

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY



**Federal Transit Administration (FTA)
Triennial DBE Goal-Setting Methodology
for
FFY 2021 – FFY 2023
(October 1, 2021 – September 30, 2023)**

Submitted in accordance with:

*Title 49 Code of Federal Regulations Part 26
(49 CFR Part 26)*



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I. INTRODUCTION

Pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs”, the Southeastern Pennsylvania Transportation Authority (SEPTA) sets forth its Triennial Disadvantaged Business Enterprise (DBE) Goal and corresponding goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2021-2023 (October 1, 2020 through September 30, 2023). The purpose of the DBE goal setting process is to ensure nondiscrimination in the award and administration of U.S. Department of Transportation (DOT)-assisted contracts, to create a level playing field on which DBEs can compete fairly for those contracts, and to ensure the DBE Program is narrowly tailored in accordance with applicable law.

II. BACKGROUND

SEPTA is a recipient of U.S. DOT Federal Transit Administration (FTA) funding in excess of \$250,000. As a condition of receiving this financial assistance, SEPTA has assured that it will comply with the FTA’s DBE requirements. Therefore, in accordance with 49 CFR § 26.45(a)(1), SEPTA is required to develop and submit a Triennial Overall DBE goal for its DOT-assisted projects.

III. DOT-ASSISTED CONTRACTING PROGRAM FOR FFY 2021-2023

Table 1 represents SEPTA’s DOT-assisted contracting program, which consists of projects considered in preparing this goal methodology. These projects are anticipated to be awarded during the triennial period.

		Project Name/Description	Estimated Project Cost
CONSTRUCTION SERVICES	C1	Conshohocken Parking	\$ 20,000,000
	C2	Tasker-Morris ADA	\$ 6,158,600
	C3	Erie Station - ADA	\$ 8,252,600
	C4	Jefferson Ventilation	\$ 3,402,000
	C5	Wayne Car Shop	\$ 19,750,000
	C6	Midvale Roof	\$ 18,145,200
	C7	Courtland Roof	\$ 5,980,800
	C8	Frazer Shop Ph 3	\$ 47,160,000
	C9	Wissahickon Center	\$ 5,697,400
	C10	69th St. Roofs	\$ 2,528,400
	C11	Lawndale Station	\$ 8,587,600
	C12	Stone Arch Bridges Ph 2	\$ 4,276,600
	C13	69th Street Garage	\$ 28,131,000
	C14	City Hall Underpin	\$ 40,570,000
	C15	Melrose Cut	\$ 3,028,000
	C16	Jenkintown Flood Mitigation	\$ 10,774,000
	C17	Woodbourne Substation	\$ 18,604,000
	C18	Market/Ellen/Ranstead Substations	\$ 14,940,000
	C19	Park/Broad/Louden/Castor Substations	\$ 16,261,000
	C20	Wayne Junction SFC's #1 - #4	\$ 16,800,000
	C21	30th St. West Catenary	\$ 58,426,000
SUB-TOTAL			\$ 357,473,200
		Project Name/Description	Estimated Project Cost
PROFESSIONAL SERVICES	P1	General Engineering Consultant Construction Management & Inspection (GEC CM) Services	\$ 32,000,000
	P2	General Engineering Consultant Land Surveyor & Mapping (GEC LSM) Services	\$ 1,000,000
	P3	Value Engineering Consultant (VEC) Services	\$ 1,600,000
	P4	Communications & Signals Engineering Consultant (CSEC) Services	\$ 10,000,000
	P5	General Engineering Consultant (GEC) Services	\$ 64,000,000
SUB-TOTAL			\$ 108,600,000
TOTAL			\$ 466,073,200

Table 1

Tables 2a and 2b represent the breakdown of subcontractable elements for each anticipated DOT-assisted contract. The elements are identified by the North American Industry Classification System (NAICS) code associated with that discipline of work. Table 2a represents all construction contracts and Table 2b represents the professional service contracts as well as the estimated federal dollars per NAICS code.

NAICS Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	
236220																						
237310																						
237990	\$ 1,504,000	\$ 764,400	\$ 1,024,300		\$ 1,600,000	\$ 957,600	\$ 328,800	\$ 3,600,000	\$ 399,100	\$ 480,100	\$ 1,406,300	\$ 427,800	\$ 2,116,000	\$ 4,060,000	\$ 606,000	\$ 5,387,000	\$ 301,000	\$ 236,000	\$ 230,000	\$ 513,000	\$ 5,443,000	
238110	\$ 5,934,000	\$ 163,800	\$ 219,500		\$ 1,400,000			\$ 3,360,000	\$ 57,000		\$ 3,851,300	\$ 256,700	\$ 8,345,000	\$ 8,120,000			\$ 104,000	\$ 82,000	\$ 80,000	\$ 31,000	\$ 15,672,000	
238120	\$ 1,793,000	\$ 327,600	\$ 439,000		\$ 1,600,000	\$ 104,400	\$ 36,000	\$ 3,840,000	\$ 456,100	\$ 88,400	\$ 120,000	\$ 1,752,600	\$ 2,522,000	\$ 17,735,000		\$ 3,232,000	\$ 200,000	\$ 157,000	\$ 153,000	\$ 96,000	\$ 12,243,000	
238130						\$ 25,000	\$ 8,400			\$ 63,200							\$ 8,000	\$ 6,000	\$ 6,000	\$ 12,000		
238140	\$ 62,000	\$ 109,200	\$ 146,300		\$ 1,800,000	\$ 151,200	\$ 52,800	\$ 4,320,000	\$ 114,000	\$ 22,200		\$ 427,800	\$ 87,000	\$ 2,750,000			\$ 671,000	\$ 526,000	\$ 512,000	\$ 65,000		
238150	\$ 920,000	\$ 163,800	\$ 219,500		\$ 800,000			\$ 1,920,000					\$ 1,294,000	\$ 550,000			\$ 43,000	\$ 34,000	\$ 33,000	\$ 6,000		
238160	\$ 109,000	\$ 218,400	\$ 292,700		\$ 1,400,000	\$ 11,309,000	\$ 3,666,000	\$ 3,360,000		\$ 429,600			\$ 154,000				\$ 70,000	\$ 55,000	\$ 53,000	\$ 22,000		
238210	\$ 2,129,000	\$ 434,900	\$ 589,400		\$ 4,950,000	\$ 630,000	\$ 210,000	\$ 4,800,000	\$ 285,100	\$ 126,400			\$ 2,995,000				\$ 15,158,000	\$ 12,238,000	\$ 13,629,000	\$ 15,278,000	\$ 4,009,000	
238220	\$ 1,415,000	\$ 273,000	\$ 365,800	\$ 3,402,000	\$ 2,000,000	\$ 2,700,000	\$ 900,000	\$ 11,880,000	\$ 285,100	\$ 985,500			\$ 1,990,000				\$ 130,000	\$ 102,000	\$ 100,000	\$ 160,000		
238290						\$ 25,200	\$ 8,400			\$ 3,500												
238320	\$ 285,000	\$ 436,800	\$ 585,300		\$ 200,000	\$ 7,200	\$ 2,400	\$ 480,000	\$ 57,000	\$ 1,000		\$ 427,800	\$ 401,000	\$ 1,015,000			\$ 289,000	\$ 226,000	\$ 220,000	\$ 11,000		
238910	\$ 3,174,000	\$ 873,600	\$ 1,170,600		\$ 3,400,000	\$ 2,235,600	\$ 768,000	\$ 8,160,000	\$ 3,930,000	\$ 328,500	\$ 3,210,000		\$ 855,600	\$ 4,464,000	\$ 6,090,000	\$ 2,422,000	\$ 2,155,000	\$ 221,000	\$ 173,000	\$ 169,000	\$ 604,000	
238990	\$ 2,675,000	\$ 2,375,800	\$ 3,183,600		\$ 600,000			\$ 1,440,000	\$ 114,000				\$ 3,763,000				\$ 1,286,000	\$ 1,008,000	\$ 982,000	\$ 2,000		
238350		\$ 27,300	\$ 36,600																			
238390														\$ 250,000			\$ 123,000	\$ 97,000	\$ 94,000			
522320																						
541191																						
541310																						
541320																						
541330																						
541360																						
541370																						
541380																						
541410																						
541512																						
541611																						
541614																						
541618																						
541620																						
541690																						
561990																						
TOTALS	\$20,000,000	\$ 6,158,600	\$ 8,252,600	\$ 3,402,000	\$19,750,000	\$18,145,200	\$ 5,980,800	\$47,160,000	\$ 5,697,400	\$ 2,528,400	\$ 8,587,600	\$ 4,276,600	\$28,131,000	\$40,570,000	\$ 3,028,000	\$10,774,000	\$18,604,000	\$14,940,000	\$16,261,000	\$16,800,000	\$58,426,000	

Table 2a

NAICS Code	P1	P2	P3	P4	P5	Total per NAICS Code	Estimated Federal \$
236220	\$ 8,000,000					\$ 8,000,000	\$ 6,400,000
237310	\$ 2,000,000					\$ 2,000,000	\$ 1,600,000
237990	\$ 14,000,000					\$ 45,384,400	\$ 36,307,520
238110						\$ 47,676,300	\$ 38,141,040
238120						\$ 46,895,100	\$ 37,516,080
238130						\$ 128,600	\$ 102,880
238140						\$ 11,816,500	\$ 9,453,200
238150						\$ 5,983,300	\$ 4,786,640
238160						\$ 21,267,000	\$ 17,013,600
238210						\$ 77,431,800	\$ 61,945,440
238220						\$ 26,688,400	\$ 21,350,720
238290						\$ 37,100	\$ 29,680
238320						\$ 4,644,500	\$ 3,715,600
238910						\$ 65,462,900	\$ 52,370,320
238990						\$ 17,429,400	\$ 13,943,520
238350						\$ 63,900	\$ 51,120
238390						\$ 564,000	\$ 451,200
522320			\$ 160,000			\$ 160,000	\$ 128,000
541191	\$ 40,000					\$ 40,000	\$ 32,000
541310			\$ 160,000		\$ 20,480,000	\$ 20,640,000	\$ 16,512,000
541320					\$ 2,560,000	\$ 2,560,000	\$ 2,048,000
541330	\$ 8,000,000	\$ 40,000	\$ 320,000	\$ 2,500,000	\$ 25,600,000	\$ 36,460,000	\$ 29,168,000
541360	\$ 40,000					\$ 40,000	\$ 32,000
541370	\$ 840,000				\$ 4,480,000	\$ 5,320,000	\$ 4,256,000
541380			\$ 160,000		\$ 2,560,000	\$ 2,720,000	\$ 2,176,000
541410			\$ 160,000			\$ 160,000	\$ 128,000
541512			\$ 160,000			\$ 160,000	\$ 128,000
541611				\$ 2,500,000		\$ 2,500,000	\$ 2,000,000
541614				\$ 1,920,000		\$ 1,920,000	\$ 1,536,000
541618			\$ 160,000	\$ 2,500,000		\$ 2,660,000	\$ 2,128,000
541620			\$ 160,000	\$ 1,920,000		\$ 2,080,000	\$ 1,664,000
541690			\$ 160,000	\$ 2,500,000	\$ 4,480,000	\$ 7,140,000	\$ 5,712,000
561990	\$ 40,000					\$ 40,000	\$ 32,000
TOTALS	\$32,000,000	\$ 1,000,000	\$ 1,600,000	\$10,000,000	\$64,000,000	\$ 466,073,200	\$ 372,858,560

Table 2b

IV. GOAL METHODOLOGY

Step 1: Determination of Base Figure (Relative Availability of DBEs) (§ 26.45(c))

To establish a base figure of the relative availability of DBEs to all comparable firms (DBEs and OBEs) available to participate on SEPTA’s DOT-assisted contracting opportunities, SEPTA utilized its in-house tracking system, a comprehensive database of DBEs and OBEs that captures information on all bidders, both successful and unsuccessful. This base figure expresses the availability of DBEs as a percentage of all firms for each NAICS code for which there will be contracting and subcontracting opportunities.

As reflected in Table 3, the relative availability of DBEs to all firms per NAICS code is factored against the anticipated total Federal dollars by NAICS code, thereby providing a weighted participation per NAICS code.

Detailed Calculation of Base Figure (Relative Availability of DBEs)

NAICS Code/Description		Total Estimated Federal Dollars	Number of Firms		DBE Availability	DBE \$
			DBE	Total		
236220	Commercial and Institutional Building Construction	6,400,000	46	262	17.56%	1,123,664
237310	Highway, Street, and Bridge Construction	1,600,000	37	162	22.84%	365,432
237990	Other Heavy and Civil Engineering Construction	36,307,477	7	181	3.87%	1,404,157
238910	Site Preparation Contractors	52,370,347	21	163	12.88%	6,747,100
238120	Structural Steel and Precast Concrete Contractors	37,516,087	16	60	26.67%	10,004,290
238110	Poured Concrete Foundation and Structure Contractors	38,140,986	4	31	12.90%	4,921,418
238140	Masonry Contractors	9,453,219	6	54	11.11%	1,050,358
238150	Glass and Glazing Contractors	4,786,634	2	26	7.69%	368,203
238160	Roofing Contractors	17,013,589	5	84	5.95%	1,012,714
238320	Painting and Wall Covering Contractors	3,715,616	16	56	28.57%	1,061,605
238990	All Other Specialty Trade Contractors	13,943,498	14	189	7.41%	1,032,852
238350	Finish Carpentry Contractors	51,106	8	56	14.29%	7,301
238390	Other Building Finishing Contractors	451,200	4	28	14.29%	64,457
238130	Framing Contractors	103,020	3	18	16.67%	17,170
238290	Other Building Equipment Contractors	29,702	2	67	2.99%	887
238220	Plumbing, Heating, and Air-Conditioning Contractors	21,350,720	8	169	4.73%	1,010,685
238210	Electrical Contractors and Other Wiring Installation Contractors	61,945,333	26	278	9.35%	5,793,448
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	128,000	0	3	0.00%	0
541191	Title Abstract and Settlement Offices	32,000	1	8	12.50%	4,000
541310	Architectural Services	16,512,000	28	189	14.81%	2,446,222
541320	Landscape Architectural Services	2,048,000	11	54	20.37%	417,185
541330	Engineering Services	29,168,000	103	481	21.41%	6,245,954
541360	Geophysical Surveying and Mapping Services	32,000	3	6	50.00%	16,000
541370	Surveying and Mapping (except Geophysical) Services	4,256,000	5	48	10.42%	443,333
541380	Testing Laboratories and Services	2,176,000	8	76	10.53%	229,053
541410	Interior Design Services	128,000	4	57	7.02%	8,982
541512	Computer Systems Design Services	128,000	41	246	16.67%	21,333
541611	Administrative Management and General Management Consulting Services	2,000,000	68	316	21.52%	430,380
541614	Process, Physical Distribution, and Logistics Consulting Services	1,536,000	11	43	25.58%	392,930
541618	Other Management Consulting Services	2,128,000	9	228	3.95%	84,000
541620	Environmental Consulting Services	1,664,000	35	88	39.77%	661,818
541690	Other Scientific and Technical Consulting Services	5,712,000	16	110	14.55%	830,836
561990	All Other Support Services	32,000	12	80	15.00%	4,800
Totals		\$ 372,858,534	580	3917		\$ 48,222,566

Table 3

As indicated below, the base figure is derived by dividing the total anticipated DBE participation dollars by the total DOT-assisted contracting dollars.

Base Goal	Total DBE Dollars:	\$ 48,222,566	12.93%
	Total DOT-Assisted Contracting Dollars:	\$ 372,858,534	

Step 2: Adjusting the Base Figure (§ 26.45(d))

Subsequent to establishing the base figure, SEPTA examined available evidence to determine what adjustment, if any, would be required to ensure a narrowly-tailored goal. Since future contracting opportunities are similar to past years, SEPTA analyzed past participation to determine the feasibility of an adjustment to the base figure. Table 4 reflects DBE achievement on closed contracts for the previous four fiscal years.

Federal Fiscal Year	Established DBE Goal	Total Contract Dollars Paid	Total DBE Dollars Paid	DBE Achievement
2016	14.0%	\$ 31,680,995	\$ 4,250,843	13.4%
2017	14.0%	\$ 28,209,291	\$ 4,215,609	14.9%
2018	15.0%	\$ 23,597,662	\$ 2,952,369	12.5%
2019	15.0%	\$ 24,772,487	\$ 5,729,991	23.1%

Table 4

The historical median for past participation is 14.2%. When applying the federally-prescribed formula (i.e., the average of the median past participation and the step one base figure), the resultant adjusted figure is within one percentage point of the step one base figure, see Table 5. Therefore, SEPTA has determined that an adjustment to the base figure is not warranted.

Median of Past Participation	Step One Base Figure	Divided by	Adjusted Goal
14.2%	12.9%		13.6%
27.1%		2	

Table 5

In previous years, SEPTA has applied the practice of rounding their calculated overall goal either up or down (within 0.5%). Accordingly, the final proposed overall DBE Goal for FFY 2021-2023 for SEPTA’s DOT-assisted contracts is 13%.

**V. RACE/GENDER-NEUTRAL AND RACE/GENDER-CONSCIOUS DIVISION OF GOAL
(\$ 26.45(f)(3))**

To calculate the race/gender-neutral and race/gender-conscious split of the overall goal, SEPTA analyzed its race/gender-neutral achievement over the past seven years (Table 6). FTA program guidance recommends calculating the median of past race/gender-neutral participation, which is 1.43%. We also calculated the average and weighted average of race/gender-neutral participation for that same period which equate to 4.45% and 1.83%, respectively.

SEPTA is committed to increasing its race/gender-neutral participation; therefore, we are recommending maintaining 6% as the race/gender-neutral portion of its FFY 2021-2023 DBE goal.

Fiscal Year	Total Contract Dollars Awarded	DBE Dollars Awarded				Weighted Average Calculation		
		Total	Race-Conscious	Race-Neutral	Race-Neutral %	% of Total RN Dollars	Weight Factor	Weighted %
2013	\$ 15,518,253	\$ 4,886,605	\$ 1,615,782	\$ 3,270,823	21.08%	53.21%	0.53	11.21%
2014	\$ 11,347,841	\$ 1,616,554	\$ 1,522,193	\$ 94,361	0.83%	1.53%	0.02	0.01%
2015	\$ 62,593,505	\$ 11,610,469	\$ 9,967,666	\$ 1,642,803	2.62%	26.72%	0.27	0.70%
2016	\$ 12,006,544	\$ 2,156,101	\$ 2,156,101	\$ -	0.00%	0.00%	0.00	0.00%
2017	\$ 7,513,195	\$ 1,079,101	\$ 1,079,101	\$ -	0.00%	0.00%	0.00	0.00%
2018	\$ 8,233,738	\$ 1,290,611	\$ 1,173,252	\$ 117,448	1.43%	1.91%	0.02	0.03%
2019	\$ 19,595,489	\$ 3,348,688	\$ 2,326,783	\$ 1,021,905	5.22%	16.62%	0.17	0.87%
	\$ 136,808,565	\$ 25,988,129	\$ 19,840,878	\$ 6,147,340		100.00%	1.00	
Average:					4.45%	Weighted Average: 1.83%		

Table 6

Finally, to ensure all dollars committed and paid to DBEs participating on federally-assisted contracts are represented, SEPTA will continue to include 40% of dollars committed/paid to DBE regular dealers/suppliers in the race/gender-neutral portions of its semi-annual reports to the FTA.

Based on the foregoing, SEPTA recommends the race/gender-neutral and race/gender-conscious split of the overall goal of 13% as 6% and 7%, respectively.

VI. RACE/GENDER-NEUTRAL METHODS (\$ 26.51(b))

SEPTA will continue its current procedures for ensuring the participation of DBEs and other small business enterprises (SBE) in all of its contracting activities. These processes consist of, but are not limited to:

- Generating monthly email notifications of all upcoming contracting opportunities – disseminated to all DBEs/SBEs in SEPTA’s directory, as well as the City of Philadelphia’s Office of Economic Opportunity’s registry of minority, women, and disabled owned businesses, and small business support groups (i.e., local Chambers of Commerce; Minority Supplier Development Council; Women’s Business Enterprise Center; The Enterprise Center; et al).
- Generating project-specific email notifications providing pre-solicitation meeting information, bid/proposal submittal deadlines, general scope overview, SEPTA contracting and DBE office personnel contact information.
- Ensuring participants at pre-solicitation meetings are informed of SEPTA’s DBE Program and its requirements.

- Ensuring circulation of the Pennsylvania Unified Certification Program (PAUCP) DBE Directory to all potential contractors by listing the PAUCP website in solicitation documents and providing a link on SEPTA's website.
- Partnering with the local U.S. DOT Bonding Education Program.
- Partnering with and participating in the annual Minority Enterprise Development Week (MEDWeek) activities in Philadelphia, PA.
- Participating in "Doing Business With" seminars hosted by other entities (e.g., City of Philadelphia; Philadelphia International Airport; Contractors Association of Eastern Pennsylvania; Various Elected Officials; Union County (NJ) Procurement Technical Assistance Center; local Chambers of Commerce; etc.).
- Providing one-on-one technical assistance to existing DBEs and other small business enterprises, and facilitating introductions to SEPTA's contracting, engineering and construction personnel.
- Ensuring standard form contracts include prompt payment clauses for subcontractors.
- Hosting outreach events to broadcast contracting opportunities as well as encouraging networking among majority contractors and small businesses.

Exhibit 1 contains a summary of the various outreach activities that have occurred over the past three fiscal years and includes samples of e-blasts disseminated and information on the typical recipient list.

To further our efforts of increasing DBE/SBE participation, SEPTA will be developing, within this fiscal triennial period, a small business set-aside program. The details of the program, along with a proposed timeline for the pilot program and official launch, will be provided via update to SEPTA's DBE Program Plan.

VII. GOAL ADVERTISEMENT (§ 26.45(g)(1)(2))

In accordance with the goal-setting regulatory requirements, SEPTA advertised the proposed DBE goal via SEPTA's website. A printout from SEPTA's website is included in Exhibit 2.

In conclusion, SEPTA will continue to analyze the DBE awards and commitments reported to the FTA on a semi-annual basis. If the DBE awards/commitments are less than the overall DBE goal, SEPTA will develop and submit a written analysis of the shortfall, as well as the corrective actions which will be implemented to remedy the shortfall. Also, if any significant changes are made to SEPTA's DOT-assisted contracting program, SEPTA will re-calculate the overall DBE goal and, if warranted, submit an adjusted overall DBE goal for FTA approval.