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Federal Fiscal Years 2025-27 Disadvantaged Business Enterprise (DBE) Goal Setting Report

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Introduction

Snohomish County Public Transportation Benefit Area Corporation doing business as Community Transit, submits its Disadvantaged Business Enterprise (DBE) Triennial Goal Setting Methodology Report for the period of federal fiscal years 2025, 2026 and 2027 to the United States Department of Transportation Federal Transit Administration’s Region 10 for review and approval.

The report has been prepared in compliance with DBE regulations, 49 CFR Part 26.45 – “How do recipients set overall goals?” as amended, and the General Counsel of the United States Department of Transportation’s [“Tips for Goal-Setting”](#) (USDOT Tips).

The regulations require that the overall goal be prepared using a two-step process. According to the USDOT Tips, the recipient must first determine a base figure for the relative availability of DBEs in the relevant market area. This data is further weighted with fund allocation for each NAICS code applicable to the anticipated work.

Next, the recipient must examine all relevant evidence to determine what adjustment to the base figure, if any, is needed to arrive at an overall goal. The final adjusted figure is the recipient’s overall goal and represents the proportion of federal transportation funding the recipient is expected to allocate to DBEs during the period. Once the adjusted overall goal is determined, the process requires establishment of the portion of the goal to be met by race and gender-neutral measures.

If a recipient purports it can meet its overall goal with race and gender-neutral measures, those measures must be utilized. In contrast, if the recipient determines it cannot achieve the entire overall goal using only race and gender-neutral measures, it must establish a race and gender-conscious portion of the overall goal.

Proposed Overall Goal

In accordance with 49 CFR Part 26, and USDOT Tips, Community Transit has determined a **2.2% Race and Gender-Neutral DBE goal for Federal Fiscal Years 2025-2027.**

Overall Goal-Setting Methodology

As previously established, the two-step goal setting process required by 49 CFR Part 26 and the USDOT Tips have been used to determine the overall goals for the Federal Fiscal years 2025-27. The two steps for setting an overall goal are:

- Establishing a base figure for the relative availability of DBEs and weighting it with federal funding allocation
- Adjustment of the base figure

The base figure is intended to be a measurement of the current ready, willing, and able DBEs as a percentage of all businesses available to perform the recipient’s anticipated work. The regulations present five options for establishing a base figure for relative availability of DBEs. The five options as set forth in the regulations are shown in Table 1.

Table 1: Methods to Determine Base Figure

BASELINE FIGURE METHODS
Bidders List
DBE Directories and Census Data
Other Recipient’s Base Figure
Disparity Study
Alternative Method

1) *Bidders List Method*

This method for calculating a base figure requires Community Transit to have a comprehensive bidders list which include potential prime contractors and subcontractors classified by industry, ethnicity, and gender. The regulations require the Bidder List to be in existence for 3 years.

Community Transit purchased a software (B2Gnow) to meet this requirement. The software was implemented in March 2017, and since then only two federal projects, namely Bus Rapid Transit Green Line and Orange Line have been bid from this software. We will be able to use the Bidder List Method once the number of bids issued utilizing B2Gnow increases.

2) *DBE Directories and Census Data Method*

Washington State's agency for Unified Certification Program for DBEs is The Office of Minority, Women and Disadvantaged Business Enterprises (OMWBE).

Community Transit has established a partnership with OMWBE to obtain data regarding Small and Disadvantaged Business Enterprises. This is a standard practice in the State of Washington.

Community Transit 's report is based on this method of determination of base figure.

3) *Other Recipients' Base Figure Methods*

This method uses the goal of another USDOT recipient as the base figure. Community Transit can only use another recipient's goal if the goal setting is done in accordance with the DBE regulation and Community Transit has performed similar contracting in similar market area. This method presumes that there is another USDOT recipient that does the same or similar type of contracting in the same geographic market area.

While Everett Transit and Community Transit are headquartered in the same city, the nature of transit services provided by each is substantially unique. Everett Transit provides circulator bus services within the City of Everett whereas Community Transit provides commuter and Bus Rapid Transit services within Snohomish County and to King County.

4) *Disparity Study Methodology*

The disparity study is the most comprehensive method for calculating the base figure. A disparity study identifies the businesses that have bid or could bid as either a prime or subcontractor and enumerates DBEs and non-DBEs that are willing and able to work on Community Transit contracts. A disparity study has not been conducted by Community Transit, and therefore cannot be considered.

5) *Alternative Method*

Alternative methods may be used to determine a base figure for the overall goal. Any methodology used to determine a base figure must be based on demonstrable evidence of the local market conditions and be designated to ultimately attain a goal that is related to the relative availability of DBEs and potential DBEs in the recipient's market area. The alternative method provides the most flexibility, but it is also subject to a higher level of scrutiny.

Step One Base Figure Calculation

The initial phase of the Step One analysis required the compilation of data regarding projects anticipated to be funded with USDOT grants. The areas considered for the Step One analysis include the following:

- Identifying federal funding and its application
- Identifying appropriate NAICS codes for the Project
- Defining the market area for the Project
- Developing the base figure of DBE participation

2) Identify appropriate NAICS Codes and Project Cost Allocation

Based on the scope of project development work for the *SWIFT* Bus Rapid Transit Gold Line, Bothell Transit Terminus and Facility Master Plan 3B projects, Community Transit identified the associated NAICS Codes.

Table 2: Applicable NAICS Title and Industry

NAICS Code	Industry	Description
238910	Engineering & Construction Services	Sitework: Demo and Grading, site improvements, civil, mechanical utilities, electrical, foundations, equipment
236220		Vertical Structure
238330		Floor and Roof Structure
238160		Exterior Enclosure, Roofing
238130		Interior Construction
238320		Interior Finishes
238390		Furnishings and Casework
238290		Fixed Equipment & Specialties, furnishings, casework
238210		Fire Protection
238220		Plumbing, HVAC, Electrical
541611		PM, Admin, Cost Estimator
541310		Architect
541410		Interior Designer
541330		Engineering Services, Stormwater Engineer, Civil Engineer
541370		Surveyor, Hazmat Tech, Survey
541420		Security Designer
541490		Roofing Consultant
237110		Water / Sewer / Storm Construction
237310		Construction Mgmt. (Hwy), Asphalt & Concrete Paving, Concrete Curb, Gutter, Sidewalk, Striping, Markings
238110		Concrete Pouring / Ret. Walls
238990		Fencing (Chain link)
332312		Mfg. Structural (incl. Painting) & Misc. Steel & Install
484220		Trucking - Soils, Gravel, Rock
561730		Landscaping
561990		Flagging - Traffic Control
541340		Drafting (across all trades)

Based on our experience with construction and design, we have allocated the \$36,068,309 Federal Funding as shown in Table 3 below.

Table 3: Project Cost Allocation

Description	Amount of DOT funds on project:	Percentage of total DOT funds
Sitework: Demo and Grading, site improvements, civil, mechanical utilities, electrical, foundations, equipment	\$1,968,858.50	5.46
Vertical Structure	\$1,176,780.00	3.26
Floor and Roof Structure	\$1,250,689.00	3.47
Exterior Enclosure, Roofing	\$1,227,251.00	3.40
Interior Construction	\$1,856,717.00	5.15
Interior Finishes	\$1,735,720.00	4.81
Furnishings and Casework	\$621,015.00	1.72
Fixed Equipment & Specialties, furnishings, casework	\$1,402,390.00	3.89
Fire Protection	\$1,765,367.18	4.89
Plumbing, HVAC, Electrical	\$7,816,344.33	21.67
PM, Admin, Cost Estimator	\$618,640.00	1.72
Architect	\$132,600.00	0.37
Interior Designer	\$111,000.00	0.31
Engineering Services, Stormwater Engineer, Civil Engineer	\$6,200,301.58	17.19
Surveyor, Hazmat Tech, Survey	\$15,600.00	0.04
Security Designer	\$121,500.00	0.34
Roofing Consultant	\$30,000.00	0.08
Water / Sewer / Storm Construction	\$743,791.43	2.06
Construction Mgmt. (Hwy), Asphalt & Concrete Paving, Concrete Curb, Gutter, Sidewalk, Striping, Markings	\$4,390,807.29	12.17
Concrete Pouring / Ret. Walls	\$92,323.34	0.26
Fencing (Chain link)	\$262,785.00	0.73
Mfg. Structural (incl. Painting) & Misc. Steel & Install	\$1,162,651.41	3.22
Trucking - Soils, Gravel, Rock	\$566,684.33	1.57
Landscaping	\$527,463.94	1.46
Flagging - Traffic Control	\$67,029.27	0.19
Drafting (across all trades)	\$204,000.00	0.57
Total FTA Assisted Contracts	\$36,068,309.60	100.00%

1) Determine Appropriate Market Area

For the projects to be covered with federal grants during FFY 2025-27, Community Transit determined the nearby counties from where we obtain most of our vendor base to be an accurate representation of the market area. The counties are identified in Table 4:

Table 4: Identification of Market Area

Snohomish County	Whatcom County	Skagit County
King County	Chelan County	Kitsap County
Pierce County	Island County	



We have considered the following items to define our market area for collection of DBE data.

- Past and current procurements
- Utilization of local market
- Availability of product, and services for immediate needs
- Impact of small business outreach

2) *Base Figure Determination*

The base figure is intended to be a measurement of the relative percentage of ready, willing, and able businesses that are DBEs. The recipient is required to measure willing and able businesses in its marketplace, using the best available evidence, to derive a fair and accurate base figure that represents the percentage of available DBEs. According to Section 26.45(c) and USDOT Tips, the overall goal must be based on demonstrable evidence of available ready, willing, and able DBEs relative to all ready, willing, and able non-DBEs to participate on the Project.

a) *Relative Base Figure*

USDOT Tips requires the calculation of the relative base figure by dividing the number of market area DBEs by all market area businesses (DBEs and non-DBEs), which produces a relative base figure of **1.2 percent** as shown in Table 5.

Table 5: Design & Project Development Relative Availability Base Figure

Description	All Firms in Market Area (Including DBEs)	DBEs available in Market Area	Relative Availability
Sitework: Demo and Grading, site improvements, civil, mechanical utilities, electrical, foundations, equipment	701	12	1.7
Vertical Structure	520	5	0.96
Floor and Roof Structure	558	2	0.36
Exterior Enclosure, Roofing	548	0	0
Interior Construction	418	3	0.72
Interior Finishes	1098	7	0.64

Furnishings and Casework	128	1	0.78
Fixed Equipment & Specialties, furnishings, casework	110	1	0.91
Electrical & Lighting, Traffic Signals, Security Cameras Fire Protection	1185	11	0.93
Plumbing, HVAC, Electrical	1273	4	0.31
PM, Admin, Cost Estimator	1544	42	2.72
Architect	604	9	1.49
Interior Designer	298	1	0.34
Engineering Services, Stormwater Engineer, Civil Engineer	1157	24	2.07
Surveyor, Hazmat Tech, Survey	95	3	3.16
Security Designer	31	0	0
Roofing Consultant	31	0	0
Water / Sewer / Storm Construction	168	6	3.57
Construction Mgmt. (Hwy), Asphalt & Concrete Paving, Concrete Curb, Gutter, Sidewalk, Striping, Markings	128	13	10.16
Concrete Pouring / Ret. Walls	458	4	0.87
Fencing (Chain link)	528	6	1.14
Mfg. Structural (incl. Painting) & Misc. Steel & Install	51	1	1.96
Trucking - Soils, Gravel, Rock	318	5	1.57
Landscaping	2048	9	0.44
Flagging - Traffic Control	200	3	1.5
Drafting (across all trades)	44	2	4.55
Total	14242	174	1.22

Weighting the data for relative availability with project fund allocation provides a base weighted DBE goal for the period. The calculations are shown in Table 6.

Table 6: Combined Weighted Base Figure

Description	Percentage Availability of DBE's		Percentage of Total DOT Funds	Weighted Figure
Sitework: Demo and Grading, site improvements, civil, mechanical utilities, electrical, foundations, equipment	1.7%	X	5.46%	0.09%
Vertical Structure	0.96%	X	3.26%	0.03%
Floor and Roof Structure	0.36%	X	3.47%	0.01%
Exterior Enclosure, Roofing	0	X	3.40%	0.00%
Interior Construction	0.72%	X	5.15%	0.04%
Interior Finishes	0.64%	X	4.81%	0.03%
Furnishings and Casework	0.78%	X	1.72%	0.01%
Fixed Equipment & Specialties, furnishings, casework	0.91%	X	3.89%	0.04%
Electrical & Lighting, Traffic Signals, Security Cameras Fire Protection	0.93%	X	4.89%	0.05%

Plumbing, HVAC, Electrical	0.31%	X	21.67%	0.07%
PM, Admin, Cost Estimator	2.72%	X	1.72%	0.05%
Architect	1.49%	X	0.37%	0.01%
Interior Designer	0.34%	X	0.31%	0.00%
Engineering Services, Stormwater Engineer, Civil Engineer	2.07%	X	17.19%	0.36%
Surveyor, Hazmat Tech, Survey	3.16%	X	0.04%	0.00%
Security Designer	0	X	0.34%	0.00%
Roofing Consultant	0	X	0.08%	0.00%
Water / Sewer / Storm Construction	3.57%	X	2.06%	0.07%
Construction Mgmt. (Hwy), Asphalt & Concrete Paving, Concrete Curb, Gutter, Sidewalk, Striping, Markings	10.16%	X	12.17%	1.24%
Concrete Pouring / Ret. Walls	0.87%	X	0.26%	0.00%
Fencing (Chain link)	1.14%	X	0.73%	0.01%
Mfg. Structural (incl. Painting) & Misc. Steel & Install	1.96%	X	3.22%	0.06%
Trucking - Soils, Gravel, Rock	1.57%	X	1.57%	0.02%
Landscaping	0.44%	X	1.46%	0.01%
Flagging - Traffic Control	1.50%	X	0.19%	0.00%
Drafting (across all trades)	4.55%	X	0.57%	0.03%
Total				2.22%

The step one base figure for DBE goal is 2.22%.

Step Two Base Figure Adjustment

The Step Two base figure adjustment, as recommended in USDOT Tips, requires examining relevant and reliable data in the recipient's market area to determine if an adjustment to the base figure is warranted. The consideration of an adjustment is intended to account for any impact the relevant factors may have on DBE's seeking contracting opportunities with Community Transit.

This step is intended to adjust the "base figure" percentage from Step 1 so it reflects, as accurately as possible, the DBE participation the recipient would expect in the absence of discrimination. This step involves obtaining the median of the past (e.g., triennial) period and then obtaining an average with the results of Step 1.

In FFY 2021, Community Transit self-disclosed being under the threshold for a DBE goal during the period October 2020 - September 2021.

During FFY 2022-24, Community Transit applied FTA funds to project delivery of BRT Orange line, which covers A&E and consulting services, which is not applicable in this period. At this time, Community Transit had a race neutral goal of 4.4%.

The project completed in FFY 2022-24 was vastly different from the projects planned in FFY 2025-2027. In FFY 2022-2024, we delivered a major Bus Rapid Transit horizontal construction project where the availability of DBEs in our region is higher. During FFY 2025-2027, the major project we plan to deliver is a facility improvement vertical construction project, where the availability of DBEs is low.

Hence, Step Two base figure adjustment is not being performed.

Summary of Steps 1 & 2:

1. During FFY 2025-27, Community Transit expects to receive \$36,068,309 which is planned to be applied to project work for Facility Master Plan 3B Design & Construction, Bothell Terminus

Construction and Gold Line Design as shown in Table 3. No additional funding is anticipated at this time.

2. We have determined that base figure adjustment is not applicable due to nature of work being very different.
3. Using the base DBE figure of 2.22% shown in Table 6, the rounded DBE goal for FFY 2025-27 is 2.2%.

Race and Gender-Neutral Goal

The final requirement of the goal-setting process is to determine the portion of the overall goal that will be achieved by race and gender-neutral means. As required by 49 CFR 26.51, the maximum feasible portion of the overall DBE goal should be achieved using race and gender-neutral means. During FFY 2022-24, Community Transit successfully achieved its DBE goal of 4.4% by race and gender-neutral means. As such, Community Transit projects it shall meet its FFY 2025-27 DBE goals through race and gender-neutral measures.

Public Comment and Notice of Proposed Goals

In accordance with 49 CFR 26.45(g), Community Transit provided an opportunity for public participation in establishing its overall DBE goal. This process involved:

- To consult with minority, women, and general contractor groups; community organizations; and other officials that could be expected to have information concerning DBE and non-DBE availability, the effects of discrimination of opportunities for DBEs, and Community Transit's efforts to establish a level playing field for the participation of DBEs.
- To provide public notice of the proposed overall goal by making the goal setting methodology and rationale available for public inspection.

1) *Consultation with minority, women, and general contractors; community organizations etc.*

Community Transit established a DBE committee consisting of minority, women, and general contractor groups; and community organizations in Dec 2015. The committee met several times in the periods before FFY 2021 and before COVID-19 pandemic. During and post Covid all of our interactions have been virtual or by emails. During these meetings, the committee members have provided information about Community Transit, its DBE program and goal setting regulations and tips. The members advised Community Transit on SBE/DBE program matters.

The DBE committee consists of seven members:

- a) Minority contractors or consultants:
 - i) Russell Meeds – DBE, Meko Construction and Meeds Environmental
 - ii) Young-Sang Song – DBE, Song Consulting
- b) Women owned small business:
 - i) Kara Skinner – WBE, Integrity Surety
- c) General contractor:
 - i) Andrew Thompson - Granite Construction Company
 - ii) John Salinas – DBE, Salinas Construction
- d) Community Organizations:
 - i) Cara Buckingham – Economic Alliance of Snohomish County
 - ii) Lisa Lagerstrom – WA Apex Accelerator

The committee deliberated and supported Community Transit's process of determination of DBE goal for FFY 2025-27.

2) *Public Notice*

Community Transit also published its DBE goal in its newspaper of record, The Everett Herald, and in the minority newspaper, The Skanner, to obtain general public input.

No comments were received, and no changes were made to the goal as calculated. Community Transit encourages SBE/DBE participation in all procurements. This is stated on our website and encouraged through outreach, unbundling and other strategies.