

# **City of Santa Fe**

# **Santa Fe Trails**

Disadvantaged Business Enterprise (DBE)

Program Goal

for

Federal Transit Administration

Section 5307/5339 Funds

Federal Fiscal Years 2020-2022

(October 1, 2019 – September 30, 2022)

## Proposed Goal: 6.4 %

Recipient: City of Santa Fe – Santa Fe Trails  
(Recipient ID 2066)

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Goal Period: Federal Fiscal Years 2020-2022

## GOAL METHODOLOGY

The City of Santa Fe – Santa Fe Trails DBE Three Year Goal is established and submitted to the Federal Transit Administration (FTA) on a triennial basis beginning October 1, 2019 to September 30, 2022. The race neutral goal for Federal Fiscal Years (FFY) 2020-2022 has been set at 6.4%. This goal is expressed as a percentage of all FTA funds (exclusive of FTA funds to be used for the purchase of transit vehicles) that Santa Trails will expend in FTA-assisted contract in the three upcoming fiscal years. Based on an estimated 2% escalation annually in FTA 5307 funding, Ridefinder Program and other capital grant programs, total FTA funding for projects is anticipated to be approximately:

	<u>5307 Grant</u>		<u>Capital Grants</u>		<u>Total</u>
• FY 2020	\$1,680,801	+	\$4,562,084	=	\$6,242,885
• FY 2021	\$1,714,417	+	\$ 364,653	=	\$2,079,070
• FY 2022	\$1,748,705	+	\$ 364,652	=	\$2,113,357
			\$5,291,389		

The relevant geographic market for contractors for Santa Fe Trail projects has been defined as the State of New Mexico. The methodology for setting the overall goal is as follows:

49 CFT Part 26, § 26.45(b) states that:

*“Your overall goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on your DOT-assisted contracts (hereafter, the relative availability of DBE). The goal must reflect your determination of the level of DBE participation you would expect absent the effects of discrimination. You cannot simply rely on either the 10 percent national goal, your previously overall goal or past DBE participation.”*

Further, § 26.45 provide a two-step process consisting of the following:

### **Step 1 – Determine a base figure for the relative availability of DBEs.**

Santa Fe Trails has elected to use the methodology described in § 26.45(b) (1) to determine the base figure for the relative availability of DBEs. Santa Fe Trails will be using the DBE Directory posted on the New Mexico Department of Transportation website and the Census Bureau’s County Business patterns to determine the number of ready, willing and able DBEs and similar trades in the Santa Fe Trails market.

Due to the structure of transit services under Santa Fe Trails, there is little contracting opportunity available for operating and administrative expenses during the three year program goal period. Santa Fe Trails uses staff to oversee transit operations and City of Santa Fe

resources, including buses, facilities and support services. Potential contracting opportunities for FFY 2020-2022 for capital expenditures are as follows:

- Engineering/Design Services
- Rehabilitation/Renovation of Bus Terminal
- Rehabilitation/Renovation of Pedestrian Access/Walkways

The trade classifications expected to be used for these projects over the three-year period are as follows:

Project	Dollar Amount	Weight	NAICS Code	Industry/Product Description
Engineering/Design Services	\$ 150,000	2.83%	541300	Architectural, engineering and related service
Rehabilitation/Renovation of Bus Terminal (Southside - New, Downtown - Reconstruction) Est. 80%	\$ 4,627,575	87.45%	236220	Commercial and Institution building construction
Rehabilitation/Renovation of Pedestrian Access/Walkways/Fencing Est. 20%	\$ 513,814	9.71%	237310	Sidewalk, public construction
Total	\$ 5,291,389	100%		

DBE availability has been determined by utilizing the Census Bureau 2012 County Business Patterns (CBP) at <http://www.census.gov/econ/cbp/industrynapshots> 2016 Census CBP has only been updated on a state level. Statewide, the number of firms reported has only changed 0.25% between 2012 and 2016. Therefore the Census Number of Firms in the individual NAICS categories reported in 2012 can be assumed to be valid for current estimate. The New Mexico Department of Transportation DBE Directory at <https://nmdot.dbesystem.com> is current as of May 2019. Census and Directory information was extracted for the trades listed above. The DBE availability calculations are as follows:

% of DBE Firms vs. All Firms				
Industry	NAICS Code	Census # of firms	NM DBE Directory # of Firms	DBE %
Architectural, engineering and related service	541300	724	19	2.62%
Commercial and institution building construction	236220	364	11	3.02%
Sidewalk, public construction	237310	74	28	37.84%
		1162	58	4.99%

\*Percentage obtained by dividing Directory # of Firms by Census # of Firms

Table 1-C Weighted Base Figure				
Industry	NAICS Code	Weight	Availability	Weighted Base Figure
Architectural, engineering and related	541300	2.84%	2.62%	0.07%
Commercial and institution building construction	236220	87.46%	3.02%	2.64%
Sidewalk, public construction	237310	9.71%	37.84%	3.67%
		100.00%		6.39%

Given the information provided by utilizing the Weighted Base Figure, Santa Fe Trails proposes 6.4 % as the goal for the FFY 2020-2022. The total DBE commitment for the three year period will be:

$$\$5,291,389 \times 6.4\% = \$338,650$$

**Step 2 – Examine data to determine what adjustments, if any, is needed to the Base Figure.**

§ 26.45 (d) provides many examples of the type of data to examine in order to adjust the base figure. Santa Fe Trails has determined that after reviewing past participation and employment data, that an adjustment is not needed in this extended geographic market.

**Race-Neutral vs. Race-Conscious Goal**

Santa Fe Trails proposed to set all goals as race-neutral for this goal period. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures; is awarded a subcontract on a prime contract that does not carry a DBE goal; or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider the DBE status in making the award (e.g. a prime contractor that uses a strict low bid system to award subcontracts).

**Small Business Participation**

Santa Fe Trails will encourage small business participation as outlined in 49 CFR §26.35 and 26.39. Strategies will include but not be limited to unbundling large contracts and ensure prime contracts are sized for small business. Communication with these partners will include assistance in development of newsletter information. Small as well as minority and women owned business will be included. Contact information for the NMDOT Office of Equal Opportunity Programs will be provided to encourage certification of new businesses.

## **Public Notice**

The following public notice is posted on the City of Santa Fe website.

### **PUBLIC NOTICE**

#### **CITY OF SANTA FE – SANTA FE TRAILS**

#### **FFY 2020-2022 DISADVANTAGED BUSINESS ENTERPRISE GOAL**

The City of Santa Fe – Santa Fe Trails (SFT) hereby announces its proposed FFY 2020-2022 goal of 6.4% for Disadvantaged Business Enterprise (DBE) participation in applicable federally funded contracts. The proposed goal and its rationale are available for inspection during normal business hours at the SFT office and will accept comments on the goal for 30 days from the date of this notice (06/28/19). Comments may be submitted via U.S. Postal Service or electronically to City of Santa Fe – Santa Fe Trails , Attn: DBE Liaison Officer, 2931 Rufina St. Santa Fe, NM 87507, Fax: 505-955-2020, [Santafetrails@santafenm.gov](mailto:Santafetrails@santafenm.gov). Comments may also be directed to: Civil Rights Officer, FTA Region VI, 819 Taylor ST, Room14A02, Fort Worth, TX 76102