

East Alabama Regional Planning and Development Commission Federal Transit Administration Disadvantaged Business Enterprise Methodology and Goal FY 2026-2028

Introduction

In accordance with Federal Regulation 49 CFR §26.45(f)(3), the East Alabama Regional Planning and Development Commission (hereinafter referred to as “the Commission” or “the EARPDC”) submits its three-year Disadvantaged Business Enterprise (DBE) goal for FY 2026-2028 on projected contracting opportunities funded by the Federal Transit Administration (FTA) along with the methodology and supporting documentation for review.

EARPDC provides 4-route fixed-route transportation in the cities of Anniston, Oxford, Weaver, and Hobson City Alabama, along with Paratransit services within the cities, and public demand response in the urbanized unincorporated areas of Calhoun County. The service is the Areawide Community Transportation System (ACTS). The service area is an Urbanized Area of fewer than 200,000. The Commission awards a prime contract exceeding \$670,000 in federal fund annually and is therefore required to prepare and submit the DBE Methodology and Goal.

The EARPDC FTA DBE Goal & Methodology plan for FY 2026-2028 explains the Commission’s goal-setting process and methods, public outreach process and administration of the goal. In accordance with Section 26.45 of Part 26, the DBE goal-setting process requires the establishment of a base figure for the relative availability of DBEs in the market; describing the evidence with which it was calculated; making adjustments to and adjusting that figure to make it as precise as possible, where appropriate; and describing the evidence relied upon for such adjustments. As an extension of this process, Section 26.45 requires that the Commission must also include the project of the portions of the overall goal you expect to meet through race-neutral and race-conscious measures.

EARPDC shall make every effort to maximize DBE utilization on all contracts with FTA funding. If future projects are approved which contain additional construction or consulting related services, the Commission shall ensure measures are put in place for DBEs to obtain a level of utilization appropriate to the type of work absent discrimination.

The Regulatory Mandate

Pursuant to the United State Department of Transportation (USDOT) 49 CFR § 26.45, EARPDC will submit to the FTA the DBE goal and methodology at three-year intervals. This process is intended to address the following objectives of the DBE program as defined by 49 C.F.R. Part 26.1:

- Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;

- Ensure that the DOT’s DBE program is narrowly tailored in accordance with applicable law;
- Ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs;
- Help remove barriers to the participation of DBEs in DOT-assisted contracts;
- To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
- Provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

EARPDC can make mid-cycle adjustments to its DBE goal if the Commission experiences circumstances that have a significant impact on the current stated goal. Any mid-cycle adjustment does not take effect until approved by the FTA.

Overview of the Goal-Setting Process

In order to produce accurate calculation and applicable methodology of the overall goal, EARPDC employed the 2-step process set forth in Section 26.45 of Part 26; the base figure for the relative availability of DBEs and any adjustments to the base figure based on available evidence.

To calculate Step-one, EARPDC can choose one or more of the following approaches:

- Use DBE Directories and Census Bureau Data.
- Use a bidders list.
- Use data from a disparity study.
- Use the goal of another DOT recipient.
- Alternative methods.

Method Selected: 49 CFR § 26.45 EARPDC chose the following to establish base goal: Alabama Department of Transportation Unified Certification Directory (ALUCP Directory), the United States Census Bureau Data and Bid Lists.

FTA-Assisted Contracting Program for FY 2026-2028

To determine if EARPDC was required to complete a DBE goal and methodology, the Commission identified the proposed FTA funded project in FY 2026-2028. EARPDC assessed that approximately \$3,002,925 in FTA funds will be used on 16 project categories throughout FY 2026-2028.

Table 1. represents the 16 categories of proposed projects, by North American Industry Classification System (NAICS) Code; amount of FTA funds proposed on the project category and the percentage of total FTA funds weighted by the project category values.

Table 1. Percent of FTA Funds by Category

	NAICS Code	Description of Work	Amount of DOT funds on project	% of total FTA funds (weight)
1)	238150	Bus Shelter Panels Repair	\$24,000.00	0.00799
2)	238220	Fire Protection	\$4,061.04	0.00135
3)	334111	Laptop Manufacturing	\$1,200.00	0.000399
4)	334220	GPS Tracking	\$10,000.00	0.0033
5)	334220	Cameras	\$96,000.00	0.0319
6)	336991	Bicycle Carriers	\$10,000.00	0.0033
7)	423850	Janitorial Supplies	\$5,000.00	0.00166
8)	424120	Office Supplies	\$777.00	0.000258
9)	424720	Fuel	\$126,795.00	0.042
10)	485113	Transit Operations	\$2,036,805.00	0.6782
11)	517122	Phone	\$5,287.00	0.00176
12)	524126	Insurance	\$60,000.00	0.0199
13)	541850	Advertising	\$2,000.00	0.000666
14)	561622	Locksmith Services	\$1,000.00	0.00033
15)	811111	Bus Maintenance	\$600,000.00	0.1998
16)	238990	Parking Lot	\$20,000.00	0.00666
	Total FTA-Assisted Contracts		\$3,002,925.00	1.0000

Based on the proposed level of \$3,002,925.00 in FTA allocations in FY 2026-2028, EARPDC prepared the DBE Goal and Methodology for FY 2026-2028.

Overall DBE Goal Methodology

Step 1: Determination of a Base Figure

To determine the DBE Base Figure, EARPDC had to first identify the availability of DBEs, the numerator, and the availability of non-DBE's, the denominator.

- ⇒ For the numerator: DBEs found in the Alabama Department of Transportation Unified Certification Directory
- ⇒ For the denominator: Non-DBEs and DBEs found in the 2022 US Census County Business Patterns Data

To establish the base figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the FY 2026-2028 FTA assisted contracting opportunities, EARPDC had to identify its local market area in which potential DBEs and non-DBEs would be sought to bid on the 16 categories of proposed project opportunism. To define the local market area, EARPDC looked at where the majority of EARPDC's vendors are that do business with the Commission's urban transit program. The result was that the majority are from 2

counties: Calhoun and Etowah Counties. EARPDC considered expanding to Jefferson County, but looking at procurement history, the majority of contracting is in Calhoun and Etowah Counties.

EARPDC used the ALUCP Directory to identify the availability of DBEs that matched with any of the 16 NAICS codes and within the local market area. There were 4 identified DBEs. 4 became the numerator. EARPDC then sought the availability of non-DBEs in the 2 counties that matched the same 16 NAICS codes. Using the 2022 US Census County Business Patterns Data and bid lists 222 firms were found. The 222 + 4 became the denominator.

To determine the overall relative availability of DBEs, the Commission divided the numerator (5) representing the ratio of ready, willing and able DBE firms, by the denominator representing all non-DBEs available and including DBEs in each NAICS code. Application for this formula is:

$$\frac{\text{DBE Firms}}{\text{All Available Firms}}$$

The resulting data set for the numerator and denominator are:

$$\frac{4}{226}$$

EARPDC further divided the numerator by the denominator; per each NAICS Code to establish the “Relative Availability” percentage of DBEs, also known as establishing the Step 1 base figure.

Table 2. Base Goal

	NAICS Code	Project	Number of DBEs available to perform this work	Number of firms available (including DBEs)	Relative Availability
1)	238150	Bus Shelter Panel Repair	0	0	0.0000
2)	238220	Fire Protection	0	61	0.0000
3)	334220	GPS Tracking	0	13	0.0000
4)	336390	Bicycle Carriers	0	2	0.0000
5)	423850	Janitorial Supplies	0	4	0.0000
6)	424120	Office Supplies	1	8	0.125
7)	424720	Fuel	0	3	0.0000
8)	432430	Laptop Manufacturing	0	11	0.0000
9)	485113	Transit Operations	0	1	0.0000
10)	517122	Phone	0	0	0.0000
11)	524210	Insurance	0	58	0.0000
12)	541810	Advertising	0	1	0.0000
13)	561621	Cameras	0	4	0.0000
14)	561622	Locksmith Services	0	1	0.0000
15)	811111	Bus Maintenance	0	43	0.0000
16)	238990	Parking Lot	3	16	0.1875
		Total:	4	226	0.3125

$$4 \div 226 = 0.3125\% \text{ Overall Availability of DBEs}$$

EARPDC next calculated a weighted base figure to help ensure our Step 1 calculation is as accurate as possible. Application of the weighted base figure is:

Weight (% of total FTA funds per NAICS code) x Relative Availability of DBEs = Weighted Base Figure.

Table 3 calculates the weight (Table 1) time the relative availability (Table 2) for each of the 16 work categories in order to determine the total weighted base figure.

Table 3. Weighted Base Figure

NAICS Code	Description of Work	% of total FTA funds (weight)	Times	Relative Availability	Weighted Base Figure
238150	Bus Shelter Panel Repair	0.00799	x	0.0000	0.0000
238220	Fire Protection	0.00135	x	0.0000	0.0000
334220	GPS Tracking	0.0033	x	0.0000	0.0000
336390	Bicycle Carriers	0.0033	x	0.0000	0.0000
423850	Janitorial Supplies	0.00166	x	0.0000	0.0000
424120	Office Supplies	0.000258	x	0.125	0.000032
424720	Fuel	0.042	x	0.0000	0.0000
432430	Laptop Manufacturing	0.000399	x	0.0000	0.0000
485113	Transit Operations	0.6782	x	0.0000	0.0000
517122	Phone	0.00176	x	0.0000	0.0000
524210	Insurance	0.0199	x	0.0000	0.0000
541810	Advertising	0.000666	x	0.0000	0.0000
561621	Cameras	0.0319	x	0.0000	0.0000
561622	Locksmith Services	0.00033	x	0.0000	0.0000
811111	Bus Maintenance	0.1998	x	0.0000	0.0000
238990	Parking Lot	0.00666	x	0.1875	0.00125
				Total	0.001282
				Expressed as a % (*100)	0.13%

The weighted based figure is expressed as 0.13%

Step 2: Adjust the Base Figure

In accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2: DBE Goal Adjustment guidelines, the DBE regulations direct that all available evidence must be examined to determine if an adjust to the base figure is needed before arriving at the final overall DBE goal. Evidence considered in making an adjustment to the Base Figure include Past DBE Goal Attainments, Disparity Studies, and Public Participation.

Past DBE Goal Attainments

EARPDC considered an adjustment to the 0.13% Step 1 Base Figure, by analyzing our historical past DBE goal attainment for FYs 2022-2023-2024. EARPDC followed the *Tips for Goal Setting in the DBE Program*, to establish the median past participation. The steps we used to determine the median past participation percentage are:

1. Arrange the past participation values in order from low to high.
2. Take the middle percentage to obtain the median past participation percentage.
3. Add the Step 1 base figure and the median past participation and divide by 2.
4. The end result is the median past participation percentage.

Table 4 displays the Commission's past three years of DBE goal percentage attainment, and the resulting adjusted base figure when applying the median past participation steps.

Table 4. Past DBE Percentages

Fiscal Year	Total FTA Urban Funds Received	Total DBE Awards in Dollars	DBE Goal %
2022	\$1,001,545	\$237	0.023%
2023	\$624,366	\$0	0.000%
2024	\$721,224	\$66	0.009%
<p>Results from arranging DBE goal percentage from low to high:</p> <p style="text-align: center;">0.00% 0.009% 0.023%</p> <p>Results from identifying the "middle" percentage:</p> <p style="text-align: center;">0.009%</p> <p>Results of adding the base figure and the median past percentage and divided by 2:</p> <p style="text-align: center;">$0.13\% + 0.009\% = .139\% \div 2 = 0.0695\%$</p>			

Using the 3-years past participation calculations, the adjusted base figure is 0.0695%

Disparity Study

EARPDC did not conduct a disparity study. EARPDC is a small transit program with limited FTA grants. EARPDC did research the State of Alabama to determine if there were any comparable transit agencies that had completed a disparity study for consideration in adjusting the base figure. EARPDC did not find a transit agency that had completed a disparity study. Absent a disparity study, no additional adjustment to the base figure was considered.

Race-Neutral/Race-Conscious

EARPDC shall make every effort to meet the maximum feasible portion of its overall DBE goal by using race-neutral means of facilitating DBE participation. EARPDC's overall DBE goal for FY 2026-2028 is .0695% race neutral. The .0695% race neutral DBE goal is expressed as a percentage of FTA-assisted funds that EARPDC will expend in FY 2026-2028.

EARPDC determined the .0695% adjusted based figure meets the strict scrutiny of establishing a narrowly tailored DBE goal. Further the 0.0695% DBE goal is based on using the median past participation date that is a more accurate assessment of EARPDC's probability to meet the DBE goal. The process of determining the median of the past 3-years of DBE participation is a great indicate of future participation.

EARPDC considered the application of a race-conscious component on the .0695% overall goal. EARPDC anticipated that the relatively small individual contract values and the absence of subcontracting opportunities in the 16 categories of work are the reasons why a race-conscious component is not practical and will not be applied on the .0695% goal.

In conformance with 49 CFR Part 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs" EARPDC proposed to implement a strictly Race-neutral DBE Goal for FY 2026-2028. The race-neutral positioning is due in part to contract opportunities that generally do not have subcontracting opportunists to establish an individual DBE subcontract goal.

In accordance with 49 CFR 26.51(a), EARPDC will implement race-neutral measures to meet the .00% race-neutral DBE goal. The measures include but are not limited to:

- Arranging solicitations, times for presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation.
- Providing assistance in overcoming limitations such as inability to obtain bonding or financing (i.e. simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids and providing services to help DBE's and other small business obtain bonding and financing).
- Providing technical assistance and other services.
- Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBE's and other small business on mailing lists for bidders, ensuring the dissemination to bidders on prime contractors of lists of potential sub-contractors, and provision of information in languages other than English, where appropriate).
- Ensuring distribution of the DBE directory to the widest group of potential prime contractors.

Public Participation

EARPDC asked several local organizations that have access to minority owned, women owned, and other small local businesses to provide comment to the proposed goal and methodology and share information concerning the availability of disadvantaged and non-disadvantaged businesses, the effect of discrimination on opportunities for DBEs, and their efforts to establish a level playing field for the participation of DBEs. The Commission emailed the DBE Methodology and Goal for FY 2026-2028 to:

Calhoun County Chamber of Commerce
Linda Hearn
lindah@calhounchamber.com

JSU Small Business Development Center
Ken Grissom
kgrissom@jsu.edu

Alabama APEX Accelerator
Lindsay Frey
lindsay.frey@ua.edu

West Anniston Business Association
Tykoma Miller
tycoma.miller@bellsouth.net

The proposed DBE Methodology and Goal is posted on the EARPDC website: www.earpdc.org and shared on the transit Facebook page. The goal is made available for public inspection and comment during normal business hours, 8:00 am until 5:00 pm c.s.t., Monday – Friday at the offices of the East Alabama Regional Planning and Development Commission, 1130 Quintard Avenue, Suite 300, Anniston, AL 36201. The DBE Methodology and Goal will be distributed at the monthly Transit Advisory Board meeting scheduled for April 8, 2025. The meeting, open to the public, held monthly, will have its agenda reflect an opportunity for public comment specifically related to the DBE Methodology and Goal.

A screen shot of the webpage (<https://www.earpdc.org/dbe-goal/>) is below.

****This page will be updated after the DBE Methodology and Goal have been posted on the
EARPDC Website****