



Harford Transit LINK

Disadvantaged Business Enterprise Plan

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Harford County Executive

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Harford Transit LINK



DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
GOALS/METHODOLOGY
FISCAL YEAR 2016

BACKGROUND

Harford Transit LINK of Harford County, Maryland is committed to the participation of Disadvantaged Business Enterprises (DBEs) in contracting opportunities in accordance with Federal Regulation 49 C.F.R. Part 26, effective March 4, 1999, as may be amended (Regulations). It is the policy of Harford Transit LINK to ensure nondiscrimination on the basis of race, color, national origin, or sex in the award and administration of U.S. Department of Transportation assisted contracts. Harford Transit LINK, as a sub-recipient of United States Department of Transportation (USDOT), Federal Transit Administration (FTA) funding, intends to comply with this requirement and would like to receive comments from the public with regard to its goals and goal-setting methodology. The purpose of Harford Transit LINK's DBE Program is to create a level playing field on which DBEs can compete fairly for contracts and subcontracts relating to the Harford Transit LINK's construction, procurement, and professional services activities.

PROPOSED OVERALL GOAL FOR FY 2016

A national goal for participation of Disadvantaged Business Enterprises is 10%. Harford Transit LINK will not have any capital projects for FY16, so no goal has been established for DBE participation.

The following outlines the general procedures that Harford Transit LINK will follow in future years when funding is received for capital projects.

The following statement will be inserted in years when there are capital projects:

Harford Transit LINK of Harford County has established an overall goal of DBE participation for FY 20XX on U.S. Department of Transportation (USDOT)-assisted contracts. The projects for which Harford Transit LINK expects to receive USDOT funding during the next fiscal year account for approximately \$xxx,xxx . Therefore, the annual goal of x.xx% of the funds, or \$xx,xxx is projected for DBE participation on Federal Transit Administration (FTA) and Maryland Transit Administration (MTA) assisted contracts.

METHODOLOGY

Step One: Determining Market Area to find Base Figure

The market area is defined as the region which contains business firms that are ready, willing and able to compete for federally-assisted projects for Harford Transit LINK. The base figure is the ratio of DBE firm types specific to projects which would be ready and willing to compete for a specific project by the total number of business firms throughout the market area which would be willing, and able to bid for the types of work contemplated to be funded this year

Determining Normal Market Area

A market area is based on two factors: where the majority of all firms (DBE contractors and the non-DBE contractors) are located with whom Harford Transit LINK does business, and where the majority of the contracting dollars are spent by Harford Transit LINK on DOT-assisted projects. Harford Transit LINK has included Baltimore City, Baltimore, Carroll, Cecil, and Anne Arundel Counties in Maryland, and Chester, Lancaster, and York Counties in Pennsylvania in its Normal Market Area for purposes of its DBE goal methodologies. For purposes of this methodology, this region contains the majority of firms with which LINK does business, and where the majority of contracting dollars are spent. In order to certify a firm's eligibility, firms found on the [MDOT Directory of Certified MBE, DBE, SBE and ACDBE Firms website](#) as of the beginning of each fiscal year will be utilized for the analysis.

Harford Transit LINK Process

Using the MDOT Directory Harford Transit LINK will identify all DBE’s in the selected counties in the region and extract and contact the DBE firms by email so only those DBE firms who are ready, willing, and able to participate in FTA and MTA assisted contracts for the Fiscal Year will be included. The funded projects and corresponding NAICS 2012 codes and type of contractor will be listed, example below:

Table 1: Example Project Name & NAICS Code and Sector

Project	Type of Work	2012 NAICS Code and Description
Maintenance Shop Additional Parking	Grading	238910 Grading Construction Site
	Blacktop	238990 Blacktop work, residential and commercial parking area
	Sealing	238990 Asphalt coating and sealing, commercial parking lot
	Fence Installation	238990 Fencing Contractor

Table 2: Example of HARFORD TRANSIT LINK DBE Goal Setting

A	B	C	D	E	F	G	H	
Type	Project	Contracting Opportunity	Task Weight	DBE Firms	Total Firms including DBE's	Ratio (Relative Availability)	Weighted Figure (Project Goal)	Individual Project Goal
			C / I			E / F	G * D	
Grading	Additional Parking	\$40,000	16.67%	57	589	9.68%	1.613%	1.613%
Paving	Additional Parking	\$200,000	83.33%	89	582	15.29%	12.743%	12.743%

I Total Project Budget \$240,000

J	DBE Participation Goal	14.36%	
K	DBE Funding Goal	\$35,455	

Identifying Firms and DBE Firms

Total Firms are found using various resources, including the US Census Bureau NAISC database and internet searches. All DBE firms are contacted by email to identify those that are ready, willing, and able to participate in FTA and MTA assisted contracts. The DBE contractors for each type of project are identified from the DBE and MBE state certified searches at MDOT Directory of Certified MBE, DBE, SBE and ACDBE Firms (<http://mbe.md.state.md.us/directory/>). Harford Transit LINK will also utilize eMaryland Marketplace (<http://eMarylandMarketplace.com>).

Calculating DBE Participation and Funding Goals

In order to determine the annual DBE goals, the Task projected budget weight (Table 2, column D) was determined by dividing the Task’s contracting opportunity (column C) by the Total Budget (Table 2, item I) on DOT-assisted projects for the fiscal year. \$40,000 / \$240,000 = 16.67%

The RATIO of available DBE firms (Table 2, column G) was calculated by dividing the DBE firms for each project type (column E) by the Total Firms including DBE’s (column F). This RATIO (column G) was multiplied by the weight of the TASK (column D) to solve for the weighted figure (column H) also known as the Project Goal. The sum of the Project Goals or Weighted Figure (column H) is the DBE participation goal (item J). The DBE participation goal is the percent of total contracting opportunities projected to be awarded to DBEs.

DBE Participation Goal =

$$[(57/589) \times .1667] + [(89/582) \times .8333] \times 100 = 14.36\%$$

Step Two: Adjustments

Harford Transit LINK is aware that DBE vendors and vendors that are potentially eligible for the DBE program are frequently unaware of the opportunities afforded to them through the DBE program. Harford Transit LINK will perform the following tasks to solicit and identify potential DBE firms. These tasks could include but are not limited to the following:

- Utilize the State of Maryland's Minority Business Enterprise Directory that is prepared by the Office of Minority Business Enterprise and Equal Opportunity / Maryland Department of Transportation to identify potential contractors to email notices for contracting opportunities
- Utilize the database at <http://eMarylandMarketplace.com> to identify potential DBEs
- Utilize the Harford County Government Procurement website and database to make opportunities known

Methodology for Determining Adjustments to the Goal:

Harford Transit LINK will examine all of the evidence available to determine if an adjustment is needed to be made to the base figure calculation in order to arrive at an overall Goal. One possible consideration will be to account for the median percentage of work DBE certified firms have performed regarding FTA funded projects and/or purchases in recent years. This number is determined by taking the median of the federal fiscal year transit goals for the last three years. For example:

FY 2012 (July 1, 2011 to June 30, 2012) = DBE Goal 10.5%

FY 2013 (July 1, 2012 to June 30, 2013) = DBE Goal 12.5%

FY 2014 (July 1, 2013 to June 30, 2014) = DBE Goal 14.0%

Median = 12.5%

In this example, the current capacity of DBE certified firms to perform work is 12.50%.

The equation to determine the adjustment to the overall goal for the current fiscal year is as follows:

(median of past participation + current year goal) / 2 = Adjusted Goal

(12.5% + 14.36%) / 2 = 13.43%

The adjusted goal of 13.43% would be Harford Transit LINK's overall DBE goal for Federal transit funds for the current fiscal year.

Process

Harford Transit LINK will submit its overall DBE goal to MTA on July 1 of each year, except in cases where a Federal Transit Administration or Federal Aviation Administration recipient submits a project goal.

Harford Transit LINK will post a notice of the proposed overall DBE goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the Harford Transit LINK Facility located at 1311 Abingdon Road, Abingdon, Maryland and on the Harford Transit LINK website (www.harfordtransitlink.org) and the Harford County Government Procurement website (www.harfordcountymd.gov/procurement) for 30 days following the date of the notice. We will inform the public that Harford Transit LINK and FTA will accept comments on the goals for 45 days from the date of the notice. Harford Transit LINK will issue this notice in June for the upcoming fiscal year when there are capital projects. The notice will include addresses to which comments may be sent and addresses (including offices and websites) where the proposal may be reviewed. Our overall goal submission to FTA will include a summary of information and comments reviewed during this public participation process and our responses.

Determining Race-Neutral vs Race-Conscious Goals

Per 49 CFR § 26.51(a) “You must meet the maximum feasible portion of your overall goal by using race-neutral means of facilitating DBE participation.” The OSDBU Guidance provides that a projected split between race neutral and race conscious goals will be more accurate if past participation data from more than one year is used. OSDBU Guidance §IV (A). Also, one factor to consider in determining the race conscious/neutral split is “past history of inability to meet goals.” OSDBU Guidance §IV (F).

Means of Meeting Overall Goals

Harford Transit LINK will meet our overall goal from both race-neutral and race-conscience measures. If available, historical information will be used to assess past participation. In calculating this division of the goal we will consider:

- The amount by which our goal was exceeded in the past and other past goal history
- Past participation by DBE Prime Contractors
- Past participation by DBE Subcontractors on contracts without Goals
- MBE/DBE Participation Pursuant to Race/Gender-Neutral State or Local Programs

For reporting purpose, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract
- DBE obtained through customary competitive procurement procedures
- DBE participation through a subcontract on a goal
- DBEs participation through a subcontract from a prime contractor that did not consider a firm’s DBE status in making the award

Race-Neutral Means

Harford Transit LINK will strive to meet the maximum feasible portion of our overall goal by using race-neutral means of achieving DBE participation. Race-neutral DBE participation occurs when a DBE wins a contract or subcontract that did not have contract specific goals, or when the DBE status was not considered in making the award. Some methods utilized to reach goals may include:

- Include qualified DBEs and other small businesses on mail list for bidders.
- Arrange solicitations, give date and times for the presentation of bids, quantities, specification, and delivery schedules in ways that facilitate DBE, and other small businesses, participation (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);
- Attend pre-bid and pre-construction meetings on specific contract opportunities(e.g., ensuring the inclusion of DBEs and other small businesses on HARFORD TRANSIT LINK’s mailing lists for bidders); ensuring the dissemination of information, such as providing a list of subcontractors to bidders on prime contracts;
- Ensuring notification of the location of the State DBE directory, through electronic means, to the widest feasible universe of potential prime contractors: and
- Carrying out information and communications programs on contracting procedures and specific contract opportunities

Harford Transit LINK would adjust the estimated breakout of race-neutral and race-conscience participation as needed to reflect actual DBE participation and we will track and report race-neutral and race-conscience participation separately.

Methodology for determining Race-Neutral vs. Race-Conscious Goals:

Due to the nature of the work included under the current grant, there is no historical information to use as an aid in developing an accurate and realistic goal. No statistical information was provided because no prior DBE eligible Federal grants for similar projects have been received in the past three years.

However, future methodologies will be as follows when there are eligible projects:

Harford Transit LINK will examine contracts for the previous 3 years to determine the median percentage of work DBE certified firms have performed regarding FTA funded projects and/or purchases. This number is determined by taking the median of the participation level of DBEs on contracts without goals for the last three years.

For example:

- FY 2011 participation level of DBEs 10%
- FY 2012 participation level of DBEs 12%
- FY 2013 participation level of DBEs 14%

Median = 12%

Therefore, in this example, the current capacity of DBE certified firms to perform work is 12%. We would anticipate 12% participation from Race-Neutral means.

The Race-Conscious goal is determined by subtracting the Race-Neutral goal from the overall DBE goal in Table 2. In this example: 13.43% Overall adjusted goal - 11% = 2.33% Race-Conscious Goal

Questions or comments regarding this plan should be directed to either:

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