

**Muskegon Area Transit System
Disadvantaged Business Enterprise Goal Analysis
FY2025-FY2027**

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 2025-2027 (October 1, 2024 through September 30, 2027). The methodology for the analysis included the following steps.

Establishment of the Base Figure:

1. The FY2025 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 FY2026 and FY2027 was forecast. Each Fiscal Year budget (FY2025-FY2027) 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 \$670,000 in one or more years, 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 2021. 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 1.6% (based on annual calculations of 0.7% for FY2025, 3.1% for FY2026, and 1.1% for FY2027).

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 making adjustments to the base figure, MATS held a DBE Open House in July 2024 and posted its draft DBE goals on its website for public review. No comments were received from stakeholders or the public 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. It was determined that there is no pattern in the historical DBE participation or attainment data that warrants an adjustment to the goal.

MATS is electing not to adjustment the Base Figure of 1.6% DBE Participation for the period of Fiscal Year 2025-2027.

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 recent pattern of failing to meet its DBE goals, there is no underlying rationale for employing race-conscious measures at this point.

MATS projects that its DBE goal of 1.6% for FY2025-FY2027 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 FY2028-FY2030. Interim adjustments may also be made to the FY2025-FY2027 DBE goal if changes occur in the MATS contracting opportunities or the underlying data available for the analysis.

Muskegon Area Transit System
Disadvantaged Business Enterprise Goal Analysis
FY2025-FY2027

The following pages show the basic calculations used to arrive at the Muskegon Area Transit System's FY2025-FY2027 DBE Goal of 1.6% participation.

Muskegon Area Transit System

28-Jun-24

Potential DBE Contracting Opportunities

NAICS Code Grouping

FY2025 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	FY2025 BUDGET REQUEST	FY2025 DBE CONTRACT OPPNTNTY	FY2025 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
323111	Commercial Printing	3	481	0.00624	7,000.00	4,620.00	3,390.00	0.0035	0.00002
424120	Stationary and Office Supplies Merchant Wholesalers	0	93	0.00000	2,000.00	2,000.00	1,150.00	0.0012	0.00000
459410	Office supplies and stationary retailers	0	117	0.00000	6,857.00	6,857.00	5,005.60	0.0052	0.00000
423710	Hardware Merchant Wholesalers	2	178	0.01124	4,350.00	4,350.00	3,300.00	0.0034	0.00004
444110	Home Centers	0	193	0.00000	4,350.00	4,350.00	3,300.00	0.0034	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	15	0.00000	7,600.00	7,600.00	3,800.00	0.0039	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	5	70	0.07143	60,500.00	0.00	0.00	0.0000	0.00000
423130	Tire tubes, motor vehicle, merchant wholesalers	0	58	0.00000	18,000.00	18,000.00	9,000.00	0.0093	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	5	70	0.07143	80,000.00	0.00	0.00	0.0000	0.00000
441330	Automotive Parts and Accessories Retailers	1	1,402	0.00071	95,750.00	58,950.00	30,600.00	0.0316	0.00002
444110	Home Centers	0	193	0.00000	3,750.00	3,750.00	3,000.00	0.0031	0.00000
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	271	0.01845	7,000.00	7,000.00	3,500.00	0.0036	0.00007
423850	Janitorial equipment and supplies merchant wholesalers	3	117	0.02564	9,000.00	9,000.00	4,500.00	0.0046	0.00012
561740	Cleaning rugs	2	218	0.00917	4,000.00	4,000.00	2,000.00	0.0021	0.00002
444110	Home Centers	0	193	0.00000	7,000.00	7,000.00	3,500.00	0.0036	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	1	16	0.06250	12,000.00	12,000.00	6,000.00	0.0062	0.00039
424690	Antifreeze merchant wholesalers	5	271	0.01845	3,000.00	3,000.00	1,500.00	0.0015	0.00003
NA					1,286,000.00	0.00	0.00	0.0000	0.00000
562111	Garbage collection services	5	306	0.01634	4,000.00	4,000.00	2,000.00	0.0021	0.00003
323111	Commercial Printing	3	481	0.00624	2,820.00	1,692.00	1,353.60	0.0014	0.00001
513110	Newspaper Publishers	1	176	0.00568	3,180.00	1,908.00	1,526.40	0.0016	0.00001
541810	Advertising Agencies	5	323	0.01548	120,742.00	70,592.00	56,473.60	0.0583	0.00090
532310	General Rental Centers	0	138	0.00000	1,000.00	1,000.00	500.00	0.0005	0.00000
423990	Fire extinguisher sales combined with rental and/or service	4	258	0.01550	4,665.00	4,642.00	3,701.00	0.0038	0.00006
238220	HVAC contractors / Plumbing Contrators	11	2,574	0.00427	681,090.00	677,732.00	540,346.00	0.5575	0.00238
238210	Electrical work / Electrical Contractors	22	1,867	0.01178	121,290.00	120,692.00	96,226.00	0.0993	0.00117
561710	Pest control (except agricultural, forestry) services	0	250	0.00000	4,665.00	4,642.00	3,701.00	0.0038	0.00000
444180	Building Material Supply/Garage Door/Roofing Material Dealers	2	879	0.00228	121,290.00	120,692.00	96,226.00	0.0993	0.00023
561720	Janitorial Services	13	1,638	0.00794	3,200.00	1,600.00	800.00	0.0008	0.00001
811310	Service machinery and equipment repair and maintenance services	1	773	0.00129	27,550.00	9,600.00	4,800.00	0.0050	0.00001
811111	General automotive repair shops/Engine repair and replacement shops	0	2,435	0.00000	49,800.00	29,880.00	14,940.00	0.0154	0.00000
811114	Specialized Automotive Repair	0	169	0.00000	10,200.00	6,120.00	3,060.00	0.0032	0.00000
NA					2,250.00	0.00	0.00	0.0000	0.00000
423850	Janitorial Equipment and Supplies Merchant Wholesalers	3	117	0.02564	75,000.00	75,000.00	60,000.00	0.0619	0.00159
					2,850,899.00	1,282,269.00	969,199.20	1.0000	0.0071

DBE Federal Participation

6,875.44

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
Potential DBE Contracting Opportunities

NAICS Code Grouping
 FY2026 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	FY2026 BUDGET REQUEST	FY2026 DBE CONTRACT OPPNTNTY	FY2026 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
323111	Commercial Printing	3	481	0.00624	7,000.00	4,620.00	3,390.00	0.0010	0.00001
424120	Stationary and Office Supplies Merchant Wholesalers	0	93	0.00000	2,000.00	2,000.00	1,150.00	0.0003	0.00000
459410	Office supplies and stationary retailers	0	117	0.00000	4,100.00	4,100.00	2,800.00	0.0008	0.00000
423710	Hardware Merchant Wholesalers	2	178	0.01124	4,350.00	4,350.00	3,300.00	0.0009	0.00001
444110	Home Centers	0	193	0.00000	4,350.00	4,350.00	3,300.00	0.0009	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	15	0.00000	7,600.00	7,600.00	3,800.00	0.0011	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	5	70	0.07143	8,250.00	0.00	0.00	0.0000	0.00000
423130	Tire tubes, motor vehicle, merchant wholesalers	0	58	0.00000	20,000.00	20,000.00	10,000.00	0.0028	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	5	70	0.07143	80,000.00	493,500.00	246,750.00	0.0697	0.00498
441330	Automotive Parts and Accessories Retailers	1	1,402	0.00071	95,750.00	58,950.00	30,600.00	0.0086	0.00001
444110	Home Centers	0	193	0.00000	3,750.00	3,750.00	3,000.00	0.0008	0.00000
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	271	0.01845	7,000.00	7,000.00	3,500.00	0.0010	0.00002
423850	Janitorial equipment and supplies merchant wholesalers	3	117	0.02564	9,000.00	9,000.00	4,500.00	0.0013	0.00003
561740	Cleaning rugs	2	218	0.00917	4,000.00	4,000.00	2,000.00	0.0006	0.00001
444110	Home Centers	0	193	0.00000	7,000.00	7,000.00	3,500.00	0.0010	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	1	16	0.06250	12,000.00	12,000.00	6,000.00	0.0017	0.00011
424690	Antifreeze merchant wholesalers	5	271	0.01845	3,000.00	3,000.00	1,500.00	0.0004	0.00001
485310	Taxi and Rideshare Services	1	34	0.02941	1,286,000.00	6,000,000.00	3,000,000.00	0.8471	0.02492
562111	Garbage collection services	5	306	0.01634	4,500.00	4,500.00	2,250.00	0.0006	0.00001
323111	Commercial Printing	3	481	0.00624	1,692.00	1,015.20	812.16	0.0002	0.00000
513110	Newspaper Publishers	1	176	0.00568	1,908.00	1,144.80	915.84	0.0003	0.00000
541810	Advertising Agencies	5	323	0.01548	50,150.00	50,000.00	40,000.00	0.0113	0.00017
532310	General Rental Centers	0	138	0.00000	1,000.00	1,000.00	500.00	0.0001	0.00000
423990	Fire extinguisher sales combined with rental and/or service	4	258	0.01550	815.00	792.00	621.00	0.0002	0.00000
238220	HVAC contractors / Plumbing Contrators	11	2,574	0.00427	118,990.00	115,632.00	90,666.00	0.0256	0.00011
238210	Electrical work / Electrical Contractors	22	1,867	0.01178	21,190.00	20,592.00	16,146.00	0.0046	0.00005
561710	Pest control (except agricultural, forestry) services	0	250	0.00000	815.00	792.00	621.00	0.0002	0.00000
444180	Building Material Supply/Garage Door/Roofing Material Dealers	2	879	0.00228	21,190.00	20,592.00	16,146.00	0.0046	0.00001
561720	Janitorial Services	13	1,638	0.00794	3,200.00	1,600.00	800.00	0.0002	0.00000
811310	Service machinery and equipment repair and maintenance services	1	773	0.00129	27,550.00	9,600.00	4,800.00	0.0014	0.00000
811111	General automotive repair shops/Engine repair and replacement shops	0	2,435	0.00000	49,800.00	29,880.00	14,940.00	0.0042	0.00000
811114	Specialized Automotive Repair	0	169	0.00000	10,200.00	6,120.00	3,060.00	0.0009	0.00000
NA					2,250.00	0.00	0.00	0.0000	0.00000
423850	Janitorial Equipment and Supplies Merchant Wholesalers	3	117	0.02564	25,000.00	25,000.00	20,000.00	0.0056	0.00014
					1,905,400.00	6,933,480.00	3,541,368.00	1.0000	0.0306

DBE Federal Participation 108,357.02

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
Potential DBE Contracting Opportunities

NAICS Code Grouping
 FY2027 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	FY2027 BUDGET REQUEST	FY2027 DBE CONTRACT OPPNTNTY	FY2027 DBE OPPRTNTY FED SHARE	Weighting for Category (category \$ / total contracting opps)	DBE Weighted Base Figure
323111	Commercial Printing	3	481	0.00624	7,000.00	4,620.00	3,390.00	0.0188	0.00012
424120	Stationary and Office Supplies Merchant Wholesalers	0	93	0.00000	2,000.00	2,000.00	1,150.00	0.0064	0.00000
459410	Office supplies and stationary retailers	0	117	0.00000	4,100.00	4,100.00	2,800.00	0.0155	0.00000
423710	Hardware Merchant Wholesalers	2	178	0.01124	4,350.00	4,350.00	3,300.00	0.0183	0.00021
444110	Home Centers	0	193	0.00000	4,350.00	4,350.00	3,300.00	0.0183	0.00000
315210	Uniforms, nontailored, cut and sew apparel contractors	0	15	0.00000	7,600.00	7,600.00	3,800.00	0.0211	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	5	70	0.07143	8,250.00	0.00	0.00	0.0000	0.00000
423130	Tire tubes, motor vehicle, merchant wholesalers	0	58	0.00000	20,000.00	20,000.00	10,000.00	0.0555	0.00000
424720	Petroleum and Petroleum Products Merchant Wholesalers	5	70	0.07143	80,000.00	0.00	0.00	0.0000	0.00000
441330	Automotive Parts and Accessories Retailers	1	1,402	0.00071	95,750.00	61,710.00	31,980.00	0.1775	0.00013
444110	Home Centers	0	193	0.00000	3,750.00	3,750.00	3,000.00	0.0167	0.00000
424690	Detergents mrcht wholesalers/Janitorial chemicals mrcht wholesalers	5	271	0.01845	7,000.00	7,000.00	3,500.00	0.0194	0.00036
423850	Janitorial equipment and supplies merchant wholesalers	3	117	0.02564	9,000.00	9,000.00	4,500.00	0.0250	0.00064
561740	Cleaning rugs	2	218	0.00917	4,000.00	4,000.00	2,000.00	0.0111	0.00010
444110	Home Centers	0	193	0.00000	7,000.00	7,000.00	3,500.00	0.0194	0.00000
324191	Lubricating oils and greases, petroleum, made from refined petroleum	1	16	0.06250	12,000.00	12,000.00	6,000.00	0.0333	0.00208
424690	Antifreeze merchant wholesalers	5	271	0.01845	3,000.00	3,000.00	1,500.00	0.0083	0.00015
485310	Taxi and Rideshare Services	1	34	0.02941	1,286,000.00	0.00	0.00	0.0000	0.00000
562111	Garbage collection services	5	306	0.01634	5,000.00	5,000.00	2,500.00	0.0139	0.00023
323111	Commercial Printing	3	481	0.00624	1,692.00	1,015.20	812.16	0.0045	0.00003
513110	Newspaper Publishers	1	176	0.00568	1,908.00	1,144.80	915.84	0.0051	0.00003
541810	Advertising Agencies	5	323	0.01548	50,150.00	50,000.00	40,000.00	0.2220	0.00344
532310	General Rental Centers	0	138	0.00000	1,000.00	1,000.00	500.00	0.0028	0.00000
423990	Fire extinguisher sales combined with rental and/or service	4	258	0.01550	65.00	42.00	21.00	0.0001	0.00000
238220	HVAC contractors / Plumbing Contrators	11	2,574	0.00427	9,490.00	6,132.00	3,066.00	0.0170	0.00007
238210	Electrical work / Electrical Contractors	22	1,867	0.01178	1,690.00	1,092.00	546.00	0.0030	0.00004
561710	Pest control (except agricultural, forestry) services	0	250	0.00000	65.00	42.00	21.00	0.0001	0.00000
444180	Building Material Supply/Garage Door/Roofing Material Dealers	2	879	0.00228	1,690.00	1,092.00	546.00	0.0030	0.00001
561720	Janitorial Services	13	1,638	0.00794	3,200.00	1,600.00	800.00	0.0044	0.00004
811310	Service machinery and equipment repair and maintenance services	1	773	0.00129	27,550.00	9,600.00	4,800.00	0.0266	0.00003
811111	General automotive repair shops/Engine repair and replacement shops	0	2,435	0.00000	49,800.00	36,354.00	18,177.00	0.1009	0.00000
811114	Specialized Automotive Repair	0	169	0.00000	10,200.00	7,446.00	3,723.00	0.0207	0.00000
NA					2,250.00	0.00	0.00	0.0000	0.00000
423850	Janitorial Equipment and Supplies Merchant Wholesalers	3	117	0.02564	25,000.00	25,000.00	20,000.00	0.1110	0.00285
					1,755,900.00	301,040.00	180,148.00	1.0000	0.0105

DBE Federal Participation 1,898.81

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

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