



Community Business Development Partners

# MILWAUKEE COUNTY

RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

## INTER-OFFICE COMMUNICATION

DATE: September 26, 2017

TO: Supervisor Theodore Lipscomb Sr., Chair, Milwaukee County Board of Supervisors  
Supervisor Steve Taylor, Chair, Economic and Community Development Committee  
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works and Transit Committee

FROM: Rick Norris, PE, Director, Community Business Development Partners

SUBJECT: **2017 FTA Report**

Milwaukee County (County) is required to submit an overall Disadvantaged Business Enterprise (DBE) participation goal to the USDOT Federal Transit Administration (FTA) every three years. This triennial report describes the methodology and the process used by the County to establish this goal for transit funding anticipated to be received during Federal Fiscal Years (FFY) 2018-2020. This report has been developed according to the United States of America Code of Federal Regulations Title 49, Part 26 (49CFR Part 26), which mandates the design and implementation of the DBE Program by the Community Business Development Partners division of the Department of Administrative Services (CBDP).

The County Executive proposes, and the County Board authorizes, funding of projects through the County's Annual Budget process each November for the following calendar year; e.g., November 2017 for 2018. As the County's triennial report is based upon anticipated projects, the County is submitting this goal report to reflect anticipated projects for FFY 2018-2020.

These 2018-2020 FTA Final goals are based on the availability of eligible DBE firms in regard to market availability with consideration for past performance within a seven county Southeastern Wisconsin region calculated using data from the US Census Bureau, and the County's experiences with the DBE Program on transit projects from 2014 to 2016. Input will be solicited from affected internal and market stakeholders (see APPENDIX C). Current overall proposed total expenses for 2018-2020 are \$49,600,000 including \$6 million for buses not included in the baseline per FTA regulations with a goal of \$8,933,945 in DBE contracts.

**TABLE 1: FINAL FTA 2018-2020 TRIENNIAL GOALS**

Triennial FTA DBE Goal	Race Conscious	Race Neutral
<b>\$8,933,945</b>	\$4,970,645	\$3,963,300
<b>20.49%</b>	11.40%	9.09%



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RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

The overall DBE goal for the County's FTA-funding of Maintenance/Procurement, Professional Services and Construction contracts/purchase orders were grouped together in the FFY2014-FFY2017 and averaged at 27.3%. These are all different types of activities and managed in significantly different ways, so for FFY 2018-2020, Milwaukee County is creating four individual local goals, one for each type of purchasing activity, and an overall MCTS FTA goal for reporting purposes. Milwaukee County believes that breaking out the goals accurately addresses the FTA request to significantly review the Race Neutral and Race Conscious goal percentages and retargets efforts where shortfalls exist in achievement. Goals are reviewed and set annually, and by project.

**Milwaukee County Transit System will begin using the goals in this report on October 1, 2017.**

**TABLE 2: OVERALL FTA 20.49% DBE GOAL TO BE MET BY SETTING THE FOLLOWING LOCAL GOALS BY TYPE OF PROJECT FOR FFY 2018-2020**

Type of Projects	Final/Adjusted Triennial Goals
DBE-Construction (BRT only)	24.35%
DBE-M&P	20.00%
DBE-Professional Services	17.00%
DBE-Paratransit	11.50%

Rick Norris, PE  
Director, CBDP  
CC:Chris Abele, Milwaukee County Executive

# **2018-2020 TRIENNIAL DBE GOAL REPORT FTA-ASSISTED PROJECTS**

Prepared by Community Business Development Partners division of the Department of Administrative  
Services (CBDP) on behalf of

## **MILWAUKEE COUNTY TRANSIT SYSTEM (MCTS) DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM**

AS OF 09/26/2017



**TO BE SUBMITTED TO:  
FEDERAL TRANSIT ADMINISTRATION, REGION V  
ATTN: MARJORIE A. HUGHES  
200 WEST ADAMS STREET, SUITE 320  
CHICAGO, IL 60606**

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## EXECUTIVE SUMMARY

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Milwaukee County (County) is required to submit an overall Disadvantaged Business Enterprise (DBE) participation goal to the USDOT Federal Transit Administration (FTA) every three years. This triennial report describes the methodology and the process used by the County to establish this goal for transit funding anticipated to be received during Federal Fiscal Years (FFY) 2018-2020. This report has been developed according to the United States of America Code of Federal Regulations Title 49, Part 26 (49CFR Part 26), which mandates the design and implementation of the DBE Program by the Community Business Development Partners division of the Department of Administrative Services (CBDP).

The County Executive proposes, and the County Board authorizes, funding of projects through the County's Annual Budget process each November for the following calendar year; e.g., November 2017 for 2018. As the County's triennial report is based upon anticipated projects, the County is submitting this goal report to reflect anticipated projects for FFY 2018-2020.

These 2018-2020 FTA Final goals are based on the availability of eligible DBE firms in regard to market availability with consideration for past performance within a seven county Southeastern Wisconsin region calculated using data from the US Census Bureau, and the County's experiences with the DBE Program on transit projects from 2014 to 2016. Input will be solicited from affected internal and market stakeholders (see APPENDIX C). Current overall proposed total expenses for 2018-2020 are \$49,600,000 including \$6 million for buses not included in the baseline per FTA regulations with a goal of \$8,933,945 in DBE contracts.

**TABLE 1: FINAL FTA 2018-2020 TRIENNIAL GOALS**

<b>Triennial FTA DBE Goal</b>	<b>Race Conscious</b>	<b>Race Neutral</b>
<b>\$8,933,945</b>	<b>\$4,970,645</b>	<b>\$3,963,300</b>
<b>20.49%</b>	<b>11.40%</b>	<b>9.09%</b>

## Introduction

The overall DBE goal for the County's FTA-funding of Maintenance/Procurement, Professional Services and Construction contracts/purchase orders were grouped together in the FFY2014-FFY2017 and averaged at 27.3%. These are all different types of activities and managed in significantly different ways, so for FFY 2018-2020, Milwaukee County is creating four individual local goals, one for each type of purchasing activity, and an overall MCTS FTA goal for reporting purposes. Milwaukee County believes that breaking out the goals accurately addresses the FTA request to significantly review the Race Neutral and Race Conscious goal percentages and retargets efforts where shortfalls exist in achievement. Goals are reviewed and set annually, and by project. **Milwaukee County Transit System will begin using all goals on October 1, 2017.**

**TABLE 2: OVERALL FTA 20.49% DBE GOAL TO BE MET BY SETTING THE FOLLOWING LOCAL GOALS BY TYPE OF PROJECT FOR FFY 2018-2020**

Type of Projects	Final/Adjusted Triennial Goals
DBE-Construction (BRT only)	24.35%
DBE-M&P	20.00%
DBE-Professional Services	17.00%
DBE-Paratransit	11.50%

**Goal 1: Maintenance and Procurement – Goal of 20% on \$6,850,000 annual expected expense with a Triennial total of \$20,550,000 and \$4,110,000 in targeted DBE expense. Achievement of goal will be 1.2% Race Neutral and 18.8% Race Conscious.**

Maintenance and Procurement purchasing (M&P) has been acting on a race neutral basis in the past despite a goal of 5.2%. However, with full data on M&P available to CBDP for the period of October 1, 2014 through September 30, 2016, we were able to analyze by NAICS code the purchasing patterns of Maintenance and Procurement separate from Construction, Paratransit and Professional Services. Matching that expense with US Census Bureau data, Milwaukee County has determined that annual MCTS M&P expense is approximately \$6.85 million and seems stable year over year. Utilizing past expense data, we found that 1.20% of all expense was with DBE firms in the past 2 years. However, US Census availability in those same NAICS codes shows that with a Race Conscious Goal the potential for DBE participation is approximately 38.78% (see **Attachment A**). Recognizing that changing that many vendors will take a significant amount of time and effort however, **Milwaukee County's 20% Maintenance and Procurement goal will be achieved with 1.2% being Race Neutral and 18.8% being Race Conscious.** In addition, Milwaukee County is developing a method to begin to track all MCTS Maintenance and Procurement in its B2GNow system. CBDP will actively assist MCTS to ensure they meet their new goals.

**TABLE 3: MAINTENANCE AND PROCUREMENT PAST ACHIEVEMENT**

Maintenance and Procurement Past Achievement		10/1/2014-9/30/2016
DBE STATUS	Milwaukee County Expense	Percentage by Type of Firm
DBE	\$ 165,031.74	1.20%
Non-DBE	\$ 13,552,374.14	98.80%
Grand Total	\$ 13,717,405.88	100.00%

**Goal 2: Professional Services – Goal of 17% on \$1,000,000 total Triennial expense and \$170,000 in targeted DBE expense. Achievement of goal will be 14.6% Race Neutral and 2.4% Race Conscious.**

Milwaukee County Transit System current plans include one project over the next 3 years in Professional Services procurement. The project will expense \$1,000,000 in 2018 on a new computer software system. Milwaukee County's overall IT past achievement in these NAICS codes is 2.40%. The US Census Bureau data shows a potential availability of 43.17%. Milwaukee County does work with a significant number of DBE certified IT vendors and sets a general goal on all Professional Services of 17% for non-DOT projects, however, much of the IT contracting is done on a Race Neutral basis. Due to the proprietary nature of IT and software development, Milwaukee County CDBP is setting a goal of 17% on this project to encourage the development of DBE firms in Milwaukee County IT projects. **Milwaukee County's 17% Professional Services DBE goal will be achieved with a Race Conscious portion of the goal of 14.6% and a Race Neutral portion of 2.4%.**

**TABLE 4: PROFESSIONAL SERVICES BY NAICS CODE AND PROPOSED EXPENSE**

FY 2018	Project #1	WT105
Project Name	<b>Maintenance Work Order System (Custom Computer Software Project)</b>	
Project Dates	1/1/2018-12/31/2018	
Description of work	Customized fleet management and maintenance software	
NAICS Codes	Service	Dollars Budgeted
541511	Custom Computer Programming Services	\$ 1,000,000
		Planned dates of work
		1/1/2018-12/31/2018

**Goal 3: Construction Projects – Goal of 20% on \$6,850,000 annual expected expense with a Triennial total of \$22,500,000 and \$5,634,000 in targeted DBE expense. Achievement of goal will be 22.38% Race Neutral and 1.97% Race Conscious.**

**TABLE 5: CONSTRUCTION BY NAICS AND PROPOSED EXPENSES**

FY 2019	Project #1	WT083	
Project Name	Bus Rapid Transit		
Project Dates		1/1/2019-12/31/2019	
Description of work	Construction phase of BRT project. Bus procurement, road striping, station development, ITS implementation		
NAICS Codes	Work Description	Dollars Budgeted	Planned dates of work
237310	Highway, Street & Bridge Const.	\$ 5,000,000	1/1/2019-12/31/2019
237990	Other Heavy & Civil Const.	\$ 500,000	1/1/2019-12/31/2019
238190	Other Foundation, Stuct. Bld Found Contractors	\$ 5,000,000	1/1/2019-12/31/2019
238210	Electrical Contractors	\$ 1,000,000	1/1/2019-12/31/2019
238910	Site Prep Contractors	\$ 500,000	1/1/2019-12/31/2019
332323	Metalwork	\$ 500,000	1/1/2019-12/31/2019
238350	Carpentry	\$ 500,000	1/1/2019-12/31/2019
236220	Building Construction	\$ 3,000,000	1/1/2019-12/31/2019
238220	Plumbing	\$ 500,000	1/1/2019-12/31/2019
336211	Buses (Not counted in Base per FTA)	\$ 6,000,000	1/1/2019-12/31/2019

Milwaukee County's planned expense of \$22,500,000 is for a Bus Rapid Transit (BRT) system. It includes the above projects/NAICS codes and planned expenses per NAICS code. MCTS only has tentative approval to plan for this BRT project in the next Triennial 2018-2020, however, they have prepared an alternate construction expense plan should other necessary projects be approved in the next Triennial. **The current approved project (BRT) has a goal of 24.35% with 1.97% Race Neutral and 22.38% Race Conscious and the goals for this report reflect only the current tentatively approved projects.** The current goal includes only the BRT. See **Tables 7 and 8** below for the additional project potential for MCTS's plans over the next 3 years. The total goal for all potential projects could be 29.16% with 22.64% race conscious and 6.52% Race Neutral. All changes are to be submitted to the FTA with new calculated goals as plans are updated.

**Goal 4: Paratransit – Goal of 11.5% on \$1,850,000 annual expected FTA expense with a Triennial total of \$5,550,000 and \$638,250 in targeted DBE expense. Achievement of goal will be Race Conscious.**

The County began using the 11.5% Paratransit goal on October 1, 2016 and continues to have two contracts in place through 2020 contracted to meet that goal. As of the writing of this report, one contract is above goal achieving 14.85% and the other below goal and achieving 10.99% with a weighted average achievement of 13.39%. **Due to the inability to change contracted services, the DBE goal for the County's FTA-funding of Paratransit contracts for FFY 2018-2020 will remain 11.5% and Race Conscious until the contracts are rebid in 2020.**

The following table displays all four local goals and their race-neutral and race-conscious components that comprise the overall FFY 2018-2020 FTA Triennial Federal Goal of 20.49% with 11.40% achieved Race Conscious and 9.09% achieved Race Neutral.

**TABLE 6: CALCULATIONS OF GOALS**

Current Proposed Projects by Type and Year	Goal Type	Final/Adjusted Goal (Average of US Census Goal and Past Achievement)	Current Proposed Projects	Current Proposed Goal	RC	RN
2018	DBE-Construction			\$0	\$0	\$0
	DBE-Professional Services	17.00%	\$1,000,000	\$170,000	\$146,000	\$24,000
	DBE-M&P	19.99%	\$6,850,000	\$1,369,315	\$1,287,115	\$82,200
	Paratransit	11.50%	\$1,850,000	\$212,750	\$212,750	\$0
2019	DBE-Construction			\$0	\$0	\$0
	DBE-FTA-BRT only	24.35%	\$16,500,000	\$4,017,750	\$325,050	\$3,692,700
	DBE-M&P	19.99%	\$6,850,000	\$1,369,315	\$1,287,115	\$82,200
	Paratransit	11.50%	\$1,850,000	\$212,750	\$212,750	\$0
2020	DBE-Construction			\$0	\$0	\$0
	DBE-M&P	19.99%	\$6,850,000	\$1,369,315	\$1,287,115	\$82,200
	Paratransit	11.50%	\$1,850,000	\$212,750	\$212,750	\$0
			<b>\$43,600,000</b>	<b>\$8,933,945</b>	<b>\$4,970,645</b>	<b>\$3,963,300</b>
Goals for Current Expected Projects				<b>20.49%</b>	<b>11.40%</b>	<b>9.09%</b>



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## PROCESS FOR GOAL SETTING

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In accordance with 49 CFR 26.43, the County does not utilize quotas or set asides to obtain contract participation by DBE firms. Pursuant to 49 CFR 26.45, the overall goal is based upon the availability of ready, willing and able DBE firms in the market. The market of available firms for the County consists primarily of businesses located in seven southeastern counties within the State of Wisconsin. **The Seven Counties studied include: Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington and Waukesha.** The County expends the majority of its total contracting dollars with firms located in this region, but does not set goals based on locality of the firms. DBE firms and non-DBE firms were used to calculate the baseline availability in the goal setting process. In January 2017, calculated availability by NAICS codes were loaded in the Goal Setting Module of B2GNow software and analyzed utilizing the tools available. The US Census data in B2GNow is calculated for all NAICS codes as of a review of 2012 and 2014 US Census data. Every three years, Milwaukee County will recalculate and reenter the availability figures for the US Census Data in our system. See also **Addendum A Further Analysis of Goals for more information on alternative goal setting methods considered.** See **ATTACHMENT A 2018-2019 FTA Goal Calculations.pdf** for more on Goal Setting documentation. See **Attachment B MCTS Bus Parts for a comprehensive list of potential bus parts to be purchased.** **ATTACHMENT C** is a the slides from the public presentation. **APPENDIX D** includes documentation of the in person public hearings held on August 22, 2017, the newspaper publications, and email, mail and verbal feedback received by CDBP in response to this goal report.

In compliance with 49 CFR 26.51(a), the County will meet the maximum feasible portion of the overall goals through race-neutral means of facilitating DBE participation. Currently, the County uses the following race-neutral approaches to ensuring DBE participation: (a) encouraging prime contractors to subcontract a portion of their work, which they might otherwise perform with their own forces; (b) providing assistance to prime contractors in contacting prospective DBE firms; (c) facilitating information and communication program on contracting procedures and specific contract opportunities through website postings, electronic notifications to DBEs, and public notice publication; (d) ensuring that distribution of the DBE Directory to contractors/consultants that obtain plans and specifications or request for proposal (RFP) documents and materials; (e) encouraging the formation of joint ventures and consortia; and (f) encouraging DBE firms to act as primes.

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## METHODOLOGY USED FOR DETERMINING DBE GOAL

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The County utilized the two-step goal setting methodology detailed in 49 CFR 26.45. This methodology will be discussed stakeholders.

### IDENTIFICATION OF PROJECTS FOR FFY 2018-2020

The County first identified the anticipated FTA-assisted projects slated for FFY 2018-2020 to determine (1) the type of project where DBE participation was possible and (2) the number of firms in the market, and the DBE qualified firms available in the relevant North American Industry Classification System (NAICS) codes for inclusion in the baseline formula. The County's anticipated expense in FTA dollars is shown in **Table 6** above. Maintenance-Procurement and

Paratransit were considered individually (see below). After identification of projects, the relevant NAICS codes were assigned for determining the number of ready, willing and able firms to be counted in the baseline calculation.

**TABLE 7: POTENTIAL FTA-ASSISTED CONSTRUCTION AND PROFESSIONAL SERVICES PROJECTS BUDGETED ANNUALLY WITH NAICS 2018-2020**  
(Note: Only projects highlighted in yellow below are currently planned and included in the goals report)

Federal Fiscal Year	Project #	Project Name	Planned Scope of Work by NAICS Code	Budget
<b>2018 (10/1/2017 - 9/30/2018)</b>	<b>WT105</b>	Maintenance Work Order System	541511	\$1,000,000
	WT077	FDL Garage Roof - Supl. Funding?	238910, 332323, 238350, 236220, 238220	\$500,000
	WT106	Bus Lift Replacements at KK (2)	238290, 333921, 238210	\$275,000
	WT107	Bus Lift Replacements at Fleet Maint(4)	238290, 333921, 238210	\$550,000
	WT078	Roof Replacement - KK Bus Storage	238910, 332323, 238350, 236220, 238220	\$2,400,000
	WT086	Replace Employee Lot at FDL	237310, 237990, 238190, 238210, 238910	\$900,000
	WT079	Fleet Maint. Roof Replacement	238910, 332323, 238350, 236220, 238220	\$3,000,000
	<b>Subtotal</b>			<b>\$8,625,000</b>
<b>2019 (10/1/2018 - 9/30/2019)</b>	<b>WT083</b>	Bus Rapid Transit	237310, 237990, 238190, 238210, 238910, 332323, 238350, 236220, 238220, 336211	\$22,500,000
	WT108	Replace HVAC - KK Garage	238910, 332323, 238350, 236220, 238220, 238210	\$2,500,000
	WT109	Bus Lift Replacements at Fleet Maint(4)	238290, 333921, 238210	\$550,000
	WT110	Glass Panel Wall Repl. - Admin Bldg	238350, 236220	\$175,000
	WT111	Concrete Yard Repl. - KK Garage	237310, 237990, 238190, 238210, 238910	\$750,000
	WT112	Bus Lift Replacements at FDL Gar.	238290, 333921, 238210	\$275,000
	WT113	Garage Door Open/Close System	236220, 238290, 238210	\$750,000
	<b>Subtotal</b>			<b>\$27,500,000</b>
<b>2020 (10/1/2019 - 9/30/2020)</b>		Bus Lift Decking Replacement	238290, 333921, 238210	\$200,000
	WT059	MCTS Admin. Bldg Lighting Upgrades	238210, 236220	\$750,000
	WT114	FDL Garage Lighting Upgrades	238210, 236220	\$750,000
	WT115	KK Garage Lighting Upgrades	238210, 236220	\$750,000
	<b>Subtotal</b>			<b>\$2,450,000</b>
		<b>Total Expenses for this Triennial Report</b>		<b>\$23,500,000</b>
		<b>Total Potential Triennial AIP Expenses</b>		<b>\$38,575,000</b>

## SELECTION OF RELEVANT NAICS CODES

Relevant NAICS codes for FFY 2018-2020 projects are chosen based upon past experience with the anticipated projects as defined by Milwaukee County Department of Transportation – MCTS Director's Office personnel. **Table 8** displays the potential construction expenses for the Triennial by NAICS code. Actual projects undertaken are dependent upon available funding.

## Goal 1: Maintenance and Procurement

The NAICS codes for this goal were selected utilizing two years of previous expenses for Maintenance and Procurement. The expense in each NAICS code was multiplied by the total availability in that NAICS code. These weighted averages were added for total expense and past achievement calculations. DBE availability was then determined by dividing the total weighted potential participation by the total expenses. See **Attachment A, page 1-3** for the spreadsheet with these calculations.

## Goal 2: Construction

**TABLE 8: CONSTRUCTION PROJECT EXPENSES BY NAICS CODE AND YEAR**

(Note: Although all the potential projects and expenses are represented in Table 8, only the the BRT related expenses in yellow below have been added to the 3 year goal calculation.)

NAICS Codes	Construction	2018	2019	2020	3 Year Expense/Goal
236220	Building Construction	\$ 2,000,000	\$ 3,500,000	\$ 750,000	\$ 6,250,000
237310	Highway, Street & Bridge Const.	\$ 800,000	\$ 5,700,000	\$ -	\$ 6,500,000
237990	Other Heavy & Civil Const.	\$ -	\$ 525,000	\$ -	\$ 525,000
238160	Roofing Contractors	\$ 2,080,000	\$ 80,000	\$ -	\$ 2,160,000
238190	Other Foundation, Stuct. Bld Found Contractors	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
238210	Electrical Contractors/HVAC	\$ 130,000	\$ 1,330,000	\$ 1,515,000	\$ 2,975,000
238220	Plumbing/HVAC	\$ 200,000	\$ 2,250,000	\$ -	\$ 2,450,000
238290	Other Building Equipment Contractors/Lift Installation	\$ 45,000	\$ 645,000	\$ 15,000	\$ 705,000
238350	Carpentry	\$ 70,000	\$ 575,000	\$ -	\$ 645,000
238910	Site Prep Contractors/Demolition	\$ 850,000	\$ 575,000	\$ -	\$ 1,425,000
332323	Metalwork	\$ 180,000	\$ 550,000	\$ -	\$ 730,000
333921	Lift Equipment	\$ 750,000	\$ 750,000	\$ 170,000	\$ 1,670,000
336211	Buses	\$ -	\$ 7,000,000	\$ -	\$ 7,000,000
423330	Roofing, siding, and insulation material merchant wholesalers	\$ 520,000	\$ 20,000	\$ -	\$ 540,000
Total	All Potential Projects	\$ 7,625,000	\$ 28,500,000	\$ 2,450,000	\$ 38,575,000
	<b>Planned Projects as of 7/2017 (BRT only)</b>		<b>\$ 22,500,000</b>		

### Goal 3: Professional Services

**TABLE 9: PROFESSIONAL SERVICES EXPENSES BY NAICS CODE AND YEAR**

NAICS Codes	Professional Services	2018	2019	2020	3 Year Expense/Goal
541511	Custom Computer Programming Services	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
	All Potential Projects	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
	<b>Planned Projects as of 7/2017</b>	<b>\$ 1,000,000</b>			

### Goal 4: Paratransit

**TABLE 10: PARATRANSIT EXPENSES BY NAICS CODE ANNUALLY**

Paratransit	NAICS	FTA Assisted Funds Annually	Total Milwaukee County Expenses
All other support activities for Transportation	488999	\$ 258,259	\$ 3,163,614
Special Needs Transportation	485991	\$ 1,591,741	\$ 19,498,500

## STEP 1: CALCULATION OF WEIGHTED BASELINE GOAL

The following formula was used to calculate the baseline figure/goal in each relevant NAICS Code:

$$\frac{\text{Number of Qualified firms in relevant NAICS Codes}}{\text{Number of Qualified \& Non-Qualified firms in relevant NAICS Codes}} = \text{Baseline Availability}$$

The results of application of this formula are calculated in **Attachment A**.

## STEP-2: ADJUSTMENT TO BASELINE GOAL

Several factors were investigated in determining whether to adjust the baseline goal. After extensive review, the County decided to utilize only one factor. The level of DBE participation and accomplishment during the past three years (2014-2016) was selected due to its ability to provide quantitative and qualitative data. Using this quantifiable data set, the effects of recent DBE achievement as an adjustment factor is translated into the following formula:

$$\frac{\text{\# Qualified firms}}{\text{\# Firms Available in Market}} = \text{Baseline Goal +/- Adjustment Factor(s)} = \text{Adjusted Goal}$$

## ADJUSTMENTS OF BASELINE BASED UPON RECENT DBE ACHIEVEMENTS

Milwaukee County considered several factors when adjusting goals. After extensive review of availability with the State of WI DOA list, the City of Milwaukee SBE list and the WI UCP Certified DBE list, it was determinate that utilizing a common formula for adjustments of averaging the baseline availability (US Census data) and Past Achievement will yield an accurate estimate of a reasonable goal for each type of activity. In the case of Professional Services however, the nature of a customized computer software project does not lend itself to significant opportunities for subcontracting. Although availability seems high at 43.17%, a past achievement of 2.4% (average 23.05%) across Milwaukee County on similar IT projects suggests difficulty in identifying ready, willing and able firms to work on this project. The WI UCP list provides insight into the difficulty of subcontracting on technical projects. Milwaukee County sets a goal of 17% on non-Federal projects and believes that this goal is achievable for this project as well, so we are adjusting the availability to 17% despite the calculations. In addition, Milwaukee County will be working with the IT department to identify ways to increase participation on both Federal and local IT projects in the future.

There were no comments received regarding the DBE goal, or the methodology utilized in its development. The County continues its commitment to the advancement of small business through its ongoing membership and consistent involvement in the area's ethnic Chambers of Commerce and business support and development organizations.

**TABLE 10: OVERALL DBE GOALS BY YEAR AND WORK TYPE FOR FFY 2018-2020**

(Note: The first table represents current planned projects and goals for this report; the second table represents the total of the potential projects MCTS may add in over the next triennial.)

Current Proposed Projects by Type and Year	Goal Type	US Census Goal	Past Achievement	Previous Goal Set	Final/Adjusted Goal (Average of US Census Goal and Past Achievement)	Achievement Gap/Excess	Race Conscious	Race Neutral	Current Proposed Projects	Current Proposed Goal	RC	RN
2018	DBE-Construction									\$0	\$0	\$0
	DBE-Professional Services	43.17%	2.40%	17.00%	17.00%	14.60%	14.60%	2.40%	\$1,000,000	\$170,000	\$146,000	\$24,000
	DBE-M&P	38.78%	1.20%	5.20%	19.99%	4.00%	18.79%	1.20%	\$6,850,000	\$1,369,315	\$1,287,115	\$82,200
	Paratransit	44.15%	12.28%	8.50%	11.50%	-3.78%	11.50%	0.00%	\$1,850,000	\$212,750	\$212,750	\$0
2019	DBE-Construction									\$0	\$0	\$0
	DBE-FTA-BRT only	27.04%	23.03%	25.00%	24.35%	1.97%	1.97%	22.38%	\$16,500,000	\$4,017,750	\$325,050	\$3,692,700
	DBE-M&P	38.78%	1.20%	5.20%	19.99%	4.00%	18.79%	1.20%	\$6,850,000	\$1,369,315	\$1,287,115	\$82,200
	Paratransit	44.15%	12.28%	8.50%	11.50%	-3.78%	11.50%	0.00%	\$1,850,000	\$212,750	\$212,750	\$0
2020	DBE-Construction									\$0	\$0	\$0
	DBE-M&P	38.78%	1.20%	5.20%	19.99%	4.00%	18.79%	1.20%	\$6,850,000	\$1,369,315	\$1,287,115	\$82,200
	Paratransit	44.15%	12.28%	8.50%	11.50%	-3.78%	11.50%	0.00%	\$1,850,000	\$212,750	\$212,750	\$0
								Totals	\$43,600,000	\$8,933,945	\$4,970,645	\$3,963,300
									Goals for Current Expected Projects	20.49%	11.40%	9.09%
Full List of Potential Projects	Goal Type	US Census Goal	Past Achievement	Previous Goal Set	Final/Adjusted Goal (Average of US Census Goal and Past Achievement)	Achievement Gap/Excess	Race Conscious	Race Neutral	Full List of Projects	Full List Goal	RC	RN
2018	DBE-Construction	26.17%	29.97%	25.00%	28.07%	-4.97%	23.10%	4.97%	\$ 7,625,000	\$ 2,140,338	\$ 1,761,375	\$ 378,963
	Professional Services	43.17%	2.40%	17.00%	17.00%	14.60%	14.60%	2.40%	\$ 1,000,000	\$ 170,000	\$ 146,000	\$ 24,000
	DBE-M&P	38.78%	1.20%	5.20%	19.99%	4.00%	18.79%	1.20%	\$ 6,850,000	\$ 1,369,315	\$ 1,287,115	\$ 82,200
	Paratransit	44.15%	12.28%	8.50%	11.50%		11.50%	0.00%	\$ 1,850,000	\$ 212,750	\$ 212,750	\$ -
2019	DBE-Construction	27.04%	32.30%	25.00%	29.67%	-7.30%	22.37%	7.30%	\$ 27,500,000	\$ 8,159,250	\$ 6,151,750	\$2,007,500
	DBE-FTA-BRT only								\$ -	\$ -	\$ -	\$ -
	DBE-M&P	38.78%	1.20%	5.20%	19.99%	4.00%	18.79%	1.20%	\$ 6,850,000	\$ 1,369,315	\$ 1,287,115	\$ 82,200
	Paratransit	44.15%	12.28%	8.50%	11.50%		11.50%	0.00%	\$ 1,850,000	\$ 212,750	\$ 212,750	\$ -
2020	DBE-Construction	25.99%	27.62%	25.00%	26.81%	-2.62%	24.19%	2.62%	\$ 2,450,000	\$ 656,845	\$ 592,655	\$ 64,190
	DBE-M&P	38.78%	1.20%	5.20%	19.99%	4.00%	18.79%	1.20%	\$ 6,850,000	\$ 1,369,315	\$ 1,287,115	\$ 82,200
	Paratransit	44.15%	12.28%	8.50%	11.50%		11.50%	0.00%	\$ 1,850,000	\$ 212,750	\$ 212,750	\$ -
								Totals	\$ 64,675,000	\$ 15,872,628	\$13,151,375	\$2,721,253
									Goals for Full List of Potential Projects	24.54%	20.33%	4.21%

## DETERMINATION OF RACE-NEUTRAL & RACE-CONSCIOUS COMPONENTS

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To breakdown the overall goal into the race-neutral and race-conscious components the County relied on its past experience. The percentage of race-neutral and race-conscious overall goal components for FFY 2018-2020, is based on the County's analysis of its DBE achievements for 2014-2016 on FTA projects. The average over-achievement can reasonably be used to determine the race-neutral component of the overall goal. Under-achievement is an indication that the race-conscious portion should constitute a larger component of the overall goal.

Using the rationale described above, the final overall goal was adjusted to show the race-neutral and race-conscious components as displayed in **Table 10**.

The County adjusts the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation in accordance with Section 26.51(f). The County will track and report race-neutral and race-conscious use participation separately. For reporting purposes, race-neutral includes, but is not limited to, the following: participation through prime contract when obtained through customary competitive procurement procedures; participation through a subcontract on a prime contract that does not carry a goal; participation on a contract exceeding a contract goal; and participation through a subcontract from a prime contract that did not consider the firm's status in making the award.

### BREAKDOWN OF OVERALL GOAL INTO RACE-NEUTRAL & RACE-CONSCIOUS COMPONENTS

The DBE achievements during 2014-2016 indicate that the median race-neutral attainment is **11.01%**, as evidenced in **Table 10**. For FFY 2018-2020, it is anticipated that the overall race-neutral participation will mirror the successes of recent years. For this reason the race-neutral component of the overall goal for these anticipated projects will reflect the past attainment as stated above. The calculations of the race-neutral and race-conscious components of the overall goal are detailed in Table 1.

The triennial overall goal stated in this report is the County's target for expending federal funds with DBE firms. Local market conditions and individual capacity of DBE firms in specific industry classifications at the time of award may yield differing results. The County will continue to report achievements in accordance with 49 CFR 26.11, and submit additional reporting as necessary to comply with the requirements of 49 CFR 26.47(c).

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## GOAL IMPLEMENTATION

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### CONTRACT GOALS

Following Section 26.51(e) (1) and (2) contract goals will be used to meet any portion of the overall goal that the County projects cannot be met through race-neutral participation. The County will assign contract goals only on those projects, which have subcontracting possibilities. In accordance with Section 26.51(e)(4) the County will also ensure that the assignment of contract goals will provide for the participation of all certified DBEs and will not be sub-divided into group specific goals. The County, in compliance with Section 26.51(f), will continue to monitor DBE participation and will make necessary adjustments per project and per contract to ensure that the program is narrowly tailored. The County expresses all contract goals as a percentage of the total contract amount; i.e., including local and federal funds.

### GOOD FAITH EFFORTS

In accordance with Section 26.53, the County requires a bidder/proposer to submit a Certificate of Good Faith Efforts form, along with supporting documentation, in instances where the participation goal is not met.

In determining whether a bidder/proposer has demonstrated good faith in meeting the goal, the County follows the provisions detailed in Section 26.53. The County has implemented policy and procedures to provide administrative reconsideration to each bidder/proposer deemed not to have demonstrated good faith in meeting the goal, as detailed in its DBE Program Plan. As part of this administrative reconsideration, the bidder/proposer is afforded an opportunity to provide written documentation and/or verbal argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. Administrative Reconsideration is afforded when a bidder/proposer does not concur with the determination of the good faith efforts review. The Administrative Reconsideration consists of officials who did not participate in the original determination that the bidder/proposer demonstrated less than adequate good faith efforts to meet the goal.

### COUNTING DBE PARTICIPATION

The County follows crediting and counting provisions contained in Section 26.55 to determine DBE participation on all projects on which DBE firms perform as a prime or sub-contractor/consultant. Milwaukee County utilizes Diversity Management software to track certification and participation activities within Milwaukee County. The software requires contractor input of subcontracting and payments received per contract on a monthly basis. In addition, each subcontractor must confirm in the software all payments received and any payments made to further subcontractors. The checks and balances in the software allow for accurate data collection, tracking and reporting of DBE contractor activities and are mandatory on all FTA-Assisted projects.



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## APPENDIX A – DBE GOAL REPORT STAKEHOLDER DIRECTORY

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### **African American Chamber of Commerce**

Eve Hall, President  
633 W. Wisconsin Ave.  
Milwaukee, WI 53203  
414-462-9450  
ehall@aaccmke.org  
<https://www.mkeblackbusiness.com/>

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### **American Civil Liberties Union of WI**

Chris Ahmuty, Executive Director  
207 E. Buffalo Street, Suite 325  
Milwaukee, WI 53202-5774  
Phone: (414) 272-4032  
liberty@aclu-wi.org  
<http://www.aclu-wi.org/>

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### **American Indian Chamber of Commerce**

Craig Anderson, Executive Director  
10809 W Lincoln Avenue  
West Allis, WI 53227  
414.604.2044  
craiga@aiccw.org  
<http://www.aiccw.org/>

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### **Association of General Contractors of Greater Milwaukee**

Mike Fabishak, Chief Executive Officer  
1243 N. 10th Street  
Milwaukee, WI 53205  
414-778-4100  
mfabishak@agc-gm.org  
<https://lobbying.wi.gov/>

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### **Ethnically Diverse Business Coalition**

Carla Cross, Chair  
1815 N. 4th Street  
Milwaukee, WI 53212  
414-449-4920  
ccross@cross-management.com  
<http://www.cross-management.com/>

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### **Glendale Chamber of Commerce**

Dale Schmidt, President/CEO  
6720 N. Port Washington Rd.  
Glendale, WI 53217  
414-332-0900  
D.Schmidt@glendale-chamber.com  
<http://www.glendale-chamber.com/>

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### **Greendale Chamber of Commerce**

Debbie Cottone, President  
5850 Broad Street  
Greendale, WI 53129  
414-215-9730  
info@greendalechamber.com  
<http://greendalechamber.com/>

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### **Greenfield Chamber of Commerce**

Judy Baxter, President  
4818 S. 76th Street  
Greenfield, WI 53220  
414-327-8500  
gcc@thegreenfieldchamber.com  
<http://www.thegreenfieldchamber.com/>

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**Hispanic Chamber of Commerce of Wisconsin**

Jorge Franco, President  
1021 W. National Ave.  
Milwaukee, WI 53204  
414-643-6963  
geofranco@infoc.net  
<https://hccw.org/>

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**Hmong Wisconsin Chamber of Commerce**

May yer Thao, Director  
6815 W. Capital Drive  
Milwaukee, WI 53216  
414-645-8828  
mayyer@hmongchamber.org  
<http://www.hmongchamber.org/>

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**League of United Latin American Citizens of Wisconsin**

Eileen Figueroa, Director  
5012 W. Ashland Way  
Franklin, wW 53132  
414-389-7131  
leileenfigueroa@gmail.com  
<http://www.lulac-wisconsin.org/>

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**Metropolitan Milwaukee Association of Commerce**

Tim Sheehy, President  
756 N. Milwaukee Street  
Milwaukee, WI 53202  
414-287-4100  
tsheehy@mmac.org  
<http://www.mmac.org/>

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**Metropolitan Milwaukee Association of Commerce - The Business Council**

Marjorie Rucker, Executive Director  
756 N. Milwaukee Street  
Milwaukee, WI 53202  
414-287-4172  
mrucker@mmac.org  
<http://www.mmac.org/>

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**Milwaukee Building and Construction Trades Council**

Dan Bukiewicz, President  
5941 W. Bluemound Rd.  
Milwaukee, WI 53213  
414-475-5580  
danb@milwbuildingtrades.org  
<http://www.milwbuildingtrades.org/>

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**Milwaukee Urban League**

Ralph Hollman, President  
435 W. North Ave.  
Milwaukee, WI 53212  
414-374-5850  
rhollmon@tmul.org  
<http://www.tmul.org/>

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**National Association for the Advancement of Colored People - Milwaukee Branch**

James Hall Jr., President  
2745 N. Martin Luther King Dr.  
Milwaukee, WI 53212  
414-562-1000  
naacpmkeorg@gmail.com  
<http://www.naacp.org/>

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**National Association of Minority Contractors - Wisconsin Chapter**

Brian Mitchell, President  
6122 N. 76th Street  
Milwaukee, WI 53218  
414-454-9475  
contactus@namcwi.com  
<http://www.namcwi.com/board.html>

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**South Milwaukee Community & Business Association**

Leah Manthey, President  
2424 15th Avenue, PO Box 207  
South Milwaukee, WI 53172  
414-762-2222 x141  
info@SouthMilwaukeeCBA.org  
<http://visitsm.org/>

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**South Shore Chamber of Commerce**

Brian Williams, President  
P.O. Box 100183  
Cudahy, WI 53110  
414-483-8615  
info@ssccwi.com  
<http://www.sscw.com/>

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**South Suburban Chamber of Commerce**

Barbara Wesener, Executive Director  
8580 S. Howell Ave.  
Oak Creek, WI 53154  
414-768-5848  
bwesener@southsuburbanchamber.com  
<http://business.southsuburbanchamber.com/>

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**Wauwatosa Chamber of Commerce**

Terry Estness, Executive Director  
10437 Innovation Drive  
Wauwatosa, WI 53226  
4141-453-2330  
terry@tosachamber.org  
<http://tosachamber.org/>

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**West Allis/West Milwaukee Chamber of Commerce**

Diane Brandt, Executive Director  
6737 W. Washington Street  
West Allis, WI 53214  
414-302-9901  
diane@wawmchamber.com  
<http://www.wawmchamber.com/>

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**Wisconsin Association of Consulting Engineers**

Jayne Marpinko, Executive Director  
3 S. Pinckney Street  
Madison, WI 53703  
608-257-9223  
acecwi@acecwi.org  
<http://www.acecwi.org/>

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**Wisconsin LGBT Chamber of Commerce**

Jason Rae, Executive Director  
5027 W North Avenue  
Milwaukee, WI 53208  
414-678-9275, (715) 790-4334  
jason@wislgbtchamber.com  
<http://www.wislgbtchamber.com/>

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**Wisconsin Society of Architects (AIA Wisconsin)**

William Babcock, Executive Director  
321 S. Hamilton Street  
Madison, WI 53703  
608-257-8477  
aiaw@aia.org  
<http://www.aia.org/>

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**Wisconsin Transportation Builders Association**

Patrick Goss, Executive Director  
1 E. Pinckney Street  
Madison, WI 53703  
608-256-6891  
pgoss@wtba.org  
<http://www.wtba.org/>

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**Wisconsin Women Entrepreneurs - Greater Milwaukee, Inc**

Kathy Hust, President  
1509 N. Prospect Ave.  
Milwaukee, WI 53202  
414-939-9552  
info@wwe-gm.org  
<http://www.waukesh.org/>

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**Wisconsin Women's Business Initiative Corporation (WWBIC)**

Wendy Baumann, President  
1533 Rivercenter Drive  
Milwaukee, WI 53212  
414-263-5450  
info@wwbic.com  
<https://www.wwbic.com/>

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## APPENDIX B – MARKET AVAILABILITY DATA SOURCES

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### DATA SOURCES

After identification of the projects the relevant NAICS Codes were selected for determining the number of ready, willing and able firms to be counted in the baseline calculation. In accordance with the provisions contained in Section 26.45, Milwaukee County used the best evidence available to determine the number of ready, willing and able DBE qualified and unqualified firms. To obtain the **number of all available firms** the County used Census Bureau data on County Business Patterns and Survey of Business Patterns. This information was obtained for each of the seven counties in Southeastern Wisconsin.

To obtain the number of ready, willing and able DBE firms, the County used the Unified Certification Program Directory and our Diversity Management Software. The firms meeting the screening criteria described above were selected for inclusion in the baseline formula. The directories of other municipal and government agencies were employed to determine the availability of other small business entities currently qualified as “minority” and/or woman owned businesses in the region that could become DBE certified. The County was diligent in its review of these data sets to ensure that no duplicate firms were counted. The result is the total **number of qualified firms**.

The following resources served as the basis for development of the market availability numbers used to calculate the baseline goal numbers:

- United States of America Census Bureau Data on County Business Patterns: <http://www.census.gov/programs-surveys/cbp.html> and American Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
- Wisconsin Unified Certification Program (UCP) Directory of DBE Firms: <http://wisconsindot.gov/Documents/doing-bus/civil-rights/dbe/dbe-ucp-directory.xlsx>
- Wisconsin Department of Administration, Division of Enterprise Operations, State Supplier, Diversity Business Certification Program Directory <http://wisdp.wi.gov/search.aspx>
- Milwaukee County Community Business Development Partners, Diversity Management and Compliance System (B2GNow) <https://mke.diversitycompliance.com/Default.asp>
- See also **ATTACHMENT A 2018-2019 FTA Goal Calculations .pdf**

## APPENDIX C – PUBLIC NOTICE INCLUDING SOLICITATION OF FEEDBACK AND EVIDENCE OF ONGOING DISCRIMINATION

This report is a proposed FTA goal report setting Triennial Goals on Milwaukee County projects at for Milwaukee County Transit System for federal fiscal years 2018-2019-2020. It is available to the public for review as well as to internal county management, the Milwaukee County Board and the Milwaukee County Executive for the period of August 15, 2017 through September 15, 2017 in a wide variety of media. Feedback is welcome and strongly encouraged.

Proposed Triennial FTA DBE Goal	Race Conscious	Race Neutral
<b>\$8,933,945</b>	<b>\$4,970,645</b>	<b>\$3,963,300</b>
<b>20.49%</b>	<b>11.40%</b>	<b>9.09%</b>

To achieve these goals by setting the highest feasible portion of the goals as Race Neutral, per 26.51, Milwaukee County has set the following local procurement goals by the type of activity:

By Goal Type-3 years	Final/Adjusted Goal	Race Conscious
DBE-FTA-Bus Rapid Transit Project (BRT)	24.35%	1.97%
DBE-Maintenance and Procurement (M&P)	20.00%	18.79%
DBE-Professional Services	17.00%	14.60%
Paratransit	11.50%	11.50%
<b>Weighted Averages</b>	<b>20.49%</b>	<b>11.40%</b>

Suggested feedback and evidence may include:

- Comments and feedback on this report, goals, methodology, and Milwaukee County's contracting on FTA-assisted projects at Milwaukee County Transit System
- DBE and non-DBE availability of ready, willing and able firms
- Effects of discrimination
- Efforts to establish a level playing field
- Any other evidence relevant to DBE's, SBE's, non-DBE's and contracting with Milwaukee County at MCTS

To ensure adequate community input, Milwaukee County is publishing this report in the following ways:

- Notification will be made to the Milwaukee County Board of Directors, the Milwaukee County Executive and relevant departments within Milwaukee County
- Milwaukee County will published this report on its CBDP website for at least 30 days prior to submission to the FTA for approval
- Milwaukee County will publish in at The Daily Reporter, the Spanish Journal and the Milwaukee Courier
- Milwaukee County will email this report to all stakeholders listed in this report
- Milwaukee County will email this report to vendors, DBE firms and other interested parties per available email lists
- Two public hearings will be held in the **Milwaukee County Transit System's Administration Building's Main Conference Room at 1942 North 17th St, Milwaukee on August 22,2017, at 10:30 AM and 2:30 PM** at to solicit feedback and evidence to include in this report.

**Attendance at one of these hearings is strongly encouraged for those contractors interested in hearing directly from the MCTS project management team and staff.**

Milwaukee County actively encourages and requests the submission of evidence of ongoing discrimination in its contracting activities during this public review period through email, mail and in person public presentations and feedback sessions. No changes to the report were required as of the feedback received from the public. These goals are expected to go in effect as of October 1, 2017 and remain in effect unless otherwise requested to alter them by the FTA and/or changes in plans for projects at the airport require a change to the goals as currently calculated.

Sincerely,

Mr. Rick Norris P.E, Director and Disadvantaged Business Enterprise Liaison Officer  
DAS-Community Business Development Partners  
Milwaukee County  
633 West Wisconsin Avenue, Suite 902  
Milwaukee, WI 53203  
CBDP@milwaukeecountywi.gov

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## **APPENDIX D – PROOF OF DBE GOAL REPORT PUBLICATION AND CONSULTATION OUTREACH**

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See attachments