

Metropolitan Washington Council of Governments (COG)

Overall Disadvantaged Business Enterprise Goal Setting Methodology for Federal Fiscal Years (FFYs) 2019 - 2021

The Metropolitan Washington Council of Governments (COG) has established an overall goal of 28% for Disadvantaged Business Enterprise (DBE) participation for Federal Fiscal Years (FFYs) 2019 – 2021. The overall DBE goal will be achieved through 26% race-neutral means and 2% race-conscious means. The goal includes Federal Transit Administration (FTA) funded projects and is based upon 49 CFR Part 26 “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs” and the US Department of Transportation’s “Tips for Goal-Setting in the Disadvantaged Business Enterprise Program”.

The following sources of information were utilized in the development of the triennial goal:

- Projected federally funded program activities by North American Industry Classification System (NAICS) codes;
- Dollar value of all projected federally funded program activities;
- The COG’s market area consisting of the District of Columbia and surrounding jurisdictions; in Maryland the jurisdictions include Charles County, Frederick County, Montgomery County, and Prince George’s County; and in Virginia the jurisdictions include Alexandria, Arlington County, Fairfax County, and Loudoun County;
- The Census Bureau's County Business Patterns (CBP) database (<https://www.census.gov/programs-surveys/cbp/data/tables.All.html>); and
- State Unified Certification Program (UCP) DBE Directories for the District of Columbia, Maryland and Virginia
 - District of Columbia UCP** includes the *District of Columbia Department of Transportation (DDOT)* and the *Washington Metropolitan Area Transit Authority (WMATA)*;
 - Maryland UCP** includes the *Maryland Department of Transportation's Office of Minority Business Enterprise (OMBE)*; and
 - Virginia UCP** includes the *Virginia Department of Small Business and Supplier Diversity (DSBSD)* and the *Metropolitan Washington Airports Authority (MWAA)*.

Metropolitan Washington Council of Governments (COG)
Overall Disadvantaged Business Enterprise (DBE)
Goal Setting Methodology for FFYs 2019 - 2021

I. Background

The Metropolitan Washington Council of Governments (COG) is an independent, nonprofit association that consists of 22-governmental jurisdictions in Suburban Maryland, Northern Virginia and Washington, District of Columbia. COG is the administrative agent for the National Capital Region Transportation Planning Board (TPB), and is a direct recipient of Federal Transit Administration (FTA) funds through several grant programs such as Job Access and Reverse Commute (JARC), New Freedom, Enhanced Mobility, and FTA State Safety Oversight (SSO). For federal fiscal years 2015 – 2017, COG was the direct recipient of approximately \$5.5 million in FTA funds for a variety of transit-related projects, which included:

- Section 5310 Enhanced Mobility Project
- Marketing and Advertising (Reach-a-Ride)
- Bilingual Outreach
- Regional Studies
- Organizational Management
- Transportation Safety Oversight

In FFY 2016 – 2018, COG passed through a portion of its FTA funds to the following subrecipients:

- Arc of Northern Virginia
- Capitol Hill Village
- City of Alexandria, Virginia
- Columbia Lighthouse for the Blind
- Fairfax County Neighborhood & Community Services
- Jewish Council for the Aging
- Lifestyles of Maryland
- Montgomery County Department of Health & Human Services
- Montgomery County Professional Drivers Union
- Potomac and Rappahannock Transportation Commission
- Sunrise of Maryland, Inc.
- University of Maryland, College Park

COG has identified (3) federally-assisted programs, provided by the Department of Transportation Planning, in which projects are anticipated to be awarded in federal fiscal years 2019 – 2021 - **Table 1**.

- (1) Section 5310 Enhanced Mobility Project: provides transportation for people with disabilities and older adults who have difficulty using public transit or need improved access to it. COG is the designated recipient for this program for the Washington DC-VA-MD Urbanized Area and the program provides approximately \$2.8 million per year in matching grants for nonprofit organizations, local governments, transit agencies and private for-profit providers.
- (2) Reach-a-Ride Regional Mass Marketing Program: is a marketing campaign implemented to increase awareness about the searchable web-based database and information hotline that assists older adults, people with disabilities, caregivers and agencies with finding specialized transportation in the National Capital Region.

- (3) FTA State Safety Oversight (SSO) Transportation Safety Program: COG served as the interim recipient of federal State Safety Oversight funds in FFYs 2015 – 2018. COG will not be the recipient of SSO funds beyond FFY 2019. The Metrorail Safety Commission (MSC), created by the District of Columbia, Maryland, and Virginia, will assume the responsibility and serve as the State Safety Oversight Agency for the Metrorail system.

Table 1: COG - List of Projects for Federal Fiscal Years 2019 - 2021

	Project	Amount	% of Total Budget
1.	FTA Section 5310 Enhanced Mobility Project (Subrecipients)	\$ 8,400,000	96.30%
2.	Reach-a-Ride Regional Mass Marketing Program	\$ 60,000	0.69%
3.	FTA State Safety Oversight (SSO) Transportation Safety Program	\$ 263,000	3.02%
	TOTAL	\$ 8,723,000	100.00%

COG anticipates approximately fifteen (15) to twenty (20) subrecipient non-profit organizations or agencies will receive FTA Section 5310 Enhanced Mobility Project funds over the next triennial period. The Section 5310 funds, totaling \$8.4 million, is utilized by the subrecipients primarily for transportation services (\$1.9 million) and salaries (\$5.7 million). Excluded from the estimated \$8,723,000 federal budget shown in **Table 1**, is a total cost of \$7,621,616 for Section 5310 transportation services and salaries.

Additionally, several non-subcontractable (sole source) goods and services planned for procurement over the next three-year period (i.e., software licenses, GPS equipment), totaling \$126,112, are not included in the overall goal calculation. As a result, the remaining estimated budget comprising opportunities for DBE participation totals \$975,272.

	Total Budget	\$8,723,000
	FFYs 2019 - 2021	
Section 5310 Enhanced Mobility	\$ 7,621,616	
Other Goods & Services	\$ 126,112	
Total	(\$ 7,747,728)	
	Balance of Total Budget	\$ 975,272

Table 2 contains the listing of anticipated program activities related to the three federally-funded programs identified above.

Metropolitan Washington Council of Governments (COG)
 Overall Disadvantaged Business Enterprise (DBE)
 Goal Setting Methodology for FFYs 2019 - 2021

Table 2: Program/Activity Listing by NAICS Code Description

NAICS Code	NAICS Code Description / Project / Activities	Estimated Project Costs	% of Total Budget
	FTA Section 5310 Enhanced Mobility Project (Subrecipients)		
541613	Marketing Consulting Services/Outreach	\$ 88,608	9.09%
541810	Advertising Agencies	\$ 59,072	6.06%
236220 / 237310	Construction (Bus Stops, Sidewalks)	\$ 316,000	32.40%
541320	Urban Planning (Evaluation, Surveys)	\$ 81,600	8.37%
541511 / 541430	Design Services (Website, Graphic)	\$ 88,112	9.03%
541611	Investigation Services (Background Checks)	\$ 18,880	1.94%
	Reach-a-Ride Regional Mass Marketing Program		
541613	Marketing Consultant Services	\$ 36,000	3.69%
541810	Advertising Agencies	\$ 12,000	1.23%
541850	Outdoor Advertising (Bus)	\$ 12,000	1.23%
	FTA State Safety Oversight (SSO) Transportation Safety Program		
541690	Other Scientific & Technical (Safety) Consulting Services	\$ 263,000	26.97%
	TOTAL	\$ 975,272	100.00%

II. Methodology Used to Calculate Overall Goal

Step 1 – Determining Availability of Ready, Willing and Able DBEs (§26.45(c))

COG completed an analysis of the program activities and specific NAICS codes to determine the pool of ready, willing and able firms available to participate in the anticipated FTA-funded contracting opportunities. The data sources used to derive the relative availability of DBEs in COG’s market area is the Census Bureau County Business Patterns¹ (CBP) database (<https://www.census.gov/programs-surveys/cbp/data/tables.All.html>) and the Unified Certification Program (UCP) DBE Directories from the District of Columbia, Maryland and Virginia, **Tables 3 and 4**. To avoid double counting listed DBE firms, careful review of the UCP DBE directories was completed.

Note: COG’s market area consists of the District of Columbia and surrounding jurisdictions; in Maryland, the jurisdictions include Charles County, Frederick County, Montgomery County, and Prince George’s County; and in Virginia, the jurisdictions include Alexandria, Arlington County, Fairfax County, and Loudoun County.

¹Published in April 2018 using 2016 data. The Census Bureau County Business Patterns data is published on an annual schedule

Metropolitan Washington Council of Governments (COG)
 Overall Disadvantaged Business Enterprise (DBE)
 Goal Setting Methodology for FFYs 2019 - 2021

Table 3: Number of Firms - Census Bureau County Business Patterns Database - By NAICS Code

Number of Total Firms	NAICS Code	Description
3,853	541611	Administration/Management (Background Checks)
711	541613	Marketing Consultant Services
874	541690	Other Scientific & Technical (Safety) Consulting Services
194	541810	Advertising Agencies
17	541850	Outdoor/Bus Display Advertising
164	541320 / 541370	Urban Planning / Surveys
4,121	541511 / 541430	Web Design / Graphic Design
695	236220	General Construction (Bus Stops)
107	237310	Street Construction (Sidewalks)
10,736	Total Firms From Census Bureau County Business Patterns Database	

Table 4: Number of DBE Firms - DC/MD/VA Unified Certification Program DBE Directories

Number of Total Firms	NAICS Code	Description
368	541611	Administration/Management (Background Checks)
191	541613	Marketing Consultant Services
77	541690	Other Scientific & Technical (Safety) Consulting Services
69	541810	Advertising Agencies
9	541850	Outdoor/Bus Display Advertising
35	541320 / 541370	Urban Planning / Surveys
464	541511 / 541430	Web Design / Graphic Design
165	236220	General Construction (Bus Stops)
65	237310	Street Construction (Sidewalks)
1,443	Total Firms From Census Bureau County Business Patterns Database	

Based upon the total number for All firms and DBE firms above, the relative DBE availability is calculated as follows:

$$\text{Base figure} = \frac{1,443 \text{ (Ready, Willing and Able DBEs)}}{10,736 \text{ (All Firms Ready, Willing and Able)}} = 13.44\%$$

Step 1 Base Figure Weighting – Weighting can help ensure that the Step 1 Base Figure is as accurate as possible. To establish the “Base Annual Goal”, the availability of DBEs in each NAICS code is computed and used to determine DBE contractible dollars. The total DBE contractible dollars are then divided by the total projected contracting dollars to determine the “base” FFY annual DBE goal, expressed as a percentage. See **Table 5**.

Metropolitan Washington Council of Governments (COG)
 Overall Disadvantaged Business Enterprise (DBE)
 Goal Setting Methodology for FFYs 2019 - 2021

Table 5 - Calculation of COG's Annual Goal for Federal Fiscal Years 2019 - 2021

NAICS Code	NAICS Code Description	Estimated Project Costs	Number of Firms		DBE %	DBE Dollars
			DBE	Total		
541611	Administration/General Management	\$ 18,880	368	3853	9.55%	\$ 1,803
541613	Marketing Consulting Services	\$ 124,608	191	711	26.86%	\$ 33,474
541690	Other Scientific & Technical (Safety) Consulting Services	\$ 263,000	77	874	8.81%	\$ 23,170
541810	Advertising Agencies	\$ 71,072	69	194	35.57%	\$ 25,278
541850	Outdoor/Bus Display Advertising	\$ 12,000	9	17	52.94%	\$ 6,353
541320 / 541370	Urban Planning / Surveys	\$ 81,600	35	164	21.34%	\$ 17,415
541511 / 541430	Design Services (Web Site, Graphic)	\$ 88,112	464	4121	11.26%	\$ 9,921
236220 / 237310	Construction (Bus Stops, Sidewalks)	\$ 316,000	230	802	28.68%	\$ 90,623
TOTALS		\$ 975,272	1443	10736		\$ 208,038
Base Triennial Goal						
		Total DBE Dollars	\$ 208,038			
		Total Estimated Project Costs	\$ 975,272	21.33%		

Step 2 – Adjusting the Base Figure (\$26.45(d))

Subsequent to establishing a base figure of 21.33%, COG examined its available evidence of past DBE participation to determine what adjustment, if any, would be required to the overall goal.

The regulations state that there are several types of evidence that must be considered when adjusting the base figure, such as: *49 CFR Part 26.45(d)(1)(i), "The current capacity of DBEs to perform work in your DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years."*

Since the federally-funded programs identified for FFYs 2019 – 2021 are similar to those administered for the past three completed fiscal years (FFY 2015 – 2018), it is anticipated that the type of contracting opportunities will be similar in scope. Therefore, COG analyzed the semi-annual "Uniform Report of DBE Participation" information (FFYs 2015 – 2017) to determine the feasibility of an adjustment to the base figure. Specifically, during FFYs 2015 – 2017, the focus of COGs project activities has been the implementation of a system safety oversight program; marketing, program management, and urban planning/study services. Over the past three completed fiscal years, COG and its subrecipients expended federally-funded dollars in areas such as construction contracts to improve access to transit and ADA compliance, mapping, marketing, advertising, printing, outreach, organizational management, legal services and safety oversight.

Table 6 reflects COG'S DBE goal attainment for the past three completed fiscal years.

Table 6: COG DBE Goal Attainment for FFY 2015 - 2017

Federal Fiscal Year	Established DBE Goal	Total Contract Dollars Awarded	Total DBE Dollars Awarded	DBE Attainment
2015	18.70%	\$ 111,878	\$ 49,735	44.45%
2016	16.26%	\$ 5,295,007	\$ 1,338,763	25.28%
2017	16.26%	\$ 177,302	\$ 61,709	34.80%

The median DBE goal attainment for COG’s past participation is 34.80%. When applying the federally-prescribed formula (i.e., the average of the median past participation [34.80%] and the Step One base figure [21.33%]), the resultant adjusted figure is 28.07%, **Table 7**.

Table 7: Median Past DBE Participation

Median of Past Participation	Step One Base Figure	Divided by	Adjusted Goal
34.80%	21.33%		28.07%
56.13%		2	

Step 3 – Determining the Estimated Race-Neutral & Race-Conscious Split (§26.51)

DBE Program guidelines at 49 CFR Part 26.51(a) states, “You must meet the maximum feasible portion of your overall goal by using race-neutral means of facilitating race-neutral DBE participation. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does not carry a DBE contract goal.”

COG’s race-measures have included:

- Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses;
- Communicating with and encouraging prime contractors to include DBEs and other small businesses in contracts;
- Participating in regional outreach events to communicate information about COG’s contracting procedures and specific contract opportunities - 2016 – 2018 outreach participation events have included: the Baltimore County & Baltimore Metro Council Meet the Primes, Prince George’s County Public Schools Meet & Greet, WMATA Procurement Fair and Cooperative Purchasing Day, Virginia Asian Chamber of Commerce Procure Con, and the Maryland Black Chamber of Commerce Procurement Panel;
- Promoting COG’s in-house Vendor Registration System (VRS) that has over 700 local businesses registered, and expanding the VRS into a regional database with over 20,000 businesses included. DBEs and other small businesses are encouraged to register in the VRS - the first step to doing business with COG. COG contacts registered vendors when procurement opportunities become available, utilizing the commodities and/or services provided during the registration process. The VRS allows potential vendors to create and maintain their registrations at no financial cost.

To calculate the race-neutral and race-conscious split of the overall goal, COG analyzed its race-neutral and race-conscious goal attainment over the past three fiscal years, **Table 8**.

Metropolitan Washington Council of Governments (COG)
 Overall Disadvantaged Business Enterprise (DBE)
 Goal Setting Methodology for FFYs 2019 - 2021

Table 8: DBE Participation Race-Conscious / Race-Neutral Goal Achievement - FFYs 2015 - 2017

Federal Fiscal Year (FFYs)	Total Prime Contract Dollars Reported	Race-Conscious DBE Dollars Reported	Race-Neutral DBE Dollars Reported	Total DBE Dollars	DBE Goal	DBE Goal Attainment
2015	\$ 111,878	\$ -	\$ 49,735	\$ 49,735	18.70%	44.45%
		0.00%	44.45%			
2016	\$ 5,295,007	\$ 938,763	\$ 400,000	\$ 1,338,763	16.26%	25.28%
		17.73%	7.55%			
2017	\$ 177,302	\$ -	\$ 61,709	\$ 61,709	16.26%	34.80%
		0.00%	34.80%			
Totals	\$ 5,584,187	\$ 938,763	\$ 511,444	\$ 1,450,207		
Overall DBE %		16.81%	9.16%	25.97%		

Table 9 summarizes COG’s three-year race-neutral attainment.

Table 9: COG - Race-Neutral / Race-Conscious Goal Attainments FFYs 2015 - 2017

Fiscal Year	Race-Conscious Attainment	Race-Neutral Attainment	Total Attainment
2015	0.00%	44.45%	44.45%
2016	17.73%	7.55%	25.28%
2017	0.00%	34.80%	34.80%
Median Race-Neutral		34.80%	

In reviewing the 2015 – 2017 semi-annual report information, COG has exceeded its established DBE goal each fiscal year (see Table 8). With the exception of the median year of 2016, COG’s DBE participation was 100% race-neutral.

In the assumption that COG will maintain its current level of race-neutral participation, it is reasonable to anticipate that approximately 93% of COG’s overall DBE goal is attainable through race-neutral means, and 7% is attainable through race-conscious means. Therefore, COG’s overall goal for FFYs 2019 – 2021 is set at a rounded percentage of 28%, with a race-neutral / race-conscious split of 26% and 2%, respectively.

COG will closely monitor and analyze its race-neutral participation each year. Should current trends make it unlikely that COG will achieve race-neutral awards and commitments necessary to meet its overall goal; COG will increase the use of race-conscious goals.

III. Consultation and Publication of the Overall Goal

DBE Regulations 49 CFR Part 26.45 requires that: *“In establishing an overall goal, you must provide for consultation and publication. This includes: Consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and your efforts to establish a level playing field for the participation of DBEs.”*

INSERT CONSULTATION / PUBLIC PARTICIPATION DOCUMENTATION

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