



3600 South Ridge Avenue  
Concord, NC 28025

[www.ckrider.com](http://www.ckrider.com)  
704.920.5870 ph | 704.920.6900 fx

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Connecting Communities and People

**City of Concord**

**Concord Kannapolis Area Transit**

**Rider**

**FY 2019 – FY 2021 DBE Goal**



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## Connecting Communities and People

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

The City of Concord, Concord/Kannapolis Area Transit, or CK 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 2.38%. This means that the City of Concord has set a goal to expend approximately \$76,636 with DBE's each year, for three years, beginning with FY19.

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.) Consultation/Publication

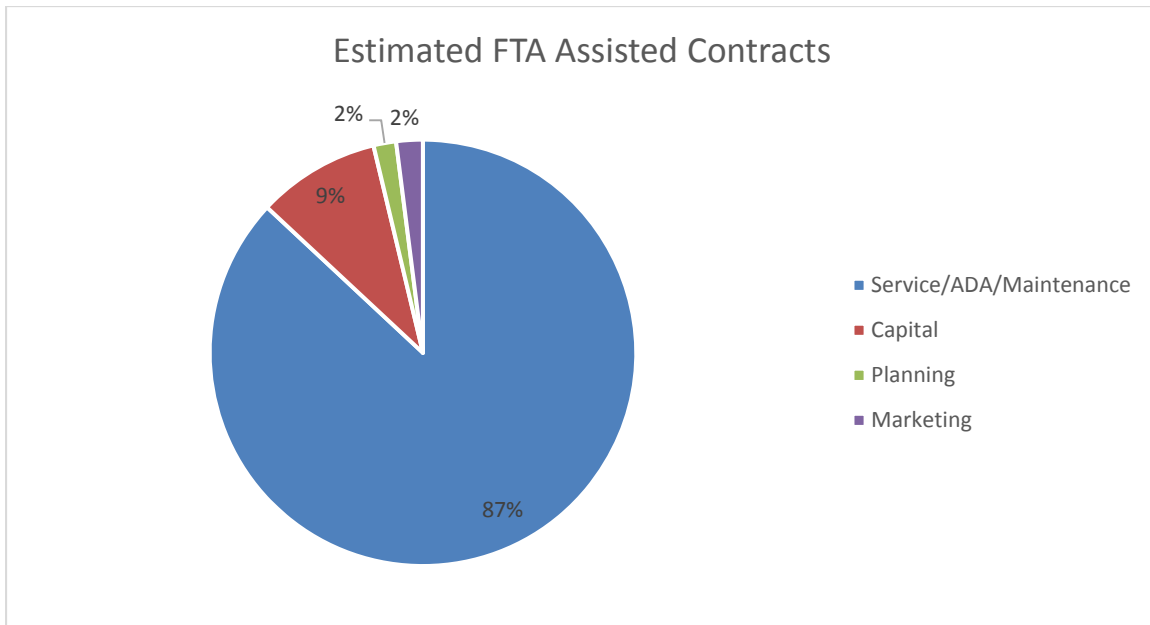
Please forward all questions and concerns regarding the proposed three year annual DBE Goal to Dana Hood, DBE Liaison, for any assistance or needed changes you may propose. Thank you for your review of our program.

Sincerely,

Dana Hood  
DBE Liaison  
[hoodd@concordnc.gov](mailto:hoodd@concordnc.gov)  
(704) 920-5229

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### 1.) Estimated Annual FTA Assisted Contracts



The City first considered all the anticipated 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 estimated annual amount of the CK Rider Transit budget that would be assisted with FTA Federal Funds is \$3,220,000.

The Service Provider, which includes ADA Services and maintenance, is the largest contract consuming 87% of the budget at approximately \$2,800,000 each year. This particular contract is currently not a DBE, and is a five year contract scheduled to expire June 30, 2020 with a 5 year option.

The capital funds proposed to spend is \$300,000 annually and is for expanding and/or updating our bus shelters to include concrete pads and amenity installation including lighting. Security purchases and transit improvements are FTA required expenditures at 1% of total annual FTA allocation for each. Capital makes up 9% of the estimated budget. Capital is the best opportunity the City of Concord has to obtain DBE's.

The remaining expenses (4%) are very small in proportion to the two FTA assisted areas mentioned above. These are Marketing (2%) and Planning (2%). Planning includes the work of the Concord Rowan Metropolitan Planning Organization who at this time is a



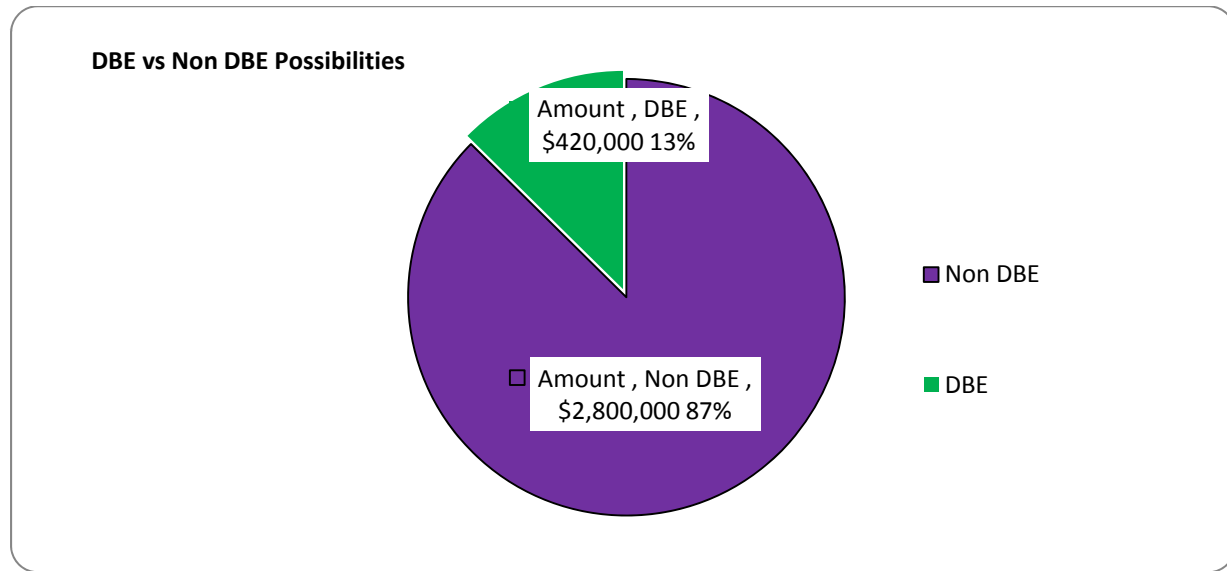
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certified DBE. Our marketing partners are in the progress currently applying to become NC DBE Certified who are currently certified in another state.

13% of the total estimated FTA contracts are considered possible opportunities for DBE's. Capital, Planning and Marketing being the highest possible areas to obtain DBE's.

### DBE vs Non-DBE Possibilities

<u>Contracts</u>	<u>Amount</u>	<u>DBE or Non DBE</u>
Service/ADA/Maintenance	2,800,000	Non DBE
Capital	300,000	DBE
Planning	55,000	DBE
Marketing	65,000	DBE
	<b>\$3,220,000</b>	





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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 Nonbuilding Structure Construction	2	0	0%
2.)	235420	Drywall, Plastering, Acoustical, and Insulation Contractors	13	0	0%
3.)	235710	Concrete Contractors	15	0	0%
4.)	238110	Poured Concrete Foundation and Structure Contractors	26	499	5%
5.)	238190	Other Foundation, Structure and Building Exterior	6	178	3%
6.)	423860	Transportation Equipment & Supplies	1	51	2%
7.)	485113	Bus & Other Motor Vehicle Transit Systems	1	11	9%
8.)	485999	All Other Transit & Ground Passenger Transportation	1	28	4%
9.)	541360	Geophysical Surveying and Mapping Services	12	14	86%
10.)	541613	Marketing Consulting Services	18	1012	2%
11.)	541910	Marketing Research and Public Opinion Polling	3	118	3%
<b>Combined Totals</b>			<b>98</b>	<b>1911</b>	<b>5%</b>

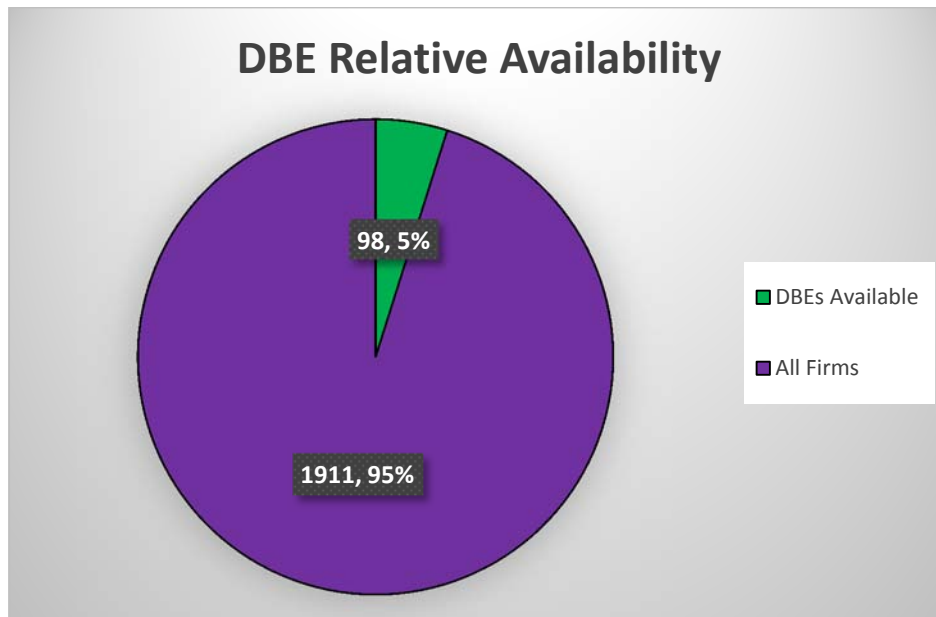
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The second step in determining our DBE goal was to determine the availability of DBE's by assigning NAICS codes to the categories of FTA Assisted contract opportunities. These codes were then entered into the North Carolina Directory of Firms with the state of North Carolina selected for available DBE's. There were 98 available DBE firms for all the categories and the state of North Carolina.

Next, the same NAICS codes were entered into the US Census Bureau, County Business Patterns, with North Carolina selected to find a total of all available firms. As shown in the above table, there were 1,911 establishments available for all categories of work.

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

$$\text{Base Figure} = \frac{\text{Ready, willing and able DBEs } 98}{\text{All firms ready, willing and able } 1,911} = 5\%$$





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

	<b>NAICS Code</b>	<b>Project</b>	<b>Estimated Amount of DOT funds on project:</b>	<b>% of total DOT funds (weight)</b>
1)	234930	Industrial Nonbuilding Structure Construction	100,000	3%
2)	235420	Drywall, Plastering, Acoustical, and Insulation Contractors	100,000	3%
3)	235710	Concrete Contractors	225,000	7%
4)	238110	Poured Concrete Foundation and Structure Contractors	225,000	7%
5)	238190	Other Foundation, Structure and Building Exterior	225,000	7%
6)	423860	Transportation Equipment & Supplies	225,000	7%
7)	485113	Bus & Other Motor Vehicle Transit Systems	900,000	28%
8)	485999	All Other Transit & Ground Passenger Transportation	900,000	28%
9)	541360	Geophysical Surveying and Mapping Services	255,000	8%
10)	541613	Marketing Consulting Services	32,500	1%
11)	541910	Marketing Research and Public Opinion Polling	32,500	1%
<b>Total FTA-Assisted Contract Funds</b>			<b>\$3,220,000</b>	<b>1</b>



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The dollar amount that corresponds to each NAICS code is then estimated, 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.

CK Rider's main contract is its service provider contract. The service provider is not a DBE and the contract expires in 2020 with a five year option. Representing over 80%, the majority, of CK Riders FTA assisted contract total and over 50% of the weighted estimated budget total with no chance of DBE participation within the next three years.

#### 4.) Weighted Base Figure

$$\begin{aligned} \text{Weighted Base Figure} &= \text{Projects \% of Total Budget X Relative Availability} \\ &= (.03 \times .00) + (.03 \times .00) + (.07 \times .00) + (.07 \times .05) + (.07 \times .03) \\ &\quad + (.07 \times .02) + (.28 \times .09) + (.28 \times .04) + (.08 \times .86) + (.01 \times .02) \\ &\quad + (.01 \times .03) \\ &= .0000 + .0000 + .0000 + .0035 + .0021 + .0014 + .0252 + .0112 \\ &\quad + .0688 + .0002 + .0003 \\ &= .1127 \\ &= 11\% \end{aligned}$$

$$\text{Weighted Adjusted DBE Goal} = 11\% + 5\% = 16\% / 2 = \mathbf{8\%}$$





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	NAICS Code	Project	Weight	Availability	Weighted Base Figure
1)	234930	Industrial Nonbuilding Structure Construction	0.03	0.00	0.000
2)	235420	Drywall, Plastering, Acoustical and Insulation Contractors	0.03	0.00	0.000
3)	235710	Concrete Contractors	0.07	0.00	0.000
4)	238110	Poured Concrete Foundation and Structure Contractors	0.07	0.05	0.004
5)	238190	Other Foundation, Structure and Building Exterior	0.07	0.03	0.002
6)	423860	Transportation Equipment & Supplies	0.07	0.02	0.001
7)	485113	Bus & Other Motor Vehicle Transit Systems	0.28	0.09	0.025
8)	485999	All Other Transit & Ground Passenger Transportation	0.28	0.04	0.011
9)	541360	Geophysical Surveying and Mapping Services	0.08	0.86	0.069
10)	541613	Marketing Consulting Services	0.01	0.02	0.000
11)	541910	Marketing Research and Public Opinion Polling	0.01	0.03	0.000
				<b>Total</b>	0.113
				Expressed as a % (*100)	11.3%
				<b>Rounded, Weighted Base Figure:</b>	<b>11%</b>



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### 5.) Past DBE Participation

Fiscal Year	DBE Past Participation %
2012	2.38%
2013	1.70%
2014	5.95%
2015	1.52%
2016	3.91%
<b>Median</b>	<b>2.38%</b>

The City of Concord's past DBE participation percentages fluctuate from year to year. When a small capital project comes up and there is DBE participation the percentage increases. When there are not DBE participation in small capital projects the percentage decreases. The City of Concord does not propose any new large capital improvement projects for transit in the next three years. However, small capital projects to put in bus shelters with concrete pads and amenities are planned and provide the most opportunity to obtain DBE's.

### 6.) Adjustment/Goal/Means

Based on our annual DBE past participation and the knowledge that there will not be any possibilities in obtaining DBE's with the service provider contract that is 80% of the total FTA assisted contracts with contracting opportunities the same/similar to those in prior years, the City of Concord has decided to use it's Median of past participation as its annual three year DBE goal of **2.38%**. No other adjustments are needed to this figure. This means that the City of Concord has set a goal of expending approximately \$76,636 with DBE's each year, for three years, starting with FY19.



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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.) Consultation/Publication**

On November 16, 2017 a consultation with the DBE's used in these figures was arranged. Letters and/or emails regarding the consultation date and time were sent to all DBE's used in the calculations above. A presentation of the DBE goal and the methodology was constructed as well as hand-outs of the presentation and the 2019-2021 DBE Goal & Methodology itself.

The 2016 -2018 DBE Goal & Methodology has also been posted on the city's website at the following locations:

<http://www.concordnc.gov/Resident/Rider-Transit-System>

<http://www.concordnc.gov/Departments/Finance/Purchasing/Disadvantaged-Business-Enterprise>