

**LEHIGH AND NORTHAMPTON TRANSPORTATION AUTHORITY**  
**Disadvantage Business Enterprise Program**

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**CALCULATION OF GOAL FFY 2017-2019**  
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**1. Base Figure**

This section describes the calculation of the Lehigh and Northampton Transportation Authority’s FFY 2017-2019 base figure for the DBE participation goals prior to adjustments.

**1a. Summary of Method Used to Calculate the Base Figure**

As a first step in the process, LANTA’s Capital Grants Management Team reviewed the projects on the metropolitan area’s TIP for FFY 2017 through 2019. The team identified the projects to which DBE requirements apply and also have the potential for DBE participation were identified. This list is provided in the table below. The total amount of federal funding to be used to complete these projects totaled \$1,187,420 in FFY 2017; \$1,055,420 in FFY 2018; and \$615,420 in FFY 2019.

| TIP Project #                              | Project Title                            | FFY 2017 |           | FFY 2018 |           | FFY 2019 |         |
|--|--|----------|-----------|----------|-----------|----------|---------|
|  |  | Fed.     | Federal   | Fed.     | Federal   | Fed.     | Federal |
| 95017                                      | Planning/Programming Dev.                | 5307     | 380,000   | 5307     | 380,000   | 5307     | 380,000 |
| 106527                                     | LANTA Fare Collection System             | 5307     | 360,000   | 5307     | 360,000   |          | -       |
| 106528                                     | Allentown Garage - Service Lane Building |          | -         |          | 80,000    |          | -       |
| 83561                                      | Easton Garage Renovations                |          | 212,000   |          |           |          | -       |
| 95178                                      | ITS and Security Project                 | 5307     | 75,420    | 5307     | 75,420    | 5307     | 75,420  |
| 95183                                      | Sign, Shelters and Enhancements          | 5307     | 160,000   | 5307     | 160,000   | 5307     | 160,000 |
| Total Fed Funding - DBE Potential Projects |  |          | 1,187,420 |          | 1,055,420 |          | 615,420 |

Second, the NAICS codes for the types of firms that could perform the work necessary for the identified projects were determined using the NAICS directory <https://www.naics.com/six-digit-naics/> . These codes include:

**Relevant NAICS Codes for Identified Projects**

| NAICS  | Description  |
|--------|--|
| 236220 | Commercial and institutional building construction |
| 238160 | Roofing contractors                                |
| 323111 | Commercial printing (except screen and books)      |
| 541310 | Architectural services                             |
| 541330 | Engineering services                               |
| 541430 | Graphic design services                            |
| 541512 | Computer systems design services                   |
| 541613 | Marketing consulting services                      |
| 541910 | Marketing research and public opinion polling      |

The number of firms and eligible Lehigh Valley DBE businesses within the NAICS codes, were then derived from the Commonwealth of Pennsylvania DBE directory (PA Unified Certification Program <https://www.paucp.com/> ) and LANTA’s vendor database <http://www.lantabus.com/vendor-registration-form/> ). The market area used for PA Unified Certification Program database was LANTA’s service area of Lehigh and Northampton Counties, Pennsylvania. The type of work envisioned is routinely provided to LANTA by firms in Lehigh and Northampton Counties. The results are shown in the table below.

**Eligible Firms and DBE’s in Relevant NAICS Codes**

| NAICS  | Description  | All Firms  |            |            | DBE Firms |          |                       |           |
|--------|--|------------|------------|------------|-----------|----------|-----------------------|-----------|
|        |  | LC         | NC         | Total All  | PA UCP    |          | LANTA Vendor Database | Total DBE |
|        |  |            |            |            | LC        | NC       |                       |           |
| 236220 | Commercial and institutional building construction | 34         | 35         | 69         | 1         | 1        | 1                     | 3         |
| 238160 | Roofing contractors                                | 21         | 22         | 43         | 0         | 0        | 1                     | 1         |
| 323111 | Commercial printing (except screen and books)      | 23         | 11         | 34         | 0         | 0        | 3                     | 3         |
| 541310 | Architectural services                             | 16         | 14         | 30         | 0         | 0        | 1                     | 1         |
| 541330 | Engineering services                               | 71         | 48         | 119        | 0         | 0        | 0                     | 0         |
| 541430 | Graphic design services                            | 7          | 12         | 19         | 0         | 0        | 2                     | 2         |
| 541512 | Computer systems design services                   | 28         | 27         | 55         | 1         | 0        | 2                     | 3         |
| 541613 | Marketing consulting services                      | 29         | 13         | 42         | 0         | 0        | 0                     | 0         |
| 541910 | Marketing research and public opinion polling      | 3          | 3          | 6          | 0         | 0        | 1                     | 1         |
|        | <b>Total</b>                                       | <b>232</b> | <b>185</b> | <b>417</b> | <b>2</b>  | <b>1</b> | <b>11</b>             | <b>14</b> |

LC = Lehigh County, NC = Northampton County

These NAICS code(s) for each project was then identified along with the number of total firms and DBEs.

| Project | Project Title                     | NAICS Codes                    | All Firms | DBE Firms |
|---------|-----------------------------------|--------------------------------|-----------|-----------|
| 95017   | Planning/Programming Dev.         | 323111, 541430, 541613, 541910 | 101       | 6         |
| 106527  | LANTA Fare Collection System      | 541512                         | 55        | 3         |
| 106528  | Allentown - Service Lane Building | 236220, 541310, 541330         | 218       | 4         |
| 83561   | Easton Garage Renovations         | 236220, 238160, 541330         | 231       | 4         |
| 95178   | ITS and Security Project          | 541512                         | 55        | 3         |
| 95183   | Sign, Shelters and Enhancements   | 541512                         | 55        | 3         |

Next, the percentage of federal funds to be expended for each project were identified:

| Project | Project Title                 | FFY 17    | FFY 18    | FFY 19  | Total     | % Total |
|---------|-------------------------------|-----------|-----------|---------|-----------|---------|
| 95017   | Planning/Programming Dev.     | 380,000   | 380,000   | 380,000 | 1,140,000 | 39.9    |
| 106527  | LANTA Fare Collection System  | 360,000   | 360,000   | -       | 720,000   | 25.2    |
| 106528  | Allentown - Service Lane Bldg | -         | 80,000    | -       | 80,000    | 2.8     |
| 83561   | Easton Garage Renovations     | 212,000   | -         | -       | 212,000   | 7.4     |
| 95178   | ITS and Security Project      | 75,420    | 75,420    | 75,420  | 226,260   | 7.9     |
| 95183   | Sign, Shelters and Enhancmnts | 160,000   | 160,000   | 160,000 | 480,000   | 16.8    |
| Total   |                               | 1,187,420 | 1,055,420 | 615,420 | 2,858,260 | 100     |

Base figure was calculated using "Method 1" from Section 26.45 of the DBE Regulations, as amended. The table below shows the calculation:

| Project | Project Title                 | All Firms | DBE Firms | Weight | % Total | Calc. |
|---------|-------------------------------|-----------|-----------|--------|---------|-------|
| 95017   | Planning/Programming Dev.     | 101       | 6         | 0.059  | 39.9    | 2.37  |
| 106527  | LANTA Fare Collection System  | 55        | 3         | 0.055  | 25.2    | 1.37  |
| 106528  | Allentown - Service Lane Bldg | 218       | 4         | 0.018  | 2.8     | 0.05  |
| 83561   | Easton Garage Renovations     | 231       | 4         | 0.017  | 7.4     | 0.13  |
| 95178   | ITS and Security Project      | 55        | 3         | 0.055  | 7.9     | 0.43  |
| 95183   | Sign, Shelters and Enhancmnts | 55        | 3         | 0.055  | 16.8    | 0.92  |
| Total   |                               |           |           |        | 100     | 5.27  |

### 1b. Subrecipient Opportunities

LANTA does not have any subrecipients of federal grant funds.

## 2. Adjustments to Base Figure

### 2a. Past DBE Participation

The contracting opportunities in the upcoming triennial period are similar in scope and project size to contracting opportunities in the previous triennial period. In addition, the DBE participation rate for the three federal fiscal years in LANTA's previous triennial review period was reviewed and the median value was identified.

| FFY  | DBE%  |
|------|-------|
| 2013 | 7.41% |
| 2014 | 5.73% |
| 2012 | 1.55% |

The median figure of the three fiscal years in the previous triennial review period is 5.73%. This is consistent with the calculated base figure of 5.27%.

Using the stipulated methodology, the average of 5.73% and the calculated base figure of 5.27% was calculated to determine an adjusted figure of 5.50%.

### 2b. Other Adjustment Factors

LANTA has elected to not make additional adjustments to the figure based on the following observations:

- LANTA could not identify any disparity studies designed to investigate the existence of discrimination in contracting conducted in its market area;
- LANTA could find no information supporting a conclusion that there are statistical disparities in the ability of DBE's to get financing, bonding, and insurance. LANTA's Solicitor conducted a search of any lawsuits with the Pennsylvania Attorney General's office regarding discrimination in public contracting in LANTA's market area, or lawsuits regarding discrimination in granting access to credit, bonding or insurance to women or minority owned businesses in LANTA's region. No such litigation was found;
- LANTA reviewed a report completed by the Community Action Council of the Lehigh Valley (CACLV) entitled *Justice for All – Challenging Wealth Disparity in the Lehigh Valley*. The report cites barriers to homeownership for minority residents in Lehigh and Northampton Counties but does not identify barriers for minority owned businesses. LANTA consulted the authoring organization of the report to determine if any information has been collected regarding barriers to financing, bonding, and insurance for minority owned businesses in the region. No such report has been assembled and no statistics are available; and
- LANTA was not able to identify any other data that could help estimate the percentage of work that DBEs would be likely to obtain in the absence of discrimination.

## 2c. Annual DBE Expenditure Goals

Accordingly, the annual DBE expenditure goals for FFY 2017-2019 are as follows using the adjusted goal figure of 5.50%:

|                                | FFY 17    | FFY 18    | FFY 19  | Total     |
|--------------------------------|-----------|-----------|---------|-----------|
| Annual Identified Expenditures | 1,187,420 | 1,055,420 | 615,420 | 2,858,260 |
| Annual DBE Goal                | 65,308    | 58,048    | 33,848  | 157,204   |

Recent history indicates that DBE participation in specific projects and activities at LANTA suggest that the goal should be attainable given the projects identified as having potential for DBE participation. This includes DBE vendors currently under contract to perform the types of activities envisioned for the identified projects.

## 3. Estimated Race-Neutral and Race-Conscience Participation

The determination of participation rates is reflective of the discussion set forth above. Contracts awarded on race-neutral means are expected to represent 100% of the DBE participation. If, through monitoring of awards, it appears that LANTA will fall substantially short of its goal, LANTA in consultation with FTA may introduce race-conscience solicitations.

## 4. Public Comment and Review

The public notice shown in Appendix A was placed in the Morning Call on Friday July 29, 2016. In addition, this notice was sent via email by the Greater Lehigh Valley Chamber of Commerce to its members of its African-American, Hispanic, and Women's Business Councils. This email notification was sent to over 2,700 businesses in the area. The notice was also placed on the website of the Metropolitan Planning Organization at lvpc.org. Lastly, the notice, along with the policy was placed on LANTA's website, lantabus.com, on July 26, 2016.

The public comment period was available from July 29, 2016 until August 31, 2016. LANTA received two comments. The first was a suggestions that Veteran's Owned businesses should also be considered in procurement decisions. The commenter was informed that consideration of veteran's owned businesses was addressed outside of the DBE program. The second comment was from a vendor currently under contract with LANTA wanting to ensure that LANTA is aware of their DBE status.

As a result of the email notification from the Chamber, LANTA was contacted by the editor of the Lehigh Valley Black News Network. The Lehigh Valley Black News Network is an e-newsletter & blog designed to provide information regarding events and community information related to the connection and inclusion of communities of African-Black-African American descent throughout the Lehigh Valley and the State of Pennsylvania. The LV BNN e-letter is distributed and viewed by over 5000 internet readers from the Lehigh Valley Region, parts of Philadelphia, Harrisburg, and Reading. LANTA agreed to send the LV BNN future announcements regarding procurement opportunities with LANTA for publishing in the e-newsletter and blog.

For consultative purposes, the draft DBE goals document was presented to the LANTA Board's Finance and Administration Committee on August 2, 2016. This meeting was publicly advertised and the agenda for the meeting was posted on LANTA's website and was available to the public. In addition, the draft goals were approved per FTA approval by LANTA's Board of Directors at its August 9, 2016 meeting. This meeting was publicly advertised and the agenda for the meeting was posted on LANTA's website and was available to the general public. No members of the public attended either meeting.

LANTA also contacted the members of the Boards of the Greater Lehigh Valley Chamber of Commerce's Hispanic Chamber of Commerce, African American Business Leaders Council, and Women's Business Council to solicit comments and suggestions regarding LANTA's draft DBE goals. None of the parties contacted identified any issues that required a response regarding the draft goals or the methodology used.

On September 6, 2016, this draft document was presented to the Board of the Women's Business Council of the Greater Lehigh Valley Chamber of Commerce. The members were asked to provide any comments or suggestions that they may have. No comments or suggestions were offered.

## Appendix A

# PUBLIC NOTICE

## DBE GOAL FOR FEDERAL FISCAL YEARS 2017-2019

The Lehigh and Northampton Transportation Authority (LANTA) hereby announces its proposed Federal Fiscal Years 2017 through 2019 goal of 5.28 percent of applicable federal funds for Disadvantaged Business Enterprise (DBE) participation. A description of the goal and how it was determined is available for review during normal business hours, for 30 calendar days following the date of this notice by contacting:

Owen P. O'Neil, Executive Director, LANTA,

*1060 Lehigh Street*

*Allentown, PA 18103,*

Phone: 610-435-4052

or through the LANTA website, [lantabus.com/dbe-program/](http://lantabus.com/dbe-program/)

Written comments on the goals may be submitted until August 31, 2016 to the address above or to [oneil@lantabus-pa.gov](mailto:oneil@lantabus-pa.gov).

Interested DBE firms are encouraged to register in LANTA's vendor database at <http://www.lantabus.com/vendor-registration-form/>

By: Owen P. O'Neil

LANTA Executive Director

July 26, 2016