

FISCAL YEAR 2016-2018 DBE GOAL FOR THE CITY OF ROCHESTER, MN

Goal-Setting Methodology for FTA Mass Transit Programs

In accordance with 49 CFR section 26.45, the City of Rochester and Rochester Public Transit established an annual overall DBE goal through a process consisting of creating a baseline figure for the relative availability of DBE's in Minnesota. Below is a summary of the calculations used to calculate the initial baseline figure.

The Transit and Parking Assistant, as DBE Officer, is primarily responsible for the development of the annual goal, through the provision of budget, financial, procurement, and other relevant information that was used to calculate the federal funding base. The DBE Officer can report directly to the City Administrator and City Attorney in regards to DBE matters.

Amount of goal

The City of Rochester's mass transit overall DBE goal for FY 2016-2018 is: 2.10%

Methodology

Step 1.

To identify future potential DBE opportunities by expense category, the City of Rochester's DBE Officer reviewed its actual costs for its 2014 transportation program and isolated two major (greater than 1%) expense categories:

<u>Insurance and Bonds:</u>\$ 153,356
<u>Contractual Services.</u> Annual expenses relating to the contractual operation of the City's mass transit service (fixed and paratransit):	
	\$ 4,8000,837

It is anticipated that potential contracting opportunities that will occur in the next three years (2016-2018) will be in these 2 major expense categories: The annual renewal of our liability insurance and the renewal of our 5 year operations contract for fixed route and paratransit operations, which will be awarded in 2016.

Step 2

Using these two business categories, the Minnesota Unified Certification Program directory was consulted to determine how many Minnesota based DBE's were ready willing and able to perform the different tasks. According to the directory, there are 7 firms listed that sell/provide the types of service the City of Rochester is likely to use for FY 2016-2018.

Step 3

The US Census Bureau's 2013 County Business Pattern (CBP) database was then consulted to determine the total number of all Minnesota business in each expense category. Following is a summary of information found using the two sources of data:

	<u># Of DBE's</u> <u>In MN</u>	<u># of CBP's</u> <u>in MN</u>	<u>NAICS</u> <u>Code</u>
Insurance and Bonds	1	3,254	524210
Transit Management	6	144	485113/485119/485210/485991/485999

Step 4

Using the above information the DBE base goal was calculated based on a weighted DBE availability factor.

$$\text{Base Rate} = \frac{(1 / 3,254) + (6/144)}{2}$$

$$\text{Base Rate} = 2.10\%$$

No adjustment of this figure is warranted. This decision is based on past DBE participation and future contracting opportunities.

Public Participation

The City of Rochester invited public participation in setting and discussing the overall goal. The City of Rochester published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the City Clerk's office in Rochester's City Hall for 30 days following the date of the notice, and informing the public that The City of Rochester will accept comments on the goals for 45 days from the date of the notice. Notice was made through the Rochester Post Bulletin Newspaper. The notice included an addresses to which comments may be sent and addresses where the proposal may be reviewed. There were no comments received.

Notice was also posted on our website: <http://www.rochestermn.gov/departments/public-transportation/about-us-contact-us>

Rochester Public Transit sent letters and information directly to the Rochester Area Builders Association, the Rochester Area Chamber of Commerce, and the Intercultural Mutual Assistance Association (IMAA) of Rochester asking that DBE information be sent to their members. We also asked for feedback regarding the City's DBE program. Information that was sent to these local agencies consists of:

1. Background information and objective of the City's DBE program
2. A description of the City's DBE program
3. A link to the City's DBE Needs Assessment Survey
4. Contact information of the City's DBE liaison officer

The results of the Needs Assessment Survey will give us insight into ways to provide contracting information to potential DBE contractors and to eliminate information barriers for consulting and construction project information.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

Rochester Public Transit will attempt to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains through a customary competitive procurement procedure; DBE participation through a sub-contract on a prime contract that does not carry a DBE goal;

DBE participation on a prime contract exceeding a contract goal; and DBE participation through a sub-contract from a prime contractor that did not consider a firm's DBE status in making the award.

The decision to use race/gender neutral, rather than race/gender conscious, means in attaining DBE participation for public contracts was based on the low availability of DBEs in Rochester and the surrounding areas (within a 60-mile radius). The primary factors affecting availability are: the demographics of businesses in SE Minnesota and the specialized skills required to complete the available work. Other factors to consider are as follow. The City of Rochester contracts third-party operators for both the para-transit and regular transit operations. Expenditures for these contracts makes up the vast majority of our total expenditures, significantly impacting the percentage of money spent (comparatively) on other contracts. For these reasons, The City of Rochester has decided to attempt to attract 100% of its DBE participation through race/gender neutral means.