



# Disadvantaged Business Enterprise Goal

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October 1, 2023 – September 30, 2026

Disadvantaged Business Enterprise (DBE) program is a federal program managed by the U. S. Department of Transportation (DOT) as set forth in 49 Code of Federal Regulation (CFR) Part 26 to encourage socially and/or economically disadvantaged firms to participate in DOT-funded projects. The goals of the program are to remedy past and current discrimination against DBEs, ensure a "level playing field" in which DBEs can compete fairly for DOT-assisted contracts, improve the flexibility and efficiency of the DBE program, and reduce undue burdens on small businesses.

## **Disadvantaged Business Enterprise Program**

October 1, 2023 – September 30, 2026

Section 26.45: Overall Goal Calculation

### **Background**

Amarillo City Transit (ACT) is the transit department within the City of Amarillo (COA), a city within the Texas Panhandle. As of the 2020 census, ACT is now a large urban public transportation system that operates within the city limits of Amarillo west of Lakeside Drive, with a population over 200,000. ACT currently receives 50% of operating funds and 80% of capital funds from the Federal Transit Administration (FTA) 5307 federal funding program, which is subject to change with ACT recently becoming a large urban. In addition, ACT receives capital funding from the state (TxDOT) through 5339 grants for Bus and Bus Facilities and operating funding from the state annually. ACT's days of operation are Monday through Saturday. To operate full service during the weekday ACT operates 10 fixed routes and 2 deviated fixed routes utilizing a total of 14 buses. Saturday is operated on a reduced schedule. Currently, due to driver shortage, ACT is operating under a reduced schedule: 10 fixed-schedule routes utilizing 8 buses and 2 buses on the deviated fixed routes. ACT-Connect operates up to 10 vans to provide paratransit service for people with disabilities who are unable to use the fixed route system.

ACT has no subrecipients and no part of public transportation service or administration is subcontracted out.

### **Disadvantaged Business Enterprise (DBE) Program Information Overview**

Disadvantaged Business Enterprise (DBE) program is a federal program managed by the U. S. Department of Transportation (DOT) as set forth in 49 Code of Federal Regulation (CFR) Part 26 to encourage socially and/or economically disadvantaged firms to participate in DOT-funded projects. The goals of the program are to remedy past and current discrimination against DBEs, ensure a "level playing field" in which DBEs can compete fairly for DOT-assisted contracts, improve the flexibility and efficiency of the DBE program, and reduce undue burdens on small businesses.

Any transportation related project, including aviation, highway, or public transportation, which is supported in whole or in part by federal funding, must include an opportunity for DBE participation. Because ACT receives federal funding from DOT, it must in turn utilize as much as possible of that funding with small, minority-owned, and/or woman-owned companies. DBE status is not required to do business with ACT; however, ACT must seek out and encourage eligible and interested firms in Amarillo and the surrounding areas to become certified DBE in the State of Texas. Each year, ACT must report to DOT semi-annually how much of their funding went to certified DBEs.

## **Overall Goal**

ACT has set an overall goal for October 1, 2023 – September 30, 2026 (FY 2023 – 2025) at 9.15%, which was determined by taking a percentage of the ready, willing and able DBEs versus the total ready, willing and able firms in the narrowly tailored local market area. Each code is weighted to the budget associated with each line item. ACT will strive to expend 9.15% of DOT-funded contracts to DBEs annually.

ACT has budgeted \$1,003,562.00 in FTA funds to be awarded during the three-year goal period for bus stop amenities and accessible pathways at bus stop locations. Since this is a capital project, ACT will only use federal funding for 80% of the projected total contract which is \$802,850 (80% of \$1,003,562.00). ACT has set a goal of expending 9.15% or 58,548.90 in FTA funds annually to DBEs during the period of October 1, 2023 – September 30, 2026.

ACT has concluded that it will meet its goal annually through bus stop amenities and accessible pathways at bus stop locations; as well as any other possible contracting opportunities.

<b>Budget Item</b>	<b>FTA - Budget</b>
Bus Stop Amenities and Accessible Pathways	\$802,850.00

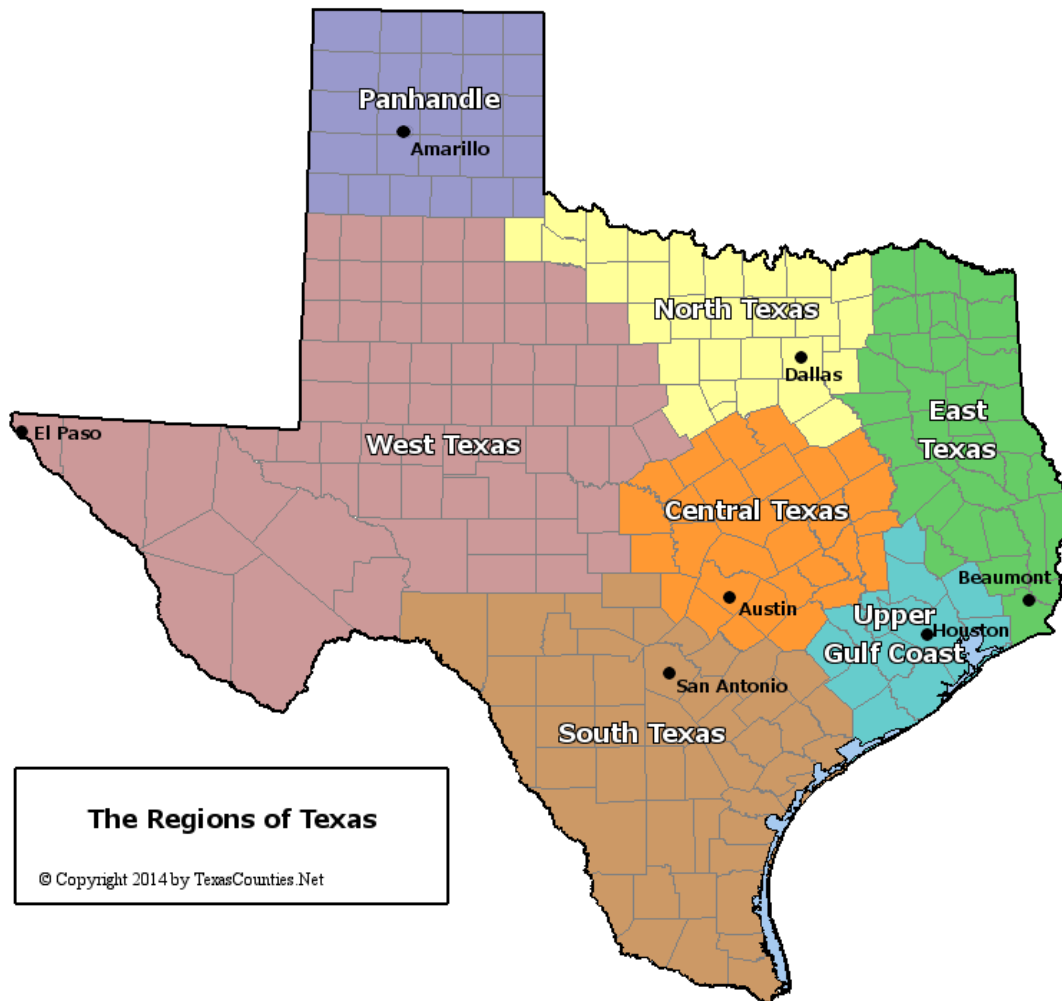
## **Determining the Market Area**

The local market area was determined upon a narrowly tailored analysis within ACT's geographical area. In the upcoming few years ACT projects will be for bus shelter placement/replacement and ADA accessible pathways.

The geographical areas included are the Panhandle, North Texas, and West Texas, which captures a large portion of Texas, expanding opportunities to contract with DBEs in the surrounding area. Some of the cities within these geographical areas include but are not limited to: Amarillo, Lubbock, El Paso, and Dallas. The local market was narrowly tailored to each individual project to capture where the substantial majority of the contractors and subcontractors with which ACT does business with and is likely to do business with.

The following website was used to analyze the geographical area of Amarillo, Texas:

<http://www.texascounties.net/statistics/regions.htm>



### Methodology Used

As described in 49 CFR Section 26.45(c)(1), the base figure was determined using the Texas Unified Certification Program (TUCP) directory, <https://txdot.txdotcms.com/FrontEnd/VendorSearchPublic.asp>, to establish the availability of ready, willing, and able DBEs in each NAICS code categories used by ACT, which determined the numerator. ACT used the following websites to determine the number of all ready, willing, and able firms in those same NAICS code categories, which determined the denominator.

- **Texas Department of Transportation – Amarillo District**  
<http://www.txdot.gov/inside-txdot/district/amarillo.html>
- **North American Industry Classification System**  
<https://www.census.gov/naics/>
- **U.S. Census Bureau County Business Pattern Database**  
<https://www.census.gov/programs-surveys/cbp.html>

The weighted base figure for the relative availability of DBE's was calculated as follows:

Step 1 - Determine the weight of each type of work by NAICS Code:

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	237310	Bus Stop Amenities and ADA Accessible Pathways	\$802,850.00	1.0000
<b>Total FTA-Assisted Contract Funds</b>			<b>\$802,850.00</b>	<b>1.0000</b>

Step 2 - Determine the relative availability of DBE's by NAICS Code:

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	237310	Bus Stop Amenities and ADA Accessible Pathways	29	317	0.0915
<b>Combined Totals</b>			<b>29</b>	<b>317</b>	<b>0.0915</b>

Step 3 - (Weight) x (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	237310	Bus Stop Amenities and ADA Accessible Pathways	1.0000	x	0.0915	0.0915
<b>Total</b>						<b>0.0915</b>
<b>Expressed as a % (*100)</b>						<b>9.15%</b>

ACT took the number of ready, willing and able DBEs available to perform this type of work for all the projects, which was 29-DBE firms and divided by the total number of all firms available (including DBEs) 317-all firms. This provided us with a relative availability percentage base figure of 9.15%. The base figure was then weighted according to the dollar amounts representing contracting opportunities in each relevant NAICS code category. After weighting, the result was a weighted base figure of 9.15%.

Excluding the FTA funds in the goal setting process, as of FY 23, ACT has accumulated less than 1,000,000 in FTA funds for bus replacements. In the upcoming three years, ACT is expected have approximately \$9,600,000 in 5307 FTA funds for capital, preventative maintenance, and operating.

Step 4 - Adjustments 49 CFR 26.45 (d)

**Past Participation**

The first adjustment ACT considered is based on past participation. ACT's past goal had a 75% average accomplishment rate, thus an adjustment for past participation is not appropriate. Over the last three years, ACT was able to reach its goal each year

Fiscal Year	Overall DBE Goal	% Total DBE Utilization	% of Race Neutral DBE Participation	Type of Work
2021	5.71%	73%	73%	Construction
2022	5.71%	67%	67%	Construction
2023	5.71%	85%	85%	Construction
Average	5.71%	75%	75%	Construction

**Past Discrimination**

The next option considered is adjusting to account for the effects of past discrimination. In accordance with the guidance in the *Tips for Goal-Setting in the DBE Program*, ACT reached out to the following organizations Amarillo Chamber of Commerce, Texas Civil Right Project, WTAMU Small Business Development Center, Amarillo Central Labor Council, U.S. Equal Employment Opportunity Commission, State Bar of Texas, and Texas Department of Banking to determine if they could direct ACT to information about past discrimination in public contracting, discrimination in private contracting, etc. Most of these organizations did not have any information to provide and some did not respond. Thus, there was no adjustment warranted based on the lack of information.

**Disparity Studies**

Another option to consider for adjustment is based on evidence found in disparity studies. After conducting research to find disparity studies conducted in the area, ACT did not find any relevant disparity studies that could be used for adjustment of this goal.

Step 5 - Break Out of Estimated Race Neutral (RN) and Race Conscious (RC) Participation 49 CFR 26.51 (b) (1-9)

As required by the FTA, ACT must meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. In conclusion, ACT will continue to remain race neutral. Therefore, ACT does not plan to use contract specific goals when awarding contracts at this time. In summary, ACT's objective is to meet the entire 9.15% goal from race-neutral participation and 0% will be obtained from race-conscious participation for this three-year goal period.

## **Public Participation**

Members of the City of Amarillo's Purchasing Department attend the Texas Public Purchasing Association, which is a cooperative effort between the Historically Underutilized Businesses in Texas and DBE's to educate small businesses and interested persons about contracting opportunities throughout Texas. In addition, Amarillo's Purchasing Department attends America's Small Business Development Center sponsored by West Texas A&M University, where they attend quarterly seminars for small business and annual meetings to meet vendors.

ACT conducted two in person outreach sessions at its facility. DBE's, SBEs, and potential DBE's were contacted to give feedback on ACT's upcoming contracting opportunities. ACT sent out emails, posted to website, and the City of Amarillo sent out a press release to notify the overall community (see Attachments for Press Release). There was only one outside attendee during the first session and there were three outside attendees for the second session (see Attachments for List of Attendees).

The following topics were presented: the DBE program, definition of a DBE, how to become a DBE, ACT's upcoming projects, and ACT's DBE goal. In addition, ACT asked questions regarding past discrimination, barriers, and bidding on city contracts. Two out of the four attendees were DBEs, one was a business owner currently working on becoming a DBE, and the other was a citizen who attended to learn more about the DBE program. Regarding past discrimination and barriers, two out of three DBEs expressed they have not been discriminated against in the past nor could identify any barriers they faced. One out of the three DBEs did express they face discrimination and barriers every day. Lastly, none have bid on City contracts, but all would like to. No changes to the goal were made based on these comments.

## **Public Notice**

The Amarillo City Transit (ACT) hereby announces its goal for October 1, 2023 to September 30, 2026 of 9.15% for Disadvantaged Business Enterprise (DBE) participation on its third party procurements. The proposed DBE goal will be placed on the COA website for up to 7 days as well as the rationalization used to attain the goal. The public will also be provided additional information regarding potential bid opportunities. During this time comments pertaining to the DBE goal will be accepted in the following ways:

- By mail:

City of Amarillo  
Attn: Brianna Mills, Grant/Compliance Coordinator  
P.O. Box 1971  
Amarillo, TX 79105

- By phone: (806) 378-6892
- By email: [brianna.mills@amarillo.gov](mailto:brianna.mills@amarillo.gov)

Sign-In Sheet

DBE Goal Consultation

Tuesday, July 18<sup>th</sup>, 2023 @ 5:30 pm

Representative Name:	Company Name:
<i>Alan Tinsley</i>	



Sign-In Sheet

DBE Goal Consultation

Thursday, July 20<sup>th</sup>, 2023 @ 5:30 pm

Representative Name:	Company Name:
Jose GONZALEZ	AMERICO TESTING & TRAINING, INC
Tara Calcanis	TS EQUIP-IT
Joshua Johnson	Urban Heights INC.