



3600 South Ridge Avenue
Concord, NC 28025

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Connecting Communities and People

City of Concord

Concord Kannapolis Area Transit

Rider

FY 2016 – FY 2018 DBE Goal



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Federal Transit Administration
Office of Civil Rights
1200 New Jersey Ave SE
East Building, 5th Floor
Washington, D.C. 20590

The City of Concord, Concord/Kannapolis Area Transit, or Rider, would like to submit for approval our three year annual DBE Goal. The City is dedicated to having a successful DBE Program and has followed the program guidance carefully.

The City presents an annual goal of 2.35%. This means that the City of Concord has set a goal to expend approximately \$72,717 with DBE's each year, for three years, beginning with FY16.

This submission contains tables and narratives to support all calculations and methodology used as required in Section 26.45 Overall Goal Calculation. The following lists the supporting documentation you will find within:

- 1.) Estimated Annual FTA Assisted Contracts
- 2.) Relative Availability of DBE's using North Carolina's UCP Directory of Firm and the US Census Bureau County Business Patterns
- 3.) NAICS Code and Estimated Funds For each Potential Contract Opportunity and Weight
- 4.) Weighted Base Figure
- 5.) Past DBE Participation
- 6.) Adjustment/Goal/Means
- 7.) Public Publication

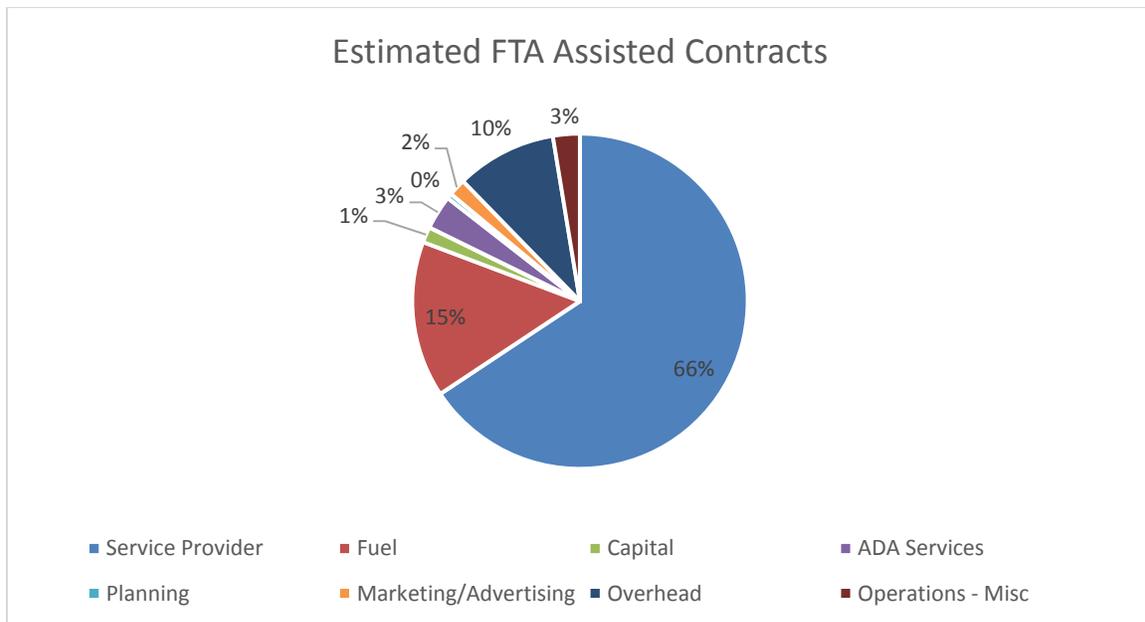
Please forward all questions and concerns regarding the proposed three year annual DBE Goal to Dana Hood, DBE Liaison, for any assistance or needed changes you may propose. Thank you for your review of our program.

Sincerely,

Dana Hood
DBE Liaison
hoodd@concordnc.gov
(704) 920-5229

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1.) Estimated Annual FTA Assisted Contracts



The City first considered all the expected costs that would be assisted with FTA federal funds. Included were any special projects and all capital purchases planned for the next three years. Unfortunately, the City of Concord does not have any special projects planned for its transit system in the next three years.

The total estimated annual amount of the CK Rider Transit budget is \$3,094,356 excluding salaries. The Service Provider contract is the largest at 66% of the budget and \$2,032,000 each year. This particular contract is currently not a DBE, however, the contract expires June 30, 2015 and a Request for Proposal is currently in the process for a new vendor. When awarded this contract will be in place for three years with two one year renewal options.

Fuel is the second largest contract with 15% of the budget and \$466,500 for each year. The availability of DBE's in this area and for this service is little to none. The vendor contracted with for FY16 is not a DBE.

The capital funds we propose to spend is \$300,000 annually and is for expanding and/or updating our bus shelters to include concrete pads and lighting. Security purchases are also planned. Again, there are few DBE's available for these services. There may be opportunities to hire DBE's in this area; however a lot of this work is done internally.

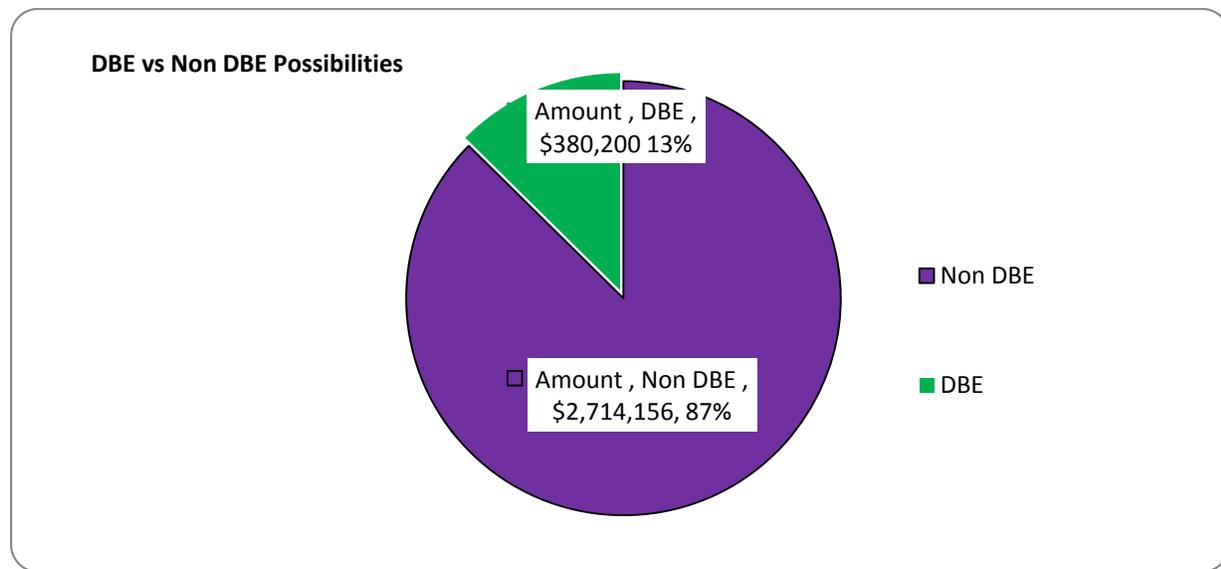


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The remaining expenses are very small in proportion to the three contracts mentioned above. These are general operating expenses such as telecommunications, office supplies, utilities, cost allocations and maintenance. Much of this work is provided internally and present very little DBE opportunities.

Our best opportunity for DBE's seems to be with our capital contracts; however, ALL contracts are included for calculation of our DBE goal.

<u>Contracts</u>	<u>Amount</u>	<u>DBE or Non DBE</u>
Service Provider	\$2,032,000.00	Non DBE
Fuel	\$466,500.00	Non DBE
Overhead	\$46,756.00	Non DBE
ADA Services	\$102,000.00	Non DBE
Operations - Misc	\$15,000.00	Non DBE
Planning	\$51,900.00	Non DBE
Capital	\$300,000.00	DBE
Marketing/Advertising	\$80,200.00	DBE
	\$3,094,356.00	





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2.) Relative Availability of DBE's using North Carolina's UCP Directory of Firm and the US Census Bureau County Business Patterns

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	234930	Industrial Non-Building Structure Construction	4	0	0.00%
2)	235710	Concrete Contractors	3	0	0.00%
3)	238110	Poured Concrete Foundation and Structure Contractors	9	27	34.00%
4)	238190	Other Foundation, Structure and Building Exterior	2	8	25.00%
5)	238390	Other Building Finishing Contractors	2	3	67.00%
6)	335129	Other Lighting Equipment Manufacturing	0	0	0.00%
7)	339950	Sign Manufacturing	2	7	29.00%
8)	541430	Graphic Design Services	1	11	9.00%
9)	541870	Advertising Material Distribution Services	1	0	0.00%
10)	541890	Other Services Related to Advertising	1	6	17.00%
11)	541613	Marketing Consulting Services	3	21	15.00%
12)	561621	Security Systems Services	1	11	9.00%
	Combined Totals		29	94	31.00%

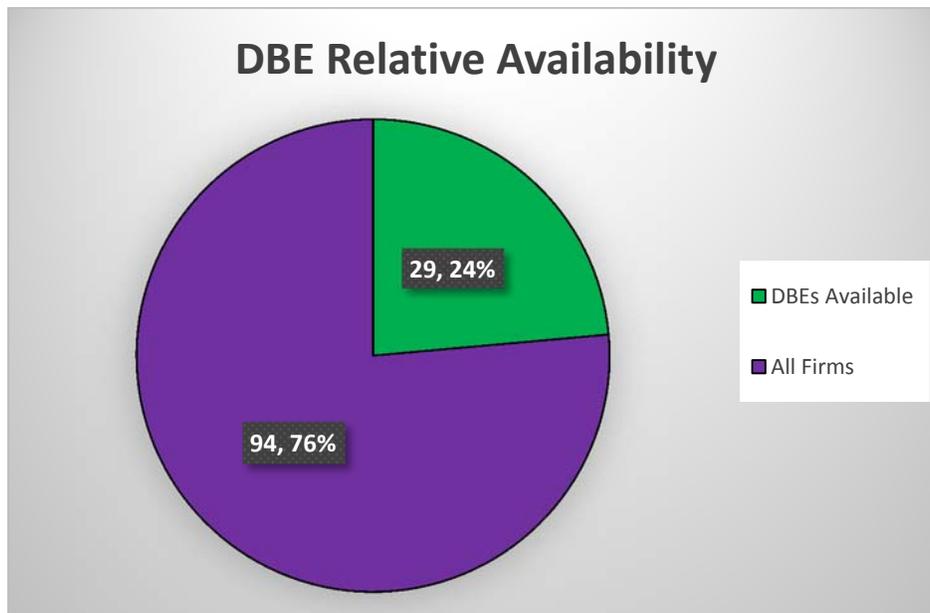
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The second step in determining our DBE goal was to determine the availability of DBE's by assigning NAICS codes to the categories of all contract opportunities. These codes were then entered into the North Carolina Directory of Firms with all surrounding counties selected for available DBE's. There were 29 available DBE firms for all the categories and surrounding areas.

Next, the same NAICS codes were entered into the US Census Bureau with the same surrounding counties selected to find a total of all available firms. As shown in the above table, there were 94 establishments available for all categories of work.

The relative availability percentage can now be calculated as shown below:

$$\text{Base Figure} = \frac{\text{Ready, willing and able DBEs} \quad 29}{\text{All firms ready, willing and able} \quad 94} = 31\%$$





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3.) NAICS Code and Estimated Funds For each Potential Contract Opportunity and Weight

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	234930	Industrial Non-Building Structure Construction	\$43,011.00	0.0139
2)	235710	Concrete Contractors	\$43,230.00	0.0140
3)	238110	Poured Concrete Foundation and Structure Contractors	\$43,011.00	0.0139
4)	238190	Other Foundation, Structure and Building Exterior	\$43,011.00	0.0139
5)	238390	Other Building Finishing Contractors	\$43,011.00	0.0139
6)	335129	Other Lighting Equipment Manufacturing	\$43,011.00	0.0139
7)	339950	Sign Manufacturing	\$43,011.00	0.0139
8)	541430	Graphic Design Services	\$11,140.00	0.0036
9)	541613	Marketing	\$11,140.00	0.0036
10)	541870	Advertising Material Distribution Services	\$11,140.00	0.0036
11)	541890	Other Services Related to Advertising	\$11,140.00	0.0036
12)	561621	Security Systems Services	\$100,000.00	0.0323
13)	*	Internal Work	\$150,000.00	0.0485
14)	*	Service Provider	\$2,032,000.00	0.6567
15)	*	Fuel	\$466,500.00	0.1508
Total FTA-Assisted Contract Funds			\$3,094,356.00	1



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The dollar amount that corresponds to each NAICS code is then calculated and divided by the total to establish a weight to determine DBE availability relative to our anticipated contracting opportunities. These weights are then multiplied by the relative availability to get our Weighted Base Figure.

Again, the two main contracts that CK Rider Transit has are its service provider and its fuel purchase contracts. Our service provider is not a DBE. Also, there are not any available DBE's showing for fuel purchases and the vendor chosen for FY16 is also not a DBE. These numbers represent the majority of our annual budget at \$3,094,356, or 88% of the annual budget.

An estimated \$150,000 is for service that is performed internally. Therefore, the amount represented by the NAICS codes and their weights total \$345,856, which is only 9.80% of the annual budgeted funds and are categorized as capital, marketing and advertising contract possibilities.

4.) Weighted Base Figure

$$\begin{aligned} \text{Weighted Base Figure} &= \text{Projects \% of Total Budget X Relative Availability} \\ &= (.0139 \times .3400) + (.0139 \times .2500) + (.0139 \times .6700) + \\ &\quad (.0139 \times .2900) + (.0036 \times .0900) + (.0036 \times .1500) + (.0036 \times \\ &\quad .1700) + (.0323 \times .0900) \\ &= .0047 + .0034 + .0093 + .0040 + .0003 + .0005 + .0006 + \\ &\quad .0029 \\ &= .0257 \\ &= 2.57\% \end{aligned}$$

$$\text{Weighted Adjusted DBE Goal} = 2.5\% + 31\% = 33.5\% / 2 = \mathbf{16.75\%}$$



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	NAICS Code	Project	Weight	Availability	Weighted Base Figure
1)	234930	Industrial Non-Building Structure Construction	0.0139	0.0000	
2)	235710	Concrete Contractors	0.0140	0.0000	
3)	238110	Poured Concrete Foundation and Structure Contractors	0.0139	0.3400	0.0047
4)	238190	Other Foundation, Structure and Building Exterior	0.0139	0.2500	0.0034
5)	238390	Other Building Finishing Contractors	0.0139	0.6700	0.0093
6)	335129	Other Lighting Equipment Manufacturing	0.0139	0.0000	
7)	339950	Sign Manufacturing	0.0139	0.2900	0.0040
8)	541430	Graphic Design Services	0.0036	0.0900	0.0003
9)	541613	Marketing	0.0036	0.1500	0.0005
10)	541870	Advertising Material Distribution Services	0.0036	0.0000	
11)	541890	Other Services Related to Advertising	0.0036	0.1700	0.0006
12)	561621	Security Systems Services	0.0323	0.0900	0.0029
13)	*	Internal Work	0.0485	0.0000	
14)	*	Service Provider	0.6567	0.0000	
15)	*	Fuel	0.1508	0.0000	
Total					0.0257
Expressed as a % (*100)					2.57%
Rounded, Weighted Base Figure:					3%



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5.) Past DBE Participation

Fiscal Year	DBE Past Participation %
2011	2.64%
2012	2.38%
2013	1.70%
2014	3.68%
2015	1.96%
Median	1.70%

The City of Concord's past DBE participation percentages are steadily decreasing from year to year. This is because our Transit Center construction project has been completed. The City of Concord does not propose any new capital improvement projects for transit in the next three years. The majority of our DOT-assisted contracts in the next three years will consist of operational contracts. The City of Concord has also lost the participation of its main DBE vendor Mobility Solutions because the customer service duties for the transit center are now provided internally.

6.) Adjustment/Goal/Means

Based on the steady, consistent decline in our annual DBE past participation and the knowledge that there will not be any capital improvement projects in the next three years, as well as the low availability of DBE's for operating expenses, with contracting opportunities the same/similar to those in prior years, the City of Concord has determined to use its Median of past participation, averaged with the base figure, to get its annual three year DBE goal of **2.35%**. No other adjustments are needed to this figure. This means that the City of Concord has set a goal of expending approximately \$72,717.00 with DBE's each year, for three years, starting with FY16.



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The City of Concord plans to achieve its goal by race-neutral means by use of the following methods:

On prime contracts greater than \$100,000, not having DBE contract goals, requiring the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved. The City will put the required language in all bids documents to require prime contractors to unbundle their work and to bid out smaller projects to small business concerns.

To meet the portion of our overall goal we project to meet through race-neutral measures, ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform. The City of Concord regularly puts out bids under \$300,000, and encourages and promotes small business participation on these bids.

The City of Concord will also make an effort to unbundle all large projects when feasible.

7.) Public Participation

We published our goal information in these publications:

Proof of payment includes a copy of the check and invoice for each ad placed.

We received comments from these individuals or organizations:

No comments were received

Summaries of these comments are as follows:

No comments were received

Our responses to these comments are:

No comments were received