

LEHIGH AND NORTHAMPTON TRANSPORTATION AUTHORITY
Disadvantaged Business Enterprise Program

CALCULATION OF GOAL FFY 2020-2022

1. Base Figure

This section describes the calculation of the Lehigh and Northampton Transportation Authority’s FFY 2020-2022 base figure for the DBE participation goals prior to adjustments.

1a. Summary of Method Used to Calculate the Base Figure

As a first step in the process, LANTA’s Capital Grants Management Team & Compliance Working Group reviewed the projects on the metropolitan area’s TIP for FFY 2019 through 2022. The team identified the projects to which DBE requirements apply and also have the potential for DBE participation. This list is provided in the table below.

TIP Project #	Project Title	DBE Requirements/ Potential for Participation
95008	Purchase Van/Minibuses	No
95010	PM Maintenance	No
95015	ADA Paratransit Service Capitalization	No
95180	Service Vehicle Replacement	No
95019	Heavy Duty Bus Purchase	No
95178	ITS and Security Projects	Yes
95183	Sign, Shelters and Enhancements	Yes
106530	LANTA Enhanced Bus / BRT Project	Yes
106703	LANTA Operating Assistance	No
106704	Shared Ride Operating Assistance	No
110171	Associated Capital Maintenance Items	No
110172	Facility Improvements and Equipment	Yes

Second, LANTA’s Compliance Program Coordinator, Director of Finance & Administration—serving as LANTA’s DBE Liaison Officer—and LANTA’s Senior Director of Capital Asset Planning and Maintenance reviewed the planned projects for these line items to determine the nature of the projects, the timing of their execution, and project budgets. In addition, pending projects that are funded from by FFY19 grants, for which the projects have yet to occur were reviewed for inclusion, as the transactions would occur and costs would be incurred during FFY20. The total amount of federal funding to be used to complete these projects totaled \$354,613 in FFY 2020; \$1,412,751 in FFY 2021; and \$839,200 in FFY 2022.

TIP Project #	Project Title	FFY 2020		FFY 2021		FFY 2022	
		Fed.	Federal	Fed.	Federal	Fed.	Federal
95178	IT & Security	5307	\$96,000.00	5307	\$96,000.00	5307	\$96,000.00
95183	Sign and Shelter and Enhancements	5307	\$14,060.00	5307	\$16,000.00	5307	\$16,000.00
106530	LANTA Enhanced BRT Project			5307	\$1,040,751.00	5307	\$1,167,200.00
106530	Project Component: Rolling Stock Procurement Adjustment						-\$440,000.00
110172	Facility Improvements and Equipment	5307	\$181,600.00	5307	\$260,000.00		
	ATC Concrete		\$22,953.00				
	Lehigh Valley Mall Concrete		\$40,000.00				
Total Fed Funding - DBE Potential Projects			\$354,613.00		\$1,412,751.00		\$839,200.00

Next, 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
541310	Architectural services
541330	Engineering services
237310	Concrete paving (i.e. highway, road, street, public sidewalk)
238110	Poured Concrete Foundation and Structure Contractors
561612	Security Guards and Patrol Services
238990	All Other Specialty Trade Contractors (Sign and Shelter Installation)
339950	Sign Manufacturing

The number of firms and eligible 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 market area used for PA Unified Certification Program database differed for each project, depending on the nature of the contracted services and the project's ability to attract firms ready, willing, and able to provide services in our geographic area, regardless of their physical location. LANTA staff examined previous procurements and ongoing procurements of comparable scope and size for each industry service to determine where ready, willing, and able firms may be located for comparison to the total number of firms of that industry in the same area.

For Concrete Pouring the area was determined to be LANTA's service area of Lehigh and Northampton Counties, Pennsylvania, based on bids received from prior projects. The type of concrete work envisioned is routinely provided to LANTA by firms in Lehigh and Northampton Counties. Whereas, for Engineering and Security, a larger radius of ready, willing, and able firms was envisioned, due to the proposals previously received by LANTA in response to RFP's for this service. When calculating the relative availability of DBE firms for Engineering and Security, staff included the following Pennsylvania Counties: Berks, Bucks, Chester, Carbon, Lancaster, Lackawanna, Lebanon, Lehigh, Luzerne, Monroe, Montgomery, Northampton, and Schuylkill, as well as the following New Jersey Counties: Hunterdon, Mercer, Somerset, and Warren.

Eligible Firms and DBE's in Relevant NAICS Codes

NAICS	Description	All Firms	DBE Firms – PA UCP	Relative Availability of DBE's
541310	Architectural services	205	5	0.0244
541330	Engineering services	862	38	0.0441
237310	Concrete Paving	18	5	0.2778
238110	Poured Concrete	46	5	0.1087
561612	Security Guards and Patrol	112	3	0.0268
	Total	1243	56	0.0451

LC = Lehigh County, NC = Northampton County

These NAICS code(s) for each project was then identified along with the number of total firms and DBEs.

Project	Project Title	NAICS Codes	All Firms	DBE Firms	Relative Availability of DBE's
95178	Security Projects	561612	112	3	0.0268
95183	Sign, Shelters and Enhancements	2381100	46	5	0.1087
106530	LANTA Enhanced BRT Project	541330, 541310	1067	43	0.0403
110172	Facility Improvements and Equipment	541330, 541310	1067	43	0.0403
	ATC Concrete	237310	18	5	0.2778
	Lehigh Valley Mall Concrete	237310	18	5	0.2778

Next, the percentage of federal funds to be expended for each project were identified:

Project	Project Title	FFY 20	FFY 21	FFY 22	Total	% Total
95178	IT & Security	\$96,000.00	\$96,000.00	\$96,000.00	\$288,000.00	11.05%
95183	Sign and Shelter and Enhancements	\$14,060.00	\$16,000.00	\$16,000.00	\$46,060.00	1.77%
106530	LANTA Enhanced BRT Project		\$1,040,751.00	\$727,200.00	\$1,767,951.00	67.83%
110172	Facility Improvements and Equipment	\$181,600.00			\$441,600.00	16.94%
	ATC Concrete	\$22,953.00			\$22,953.00	0.88%
	Lehigh Valley Mall Concrete	\$40,000.00			\$40,000.00	1.53%
Total		\$354,613.00	\$1,412,751.00	\$839,200.00	\$2,606,564.00	100.00%

Base figure was calculated using "Method 1" from Section 26.45 of the DBE Regulations, as amended. The table below shows the calculation:

Project	Project Title	All Firms	DBE Firms	Relative Availability of DBE's	Weight (% of Total DOT Funds)	Calc.
95178	IT & Security	112	3	0.0268	11.05%	0.0030
95183	Sign and Shelter and Enhancements	46	5	0.1087	1.77%	0.0019
106530	LANTA Enhanced BRT Project	1067	43	0.0403	67.83%	0.0024
110172	Facility Improvements and Equipment	1067	43	0.0403	16.94%	0.0043
	ATC Concrete	18	5	0.2778	0.88%	0.0068
	Lehigh Valley Mall Concrete	18	5	0.2778	1.53%	0.0273
Total						0.0458
Total Expressed as a Percent						4.58%

1b. Subrecipient Opportunities

LANTA does not have any subrecipients of federal grant funds.

2. Adjustments to Base Figure

2a. Past DBE Participation

The contracting opportunities in the upcoming triennial period are similar in scope and project size to contracting opportunities in the previous triennial period. In addition, the DBE participation rate for the three federal fiscal years in LANTA's previous triennial review period was reviewed and the median value was identified as 1.44%. However, LANTA's DBE Participation, during the prior period significantly underperformed our goal. Thus, this will not be used to adjust our goal.

FFY	DBE%
2019 (half)	2.88%
2018	1.27%
2017	0.00%

The median figure of the three fiscal years in the previous triennial review period is 1.44%. This falls significantly below the calculated base figure of 5.27% and adjusted goal of 5.5% for the period. Due to LANTA's prior poor performance and increasing progress, the prior data will not be used to adjust our upcoming goal. LANTA has increased our DBE Outreach efforts and has seen progress in our participation. LANTA's DBE Participation has improved in part due to LANTA's attendance at every Greater Lehigh Valley Chamber of Commerce DBE event, our implementation of a Small Business Program, and our adoption of PennBid for electronic document and bid management for all procurement. Considering LANTA's recent progress staff believe that the calculated base goal should not be lowered to adjust for Past DBE Participation.

2b. Other Adjustment Factors

LANTA has elected to not make adjustments to the figure based on the following observations:

- LANTA could not identify any disparity studies designed to investigate the existence of discrimination in contracting conducted in its market area;
- LANTA could find no information supporting a conclusion that there are statistical disparities in the ability of DBE's to get financing, bonding, and insurance. LANTA's Solicitor conducted a search of any lawsuits with the Pennsylvania Attorney General's office regarding discrimination in public contracting in LANTA's market area, or lawsuits regarding discrimination in granting access to credit, bonding or insurance to women or minority owned businesses in LANTA's region. No such litigation was found;
- LANTA reviewed a report completed by the Community Action Council of the Lehigh Valley (CACLV) entitled *Justice for All – Challenging Wealth Disparity in the Lehigh Valley*. The report cites barriers to homeownership for minority residents in Lehigh and Northampton Counties but does not identify barriers for minority owned businesses. LANTA consulted the authoring organization of the report to determine if any information has been collected regarding barriers to financing, bonding, and insurance for minority owned businesses in the region. No such report has been assembled and no statistics are available; and
- LANTA was not able to identify any other data that could help estimate the percentage of work that DBEs would be likely to obtain in the absence of discrimination.

2c. Annual DBE Expenditure Goals

Accordingly, the annual DBE expenditure goals for FFY 2020-2022 are as follows using the goal figure of 4.58%:

Annual DBE Expenditure Goals

	FFY 20	FFY 21	FFY 22	Total
Annual Identified Expenditures	354,613	1,412,751	839,200	2,606,564
Annual DBE Goal	16,241	64,704	38,435	119,380

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.

3. 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.

4. Public Comment and Review

The public notice shown in Appendix A was placed in the Morning Call on Friday June 28, 2019. In addition, this notice was sent via email by the Greater Lehigh Valley Chamber of Commerce to its members of its African-American, Hispanic, and Women's Business Councils. This email notification was sent to over 2,700 businesses in the area. The notice was also sent to the Greater Reading Chamber of Commerce, due to the likelihood of business participation from Berks County. 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 June 27, 2019. For consultative purposes, the draft DBE goals methodology was presented to LANTA's Board of Directors on June 18, 2019. The public comment period will be available from June 28, 2019 until July 29th, 2019.

Appendix A

PUBLIC NOTICE DBE GOAL FOR FEDERAL FISCAL YEARS 2020-2022

The Lehigh and Northampton Transportation Authority (LANTA) hereby announces its proposed Federal Fiscal Years 2020 through 2022 goal of four and six-tenths percent (4.6%) percent 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 Randy Lease, Director of Finance & Administration, LANTA, 1060 Lehigh Street, Allentown, PA 18103, 610-435-5693 and through the LANTA website, <https://www.lantabus.com/dbe-program/>.

Written comments on the goals may be submitted until July 29, 2019.

Interested DBE firms are encouraged to register in LANTA's vendor database at <http://www.lantabus.com/vendor-registration-form/>

By: Randy Lease
Director of Finance & Administration
June 28, 2019