

Attachment A - Goal Setting

I. Introduction

In accordance with provisions of 49 CFR Part 26.45 outline of DBE goal setting methodology, the NRTA has followed a two step process consisting of: a) establishment of a base figure for determining the relative availability of qualified DBE's; and b) making adjustments, if any, in the DBE base figure to account for demonstrable evidence of under-utilization or over utilization. This section of the DBE Program Plan describes the details of the procedures the NRTA followed in establishing the overall DBE goal for FFY13, FFY14, and FFY15.

II. Definition of Terms

To facilitate the clear understanding of the methodology adopted by the NRTA in establishing the overall DBE goal, the following terms are accordingly defined.

DBE – A business that meets the size, ownership, control and definitional requirements of 49 CFR Part 26.5

READY/WILLING AND ABLE BUSINESSES/ENTERPRISES (RWA) – Comprises the current universe of SOMWBA certified businesses that perform work, are interested in, and capable of performing such work on NRTA DOT-assisted contracts.

RELEVANT MARKET AREA – The jurisdiction or geographic area in which:

- 1) 85% or more of the listed vendors are located; or
- 2) 85% or more of the awardees are located; or
- 3) 85% or more of the bidders are located in

III. Listing of Available Relevant Evidence

In developing this report directories, business firm data, and other reference materials were researched and examined for verification purposes. Some of the documents and other reference sources are herewith cited:

1. NRTA contractors, subcontractors, bidders lists, vendor list and procurement records,
2. State Office of Women and Minority Business Assistance (SOMWBA) DBE Directory, 2012
3. U.S. Bureau of the Census
4. U.S. Department of Labor. Standard Industrial Classification (SIC) Codes
5. Nantucket Island Chamber of Commerce
6. Nantucket Planning and Economic Development Commission

IV. Description of DBE Goal Setting Methodology

The rationale, methodology and procedures used to develop the projected overall DBE goal for the NRTA. The two step process used to determine the DBE participation goal is presented as follows:

Step 1. Establish a Baseline Figure

The DBE goal base figure was determined by examining the composition of DBE's within the subset of active firms contracting with the NRTA using the following formula for calculation

$$\text{DBE Goal} = \text{Actual DBE Firms Utilized} / \text{All Firms Utilized}$$

Actual DBE Firms Utilized = Number of DBE firms holding contracts with the NRTA

All Firms Utilized = Number of firms holding contracts with the NRTA

Currently $0/3 = 0$

As may be seen, the resulting base figure for the relative availability of DBEs is 0%

*Note: The NRTA makes an effort to participate in the DBE Program. However, there are no DBE's within our area, the Island of Nantucket, that are certified for the fuel procurement nor the management contracts of the NRTA. In the past NRTA has utilized two DBE firms and one woman owned firm for small purchases but are not under contract with NRTA.

Step 2. Adjustment Based on Available Evidence

Of the methodological procedures calls for an examination of all available evidence in the jurisdiction to determine what adjustment, if any, is needed to the base figure in order to arrive at an overall goal. A decision regarding adjustment for possible disparity or over-utilization should take into account any evidence regarding the following:

- a. The capacity of DBE's to perform work on DOT-assisted procurement projects, based on volume of work DBE's have performed in recent years;
- b. We note that the Commonwealth of Massachusetts Department of Transportation, Mass Highway Division indicated a state-wide DBE goal of 15%. However, the NRTA does not feel this percentage is representative of the NRTA's area.
- c. Results of disparity studies conducted within the relative market area; and;
- d. We also investigated to determine if any data was available on

statistical disparities in the ability of DBE's to get financing, bonding and insurance required to participate in DOT-assisted procurement opportunities. We could not find any data.

*Note – to the NRTA's knowledge and research, disparity studies have not been conducted by SOMWBA since the late 1990's, so it was not felt that these results were accurate and up to date to be considered.

V. Goal Setting Methodology Summary

Information pertaining to contributing factors in the goal setting process has been carefully considered in reaching a decision on an overall DBE for the NRTA. Available materials were examined to ensure that the projected overall goal for DBE participation in NRTA procurement opportunities was at an acceptable level. As a result, it is firmly believed that the NRTA has been responsive in accommodating changes in the DBE marketplace over the years and the current projected goal reflects an ongoing positive commitment to the program.

Accordingly, further adjustment in the projected goal was not warranted for a number of reasons, including, but not limited to, the following:

- a. Results of past disparity studies and SOMWBA data clearly indicate that the NRTA overall goal is within an acceptable range, given the local marketplace;
- b. The projected overall goal is rationally related to the relative availability of DBE's in the local marketplace.
- c. It would be extremely difficult to draw meaningful and valid conclusions regarding any adjustments to the goal, positive or negative.
- d. In other words, the smallness of the numbers involved in procurement and relevant marketplace data sampling makes any inference about disparity rather dubious.
- e. Further efforts along these lines would be overly burdensome and time consuming for limited staff resources, not to mention not being cost effective for the results obtained.

VI. Overall Goal for DBE Participation in NRTA DOT –Assisted Contracts

As an attempt and to make every possible effort to initiate successful DBE programs and activities, the NRTA has established the overall goal for participation by DBE's in NRTA federally-assisted contracts will be 4% for FFY13, FFY14, and FFY15.

This goal is subject to modification pending receipt of public comments. (Publication date June 14, 2012 in the *Inquirer and Mirror*).

VII. Race-neutral, Race-conscious Measures

With reference to projections of the portions of overall DBE goal expected to be met through race-neutral and race conscious measures, the NRTA proposes to meet 100% of the goal by race-neutral means.