race Neutral DBE Utilization was $(\$949,790/\$1,343,810) * 100 = 70.67\%$.

B. Voluntary DBE utilization on contracts with no DBE goals.

All Federal Funded Contract had a DBE goal.

⁴ It should be noted that currently ABBA Construction, LLC is not DBE Certified.

C. The amount by which goals were exceeded in the past.

None of the projects exceeded the assigned DBE goal.

2016 is the only instance where Recipient achieved DBE utilization through race neutral means. Therefore, Recipient, chooses not to make any other adjustment to their DBE goal since it is too few instances of race neutral DBE utilization.

Public Consultation and Publication

(1) Consultation: In establishing an overall goal, El Metro provided time for public consultation. This took place virtually on July 8, 2021. The link to the video of the event is located here:

<https://youtu.be/oS73B9d8Xhg>

Invitations were sent to all DBEs from the Texas Unified Certification Program as well as non-DBEs, majority business owners, minority business owners, women owners, advocacy, general contractor, professional service, trade association groups, community organizations, and other officials or organizations which could be expected to have information concerning:

- 1) The availability of disadvantaged and non-disadvantaged businesses;
- 2) The effects of discrimination on opportunities for DBEs, and
- 3) El Metro's efforts to establish a level playing field for the participation of DBEs.
 - a. Exhibit C is an example of the notice sent inviting stakeholders to a public forum.
 - b. Exhibit D is actual Public Service Announcement sent out by El Metro.
 - c. Exhibit E is a list of media outlets, minority, women business owners, as well as advocacy, general contractor, professional service and trade association groups, community organizations, and other officials to whom exhibits C and D was sent.
 - d. Exhibit F is the Final Registration Report of attendees to our Stakeholders meeting.
 - e. Exhibit G is email engagement analytical report.
 - f. Exhibit H is the public consultation presentation from July 8, 2021.
 - g. Exhibit I is an emailed suggestion in response to one of the questions asked at the DBE Outreach Event on July 8, 2021
 - h. Exhibit K is the Public Consultation Virtual Meeting Participants List.