

**2019-
2021**

Updated 8/13/2018

**Municipality
of Anchorage-
FTA Goal
Methodology**

FTA GOAL METHODOLOGY

MOA (Municipality of Anchorage)

FTA Goal Methodology

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FTA DBE Goal Development

Overall DBE Goal

As the recipient of FTA federal funds, the Municipality of Anchorage, Public Transportation Department must set an overall goal for Disadvantaged Business Enterprises (DBE) to participate in U.S. Department of Transportation assisted contracts. The overall race-neutral goal provides for participation by certified DBEs and will not be subdivided into group specific goals. Further, no contractor will be subject to a quota, set aside, or preference.

Name of Recipient: Municipality of Anchorage, Public Transportation Department

Goal Period: FY-2019-21

October 1, 2018 through September 30, 2021

DOT-assisted contract amount:	FY 2019	\$ 225,000
	FY 2020	\$ 277,000
	FY 2021	\$ 0

Total: **\$ 502,000**

Overall Three-Year Goal: *5.5 % to be accomplished through RN (Race Neutral) methods*

Total dollar amount to be expended on DBE's: **\$27,610**

Methodology:

The Transit Department anticipated the following projects over the next three years.

Projects Fiscal Year 2019

1. Bus Stop Improvements/1% Section - \$200,000
2. Transit Centers/ Support Facilities - \$25,000

Projects Fiscal Year 2020

1. Bus Stop Improvements/1% Section - \$277,000

Projects Fiscal Year 2021

None - \$0

The Bus Stop Improvements and Transit Center/Support Facilities work includes bus shelters, benches, trash receptacles, landscaping, grading, paving, utility relocations, lighting, curb adjustments, drainage, constructing paths, and construction/reconstruction of turnouts.

Market Area: *Municipality of Anchorage and surrounding areas/ Alaska Central Region*

Step 1. 26.45(c) Actual relative availability of DBE's

The statistical data for our base figure comes from two distinct sources. The number of available DBE's can be found on the Alaska Department of Transportation & Public Facilities Civil Rights Office. The relevant category is the Central Region, or CR. This includes Anchorage as well as the surrounding areas. The total number of available firms comes from the Federal Government's data from the US Census County Business Patterns. Since the category CR or Central Region is not found on the federal data, our office used 75% of the statewide availability number. Our other option was adding data for the Anchorage and neighboring areas, the Matanuska-Susitna and Kenai Peninsula Boroughs. Since the numbers (75% of Alaska and Anchorage+Mat-Su+Kenai) were very similar, for simplicity we used 75% of the total Alaska statewide firms available for our calculations.

FY 2019-21

NAICS Code	Type of Work	# DBE Firms	Number of All Firms*	Percent
23622	Building Construction	24	195	12.3
56173	Landscaping	4	115	3.5
23891	Site Preparation	29	158	18.4
324121	Paving (Asphalt)	1	20	5.0
56291	Remediation Service	14	62	22.8
23821	Electrical Contractors	9	173	5.2
23811	Poured Concrete	14	43	32.7
23731	Path Construction	29	74	39.5
42399	Durable Goods	5	11	45.5

54137	Surveying	12	53	22.6
23899	Specialty Trade Contractors	17	56	30.2
	Average percentage			21.6

*calculated using 75% of the Alaska Statewide Firms available

Step 1. 26.45(c) Calculate Base Figure

Base Figure: The base figure was calculated by averaging the total percentages for all suitable NAICS Codes. We did not calculate the percentage of total DBE firms to Total Available firms because the numbers are so varied that it would weight the larger NAICS code categories higher than the smaller ones. To calculate the average percent, we added the percentages in the final column and divided by the total number of categories. $[(12.3 + 3.5 + 18.4 + 5.0 + 22.8 + 5.2 + 32.7 + 39.5 + 45.5 + 22.6 + 30.2) / 11]$

Base figure = 21.6 % of all firms ready, willing and able.

The data sources were Alaska Unified Certification Program (AUCP) Disadvantaged Business Enterprise (DBE) Directory (<http://www.dot.state.ak.us/cvlrts/directory.shtml>) and United States Census Bureau, County Business Patterns (CBP) (<http://www.census.gov/programs-surveys/cbp/data.html>)

Step 2. 26.45(d): Adjustments to Step 1 base figure.

Step 2. Analysis: Adjustments to Step 1 base figure

- **Adjustment #1:** Based on 2016 calculations, approximately 30% of FTA contracts are given to subcontractors.

Thus, using 30% of the contract value given to subcontractors, the base value of approximately \$502,000 of FTA federally funded contracts subcontracted will be \$150,600. Using the 21.6% availability of DBE subcontractors the expected DBE participation would be $(21.6\%)(150,600) = \$32,530$. This is approximately **6.48% ≈ 6.5%**

- **Adjustment #2: Calculated MEAN of previous 5-year DBE Participation**

2014	6.5%
2015	0.0%
2016	1.0%
2017	0.5%
2018*	4.0%
Mean*	2.4%

*The mean was calculated by adding the values: 0%, 0.5%, 1.0%, 4.0%, 6.5%, and dividing by 5.

The Mean of the previous 5-year DBE Participation is 2.4%

- **Adjustment #3:** The final DBE participation figure was calculated by weighting the 5-year past participation 25% and the adjusted base figure (#1) 75%. We weighed the variables this way because while we know past performance is important, we believe it is more important to consider potential DBE participation. Thus: $[25\% (2.4) + 75\% (6.5)] = 5.475\% \approx 5.5\%$

Thus, the Municipality's overall goal for FY 2019-2021 is 5.35% of the federal financial assistance the Municipality would expend in FTA assisted contracts. The 5.5% goal will be achieved exclusively through race neutral methods.