



NORTHERN INDIANA
COMMUTER TRANSPORTATION DISTRICT

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RESOLUTION NO. 16 – 05

**REVISION TO THE DISTRICT'S
DISADVANTAGED BUSINESS ENTERPRISE GOAL**

WHEREAS, the Northern Indiana Commuter Transportation District (“District”) is a recipient of funds from the United States Department of Transportation, Federal Transit Administration (“FTA”) for capital purchases, preventive maintenance, and planning assistance;

WHEREAS, conditions associated with said funds require the District to substantially conform to various FTA policies;

WHEREAS, the FTA and other agencies have issued guidance regarding Disadvantaged Business Enterprise (“DBE”) requirements and programs;

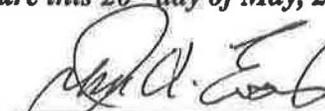
WHEREAS, said guidance requires the District’s DBE participation goal to be updated every three years;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board of Trustees of the Northern Indiana Commuter Transportation District as follows:

1. The District sets a Disadvantaged Business Enterprise participation minimum goal of nine point seven-eight percent (9.78%) of the value of all federally funded contracts let by the Northern Indiana Commuter Transportation District during Federal Fiscal Years 2017, 2018 and 2019.

ALL OF WHICH IS RESOLVED by the Board of Trustees of the Northern Indiana Commuter Transportation District this 20th day of May, 2016.

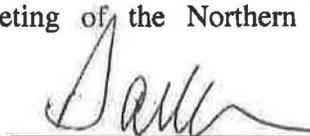
Witness the Board’s approval by my signature this 20th day of May, 2016.



John A. Evans, Chairman

CERTIFICATE:

The undersigned duly qualified Secretary of the Board of Trustees of the Northern Indiana Commuter Transportation District certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Northern Indiana Commuter Transportation District held on May 20, 2016.



David Decker, Secretary

**NORTHERN INDIANA COMMUTER
TRANSPORTATION DISTRICT (NICTD)
DBE GOAL METHODOLOGY FOR FISCAL YEARS
2017, 2018 AND 2019
May 20 2016**

The Northern Indiana Commuter Transportation District (NICTD's) overall goals for Fiscal years 2017 through 2016 are represented as a percentage of FTA funds that NICTD projects it will expend in FTA-assisted contracts (exclusive of transit vehicles). The overall rate of DBE participation is projected as 9.78%. The projected DBE goal = 9.78% x \$36,750,000 (total NICTD/FTA budget less vehicle purchases) = \$3,594,150.

\$ 3,594,150 is the aggregate dollar amount of funds NICTD expects to spend in Fiscal years 2017, 2018, and 2019 subject to DBE participation requirements.

The following is a summary of the method used to establish annual NICTD's triennial goal.

Summary

Pursuant to USDOT rules and regulations, 49 CFR PART 26, as amended on 1/28/2011, NICTD has adopted percentage goals for DBE participation which are consistent with NICTD's own spending patterns and with the amount of DBE participation that would be expected to be achievable in a Race Neutral marketplace. The rules and regulations require that goals be based upon demonstrable evidence of relative availability of DBEs in the NICTD geographical and product markets.

- A. Availability Analysis: NICTD determined the number of ready, willing, and able DBEs in its marketplace from examination of the INDOT DBE Directory. NICTD next consulted the U.S. Census County Business Pattern for four Counties: Lake, LaPorte, Porter, and St. Joseph, to determine the total number of business establishments available in its marketplace identified by North American Industrial Classification Codes (NAICs). The County Business Patterns are being used because of the geographic nature of potential suppliers to NICTD, which operates through four counties in Indiana, because of the lack of available information from the State of Indiana on businesses in NICTD's service area, and the lack of more local business information due to the balkanized nature of government in northwest Indiana where there are many local governments but not one strong municipal "core" government. NICTD will continue to search for more geographically centered sources of business activity. NICTD is using 2012 NAICs in establishing its goals. The objective is to determine how many businesses exist in the four (4) counties which serve as NICTD's primary marketplaces, and of this amount, how many or what percentage of all available businesses are DBE's in each relevant NAIC.
- B. "Weighting" of relative availability to reflect the amount of money to be spent in each NAIC area: NICTD utilized due diligence to sort out DBE's from directories by NAIC which were likely to be interested in FTA-assisted contracting. This narrow-tailoring aspect ensured that a more accurate availability figure would emerge from the "Step One" calculation. More emphasis was then placed on the NAICs that made up the majority percentage of the total NICTD budget. NICTD has

identified the relevant NAIC code services and commodities approximated for acquisition in fiscal years 2017, 2018, and 2019. DBEs were identified in certain NAICs and outreach efforts are planned to target these commodities to ensure broader DBE participation. **NICTD utilized the formula in establishing these goals “percentage of Budget (A) x DBE Dir (B) divided by CBP (C)” in accordance with the Federal regulation.**

Major Projects	NAICs Descriptions	Amount to be Spent 2017-19	Percentage of Total Budget	# In DBE Directory	# in CBP
Track	212312 Ballast Stone	\$800,000	0.0218	0	3
	237310 Heavy Construction	\$4,000,000	0.1088	4	25
Signals	237990 Const. Management	\$7,500,000	0.2041	3	12
	238110 Concrete Work	\$3,500,000	0.0952	0	90
Bridges	238120 Bridge Steel	\$1,600,000	0.0435	2	11
	238320 Bridge Painting	\$2,500,000	0.0680	6	102
Rail	331111 Rail	\$700,000	0.0190	0	13
	333517 Shop Equipment	\$350,000	0.0095	0	32
Power	334413 Electrical Components	\$6,000,000	0.1633	0	1
	336510 Track Equipment	\$1,500,000	0.0408	1	3
Other	423610 Catenary Wire	\$3,500,000	0.0952	9	53
	423990 Railroad Ties	\$800,000	0.0218	0	19
	441110 Motor Vehicles	\$1,200,000	0.0327	0	69
	484220 Heavy Trucking	\$800,000	0.0218	11	87
	541330 Const. Engineering	\$2,000,000	0.0544	8	157

Total Expenditures 2017 – 2019 \$36,750,000.00 100.00%

Breakdown Notes on NAICs:

“Heavy Construction” describes the work done to rebuild bridges, stations and railroad right of way “Bridge Steel” only describes the purchase of the metal that will be fabricated into a rehabilitated bridge. “Concrete Work” describes work done during heavy construction. “Railroad Rail” describes the purchase and delivery of the steel rail only; the rail will be delivered by a Class 1 railroad and will be laid by NICTD forces according to union rules. “Railroad Track Equipment” and “Truck Sales Retail” is the sum of bid prices from the retail merchants of same. “Trucking Heavy Haul” is the projected sum of the costs of trucking railroad ties, crushed stone, track equipment, steel, wire and anything else that will be hauled to a NICTD shop or work site as part of a federally funded project. “Engineering” includes work done in preparation of heavy construction or installation of signal or overhead power equipment. “Electrical Components” are the parts making up the electrical distribution system used to provide power to the trains. “Shop Equipment” describes machines used to repair and maintain rail cars, including formers and machine tools.

Results from formula for Base Rate from County Business Patterns and DBE Directory:

<u>NAIC</u>	<u>COMPUTED RATE</u>		
	<i>Percentage x DBE directory divided by CBP</i>		
212312	2.18 x 0	divided by 3 =	0.00
237310	10.88 x 4	divided by 25 =	1.74
237990	20.41 x 3	divided by 12 =	5.10
238110	9.52 x 0	divided by 90 =	0.00
238120	4.35 x 2	divided by 11 =	0.79
238320	6.80 x 6	divided by 102 =	0.40
331111	1.90 x 0	divided by 13 =	0.00
333517	0.95 x 0	divided by 32 =	0.00
334413	16.33 x 0	divided by 1 =	0.00
336510	4.08 x 1	divided by 3 =	1.36
423610	9.52 x 9	divided by 53 =	1.62
423990	2.18 x 0	divided by 19 =	0.00
441110	3.27 x 0	divided by 69 =	0.00
484220	2.18 x 11	divided by 87 =	0.27
541330	5.44 x 8	divided by 157 =	0.28
	TOTAL RATE		11.56%

This 11.56% represents the **BASE RATE** for NICTD's 3 year DBE utilization. This concludes the **Step ONE** calculation for the Fiscal Years 2017-19 overall goal.

C. The only **Step Two** calculation taken pursuant to Section 26.45 (d) is to determine the historical rate of DBE participation averaged over a three year period as documented by the FTA quarterly reports submitted for compliance. NICTD has taken three years history of the percentage of the total FTA budget (less transit vehicle purchases) which was expended with DBEs. NICTD used historical rates because the type of goods and services contracted by NICTD tend to remain fairly constant over several years' time. NICTD then divided the total of the three full years' figures filed with FTA to arrive at an average rate of DBE participation for the last three years. This is the only step two adjustment for this agency. The following represent participation achievements:

- FY-2013: 7.0%
- FY-2014: 10.6%
- FY-2015 6.3%

2013- 2015 Total = 23.9% divided by 3 = 8.0 = 3 year historical average DBE participation. This is the only Step two adjustment.

Formula for final overall rate = Using the 11.56% from the directories compared to the 8.0% three year actual average, we adjust the base rate from 11.56% to halfway between 11.56%

and 8.00% (i.e. $11.56\% \text{ plus } 8.00\%/2 = 9.78\%$)

Computation of overall rate and overall goal:

Base Rate = 11.56% (County Business Pattern and directories)

Plus

Average 3 year DBE utilization= 8.0% (NICTD Bi-annual Reports) = divided by 2 = %

9.78 % is the rate.

ANNUAL OVERALL PERCENTAGE GOAL = 9.78% OF TOTAL BUDGET

9.78% OF \$36,750,000 = \$ 3,594,150 = NICTD OVERALL GOAL

COMPUTATION OF NICTD PERCENTAGE OF GOAL MET BY RACE NEUTRAL AND RACE CONSCIOUS METHODOLOGIES

- Part # 1: determine the FY 2013-15 amount of DBE procurements achieved without contract goals. This will determine RN means.
- Part #2: Determine the FY2013-15 amount of DBE utilization achieved utilizing DBE contract goals. This will determine the RC means. *NICTD did not utilize Contract Goals in Fiscal Years 2013-15, therefore, the amount achieved by race conscious contract goals was= 0%.*
- Part #3: The amount achieved by RN means in FY 2013-15= 8.0 %.
The amount achieved by RC means in FY 2013-15 = 0%.
- Part #4: NICTD was able to meet 75.8 % of its DBE goal in FY2013-15 by making good faith efforts to meet the goal by Race Neutral means.
- Part #5: **Of the overall goal of 9.78% DBE participation for fiscal years 2017 through 2019 as computed from steps 1, and 2, NICTD seeks to achieve 81.80% by Race Neutral means, and 18.20% by Race Conscious means. This is the amount NICTD can prove it can achieve from results of 2013-15 achievement.**