

LEHIGH AND NORTHAMPTON TRANSPORTATION AUTHORITY
Disadvantage Business Enterprise Program

CALCULATION OF GOAL FFY 2017-2019

1. Base Figure

The Lehigh and Northampton Transportation Authority's FFY 2017-2019 base figure is 5.28% of estimated available Federal financial assistance applicable to DBE and with DBE contracting opportunity.

2. Summary of Method Used to Calculate the Base Figure

As a first step in the process, LANTA's Capital Grants Management Team reviewed the projects on the metropolitan area's TIP for FFY 2017 through 2019. The team identified the projects to which DBE requirements apply and also have the potential for DBE participation were identified. This list is provided in the table below. The total amount of federal funding to be used to complete these projects totaled \$1,187,420 in FFY 2017; \$1,055,420 in FFY 2018; and \$615,420 in FFY 2019.

TIP Project #	Project Title	FFY 2017		FFY 2018		FFY 2019	
		Fed.	Federal	Fed.	Federal	Fed.	Federal
95017	Planning/Programming Dev.	5307	380,000	5307	380,000	5307	380,000
106527	LANta Fare Collection System	5307	360,000	5307	360,000		-
106528	Allentown Garage - Service Lane Building		-		80,000		-
83561	Easton Garage Renovations		212,000				-
95178	ITS and Security Project	5307	75,420	5307	75,420	5307	75,420
95183	Sign, Shelters and Enhancements	5307	160,000	5307	160,000	5307	160,000
Total Fed Funding - DBE Potential Projects			1,187,420		1,055,420		615,420

Second, the NAICS codes for the types of firms that could perform the work necessary for the identified projects were determined using the NAICS directory <https://www.naics.com/six-digit-naics/>. These codes include:

Relevant NAICS Codes for Identified Projects

NAICS	Description
236220	Commercial and institutional building construction
238160	Roofing contractors
323111	Commercial printing (except screen and books)
541310	Architectural services
541330	Engineering services
541430	Graphic design services
541512	Computer systems design services
541613	Marketing consulting services
541910	Marketing research and public opinion polling

NAICS Codes by Identified Project

TIP Project #	Project Title	NAICS Codes			
		541430	541910	541613	323111
95017	Planning/Programming Dev.	541430	541910	541613	323111
106527	LANta Fare Collection System	541512			
106528	Allentown Garage - Service Lane Building	541330	541310	236220	
83561	Easton Garage Renovations	238160			
95178	ITS and Security Project	541512			
95183	Sign, Shelters and Enhancements	541512			

The number of firms and eligible Lehigh Valley DBE businesses within the NAICS codes, were then derived from the Commonwealth of Pennsylvania DBE directory (PA Unified Certification Program <https://www.paucp.com/>) and LANTA's vendor database <http://www.lantabus.com/vendor-registration-form/>). The results are shown in the table below.

Eligible Firms and DBE's in Relevant NAICS Codes

NAICS	Description	All Firms			DBE Firms			
		LC	NC	Total All	PA UCP		LANTA Vendor Database	Total DBE
					LC	NC		
236220	Commercial and institutional building construction	34	35	69	1	1	1	3
238160	Roofing contractors	21	22	43	0	0	1	1
323111	Commercial printing (except screen and books)	23	11	34	0	0	3	3
541310	Architectural services	16	14	30	0	0	1	1
541330	Engineering services	71	48	119	0	0	0	0
541430	Graphic design services	7	12	19	0	0	2	2
541512	Computer systems design services	28	27	55	1	0	2	3
541613	Marketing consulting services	29	13	42	0	0	0	0
541910	Marketing research and public opinion polling	3	3	6	0	0	1	1
	Total	232	185	417	2	1	11	14

LC = Lehigh County, NC = Northampton County

These NAICS codes and projects were then organized into three categories for weighting purposes, and the number of firms and DBE firms for each category were identified:

TIP Projects by Project Category

TIP Project #	Project Title	Project Category
95017	Planning/Programming Dev.	Public Information Related
106527	LANta Fare Collection System	Technology Related
106528	Allentown Garage - Service Lane Building	Construction Related
83561	Easton Garage Renovations	Construction Related
95178	ITS and Security Project	Technology Related
95183	Sign, Shelters and Enhancements	Technology Related

NAICS Codes by Project Category

Project Category	NAICS Codes			
Construction Related	541330	541310	236220	238160
Technology Related	541512			
Public Info Related	541430	541910	541613	323111

All Firms and DBE Firms by Project Category

	All Firms	DBE
Construction Related	261	5
Technology Related	55	3
Public Info Related	101	6

The total amount of federal dollars per category was then calculated:

Expected Federal Expenditures by Project Category

	FFY 17	FFY 18	FFY 19	Total	%
Construction Related	212,000	80,000	-	292,000	10.2
Technology Related	595,420	595,420	235,420	1,426,260	49.9
Public Info Related	380,000	380,000	380,000	1,140,000	39.9
Total	1,187,420	1,055,420	615,420	2,858,260	

Base figure was calculated using "Method 1" from Section 26.45 of the DBE Regulations, as amended. The following formula was used:

$$10.2*(5/261) + 49.9*(3/55) + 39.9*(6/101) = 5.28\%$$

$$W1*(D1/A1) + W2*(D2/A2) + W3*(D3/A3) = \%, \text{ where,}$$

A = All available business within the NAICS codes for the Project Category, derived from the Census Bureau’s County Business Patterns database (A1 is Construction Related; A2 is Technology Related; A3 is Public Information Related).

D = the eligible Lehigh Valley DBE businesses within the NAICS codes for the Project Category, derived from the LANTA and the Commonwealth of Pennsylvania DBE directory (D1 is Construction Related; D2 is Technology Related; D3 is Public Information Related).

W = the weight (as a percentage of the total federal monies with DBE contracting potential) assigned to the Project Category (W1 is Construction Related; W2 is Technology Related; W3 is Public Information Related)

The number of available businesses in the NAICS categories most often used by LANTA were identified using the North American Industry Classification (<https://www.naics.com/>) for Lehigh and Northampton Counties. The categories represented in the equation above are Construction (1), Retail Trade (2), and Services (3). The Lehigh Valley DBE businesses in the appropriate NAICS categories were then identified from PA UCP directory. The percentage of available DBE businesses within each category was then determined and weighted based upon the estimated expenditure of Federal funds during FFY 2017-19.

The final base figure of 5.28% represents the relative availability of DBEs in the identified categories within Lehigh and Northampton Counties as recorded in the Pennsylvania Unified Certification Program and LANTA’s vendor database. Accordingly, the annual DBE expenditure goals for FFY 2017-2019 are as follows:

Annual DBE Expenditure Goals

	FFY 17	FFY 18	FFY 19	Total
Annual Identified Expenditures	1,187,420	1,055,420	615,420	2,858,260
Annual Goal	62,785	55,806	32,540	151,131

3. Actual DBE Participation

Recent history indicates that DBE participation in specific projects and activities at LANTA suggest that the goal should be attainable given the projects identified as having potential for DBE participation. This includes DBE vendors currently under contract to perform the types of activities envisioned for the identified projects.

4. Estimated Race-Neutral and Race-Conscience Participation

The determination of participation rates is reflective of the discussion set forth above. Contracts awarded on race-neutral means are expected to represent 100% of the DBE participation. If, through monitoring of awards, it appears that LANTA will fall substantially short of its goal, LANTA in consultation with FTA may introduce race-conscience solicitations.

5. Public Comment and Review

The following notice was placed in the Morning Call on August 1, 2016. In addition, this notice was sent by the Greater Lehigh Valley Chamber of Commerce to its members of its African-American, Hispanic,

and Women's Business Councils. The notice was also placed on the website of the Metropolitan Planning Organization at lvpc.org. Lastly, the notice, along with the policy was placed on LANTA's website, lantabus.com, on July 26, 2016. The public comment period ends on August 31, 2016.

PUBLIC NOTICE

DBE GOAL FOR FEDERAL FISCAL YEARS 2017-2019

The Lehigh and Northampton Transportation Authority (LANTA) hereby announces its proposed Federal Fiscal Years 2017 through 2019 goal of 5.28 percent of applicable federal funds for Disadvantaged Business Enterprise (DBE) participation. A description of the goal and how it was determined is available for review during normal business hours, for 30 calendar days following the date of this notice by contacting:

Owen P. O'Neil, Executive Director, LANTA,

1060 Lehigh Street

Allentown, PA 18103,

Phone: 610-435-6517

or through the LANTA website, lantabus.com/dbe-program/

Written comments on the goals may be submitted until August 31, 2016 to the address above or to oneil@lantabus-pa.gov.

Interested DBE firms are encouraged to register in LANTA's vendor database at

<http://www.lantabus.com/vendor-registration-form/>

By: Owen P. O'Neil

LANTA Executive Director

July 26, 2016