

**SOUTH CENTRAL TRANSIT AUTHORITY  
(TRAMS ID# 7288)**

**Disadvantaged Business Enterprise Goal  
Federal Fiscal Year 2024-2025, Federal Fiscal Year 2025-2026 and  
Federal Fiscal Year 2026-2027  
August 1, 2024**

**DRAFT**

**INTRODUCTION:**

The South Central Transit Authority (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 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. SCTA anticipates receiving federal financial assistance exceeding \$250,000 annually from the Federal Transit Administration (FTA) in the DOT during Federal Fiscal Year 2024-2025, Federal Fiscal Year 2025-2026 and Federal Fiscal Year 2026-2027. As a condition of receiving this financial assistance, SCTA will sign 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.

SCTA understands that it must submit to the FTA for approval any significant adjustment made to the DBE goal during the 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.**

The first step in this task SCTA identified the goods or services it anticipates procuring through a review of its operating budget and capital improvement program. Over the next three years, SCTA is projecting no federal 5307 funds will be used to fund its operating budget.

For its capital improvement program, SCTA considered its unobligated grant balances in federal grants approved prior to FFY 2024, the capital projects proposed for funding in FFY 2024 and the capital projects programmed for funding in the FFY 2025, 2026 and 2027 Berks and Lancaster Region’s Transit Transportation Improvement Program (TIP). The projects included in the TIP are based on the SCTA Long-Range Capital improvement program for Lancaster and Reading. The total federal funding to be considered as DBE potential projects from these three sources is \$15,295,168. All of this funding is 5307 funds.

The \$15,295,168 in federal funding will be used to advance the following projects:

<b>Project</b>	<b>Federal Funding</b>
Lancaster Operations Center Security Upgrade (Expansion)	\$ 2,596,159
Reading Berks Transit Center Upgrade and Renovation	\$ 1,840,393
Replace Farebox System	\$720,000
QSS Renovation & Parking Garage Updates	\$ 2,209,102
Reading Operations Center Upgrades	\$1,942,909
Install Solar Panels at 11 <sup>th</sup> Street Operations	\$579,845
Bus Shelter Installation (Concrete Pad and Sidewalk)	\$ 100,000
Boss Mobility Hub	\$ 120,000
Reading Operations Center Bus Staging Area Paving	\$ 640,000
Shared Ride Operations Facility (Construction Services)	\$ 4,546,760
<b>TOTAL FEDERAL FUNDING</b>	<b>\$15,295,168</b>

SCTA has programmed \$4,546,760 in 5307 funds for the construction of a Shared Ride Operations Facility. The contract for planning, architectural and engineering services for the Shared Ride Operations Facility was executed on June 25, 2021. Task 1 of this contract evaluated facility needs to determine the size of a facility needed. With this information, a search is currently occurring for a vacant parcel of land to build a new building or land with a building that will likely need rehabilitated. With the scope of the construction services unclear, it is difficult to project at this time the different sub-contracting opportunities and their value that may be available. As a result, SCTA proposes to review its DBE goal for this period in 2025 and submit an update, if necessary, by August 1, 2025.

Second, the NAICS codes for the types of firms that could perform the work necessary for the projects identified above was determined using NAICS directory information from the website, <https://www.census.gov/naics>. The NAICS codes

identified are listed below:

NAICS Code	NAICS Code Description
236220	Commercial and Institutional Building Construction (Shared Ride Operations Facility Construction Management Services)
237120	Oil and Gas Pipeline and Related Structures Construction (SR Operations Construction)
237310	Highway, Street and Bridge Construction (Stream Crossing)
238110	Poured Concrete Foundation and Structure Contractors (Concrete Pad and Sidewalk)
238140	Masonry Contractors (Stone Repointing)
238210	Electrical Contractors (Renovation projects)
238290	Other Building Equipment Contractors (Misc Solar, etc)
238350	Finish Carpentry Contractors (Renovation projects)
238990	All Other Specialty Trade Contractors (Fence Installation/ Security Gate Replacement/Paving)
541511	Custom Computer Programming Services

The project information and the applicable NAICS codes were entered under Step 1 in the Base Figure Worksheet. A copy of the worksheet is attached as Figure 1.

RRTA and BARTA are not sub-recipients to SCTA. As described in the Introduction, SCTA assumed the management and administrative responsibilities for the operation of BARTA and RRTA as of January 1, 2015. As the direct recipient of FTA funds allocated to the Berks and Lancaster Urbanized Areas, SCTA does not direct any of these funds to BARTA or RRTA. The projects listed in the above table are being advanced by SCTA to support the service operated by BARTA and RRTA.

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, Cumberland, Dauphin, Lebanon, Schuylkill, Lehigh, Montgomery and Chester Counties. Generally, the contractors used by SCTA to supply goods and services come from this geographic market area. 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, SCTA does not place a limit upon geographic location of businesses if they are certified by PAUCP and it is expected the public advertisement process will result in receiving bids/proposals and awarding contracts to firms outside this geographic market area. In addition, the Bidders/Proposers' List used to notify contractors about an upcoming procurement opportunity may also include businesses outside this geographic market area if they have previously bid on a similar project or are registered with PennBid.

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

The first activity under Step 1 is identifying the number of DBE firms available in each of the NAICS codes industry areas in the SCTA market area defined in #2

above from the PAUCP Directory.

The second activity under Step 1 is identifying the total number of businesses in each of the NAICS codes industry areas in the SCTA market area defined in #2 above. This information was obtained from the U.S. Census Bureau’s 2021 County Business Patterns.

A total of 120 DBE firms were identified from the PAUCP Directory and the SCTA Proposers’ 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 table below lists the NAICS codes and the number of DBE businesses in each category.

The total number of businesses in the ten (10) NAICS codes identified is provided in the table below. The Total Number of Businesses is 4,152.

<b>NAICS Code</b>	<b>NAICS Code Description</b>	<b>Total Number of DBE Firms</b>	<b>Total Number of Businesses</b>
236220	Commercial and Institutional Building Construction (Shared Ride Operations Facility Construction Management Services)	14	530
237120	Oil and Gas Pipeline and Related Structures Construction (Diesel Fuel Tank Replacement Construction)	2	12
237310	Highway, Street and Bridge Construction (Stream Crossing)	25	106
238110	Poured Concrete Foundation and Structure Contractors (Concrete Pad and Sidewalk)	7	225
238140	Masonry Contractors (Stone Repointing)	7	399
238210	Electrical Contractors (Bus Radio Purchase/Install)	9	944
238290	Other Building Equipment Contractors (Replace Bus Wash)	2	105
238350	Finish Carpentry Contractors (Door Replacement)	7	413
238990	All Other Specialty Trade Contractors (Fence Installation/ Security Gate Replacement/Paving)	15	450
541511	Custom Computer Programming Services	32	968
<b>TOTAL</b>		120	4,152

The weighting process used by SCTA in Step 1 (“Determining the Base Figure”) by SCTA included the following steps:

- a. The development of a projection of the capital budget expenditures by NAICS code. (See Step 1 of attached “DBE Goal Calculation Weighting Worksheet”

- or “Worksheet”).
- b. The percent of total expenditures by each NAICS category (“weight”) based on the overall total of Capital Expenditures was calculated (See Worksheet Step 1).
  - 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 (See Worksheet Step 2).
  - d. The Weighted Base Figure for each NAICS category was calculated by multiplying the weight based on expenditures by the relative availability (See Worksheet Step 3).
  - e. The weighted averages calculated for each NAIC category were added together and multiplied by 100 to determine the Step One Base Figure (See Worksheet Step 3).

The results of the weighting process are presented on the attached Worksheet. Based on the above described process, the relative availability of DBE firms is 3%, which is the base figure for determining SCTA’s overall DBE goal.

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

The number of DBEs reported on the above table was determined from the current Pennsylvania Unified Certification Program Directory (PAUCP) for Berks, Chester, Cumberland, Dauphin, Lancaster, Lebanon, Lehigh, Montgomery, Schuylkill and York Counties.

The Total Businesses reported on the above table were determined from the U.S. Census Bureau’s 2021 County Business Patterns for the ten (10) counties identified in the preceding paragraph.

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

Under Step 2, SCTA is required to examine all of the evidence available in its jurisdiction to determine what adjustment, if any, is needed to the base figure calculated in Step 1 to arrive at the overall goal. The first evidence SCTA considered was the current capacity of DBE’s to perform work based on the volume of work DBE firms performed since FFY 2015.

SCTA began operation on January 1, 2015. The first Triennial DBE Goal for SCTA went into effect on October 1, 2015. From October 1, 2015 through the development of this documentation, SCTA has eight (8) complete federal fiscal years of experience with DBE participation. In reviewing this experience and the projected work for the next three fiscal years, in two fiscal years (FFY 2016 and FFY 2020) none of the work advanced with respect to DBE participation is applicable.

The table below summarizes the DBE participation. Based on the last three fiscal years of participation, the median is 1.87%. Using the stipulated methodology, the median of 1.87% was added to the Step 1 Base Figure of 3% and divided by

two which results in an adjusted figure of 2.7%.

<b>FFY</b>	<b>Authority</b>	<b>DBE%</b>
2016	SCTA	0.00%
2017	SCTA	2.63%
2018	SCTA	0.27%
2019	SCTA	1.7%
2020	SCTA	0.00%
2021	SCTA	2.91%
2022	SCTA	2.22%
2023	SCTA	0.47%

There was no information received during the consultations conducted by SCTA that could be considered in making an additional adjustment to the adjusted figure of 2.7%.

SCTA is not independently aware of any disparity studies conducted within its service area or relevant information supporting a conclusion there are statistical disparities in the ability of DBEs to get the financing, bonding and insurance.

SCTA's solicitor conducted a search for any lawsuits filed at the state level regarding discrimination in public contracting in SCTA's market area, or lawsuits regarding discrimination in granting access to credit, bonding or insurance to women or minority owned businesses in the SCTA region for the last three years. The only lawsuit the solicitor identified was a decision by the Commonwealth Court in January 2021 upholding a decision by the Port of Philadelphia to reject a construction bid as being non-responsive to the 10% DBE participation requirement. As a result, SCTA is not able to identify any other data that could help estimate the percentage of work DBEs would likely obtain in the absence of discrimination and document the basis for an additional adjustment to the adjusted figure of 2.7%.

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

The SCTA anticipates meeting the 2.7% goal as calculated in the preceding step through a combination of Race/Gender-Neutral and Race/Gender-Conscious means.

SCTA used the actual DBE attainment from the FY 2021, 2022 and 2023 DBE semi-annual reports submitted to the FTA. The Total Contracts Awarded during this period totaled \$9,800,274. The Overall DBE Achievement during this period totaled \$1,384,457 or 14%. This percentage is based on a prime contracts being awarded to a DBE firms for several projects in 2021. The RN Attainment for the same period totaled \$1,296,509 or 13.2%. The RC split equals 0.8%

Based on the suggested methodology for calculating the RN/RC Split, and the anticipated projects the 2.7 % goal would be achieved through 0.7% RN means and 2.0% RC means.

As its capital improvement program is advanced and DBE participation is monitored, SCTA will consider adjustments to the combination of RN and RC means used, if warranted, in order to achieve the 2.7% overall goal.

7. **Annual DBE Expenditure Goals**

SCTA’s overall goal for Federal Fiscal Year 2024-2025, 2025-2026 and 2026-2027 is 2.7% 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 \$8,787,685. Based on an overall DBE goal of 2.7%, this means SCTA anticipates \$219,692 in expenditures with eligible DBE firms in Federal Fiscal Year 2024-2025, 2025-2026 and 2026-2027. SCTA estimates this overall goal will be met through a combination of Race/Gender-Neutral (0.7%) and Race/Gender-Conscious means (2.0%).

	<b>FFY 2025</b>	<b>FFY 2026</b>	<b>FFY 2027</b>	<b>Total</b>
Annual Identified Expenditures	\$ 6,901,176	\$ 1,528,409	\$ 358,100	\$ 8,787,685
Annual DBE Goal	\$ 172,529	\$ 38,210	\$ 8,953	\$ 219,692

8. **Evidence of Public Consultation.**

During the development of SCTA’s proposed DBE Goal, the agencies or organizations listed in Attachment A are being contacted to determine if they may have information that will inform the development of SCTA’s DBE goal based on the availability of disadvantaged and non-disadvantaged businesses and the effects of discrimination on opportunities for DBE’s in Berks and Lancaster Counties and to discuss approaches and opportunities for DBEs and small businesses to participate in SCTA contracts. An email notice was sent on the dates noted. In addition to this initial contact, each agency contact received a draft of the DBE Goal Calculation documentation for their review and comment. The DBE Goal Calculation documentation was also mailed to four (4) additional agencies listed on Attachment A.

No comments have been received in response to the 7/30/2024 distribution of the draft DBE Goal Calculation documentation. If SCTA receives comments we will review and determine if the DBE Goal needs to be reviewed before a Final draft is submitted.

According to John Stetler, the focus of the Small Business Development Center (SBDC) is providing resources and educational training sessions to help develop small business, including DBE firms through the Neighborhood Assistance Program. SBDC helps a small business develop a business plan and through an intake process identify the needs a business is facing. For connecting with DBE firms and small businesses,

PTAC assists DBE firms through the PAUCP certification process. A suggestion was offered that a link be provided to the PAUCP website on the SCTA website to encourage certification by interested DBE firms and to provide access for firms seeking information on available PAUCP DBE certified firms.

The Women's Business Enterprise Center—East's (WBEC) main focus is providing entrepreneurial training for women-owned businesses at start-up, for sustainability and at sunset. The training is done through workshops (pre-COVID) and webinars. WBEC-East is also one of 14 WBE certifying agencies nationwide. The certification database includes 1600 WBE firms. However, this list is only shared with Council members.

WBEC—East staff provided the number of WBE firms they currently have listed in each of the NAICS Code areas listed on page 3 in Pennsylvania, Delaware and South New Jersey. While there are a number of WBE's in each of the NAICS Code categories, no adjustment was made in the information in the DBE goal calculation documentation since many of these firms are not PAUCP-certified and PAUCP-certified WBE firms were identified as part of Step 1, "Identifying the Base Figure".

Lancaster ASSETS is an independent non-profit that supports the start-up and growth of WBE and MBE firms through providing training, providing access to lending opportunities and consulting. ASSETS maintains a Diverse & Inclusive Business Directory, especially highlighting local businesses owned by people of color and women. The firms on the list are not vetted, certified or aware of the public bidding process. SCTA would need to identify its expense categories in order to connect with firms on the list to discuss procurement opportunities.

The representative from the Greater Reading Chamber Alliance noted there is currently no listing of DBE firms in Berks County. Matchmaking opportunities are being explored in the future. If such an event is planned, SCTA will be contacted.

SCTA published its proposed 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 Proof of Publication is provided in Attachment C. The notice identified the thirty (30) day period for submitting comments and provided a mailing address and an email address for where the comments were to be submitted.

This document was uploaded to the SCTA website on July 31, 2024 with a notice that comments or questions may be submitted to [info@sctapa.com](mailto:info@sctapa.com).

For consultative purposes, the draft DBE Goal calculation documentation will be presented to the SCTA Board at its meeting on September 18, 2024. This meeting will be advertised and the agenda for the meeting will be posted on SCTA's



website.

The finalized goal calculation documentation will be posted on the SCTA website once approved by the SCTA Board of Directors in September 2024.

One of SCTA's future goals is to prepare a "Doing Business with SCTA" brochure. This effort is being advanced in response to a recommendation to provide clear, concise and easy-to-understand information on the SCTA website and in a brochure explaining how to do business with SCTA. The SCTA website has been updated with a Doing Business tab. The brochure will be available for distribution at business fairs SCTA attends and through agencies or organizations who work directly with DBE firms and small businesses. Work will be initiated on the brochure when limited resources are available.

#### **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 available through the Pennsylvania Department of General Services (DGS). DGS verifies self-certified small businesses as Small Diverse Businesses when they hold certifications from one of seven (7) third party certification entities, including PAUCP. As a result, there may be businesses on the DGS site that are listed as Small Diverse Businesses but they have not been certified by the PAUCP. As defined by DGS, small diverse businesses may include a veteran-owned business, a service-disabled veteran-owned business or a LGBTQ-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. For the period from July 1, 2021 through June 30, 2024, a total of \$49,418.45 payments have been made to this firm.

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

**ATTACHMENT A**

**AGENCIES AND ORGANIZATIONS CONSULTED OR BEING CONTACTED  
REGARDING SCTA’S DBE GOAL CALCULATION**

<b>Agency/Organization Contacted</b>	<b>Date and Method of Contact</b>	<b>Results of Contact</b>
Lancaster Chamber pbrady@lancasterchamber.com	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
City of Lancaster Procurement <a href="mailto:info@cityoflancasterpa.gov">info@cityoflancasterpa.gov</a>	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
Greater Reading Chamber Alliance <a href="mailto:info@greaterreading.org">info@greaterreading.org</a>	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
Kutztown University Small Business Development Center (SBDC) <a href="mailto:webmaster@kutztown.edu">webmaster@kutztown.edu</a>	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
Berks County Latino Chamber of Commerce <a href="mailto:info@BerksLatinoChamber.com">info@BerksLatinoChamber.com</a>	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
Spanish American Civic Association (Lancaster) <a href="mailto:info@sacapa.org">info@sacapa.org</a>	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
BASE, Inc. <a href="mailto:info@baseinc.org">info@baseinc.org</a>	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
Women’s Business Enterprise Center—East <a href="mailto:ewalsh@wbeceast.com">ewalsh@wbeceast.com</a>	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
ASSETS Lancaster 100 S Queen St. Suite 246 Lancaster, PA 17603	07/30/2024 Mailing	No response received
Procurement Technical Assistance Center (PTAC) <a href="mailto:glodek@pennwest.edu">glodek@pennwest.edu</a> Kate Glodek	7/31/24 DBE Goal Email sent with notice of 30 day comment period.	No response received
Service Corps of Retired Executives (SCORE)(Lancaster)	07/30/2024 Mailing	No response received
PA Department of Community and Economic Development Small Business Champions Office	07/30/2024 Mailing	No response received
Associated Builders and Contractors, Inc.—Keystone Chapter	07/30/2024 Mailing	No response received
Service Corps of Retired Executives (SCORE)(Berks)	07/30/2024 Mailing	No response received



**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 proposed FFY 2025, 2026 and 2027 DBE Goal of 2.7% 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 2025, 2026 and 2027 DBE Goal of 2.7% are available for public inspection at the offices of SCTA at 45 Erick Road, Lancaster, PA 17601 or at 1700 North 11<sup>th</sup> Street, Reading, PA 19604 during normal business hours Monday through Friday, 8:00AM to 5:00PM or on the SCTA website at <http://www.sctapa.com/what0were-about/procurement/program-dbe>. SCTA will accept comments on the DBE goal for 30 days from the date this notice is published. Comments may be addressed to: SCTA, Attention: Keith Boatman, 45 Erick Road, Lancaster, PA or emailed to [info@sctapa.com](mailto:info@sctapa.com).

Gregory Downing  
Executive Director  
South Central Transit Authority

**ATTACHMENT C**  
**PROOF OF PUBLICATION**