

Appendix R



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Pioneer Valley Planning Commission DBE Participation Goal FFY2014-2015-2016

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The full text of PVPC's DBE Program, last revised September 20, 2012, can be viewed at the offices of PVPC at 60 Congress Street, Springfield, MA 01104. Please direct your comments to DRoscoe@PVPC.org or jmccollough@pvpc.org

Section 26.1, 26.23 Objectives and Policy Statement

The Pioneer Valley Planning Commission (PVPC) has established a Small Business/Disadvantaged Business Enterprise (SB/DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The PVPC has received Federal financial assistance from the U.S. Department of Transportation, and as a condition of receiving this assistance, the PVPC has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the PVPC to ensure that SB/DBEs are defined in part 26, have an equal opportunity to receive and participate in U.S. DOT-assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of U.S. DOT-assisted contracts;
2. To create a level playing field on which SB/DBEs can compete fairly for U.S. DOT-assisted contracts;
3. To ensure that the SB/DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as SB/DBEs;
5. To help remove barriers to the participation of DBEs in U.S. DOT assisted contracts;
6. To assist the development of firms that can compete successfully in the market place outside the SB/DBE Program.

Timothy W. Brennan is the PVPC's SB/DBE Liaison Officer, responsible for implementing all aspects of the SB/DBE Program. Implementation of the SB/DBE Program is accorded the same priority as compliance with all other legal obligations incurred by PVPC in its financial assistance agreements with the U.S. Department of Transportation.

This policy statement has been disseminated to the Executive Committee of the Pioneer Valley Planning Commission and all of the components of the organization. The PVPC and its project partners have distributed this statement to SB/DBE and non-SB/DBE business communities that perform work for the PVPC on U.S. DOT-assisted contracts through outreach and the PVPC website (www.pvpc.org).

This update to the PVPC Disadvantaged Business Enterprise (DBE) Program Participation Goal is proposed for Federal Fiscal Years 2013-15. The goal has been updated using the two-step method as described in 49 CFR 26.45. It is important to not that PVPC has no active federally funded projects at this time and the DBE participation goal will largely apply to indirect cost expenditures in future years. While PVPC is not adjusting the because of the reduced size of the contracting program, the type of work which we expect to contract has changed dramatically and this impacts the goal (regardless of the level of funding).

This is a three-year DBE goal, as required by the Final Rule effective February 28, 2011 for 49 CFR Part 26 regarding U.S. DOT DBE Program Improvements.

Step 1: Establishment of Available Estimate for Base Goal Figure

The base figure DBE Participation Goal for PVPC and sub recipients was established by the following method:

- Determination of Normal Market Area: The implementation of the agency’s work program and the current conditions of the market were key variants that affected the goal methodology and calculation formula. The Pioneer Valley Region consists of an isolated urbanized cluster that stretches along a catchment area that consists of Interstate 91 and the Massachusetts Turnpike and roughly parallels the Connecticut River. This cultural and institutionally defined boundary has historically defined the market area geographically as **Hampshire and Hampden County**. For the purposed of defining the market area the DPE evaluation the market includes these same boundaries.
- The total number of DBE firms available to do business was determined by reviewing the most recent directory of for-profit and non-profit firms certified as DBE businesses in Hampden and Hampshire Counties (the PVPC service area) by the Massachusetts Supplier Diversity Office or SDO (formerly the State Office of Minority and Women Business Assistance, or SOMBWA).
- The total number of business establishments in the region is 20,092 (as of 2011) according to the Massachusetts Executive Office of Labor and Workforce Development:

Geography	Year	Total Establishments (Total employers with Employees)
Hampden County	2011	15,422
Hampshire County	2011	4,670
Pioneer Valley Region	2011	20,092

- The Massachusetts Supplier Diversity Office reported a total of 2600 DBE firms in Massachusetts and 186 registered DBE firms in the Pioneer Valley Region (7% of the statewide total).
- The number of registered DPE firms (186) represents one percentage (**1%**) of the total business establishments (20,092) in the region.

- A total of approximately 47 Massachusetts DBE firms were identified in Hampden and Hampshire Counties (which encompasses the PVPC region) in the SDO-defined industry categories for which funds are, or could possibly be, expended in the FFY2014-16 reporting period on the U.S. DOT projects or funding programs for which PVPC could be a recipient. These number and categories for these projects are listed here:

Massachusetts Supplier Diversity Office Code	# *
AA - ACCOUNTING	3
AE - ARCHITECTS	2
CO - CONSULTANTS	2
CP6 - COMPUTER PROGRAMMING	1
CP7 - COMPUTER TRAINING, SUPPORT SERVICES AND CONSULTING	1
CP9 - INFORMATION TECHNOLOGY	1
EG - ENGINEERS	1
EM - EMPLOYMENT SERVICES (NON-PROFIT)	2
ES - ENGINEERING SUPPORT SERVICES	1
HA - HEALTH CARE SERVICES (NON-PROFIT)	3
MK - MARKETING	12
MK0 - ADVERTISING	3
MK2 - GRAPHIC DESIGN	4
OF2 - OFFICE EQUIPMENT AND SUPPLIES	1
OS - OFFICE SUPPORT SERVICES	2
PG - PHOTOGRAPHY	1
PT - PRINTERS	2
PT1 - PHOTOCOPY SERVICES	1
SU1 - SUPPLIERS OF COMPUTER OR TELECOMMUNICATIONS EQUIPMENT	1
SU2 - SUPPLIERS OF CHEMICAL AND CLEANING PRODUCTS	1
SU4 - SUPPLIERS OF PAPER PRODUCTS	1
TG - TRAINING SERVICES	1
* Number registered in MA SDO Region #2	47

- PVPC then reviewed business directory listings of all firms in these categories in the PVPC region:
 - Greater Springfield (<http://memberservices.membee.com/masprcoc4/irmdirectory2.aspx>)
 - Hampshire County (<http://www.explorenorthampton.com/> and www.amherstarea.com)
 - Holyoke (<http://www.holycham.com/directory>)

PVPC determined that a search of these directories was not providing a meaningful representation. Only approximately 3000 of the 20,092 firms had affiliated membership.

- Weighting was used however the small number of firms identified did not accurately reflect the employer base. The total number of firms available for each category was estimated. The **Step One Base Figure is 1.95%**.

Massachusetts Supplier Diversity Office Code	# DBE	# Available	Weight	Adjusted #
AA - ACCOUNTING	3	150	0.04	0.12
AE - ARCHITECTS	2	100	0.01	0.02
CO - CONSULTANTS	2	300	0.04	0.08
CP6 - COMPUTER PROGRAMMING	1	1200	0.04	0.04
CP7 - COMPUTER TRAINING, SUPPORT SERVICES AND CONSULTING	1	300	0.04	0.04
CP9 - INFORMATION TECHNOLOGY	1	100	0.04	0.04
EG - ENGINEERS	1	90	0.12	0.12
EM - EMPLOYMENT SERVICES (NON-PROFIT)	2	50	0.04	0.08
ES - ENGINEERING SUPPORT SERVICES	1	100	0.12	0.12
HA - HEALTH CARE SERVICES (NON-PROFIT)	3	50	0.04	0.12
MK - MARKETING	12	100	0.04	0.48
MK0 - ADVERTISING	3	100	0.01	0.03
MK2 - GRAPHIC DESIGN	4	150	0.04	0.16
OF2 - OFFICE EQUIPMENT AND SUPPLIES	1	15	0.04	0.04
OS - OFFICE SUPPORT SERVICES	2	200	0.04	0.08
PG - PHOTOGRAPHY	1	150	0.04	0.04
PT - PRINTERS	2	70	0.08	0.16
PT1 - PHOTOCOPY SERVICES	1	110	0.04	0.04
SU1 - SUPPLIERS OF COMPUTER OR TELECOMMUNICATIONS EQUIPMENT	1	12	0.08	0.08
SU2 - SUPPLIERS OF CHEMICAL AND CLEANING PRODUCTS	1	300	0.01	0.01
SU4 - SUPPLIERS OF PAPER PRODUCTS	1	120	0.04	0.04
TG - TRAINING SERVICES	1	50	0.01	0.01
* Number registered in MA SDO Region #2	47	3817	1	1.95

Step 2: Adjustments and Historical Reference

Back in FFY2007, PVPC adjusted the base figure to a DBE participation goal of **3%** upon review of historical data and anticipated project expenditures in the industrial categories referenced above in Step 1. The 3% goal was retained in FFY2008 and FFY2009.

For FFY2010, actual DBE utilization on U.S. DOT-assisted projects through April 2010 was 1.9%. Therefore, the DBE goal was adjusted from 3.0% to **2.0%** to reflect this actual participation rate. This lower goal was also a reflection of the change in the type of work that this that would be undertaken that year. With these major contracts completed PVPC does not anticipate an expenditure of more than \$90,000 per year in FFY 2014, 2015 and 2016. More significantly the expenditures will not involve significant capital improvement projects or vehicle purchases. The nature of the work that federal transportation dollars will be expended on

will change dramatically from what it was in the past. For this reason PVPC does not feel that an adjustment factor can be applied. The restructuring under MAP-21 has changed the type of discretionary transportation funding in PVPC’s procurement program. For comparison purposes the Central Massachusetts Regional Planning Commission (CMRPC, a regional planning commission of similar size and population, posted a goal in 2013 of .5% (one half of one percent).

For this FFY2014-16 projection PVPC reviewed the actual DBE utilization for the two prior years:

Project	2012	2013	Prior Years DBE Utilization	Expenditures (2012 thru 2013)	DBE Utilization
I-91 Knowledge Corridor Rail Study and Holyoke Station Feasibility Study	\$0	\$0	\$0	\$0	0%
UMass Amherst Transit Building	\$0	\$0	\$0	\$0	0%
JARC and New Freedom funding	\$64,184	\$0	\$26,000	\$64,184	41%
5303, 5307, 3C indirect expenditures	\$30,000	\$30,000	\$1,000*	\$60,000	2%

*Estimated transportation funding expenditures related to office supplies and equipment maintenance, temporary staff, software purchases and computer support. Many of these costs may be bundled as “Admin” under the agency’s indirect cost line item as written into the 3C contract.

PVPC DBE Goal for FFY2014-16

The outlook for DOT-funded projects in the region for the FFY2014-16 window includes a transit ridership survey and the purchase of office related equipment, computer maintenance, and supplies. Most of these items are included in the indirect cost budget from 5303 and 3C funding. The total expenditure for each of the three years is estimated to be less than \$90,000. As previously mentioned, past projects that have boosted federal transportation dollar expenditures in previous years including the UMass Amherst Transit Building and Knowledge Corridor Passenger Rail Study and Holyoke Station Feasibility Analysis are complete.

Based on the current circumstances PVPC has determined that the DBE Participation Goal should remain at 2% for the FFY2014-16 three-year reporting period.

PVPC retains the expectation that 100% of future DBE participation will be achieved through race-neutral means. This reflects the fact there are currently no active or upcoming federal projects on which to implement race-conscious measures to increase participation. PVPC has found that some MBE and WBE firms have not registered as DBEs with Massachusetts Supplier Diversity Office (SOD). In the past PVPC has actively engaged and encouraged these suppliers to register with the SOD. PVPC will continue to work with contractors to obtain DBE certification and 100% of the goal will be achieved through race-neutral measures.

Consultation

PVPC recognizes the importance of public participation in the establishment of the DBE Goal. The DBE goal will be published and made available for inspection during the normal business hours for a specified timeframe as stated in 49 CFR Part 26. PVPC will publish notification of the goal in The Republican and publish a translated version in El Pueblo Latino, a weekly

Spanish language newspaper based in Springfield, Massachusetts. Further PVPC will notify and solicit input from the Massachusetts Supplier Diversity Office, Massachusetts Alliance for Small Business Contractors, New England Black Chamber Of Commerce Business Center regarding the proposed goal and will document all responses.