

FAIRBANKS NORTH STAR BOROUGH

Disadvantaged Business Enterprise

(DBE) Goal Methodology

Federal Fiscal Years 2016-2018

A. Introduction

In accordance with U. S. Department of Transportation Regulations at 49 CFR 26, the Fairbanks North Star Borough submits its three-year Disadvantaged Business Enterprise (DBE) overall goal for Federal Fiscal Year 2016-2018. This goal is based on projected contracting opportunities funded in whole or in part by the Federal Transit Administration (FTA) along with the methodology and supporting documentation.

B. Proposed DBE Goal Federal Fiscal Years 2016-2018

FNSB's overall goal for the time period covered by Federal Fiscal Years 2016-2018 (October 1, 2016 through September 30, 2018) is .027%. FNSB expects to award approximately \$926,708.00 over this time period, and it is expected that \$25,392 will be expended with DBEs on FNSB USDOT (FTA) assisted contracts.

FNSB's overall goal was set based on the two-step process described in 49 CFR 26.45. This process ensures that the goal derived by FNSB as based on the availability of ready, willing and able DBEs in FNSB's relevant market area.

C. Proof of Publication

The initial goal submittal (dated 8/01/2015) was published in the Fairbanks Daily Newsminer and the FNSB website. Should the proposed goal change be accepted following a review by RCRO, the revised goal submittal/methodology will be posted on www.fnsb.us and a minority focused website DBEGoodFaith.com an online trade and focus publication as allowed in 26.45.g (1) (ii). In addition at 26.45g (2), this notice allowed for the availability of the methodology for review for 30 days with the acceptance of comments up to 45 days from the Notice of Publication. The Notice contained the address for which comments could be sent.

D. Consultation

The FNSB consulted with DOT/FMATS in Fairbanks, AK, Associated General Contractors and Procurement Technical Assistance Center (PTAC)/Small Business Administration to determine the availability of stakeholder minority and women owned organizations in the Borough's service area that would be interested in participating with the goal setting methodology.

DBEs were invited to a consultative meeting in order to provide comments or input into the goal setting methodology. The invitation is attached to the revised overall goal submittal. The interest in attending this meeting and comments were to gain an understanding of race-neutral and race-conscious goals, as the understanding of this information was lacking. There weren't any comments regarding the proposed methodology.

The FNSB will publish contracting opportunities on the DBE website when advertising procurement solicitations.

Once revisions to the 2016-2018 goal methodology have been reviewed by the RCRO for consistency, the FNSB will, once again, reach out to the identified stakeholders to schedule a direct interactive exchange to obtain comments to the revised methodology.

E. STEP ONE -- Determination of Base Figure

Determination of Market Area and Sources of Information

FNSB has determined that its relevant market area is the Fairbanks North Star Borough including Delta which is just outside of the borough. This information was used to determine in the region the number of available firms as well as the total number of the certified DBEs.

To measure the actual relative availability of DBEs to perform the type of contracts (

FNSB used two sources of information to make the determination of the firms ready, willing, and able and the number of DBE firms ready, willing, and able.

- 1 FNSB is part of the AUCP with the State of Alaska Department of Transportation. The State certifies Disadvantaged Business Enterprises and keeps a directory of DBEs. This is a searchable directory and DBE certified businesses can be sorted by NAICS code. The State DBEs are certified by Region and Fairbanks falls in the Northern Region.
- 2 The FNSB used 2015 U.S. Census data available at censtats.census.gov, and the Fairbanks/North Pole/Delta/Ester census area, to obtain the total number of firms by NAICS codes.
- 3 These two databases allowed the FNSB to verify that the DBE numbers in the numerator are comparable to the number of all firms in the denominator.
- 4 A list of NAICS codes for all firms and the corresponding NAICS codes for DBE firms is enclosed. The universe of NAICS codes was expanded from the original submission to provide a greater range of potential contracting opportunities.
- 5 The above data sources has resulted in the following Step 1 Base figure calculation:

| | |
|------------------------------------|-------------|
| Ready, Willing and Able DBEs | 147 = .048% |
| All Firms Ready, Willing, and Able | 7 = |

NAICS Codes

The Total Business figure was derived by combing all business within Fairbanks, North Pole and Ester that fall into the NACIS codes that the FNSB Transportation Department anticipates contracting during these three Federal fiscal years. United States Census 2012 NAICS Definition and the State of Alaska AUCP DBE Directory

238190,238110,541310,541330,237310,23622,541810,485999,54185,54199.448199,488140 423610

The resulting base figure for the relative availability of DBE is $7/147=.048$

F. STEP TWO -- Adjustment

1 Past Participation

In a review of past participation regarding the volume and type of work over the past three years (FFY 2012-2013-2014), participation by DBEs in contracting opportunities were exclusively focused on construction activities. 49 CFR Part 26 recommends factors to consider in the adjustment to Step 1, including examining historic overall goal accomplishments, and researching real-market areas and the disparity study conducted within the northern region of Alaska within the last seven years; and other relevant factors including:

1. The number, types and dollar value of contracting opportunities, projected to be financed with federal funds and to be awarded during a fiscal year.
2. The methods used by the Borough to increase DBE participation in federally assisted contracts.
3. The data from statistical disparities in the ability of DBEs to obtain financing, bonding and insurance requirements to participate in the Borough's DBE program.
4. The data on employment and self-employment, education and training programs, to the extent the Borough can relate it to the opportunities for DBEs to perform in the Borough's DBE program.

The Borough has no historical data to estimate race-neutral (RN) vs. race-conscious (RC) participation. Contract goals are used only to the extent necessary to ensure a level playing field.

Looking forward to FFY(2016-2018), the next three year period covered by the Goal submission, the contracting opportunities incorporate A&E design, Advertising and Construction of bus shelters, uniforms and buses. This will result in DBE participation being solicited across several NAICS codes related to administrative and operating activities.

It is understood that the determination of the three year DBE goal is a projection based on the most recent information available. It will be necessary to monitor actual DBE participation during each fiscal year to determine if any mid-year corrections are needed regarding the derived calculations of race neutral/race conscious goals.

The Borough has no historical data to estimate race-neutral (RN) vs. race-conscious (RC) participation. Contract goals are used only to the extent necessary to ensure a level playing field.

| Past Participation Values | | | |
|--|----------------|----------------|--------------|
| FFY 2014 (4.40%) | FFY 2015 (.5%) | FFY 2014 (.6%) | FFY 2013(0%) |
| STEP ONE - Base Figure: | .048% | | |
| STEP TWO-Median Value Past DBE Participation: | <u>.50%</u> | | |
| Adjusted Base Figure Goal: | $(.048+.50)/2$ | | |
| FINAL GOAL | 0.274% | | |

FNSB's past attainments were all made by Race-Neutral measures (no contract goals were set). FNSB will strive to continue to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation.

G. STEP THREE – Public Participation and Outreach Efforts

In establishing its overall DBE goal, the Borough will provide opportunities for public participation. The Borough will consult with several of the agencies or organizations listed on Attachment G to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs and the Borough's efforts to establish a level playing field for the participation of DBEs and promote fair competition.

The Borough's will publish a notice of the proposed overall goal to inform the public that the methodology and proposed annual overall goal for the DBE participation is available for inspection for a period of 30 days from the date of publication at the Borough's General Services Department during normal business hours, and informing the public that the Borough will accept comment on the goals for forty-five (45) days from the date of the notice. The notice of the goal will be published in the Fairbanks Daily News Miner and available minority-focus media.

Upon receipt, the Borough will analyze the public comments, summarize the result and formulate modifications to the proposed overall DBE goal or methodology as deemed necessary and forward the comments to the Authority for review.

The overall DBE goals will be reaffirmed by to the Authority before formal adoption by the FTA Civil Rights Officer.

Transit Vehicle Manufacturers (TVM) Certifications (26.49)

The Borough shall require Transit Vehicle Manufactures to certify that they have full complied with the requirements of this section. During its review of the bids or proposals received, the Borough will consult the listing of approved TVM's on FTA's website. This requirement is only applicable for vehicles specifically made for transit service.

Race-Conscious Measures

The Borough will annually consider the following factors to project levels of DBE participation to be met though race-conscious measures in order to determine its Overall Annual Goal by identifying general dollar volume of work; by designated category (i.e. construction, professional services, maintenance and supplies and equipment).

Conducting open pre-bid meetings for all interested contractors.

Providing contractors with a list of DBE certified businesses whose work scope matches work scope for specified projects that can be subcontracted in order to increase the likelihood that the DBE goals will be achieved.

ATTACHMENTS

Meet the Agency

Fairbanks North Star Borough

May 3, 2016 / 1:00 pm - 2:00 pm

Fairbanks Alaska PTAC Office

3750 Bonita Street

Personal connections make a difference. Meet the Fairbanks North Star Borough Chief Procurement Officer during this special event. The FNSB is consistently on the hunt for contractors to fulfill contract needs, especially Women-Owned and DBE's.

Fairbanks North Star Borough representative Carolyn Yurkovich, Chief Procurement Officer, will discuss upcoming projects and how best to connect with FNSB activities.

There is no charge, but registration is required. Due to high-level of interest in meeting with the agency, this the second scheduled event.

[REGISTER](#)

Name

| | | |
|------------------|--------------------------------|-------------------------------------|
| Kare Remic | Aurora Illuminated | Karen. Remick @ Aurora Illuminated. |
| Kelly Lawson | American Healthcare Safety LLC | Kelly @ American Healthcare Safety |
| S | Environmental | amundsen @ sputnet |
| Connie Boynton | Boynton Office Systems | co i @ boynton.s.bi |
| Ron Boynton | | |
| Gange Watson | Rocky's | ng Service |
| PATTY | | RESOLARCHITECTS. |
| | | p polarnet.com |
| Sims | White Eagle Inc. | |
| Jeff Balle | White Eagle | |
| Doug Isaacson | MINTO Development | p dougisaacson@gmail.com |
| Sorothy Shockley | Dean Ridge Corp of Manley H. | shockleyd907@gmail.com |