

Proposed Disadvantaged Business Enterprise (DBE) Goal Methodology for FFY 2024, 2025 and 2026

STEP ONE:

Pierce Transit considered the following Capital Projects to determine the contracting opportunities for ready, willing and able firms during the Goal term of 2024, 2025 and 2026 and as detailed in Base Figure Worksheet (Attachment A). **The rounded, weighted Base Figure is 2%.**

- **Bus Rapid Transit (BRT) Pacific Avenue/State Route 7 Corridor Project:**
Currently there are no secured federal funds for this Project. Pierce Transit anticipates \$62,305,700 in contract award opportunities that utilize federal funds. The BRT Project scope is to design, build and operate a corridor-based BRT Transit System to better connect a Regional Growth Center (Downtown Tacoma) to the southern end of Pierce County Public Transportation Benefit Area boundary (Spanaway). Contracts have already been issued for the Architectural and Engineering firm for Design, General Contractor/Construction Manager (GC/CM) for Pre-Construction Services, Property Acquisition Services, and Real Estate Appraisal Review Services. The types of contracts Pierce Transit anticipates awarding during this Goal term are commercial and institutional building construction, water and sewer line and related structures construction, power and communication line and related structures construction, highway, street, and bridge construction and electrical contractors and other wiring installation contractors. The construction is expected to start in 2026, or after.
- **Spanaway Transit Center Parking Lot Expansion**
The scope of this project expands the Spanaway Transit Center parking lot to 250 spaces and provides for a turnaround and layover facility for coaches where none exists today. All of the work is heavy civil. Three FTA grants have been dedicated to this project totaling \$5,271,477.
- **Transit Vehicle Manufacturer (TVM):**
Pierce Transit is operating under a fleet replacement schedule and expects to receive federal funding for bus purchases. TVM purchases are not included in the Base Figure Worksheet and will be reported by the Grants Manager as required by the Federal Transit Administration. At this time, no “off-the-lot” vehicle purchases using federal funds are expected.

STEP TWO:

Past Participation:

- The historical median for past participation gathered from our Semi-Annual Report of DBE Commitments/Awards from 2021 - 2023 is (Attachment B): **0%**
- The median past participation averaged with the base figure is: **2%**
($0.0 + 0.04 = 0.04/2 = .02$)

- The historical average for past participation gathered from our Semi-Annual Report of DBE Commitments/Awards from 2021 - 2023 is (Attachment B): **10.18%**

Capacity:

- To determine Capacity of DBEs to perform work, the Washington State Office of Minority and Women Business Enterprises website at omwbe.wa.gov was searched by NAICS codes for type of work included in the projects listed, and the United States Census Bureau site at data.census.gov with the filters of Washington State, applicable NAICS codes, counties of Pierce, Thurston, Lewis, Mason and King.

Disparity Studies:

- Washington State Department of Transportation (WSDOT) have recently commissioned Disparity Studies. The information gathered from this Study will provide valuable insight about our local region.

Consultation with Minority, Women and General Contractor Groups:

- Pierce Transit participated in the City of Tacoma's virtual outreach sessions with regional prime contractors and subcontractors, sharing DBE goals, and educating potential bidders on how to do business with Pierce Transit.
- Pierce Transit staff participated in the virtual outreach session conducted by Alliance Northwest, highlighting the Bus Rapid Transit (BRT) project and the type of work to be performed by trade. Two of our prime contractors, Granite Construction Company and Absher Construction Company, were also present and spoke to the bid opportunities coming up for Pierce Transit contract specific subcontracted work.
- Pierce Transit's DBELO attended a Joint Municipal Action Committee (JMAC) meeting on February 11, 2022 and gave a presentation on "Supporting MWBE Through Accounts Payable", highlighting Pierce Transit's efforts in identifying and reducing barriers for small and diverse businesses related to public contracting. The efforts focus on reducing barriers such as high insurance requirements, waiving bond requirements when allowed by laws, and prompt payment of invoices.
- Pierce Transit staff is also a member of the Conference of Minority Transportation Officials (COMTO), and has shared upcoming opportunities to small and diverse businesses at conference general meetings.
- The agency's proposed DBE Goals for 2024 – 2026 was posted on Pierce Transit's website and published in the Tacoma Daily Index, requesting public comment. No public comment was received so no changes to the proposed goal were made. Race-Neutral Program:
- Pierce Transit intends to continue its race-neutral DBE Program. Based on Pierce Transit's utilization of DBE firms' past participation and the availability of firms ready, willing and able to perform work on Pierce Transit contracts, disparity does not warrant moving into a race-conscious Program. Calculations on Attachment A represent Race-Neutral elements.

Summary of Comments Received during Consultations and Outreach noted above:

The comments and requests heard from several potential bidders were very similar and included:

- Reduce the insurance requirements when it makes sense. Most DBE's can't provide \$10,000,000 - \$20,000,000 in General Liability Insurance, especially for smaller, shorter term projects.
- Reduce or waive performance and payment bond requirements, when allowed by law. The DBE's bonding capacity doesn't allow for multiple contracts at a time.

- Pay the invoices promptly upon receipt of an approved invoice. Many of the DBE's shared their financial struggles and they can't afford to finance a contract, therefore payment within 20 days is preferred.
- The public agencies should enforce prompt payment to the subcontractors. In other words, check in with our prime contractors to ensure that they paid the subcontractors quickly after receiving the funds from the agency.
- Expand the advertisements of bid opportunities beyond our legal newspaper that Washington State statues require. Pierce Transit has expanded our outreach efforts to include a website that is available to all to register to receive upcoming bid opportunities. We are also canvassing the MRSC Roster and the OMWBE website for certified firms and sending emails informing them of the bid opportunities.

Supporting a Race-Neutral Program:

- Procurement staff and Project Managers search the OMWBE website for DBE firms to participate in our competitive solicitations and notify them of the opportunity to access the solicitation documents on Builders Exchange of Washington, Inc.
- Procurement staff search the Municipal Research Services Center Rosters to identify OMWBE Certified small, minority and veteran-owned businesses to receive notification of bid opportunities.
- Encourage prime contractor to subcontract portions of work to DBEs
- Consider (subject to state law and Pierce Transit needs) alternatives to stated specifications, such as bonding, insurance limits, and financing, which may limit DBE participation
- Provide technical assistance as needed
- Provide information regarding Washington State OMWBE
- Upon request, provide prime contractor with potential DBE subcontractors names
- Provide information about Pierce Transit's contracting opportunities and procedures to DBEs and post recurring projects on Pierce Transit's website as well as open solicitations and contract award information on-line through Builders Exchange of Washington, Inc. accessible through www.piercetransit.org
- Participate in regional governmental procurement programs for minority and woman-owned businesses
- Use contract language which supports DBE participation
- Assists firms in contacting agencies that provide services to help DBEs
- The Procurement Manager is the Chair of the Washington State Capital Projects Review Board – Job Order Contracting (JOC) Committee. This Committee developed a Best Practices Guidelines for implementation and administration of a JOC Program. Over 25 organizations throughout Washington State were identified that provide resources for small and diverse businesses to get established, provide insurance and bonding, training on bidding on public work, and consulting services for assistance during contracting. Pierce Transit has developed a website where interested bidders can register to get immediate email notification of upcoming contracting opportunities.

Contracting Opportunities:

- Pierce Transit currently does not have any new capital projects identified with anticipated FTA funding for year 2024 – 2026.

Goal Adjustment:

Due to the uncertainty of receiving federal funds for the BRT Pacific Avenue/State Route 7 Corridor, and the release of federal funds for the Spanaway Transit Center Parking Lot Expansion contingent upon completion of National Environmental Policy Act (NEPA) review and approval, Pierce Transit

is adjusting the goal to 2.0%. The Bus Rapid Transit (BRT) project is not yet fully funded. The project budget is based on anticipated FTA CMAQ and Small Starts grants totaling approximately \$60,000,000, however the grants are contingent upon the FTA receipt and approval of at least 60% design documents, and project rating meeting rapid transit requirements.

Based on these considerations, the DBE Goal for FFY 2024, 2025 and 2026 has been set at 2.0% and is narrowly tailored and achievable.