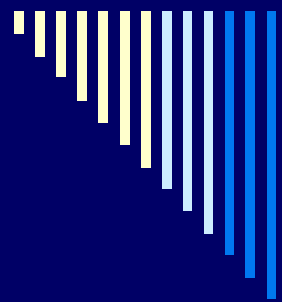


NJT Preliminary DBE Goals 2010

**Public Hearing
July 15, 2009**

**Presented by:
Samuel L. Myers, Jr.
University of Minnesota**



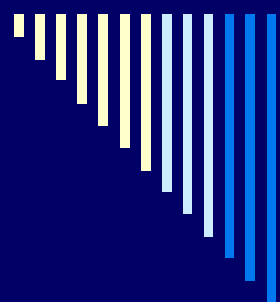
Purpose of *Preliminary DBE Goals* Presentation

- To provide information to stakeholders on the ***BASE GOAL***
- To obtain information from stakeholders that might be considered in ***adjustments to the base goal***
 - Evidence of market impediments to bidding on prime contracts, competing for subcontracts, or securing credit
 - Information on experiences with rules, regulations, processes, procedures and implementation of stimulus funding activities



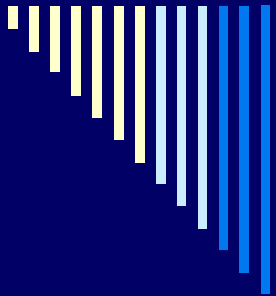
Background

- New Jersey Transit (NJT) is required by federal regulations to establish an annual DBE goal [49 C.F.R. §26.3].
 - There is a two-step process to establish the annual DBE goal [49 C.F.R. §26.45]:
 - **Step 1:** Determine the base figure for the relative availability of DBEs in the specific industries and geographical market from which DBE and non-DBE contractors are drawn.
 - **Step 2:** Adjust the base figure in light of other evidence regarding the market area.
-



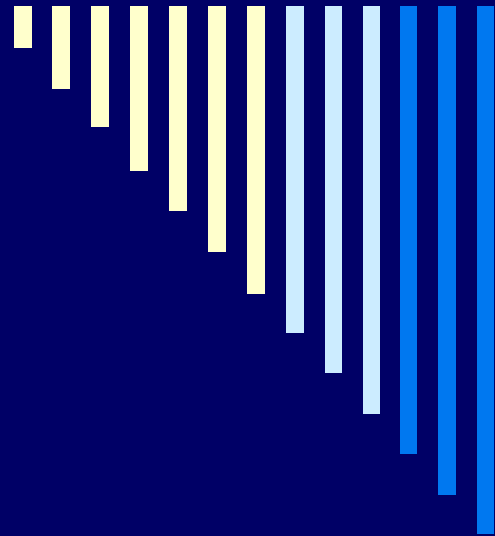
Objectives of the DBE Goal Setting Process

- ❑ Ensure ***non-discrimination in the award*** and administration of USDOT assisted contracts in the Department's highway, transit, and airport financial assistance programs.
- ❑ Create a ***level playing field*** on which DBEs can compete fairly for USDOT assisted contracts.
- ❑ Ensure that the Department's DBE program is ***narrowly-tailored*** in accordance with applicable law.



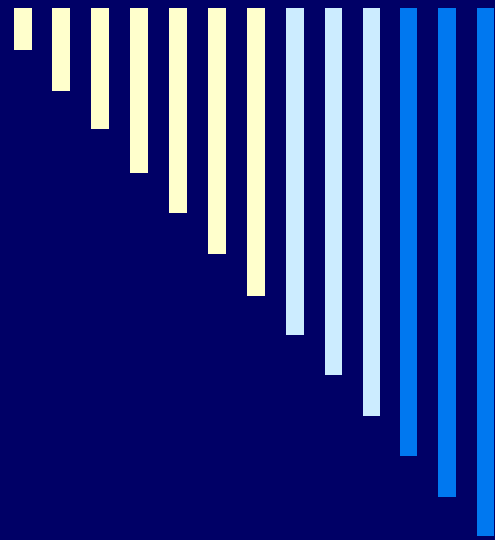
Objectives of the DBE Goal Setting Process, cont.

- ❑ Ensure that only firms that fully meet this part's ***eligibility standards*** are permitted to participate as DBEs.
 - ❑ Help ***remove barriers*** to the participation of DBEs in USDOT-assisted contracts.
 - ❑ Assist the development of firms that can ***compete successfully in the marketplace*** outside the DBE program.
 - ❑ Provide appropriate ***flexibility to recipients*** of federal financial assistance in establishing and providing opportunities for DBEs.
-

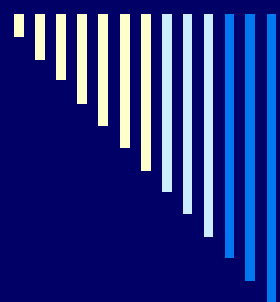


Step 1: The Base Goal

- A) Determine Industries**
 - B) Determine Geographic Market Area**
 - C) Compute Availability**
-



Determination of Specific Industries



Determination of Specific Industries

- Forward looking – List of North American Industrial Classification (NAIC) codes for anticipated projects
 - Appropriate when there are major new projects that deviate from previous efforts
- Retrospective – List of NAIC codes for ongoing projects and projects within recent years
 - Appropriate when there is little information on future funding



Specific Industries Identified

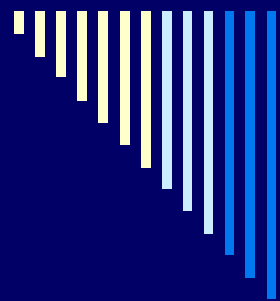
107 six digit NAIC codes

- Distribution based on actual contract awards 2005-2009
 - Applied to prospective budget for 2010
 - 25 NAIC codes account for 80% of total projected expenditures
 - These include:
 - 488210 Support Activities for Rail Transportation
 - 236210 Industrial Building Construction
 - 518210 Data Processing, Hosting and Related Services
-



Determination of the Geographic Market Area

- No one method of determining a GMA has been established as better than another method
 - Two main approaches are recognized:
 - ***Political Jurisdiction*** methods (city, county, state)
 - ***Virtual Market*** (specific locations or zip-codes where establishments operate)
 - Main test is whether the majority of contract dollars are accounted for by the GMA
-



Geographic Market Area Definitions

□ PJM-1

- Counties in NJ, NY and PA that account for 80% of total contract dollars 2005-2009

□ PJM-2

- Counties in NJ, NY and PA where contracts were awarded, 2005-2009

□ PJM-3

- All Zip Codes in NJ



Geographic Market Area Definitions

□ PJM-4

- Counties in NJ where there is at least one contract award.

□ VM-1

- All zip codes that account for prime contracts worth \$100,000 and more. The amount is based on prime contract dollars.

□ VM-2

- All zip codes of NJ, NY or PA-based firms on the NJT Vendor List. Firms on the NJT Vendor List that have a NJ, NY or PA zip code.
-



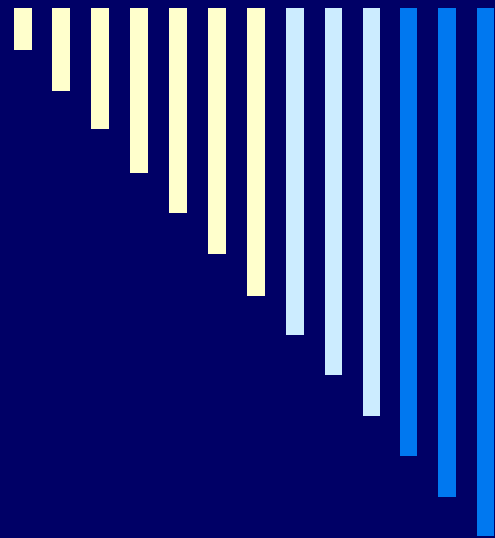
Geographic Market Area Definitions

- VM-3
 - A combination of the NJT contract database zip codes in NJ, NY or PA, and all zip codes in the UCP DBE list.
 - VM-4
 - All zip codes where prime contracts were awarded in NJ, NY or PA.
 - VM-5
 - All zip codes in NJ where there is at least one contract award.
-

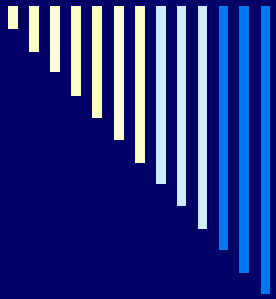


FY 2010: Base Goal

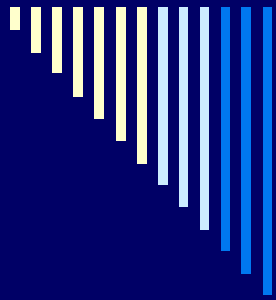
	Average
DBE Method	5.18%
Prequalification Method	19.71%
D&B Method	7.90%
SBO Method	31.36%
Vendor List Method	18.14%
	16.46%



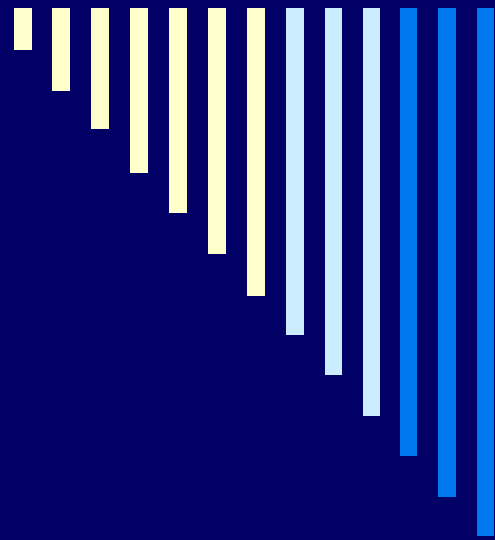
Previous Years' Base Goals and adjustments



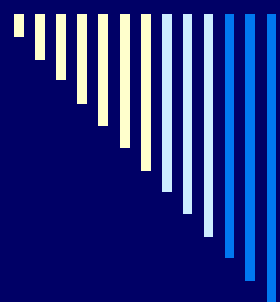
	FY 2009	FY 2008
Unadjusted (base) goal	17.38%	15.14%
Adjusted goal	23.05%	21.74%
Race-neutral goal	10.42%	11.52%
Race-conscious goal	12.63%	10.22%



Questions and Answers Regarding the FY 2010 Base Goals

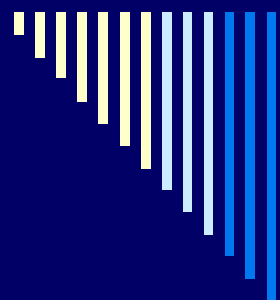


Feedback from Stakeholders



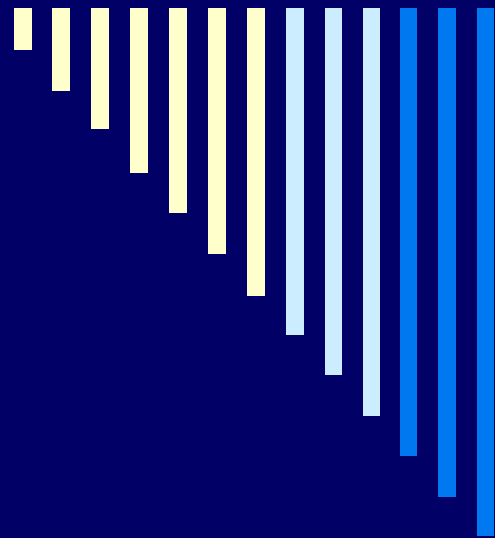
Feedback from Stakeholders

- Please speak for the record
- State your name, your establishment's name, your establishment's location (with zip code) and its primary business activity (NAICs code)
- Indicate what certifications your firm may have and with what jurisdiction (e.g. DBE, SBE, MBE, WBE, ESBE)



Feedback from Stakeholders

- Indicate what obstacles you believe your firm has faced in the past year in securing New Jersey Transit contracts or subcontracts
- What is working well? What has improved?



Thank you!!

**Roy Wilkins Center for Human Relations and
Social Justice
Hubert H. Humphrey Institute of Public Affairs
University of Minnesota
Myers006@umn.edu**
