

**Muskegon Area Transit System
Disadvantaged Business Enterprise Goal Analysis
FY2022-FY2024**

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 2022-2024 (October 1, 2021 through September 30, 2024). The methodology for the analysis included the following steps.

Establishment of the Base Figure:

1. The FY2022 MATS projected budget was analyzed by "area of expenditure." For each area, it was determined whether 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 FY2023 and FY2024 was forecast. Each Fiscal Year budget (FY2022-FY2024) 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, 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 described 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 State Datafile Database 2019. 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 1.03% (based on annual calculations of 0.90% for FY2022, 1.13% for FY2023, and 1.07% for FY2024).

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 order to determine if the community may have reasons for MATS to consider in making adjustments to the base figure, MATS published a public notice of a comment period regarding the DBE goals. No written comments were received from that effort that compelled MATS to adjust its goal.

Another element of the adjustment process is a review of past DBE participation rates in MATS contracting opportunities. As this is only the third DBE goal-setting cycle in which MATS has exceeded the spending thresholds for development of a DBE goal, there is minimal 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 1.03% DBE Participation for the period of Fiscal Year 2022-2024.

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 an adequate length of history in 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 1.03% for FY2022-FY2024 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 FY2025-FY2027. Interim adjustments may also be made to the FY2022-FY2024 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
FY2022-FY2024

The following pages show the basic calculations used to arrive at the Muskegon Area Transit System's FY2022-FY2024 DBE Goal of 1.03% participation.

Muskegon Area Transit System

26-Jul-21

Potential DBE Contracting Opportunities

NAICS Code Grouping

FY2022 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	FY2022 BUDGET REQUEST	FY2022 DBE CONTRACT OPPNTNTY	FY2022 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
323111	Commercial Printing	2	525	0.00381	5,500.00	4,950.00	3,803.40	0.0112	0.00004
424120	Stationary and Office Supplies Merchant Wholesalers	0	99	0.00000	2,100.00	2,100.00	1,494.40	0.0044	0.00000
453210	Office supply stores	0	137	0.00000	9,547.00	9,547.00	7,231.60	0.0213	0.00000
423710	Hardware Merchant Wholesalers	3	191	0.01571	3,850.00	3,850.00	3,068.40	0.0090	0.00014
444110	Home Centers	0	196	0.00000	3,850.00	3,850.00	3,068.40	0.0090	0.00000
NA					920,000.00	0.00	0.00	0.0000	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	28	0.00000	7,700.00	7,700.00	5,266.79	0.0155	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	2	75	0.02667	31,000.00	5,900.00	4,035.59	0.0119	0.00032
423130	Tire tubes, motor vehicle, merchant wholesalers	1	62	0.01613	20,000.00	20,000.00	13,679.98	0.0403	0.00065
424720	Petroleum and Petroleum Products Merchant Wholesalers	2	75	0.02667	85,000.00	85,000.00	58,139.92	0.1714	0.00457
441310	Automotive Parts and Accessories Stores	0	1,410	0.00000	102,750.00	65,130.00	44,983.86	0.1326	0.00000
444110	Home Centers	0	196	0.00000	3,750.00	3,750.00	3,000.00	0.0088	0.00000
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	4	273	0.01465	5,600.00	5,600.00	3,830.39	0.0113	0.00017
423850	Janitorial equipment and supplies merchant wholesalers	1	120	0.00833	7,200.00	7,200.00	4,924.79	0.0145	0.00012
561740	Cleaning rugs	1	219	0.00457	3,200.00	3,200.00	2,188.80	0.0065	0.00003
444110	Home Centers	0	196	0.00000	6,000.00	6,000.00	4,103.99	0.0121	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	1	17	0.05882	14,400.00	14,400.00	9,849.59	0.0290	0.00171
424690	Antifreeze merchant wholesalers	4	273	0.01465	3,600.00	3,600.00	2,462.40	0.0073	0.00011
NA					611,000.00	0.00	0.00	0.0000	0.00000
562111	Garbage collection services	3	290	0.01034	2,100.00	2,100.00	1,436.40	0.0042	0.00004
323111	Commercial Printing	2	525	0.00381	3,290.00	1,974.00	1,579.20	0.0047	0.00002
511110	Newspaper Publishers	0	182	0.00000	3,710.00	2,226.00	1,780.80	0.0052	0.00000
541810	Advertising Agencies	5	303	0.01650	107,351.00	23,551.00	18,840.80	0.0555	0.00092
423990	Fire extinguisher sales combined with rental and/or service	3	249	0.01205	6,630.00	5,148.00	3,521.23	0.0104	0.00013
238220	HVAC contractors / Plumbing Contrators	13	2,473	0.00526	1,700.00	1,320.00	902.88	0.0027	0.00001
238210	Electrical work / Electrical Contractors	15	1,771	0.00847	1,020.00	792.00	541.73	0.0016	0.00001
561710	Pest control (except agricultural, forestry) services	0	232	0.00000	5,440.00	4,224.00	2,889.21	0.0085	0.00000
444190	Building Material Supply/Garage Door/Roofing Material Dealers	1	910	0.00110	2,210.00	1,716.00	1,173.74	0.0035	0.00000
NA					29,000.00	0.00	0.00	0.0000	0.00000
811310	Service machinery and equipment repair and maintenance services	2	817	0.00245	26,400.00	12,500.00	8,549.99	0.0252	0.00006
811111	General automotive repair shops/Engine repair and replacement shops	0	2,473	0.00000	49,800.00	42,330.00	28,953.68	0.0854	0.00000
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	0	159	0.00000	10,200.00	8,670.00	5,930.27	0.0175	0.00000
NA					3,250.00	0.00	0.00	0.0000	0.00000
423120	Tools and equipment, motor vehicle, merchant wholesalers	0	706	0.00000	110,000.00	110,000.00	88,000.00	0.2594	0.00000
					2,208,148.00	468,328.00	339,232.21	1.0000	0.0090

DBE Federal Participation

3,069.72

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

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

Muskegon Area Transit System

26-Jul-21

Potential DBE Contracting Opportunities

NAICS Code Grouping

FY2023 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	FY2023 ESTIMATED BUDGET	FY2023 DBE CONTRACT OPPNTNTY	FY2023 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
323111	Commercial Printing	2	525	0.00381	5,500.00	4,950.00	3,803.40	0.0141	0.00005
424120	Stationary and Office Supplies Merchant Wholesalers	0	99	0.00000	2,100.00	2,100.00	1,494.40	0.0055	0.00000
453210	Office supply stores	0	137	0.00000	9,547.00	9,547.00	7,231.60	0.0268	0.00000
423710	Hardware Merchant Wholesalers	3	191	0.01571	3,850.00	3,850.00	3,068.40	0.0114	0.00018
444110	Home Centers	0	196	0.00000	3,850.00	3,850.00	3,068.40	0.0114	0.00000
NA					920,000.00	0.00	0.00	0.0000	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	28	0.00000	7,700.00	7,700.00	5,266.79	0.0195	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	2	75	0.02667	31,000.00	5,900.00	4,035.59	0.0149	0.00040
423130	Tire tubes, motor vehicle, merchant wholesalers	1	62	0.01613	20,000.00	20,000.00	13,679.98	0.0507	0.00082
424720	Petroleum and Petroleum Products Merchant Wholesalers	2	75	0.02667	85,000.00	85,000.00	58,139.92	0.2154	0.00574
441310	Automotive Parts and Accessories Stores	0	1,410	0.00000	102,750.00	73,050.00	50,401.13	0.1867	0.00000
444110	Home Centers	0	196	0.00000	3,750.00	3,750.00	3,000.00	0.0111	0.00000
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	4	273	0.01465	5,600.00	5,600.00	3,830.39	0.0142	0.00021
423850	Janitorial equipment and supplies merchant wholesalers	1	120	0.00833	7,200.00	7,200.00	4,924.79	0.0182	0.00015
561740	Cleaning rugs	1	219	0.00457	3,200.00	3,200.00	2,188.80	0.0081	0.00004
444110	Home Centers	0	196	0.00000	6,000.00	6,000.00	4,103.99	0.0152	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	1	17	0.05882	14,400.00	14,400.00	9,849.59	0.0365	0.00215
424690	Antifreeze merchant wholesalers	4	273	0.01465	3,600.00	3,600.00	2,462.40	0.0091	0.00013
NA					5,500.00	0.00	0.00	0.0000	0.00000
562111	Garbage collection services	3	290	0.01034	2,100.00	2,100.00	1,436.40	0.0053	0.00006
323111	Commercial Printing	2	525	0.00381	3,290.00	1,974.00	1,579.20	0.0058	0.00002
511110	Newspaper Publishers	0	182	0.00000	3,710.00	2,226.00	1,780.80	0.0066	0.00000
541810	Advertising Agencies	5	303	0.01650	86,300.00	22,500.00	18,000.00	0.0667	0.00110
423990	Fire extinguisher sales combined with rental and/or service	3	249	0.01205	6,630.00	5,148.00	3,521.23	0.0130	0.00016
238220	HVAC contractors / Plumbing Contrators	13	2,473	0.00526	1,700.00	1,320.00	902.88	0.0033	0.00002
238210	Electrical work / Electrical Contractors	15	1,771	0.00847	1,020.00	792.00	541.73	0.0020	0.00002
561710	Pest control (except agricultural, forestry) services	0	232	0.00000	5,440.00	4,224.00	2,889.21	0.0107	0.00000
444190	Building Material Supply/Garage Door/Roofing Material Dealers	1	910	0.00110	2,210.00	1,716.00	1,173.74	0.0043	0.00000
NA					29,000.00	0.00	0.00	0.0000	0.00000
811310	Service machinery and equipment repair and maintenance services	2	817	0.00245	26,400.00	12,500.00	8,549.99	0.0317	0.00008
811111	General automotive repair shops/Engine repair and replacement shops	0	2,473	0.00000	49,800.00	49,800.00	34,063.15	0.1262	0.00000
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	0	159	0.00000	10,200.00	10,200.00	6,976.79	0.0258	0.00000
NA					3,250.00	0.00	0.00	0.0000	0.00000
423120	Tools and equipment, motor vehicle, merchant wholesalers	0	706	0.00000	10,000.00	10,000.00	8,000.00	0.0296	0.00000
					1,481,597.00	384,197.00	269,964.68	1.0000	0.0113

DBE Federal Participation

3,055.85

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

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

Muskegon Area Transit System

26-Jul-21

Potential DBE Contracting Opportunities

NAICS Code Grouping

FY2024 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	FY2024 ESTIMATED BUDGET	FY2024 DBE CONTRACT OPPNTNTY	FY2024 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
323111	Commercial Printing	2	525	0.00381	5,500.00	4,950.00	3,803.40	0.0130	0.00005
424120	Stationary and Office Supplies Merchant Wholesalers	0	99	0.00000	2,100.00	2,100.00	1,494.40	0.0051	0.00000
453210	Office supply stores	0	137	0.00000	9,547.00	9,547.00	7,231.60	0.0247	0.00000
423710	Hardware Merchant Wholesalers	3	191	0.01571	3,850.00	3,850.00	3,068.40	0.0105	0.00016
444110	Home Centers	0	196	0.00000	3,850.00	3,850.00	3,068.40	0.0105	0.00000
NA					920,000.00	0.00	0.00	0.0000	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	28	0.00000	7,700.00	7,700.00	5,266.79	0.0180	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	2	75	0.02667	31,000.00	5,900.00	4,035.59	0.0138	0.00037
423130	Tire tubes, motor vehicle, merchant wholesalers	1	62	0.01613	20,000.00	20,000.00	13,679.98	0.0467	0.00075
424720	Petroleum and Petroleum Products Merchant Wholesalers	2	75	0.02667	85,000.00	85,000.00	58,139.92	0.1985	0.00529
441310	Automotive Parts and Accessories Stores	0	1,410	0.00000	102,750.00	73,050.00	50,401.13	0.1721	0.00000
444110	Home Centers	0	196	0.00000	3,750.00	3,750.00	3,000.00	0.0102	0.00000
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	4	273	0.01465	5,600.00	5,600.00	3,830.39	0.0131	0.00019
423850	Janitorial equipment and supplies merchant wholesalers	1	120	0.00833	7,200.00	7,200.00	4,924.79	0.0168	0.00014
561740	Cleaning rugs	1	219	0.00457	3,200.00	3,200.00	2,188.80	0.0075	0.00003
444110	Home Centers	0	196	0.00000	6,000.00	6,000.00	4,103.99	0.0140	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	1	17	0.05882	14,400.00	14,400.00	9,849.59	0.0336	0.00198
424690	Antifreeze merchant wholesalers	4	273	0.01465	3,600.00	3,600.00	2,462.40	0.0084	0.00012
NA					5,500.00	0.00	0.00	0.0000	0.00000
562111	Garbage collection services	3	290	0.01034	2,100.00	2,100.00	1,436.40	0.0049	0.00005
323111	Commercial Printing	2	525	0.00381	3,290.00	1,974.00	1,579.20	0.0054	0.00002
511110	Newspaper Publishers	0	182	0.00000	3,710.00	2,226.00	1,780.80	0.0061	0.00000
541810	Advertising Agencies	5	303	0.01650	86,300.00	22,500.00	18,000.00	0.0615	0.00101
423990	Fire extinguisher sales combined with rental and/or service	3	249	0.01205	6,630.00	5,148.00	3,521.23	0.0120	0.00014
238220	HVAC contractors / Plumbing Contrators	13	2,473	0.00526	1,700.00	1,320.00	902.88	0.0031	0.00002
238210	Electrical work / Electrical Contractors	15	1,771	0.00847	1,020.00	792.00	541.73	0.0018	0.00002
561710	Pest control (except agricultural, forestry) services	0	232	0.00000	5,440.00	4,224.00	2,889.21	0.0099	0.00000
444190	Building Material Supply/Garage Door/Roofing Material Dealers	1	910	0.00110	2,210.00	1,716.00	1,173.74	0.0040	0.00000
561720	Janitorial Services	9	1,546	0.00582	29,000.00	21,750.00	14,876.98	0.0508	0.00030
811310	Service machinery and equipment repair and maintenance services	2	817	0.00245	26,400.00	12,500.00	8,549.99	0.0292	0.00007
811111	General automotive repair shops/Engine repair and replacement shops	0	2,473	0.00000	49,800.00	49,800.00	34,063.15	0.1163	0.00000
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	0	159	0.00000	10,200.00	10,200.00	6,976.79	0.0238	0.00000
NA					3,250.00	0.00	0.00	0.0000	0.00000
423120	Tools and equipment, motor vehicle, merchant wholesalers	0	706	0.00000	20,000.00	20,000.00	16,000.00	0.0546	0.00000
					1,491,597.00	415,947.00	292,841.66	1.0000	0.0107

DBE Federal Participation

3,142.46

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

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