

SOUTH CENTRAL TRANSIT AUTHORITY
Disadvantaged Business Enterprise Goal
Federal Fiscal Year 2015-2016, Federal Fiscal Year 2016-2017 and
Federal Fiscal Year 2017-2018
August 2015

INTRODUCTION:

The South Central Transit Authority (SCTA) has established a Disadvantaged Business Enterprise (DBE) Program in accordance with the regulations of the U.S. Department of Transportation (DOT) as found in 49 CFR Part 26. The SCTA anticipates receiving federal financial assistance exceeding \$250,000 annually from the Federal Transit Administration (FTA) in the DOT during Federal Fiscal Year 2015-2016, Federal Fiscal Year 2016-2017 and Federal Fiscal Year 2017-2018. As a condition of receiving this financial assistance, the SCTA has signed an assurance that it will comply with 49 CFR Part 26.

The DBE regulations require SCTA to develop and submit to the FTA every three (3) years an overall goal for participation of DBE's in FTA-assisted contracts. This goal must be based on demonstrable evidence of the availability of ready, willing and able DBE's relative to all businesses ready, willing and able to participate in the SCTA's DOT assisted contracts. The SCTA goal must reflect its determination of the level of DBE participation expected absent the effect of discrimination. This document describes how SCTA's DBE goal for the three-year period from October 1, 2015 to September 30, 2018 was developed.

This is SCTA's initial submission of its documentation of the development of its proposed overall goal for participation of DBE firms in FTA-assisted contracts over the next three (3) years. SCTA was formed as a result of the consolidation of the management and administrative functions of the Red Rose Transit Authority (RRTA) in Lancaster County and the Berks Area Regional Transportation Authority (BARTA) in Berks County. SCTA assumed the management and administrative responsibilities for the operation of BARTA and RRTA as of January 1, 2015. SCTA expects to receive its initial approval of the FY 2014-15 5307 funds allocated to the Berks and Lancaster urbanized areas before the end of FFY 2015. SCTA understands that it must submit to the FTA for approval any significant adjustment made to the DBE goal during this upcoming three (3) year period based on changed circumstances.

GOAL DEVELOPMENT:

SCTA's overall goal is based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate in the DOT-assisted contracts the Authority is advancing. The goal reflects the determination of the level of DBE participation the Authority would expect absent the effects of discrimination.

Based on 49 CFR Part 26 and FTA guidance, SCTA followed the eight (8) tasks of the DBE goal development methodology. The process followed in each of these eight (8) tasks is described below as well as the weighting process to help ensure that the Step One Base Figure is as accurate as possible.

1) **Detailed List of Contracting and Subcontracting Opportunities.**

SCTA identified the goods or services it anticipates procuring through a review of its operating budget and capital improvement program. The products or services identified will be procured from firms that are classified by a specific NAICS code. Table 1 lists by NAICS code the industry areas from which SCTA projects procuring goods or services in the upcoming three fiscal years. For its purchases funded through the operating budget, SCTA considered the projected expenditures included in the approved FY 2015-16 operating budget for which federal funds are expected to fund a portion of the cost. The projected expenditures in FY 2015-16 are representative of the mix of operating expenditures that will occur in FY 2016-2017 and FY 2017-2018. For its capital improvement program, SCTA considered its unobligated grant balances, the capital projects programmed in the FFY 2015, 2016 and 2017 Berks and Lancaster Region's Transit Transportation Improvement Program and the SCTA Long-Range Capital improvement program for Lancaster and Reading. Table 1 also lists the industry areas from whom SCTA has the potential of procuring goods or services in any given fiscal year.

2) **Identification of the Geographic Market Area.**

The market area for SCTA is considered to be Berks and Lancaster Counties and the surrounding counties of York, Dauphin, Lebanon, Schuylkill, Lehigh, Montgomery and Chester Counties. A significant number of the contractors used by SCTA to supply goods and services are expected to come from this geographic market area based on the experience of BARTA and RRTA. An effort will be made to support the businesses from this geographic market area, particularly DBE firms and small businesses, through soliciting quotes/bids and awarding contracts. However, we do not place a limit upon geographic location of businesses if they are certified by PAUCP and on occasions it is expected that the public advertisement process will result in receiving bids/proposals and awarding contracts to firms outside this geographic market area.

3. **Step 1: Determining the Base Figure.**

The first activity under Step 1 is identifying the number of DBE firms available by NAICS code from the PAUCP Directory. A total of 136 DBE firms were identified from the PAUCP Directory and the Bidders' List as being available to provide the goods or services to SCTA from the industries identified through the effort described in Paragraph #1 above. The NAICS code under which each of the 136 DBE firms was certified to provide goods and services is identified. Many of the firms are certified to provide goods and services in more than one NAICS code-identified industry. Table 1 lists the NAICS codes and the number of DBE businesses in each category. With many of the businesses certified in more than one NAICS code based on the goods sold or the services provided, this results in the number of DBEs listed as 182.

The second activity under Step 1 is identifying the total number of businesses in each of the NAICS codes industry areas identified from the U.S. Census Bureau's 2013

County Business Patterns or a Bidders' List. Table 1 provides the total number of businesses in each of the identified NAICS categories. There are 10,876 businesses in the NAICS codes for the geographic market area identified.

The weighting process used in Step 1 by SCTA included the following steps:

- a. The development of a projection of the operating and capital budget expenditures by NAICS code. (Reference #1 above).
- b. The percent of total expenditures by each NAICS category ("weight") based on the overall total of Operating and Capital Expenditures was calculated.
- c. The relative availability of DBE firms available to perform the work in a NAICS category was calculated by dividing the number of DBE firms in each NAICS category by the number of total firms in the same NAICS category.
- d. The Weighted Base Figure for each NAICS category was calculated by multiplying the weight based on expenditures by the relative availability.
- e. The weighted averages calculated for each NAIC category were added together and multiplied by 100 to determine the Step One Base Figure.

The results of the weighting process are presented on Table 1. Based on the above described process, the relative availability of DBE firms is 0.94%, which is the base figure for determining SCTA's overall DBE goal.

4. **Sources Used to Develop Goal.**

The number of DBEs reported on Table 1 was determined from the current Pennsylvania Unified Certification Program Directory (PAUCP) for Berks, Chester, Dauphin, Lancaster, Lebanon, Lehigh, Montgomery, Schuylkill and York Counties. Three (3) PAUCP-certified firms who were a prime or a subcontractor on previous contracts with the Red Rose Transit Authority were also included.

The Total Businesses reported on Table 1 were determined from the U.S. Census Bureau's 2013 County Business Patterns for the nine (9) counties identified in the preceding paragraph.

One of the projects SCTA is projected to advance supported with federal financial assistance is the purchase of bus shelters. On Table 1, the supply of bus shelters is listed as NAICS #423990, "Other Durable Goods". However, there are no firms supplying bus shelters located in SCTA's geographic market area. As a result, the total businesses listed for #423990 on Table 1 is based on a Bidders' List for the procurement of bus shelters SCTA is maintaining. SCTA is not aware of any DBE firms who supply bus shelters.

5. **Step 2: Adjusting the base figure.**

SCTA has not identified any disparity studies conducted within its service area or other relevant information that would be helpful in considering an adjustment to the base figure. It was determined an adjustment to the base goal as calculated in Step 1 was not necessary when the past history of expenditures with DBE firms by BARTA and RRTA was considered. As a result, SCTA determined that its DBE goal for

Federal Fiscal Year 2015-2016, 2016-2017 and 2017-2018 will be 0.94%.

6. **Race/Gender-Neutral and Race/Gender-Conscious Goal.**

The SCTA anticipates meeting the entire 0.94% overall goal by race/gender-neutral means. This determination is based on the amount of DBE participation in DOT-assisted contracts during prior fiscal years achieved without establishing goals for specific contracts, as well as the potential DBE contractable opportunities when considering the projected operating and capital expenditures. As the fiscal year progresses and DBE participation is monitored, SCTA will consider a race/gender-conscious goal for specific contracts, if warranted, in order to achieve the 0.94% overall goal.

7. **Evidence of Public Consultation.**

This documentation of SCTA's determination of its overall goal was submitted to the agencies included in Attachment A. These agencies may have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBE's in Berks and Lancaster Counties and approaches for establishing a level playing field for the participation of DBEs. These agencies were given a thirty (30) day period in which to submit comments.

SCTA will contact at least two of the agencies on Attachment A within the thirty (30) day comment period to schedule a face-to-face meeting to review this documentation and to discuss the opportunities for DBEs and small businesses to participate in SCTA contracts.

SCTA published its DBE goal in the Lancaster "LNP News" and the Berks County "Reading Eagle". A copy of the published notice is provided in Attachment B. The notice identifies the thirty (30) day period for submitting comments and provides a mailing address and an email address for where the comments are to be submitted.

This document was uploaded to the SCTA website with a notice of a thirty (30) day comment period.

The thirty (30) day period for the receipt of comments from the agencies and the result of the publication of the notice in the daily newspaper ended on August 31, 2015.

No comments were received by SCTA regarding the DBE Goal calculation documentation in response to the mailing, public notice or website notice. SCTA received a question regarding the intended recipient of the documentation mailed to the Pennsylvania Department of Community and Economic Development. Attachment A was updated to reflect the correct information.

During the comment period, BASE in Lancaster and the Small Business Development Center (SBDC) at Kutztown University were contacted. The reason for the SCTA contact was provided to a representative of BASE in a telephone

conversation. An individual was expected to return the call, but no follow-up contact from BASE has occurred. Additional effort and information will be provided to facilitate a possible contact.

As a result of telephone and email conversations with the new Director of the SBDC, a follow-up meeting is scheduled in September to work together to develop a list of qualified DBE's who could compete for and be awarded contracts.

The finalized goal calculation documentation will be posted on the SCTA website.

8. **Proof of Publication.**

Attachment C includes the Proof of Publication from the newspapers described in #7 above and a screenshot from the SCTA website.

SUMMARY OF DBE GOAL CALCULATION:

SCTA's overall goal for Federal Fiscal Year 2015-2016, 2016-2017 and 2017-2018 is 0.94% of the federal financial assistance the Authority will expend on DOT-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles. The amount of federal assistance SCTA projects to receive and utilize in the next three fiscal years for the procurement of goods or services with DBE contracting opportunities is \$11,925,445. Based on an overall DBE goal of 0.94%, this means SCTA anticipates \$112,099 in expenditures with eligible DBE firms in Federal Fiscal Year 2015-2016, 2016-2017 and 2017-2018. SCTA estimates this overall goal will be met through race/gender-neutral means.

ADDITIONAL OBSERVATIONS:

SCTA's commitment to the overall intent of the federal DBE Program is reflected in two additional areas. The Authority is aware of the listing of small diverse businesses as verified by the Pennsylvania Department of General Services (DGS). For example, the PAUCP Directory lists nineteen (19) certified businesses in Berks County. DGS lists fifteen (15) Small Diverse Businesses in Berks County; only four (4) of these businesses are PAUCP-certified. The PAUCP Directory lists twenty-one (21) certified businesses in Lancaster County. DGS lists thirty (30) Small Diverse Businesses in Lancaster County; only eleven (11) of these businesses are PAUCP-certified. As defined by DGS, small diverse businesses may include a service-disabled veteran-owned business or a veteran-owned business in addition to a minority-owned or woman-owned business.

SCTA's current Solicitor is a women-owned firm; however, the firm has not sought certification under PAUCP or DGS. In early 2015, SCTA awarded a contract for the supply of diesel fuel to Talley Petroleum Enterprises, Inc. in a race/neutral procurement. Talley is a PAUCP-certified firm. Based on an allocation of operating costs, no federal dollars are used to fund the purchase since SCTA has decided not to use 5307 funds for operating assistance.

SCTA will track for the file its commitment to and actual payments made to DGS-verified small diverse businesses who are not PAUCP certified.

ATTACHMENT A

**AGENCIES PROVIDING ASSISTANCE TO DBEs AND/OR
RECEIVE INFORMATION REGARDING SCTA'S POLICY**

(2 pages)
(Updated 9/1/15)

<u>AGENCY</u>	<u>TYPE OF ASSISTANCE</u>
1) Service Corps of Retired Executives (SCORE) 313 W. Liberty St., #231 Lancaster, PA 17603-2766 (717)397-3092	Management Consulting Services
2) Pennsylvania Minority Business Development Authority Department of Community and Economic Development Center for Business Financing, Loans Division Commonwealth Keystone Building 400 North Street, 4 th Floor Harrisburg, PA 17120-0225 O - (717)783-5046 F – (717)787-9154 ra-dcedsbfo@state.pa.us	Loan Program
3) Lancaster Chamber of Commerce and Industry 100 S. Queen St. Lancaster, PA 17603 (717)397-3531	N/A
4) Building and Supporting Entrepreneurship, Inc. (BASE) 447 S. Prince St. Lancaster, PA 17602 (717)392-5467 (717)290-7936 (Fax)	Technical Assistance and Loans
5) Lancaster Coalition for Business Development & Opportunity 325 Church St. Lancaster, PA 17602-4201	Coordinating efforts among agencies and organizations to increase DBE participation
6) Scott Deitrich, Director Small Business Champions Office Pennsylvania Department of Community and Economic Development Commonwealth Keystone Building	Technical Assistance

400 North Street, 4th Floor
Harrisburg, PA 17120-0225
(800)280-3801

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|-----|---|-----------------------|
| 7) | Laurie Sterner
Small Business Development Center
Kutztown University
15115 Kutztown Road
Kutztown, PA 19530
(877)472-7232 | Management Assistance |
| 8) | Associated Builders and Contractors, Inc. – Keystone Chapter
135 Shellyland Road
Manheim, PA 17545
(717)653-8106
(717)653-6431 (Fax) | N/A |
| 9) | Spanish American Civic Association for Equality, Inc.
545 Pershing Ave.
Lancaster, PA 17602
(717)397-6267 | All |
| 10) | Crispus Attucks Center
407 Howard Avenue
Lancaster, PA 17602 | |
| 11) | Community Action Program of Lancaster County
601 S. Queen Street
Lancaster, PA 17603 | |
| 12) | Service Corps of Retired Executives (SCORE)
Consulting
201 Penn Street
Chamber of Commerce Suite 501
Reading, PA 19601
(610)376-3497 | Management |
| 13) | Greater Reading Chamber of Commerce & Industry
201 Penn Street, Suite 501
Reading, PA 19601
(610)376-6766 | N/A |
| 14) | Berks County Community Foundation
237 Court Street
Reading, PA 19601
(610)685-2223 | |

ATTACHMENT B

DISADVANTAGED BUSINESS ENTERPRISE GOAL SOUTH CENTRAL TRANSIT AUTHORITY PUBLIC NOTICE

The South Central Transit Authority (SCTA) has a Disadvantaged Business Enterprise (DBE) Program established under the guidelines of 49 CFR Part 26 and the regulations of the U.S. Department of Transportation (DOT). As provided for under 49 CFR Part 26, SCTA announces the establishment of a FY 2015, 2016 and 2017 DBE Goal of 0.94% for the purchase of goods and services utilizing any DOT funds. This goal has been set based on information currently available to SCTA.

SCTA's DBE Program and the rationale and supporting information for its FY 2015, 2016 and 2017 DBE Goal of 0.94% are available for public inspection at the offices of SCTA, 45 Erick Road, Lancaster, PA 17601 during normal business hours Monday through Friday, 8:00AM to 5:00PM or on the SCTA website at <http://www.sctapa.com/business-center>. SCTA and DOT will accept comments on the DBE goal for 30 days from the date this notice is published. Comments may be addressed to: SCTA, Attention: Jeffrey H. Glisson, 45 Erick Road, Lancaster, PA 17601 and to, U.S. Department of Transportation, Federal Transit Administration, Region III, 1760 Market St., Suite 500, Philadelphia, PA 19103-4124, Attention: Stacie Parkins.

David W. Kilmer
Executive Director
South Central Transit Authority

ATTACHMENT C
PROOF OF PUBLICATION

SOUTH CENTRAL TRANSIT AUTHORITY
45 ERICK ROAD
LANCASTER, PA 17601

{ No.0000475600

Page 1 of 1

Proof of Publication of Notice in Reading Eagle
Under Act No. 687, Approved May 15, 1829.

Commonwealth of Pennsylvania,
County of Berks

} SS:

Lynn Schittler, Assistant Secretary, READING EAGLE COMPANY, of the County and Commonwealth aforesaid, being duly sworn, deposes and says that the READING EAGLE established January 28, 1868 is a newspaper of general circulation published at 345 Penn Street, City of Reading, County and State aforesaid, and that the printed notice or publication attached hereto is exactly the same as printed and published in the regular edition and issues of the said READING EAGLE on the following dates, viz.:

Reading Eagle Thursday, July 30, 2015, A.D.

Affiant further deposes that this person is duly authorized by READING EAGLE COMPANY, a corporation, publisher of said READING EAGLE, a newspaper of general circulation, to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statements as to time, place, character of publication are true.

Lynn Schittler

Sworn to and subscribed before me on this day of July 30, 2015

Notary

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Beverly J. Boyer, Notary Public
City of Reading, Berks County
My Commission Expires June 7, 2019
OFFICER, PENNSYLVANIA ASSOCIATION OF NOTARIES

**DISADVANTAGED
BUSINESS ENTERPRISE
GOAL
SOUTH CENTRAL
TRANSIT AUTHORITY
PUBLIC NOTICE**

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David W. Kalmer
Executive Director
South Central
Transit Authority

SCTA Website Screenshoot

SCTA SOUTH CENTRAL TRANSIT AUTHORITY

HOME ABOUT BUSINESS CENTER NEWS CONTACT

Disadvantaged Business Enterprise (DBE)

SCTA has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT) 49 CFR Part 26. SCTA receives federal financial assistance from the DOT, and as a condition of receiving this assistance, SCTA signed an assurance it will comply with 49 CFR Part 26. It is the policy of SCTA to ensure that DBEs, as defined in Part 26, have an equal opportunity to receive and participate in contracting and procurement activities of SCTA, including all DOT-assisted contracts. In addition, SCTA is committed to fostering small business enterprise participation in the procurement of goods and services.

SCTA's Policy Statement regarding DBE Participation in contracting and procurement activities is available by clicking the first link below. SCTA's DBE Program is available for review by clicking the link below. Attachment N in SCTA's DBE Program includes a copy of the DBE regulations from 49 CFR Part 26; these regulations are available for review by clicking the third link below.

SCTA's DBE Program includes the Fostering Small Business Participation Element. A copy of the Policy Statement issued by SCTA regarding its commitment to fostering small business

PROCUREMENT & SALES
PROCUREMENT TERMS & CONDITIONS
DISADVANTAGED BUSINESS ENTERPRISE (DBE)

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Federal guidelines and SCTA's DBE Program require the Authority to develop a DBE goal to cover three fiscal years. SCTA has developed a proposed DBE Goal for the three year period beginning October 1, 2014. The documentation regarding the development of this proposed DBE goal is available by clicking the SCTA DBE Goal Documentation link below. Comments regarding the DBE Goal Documentation may be submitted to SCTA by Monday, August 31, 2015. Additional information regarding the submission is provided by clicking the last link, DBE Goal Public Notice, below.

[DBE Participation Policy Statement](#)

[SCTA DBE Program \(July 2015\)](#)

[SCTA DBE Program Attachment N - Federal DBE Regulations](#)

[SCTA Fostering Small Business Enterprise Participation Policy Statement](#)

[DBE Goal Documentation \(July 2015\)](#)

[DBE Goal Public Notice](#)

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