

Transit Authority of Central Kentucky



DBE GOAL 2024 – 2026

Submitted in fulfillment of:

Title 49 Code of Federal Regulations Part 26

This analysis is prepared exclusively for TACK; it is non-transferable and is not to be duplicated.

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I. INTRODUCTION

TACK herein sets forth its Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2024-2026 (October 1, 2024 through September 30, 2026), pursuant to Title 49 Code of Federal Regulation (CFR) Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs.” The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for Department of Transportation assisted contracts, however, the program must be narrowly tailored in accordance with applicable law.

II. BACKGROUND

TACK is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA) funding. As a condition of receiving this assistance, TACK signed an assurance that it will comply with FTA’s DBE requirements. In accordance with Title 49 CFR Part 26 provisions: Participation by DBE’s in USDOT Programs, TACK is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2024-2026

Table 1 represents TACK FTA-assisted contracting program, which consists of projects considered in preparing this goal methodology. These projects, including Construction, Professional Services and Durable Goods contracting opportunities, are anticipated to be awarded during the triennial period:

Table 1

	Project Name/ Description/ Type of Funding	Total Estimated Project Cost	Estimated FTA \$\$ Share	Estimated FTA % Share
	Section 5307 – FFY 2022 - SFY23 (converted to capital) Replace existing facility HVAC system	\$326,375	\$261,100	80%
	Section 5339 – FFY 2023 Replace flooring in existing facility	\$52,500	\$42,000	80%
	Section 5339 – FFY 2024-2025 Purchase of 4 service vehicles	\$322,500	\$258,000	80%
	Section 5307 – FFY 2022-2023 (converted to capital) Purchase of office equipment and furniture	\$156,625	\$125,300	80%
	Section 5307 – FFY 2022-2023 (converted to capital) Facility construction project completion	\$474,406	\$379,525	80%
	Section 5307 – FFY 2024 Operating Funds	\$4,825,758	\$2,412,879	50%
	Section 5307 – FFY 2025 Operating Funds	\$4,840,000	\$2,420,000	50%
	Section 5307 – FFY 2026 Operating Funds	\$4,860,000	\$2,430,000	50%

	Project Name/ Description/ Type of Funding	Total Estimated Project Cost	Estimated FTA \$\$ Share	Estimated FTA % Share
	Operating Funding	\$14,525,758	\$7,262,879	50%
	Capital Funding	\$1,009,906	\$807,925	80%
	TOTAL FUNDING	\$15,535,664	\$8,328,804	

Table 2 provides a summary of the categories of work with estimated cost breakdown for each. Categories of work are groups utilizing comparable North American Industry Classification System (NAICS) codes for purposes of weighting the categories of work based on the engineer's estimates.

TABLE 2

Project Name/ Description/ Type of Funding	NAICS Code	Total Estimated Project Cost	Estimated FTA \$\$ Share	Estimated FTA % Share
Section 5307 – FFY 2022 - SFY23 Replace existing facility HVAC system	238220	\$326,375	\$261,100	3.14%
Section 5339 – FFY 2023 Replace flooring in existing facility	236220	\$52,500	\$42,000	0.52%
Section 5339 – FFY 2024-2025 Purchase of 4 service vehicles	336112	\$322,500	\$258,000	3.13%
Section 5307 – FFY 2022-2023 Purchase of office equipment and furniture	423420	\$156,625	\$125,300	1.53%
Section 5307 – FFY 2022-2023 Facility construction project completion	236220	\$474,406	\$379,525	4.55%
Section 5307 – FFY 2024 Operating Funds	485113	\$4,825,758	\$2,412,879	28.9%
Section 5307 – FFY 2025 Operating Funds	485113	\$4,840,000	\$2,420,000	29.06%
Section 5307 – FFY 2026 Operating Funds	485113	\$4,860,000	\$2,430,000	29.17%
Project Name/ Description/ Type of Funding		Total Estimated Project Cost	Estimated FTA \$\$ Share	Estimated FTA % Share
Operating Funding		\$14,525,758	\$7,262,879	
Capital Funding		\$1,009,906	\$807,925	
TOTAL FUNDING		\$15,535,664	\$8,328,804	100%

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)¹

To establish TACK's Base Figure of the relative ability of DBEs to all comparable firms (DBE and Non-DBE) available to bid or propose to TACK's FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, TACK followed the prescribed methodology to determine relative ability. This was accomplished by assessing the *Unified Certification Program (UCP) DBE Database of Certified Firms and the 2015 U.S. Census Bureau County Business Patterns Database* within TACK's market area (defined as Hardin and Meade Counties) for each of the categories of work defined in Table 2. The TACK Bidder's List was consulted and it confirms the defined market area.

TACK's local market area consists of the geographic area where a substantial majority of contracting dollars are expended and/or where the substantial majority of contractor and subcontractor bids or quotes are located.

¹ 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

In accordance with the formula below, the Base Figure is derived by dividing the number of ready, willing and able DBE firms identified for each work category by the number of all firms identified for each corresponding work category (relative availability); weighting the relative availability for each work category by the corresponding work category weight from Table 2 (weighted ratio), and adding the weighted ratio figures together.

$$\text{Base Figure} = \sum \frac{(\text{Number of Ready, Willing and Able DBEs})}{\text{Number of All Ready, Willing and Able Firms}} \times \text{weight} \times 100$$

⇒ For the numerator UCP DBE Database of Certified Firms

⇒ For the denominator 2024 U.S. Census Bureau's Business Patterns Database

A concerned effort was made to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

The result of the Base Figure calculation is shown in Table 3 as follows:

Table 3

NAICS DESCRIPTION	NAICS CODE	ESTIMATED FTA % SHARE	DBEs	ALL Firms	Weighted Ratio
Section 5307 – FFY 2022 - SFY23 Replace existing facility HVAC system	238220	3.14%	1	16	0.06%
Section 5339 – FFY 2023 Replace flooring in existing facility	236220	0.52%	14	146	0.09%
Section 5339 – FFY 2024-2025 Purchase of 4 service vehicles	336112	3.13%	0	4	0%
Section 5307 – FFY 2022-2023 Purchase of office equipment and furniture	423420	1.53%	1	276	0.004%
Section 5307 – FFY 2022-2023 Facility construction project completion	236220	4.55%	14	146	0.09%
Section 5307 – FFY 2024 Operating Funds	485113	28.9%	0	3	0%
Section 5307 – FFY 2025 Operating Funds	485113	29.06%	0	3	0%
Section 5307 – FFY 2026 Operating Funds	485113	29.17%	0	3	0%
Base Figure (i.e. Sum of Weighted Ratios for all Work Categories)					0.24%

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, TACK reviewed and assessed other know evidence potentially impacting the relative availability of DBEs within the market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45: Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included Past DBE Goal Attainments and Other Evidence, as follows:

A. Past DBE Goal Attainment

As historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform, TACK proceeded to calculate past DBE participation attainments for the three (3) fiscal years, for which DBE attainment is available. The table below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on FTA-assisted contracts awarded by TACK within the last three (3) federal fiscal years.

The types of work TACK expects to award in the upcoming triennial period are similar to the work awarded in the prior triennial period. The one significant additional project this triennial period is the replacement of the roof on the Transit Facility and the masonry work on the outside of the Transit Facility.

Table 2 provides a summary of the categories of work with estimated cost breakdown for each. Categories of work are groups utilizing comparable North American Industry Classification System (NAICS) codes for purposes of weighting the categories of work based on the engineer's estimates.

The table below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on FTA-assisted contracts awarded by TACK within the last three (3) federal fiscal years.

Table 4

Federal Fiscal Year (FFY)	FTA DBE Goal Attainment %
2020/2021	0.00%
2021/2022	0.00%
2022/2023	0.00%

The median DBE attainment for the past three (3) years is lower than the Base Figure derived from Step 1; however, TACK is not making an adjustment to the Base Figure based on past performance.

B. Bidder’s List

TACK will create and maintain a bidder’s list consisting of all firms proposing on prime contracts, and subcontracts on TACK’s U.S. Dot-assisted contracts. For every firm, the following information will be maintained:

1. Firm Name
2. Firm Address
3. Firm Status as a DBE or non-DBE
4. Type of Work of Firm

TACK will maintain the confidentiality of any proprietary information in accordance with applicable Kentucky laws. This information will be requested of all bidders.

C. Disparity Study

TACK is not aware of any current disparity studies within their jurisdiction and/or market area that are demonstrably similar in size and nature to consider this step of the goal setting analysis. TACK uses strictly race-neutral DBE program, but will continue to seek out disparity studies of a similar size and nature to consider for subsequent triennial goals.

D. Other Available Evidence

TACK is not in possession of other information that would have an impact on the DBE goal assessment.

V. PROPOSED OVERALL DBE GOAL

The Final Proposed Overall DBE Goal for FFY 2024–2026 for TACK’s FTA-assisted contracts is 0.24% As part of the prescribed goal-setting methodology, TACK must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race-neutral and race-conscious measures.

Race-Conscious & Race-Neutral Projection

TACK intends to use race-neutral methods to meet the overall DBE goal of 0.24% for FFY 2024-2026 in accordance with Title 49 CFR Part 26.51.

RACE-CONSCIOUS & RACE-NEUTRAL PROJECTIONS	
DBE Adjusted Base Figure	0.24%
Race-Conscious Component	0.00%
Race-Neutral Component	0.24%

VI. RACE-NEUTRAL IMPLEMENTATION MEASURES

TACK will continue using a number of race- and gender-neutral remedies to outreach and promote the participation of DBEs and small businesses in TACK's FTA-assisted contracting program. TACK plans to continue or implement the following race-neutral measures for FFY 2024-2026 and will continue to explore other options for consideration based on TACK's success in meeting its overall DBE goals based on these efforts. TACK will:

- Ensure contracting barriers do not exist by using contracting arrangements (such as arranging solicitation times for the presentation of bids, quantities, specifications and delivery schedules) that facilitate participation by DBEs and other small businesses and make contracts more accessible to them.
- Configuring large contracts into smaller contracts to make contracts more accessible to small businesses, when feasible, providing it would not impose significant additional cost, delay or risk to TACK.
- Providing prompt payment clauses in all contracts.
- Providing technical assistance and other business-related services, as requested and as appropriate.
- Assisting in overcoming limitations in bonding and financing, when requested and as appropriate.
- Providing services to help DBEs and other small businesses improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects and achieve eventual self-sufficiency.
- Provide assistance in overcoming limitations such as inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bond requirements, eliminating the impact of surety costs from the bids, and providing services to help DBEs, and other small businesses, obtain bonding and financing).
- Providing outreach and communications programs related to contracting opportunities and procedures to ensure the inclusion of DBEs and other small businesses on mailing lists soliciting bids and proposals.
- Requiring prime bidders on multi-year design-build contracts or other large contracts to specify elements of the contract of specific contracts that are of a size that small businesses, including DBEs can reasonably perform.
- Ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform them.
- Providing information about the availability of the Kentucky UCP DBE Database, through print and electronic means, to potential prime contractors, DBEs, public agencies, and the general public. Encouraging prime contractors to use the DBE database to solicit DBE firms. Encouraging eligible DBEs to become certified, and to remain certified, so they will be listed in the DBE database.
- Carry out information and communication programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on the recipient mailing lists of bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate).

Fostering Small Business Participation

TACK has incorporated a small business element into the DBE Program in order to facilitate competition on DOT-assisted projects by small business concerns (both DBEs and non-DBE small businesses): removal of bundling contracts requirements; working with the Small Business Program to develop strategies for structuring procurements to facilitate bids by and awards to small business consortia or joint ventures; and letting prime contracts of a size that small businesses can reasonably compete for and perform.

An important part of TACK's small business elements is outreach activities. These outreach efforts include active, effective steps to increase small business participation, such as soliciting bids/proposals from DBEs and SBEs, responding to requests for information, participating at pre-bid and pre-proposals meetings, and participating at outreach and training events for DBEs and SBEs.

VII. PUBLIC PARTICIPATION AND FACILITATION

Public participation is a key component of TACK's process for establishing a new overall DBE goal for FTA-funded contracts. TACK will make efforts to engage the public as part of the goal-setting process and will make additional public engagement efforts in finalizing its Goal and Methodology.

TACK issued a Public Notice on TACK's website (Attachment 1), publishing the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2024-2026. The notice informed the public that the proposed goal and rationale were available for inspection at TACK's office during normal business hours for 30 days following the date of the Public Notice, and that TACK would accept comments on the goal analysis for 30 days from the date of the Public Notice.

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local businesses associations, and community organizations within the market area were contacted and provided an opportunity to review the triennial goal analysis and provide input.

Attachment 1: Website notification

**Transit Authority of Central Kentucky
TACK Transportation**

**Draft Disadvantaged Business Enterprise (DBE) Program &
Goal Setting Methodology**

TACK has established a Proposed Overall Disadvantaged Business Enterprise (DBE) Goal of 0.24% for Federal Fiscal Year (FFY) 2024-2026. The DBE Goal is applicable to DOT (FTA) assisted contracting opportunities scheduled to be awarded during the period of October 1, 2024 through September 2026. TACK's Proposed Overall DBE Goal and its rationale (developed in response to U.S. Department of Transportation's Disadvantaged Business Enterprise Program Regulations published under Title 49 CFR Part 26) are posted on the TACK website at www.tacktransit.org and is available for inspection for thirty (30) days following the date of this Notice, from 8:30 am to 4:00 pm, Eastern Time, Monday through Friday at TACK located at:

TACK Transit
Attn: Glenn Arney
1209 N. Dixie Hwy
Elizabethtown, KY 42701

TACK seeks input from minority, women, and general contractor groups, community organizations, other interested agencies and organizations, and the general public on the availability of both disadvantaged and non-disadvantaged businesses, the effects of discrimination on contracting opportunities for DBE firms, and efforts that could level the playing field for the participation of DBE firms in business and contracting opportunities offered by TACK.

Comments will be accepted for thirty (30) days from the date of this Notice. Comments can be forwarded to Glenn Arney at TACK at the above stated address or by email to garney@tacktransit.org.

Posted on February 19, 2024