

2022-2024

**Municipality of  
Anchorage-  
FTA Goal  
Methodology**

# **FTA GOAL METHODOLOGY**

# MOA (Municipality of Anchorage)

## FTA Goal Methodology

### Table of Contents

<b>FTA DBE Goal Development</b> .....	<b>2</b>
1. Overall DBE Goal.....	<b>2</b>
2. Step 1.....	<b>3</b>
3. Step 2.....	<b>6</b>
<b>Public Participation</b> .....	<b>7</b>
<b>Public Notice</b> .....	<b>8</b>

## FTA DBE Goal Development

### Overall DBE Goal

As the recipient of FTA federal funds, the Municipality of Anchorage 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 Transportation Department

**Goal Period:** FY-2022-24

October 1, 2021 through September 30, 2024

<b>DOT-assisted contract amount:</b>	FY 2022	\$4,200,000.00
	FY 2023	\$1,000,000.00
	FY 2024	\$ 1,000,000.00
<b>Total</b>		<b>\$ 6,200,000.00</b>

**Overall Three-Year Goal:** *2.4% to be accomplished through RN (Race Neutral) methods*

**Total dollar amount to be expended on DBE's:** **\$344,100.00**

**The Municipality of Anchorage Transit Department anticipates the following projects over the next three years:**

- Projects Fiscal Year 2022
  1. ITS- Intelligent Transportation System) Replacement - \$1,700,000.00
  2. Transit Security - \$1,000,000 (per year)
  3. Underground Storage Tank - \$1,500,000.00 (estimated)

**Total-\$4,200,000.00**
  
- Projects Fiscal Year 2023
  1. Transit Security - \$1,000,000

**Total-\$1,000,000**

- Projects Fiscal Year 2024
  1. Transit Security - \$1,000,000  
**Total-\$1,000,000**

**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.

NAICS Code	Type of Work	# DBE Firms	Number of All Firms*	Percent
23891	Site Preparation Contractors	32	158	20%
23622	Building Construction	22	195	11%
23821	Electrical Contractors	10	173	6%
42399	Durable Goods	5	11	45%
46173	Landscaping	5	115	4%
23899	All other Specialty Trade Contractors	21	84	25%
	<b>Average Percentage</b>			<b>18.5%</b>

\*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 weigh 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.  $[(20 + 11 + 6 + 45 + 4 + 25) / 6]$

**Base figure = 18.5 % 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 calculations, approximately 30% of previous FTA contracts are given to subcontractors.

Thus, using 30% of the contract value given to subcontractors, the base value of approximately \$6,200,000 of FTA federally funded contracts subcontracted will be \$1,860,000. Using the 18.5% availability of DBE subcontractors the expected DBE participation would be  $(18.5\%)(1,860,000) = \$344,100.00$ . This is approximately  $5.55\% \approx 5.6\%$

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

2016	1.4%
2017	1.5%
2018	4.0%
2019	0%
2020	0%
<b>Mean*</b>	<b>1.38%</b>

\*The mean was calculated by adding the values: 1.4%, 1.5%, 4.0%, 0%, 0% and dividing by 5.

**The mean of the previous 5-year DBE participation is 1.38%**

- **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:  $[25\% (1.38) + 75\% (5.6)] = 2.36\% \approx 2.4\%$

**Thus, the Municipality's overall goal for FY 2022-2024 is 2.4% of the federal financial assistance the Municipality would expend in FTA assisted contracts. The 2.4% goal will be achieved exclusively through race neutral methods.**