



**NAUGATUCK VALLEY
COUNCIL of GOVERNMENTS**

49 Leavenworth Street, 3rd Floor, Waterbury, CT 06702 • 203-757-0535 • 203-735-8688 • nvcogct.org

Disadvantaged Business Enterprise Goal

FFYs 2016-2018

DRAFT

*Prepared by
Benjamin Muller
July 2016*

Proposed DBE Goals

The following are proposed participation goals for Disadvantaged Business Enterprises in federally-assisted procurements from the Naugatuck Valley Council of Governments:

Overall DBE Goal	8.1%
Race-Neutral Goal	1.1%
Race-Conscious Goal	7.0%

Goal Methodology

The Naugatuck Valley Council of Governments (NVCOG) Disadvantaged Business Enterprise (DBE) goal is based on the Federal financial assistance we will expend in DOT assisted contracts, exclusive of Federal Transit Administration (FTA) funds to be used for the purchase of transit vehicles. The following is a summary of the method used to calculate this goal¹:

1. Projection of the number and type of contracts to be awarded by the Agency. The Agency's total budget of contracting opportunities for the next three (3) years was determined. Non-contracting opportunities were eliminated from the base. These included salaries, related fringe benefits, and public utilities. The total dollars remaining became the total contracting dollar opportunities.
2. Determination of the base figure for the relative availability of DBEs. NVCOG used the Connecticut DOT (ConnDOT)'s lists of Prequalified Construction Firms (*ed.* January 5th, 2016) and Prequalified Consultants (Year 2016) to gain a representative sample of ready, willing, and able firms doing business relevant² to the needs of NVCOG and within NVCOG's likely region of procurement (identified as Fairfield, Hartford, Litchfield, and New Haven Counties). These two lists were then compared against ConnDOT's list of certified DBEs to identify what proportion of these firms are certified with the Connecticut UCP.³
3. Adjustments to this base figure were made by weighting the proportion of dollars likely available for consultants and contractors over the coming three year period. Because all firms on ConnDOT's prequalified list engage in work relevant to transportation and facility construction, and because the exact nature of work performed by agency was not readily available via the prequalified lists, work was divided between contracting work and consulting work available.
4. Relevant agencies were consulted face-to-face and over the phone to determine whether any changes or adjustments might be necessary to address the needs of DBEs in our region.
5. Third party reports were reviewed to determine whether there was adequate reason to further adjust the DBE goal.

¹ This methodology is repeated from the NVCOG DBE Program Plan (in publication).

² "Relevant" is defined specifically in the Goal Calculation section, but indicates that the business is in an industry in which NVCOG expects to procure in the next three years.

³ NVCOG compared DBEs doing work in relevant NAICS codes from the UCP's listings against the total number of firms available through the US Census Bureau's County Business Patterns (CBP 2014) but found that the DBE list was not comparable to the CBP list. The CBP method provided an unadjusted DBE availability of 1.3%, which is out of line with DBE participation at comparable agencies. The final approach used overcomes the deficiency by using more comparable data.

Goal Calculation

- Total contracting dollar opportunities: \$9,464,952.00, which excludes any vehicle purchases and salaries and overhead. Grant numbers refer to FTA grants awarded to VCOG; NVCOG is presently transferring awards to the new organization, which will rename several grants.

FTA Grant	Balance	Anticipated NAICS	Contracting Amt	Consulting Amt
CT-90-X426-01	\$3,513,567	236220, 237, 238, 323, 42, 51	\$2,810,853.60	\$702,713.40
CT-90-X466-00	\$3,227,414	236220, 237, 238, 323, 42, 51	\$2,581,931.20	\$645,482.80
CT-39-0002-00	\$164,881	323, 51, 541	\$-	\$164,881.00
CT-85-X014-00	\$359,090	323, 51, 541	\$-	\$359,090.00
Anticipated Grant	\$2,400,000	236220, 237, 238, 323, 42, 51	\$2,400,000.00	\$-
Subtotal	\$9,664,952		\$7,792,784.80	\$1,872,167.20
Salaries, FOH	(\$200,000)		(\$161,258.63)	(\$38,741.37)
Total	\$9,464,952		\$7,631,526.17	\$1,833,425.83

- Base figure of relative availability (of the relevant subset of firms):

$$\left(\frac{\text{Certified DBE firms}}{\text{Total firms}} \right) = \left(\frac{17}{180} \right) = 9.4\%$$

- Adjusted base figure based on weighting:

$$\left(\frac{\text{Certified DBE Contractors}}{\text{Total Contractors}} \right) + \left(\frac{\text{Certified DBE Consultants}}{\text{Total Consultants}} \right) = \left(\frac{7}{99} \right) + \left(\frac{10}{81} \right) = 8.1\%$$

- The following organizations were part of a consultative process to determine the state of DBE affairs in the region and statewide:

- Western Connecticut SCORE
- Waterbury Development Corp
- UConn Waterbury
- Greater Waterbury Chamber of Commerce
- Greater Valley Chamber of Commerce
- ConnDOT Office of Contract Compliance (the UCP)

Additionally, the following agencies were invited to discuss the needs and challenges of DBEs in our region, but did not respond to outreach:

- Waterbury NAACP
- Greater Hartford NAACP
- Greater Bridgeport NAACP
- Waterbury Hispanic Coalition
- Greater New England Minority Supplier Development Council
- Urban League of Southern Connecticut

From the initial consultative process, no cause was indicated that would encourage NVCOG to alter its weighted DBE goal of 8.1%.

- NVCOG reviewed the United Way ALICE Reports, the DataHaven Greater New Haven Community Index, the Valley Community Foundation's 2015 Snapshot, and the Connecticut Economic Resource Center reports for our municipalities. We have decided to keep the DBE goal of 8.1%. Our experience using the UCP's DBE list and speaking with advocacy organizations indicates that it is likely that DBEs are under-registered in our state. To address this, we are including technical assistance registering with the state UCP in our race-neutral efforts in our broader DBE program plan.

Race-Neutral vs. Race-Conscious Participation

NVCOG's previous goals were not met through race-neutral participation in contracts, and no opportunities for contract goals were available in the previous three (3) years of the DBE program. NVCOG projects the need for race-conscious participation to meet the proposed DBE goal.

In past experience, race-neutral means have led to a DBE participation rate of 1.1% over a three year period. While NVCOG expects that increased subcontracting opportunities arising from the commencement of a large construction project might increase the race-neutral participation, experience in the past would indicate that without contract goals achieving our DBE participation goal is unlikely. Therefore, NVCOG intends to meet 1.1% of its DBE Goal through race-neutral means, and 7.0% of its DBE Goal through race-conscious means.

Contract Goals

To fulfill the race-conscious participation projected in the previous section, contract goals must be employed. NVCOG foresees the use of contract goals on the contract(s) pertaining to the upcoming Valley Transit District headquarters and bus facilities. There are no other upcoming federally-assisted projects with subcontracting opportunities forecast for NVCOG.

Counting DBE Participation

DBE participation is based on the total amount of DOT assistance received by NVCOG in any contract awarded to an eligible DBE participant (a firm certified by Connecticut Unified Certifying Program, or UCP). The following standards will be used to determine DBE participation:

1. NVCOG and prime contractors may count only awards/expenditures to DBEs that perform a commercially useful function in the contract, as defined in the NVCOG DBE Program Plan.
2. NVCOG will count awards/expenditures for materials, supplies, or services from DBEs *provided* that the DBEs assume the actual and contractual responsibility for the provision of the materials, supplies, or services. The following are the allowable percentages:
 - a. Sixty percent (60%) of the dollar value of the award/expenditure may be counted toward the DBE goal if the DBE supplier is not a manufacturer. One hundred percent (100%) of the dollar value of the award/expenditure may be counted toward the DBE goal if the DBE supplier is a manufacturer. Sixty percent (60%) of the dollar value of the award/expenditure may be counted toward the DBE goal if the materials or supplies are obtained from a DBE "regular dealer."

Quotas

NVCOG does not use quotas in any way in the administration of the DBE program.