

**Muskegon Area Transit System**  
**Disadvantaged Business Enterprise Goal Analysis**  
**FY2016-FY2018**

**DBE Program Objective:**

The United States Department of Transportation's (USDOT) Disadvantaged Business Enterprise (DBE) Program seeks to ensure non-discrimination in the award and administration of USDOT-assisted contracts and to create a level playing field on which DBE's can compete fairly for USDOT-assisted contracts. As a recipient of USDOT funding through the Federal Transit Administration (FTA), the Muskegon Area Transit System (MATS) has implemented a Disadvantaged Business Enterprise program. As a portion of that program, this goal analysis document serves as a triennial calculation of the USDOT-funded contracting opportunities anticipated to be made available through MATS, and to identify an anticipated rate of participation by DBE firms in those contracting opportunities.

**DBE Goal Setting Methodology:**

The Muskegon Area Transit System has analyzed its anticipated USDOT-funded contracting opportunities for Fiscal Years 2016-2018 (October 1, 2015 through September 30, 2018). The methodology for the analysis included the following steps.

Establishment of the Base Figure:

1. The FY2016 MATS budget was analyzed by "area of expenditure." For each area, it was determined whether any external contracting opportunity existed, or if it was an internal expense with no vendor participation anticipated. Examples of internal expenditures include salaries, fringes, internal service fund charges, utilities, etc. External contracting areas included parts, supplies, services, or other areas where expenses could be incurred by MATS through a vendor.
2. For each area of expenditure with a vendor component, a projected budget for FY2017 and FY2018 was forecast. Each Fiscal Year budget (FY2016-FY2018) was then analyzed individually. For each year, the budgeted line items were refined to estimate how much of the expense was a contracting opportunity, and what portion of that contracting opportunity was to be funded with USDOT

funding assistance. Through this, it was confirmed that the USDOT's anticipated participation in MATS contracting opportunities exceeded \$250,000 annually, which is the threshold to require MATS to further analyze and establish a DBE Goal.

3. Next, the MATS "Account Description" from the County of Muskegon's financial accounting system was cross-referenced to a corresponding code on the North American Industry Classification System (NAICS). In some cases, multiple MATS accounts were rolled up into one NAICS code that served to describe the group of expenditures. Establishment of a NAICS code for each area of expenditure permitted MATS to analyze census bureau information, DBE Directory information, and other sources of information related to vendor classifications.
4. Two primary data sources were utilized to calculate contractor and DBE availability. The first source, used to identify the total number of firms available to do work in a NAICS code, was the US Census Bureau's County Business Patterns Database 2013. The second source, used to determine the number of Certified DBE firms available to perform work in an industry, was the Michigan Unified Certification Program (MUCP) directory, as maintained by the Michigan Department of Transportation. While these two data sources offer the possibility of data analysis at different geographic levels, MATS determined that analysis at a Michigan statewide geography level was appropriate and the best way to obtain comparable data from the two sources.

Using these two sources, MATS identified, for each NAICS code, the total number of firms available in Michigan, the total number of DBE firms that were MUCP-certified in Michigan, and the fraction of total firms that were DBE firms in that area of expenditure (expressed as a "DBE Relative Availability" figure).

5. The next step in the analysis was to weight the expenditures by area to ensure that higher-expenditure areas accounted for a larger part of the goal analysis than lower-expenditure areas. A line-by-line determination was made to account for the amount of anticipated USDOT-funded contracting opportunity for that line compared to the total USDOT-funded external contracting opportunities.
6. The final step of the analysis was to multiply the decimal representing DBE firm availability in each NAICS code area by the weighted contracting opportunity in that NAICS code to determine a weighted DBE participation rate for that external contracting opportunity. The number calculated for each area of expenditure was then added up to a total "DBE Goal" that represents the amount of external contracting that could be mathematically expected to be performed by DBE firms.
7. Using this methodology, the average Base figure for DBE participation for the three year period was set at 0.485% (based on annual calculations of 0.492% for FY2016, 0.482% for FY2017, and 0.482% for FY2018).

### Adjustment of the Base Figure:

Development of the base figure relies on a mathematical analysis using available spending assumptions and an available pool of limited data sources. Thus, it is necessary to review the base figure after it is complete to determine if past experience, community input, or other data sources may provide additional information that should cause MATS to adjust its base figure for anticipated DBE participation, either upward or downward.

In the effort to review the base figure, MATS reached out to individuals with knowledge of the DBE community and contracting environment in the Muskegon area. A meeting was held to gather input on the MATS base figure from representatives of the NAACP, the County EEO office, the local Chamber of Commerce, the Employers Association, the local business development office, the County's Economic Development Department, and others. The discussion reinforced for MATS that the base figure was appropriate and there was no compelling reason presented for adjustment.

Another element of the adjustment process is a review of past DBE participation rates in MATS contracting opportunities. As this is the first time that MATS is exceeding the thresholds for development of a DBE goal, there is no historical DBE participation or attainment data that warrants an adjustment to the goal.

MATS is electing not to make adjustments to the Base Figure of 0.485% DBE Participation for the period of Fiscal Year 2016-2018.

### Methods of Goal Attainment:

The final step of establishing the MATS DBE Goal for the period is to determine what portion of the DBE Goal MATS will expect to attain using "Race-Neutral" measures and what portion MATS will expect to attain using "Race-Conscious" measures.

Race-neutral measures are contracting measures that the Muskegon Area Transit System may put into place to benefit and encourage participation by all vendors. Race-conscious measures are contracting efforts that are specifically aimed at encouraging participation by DBE vendors.

As MATS does not have a history of attaining or not attaining its DBE goals, there is no underlying rationale for employing race-conscious measures at this point.

MATS projects that its DBE goal of 0.485% for FY2016-FY2018 will be attained through race-neutral measures.

**DBE Goal Implementation:**

The DBE Goal-setting process serves to bring awareness to the available MATS contracting opportunities for DBE vendors. However, it is not the only step to implementing a successful Disadvantaged Business Enterprise program. In order to effectively support the DBE vendor community, it is necessary to monitor, report, and adjust efforts along the way.

To facilitate implementation of a successful DBE program, MATS is submitting these DBE goals to the Federal Transit Administration for review and is posting the DBE goal publicly on the MATS website. MATS will monitor its financial systems to track DBE participation and will, on a periodic basis as required by the FTA, report on its actual use of DBE vendors in contracting opportunities. The DBE Goal will be re-calculated on a triennial schedule, with the next scheduled analysis to cover FY2019-FY2022. Interim adjustments may also be made to the FY2016-FY2018 DBE goal if substantial changes occur in the MATS contracting opportunities or the underlying data available for the analysis.

**Muskegon Area Transit System**  
**Disadvantaged Business Enterprise Goal Analysis**  
**FY2016-FY2018**

The following pages show the basic calculations used to arrive at the Muskegon Area Transit System's FY2016-FY2018 DBE Goal of 0.485% participation.

**Muskegon Area Transit System**  
**Potential DBE Contracting Opportunities**

NAICS Code Grouping  
 FY2016 Budget Estimates

		A	B	C	D	E	F	G	H
				(A / B)				(F / F total)	(C x G)
NAICS Code	NAICS Code Description	Number of DBEs Available (note 1)	Number of All Firms Available (note 2)	DBE Relative Availability	FY2016 ORIGINAL BUDGET	FY2016 DBE CONTRACT OPPNTNTY	FY2016 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
424120	Stationary and Office Supplies Merchant Wholesalers	2	123	0.01626	2,600.00	2,600.00	1,630.00	0.0033	0.00005
238110	Concrete pouring	22	665	0.03308	12,500.00	7,500.00	6,000.00	0.0121	0.00040
453210	Office supply stores	1	197	0.00508	10,800.00	10,800.00	7,740.00	0.0156	0.00008
NA					2,500.00	0.00	0.00	0.0000	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	27	0.00000	14,900.00	14,900.00	8,170.00	0.0165	0.00000
424710	Gasoline made in petroleum refineries	0	126	0.00000	110,200.00	42,500.00	21,250.00	0.0429	0.00000
423130	Tire tubes, motor vehicle, merchant wholesalers	1	60	0.01667	32,000.00	32,000.00	25,600.00	0.0517	0.00086
424710	Diesel fuels made in petroleum refineries	0	126	0.00000	175,000.00	175,000.00	87,500.00	0.1766	0.00000
441310	Automotive Parts and Accessories Stores	1	1,357	0.00074	140,500.00	115,500.00	92,400.00	0.1865	0.00014
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	279	0.01792	8,375.00	8,375.00	6,700.00	0.0135	0.00024
423850	Janitorial equipment and supplies merchant wholesalers	2	133	0.01504	4,375.00	4,375.00	3,500.00	0.0071	0.00011
561740	Cleaning rugs	3	245	0.01224	3,250.00	3,250.00	2,600.00	0.0052	0.00006
444110	Home centers, building materials	0	229	0.00000	1,200.00	1,200.00	960.00	0.0019	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	0	19	0.00000	19,200.00	19,200.00	15,360.00	0.0310	0.00000
424690	Antifreeze merchant wholesalers	5	279	0.01792	4,800.00	4,800.00	3,840.00	0.0078	0.00014
423120	Tools and equipment, motor vehicle, merchant wholesalers	1	702	0.00142	486,532.00	100,000.00	80,000.00	0.1615	0.00023
541211	Accounting (i.e., CPAs) services, certified public	5	1,562	0.00320	1,290.00	1,200.00	600.00	0.0012	0.00000
323111	Commercial Printing	0	605	0.00000	30,000.00	30,000.00	24,000.00	0.0484	0.00000
541850	Transit advertising services	3	63	0.04762	62,266.00	26,068.96	20,855.17	0.0421	0.00200
562111	Garbage collection services	3	288	0.01042	1,100.00	1,100.00	550.00	0.0011	0.00001
NA					400.00	0.00	0.00	0.0000	0.00000
423990	Fire extinguisher sales combined with rental and/or service	2	201	0.00995	600.00	600.00	480.00	0.0010	0.00001
238220	HVAC contractors / Plumbing Contractors	18	2,530	0.00711	3,750.00	3,750.00	3,000.00	0.0061	0.00004
238210	Electrical work / Electrical Contractors	22	1,865	0.01180	4,800.00	4,800.00	3,840.00	0.0078	0.00009
561710	Pest control (except agricultural, forestry) services	1	200	0.00500	750.00	750.00	600.00	0.0012	0.00001
444190	Building Material Supply/Garage Door/Roofing Material Dealers	3	988	0.00304	5,900.00	5,100.00	4,080.00	0.0082	0.00003
561740	Cleaning rugs	3	245	0.01224	4,250.00	250.00	200.00	0.0004	0.00000
811310	Service machinery and equipment repair and maintenance services	1	721	0.00139	14,100.00	11,400.00	9,120.00	0.0184	0.00003
811111	General automotive repair shops/Engine repair and replacement shops	0	2,515	0.00000	62,500.00	62,500.00	50,000.00	0.1009	0.00000
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	2	180	0.01111	12,500.00	12,500.00	10,000.00	0.0202	0.00022
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	279	0.01792	15,000.00	4,000.00	3,200.00	0.0065	0.00012
561730	Plant Maintenance Services/Weed control and fertilizing services	26	3,078	0.00845	1,296.25	1,296.25	917.00	0.0019	0.00002
424690	Industrial salts merchant wholesalers	5	279	0.01792	903.75	903.75	723.00	0.0015	0.00003
					<b>1,250,138.00</b>	<b>708,218.96</b>	<b>495,415.17</b>	<b>1.0000</b>	<b>0.00492</b>
								<b>DBE Federal Participation</b>	<b>2,438.18</b>

Note 1: Michigan Department of Transportation (MDOT) Michigan Unified Certification Program

Note 2: United States Census Bureau County Business Patterns / Michigan

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NAICS Code Grouping  
 FY2017 Budget Estimates

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NAICS Code	NAICS Code Description	Number of DBEs Available (note 1)	Number of All Firms Available (note 2)	DBE Relative Availability	FY2017 ESTIMATED BUDGET	FY2017 DBE CONTRACT OPPNTNTY	FY2017 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
424120	Stationary and Office Supplies Merchant Wholesalers	2	123	0.01626	2,600.00	2,600.00	1,630.00	0.0033	0.00005
238110	Concrete pouring	22	665	0.03308	11,250.00	6,500.00	5,200.00	0.0106	0.00035
453210	Office supply stores	1	197	0.00508	8,750.00	8,750.00	6,250.00	0.0128	0.00006
NA					2,500.00	0.00	0.00	0.0000	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	27	0.00000	15,000.00	15,000.00	8,220.00	0.0168	0.00000
424710	Gasoline made in petroleum refineries	0	126	0.00000	106,200.00	41,500.00	20,750.00	0.0424	0.00000
423130	Tire tubes, motor vehicle, merchant wholesalers	1	60	0.01667	32,000.00	32,000.00	25,600.00	0.0523	0.00087
424710	Diesel fuels made in petroleum refineries	0	126	0.00000	170,000.00	170,000.00	85,000.00	0.1738	0.00000
441310	Automotive Parts and Accessories Stores	1	1,357	0.00074	140,500.00	115,500.00	92,400.00	0.1889	0.00014
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	279	0.01792	8,375.00	8,375.00	6,700.00	0.0137	0.00025
423850	Janitorial equipment and supplies merchant wholesalers	2	133	0.01504	4,375.00	4,375.00	3,500.00	0.0072	0.00011
561740	Cleaning rugs	3	245	0.01224	3,250.00	3,250.00	2,600.00	0.0053	0.00007
444110	Home centers, building materials	0	229	0.00000	1,200.00	1,200.00	960.00	0.0020	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	0	19	0.00000	19,200.00	19,200.00	15,360.00	0.0314	0.00000
424690	Antifreeze merchant wholesalers	5	279	0.01792	4,800.00	4,800.00	3,840.00	0.0079	0.00014
423120	Tools and equipment, motor vehicle, merchant wholesalers	1	702	0.00142	141,032.00	100,000.00	80,000.00	0.1636	0.00023
541211	Accounting (i.e., CPAs) services, certified public	5	1,562	0.00320	1,290.00	1,200.00	600.00	0.0012	0.00000
323111	Commercial Printing	0	605	0.00000	30,000.00	30,000.00	24,000.00	0.0491	0.00000
541850	Transit advertising services	3	63	0.04762	60,000.00	24,800.00	19,840.00	0.0406	0.00193
562111	Garbage collection services	3	288	0.01042	1,100.00	1,100.00	550.00	0.0011	0.00001
423990	Fire extinguisher sales combined with rental and/or service	2	201	0.00995	600.00	600.00	480.00	0.0010	0.00001
238220	HVAC contractors / Plumbing Contrators	18	2,530	0.00711	3,750.00	3,750.00	3,000.00	0.0061	0.00004
238210	Electrical work / Electrical Contractors	22	1,865	0.01180	4,800.00	4,800.00	3,840.00	0.0079	0.00009
561710	Pest control (except agricultural, forestry) services	1	200	0.00500	750.00	750.00	600.00	0.0012	0.00001
444190	Building Material Supply/Garage Door/Roofing Material Dealers	3	988	0.00304	5,100.00	5,100.00	4,080.00	0.0083	0.00003
561740	Cleaning rugs	3	245	0.01224	4,250.00	250.00	200.00	0.0004	0.00001
811310	Service machinery and equipment repair and maintenance services	1	721	0.00139	14,000.00	11,400.00	9,120.00	0.0186	0.00003
811111	General automotive repair shops/Engine repair and replacement shops	0	2,515	0.00000	62,500.00	62,500.00	50,000.00	0.1022	0.00000
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	2	180	0.01111	12,500.00	12,500.00	10,000.00	0.0204	0.00023
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	279	0.01792	15,000.00	4,000.00	3,200.00	0.0065	0.00012
561730	Plant Maintenance Services/Weed control and fertilizing services	26	3,078	0.00845	1,096.25	1,096.25	817.00	0.0017	0.00001
424690	Industrial salts merchant wholesalers	5	279	0.01792	903.75	903.75	723.00	0.0015	0.00003
					<b>888,672.00</b>	<b>697,800.00</b>	<b>489,060.00</b>	<b>1.0000</b>	<b>0.00482</b>
					<b>DBE Federal Participation</b>				<b>2,354.97</b>

Note 1: Michigan Department of Transportation (MDOT) Michigan Unified Certification Program

Note 2: United States Census Bureau County Business Patterns / Michigan

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424120	Stationary and Office Supplies Merchant Wholesalers	2	123	0.01626	2,600.00	2,600.00	1,630.00	0.0033	0.00005
238110	Concrete pouring	22	665	0.03308	11,250.00	6,500.00	5,200.00	0.0106	0.00035
453210	Office supply stores	1	197	0.00508	8,750.00	8,750.00	6,250.00	0.0128	0.00006
NA					2,500.00	0.00	0.00	0.0000	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	27	0.00000	15,000.00	15,000.00	8,220.00	0.0168	0.00000
424710	Gasoline made in petroleum refineries	0	126	0.00000	103,200.00	40,000.00	20,000.00	0.0410	0.00000
423130	Tire tubes, motor vehicle, merchant wholesalers	1	60	0.01667	32,000.00	32,000.00	25,600.00	0.0524	0.00087
424710	Diesel fuels made in petroleum refineries	0	126	0.00000	170,000.00	170,000.00	85,000.00	0.1741	0.00000
441310	Automotive Parts and Accessories Stores	1	1,357	0.00074	140,500.00	115,500.00	92,400.00	0.1892	0.00014
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	279	0.01792	8,375.00	8,375.00	6,700.00	0.0137	0.00025
423850	Janitorial equipment and supplies merchant wholesalers	2	133	0.01504	4,375.00	4,375.00	3,500.00	0.0072	0.00011
561740	Cleaning rugs	3	245	0.01224	3,250.00	3,250.00	2,600.00	0.0053	0.00007
444110	Home centers, building materials	0	229	0.00000	1,200.00	1,200.00	960.00	0.0020	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	0	19	0.00000	19,200.00	19,200.00	15,360.00	0.0315	0.00000
424690	Antifreeze merchant wholesalers	5	279	0.01792	4,800.00	4,800.00	3,840.00	0.0079	0.00014
423120	Tools and equipment, motor vehicle, merchant wholesalers	1	702	0.00142	141,032.00	100,000.00	80,000.00	0.1638	0.00023
541211	Accounting (i.e., CPAs) services, certified public	5	1,562	0.00320	1,290.00	1,200.00	600.00	0.0012	0.00000
323111	Commercial Printing	0	605	0.00000	30,000.00	30,000.00	24,000.00	0.0491	0.00000
541850	Transit advertising services	3	63	0.04762	60,000.00	24,800.00	19,840.00	0.0406	0.00193
562111	Garbage collection services	3	288	0.01042	1,100.00	1,100.00	550.00	0.0011	0.00001
423990	Fire extinguisher sales combined with rental and/or service	2	201	0.00995	600.00	600.00	480.00	0.0010	0.00001
238220	HVAC contractors / Plumbing Contrators	18	2,530	0.00711	3,750.00	3,750.00	3,000.00	0.0061	0.00004
238210	Electrical work / Electrical Contractors	22	1,865	0.01180	4,800.00	4,800.00	3,840.00	0.0079	0.00009
561710	Pest control (except agricultural, forestry) services	1	200	0.00500	750.00	750.00	600.00	0.0012	0.00001
444190	Building Material Supply/Garage Door/Roofing Material Dealers	3	988	0.00304	5,100.00	5,100.00	4,080.00	0.0084	0.00003
561740	Cleaning rugs	3	245	0.01224	4,250.00	250.00	200.00	0.0004	0.00001
811310	Service machinery and equipment repair and maintenance services	1	721	0.00139	14,000.00	11,400.00	9,120.00	0.0187	0.00003
811111	General automotive repair shops/Engine repair and replacement shops	0	2,515	0.00000	62,500.00	62,500.00	50,000.00	0.1024	0.00000
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	2	180	0.01111	12,500.00	12,500.00	10,000.00	0.0205	0.00023
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	279	0.01792	15,000.00	4,000.00	3,200.00	0.0066	0.00012
561730	Plant Maintenance Services/Weed control and fertilizing services	26	3,078	0.00845	1,096.25	1,096.25	817.00	0.0017	0.00001
424690	Industrial salts merchant wholesalers	5	279	0.01792	903.75	903.75	723.00	0.0015	0.00003
					<b>885,672.00</b>	<b>696,300.00</b>	<b>488,310.00</b>	<b>1.0000</b>	<b>0.00482</b>
					<b>DBE Federal Participation</b>				<b>2,353.65</b>

Note 1: Michigan Department of Transportation (MDOT) Michigan Unified Certification Program

Note 2: United States Census Bureau County Business Patterns / Michigan