



**STARMETRO'S DISADVANTAGED BUSINESS
ENTERPRISE (DBE) GOALS FOR FY 2025 - 2027**

April, 2024

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**METHODOLOGY FOR DETERMINING STARMETRO'S DISADVANTAGED
BUSINESS ENTERPRISE (DBE) GOALS FOR FY 2025 - 2027
(49 CFR26.45)**

Overall Goals

The Disadvantaged Business Enterprise (DBE) program for federally assisted projects at StarMetro is established on a triennial basis beginning on October 1, 2024 and ending on September 30, 2027. The overall goal for fiscal years 2025 – 2027 has been set, utilizing the methodologies described in CFR 49 part 26, as follows:

StarMetro's overall DBE Goal for FY 2025 to FY 2027 is 7.70% of the federal financial assistance that StarMetro will expend. StarMetro publicized the DBE goal and methodology in the *Tallahassee Democrat, Capitol Outlook* (a paper serving African American communities), on all StarMetro social media pages, and held a public input and feedback period from the community for 30 days; at this link: <https://www.talgov.com/starmetro/starmetro-rider-srvcs#dbe> on **April 01, 2024, through April 30, 2024**. During the required 30-day comment period StarMetro received **XXX** comments about the DBE goal, and the webpage with StarMetro's DBE details had **XXX** impressions, **XXX** clicks, and a **XXX%** click through rate.

This document contains StarMetro's DBE goal setting and methodology for federal fiscal years 2025, 2026, and 2027. This report provides the following:

1. Federal dollars planned to be spent by project using 6-digit North American Industry Classification System (NAICS) codes
2. Description of StarMetro's market area and determination methods
3. Process and calculations used to establish a base figure and weighted goal percentage
4. Identification of sources (primary and supplemental) used to identify ready, willing, and able DBEs for StarMetro's planned projects
5. Goal review process and applicable adjustments
6. Race-neutral and race-conscious breakdown of goal
7. Description of meaningful consultation process
8. Proof of publication

Identify Federal Dollars to be Spent

The following, **Table 1**, shows the planned available federal funds for StarMetro's DBE program for combined federal fiscal years 2025, 2026, and 2027:

Table 1 FY 2025-2027 Available Funds

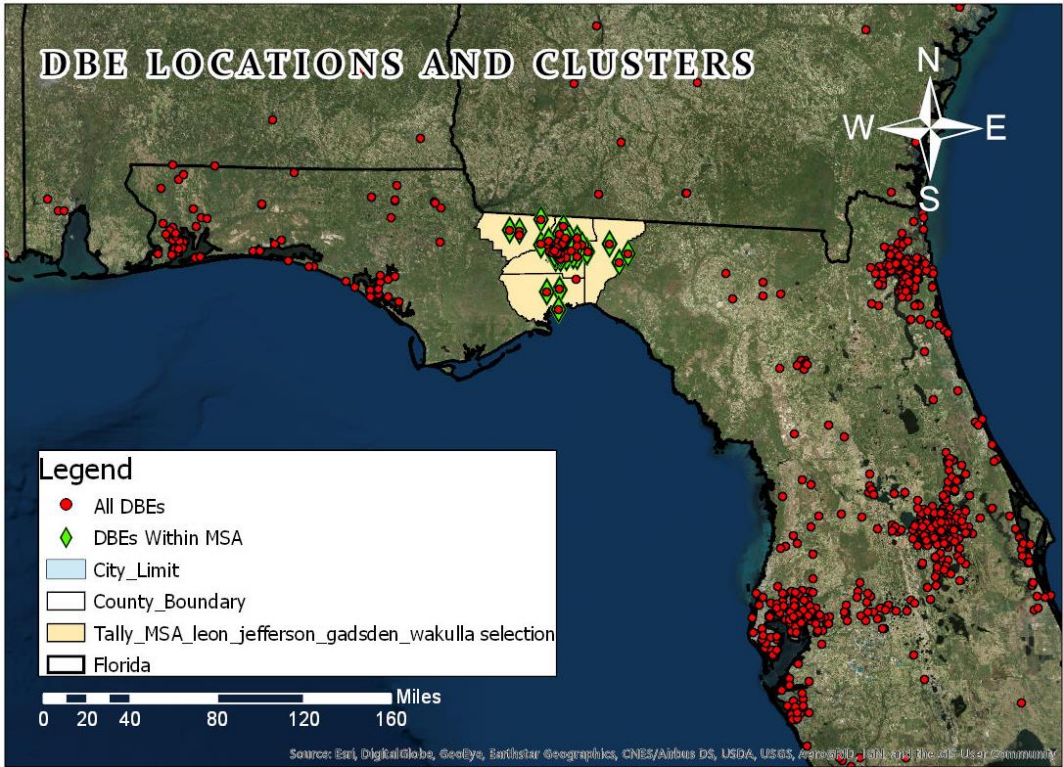
Fiscal Years 2025, 2026, & 2027 Available Funds	
Total Federal Funds	\$25,404,004
Less 63% Operating (5307)	-\$8,316,000
Total minus operating	\$17,088,004
Less Battery Electric Vehicles	-\$10,762,236
Balance	\$6,325,768

StarMetro has identified corresponding NAICS codes associated with its anticipated projects and assigned a weight based on project funds to total funds as depicted in the next sections. An itemized list of each project item with cross-referenced 6-digit NAICS code can be found in **Table A-1** in the appendix.

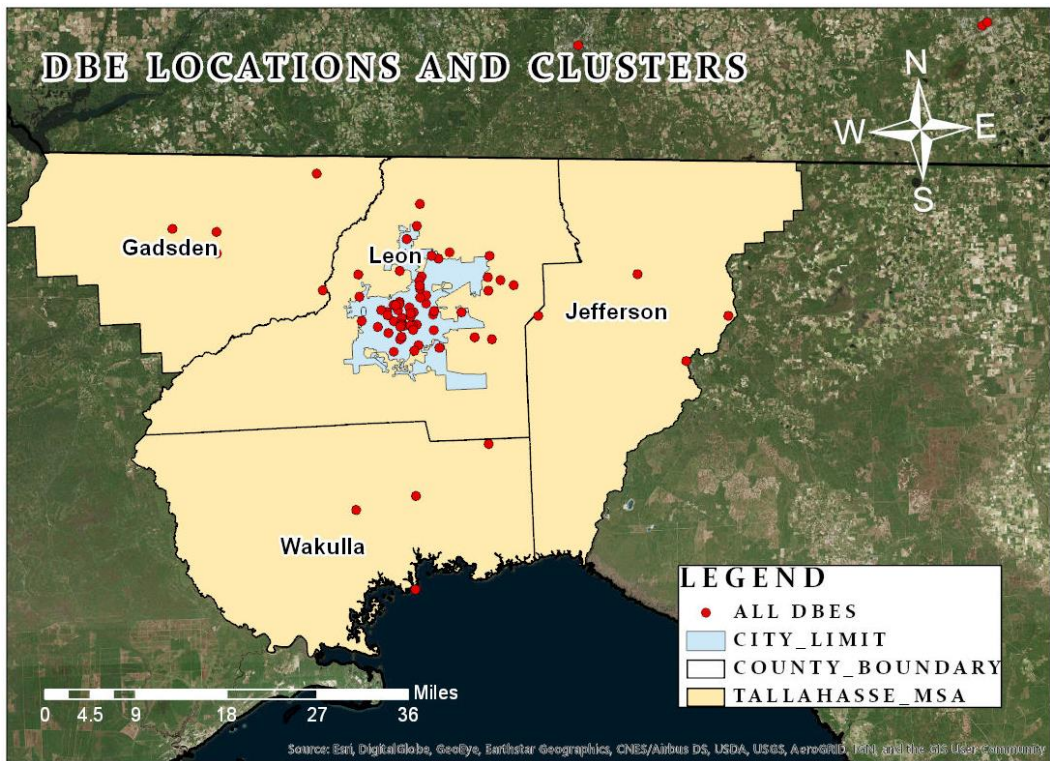
StarMetro’s Market Area

StarMetro uses the Tallahassee Metropolitan Statistical Area (MSA), which includes the counties of Leon, Jefferson, Gadsden, and Wakulla, as the market area (**Maps 1 & 2**). The points below summarize how the market area was determined:

- Reviewed planned projects and based on history, identified where potential vendors and contractors are located and who may be interested in providing StarMetro with planned products or services.
- Used the DBE directory from the Florida Department of Transportation (FDOT) and the County Business Patterns (CBP) from the U.S. Census Bureau to find all businesses and DBEs.
- Used ARCGIS to geocode all DBE addresses and map their locations. Then visually analyzed clusters and locations to assure using the Tallahassee MSA captures all local DBE firms and therefore, is fair and appropriate for StarMetro’s market area. See maps 1 and 2 below.



Map 1 DBEs – Tri-State View



Map 2 Tallahassee MSA

Base Figure and Goal

StarMetro elected to use the methodology described in 49 CFR 26.45 (1) to determine the base figure for the relative availability of DBEs first. Staff started the determination of StarMetro’s Goal Setting process by identifying a base figure for the relative availability of DBEs based on demonstrable evidence of the availability of ready, willing, and able DBEs as compared to other available businesses.

Using the City of Tallahassee and FDOT’s DBE lists, StarMetro staff selected all the certified DBEs from the four-county area. It then removed companies providing services that StarMetro will not be using like property managers, retail coffee, and security guards (the latter two are already provided by City of Tallahassee contractors). Using the list of available DBEs, StarMetro then compared it to the U.S. Census Bureau’s 2021 CBP to find the number of Non-DBE firms of each type operating in each respective county for each respective cross-referenced 6-digit NAICS code. **Table 2** below summarizes the firms by 6-digit NAICS code and shows the number of DBEs and other Non-DBE firms available for each category and the percentage of relative availability for each. The total number of ready, willing, and able DBEs in the four-county area based on that list is **42**.

Table 2 StarMetro DBE Baseline Figure and Relative Availability

Project DBE Availability				
NAICS Codes	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative availability
236220	<i>Commercial and institutional building construction</i>	6	122	4.92%
237110	<i>Water and Sewer Line and Related Structures Construction</i>	0	18	0.00%
237310	<i>Highway, street, and bridge construction</i>	9	34	26.47%
238110	<i>Poured concrete foundation and structure contractors</i>	1	24	4.17%
238120	<i>Structural Steel and Precast Concrete Contractors</i>	5	9	55.56%
238210	<i>Electrical contractors and other wiring installation contractors</i>	1	144	0.69%
238910	<i>Site preparation contractors</i>	6	83	7.23%
335999	<i>All Other Miscellaneous Electrical Equipment and Component Manufacturing</i>	0	4	0.00%
541620	<i>Environmental Consulting Services</i>	4	19	21.05%
561730	<i>Landscaping Services</i>	8	193	4.15%
611430	<i>Professional and Management Development Training</i>	2	12	16.67%
	Total 2025-2027	42	662	6.34%

The base figure is calculated as a percentage of total DBEs (42) and total firms available (662) for all projects. Using the base figure formula described in 49 CFR 26.45, StarMetro calculated the percent of ready, willing, and able DBEs in the market area. **From this calculation, the baseline figure is 6.34%.**

The next process includes weighting the base figures by work type to provide a more narrowly tailored model of availability. The weights are proportions of dollars spent within each industry using the 6-digit NAICS codes, resulting in percentages that are more heavily influenced by availability in industries where more dollars are spent. **Table 3** below shows the math for each possible project item. As per the guidance set by the FTA in their DBE Goal Setting training video on the Department of Transportation’s website, the following weights were obtained by (1) finding the weight of each project item as a percent of total contract dollars spent multiplied by (2) the availability of ready, willing, and able DBEs to equal (3) the weighted base figure of each project item. The sum total weighted base figure for all DBE project items is 9.80%. The reason why the two figures, base and weighted base, are different is because there are varying percentages of funds being spent in areas where lower and higher numbers of DBEs firms are registered.

Table 3 Weighted Base Figure

Project DBE Weighted Base Figure				
NAICS Codes	Project	Weight	* Availability	Weighted BF
236220	Commercial and institutional building construction	65.31%	4.92%	3.212%
237110	Water and Sewer Line and Related Structures Construction	7.63%	0.00%	0.000%
237310	Highway, street, and bridge construction	12.43%	26.47%	3.289%
238110	Poured concrete foundation and structure contractors	1.64%	4.17%	0.068%
238120	Structural Steel and Precast Concrete Contractors	3.95%	55.56%	2.195%
238210	Electrical contractors and other wiring installation contractors	0.00%	0.69%	0.000%
238910	Site preparation contractors	4.97%	7.23%	0.360%
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing	0.00%	0.00%	0.000%
541620	Environmental Consulting Services	0.00%	21.05%	0.000%
561730	Landscaping Services	0.00%	4.15%	0.000%
611430	Professional and Management Development Training	4.07%	16.67%	0.678%
	Total 2025-2027	100.00%		9.80%

Identification of Sources

The Census Bureau's Website for CBPs, <https://www.census.gov/programs-surveys/cbp.html>, was used to find all businesses with corresponding 2021 6-digit NAICS codes within the four counties that make up the Tallahassee MSA.

The FDOT website for DBE listings - Florida Unified Certification Program (UCP) Disadvantaged Business Enterprise (DBE) Directory, <https://fdotxwp02.dot.state.fl.us/EqualOpportunityOfficeBusinessDirectory/CustomSearch.aspx>, was used to get a complete list of DBEs within and around the StarMetro market area.

The NAICS Website, <https://www.naics.com/search/>, and <https://www.census.gov/cgi-bin/sssd/naics/naicsrch> from the Census Bureau were used to identify and categorize each project item and label with the appropriate code. These resources also describe in detail the types of work that fall under every 6-digit NAICS code. It was also used to cross-reference StarMetro's projects and codes to similar codes and categories of work in order to provide the most accurate and narrowly tailored data as possible.

ArcGIS Pro was also used to geocode and symbolize business addresses from the CBPs and DBEs to geospatially analyze the local market area.

Research on current DBE goal setting methodologies from other transit agencies and authorities was conducted to analyze best management practices (BMP) from their triannual documents.

The U.S. Department of Transportation's website, <https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/dbe-training>, has training material provided by the FTA on DBE goal setting methodologies, regulations for reporting, and suggestions on which reporting methods may fit better. StarMetro chose to follow the suggested weighting method.

Goal Review and Applicable Adjustments

Section 26.45 (d) identifies numerous examples of the various types of data to examine in order to adjust the weighted baseline figure to make it as precise as possible. This step is intended to adjust the "weighted base figure" percentage from section 3 so that it reflects as accurately as possible the DBE participation the recipient would expect in the absence of discrimination. The staff considered all of the factors listed in the above-referenced documents to determine whether an adjustment is necessary. The staff's considerations of those factors are detailed herein.

A. Past Participation (Median Past Participation) Method

Table 4 Median Past Participation

Median Past Participation			
YEAR	Total DBE Achieved (RC+RN)	Total Contract Amount	Total DBE%
2019	\$1,950,669	\$62,806	3.22%
2020	\$2,079,146	\$116,213	5.59%
2021	\$3,019,981	\$251,856	8.34%
2022	\$8,255,713	\$403,584	4.89%
2023	\$3,617,123	\$257,259	7.11%

The median is the central point of distribution in a group of sequential numbers. Adjustments based on the utilization of the “Median Past Participation” method for transit projects yielded a 7.70% adjusted Baseline Figure:

- i. The six-year history, FY19 through FY23 yielded actual DBE percentages of 3.22%, 4.89%, 5.59%, 7.11%, and 8.34%, and so the central figure is 5.59%.
- ii. The Weighted Base Figure of 9.80% plus the MPP of 5.59% yields 16.48%. Then divided by 2 yields 7.70%.
- iii. $(5.59\% \text{ [MPP]} + 9.80\% \text{ [WBF]}) / 2 = 7.70\%$

As recommended by the FTA guidance on DBE goal calculation, StarMetro will adjust its DBE figure by the median past participation to more closely reflect actual and reasonable DBE participation.

B. Disparity Study

The City of Tallahassee, Leon County, and Blueprint Intergovernmental Agency (Blueprint) have embarked on a study to determine the utilization of Minority, Women, Small, Disadvantaged, and Airport Concession Disadvantaged Business Enterprise (MWSBEs, DBEs, and ACDBEs) firms in these agencies competing for City, County, Federal and/or Blueprint contracts. The project is nearing completion and will inform StarMetro’s methodology before the terminus of this document’s horizon.

Race-Neutral and Race-Conscious Breakdown

StarMetro plans to spend nearly all of expected federal funds on construction style projects (Sustainable Southside Transit Center, Appleyard Electrification, etc.), which are the most conducive for Race-Conscious measures per FTA guidance. Also following FTA guidance, a 95.93 percent adjusted weighted base figure was used to determine the Race-Neutral goal. The remaining 4.07 percent under Professional and Management Development Training NAICS Code was used to determine the Race-Conscious goal. The Race-Neutral / Race-Conscious breakdown is shown in **Table 5** below.

Table 5 Race-Neutral / Race-Conscious Breakdown

	DBE Total Goal	Race Neutral	Race Conscious
DBE \$	\$486,826	\$467,014	\$19,812
DBE %	7.70%	7.38%	0.31%

Meaningful Consultation Process

Community engagement:

StarMetro advertised the DBE goal and goal setting methodology, as well as the public meeting schedule in the *Tallahassee Democrat*, the *Capital Outlook*, and on StarMetro’s website.

A2. Section 7: Meaningful Consultation Process (Public Notice). StarMetro worked with the COT DBE office to obtain contact information for all certified DBE firms in the service area.

A2. Section 7: Meaningful Consultation Process (Certified DBE Firms that were e-mailed) and sent each an e-mail with a link to the advertised DBE goal on StarMetro’s website. StarMetro also participated in the COT OEV presentation for DBEs called The ABCs of ACDBE/DBEs and presented ways for DBE to participate and what new DBEs can expect in regard to the process.

StarMetro received **XXX** public comments on the proposed DBE goal via social media or the website. The analytics from each site are in **A2. Section 7: Meaningful Consultation Process (Social Media Analytics)**. Because StarMetro received **XXX** input from the public, the DBE goal was/was not changed.