

FTA DBE TRIENNIAL GOAL FFYs 2021-2023



**City of Tucson
Disadvantaged Business
Enterprise Program**

October 1, 2020

PROPOSED OVERALL DBE TRIENNIAL GOAL 49 CFR PART 26

In accordance with 49 CFR part 26 and FTA Guidance, the City of Tucson sets forth its DBE triennial goal of **11%** for all FTA-assisted contracts projected to be awarded in FFYs 2021-2023.

The DBE triennial goal was calculated utilizing the 6-digit NAICS codes to determine firms that would most likely bid on contracts as either a prime or a subcontractor for the anticipated FTA funds during this time period. The goal is based upon current analysis of ready, willing and able DBEs relative to all available ready, willing and able businesses in the relevant market area.

DBE TRIENNIAL GOAL METHODOLOGY

1. FTA-Assisted Contracts for FFY 2021 - 2023

Table 1 below provides a listing of FTA-assisted contracts projected to be awarded in FFYs 2021-2023.

Table 1			
Construction Projects	2021	2022	2023
Improvements (Transit Enhancements ADA/TIP 32.03)	\$239,000	\$192,000	\$192,000
Preventive Maintenance Real Property (TIP 16.18)	\$200,000		
Compressed Natural Gas Fueling System NW Facility	\$400,000		
Sun Tran South Stormwater and Repaving	\$400,000		
Total	\$1,239,000	\$192,000	\$192,000
3 Year FTA Total	\$1,623,000		

Table 2 below provides a summary of the trade categories, NAICS Codes, number of DBE firms, a total of all available firms and estimated FTA funding per NAICS code for all FTA-assisted contracts projected to be awarded in FFYs 2021-2023.

Table 2: Projected Scopes of Work, Available Firms and Contracting Opportunities				
Trade Category	NAICS Code	DBE Firms	All Firms	Contracting Opportunities
Construction General	236220	13	196	\$135,000
Construction Heavy	237990	16	150	\$100,000
Concrete	238110	13	119	\$475,000
Steel Fabrication	238120	8	32	\$229,000
Electrical	238210	10	105	\$25,000
Plumbing/Mechanical/HVAC	238220	9	104	\$120,000
Painting	238320	9	80	\$60,000
Site Prep: Demolition	238910	5	129	\$50,000
Fencing	238990	10	70	\$10,000
Sign Manufacturing	339950	4	32	\$9,000
Architectural Services	541310	10	183	\$150,000
Engineering Services	541330	40	314	\$250,000
Traffic Control	561990	6	23	\$10,000
Totals		153	1537	\$1,623,000

2. Local Market Area

The local market area is the area in which the substantial majority of the contractors and subcontractors with whom the City of Tucson does business are located, and the area in which the City of Tucson spends the substantial majority of its contracting dollars. An analysis of the 7 FTA-assisted contracts completed between October 1, 2016 and September 30, 2019 revealed that 100% of those contracts were awarded to prime contractors located in Pima County. Therefore, the relevant market for City of Tucson federally funded projects would include the Pima County boundaries.

3. Methodology

Step One: Determine Weighted Base Figure

The City of Tucson followed the prescribed federal methodology to determine the base figure of the available DBE firms relative to all firms in the same work category (DBE and Non-DBE) that are ready, willing and able to bid on FTA-assisted contracts.

To establish the base figure, research was conducted to determine the firms available to perform the scopes of work detailed in each contract scheduled. This included businesses licensed by the Arizona Registrar of Contractors and businesses that bid on similar contracts during the last goal period. Certified DBEs were found using the Arizona Unified

Certification Program listing from the Arizona Department of Transportation, AZUTRAC website at <https://utracs.azdot.gov/Search>. To determine the “all ready, willing and able businesses in work category”, the City of Tucson’s Department of Procurement vendor database was utilized. A vendor report was created searching for all vendors registered under the NIGP Class Codes (1) 912 – Construction Services, General, (2) 913 – Construction, Heavy, (3) 914 – Construction Trades, (4) 906 – Architectural Services, Professional, (5) 925 – Engineering Services, Professional, (6) 570 – Metals: Fabrication, (7) 330 – Fencing, and (8) 968 – Traffic Control Services.

$$\text{Relative Base Figure} = \frac{\text{Ready, willing and able DBEs in work category}}{\text{All ready, willing and able businesses in work category}}$$

An initial Base Figure of **9.95** percent was calculated by dividing the total number of DBEs certified in all work categories (153) by the total number of available firms in all work categories (1,537) inherent in the contracts projected to be awarded with FTA funding.

$$9.95\% = \frac{153}{1,537}$$

To ensure that the Base Figure is as accurate as possible, the City then used the recommended methodology of weighting to determine the Rounded Weighted Base Figure by calculating the weight of each type of work by NAICS code (Table 3), calculating the relative availability of DBEs by NAICS code (Table 4) and calculating the rounded base figure (Table 5).

Table 3: Determine the weight of each type of work by NAICS Code:				
* Enter all the FTA-assisted projects below. Project amounts should be assigned relevant NAICS Code(s).				
NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)	
236220, 238110, 238120, 238320, 339950	Improvements (Transit Enhancements ADA/TIP 32.03)	\$623,000	.3839	
236220, 238110, 238210, 238220	Preventive Maintenance Real Property (TIP 16.18)	\$200,000	.1232	
541310, 541330	Compressed Natural Gas Fueling System NW Facility	\$400,000	.2465	

237990, 238110, 238210, 238910, 238990, 561990	Sun Tran South Stormwater and Repaving	\$400,000	.2465
	Total FTA-Assisted Contract Funds	\$1,623,000	1.00

Table 4: Determine the relative availability of DBE's by NAICS Code:				
* Use DBE Directory and bidders list to enter the number of available DBE firms and the number of available firms. The data was scrubbed to remove all duplicate firms listed in multiple NAICS codes per project.				
Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability	
Improvements (Transit Enhancements ADA/TIP 32.03)	45	419	.1074	
Preventive Maintenance Real Property (TIP 16.18)	41	365	.1123	
Compressed Natural Gas Fueling System NW Facility	49	457	.1072	
Sun Tran South Stormwater and Repaving	54	532	.1015	
Combined Totals	189	1773	.1066	<i>Overall availability of DBEs</i>

Table 5: Determine the weighted base figure using the data results from Table 3 and Table 4

(Weight) x (Availability) = Weighted Base Figure

NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
236220, 238110, 238120, 238320, 339950	Improvements (Transit Enhancements ADA/TIP 32.03)	.3839	x	.1074	.0412
236220, 238110, 238210, 238220	Preventive Maintenance Real Property (TIP 16.18)	.1232	x	.1123	.0138
541310, 541330	Compressed Natural Gas Fueling System NW Facility	.2465	x	.1072	.0264
237990, 238110, 238210, 238910, 238990, 561990	Sun Tran South Stormwater and Repaving	.2465	x	.1015	.0250
Total					.1065
Expressed as a % (*100)					10.65
Rounded, Weighted Base Figure:					11.00%

Therefore, the City's Rounded Weighted Base Figure of **11.00%** accurately reflects where the dollars will be spent for the work to be performed.

Step Two: Adjusting the Base Figure

The City of Tucson examined the following criteria for possible Step 2 adjustment to the goal. The City managed a race-and -gender neutral program for the first time for the FY17-FY19 to establish contract goals for all FTA funded projects.

In accordance with regulatory guidance, the City of Tucson considered the following factors to determine if adjustment to the Weighted Base Figure was necessary to reflect other known factors in the relevant market area.

1. Historical Participation of DBEs on FTA Assisted Contracts: The City of Tucson conducted an analysis of the historical participation based upon the actual DBE Goal attained during FFYs 17 - 19. The DBE participation during this time period is summarized in Table 6.

Table 6		
Federal Fiscal Year	FTA DBE Goal	FTA DBE Goal
	Attainment Percent	Attainment Percent
	Attainment Percent	After Contract Removal
2016-2017	27.71	27.71
2017-2018	58.11	0.00
2018-2019	77.67	0.00
Median	58.11	0.00%

The median DBE participation for this period was 58.11 percent adjusted to 0.00 percent after removing (2) two projects.

The City of Tucson compared the types of contracts completed during the FFYs 2018-2020 DBE Plan to the upcoming projects projected during the FFYs 2021-2023 DBE Plan. The exceedingly high DBE goal percentage attained in FFY 2017-2018 was due solely to having only (1) FTA-assisted contract completed for the fiscal year and it being awarded to a DBE prime contractor. The exceedingly high DBE goal percentage attained in FFY 2018-2019 was solely due to having only (1) FTA-assisted contract completed for the fiscal year and (1) one DBE subcontractor who performed the majority (77.67%) of the work which was for the replacement of a roof on the historic depot building. The scopes of work for these (2) projects are not similar to the projected contracts for FFY 2021-2023. Therefore, it is reasonable to remove these contracts from the median calculation rendering an adjusted 0.00% FTA DBE Goal Attainment Percentage for FFY 2017-2018 and 2018-2019. For these reasons, an adjustment was not made based upon historical participation, nor is there a relevant median to apply.

2. DBE Prime Awarded FTA Assisted Contracts: In FFY 2017-2018, (1) one certified DBE was awarded a contract as a Prime contractor; therefore, their participation would be counted as race neutral. Due to the availability of DBE firms as prime contractors, no adjustment was made for past participation.
3. Bidders List: The City of Tucson's bidder's lists from past procurements match the bidder's lists for the scopes of work in upcoming FTA-assisted contracts. The names of firms that showed interest in city procurement efforts were included in the calculations of base availability. Therefore, no adjustment was made based upon the bidder's list from past procurements.
4. Disparity Study: The City of Tucson does not have a current disparity study. The last disparity study conducted in Pima County was in 2008. The City of Tucson reviewed the disparity study conducted by the Arizona Department of Transportation (ADOT) in 2020. However, it was determined that ADOT's disparity study was not applicable due to the

differences in the relative markets (State of Arizona vs Pima County) and the drastic difference in the type of FTA-assisted contracts. Therefore, no adjustment was made based upon ADOT's disparity study information.

Step Three: Calculate the Race- and Gender-Neutral and Race- and Gender-Conscious portion of the overall Goal

The City will achieve its triennial goal for FFYs 2021-2023 entirely through race- and gender-neutral measures. Because there is no current disparity study applicable to the City of Tucson, there is no factual predicate to justify race- and gender-conscious component.

Proposed Overall DBE Triennial Goal

The City of Tucson sets forth a DBE triennial goal of **11.00%** for all FTA funded contracts during FFYs 2021-2023. The triennial goal, which will be achieved through race-and gender-neutral measures, was established pursuant to 49 CFR Part 26.45 and FTA guidance. The goal is based upon current analysis of ready, willing and able DBEs relative to all ready, willing and able businesses in the relevant market area.

During the FFYs 2021-2023, the City of Tucson anticipates awarding the projects represented in Table 7 below:

Table 7			
Construction Projects	2021	2022	2023
Improvements (Transit Enhancements ADA/TIP 32.03)	\$239,000	\$192,000	\$192,000'
Preventive Maintenance Real Property (TIP 16.18)	\$200,000		
Compressed Natural Gas Fueling System NW Facility	\$400,000		
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Total	\$1,239,000	\$192,000	\$192,000'
3 Year FTA Total	\$1,623,000		

**GOAL ADVERTISEMENT AND
PUBLIC PARTICIPATION
49 CFR PART 26.45(g)(1)(2)**

The City of Tucson submits its overall goal to DOT on August 1st of every third year as required. The due date was extended to October 1, 2020 due to the pandemic. The City will begin using its

overall goal on October 1st of each year, unless other instructions are received from DOT. The City of Tucson was placed on a 3-year cycle effective August 1, 2011.



APPENDICES

Appendix A Median Goal Attainment

Appendix A - Median Goal Attainment											
FY	Contract Number	Contractor	Contract Value	DBE Goal	Actual DBE Payments	DBE Goal %	DBE Actual Goal Attained Actual DBE Payments/Base Bid	Actual DBE Goal minus the DBE Actual Goal	Total Bidders	Adjusted DBE Payments	Adjusted Actual DBE Goal
16-17	120467	PACE Electrical	111,846.45	300.00	8,443.41				1	189.19	
	130700	WSM Architects	926,730.50	24,839.00	78,006.50				4	78,006.50	
	120530	Kittle Design	498,392.00	90,000.00	161,737.00				1	161,737.00	
	151184	D.L. Withers	9,414,211.00	2,735,490.00	2,722,794.00				3	2,722,794.00	
	120325	Day's Excavating	588,854.00	184,970.85	226,614.35				4	226,614.35	
	Total		11,540,033.95	3,035,599.85	3,197,595.26	6.60%	27.71%	21.11%	13	3,189,341.04	27.64%
17-18	120325	KAZ Construction	609,174.00	270,000.00	354,000.00				4	354,000.00	
	Total		609,174.00	270,000.00	354,000.00	6.00%	58.11%	52.11%	4	354,000.00	58.11%
18-19	120530	Kittle Design	577,819.00	291,598.00	448,785.56				2	448,785.56	
	Total		577,819.00	291,598.00	448,785.56	9.00%	77.67%	68.67%	2	448,785.56	77.67%