

Public Notice

City of Alexandria

Department of Transportation and Environmental Services

PROPOSED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL FOR FFY 2024-FFY 2026

The City of Alexandria, Department of Transportation and Environmental Services, announces its proposed goal of **5.5%** for Disadvantaged Business Enterprises (DBE) participation on work in Federal Fiscal Years (FFY) 2024-2026 funded by Federal Transit Administration (FTA) grants during the Federal triennial period.

The purpose of the DBE goal is to aim to give small businesses owned by socially and economically disadvantaged individuals a fair approach to compete for federally funded grants and to ensure the DBE Program is narrowly tailored in accordance with applicable law.

The **5.5%** proposed goal was derived using the Virginia Department of Small Business and Supplier Diversity's DBE Directory and U.S. Census Bureau databases.

In accordance with the Code of Federal Regulations (CFR), [49 CFR Part 26.45\(g\)](#), the City invites maximum public participation and solicits comments regarding the proposed goal. Please submit comments regarding the proposed DBE goal to the Department of Transportation Environmental Service's DBE Liaison Officer, Philippe Simon, via mail or email at the following addresses:

City of Alexandria, Department of Transportation and Environmental Services

Mail: ATTN: Philippe Simon, Grants Coordinator, Administrative Services

2900 Business Center Drive

Alexandria, VA 22314-3211

Email: philippe.simon@alexandriava.gov

Comments on the proposed DBE goal will be accepted for 30 days from the date of publication of this notice.



CITY OF ALEXANDRIA

DISADVANTAGED BUSINESS ENTERPRISE

PROPOSED GOAL SETTING METHODOLOGY FFY 2024 – 2026

“Proposed as of 09/11/2024”

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DEFINITIONS

The City – The City of Alexandria

DASH – Alexandria’s Transit Company (the City’s Bus Service)

Direct Recipient – Receiving funding directly from FTA

Race-Conscious – Measures for the program focused specifically on assisting only DBEs, including women-owned DBEs.

Race-Neutral – Measures for the program can be used to assist all small businesses.

Race-neutral includes gender-neutrality.

ACRONYMS

CFR – Code of Federal Regulations

CPF – Community Project Funding

DBE – Disadvantaged Business Enterprises

FY – City of Alexandria Fiscal Year

FFY – Federal Fiscal Year

FTA – Federal Transit Administration

NAICS – North American Industry Classification System Codes

NVTC – Northern Virginia Transportation Commission

T&ES – Department of Transportation and Environmental Services

TOD – Transit-Oriented Development

UCP – Virginia Unified Certification Program

INTRODUCTION

In accordance with the Code of Federal Regulations (CFR), 49 CFR Part 26.45, the City of Alexandria (the City), Department of Transportation and Environmental Services (T&ES), presents its Proposed Overall Disadvantaged Business Enterprise (DBE) Goal and Goal-Setting Methodology for the Federal triennial period of Federal Fiscal Years (FFY) 2024-2026.

The purpose of the DBE goal is to aim to give small businesses owned by socially and economically disadvantaged individuals a fair approach to compete for federally funded grants and to ensure the DBE Program is narrowly tailored in accordance with applicable law.

BACKGROUND

In addition to being a sub-recipient to the Northern Virginia Transportation Commission (NVTC), the City has become a direct recipient in FFY 2023. FTA and NVTC will evaluate the City's other FTA-funded projects overseen by NVTC to identify potential DBE contract opportunities within NVTC's [DBE Goal Setting Methodology](#)¹ for FFY 2024-2026

According to 49 CFR 26.45(a), FTA recipients who reasonably anticipate awarding more than \$670,000 in FTA funds in prime contracts in a federal fiscal year, must develop a plan that highlights its overall goals for DBE participation in FTA-assisted contracts once every three years. The City is a direct recipient of Federal Transit Administration (FTA) funds of more than \$670,000 during this triennial period. As a condition of receiving this financial assistance, this overall DBE goal document will capture the opportunities for DBE participation of the City's FTA-assisted contracts.²

On June 26, 2023, the FTA announced \$1.69 billion in Federal Fiscal Year (FFY) 2023 Low and No-Emission Grants for use by bus and bus facilities projects. The City was among the recipients to receive these awards. Through the Low-No Program (49 U.S.C 5339(c)), the City has received \$23,984,700 in funding. The City's transit system, DASH, will use these funds to purchase 13 battery-electric buses, charging equipment, and perform necessary utility upgrades. FTA's funding in the amount of \$14 million will account for the bus project. While existing state contracts for buses limit DBE contracting opportunities in that area, the City sees potential for DBE participation in the charging equipment portion of the project valued at \$8.6 million. This suggests a focus on DBE involvement in acquiring and installing charging stations for the new buses.

¹ [NVTC FFY 2024-2026 DBE Goal Setting Methodology.pdf \(novatransit.org\)](#)

² Although the City of Alexandria receives FTA funds through NVTC, the City is now a direct recipient through FTA and will report DBE methodology on new awards received. All previously awarded Transportation project goals have been submitted and accepted by FTA through NVTC's FFY 24-26 DBE goal and methodology.

On April 04, 2024, FTA announced \$20.5 billion in federal funding available to support public transportation throughout the country. The City was selected to receive \$1M in Community Project Funding (CPF) through the FFY 2024 FTA apportionments for Transit Infrastructure Grants (H.R. 4366 Sec. 155) federal funds for DASH to implement one on route opportunity charger to support the charging of battery electric transit buses in the DASH fleet. Funding will support the engineering, design, and construction of charger installation and utility infrastructure for the on-route charger.

Lastly, on April 02, 2024, the FTA announced \$17.6 million in FFY 2023 Transit-Oriented Development (TOD) Pilot Program Planning grant awards. The City was among the recipients to receive this award. Through the TOD pilot planning program, the City has received \$550,000 in Section 20005(b) federal funds. The City will use these funds to develop a TOD development land use plan along the proposed Duke Street Bus Rapid Transit corridor. The City sees this as an opportunity to involve Disadvantaged Business Enterprises (DBEs) in these projects

City of Alexandria DBE Goal and Methodology

Federal Fiscal Years 2024-2026

SUMMARY

The City of Alexandria has determined a goal for the next three FFY (2024-2026) to ensure that **5.5%** of awarded FTA grant funding is awarded to businesses owned by disadvantaged groups (DBE). The City estimates that in meeting its **5.5%** overall goal, **2.75%** will be obtained through race/gender neutral measures and **2.75%** through race/gender conscious participation.

FFY 2024-2026 FTA FUNDED CONTRACTS

To plan its projects funded for FFY 2024-2026, the City first assessed the FTA grants it expects to receive as a direct recipient. The City then determined the potential for contract awards within the applicable NAICS codes for the FFY 2024-2026 triennial period. The City expects to award FTA-funded contracts for Low or No Emissions, Transit-Oriented Development (TOD) Pilot Program Planning, and Community Project Funding initiatives during this timeframe, adhering to the established project timelines.

Table 1 on the following page displays the new awards that the City of Alexandria intends to proceed with during FFY 2024-2026, utilizing Federal Transit Administration (FTA) funds. The project name and awarded fund amounts are included in this table.

Table 1: ANTICIPATED AWARDS		
FTA Grants – City of Alexandria	Project Name	Total Project Costs
Low or No-Emission Grant Program (49 U.S.C 5339(c))	DASH Electric Bus Fleet & Facility Upgrades	\$28,638,147
Transit Oriented Development Pilot Program (Section 20005(b))	Duke Street Corridor Planning	\$750,000
Transit Infrastructure Grants Community Project Funding (H.R. 4366, Sec. 155)	DASH On- Route Electric Transit Bus Opportunity Chargers	\$1,250,000
FFY 24-26 FTA Funded Contracts Total		\$30,638,147

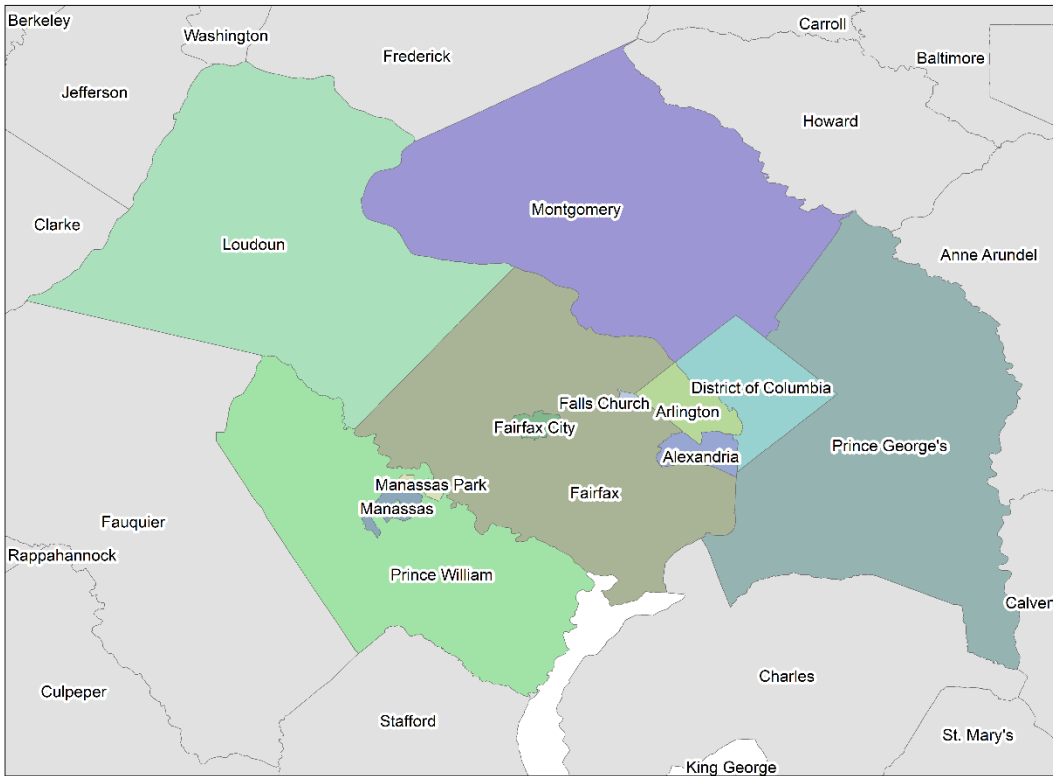
Next, the City evaluated the possible contracting opportunities within these projects.

LOCAL MARKET AREA DETERMINATION

The City of Alexandria previously collaborated with the Northern Virginia Transportation Commission (NVTC) to determine the local market area for FTA-funded projects. This decision was made in conjunction with NVTC's DBE goal methodology, which is used to establish the percentage of Disadvantaged Business Enterprises required to participate in these projects.

- Alexandria, Virginia
- Arlington, Virginia
- Fairfax County, Virginia
- Fairfax City, Virginia
- Falls Church, Virginia
- Loudoun County, Virginia
- Prince William County, Virginia
- District of Columbia
- Montgomery County, Maryland
- Prince George's County, Maryland

The local market area is depicted in the Geographical Area Map below:



METHODOLOGY

According to federal guidance, projects require DBE goals that reflect local market reality. This means considering the number of qualified DBEs available compared to all eligible businesses. The goal must reflect its determination of the level of DBE participation it would expect, absent the effects of discrimination. In determining its overall goal, the City strictly followed Federal guidance. The following steps outline the methodology used:

Step 1: Base Figure Determination (49 CFR 26.45(c))

During Step One of the goal setting processes, the City determined a base figure for the relative availability of DBE firms that are ready, willing, and able to compete for the FTA-assisted contracts it intends to award during FFY 2024-2026.

Base Figure Formula

Federal guidance provides the following formula for determining the base figure percentage of ready, willing, and able DBE firms for FTA-assisted contracts:

$$\text{Step One Base Figure} = \frac{\text{Ready, willing, and able DBEs}}{\text{All firms ready, willing, and able (including DBEs and non-DBEs)}}$$

The following steps were used to calculate the relative availability of DBEs:

- The source of data used to identify the DBE firms that are ready, willing, and able to bid is the Commonwealth of Virginia Unified Certification Program (UCP) DBE Directory. The Directory provides an all-inclusive list of DBE firms which have been certified by the Commonwealth of Virginia and is maintained by the Virginia Department of Small Business Supplier Diversity.
- The source of data used to identify all firms (both DBE and non-DBE) for each NAICS category that are ready, willing, and able to bid is the United States Census Bureau County Business Patterns.
- To ensure a sufficient comparison between the UCP DBE directory and the Census data, the City only included certified DBE firms within counties and cities located within the City of Alexandria’s local market area.
- Staff then divided the number of DBE firms identified for each NAICS category that are ready, willing, and able to bid on the contracts the City of Alexandria intends to award during the FFY 2024-2026 by the number of all firms (DBE and non-DBE) that are also ready, willing, and able to bid.
- The City believes that the categories of work identified in **Table 2** on page 9 accurately reflect where opportunities, both prime and subcontracting, truly exist for DBEs participating in the City’s FTA funded projects during the FFY 2024-2026 triennial period. **Table 2** on the following page lists the actual categories of work that will be available during FFY 2024-2026, along with the appropriate six-digit North American Industry Classification System (NAICS) code and their respective cost estimates.³

³ The work category estimates were provided by staff and included for the purposes of weighting. Six digit North American Industry Classification System (NAICS) codes were used to show the most refined data available.

Table 2: Weighted Availability of DBE Firms

Work Categories	NAICS	Total # of DBE Firms	Total # of All Firms (DBE and non-DBE)	Estimated FTA Dollars per NAICS	Value of Contract Opportunity as a percentage of Total Budget	Weighted Availability of DBEs	Estimated FTA Dollars Paid to DBEs per NAICS
Preliminary Engineering Services	541330	149	1,734	\$625,000	.02039941	.00175289	\$53,705.31
Demolition / Site Preparation	238910	67	216	\$62,500	.00203994	.00063276	\$19,386.57
Electrical and Wiring Contractors	238210	93	767	\$6,187,500	.20195412	.02448727	\$750,244.46
Building Equipment Contractors	238290	14	59	\$1,375,000	.04487869	.01064918	\$326,271.19
Utility system Construction	237130	8	74	\$300,000	.00979171	.001005856	\$32,432.43
Pouring Concrete Structure Contractors	238110	26	207	\$62,500	.00203994	.00025622	\$7,850.24
Technical and Trade Schools	611519	3	60	\$1,500,000	.04895857	.00244793	\$75,000.00
Other Management Consulting Services	541618	167	564	\$150,000	.00489586	.00144966	\$44,414.89
Heavy Duty Truck Manufacturing	336120	2	129	\$16,517,647	.53912030	.00835845	\$256,087.55
Other Electrical Component Manufacturing	334419	0	4	\$3,108,000	.10144217	.000000	\$0.00
Other Scientific and Technical Consulting	541690	130	1048	\$150,000	.00489586	.00060731	\$18,606.87

Environmental Consulting Services	541620	59	156	\$160,000	.00522225	.00197508	\$60,512.82
Administration of General Economic Programs	926110	125	763	\$50,000	.00163195	.00026736	\$8,191.35
Administrative Management and General Management Consulting	541611	374	4,180	\$350,000	.01142367	.00102212	\$31,315.79
Graphic Design Services	541430	35	288	\$40,000	.00130556	.00015866	\$4,861.11
Totals		1,252	10,249	\$30,638,147		.05512346	\$1,688,880

$$\begin{aligned}
 \text{Step One Base Figure} &= 1,252 \text{ DBEs} / 10,249 \text{ Total Firms} \\
 &= .01221583 \\
 &= 12\%
 \end{aligned}$$

The Step One Base Figure calculated is **12%**. An analysis of the local market area shows that 12% of businesses ready, willing, and able to perform work in the selected NAICS codes for the City of Alexandria are DBE firms.

Weighting

Federal guidance recommends that weighting to enhance the accuracy of the Step One Base Figure. The City weighed the Step One Base Figure of **12%** by incorporating the amount of estimated FTA-assistance that will be spent under each NAICS code. The weighted percentage was determined by dividing the estimated FTA dollars per NAICS code by the total project costs. The City then multiplied the weight percentage by the respective relative availability of DBEs within NAICS code. This produced the weighted ratio. The weighted ratios for all NAICS codes were then added to determine the weighted availability of DBEs. This total came to 0.05512346 which is **5.5%** as shown in **Table 2** above.

Step 2: Base Figure Adjustment (49 CFR 26.45(d))

According to 49 CFR 26.45(d), once a federal recipient has calculated a base figure, they must examine all the evidence available in the jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. If the evidence does not suggest an adjustment is necessary, then no adjustment shall be made.

During Step Two of the goal-setting process, the City considered the following factors to determine if an adjustment to the Step One Base Figure is necessary:

- The current capacity of DBEs to perform work in the City’s FTA-assisted contract opportunities, as measured by the volume of work DBEs have performed in recent years. Considering this is the City’s first time assessing this metric as a direct recipient and for the projects in this triennial period, the City will continue to find other ways to gauge DBE capacity. This could include, but is not limited to, surveying local DBEs about their interest and abilities, reviewing their certifications to see if they align with project needs, or assessing how other localities weigh DBE capacity for their FTA projects. By using a combination of these approaches, the City will have a better understanding of DBE capacity despite the lack of experience data as a direct recipient.
- Future evidence from disparity studies of the City of Alexandria’s local market area for future proposals will be applied. The City recently contracted and began working with MGT of America Consulting, LLC to conduct disparity studies. ***MGT has provided disparity studies to municipalities across the country for the past 30+ years. They are the largest provider of disparity studies in the country and have conducted more than any other firm in the United States.*** This achievement is a very significant indicator of the quality of their work and legal defensibility of 230+ disparity and disparity-related (e.g., program implementation, litigation) studies. MGT has conducted disparity studies in 11 of 12 judicial districts, and to date, every program developed or continued because of an MGT disparity study remains in place. MGT has decades of experience and a robust presence providing solutions in the Fourth Circuit which includes DC, Maryland, and Virginia and for a variety of state, local, and education institutions. Most importantly, their experience in this area predominantly includes disparity studies of various agencies across the Fourth Circuit. This experience is unmatched and will result in an accurate, reliable, valid, and legally defensible study for the City of Alexandria. The City has not solidified relevant evidence of statistical disparities in DBE access to financing, bonding, or insurance during this triennial period.
- Evidence from related fields that affect the opportunities for DBEs to form, grow, and compete.

Past Participation

Federal guidance states that the first step in adjusting the Step One Base Figure for past participation is to determine the "median" past participation percentage. The median, as opposed to the average, is recommended because the process of determining the median excludes all outliers (abnormally high or abnormally low) past participation percentages. See **table 3** below:

Table 3	
DBE Attainment as Direct Recipient: City of Alexandria	
FY 2021	0%
FY 2022	0%
FY 2023	0%

The City’s median past participation percentage as a **direct recipient** is 0%. In conclusion, based off this evidence and suggested revised approach by FTA, the City will not be applying a Step 2 Base Figure Adjustment to its step one base figure goal during the FFY 2024-2026 triennial period.

The City will acknowledge any challenges of reaching the **5.5%** DBE goal and will provide justification for potential adjustments to this goal if needed, based on project progression and future FTA funded awards.

Race/ Gender-Neutral and Race/ Gender-Conscious Breakdown (49 CFR 26.51)

According to [49 CFR 26.51](#), the maximum feasible portion of the overall goal must be met by using race/gender neutral means of facilitating DBE participation. Race-neutral DBE participation is when a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does not carry a DBE contract goal.

Federal guidance suggests that looking at the amount by which overall goals were exceeded in past years, past participation obtained by DBE prime contractors, and past participation obtained by DBE subcontractors on contracts without goals, are all useful tools in helping to project the race/gender-neutral participation that can be expected in the future.

According to the U.S. Department of Transportation’s [TIPS for goal setting in the Disadvantaged Business Enterprise \(DBE\) program](#)⁴, if comprehensive mechanisms aimed at obtaining additional DBE participation through race/gender-neutral means have been instituted, these efforts might provide the basis for estimating a greater level of race/gender-neutral participation for the upcoming year. The key is that any such efforts used to justify race/gender-neutral participation in the upcoming fiscal year must be:

⁴ [Tips for Goal setting in the Disadvantaged Business Enterprise \(DBE\) Program | US Department of Transportation](#)

1. new,
2. ready for immediate implementation,
3. described in detail, and
4. likely to result in additional DBE participation.

A new mechanism is that the City of Alexandria will establish an internal DBE Task Force. The purpose of the Task Force is to ensure the City considers all opportunities for DBE participation in FTA-assisted procurements and develop innovative ways that DBEs can become aware and compete for such opportunities. The members of the Task Force will include a staff member from the following departments/divisions in the City:

- Title VI Coordinator (Administrative Services, T&ES)
- Representatives of Transportation (Transportation Planning, T&ES)
- Representatives of Finance (Purchasing)
- Representatives of the Department of Project Implementation

The City believes that this collective group of individuals will be best suited to unbundle larger projects consciously and vigorously into smaller subparts for which small businesses and DBEs will be more likely to be able to compete. The group will meet quarterly to assess DBE participation and make modifications where necessary⁵ to ensure the City remains on track to meet the maximum feasible portion of the overall goal through race/gender neutral means.

In addition, the following are some of the efforts the City of Alexandria will continue to implement to foster DBE participation:

- Arrange solicitation times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and make contracts more accessible to small businesses;
- Aid in overcoming limitations such as inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, and eliminating the impact of surety costs from bids);
- Deliver information and communication programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on recipient mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);

⁵ Per [49 CFR 26.51\(f\)\(2\)](#), if, during any year in which you are using contract goals, you determine that you will exceed your overall goal, you must reduce or eliminate the use of contract goals to the extent necessary to ensure that the use of contract goals does not result in exceeding the overall goal. If you determine that you will fall short of your overall goal, then you must make appropriate modifications in your use of race-neutral and/or race-conscious measures to allow you to meet the overall goal.

- Ensure distribution of the DBE Directory, through electronic means, to the widest feasible potential prime contractors;
- Perform outreach to non-certified DBEs, which will include activities related to building the population of available DBEs to perform work on FTA-assisted contracts;
- Provide technical assistance, as needed.

By establishing a new DBE Task Force and maintaining outreach efforts, the City anticipates achieving 50% of its overall DBE goal for FFY 2024-2026 through race and gender-neutral methods. The City believes this 50% target accurately reflects potential challenges in meeting DBE goals as a first-time direct recipient. By evaluating this fiscal year's DBE participation, the City will refine its approach in future years and implement additional initiatives as needed. The Overall DBE goal for FFY 2024-2026 of **5.5%** will consist of a 50/50 split, where **2.75% of the goal will be obtained through race/gender neutral measures and 2.75% through race/gender conscious participation.**

CONCLUSION

In conclusion, the City of Alexandria has determined that the Overall DBE goal for FFY 2024-2026 is **5.5%** of federal funds expended in Federal Transit Administration (FTA) funded contracts. The City understands that this goal is only a projection for what it believes it can achieve during FFY 2024-2026. As a result, it will continue to monitor DBE participation during each year to determine whether this projection is on target. This will be done by analyzing the DBE awards and commitments reported to the FTA on a semi-annual basis for actual DBE participation.

If the DBE awards/commitments are *less* than the overall DBE goal, the City will develop a written analysis of the shortfall and create a corrective action plan, which will be implemented to remedy the shortfall. Conversely, if the DBE awards/commitments are *greater* than the overall DBE goal, the City will reduce or eliminate the use of contract goals to the extent necessary to ensure that the use of contract goals does not result in exceeding the overall goal, as required by Federal guidance. If any significant changes are made to the City of Alexandria FTA-assisted contracting forecast, the City will re-calculate the overall DBE goal and submit an adjusted overall DBE goal for FTA approval.