

The Vermont Agency of Transportation's Disadvantaged Business Enterprise (DBE) Triennial Goal And Goal Setting Methodology for FFY 2024-2026

Introduction and Overview of Goal Setting Process

The Vermont Agency of Transportation (VTrans) has availed itself of a variety of techniques to comply with the goal setting provisions for participation by disadvantaged business enterprises (DBEs) in its FTA-assisted contracting program, as required by Section 26.45 of the DBE Regulations.

VTrans has solicited ideas and suggestions for developing and implementing overall goals by inviting input from the women, minority, and general contracting community. In keeping with our past process, we have utilized a collaborative and inclusive approach to formulating a goal setting methodology, which has included a series of open meetings as well as scheduled, direct, and interactive exchanges with industry and community groups, and prime and DBE contractors and consultants.

Information concerning the purpose and elements of the DBE Program were widely disseminated in writing, and through a series of presentations and public meetings involving a diverse range of individuals and organizations, including our currently certified DBEs, our non-DBE contractors and consultants, the Associated General Contractors - Vermont Chapter, the American Council of Engineering Consultants, the Vermont Commission on Women, the U.S. Small Business Administration, the Vermont Public Transportation Association, the Vermont APEX Accelerator (formerly the Vermont Procurement Technical Assistance Center), the Vermont Agency of Commerce and Community Development, the Vermont Women's Business Center, the Vermont Small Business Development Centers, the Vermont Partnership for Fairness and Diversity, the Vermont Community Action Agencies, the Vermont Department of Labor, the Micro Business Development Program, the Women's Small Business Program, Vermont Works for Women, the Vermont Refugee Resettlement Program, Vermont Chambers of Commerce, Vermont Regional Planning Commissions, the Vermont League of Cities and Towns, the University of Vermont Transportation Research Center, regional planning commissions, transit providers and various towns and municipalities.

VTrans is mindful of the supplemental guidance issued by the U.S. Department of Transportation, Office of the Secretary, originally on a Memorandum dated April 1, 2020, and subsequently made permanent by a Memorandum dated June 28, 2022, from Irene B. Marion, Director of the Developmental Office of Civil Rights, concerning DBE and ACDBE Program Requirements during COVID-19 Public Health Emergency. In particular, as it relates to the DBE Overall Goal Methodology Public Participation Requirements, the DOCR guidance provides as follows:

"49 CFR 26.45(g)(1) requires recipient agencies, as part of their triennial overall goal setting process, to provide opportunities for publication, as well as consultation with stakeholder groups, prior to submitting the methodology to the relevant OA for review.

This regulatory provision states that consultation with stakeholder groups must include a scheduled, direct, interactive exchange (e.g., an in-person meeting, video conference, teleconference) with as many interested stakeholders as possible.

- Instead of holding in-person meetings, recipients may use other options allowed under the rule, such as video conference or teleconferencing, by making use of technologies such as FaceTime, Skype, GoToMeeting, Zoom, and other similar telecommunication applications.”

In accordance with this guidance, VTrans has engaged in multiple virtual meetings and events during the spring and summer of 2023 to share information about the VTrans DBE Program and our proposed FY 2024 – 2026 DBE overall goal with our DBEs and small businesses, as well as representatives from many of our program partners, including the following: The Vermont APEX Accelerator (formerly the Vermont Procurement Technical Assistance Center), the U.S. Small Business Administration, the Vermont Small Business Development Centers, the Vermont Department of Buildings and General Services, the Vermont Agency of Commerce and Community Development, the Vermont Commission on Women, Vermont Works for Women, Creative Workforce Solutions, the State of Vermont Office of Racial Equity, and the Vermont Partnership for Fairness and Diversity. During these virtual meetings and mini-conferences and workshops, staff from the VTrans Office of Civil Rights have provided information and invited feedback on certification and contracting opportunities at VTrans, including a detailed discussion of our DBE goal setting process and proposed DBE goal and methodology for FY 2024 - 2026.

Feedback from these individuals and organizations included information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the scope and effectiveness of VTrans’ efforts to establish a level playing field for the participation of DBEs.

The final goal for our FTA-assisted contracting program was established through an ongoing dialogue with all our stakeholders and represents an informed consent by stakeholder groups.

To comply with the goal setting provisions of the DBE regulations, VTrans has employed the two-step process outlined in Section 26.45, by first creating a baseline figure reflecting the relative availability of “ready, willing and able DBEs” in our marketplace, and then examining all relevant evidence, including past DBE participation, to determine what adjustments, if any, are needed to arrive at our overall goal.

While VTrans has affirmed its commitment to meeting the maximum feasible portion of our overall goal using race-neutral means, we have also provided the requisite projection of a breakout of participation derived from both race-neutral and race-conscious measures, as specified in Section 26.51. In addition to summarizing our current race-neutral program components, we have identified a variety of new strategies, the implementation of which will serve as additional program performance measures.

Federal Transit Administration (FTA) Goal:

In FY 2024 – FY 2026, VTrans intends to expend 1.20% of the financial assistance received from the Federal Transit Administration with small business concerns owned and controlled by socially and economically disadvantaged individuals (DBEs). It is the intent of VTrans that this expenditure be obtained through a combination of race-conscious and race-neutral means.

Goal Methodology

Pursuant to February 2010 USDOT rule amendments to 49 CFR Section 26.45, VTrans’ overall annual goal of 1.20% on FTA funded contracts is effective for a period of three years: FY 2024 – FY 2026. The following describes the goal methodology used to determine this three year goal:

Step 1: Base Figure for the Relative Availability of DBEs

As specified in Section 26.45(c) of the DBE Regulations, the method used to calculate the relative availability of DBEs (“base figure”) for Step 1 of the goal setting process is a percentage figure calculated by dividing a number representing available DBEs by a number representing all available firms (Method 1). VTrans employed the use of our DBE directory and Census Bureau data for calculating a base figure. We obtained our data and calculated the relative availability percentage in the following manner:

- We reviewed VTrans past spending for FY20-22 on direct contracts from the agency, and tabulated the operating and planning spending of our subrecipients (rural transit providers in Vermont) for this period. This spending was subdivided by line item, and all spending for wages, benefits, and other items that are not contracting opportunities (rent, utilities, memberships) was excluded. We forecast capital spending for the FY24-FY26 period based on capital requests from the subrecipients and VTrans’ guidance as to which items are likely to be funded. The list of capital projects with a cost of \$50,000 or greater is shown below in Table 1. The itemized spending was then categorized by six-digit North American Industry Classification System (NAICS) code (2022 codes). The average spending for operations and planning was multiplied by three (to represent the coming three-year period) and then increased by 8% to represent past and expected inflation. The capital spending projections were added to those figures. This collection of codes, federal spending, and their descriptions are shown below in Table 2.

Table 1. Capital Projects Larger than \$50,000

Agency	Description	Estimated Cost
GMT	New Washington County facility construction	\$8,620,000
RCT	Lyndonville bus barn	\$2,000,000
SEVT	Fleet EV charging or hydrogen fuel production unit	\$1,600,000
GMCN	Transit tracking software	\$942,919
AT	Infrastructure upgrades for EV fleet	\$579,980
RCT	Phase 3 charging system upgrades	\$384,000
AT	Facility upgrades (lighting, office space, bathroom, etc.)	\$284,000
MVRTD	Fuel tanks - in ground	\$240,000
MVRTD	Vehicle storage garage	\$200,000

MVRTD	Solar power	\$160,000
SEVT	Building engineering and design	\$120,000
MVRTD	Garage in-ground lifts	\$96,000
AT	Accounting software	\$80,000
SEVT	35 new bike racks	\$75,600
AT	Shelters - pad installation	\$60,000
GMT	Stowe facility upgrades	\$60,000
AT	HVAC controls	\$59,040

Table 2. Spending Categories

NAICS Code	Description	FY24-26 Spending	% of Total
236220	Commercial and Institutional Building Construction	\$3,823,200	14.1%
237310	Highway, Street, and Bridge Construction	\$212,400	0.8%
238110	Poured Concrete Foundation and Structure Contractors	\$866,689	3.2%
238140	Masonry Contractors	\$113,763	0.4%
238150	Glass and Glazing Contractors	\$198,758	0.7%
238160	Roofing Contractors	\$424,800	1.6%
238210	Electrical Contractors and Other Wiring Installation Contractors	\$1,593,000	5.9%
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$2,230,200	8.2%
238290	Other Building Equipment Contractors	\$203,314	0.8%
238320	Painting and Wall Covering Contractors	\$141,673	0.5%
238340	Tile and Terrazzo Contractors	\$13,291	0.0%
238390	Other Building Finishing Contractors	\$31,289	0.1%
321999	All Other Miscellaneous Wood Product Manufacturing	\$11,463	0.0%
323111	Commercial Printing (except Screen and Books)	\$77,614	0.3%
333921	Elevator and Moving Stairway Manufacturing	\$85,714	0.3%
334210	Telephone Apparatus Manufacturing	\$17,452	0.1%
334220	Radio Broadcasting and Wireless Communications Equipmt. Manufacturing	\$51,532	0.2%
336999	All Other Transportation Equipment Manufacturing	\$20,639	0.1%
337920	Blind and Shade Manufacturing	\$5,433	0.0%
339950	Sign Manufacturing	\$27,563	0.1%
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	\$9,818	0.0%
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	\$486,547	1.8%
423420	Office Equipment Merchant Wholesalers	\$5,630	0.0%
423430	Computer and Peripheral Equipment and Software Merchant Wholesalers	\$46,549	0.2%
423610	Electrical Apparatus and Equipment and Wiring Supplies	\$81,057	0.3%
423690	Other Electronic Parts and Equipment Merchant Wholesalers	\$31,986	0.1%
423730	Warm Air Heating and Air-Conditioning Equipment Merchant Wholesalers	\$5,260	0.0%
423830	Industrial Machinery and Equipment Merchant Wholesalers	\$468,930	1.7%
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	\$156,972	0.6%
424350	Clothing and Clothing Accessories Merchant Wholesalers	\$48,656	0.2%
424720	Petroleum and Petroleum Products Merchant Wholesalers	\$1,215,822	4.5%
441110	New Car Dealers	\$53,751	0.2%

441330	Automotive Parts and Accessories Retailers	\$1,454,437	5.4%
441340	Tire Dealers	\$402,734	1.5%
449110	Furniture Retailers	\$12,223	0.0%
449210	Electronics and Appliance Retailers	\$8,131	0.0%
444140	Hardware Retailers	\$76,304	0.3%
444180	Other Building Material Dealers	\$119,966	0.4%
444230	Outdoor Power Equipment Retailers	\$1,518	0.0%
457110	Gasoline Stations with Convenience Stores	\$35,746	0.1%
458110	Clothing and Clothing Accessories Retailers	\$9,715	0.0%
459410	Office Supplies and Stationery Retailers	\$397,149	1.5%
459420	Gift, Novelty, and Souvenir Retailers	\$6,220	0.0%
441227	Motorcycle, ATV, and All Other Motor Vehicle Dealers	\$75,787	0.3%
457210	Fuel Dealers	\$2,677,398	9.9%
485113	Bus and Other Motor Vehicle Transit Systems	\$281,020	1.0%
485310	Taxi and Ridesharing Services	\$75,381	0.3%
488410	Motor Vehicle Towing	\$51,241	0.2%
491110	Postal Service	\$4,450	0.0%
493110	General Warehousing and Storage	\$2,277	0.0%
513110	Newspaper Publishers	\$57,327	0.2%
513210	Software Publishers	\$382,256	1.4%
516110	Radio Broadcasting Stations	\$11,713	0.0%
517111	Wired Telecommunications Carriers	\$342,870	1.3%
517112	Wireless Telecommunications Carriers (except Satellite)	\$300,282	1.1%
518210	Computing Infrastructure Providers, Data Processing, Web Hosting	\$325,337	1.2%
513110	Newspaper Publishers	\$4,607	0.0%
522110	Commercial Banking	\$31,996	0.1%
523940	Portfolio Management and Investment Advice	\$70,308	0.3%
524113	Direct Life Insurance Carriers	\$117,591	0.4%
524114	Direct Health and Medical Insurance Carriers	\$170,793	0.6%
524126	Direct Property and Casualty Insurance Carriers	\$1,420,008	5.2%
524128	Other Direct Insurance (except Life, Health, and Medical) Carriers	\$114,928	0.4%
524210	Insurance Agencies and Brokerages	\$2,696	0.0%
524292	Pharmacy Benefit Management and Administration of Pension Funds	\$29,546	0.1%
531110	Lessors of Residential Buildings and Dwellings	\$17,207	0.1%
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)	\$33,335	0.1%
531320	Offices of Real Estate Appraisers	\$3,456	0.0%
532420	Office Machinery and Equipment Rental and Leasing	\$63,781	0.2%
541110	Offices of Lawyers	\$128,352	0.5%
541211	Offices of Certified Public Accountants	\$244,915	0.9%
541214	Payroll Services	\$22,104	0.1%
541219	Other Accounting Services	\$21,675	0.1%
541310	Architectural Services	\$460,919	1.7%
541330	Engineering Services	\$97,125	0.4%
541430	Graphic Design Services	\$99,288	0.4%

541511	Custom Computer Programming Services	\$47,407	0.2%
541512	Computer Systems Design Services	\$315,904	1.2%
541513	Computer Facilities Management Services	\$8,499	0.0%
541519	Other Computer Related Services	\$5,374	0.0%
541611	Administrative Management and General Management Consulting	\$467,830	1.7%
541612	Human Resources Consulting Services	\$26,081	0.1%
541618	Other Management Consulting Services	\$448,214	1.7%
541620	Environmental Consulting Services	\$16,947	0.1%
541690	Other Scientific and Technical Consulting Services	\$421,598	1.6%
541810	Advertising Agencies	\$12,814	0.0%
541890	Other Services Related to Advertising	\$73,723	0.3%
561320	Temporary Help Services	\$6,411	0.0%
561421	Telephone Answering Services	\$64,728	0.2%
561611	Investigation and Personal Background Check Services	\$12,637	0.0%
561621	Security Systems Services (except Locksmiths)	\$102,004	0.4%
561622	Locksmiths	\$1,549	0.0%
561720	Janitorial Services	\$231,995	0.9%
561730	Landscaping Services	\$222,873	0.8%
561740	Carpet and Upholstery Cleaning Services	\$7,392	0.0%
561790	Other Services to Buildings and Dwellings	\$52,056	0.2%
562111	Solid Waste Collection	\$41,866	0.2%
562119	Other Waste Collection	\$12,804	0.0%
562211	Hazardous Waste Treatment and Disposal	\$27,314	0.1%
562212	Solid Waste Landfill	\$1,555	0.0%
562991	Septic Tank and Related Services	\$16,049	0.1%
611430	Professional and Management Development Training	\$20,471	0.1%
621111	Offices of Physicians (except Mental Health Specialists)	\$12,221	0.0%
621999	All Other Miscellaneous Ambulatory Health Care Services	\$8,790	0.0%
722320	Caterers	\$6,446	0.0%
811111	General Automotive Repair	\$1,136,649	4.2%
811114	Specialized Automotive Repair	\$1,775	0.0%
811122	Automotive Glass Replacement Shops	\$3,153	0.0%
811192	Car Washes	\$89,473	0.3%
811210	Electronic and Precision Equipment Repair and Maintenance	\$141,132	0.5%
811310	Commercial and Industrial Machinery and Equipment Maintenance	\$2,109	0.0%
	TOTAL	\$27,094,722	

- We determined the number of ready, willing and able DBEs in our market from our DBE registry for each of these NAICS codes. The VTrans registry (at <http://apps.vtrans.vermont.gov/dberegistry/>) supports searches by NAICS code, allowing for the simple tabulation of the number of available firms.
- The next step was to determine the appropriate market area for each NAICS code. In the past, the default market area has been the State of Vermont, but for selected NAICS codes, additional states were included, based primarily on the home states of the DBE firms in the

Vermont registry. For the current goal-setting period, in order to make the methodology more consistent across all NAICS codes, we determined that each NAICS code would have one of two geographic scopes: 1) the State of Vermont, or 2) an area of New England and upstate New York within a 2-hour drive of Vermont. This broader area includes all of Vermont and New Hampshire, seven counties in northern and western Massachusetts, five counties in northern and central Connecticut, and 13 counties in eastern New York (as far south at Dutchess County). This area excludes the most urbanized portions of Massachusetts and New York, which have many more establishments than the other parts of those states, and which would have depressed the DBE goal. Of course, this area also excludes the home states of many of the firms in the DBE registry, with New Jersey, Maryland, Pennsylvania, and Florida particularly well represented there. Ultimately there is no perfect way to define the market area.

- The scopes for each NAICS code were determined partly by the feasibility or likelihood that a Vermont transit provider would contract with an out-of-state entity for a particular type of service or item, and also by the representation of other states in the DBE registry. By type of NAICS code, the scopes were set as follows:
 - Construction management (2362) – broader area
 - Building construction and equipment (other than plumbing) (2381, 2382) – broader area
 - Building finishing (2383) – Vermont
 - Manufacturing (33) – broader area
 - Wholesale trade (42) – broader area
 - Retail trade (other than clothing and office supplies) (44-45) – Vermont
 - Transportation (48) – Vermont (with the exception of bus transit systems)
 - Information (51) – broader area
 - Finance, insurance, real estate, professional/technical services (51-54) – broader area (with the exception of lawyers, which were limited to Vermont)
 - Administrative/support/waste management services (56) – Vermont (with the exception of telephone answering, security systems, hazardous and other waste collection, which were the broader area, mainly because there were no Vermont establishments for most of those NAICS codes)
 - Educational and health care services (61-62) – Vermont (except for professional and management training)
 - Food services (72) – Vermont
 - Other services (81) – Vermont
- Finally, using the Census Bureau's County Business Pattern (CBP) database, we determined the number of establishments for the relevant area for each of the NAICS codes.

Table 3 shows the number of VAOT-certified DBE firms in each of these categories and the number of establishments in the selected area: Vermont or Broader Area (BA).

Table 3. Relative Availability of DBE Firms by NAICS Code

NAICS Code	Description	VT DBE Firms	Scope: 1=VT 2=BA	CBP Total for Relevant Area
236220	Commercial and Institutional Building Construction	17	2	892
237310	Highway, Street, and Bridge Construction	33	2	309

NAICS Code	Description	VT DBE Firms	Scope: 1=VT 2=BA	CBP Total for Relevant Area
238110	Poured Concrete Foundation and Structure Contractors	8	2	462
238140	Masonry Contractors	6	2	741
238150	Glass and Glazing Contractors	0	2	155
238160	Roofing Contractors	2	2	479
238210	Electrical Contractors and Other Wiring Installation Contractors	6	2	3141
238220	Plumbing, Heating, and Air-Conditioning Contractors	1	1	284
238290	Other Building Equipment Contractors	2	2	182
238320	Painting and Wall Covering Contractors	6	1	162
238340	Tile and Terrazzo Contractors	1	1	4
238390	Other Building Finishing Contractors	6	1	13
321999	All Other Miscellaneous Wood Product Manufacturing	0	2	42
323111	Commercial Printing (except Screen and Books)	2	1	24
333921	Elevator and Moving Stairway Manufacturing	0	2	0
334210	Telephone Apparatus Manufacturing	0	2	0
334220	Radio Broadcasting and Wireless Communications Equipmt.	0	2	24
336999	All Other Transportation Equipment Manufacturing	0	2	3
337920	Blind and Shade Manufacturing	0	2	0
339950	Sign Manufacturing	3	2	138
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0	2	121
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	0	2	274
423420	Office Equipment Merchant Wholesalers	0	2	236
423430	Computer and Peripheral Equipment and Software Merchant	3	2	236
423610	Electrical Apparatus and Equipment and Wiring Supplies	6	2	370
423690	Other Electronic Parts and Equipment Merchant Wholesalers	1	2	333
423730	Warm Air Heating and Air-Conditioning Equipment Merchant	1	2	133
423830	Industrial Machinery and Equipment Merchant Wholesalers	1	2	635
423850	Service Establishment Equipment and Supplies Merchant	1	2	89
424350	Clothing and Clothing Accessories Merchant Wholesalers	0	2	41
424720	Petroleum and Petroleum Products Merchant Wholesalers	0	2	34
441110	New Car Dealers	0	1	81
441330	Automotive Parts and Accessories Retailers	0	1	98
441340	Tire Dealers	0	1	34
449110	Furniture Retailers	0	1	41
449210	Electronics and Appliance Retailers	0	1	17
444140	Hardware Retailers	0	1	70
444180	Other Building Material Dealers	2	1	94
444230	Outdoor Power Equipment Retailers	0	1	13
457110	Gasoline Stations with Convenience Stores	0	1	368
458110	Clothing and Clothing Accessories Retailers	0	2	140
459410	Office Supplies and Stationery Retailers	0	2	107
459420	Gift, Novelty, and Souvenir Retailers	0	2	572
441227	Motorcycle, ATV, and All Other Motor Vehicle Dealers	0	1	18
457210	Fuel Dealers	1	1	107
485113	Bus and Other Motor Vehicle Transit Systems	0	2	0
485310	Taxi and Ridesharing Services	0	1	4

NAICS Code	Description	VT DBE Firms	Scope: 1=VT 2=BA	CBP Total for Relevant Area
488410	Motor Vehicle Towing	0	1	13
491110	Postal Service	0	1	0
493110	General Warehousing and Storage	0	1	9
513110	Newspaper Publishers	0	1	19
513210	Software Publishers	0	2	645
516110	Radio Broadcasting Stations	0	2	68
517111	Wired Telecommunications Carriers	0	1	104
517112	Wireless Telecommunications Carriers (except Satellite)	0	2	548
518210	Computing Infrastructure Providers, Data Processing, Web Hosting	4	2	482
513110	Newspaper Publishers	0	1	19
522110	Commercial Banking	0	2	1754
523940	Portfolio Management and Investment Advice	0	2	1093
524113	Direct Life Insurance Carriers	0	2	211
524114	Direct Health and Medical Insurance Carriers	0	2	112
524126	Direct Property and Casualty Insurance Carriers	0	2	345
524128	Other Direct Insurance (except Life, Health, and Medical) Carriers	0	2	0
524210	Insurance Agencies and Brokerages	0	2	2767
524292	Pharmacy Benefit Management and Administration of Pension Funds	0	2	205
531110	Lessors of Residential Buildings and Dwellings	1	2	1550
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)	0	2	963
531320	Offices of Real Estate Appraisers	2	2	217
532420	Office Machinery and Equipment Rental and Leasing	0	2	4
541110	Offices of Lawyers	2	1	366
541211	Offices of Certified Public Accountants	2	2	1316
541214	Payroll Services	0	2	109
541219	Other Accounting Services	1	2	895
541310	Architectural Services	3	2	616
541330	Engineering Services	50	2	1794
541430	Graphic Design Services	7	2	316
541511	Custom Computer Programming Services	12	2	2058
541512	Computer Systems Design Services	18	2	1386
541513	Computer Facilities Management Services	3	2	152
541519	Other Computer Related Services	10	2	311
541611	Administrative Management and General Management Consulting	41	2	1753
541612	Human Resources Consulting Services	11	2	196
541618	Other Management Consulting Services	19	2	128
541620	Environmental Consulting Services	28	2	338
541690	Other Scientific and Technical Consulting Services	25	2	522
541810	Advertising Agencies	1	2	267
541890	Other Services Related to Advertising	1	2	148
561320	Temporary Help Services	8	2	971
561421	Telephone Answering Services	1	2	18
561611	Investigation and Personal Background Check Services	0	2	83
561621	Security Systems Services (except Locksmiths)	0	2	163
561622	Locksmiths	0	1	0

NAICS Code	Description	VT DBE Firms	Scope: 1=VT 2=BA	CBP Total for Relevant Area
561720	Janitorial Services	5	1	190
561730	Landscaping Services	4	1	509
561740	Carpet and Upholstery Cleaning Services	0	1	7
561790	Other Services to Buildings and Dwellings	0	1	31
562111	Solid Waste Collection	4	1	34
562119	Other Waste Collection	0	1	0
562211	Hazardous Waste Treatment and Disposal	1	1	0
562212	Solid Waste Landfill	0	1	0
562991	Septic Tank and Related Services	1	1	22
611430	Professional and Management Development Training	13	2	216
621111	Offices of Physicians (except Mental Health Specialists)	1	1	249
621999	All Other Miscellaneous Ambulatory Health Care Services	1	1	12
722320	Caterers	0	1	36
811111	General Automotive Repair	0	1	339
811114	Specialized Automotive Repair	0	1	0
811122	Automotive Glass Replacement Shops	0	1	6
811192	Car Washes	0	1	16
811210	Electronic and Precision Equipment Repair and Maintenance	1	1	0
811310	Commercial and Industrial Machinery and Equipment Maintenance	0	2	458
	TOTALS	390		38,480

The 390 ready, willing, and able DBE firms in the Vermont DBE Registry, divided by the 38,480 total firms from the County Business Patterns database in either Vermont or the broader area, yields an unweighted base figure of 1.01%.

In order to better reflect the availability of DBE contractors with regard to potential spending, we recalculated the relative availability using a weighted approach, so that the NAICS codes with higher spending are weighted more heavily. The percentages of total spending represented by each of the NAICS categories, shown in the rightmost column of Table 2, were multiplied by the percent availability of DBE contractors for each NAICS code. The results of this calculation are shown below in Table 4.

Table 4. Weighted Average of DBE Availability

NAICS Code	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Pct Available		Weight	Weighted Availability
236220	17	892	1.91%	x	14.1%	0.269%
237310	33	309	10.68%	x	0.8%	0.084%
238110	8	462	1.73%	x	3.2%	0.055%
238140	6	741	0.81%	x	0.4%	0.003%
238150	0	155	0.00%	x	0.7%	0.000%
238160	2	479	0.42%	x	1.6%	0.007%

NAICS Code	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Pct Available		Weight	Weighted Availability
238210	6	3141	0.19%	x	5.9%	0.011%
238220	1	284	0.35%	x	8.2%	0.029%
238290	2	182	1.10%	x	0.8%	0.008%
238320	6	162	3.70%	x	0.5%	0.019%
238340	1	4	25.00%	x	0.0%	0.012%
238390	6	13	46.15%	x	0.1%	0.053%
321999	0	42	0.00%	x	0.0%	0.000%
323111	2	24	8.33%	x	0.3%	0.024%
333921	0	0	0.00%	x	0.3%	0.000%
334210	0	0	0.00%	x	0.1%	0.000%
334220	0	24	0.00%	x	0.2%	0.000%
336999	0	3	0.00%	x	0.1%	0.000%
337920	0	0	0.00%	x	0.0%	0.000%
339950	3	138	2.17%	x	0.1%	0.002%
423110	0	121	0.00%	x	0.0%	0.000%
423120	0	274	0.00%	x	1.8%	0.000%
423420	0	236	0.00%	x	0.0%	0.000%
423430	3	236	1.27%	x	0.2%	0.002%
423610	6	370	1.62%	x	0.3%	0.005%
423690	1	333	0.30%	x	0.1%	0.000%
423730	1	133	0.75%	x	0.0%	0.000%
423830	1	635	0.16%	x	1.7%	0.003%
423850	1	89	1.12%	x	0.6%	0.007%
424350	0	41	0.00%	x	0.2%	0.000%
424720	0	34	0.00%	x	4.5%	0.000%
441110	0	81	0.00%	x	0.2%	0.000%
441330	0	98	0.00%	x	5.4%	0.000%
441340	0	34	0.00%	x	1.5%	0.000%
449110	0	41	0.00%	x	0.0%	0.000%
449210	0	17	0.00%	x	0.0%	0.000%
444140	0	70	0.00%	x	0.3%	0.000%
444180	2	94	2.13%	x	0.4%	0.009%
444230	0	13	0.00%	x	0.0%	0.000%
457110	0	368	0.00%	x	0.1%	0.000%
458110	0	140	0.00%	x	0.0%	0.000%
459410	0	107	0.00%	x	1.5%	0.000%
459420	0	572	0.00%	x	0.0%	0.000%
441227	0	18	0.00%	x	0.3%	0.000%

NAICS Code	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Pct Available		Weight	Weighted Availability
457210	1	107	0.93%	x	9.9%	0.092%
485113	0	0	0.00%	x	1.0%	0.000%
485310	0	4	0.00%	x	0.3%	0.000%
488410	0	13	0.00%	x	0.2%	0.000%
491110	0	0	0.00%	x	0.0%	0.000%
493110	0	9	0.00%	x	0.0%	0.000%
513110	0	19	0.00%	x	0.2%	0.000%
513210	0	645	0.00%	x	1.4%	0.000%
516110	0	68	0.00%	x	0.0%	0.000%
517111	0	104	0.00%	x	1.3%	0.000%
517112	0	548	0.00%	x	1.1%	0.000%
518210	4	482	0.83%	x	1.2%	0.010%
513110	0	19	0.00%	x	0.0%	0.000%
522110	0	1754	0.00%	x	0.1%	0.000%
523940	0	1093	0.00%	x	0.3%	0.000%
524113	0	211	0.00%	x	0.4%	0.000%
524114	0	112	0.00%	x	0.6%	0.000%
524126	0	345	0.00%	x	5.2%	0.000%
524128	0	0	0.00%	x	0.4%	0.000%
524210	0	2767	0.00%	x	0.0%	0.000%
524292	0	205	0.00%	x	0.1%	0.000%
531110	1	1550	0.06%	x	0.1%	0.000%
531120	0	963	0.00%	x	0.1%	0.000%
531320	2	217	0.92%	x	0.0%	0.000%
532420	0	4	0.00%	x	0.2%	0.000%
541110	2	366	0.55%	x	0.5%	0.003%
541211	2	1316	0.15%	x	0.9%	0.001%
541214	0	109	0.00%	x	0.1%	0.000%
541219	1	895	0.11%	x	0.1%	0.000%
541310	3	616	0.49%	x	1.7%	0.008%
541330	50	1794	2.79%	x	0.4%	0.010%
541430	7	316	2.22%	x	0.4%	0.008%
541511	12	2058	0.58%	x	0.2%	0.001%
541512	18	1386	1.30%	x	1.2%	0.015%
541513	3	152	1.97%	x	0.0%	0.001%
541519	10	311	3.22%	x	0.0%	0.001%
541611	41	1753	2.34%	x	1.7%	0.040%
541612	11	196	5.61%	x	0.1%	0.005%

NAICS Code	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Pct Available		Weight	Weighted Availability
541618	19	128	14.84%	x	1.7%	0.246%
541620	28	338	8.28%	x	0.1%	0.005%
541690	25	522	4.79%	x	1.6%	0.075%
541810	1	267	0.37%	x	0.0%	0.000%
541890	1	148	0.68%	x	0.3%	0.002%
561320	8	971	0.82%	x	0.0%	0.000%
561421	1	18	5.56%	x	0.2%	0.013%
561611	0	83	0.00%	x	0.0%	0.000%
561621	0	163	0.00%	x	0.4%	0.000%
561622	0	0	0.00%	x	0.0%	0.000%
561720	5	190	2.63%	x	0.9%	0.023%
561730	4	509	0.79%	x	0.8%	0.006%
561740	0	7	0.00%	x	0.0%	0.000%
561790	0	31	0.00%	x	0.2%	0.000%
562111	4	34	11.76%	x	0.2%	0.018%
562119	0	0	0.00%	x	0.0%	0.000%
562211	1	0	0.00%	x	0.1%	0.000%
562212	0	0	0.00%	x	0.0%	0.000%
562991	1	22	4.55%	x	0.1%	0.003%
611430	13	216	6.02%	x	0.1%	0.005%
621111	1	249	0.40%	x	0.0%	0.000%
621999	1	12	8.33%	x	0.0%	0.003%
722320	0	36	0.00%	x	0.0%	0.000%
811111	0	339	0.00%	x	4.2%	0.000%
811114	0	0	0.00%	x	0.0%	0.000%
811122	0	6	0.00%	x	0.0%	0.000%
811192	0	16	0.00%	x	0.3%	0.000%
811210	1	0	0.00%	x	0.5%	0.000%
811310	0	458	0.00%	x	0.0%	0.000%

The weighted average DBE availability is the sum of the weighted availabilities in the rightmost column, which comes out to 1.20%. This is the step 1 base figure.

Step 2: Adjustment to Base Figure

As specified in Section 26.45, once the relative availability of ready, willing and able DBEs in our marketplace has been determined, it is necessary to examine additional evidence and, if appropriate, make adjustments to the base figure, to ensure that our goal truly and accurately reflects the level of DBE participation we would expect absent the effects of discrimination.

Table 5 below shows the historical awards to DBE firms by year for the past four years. The

annual percent to DBEs was calculated by adding together the semi-annual reports for each year, and then dividing the DBE contracting by the total contracting figure.

Table 5. Historical Contract Awards to DBE Firms

Year	Total Dollars	Total to DBEs	Percent to DBEs	DBE Goal
FY 2019	\$3,785,693	\$69,879	1.85%	1.65%
FY 2020	\$4,308,930	\$3,752	0.09%	1.65%
FY 2021	\$8,349,109	\$36,868	0.44%	1.14%
FY 2022	\$9,673,939	\$40,704	0.42%	1.14%
		Median	0.43%	

It can be seen in Table 5 that the State of Vermont achieved the goal in FY 2019, but fell significantly short in the other years. The shortfall analyses completed for FY20, FY21 and FY22 explained the reasons why the goals were not met in those years. VTrans and its subrecipients continue to make strong efforts to encourage eligible firms to register as DBEs in Vermont and to make use of such firms whenever possible.

FY23 will be a strong outlier compared to recent years. Tri-Valley Transit, on behalf of VTrans, signed a five-year contract for paratransit scheduling and dispatching software with a DBE firm in the first half of the year. This company was also awarded much smaller contracts for microtransit software from two Vermont transit agencies. These contracts together amounted to \$3.46 million, which was over 44% of the total dollars awarded in contracts in the first half of the year. Assuming the second half of the year has the typical amount of contract awards, the final DBE percentage for FFY23 is likely to be in the range of 27%, or some 60 times higher than the results of the prior two years. Although this firm may get additional business in the future, another large contract for the extension of paratransit software will not occur during this goaling period. Therefore, the results of FFY23 are set aside for the purpose of this round of goal-setting.

VTrans considered several other potential adjustments to the base figure before concluding the analysis:

- **Disparity Studies:** There has been no disparity study performed in Vermont, New Hampshire, or Maine for any public agency or private sector company.
- **Statistical Disparities in the Ability of DBEs to Get the Financing, Bonding, and Insurance Required to Participate in the VTrans DBE Program:** VTrans has not collected and analyzed this data related to transit contracts. VTrans offers training, mentoring, and one-on-one business coaching to its DBEs through the VTrans Business Development Program, and partners with the Small Business Administration and other agencies to promote accessible financing, bonding, and insurance to all certified DBEs. This has not been identified as a barrier to contracting and procurement opportunities for DBEs in Vermont.
- **Data on Employment, Self-Employment, Education, Training and Union Apprenticeship Programs, to the Extent They Relate to the Opportunities for DBEs to Perform in the VTrans DBE Program:** VTrans has not collected and analyzed this data related to transit

contracts. Through the VTrans Business Development Program, DBEs are assessed for training needs, and VTrans funds DBE training to remove barriers, build capacity, and enhance critical business skills.

After full consideration of these factors, VTrans concludes that the weighted base figure of 1.20% is an appropriate goal for FY 2024 – 2026 for our FTA-assisted contracts.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

VTrans will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. VTrans uses the following race-neutral means to promote DBE participation:

- Providing technical assistance and other services to DBEs, directly and via consultants, seminars, partnerships with technical assistance providers and academic institutions.
- Administering a business development program, the Vermont Business Development Program (VBDP), for certified DBEs that provides one-on-one business counseling and needs assessments, business and marketing plan development, and training and networking opportunities.
- Carrying out information and communications programs on contracting procedures and specific contract opportunities, including electronic notification of all bidding and contracting opportunities to all certified DBEs and small businesses on a weekly basis.
- Providing formal and informal training and presentations to DBEs, small businesses, and other contractors.
- Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs.
- Providing frequent updates to our DBEs on all bidding and subcontracting opportunities.
- Providing prompt payment monitoring and enforcement for payments to all subcontractors, including DBEs.
- Conducting periodic user surveys and needs assessments to better determine DBE needs (e.g., training, financing, etc.) and to obtain better contact info.
- Ensuring distribution of our DBE Directory to the widest feasible universe of potential prime contractors and consultants, including an online search engine by NAICS Codes and key words.
- Developing and delivering small business training and networking opportunities, including the annual Government Contracting Conference, the annual Women's Economic Opportunity Conference, matchmaker events, etc.
- Assisting DBEs to develop their capability to utilize emerging technology and conduct business through electronic media, and utilizing our website to

disseminate information, including our Directory, bid opportunities, updated information on Part 26, and useful links.

- Providing services to help DBEs improve long-term development, increase opportunities to participate in a variety of different kinds of work, handle increasingly significant projects, successfully compete as prime contractors, and achieve eventual self-sufficiency.
- Providing assistance in overcoming limitations such as an inability to obtain bonding or financing and identify and eliminate other barriers to contracting with the VT Agency of Transportation.
- Networking with local, state and federal agencies, non-profits, academic and business communities to obtain maximum partnering opportunities and resources and develop comprehensive resource and referral network with technical assistance and service providers.
- Coordinating with other state DBE Liaison Officers, to ensure certification reciprocity and to maximize interstate contracting opportunities; and
- Assisting DBEs to establish prequalification status.

In addition to the above-described race-neutral means that VTrans already employs to increase DBE participation, we propose implementing and expanding our efforts in the following ways:

- Providing more one-on-one business counseling services to our DBEs.
- Ensuring that our prime contractors consider the use of DBEs in all possible work categories, by providing quick reference guides detailing the expertise and capacities of our DBEs.
- Providing frequent updates to our DBEs on all bidding and subcontracting opportunities.
- Providing more effective outreach with minority businesses.

More than two-thirds of the projected spending for the coming three-year period is for ongoing operating expenses, very few of which allow for subcontracting opportunities. As shown in Table 1, there are two large projects planned for the period, as well as one medium-sized project which could allow for subcontracting opportunities. There will likely be more microtransit operations coming on line, providing additional opportunities for the DBE firm that won two of these within the last year.

In recent years, all of the planning work contracted for by VTrans has come through retainer contracts with five teams of firms, and these will continue through at least FY25. These teams are set, and while they include DBE firms among them, it is not possible to include race-conscious goals for projects through these retainer contracts.

Given VTrans' inability to meet its DBE goal in the last three years prior to FFY23, the new goal includes a race-conscious portion, but for the reasons described above, this portion is necessarily small. The race-conscious portion is set at the minimum that would have been sufficient to attain the goal in FY2022.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

On our FTA-assisted contracts, VTrans estimates that we will meet 0.77% of our overall goal of 1.20% through race-conscious measures and the rest (0.43%) through race-neutral participation.

Other than in FY22, VTrans has administered a race and gender neutral DBE Program for over 20 years, and has not resorted to race-conscious measures, including project specific DBE goals. In FY22, following several years of not meeting the goal through race-neutral means, VTrans implemented a race-conscious goal of 0.26% of its overall program. The one contract advertised with a race-conscious goal (MVRTD administrative building) did not yield any DBE participation.

We will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation and we will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures.
- DBE participation through a subcontract on a prime contract that does not carry a DBE goal.
- DBE participation on a prime contract exceeding a contract goal.
- DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

For the few contracts that VTrans or its subrecipients will advertise that have subcontracting opportunities over the coming period, the race-conscious goal will be set so that it proportionally results in 0.77% of the overall projected spending for the period.

Public Comment

The draft DBE goal for FTA-assisted contracts was posted on the VTrans website on July 25, 2023. To date, no comments have been received.