



City of Round Rock Disadvantaged Business Enterprise Goal

Federal Fiscal Year (FFY) 2024-2026

Grantee ID: 6631

Introduction

The City of Round Rock (City) herein sets forth its Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology. The goal setting is for the three-year Federal Fiscal Year (FFY) 2024-2026 (October 1, 2023, through September 30, 2026), pursuant to Title 49 Code of Federal Regulations (CFR) part 26 "Participation by Disadvantaged Business Enterprise in U.S. Department of Transportation Programs." The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for Department of Transportation-assisted contracts, however the program must be narrowly tailored in accordance with applicable law.

Background

The City is a direct recipient of U.S. Department of Transportation (USDOT) Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, the City signed an assurance that it will comply with FTA's DBE requirements. In accordance with Title 49 CFR Part 26 provisions: Participation by DBEs in USDOT Program, the City is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects.

The City does not have sub-recipients.

The City herein presents its Overall DBE Goal Methodology for FFY2024-2026

FTA-Assisted Contracting Program FFY2024-2026

The City of Round Rock has a population of 123,876 and is part the larger Austin urbanized area. Capital Metro operates fixed and express routes for the City, though an Interlocal Agreement. These routes are instrumental in providing connections between Round Rock and Austin. The City also contracts out the on-demand/complementary ADA Paratransit service, procured through a competitive bid process.

Both of the Prime contractors are responsible for administering and delivering the service. These include but are not limited to hiring drivers, fleet maintenance, and all other expenses related to providing passenger transportation services and thus to the extent possible can identify

subcontracting opportunities. Since the City only has two contracting opportunities, it has not been able to identify DBE firms that are willing, ready and/or able to provide the level of operational support for these services. It is not possible to unbundle or reduce the contract into smaller segments due to the uniqueness of the city's transit operations.

During FY2021/2022, the City engaged a consulting firm to conduct a transit development plan. The purpose of the plan was to recommend improvements to the City operations structure. This one-time engagement increased the DBE participation in 2021/2022.

Table 1 represents the City's FTA-assisted contracting opportunities program, which consists of projects considered in preparing this goal methodology. The following project and goal setting excludes Interlocal Agreements, entered into between two governmental entities which does not provide opportunities for DBE participation. The project includes a multi-year transportation service contract.

Table 1

Project Name & Description	Total Estimated Project Costs	Estimated FTA Dollar Share	Estimate FTA % Share
On-Demand/ADA	3,035,616	1,214,246	40%
Total	3,035,616	1,214,246	40%

Table 2 provides a summary of the category of work with estimated cost breakdown for each. Categories of work are groups utilizing comparable North America Industry Classification System (NAICS) codes for purposes of weighting the categories of work based on the estimates.

Table 2

NAICS Code	Category of Work	Estimated Budget	Federal 5307 Share of Budget	% FTA Share of Budget
485999	All other ground Transportation	\$3,035,616	\$1,214,246	40%

Goal Methodology

Step 1: Determination of a Base Figure (26.45)

The first step in establishing the DBE goal is to determine the relevant geographic market area for the analysis, and the geographic area where the majority of available DBE contractors and contracting dollars are spent. The city concluded that the majority of contracting dollars to be expended by firms specialized in these services are located in the State of Texas. Therefore, the city selected Texas as its market area and pulled the

pertinent business information from there. The City also reviewed its internal vendor list to determine where the majority of its contractors are based.

The City used the approach and prescribed federal methodology in 49 CFR 26.45(c)(1) to compare the number of available DBEs to all firms in the industry. The number of available DBE firms was derived from the Texas Unified Certification Program (TUCP) DBE Directory. The total number of firms (DBEs & Non-DBEs) within each industry was then identified from the U.S. Census Bureau County Business Patterns (CPB).

Table 3. To determine the relative availability of DBEs, the City divided the number of DBEs (Column 6) by the total firms (Column 5) to determine the relative availability of DBEs for the project (Column 7). The City then applied the relative availability (Column 7) to the dollars budgeted in each project (Column 3) and derived the actual dollar amounts for DBE achievement for each project (Column 8).

The City made a concerted effort using the following formula to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. Application of this formula yielded the following baseline information:

$$\text{Base Figure} = \frac{\text{Number of all ready and willing DBEs}}{\text{Number of ready, willing, and able Firms}}$$

Table 3

1	2	3	4	5	6	7	8	9
NAICS Code	Projects	Budgeted FTA \$ 2023-2025	% Federal \$ Budget	Total Firms	DBE Firms	DBE Ratio	DBE Dollars to Expect	DBE Goals
485999	All Other Transit	1,214,246	100%	371	3	0.8%	\$ 9,818	
	Total	1,214,246	100%	371	3	0.8%	\$ 9,818	Base 0.8%

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, the City reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the market area, in accordance with prescribed narrow tailoring provisions as set forth under 49 CFR Part 26.45, Step 2, DBE Goal Adjustment Guidelines. The decision to make an adjustment was based on the following:

- Past DBE Participation.
- Relatively small number of firms estimated to be in the market for the specialized paratransit and fixed route service.

- The smaller scale of the on-demand/ADA paratransit operations which limited the availability of larger contractors willing to participate.
- Limited number of DBE who can meet FTA requirements for transit providers.

Based on the aforementioned, the City feels that an adjustment to the base figure is warranted. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE past attainment.

Disparity Study and Other Available Evidence

The City has not commissioned a disparity study and is not aware of any other factors that would have an impact on the DBE goal setting methodology.

Past DBE Goal Attainments

Historical DBE participation attainments provided in Table 4 demonstrate evidence of DBE availability and capacity to perform on city projects for FFY2021-2023. There are no projects anticipated to be awarded during the new triennial period FFY2024 to 2026, though if there were they would be substantially similar to current operations. The table below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainment) on FTA-assisted contracts. *An adjustment was made to the following DBE attainment for the Transit Development Plan in 2021/2022, as that was a one-time project and is not budgeted in the FFY2024-2026.*

Table 4

Federal Fiscal Year (FFY)	Annual DBE Goal	FTA DBE Goal Attainment %	Race-Neutral DBE %	Race-Conscious DBE %
2020	5.00%	1.52%	1.52%	0%
2021	1.80%	1.82%	1.82%	0%
2022	1.80%	2.08%	2.08%	0%
Median DBE attainment within the last three (3)	5.00%	1.52%		

The median established for the past years is higher than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on the City's past DBE goal attainments has been made. The decision to make an adjustment was based on the following:

- The projects being proposed for FFY2024-2026 are similar to FFY2020-2023. Due to a decrease in the budget and contracting amount it has resulted in a lower level of DBE firms available for participation.

The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the median DBE Past Attainment, as shown below.

Base Figure (Table 2)	0.8%
Median DBE Attainment (Table 3)	1.52%
Adjusted Base Figure $[(A+B)/2]$	1.1%

Proposed Overall DBE Goal

The Final Proposed Overall DBE Goal FFY 2024-2026 for the FTA-assisted contracts is **1.1%**. The DBE Goal based on the federal share is a Race Neutral goal and the City will implement race neutral measures to achieve this goal, as generally described in the following section. As a part of the prescribed goal-setting methodology, the City must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race-neutral and race-conscious measurers.

Race-Conscious & Race-Neutral Projection

Utilization of race neutral measures is the preferred method of achieving DBE participation. Contract specific goals may be established in those instances when it is anticipated that exclusive use of race neutral measures may be insufficient to meet the goal. We estimate that, in meeting our overall goal of **1.1%**, we will obtain 100% from race neutral participation and 0% through race-conscious measures. The City actively seeks to solicit procurement participation from DBE firms and affirmatively ensures the same in its public notices.

The City will look to increase race-neutral participation by encouraging prime contractors to subcontract work to DBE firms. To assist the prime contractors with this the City will provide the DBE Directory from the Texas Unified Certification Program and assist with the certification process. The City will also ensure advertising for FTA assisted contracts, without a goal, is sent to minority and women’s community organizations and firms.

The ongoing initiatives described below seek to reduce discriminatory barriers, increase the playing field for participation of DBEs and other small contractors. They are also designed to assist the City in increasing race-neutral participation on FTA-funded contracts. The City will:

- Advise its contracting community of the online directory of certified DBE’s and certification process, found at the Texas Unified Certification Program website.
- Make efforts to ensure that Requests for Proposals (RFPs), Invitation for Bids (IFBs) and all corresponding contracting requirements foster participation by DBEs and other small businesses.
- Encourage prime contractors to subcontract portions of the work to DBEs.
- Make RFPs/solicitations attractive to DBEs.
- Encourage race-conscious means are to be used only when the goal cannot be met through race-neutral methods.

Fostering Small Business Participation

The City will help to foster small business participation in its contracting process through:

- On larger prime contracts require the prime contractor to consider subcontracting opportunities of a size that small businesses, including DBE's can reasonably perform,
- Identify alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or joint ventures consisting of small business, including DBEs to compete for and perform prime contracts.

To ensure the City's DBE Program will be narrowly tailored to overcome the effects of discrimination, we will adjust the estimated breakout of race-neutral and race-conscious participation, as needed, to reflect actual DBE participation.

In conclusion, the City's overall **DBE goal for FFY 2024– 2026 is 1.1%** of Federal financial assistance in DOT assisted contracts with DBE firms through race-neutral means.

Public Involvement

Public Participation

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business associations in the City market area will be consulted and provided an opportunity to review the triennial goal analysis and provide input.

The City will issue a Public Notice on the website publishing the City's Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY2024-FFY2026. The notice would inform the public that the proposed goal and rationale are available for inspection by contacting city staff for 30 days following the date of the Public Notice, and that the City would accept comments on the goal analysis for 30 days from the date of Public Notice. The City will give full consideration to all comments an input received as part of this process.

PUBLIC NOTICE

DISADVANTAGED BUSINESS ENTERPRISES Proposed Goal FFY 2024-2026

In accordance with requirements of the U.S. Department of Transportation as set forth in 49 C.F.R. Part 26, the City of Round Rock hereby notifies the public of its proposed Disadvantaged Business Enterprise (DBE) triennial overall goal of 1.1% through race-neutral methods on U.S. DOT-assisted contracts. The overall goal is for a three-year period from Federal Fiscal Years (FFY) 2024-2026 (October 1, 2023, through September 30, 2026).

The proposed DBE goal and methodology is available for review on the City's website at: roundrocktexas.gov/departments/transportation/public-transportation/

If you would like to have a physical copy mailed to you, please contact us at the phone number or email below. City of Round Rock staff is available for an in-person meeting or phone call to respond to inquiries and receive comments on the DBE goal. For those unable to provide verbal or written comments through one of the means above, written comments may be sent to City of Round Rock:

City of Round Rock
Edna Johnson, DBE Liaison Officer
3400 Sunrise Road
Round Rock, Texas 78665

Phone: 512.218.7074
Email: ejohnson@roundrocktexas.gov

The City of Round rock will consider all comments received by August 30, 2023, before submitting its goal to the Federal Transit Administration on September 15, 2023.

If you need this information in another language, please feel free to call (512) 218-7074.