

**ARLINGTON COUNTY GOVERNMENT
DEPARTMENT OF TRANSPORTATION- TRANSIT BUREAU
DISADVANTAGED BUSINESS ENTERPRISE GOAL METHODOLOGY
FOR FEDERAL FISCAL YEARS (FFY) 2021 - 2023**

SUMMARY

Arlington County Government, (hereinafter called “The County”) has established requirements for setting an overall goal for Disadvantaged Business Enterprise (DBE) participation in federally funded contracts in accordance with regulations of the United States Department of Transportation (DOT), 49 CFR Part 26. This rule requires recipients of Federal funds to use a methodology based on demonstrable data of relevant market conditions and is designed to reach a goal the recipient would expect DBEs to achieve in the absence of discrimination.

PROPOSED GOAL FOR FFY 2021 - 2023

The County has established an overall goal of **10.6 percent** DBE participation for Fiscal Year (FY) 2021-2023 on U.S. Department of Transportation (DOT)-assisted contracts. The County expects to meet this goal for upcoming projects receiving Federal Transit Administration (FTA) funds by verifying DBE certifications and furnishing prime contractors’ information about DBE firms in the greater Washington, DC region. In accordance with CFR 26.51 (c) and CFR 26.45 (f)(3), Arlington County expects that the maximum feasible portion of the overall goal will be achieved through race neutral measures and by zero percent race conscious means.

METHODOLOGY

Step 1. Anticipated Federal Assisted Contracts in FFY 2021- 2023

In accordance with CFR 26.45(c) the first step in establishing a DBE Goal is to determine the types of FTA assisted projects for which the County expects to initiate contracts and sub-contracts during FY 2021- 2023. The following is a breakdown by FTA grant/project number and approved preliminary budget. Arlington County does not have a sub-recipient.

Preliminary/Final Architectural Engineering (A&E) Services

- Design a modern elevator to provide access to the Pentagon City Metro Station from the west side of South Hayes Street. The elevator shall be design in accordance with the WMATA Adjacent Construction Manual and WMATA Design Standards. Upon completion of construction and acceptance by WMATA the elevator will be owned and operated by WMATA.

- Design twenty-three high quality transit stations and bus stops along Columbia Pike at twelve intersections to include larger shelters, increased seating capacity, real time information and near level boarding.
- Design a new entrance at the Crystal City Metro Station East end to provide easier access from Crystal Drive, the Virginia Railway Express (VRE) Station, and a Crystal City Potomac Yard Transitway station on the eastside of Crystal Drive at 18th Street South.

Construction Services

- Construct a second elevator entrance to the Pentagon City Metrorail Station from the street level to the mezzanine level of the station. The elevator will be located on the west side of S. Hayes Street near the west side Metrorail escalator.
- Construct twenty-three high quality bus stops and transit stations along Columbia Pike at twelve intersections to include larger shelters, increased seating capacity, real time information and near level boarding.
- Construct a new entrance at the Crystal City Metro Station East end to provide easier access from Crystal Drive, the Virginia Railway Express (VRE) Station, and a Crystal City Potomac Yard Transitway station on the eastside of Crystal Drive at 18th Street South.

Construction Management Services

- Construct a second elevator entrance to the Pentagon City Metrorail Station from the street level to the mezzanine level of the station. The elevator will be located on the west side of S. Hayes Street near the west side Metrorail escalator.
- Construct twenty-three high quality bus stops and transit stations along Columbia Pike at twelve intersections to include larger shelters, increased seating capacity, real time information and near level boarding.

Table 1 : Anticipated Federal Assisted Contracts in FFY 2021- 2023

	NAICS Code	Project	Amount of FTA funds on project:
1)	541330	Pentagon City Elevator VA-04-0028-01 Final Design/Engineering	\$108,641.00
2)	236220	Pentagon City Elevator VA-04-0028-01 Construction Management	\$108,392.00
3)	236220	Pentagon City Elevator VA-95-X104-00 Construction	\$2,400,000.00
4)	541330	Columbia Pike Bus Stops VA-95-X062-00 Final Design/Engineering	\$549,186.00
5)	236220	Columbia Pike Bus Stops VA-95-X062-00 Construction Management	\$775,391.00
6)	236220	Columbia Pike Bus Stops VA-95-X062-00 Construct Shelters	\$67,414.00
7)	236220	Columbia Pike Bus Stops VA-04-0021-01 Construction Management	\$160,000.00
8)	236220	Columbia Pike Bus Stops VA-04-0021-01 Construct Shelters	\$1,479,078.00
9)	541330	Crystal City Metro Station East Entrance - Architecture & Engineering	\$12,205,000.00
10)	236220	Crystal City Metro Station East Entrance - Construction	\$40,314,000.00
		Total FTA-Assisted Contract Funds	\$58,167,102.00

During Step (1), the NAICS Codes were reviewed and analyzed extensively by the DBE Specialist and industry representatives from the construction/engineering industry to determine that the correct and appropriate NAICS codes are associated with the corresponding contracting opportunities.

Step 2. Base Figure Determination

The second step in establishing an overall goal for DBE participation is to establish a Base Figure for the relative availability of DBE vendors within the County’s service area (Northern Virginia and Washington, DC).

Local Market Area

The Washington DC region area is the local market area where the substantial majority of the contractors and subcontractors are located and the area in which the County spends the substantial majority of its contracting dollars. For the purposes of this methodology, the County will consider the relevant market area to be the **Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park; the Counties of Arlington, Fairfax, Loudoun, Prince William; and the District of Columbia.**

Available Firms in Local Market Area by North American Industry Classification Systems (NAICS) Code

The total number of all contractors and subcontractors located in the County's local market area, who would be available for DOT-assisted projects, were extracted from the 2017 County Business Patterns (NAICS) database hosted by the U.S. Census. Tables 2 and 3 summarize the total available firms in each local market jurisdiction by corresponding Industry (NAICS) Code.

Base Figure Formula

Table 2

Total Available Firms: Engineering Services (NAICS Code 541330)	
Jurisdiction	Total
Alexandria	69
Arlington	142
District of Columbia	260
Fairfax City	27
Fairfax County	566
Falls Church	5
Fredericksburg	10
Loudoun	173
Manassas	15
Manassas Park	0
Prince William	93
Total	1360

Table 3

Total Available Firms: Construction (NAICS Code 236220)	
Jurisdiction	Total
Alexandria	146
Arlington	188
District of Columbia	451
Fairfax City	90
Fairfax County	2355
Falls Church	34
Fredericksburg	74
Loudoun	862
Manassas	231
Manassas Park	98
Prince William	1276
Total	5805

The Regulations suggest the following formula for determining the base figure percentage of ready, willing and able DBE firms for FTA/DOT-Assisted projects:

Numerator: Ready, Willing and Able DBE Firms (by category) divided by;

Denominator: All Ready, Willing and Able Firms (by same numerator category)

The numbers for the denominator (the number in the formula that we divided by) were extracted from the NAICS listing for the local market area, as referenced in Tables 2-3.

The numbers for the numerator (the number divided) were derived from firms listed in DBE databases maintained by the Virginia Department of Small Business and Supplier Diversity (SBSD) <https://www.sbsd.virginia.gov/> and the Metropolitan Washington Airports Authority (MWAA) <https://www.mwaa.com/business/ldb-and-acdbedbe-directory>, (those firms whose description matched the respective industry codes, as shown in Table 4).

Table 4

Certified DBE Firms Overview			
	Virginia SBSB (Northern Virginia Area)	MWAA	Total
Construction (NAICS Code 236220)	38	119	157
Engineering Services (NAICS Code 541330)	60	66	126

Note: County staff cross-referenced each directory in order to prevent double counting a particular DBE firm who is certified and registered by more than one agency.

For the base goal calculation, the County developed a base goal using the relative availability of DBEs in the local market area, as shown in Tables 5 and 6 below.

Therefore, the base goal calculation, using combined totals, is as follows:

Table 5 – Overall Availability of DBEs

Base Goal	Formula
3.9%	$(157 \text{ construction DBEs} + 126 \text{ engineering DBE's}) / (5805 \text{ construction firms} + 1360 \text{ engineering firms})$

Step 3: Adjusted Base Goal

After determining the Base Goal (Step Two), the Regulation requires agencies to adjust the base goal using past participation rates of DBEs on DOT-funded projects. The work under contracts the County has awarded over the past three years is similar in nature

and scope to the work expected to be let in the future. In Fiscal Years 2018, 2019 and 2020 the number of DBE's awarded subcontracts totaled 20.3%, 17.4 % and 11.4% respectively. **For this calculation, we took median years FY 2019 and the 17.4% number of the DBEs awarded subcontracts + (3.7%) DBE base goal = 21.1 % divided by 2 for an average 10.6%. In accordance with CFR 26.51(a), Arlington County expects to achieve the maximum feasible portion of the overall goal through race-neutral means and by zero percent race conscious means.**

PROCESS

Arlington County is required to submit its three-year DBE goal to the Federal Transit Administration (FTA). This goal shall cover the federal fiscal years of 2021, 2022 and 2023. Before establishing the overall DBE goal, the County consulted with the staff at the **Virginia Small Business Suppliers Diversity (SBSD) and Washington Metropolitan Transportation Authority (WMATA)**, and nearby transit agencies to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses. Consultation with the groups identified above is not to be construed as mutually exclusive or exhaustive.

The County posts a notice of the proposed overall DBE goal, informing the public that the proposed goal and a description of how it was selected is available for public inspection during normal business hours at County offices for a period of 30 days and public comment for 45 days from the date the notice. The County publishes its overall goal on the County's website and in employee areas at headquarters.

If public comments necessitate reconsideration or possible modification of the goal, the County will be asked to review and adopt the final FFY 2021 - 2023 goal after completion of the public comment period. Assuming no public comment, the County will adopt the goal.

Summary Description of Methodology Used

CFR 26.45 (b) requires that the overall goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on the DOT-assisted contracts. As provided in the tables above, we determine the number of ready, willing and able DBEs in Arlington market area from the Virginia Small Business Suppliers Diversity (SBSD) directory <https://www.sbsd.virginia.gov/> and the directory maintained by the Metropolitan Washington Airport Authority (MWAA) <https://www.mwaa.com/business/ldbe-and-acdbedbe-directory>. Using the Census Bureau's County Business Pattern (CBP) data base, we determine the number of all ready, willing and able businesses available in the Arlington market area that perform work in the same NAICS codes. We then divided the

number of DBEs by the number of all businesses to derive at the .04 percent base figure for the relative availability of DBEs in the Arlington market area.

In order to verify our calculations, we reviewed the .04 percent base goal by using the excel "Weighing Base Figure Worksheet," provided by the FTA Civil Rights Office. This excel worksheet required that we enter all FTA assisted projects; project amounts and relevant NAICS Codes. Next to determine the relative availability of DBE's by NAICS Code, using the directories and data base mentioned before we entered the number of available DBE firms and the number of available firms. By using the excel "Weighing Base Figure Worksheet" it firmly established that the overall availabilities of DBE's was .0416 percent or rounded to the base goal of .04 percent.