# City of Beaumont, Texas Beaumont Transit

# Disadvantaged Business Enterprise (DBE) Triennial Methodology & Goal

For the Federal Fiscal Year Period 2022-2024

**Original Publication: July 2021** 

Rev. 002

# CITY OF BEAUMONT BEAUMONT TRANSIT

# DISADVANTAGED BUSINESS ENTERPRISE POLICY STATEMENT

The City of Beaumont/Beaumont Transit System (BMT) has established a Disadvantaged Business Enterprise (DBE) Program in accordance with the regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The City of Beaumont/BMT is a recipient of federal financial assistance from USDOT through the Federal Transit Administration. As a condition of receiving this financial assistance, the City of Beaumont/BMT has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the City of Beaumont/BMT to ensure that DBEs, as defined in CFR 49 Part 26, have an equal opportunity to receive and participate in DOT assisted contracts. It is also our policy:

- 1. To ensure non-discrimination in the award and administration of USDOT assisted contracts.
- 2. To create a level playing field on which DBEs can compete fairly for DOT assisted contracts.
- 3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law.
- 4. To ensure that only firms which fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs.
- 5. To help remove barriers to the participation of DBEs in DOT assisted contracts.
- 6. To assist the development of firms that can compete successfully in the marketplace outside the DBE Program.

The Beaumont Transit Accounting/HR Manager has been designated as the DBE Liaison Officer (DBELO). In this capacity, she is responsible for implementing all aspects of the DBE Program. Implementation of the DBE Program is accorded the same priority as compliance with all other legal obligations by the City of Beaumont/BMT in its assistance agreements with USDOT/FTA.

The City of Beaumont/BMT has disseminated this policy statement to the Beaumont City Council and all other components of our organization. BMT has distributed this statement to all current and potential DBE and non-DBE businesses that perform or may desire to perform work for BMT on USDOT assisted contracts through notification posted in the Beaumont Enterprise and on the Beaumont Transit website.

Albert Eby Date

General Manager Beaumont Transit

# **SUBPART A - GENERAL REQUIREMENTS**

#### Section 26.1 Objectives

The objectives are found in the policy statement on the preceding page.

# Section 26.3 Applicability

The City of Beaumont is the recipient of federal transit funds authorized by Fixing America's Surface Transportation Act (FAST Act), Pub. L. No. 114-94, FTA Master Agreement 28 dated February 9, 2021, and by federal transit laws codified in Title 49, U.S.C. as applicable. The City of Beaumont utilizes these funds for the operation and/or the purchase of capital items for Beaumont Transit.

The City of Beaumont does not have subrecipients of any FTA funding that are subject to the requirements of 49 CFR Part 26.45 and no subrecipients were included in drafting the plan or calculating the triennial goal.

#### Section 26.5 Definitions

The City of Beaumont has adopted the definitions contained in Section 26.5 of part 26 of this document. It will also adopt any new and/or amended definitions as they are provided by USDOT after the publication of this document.

# **Section 26.7 Non-discrimination Requirements**

The City of Beaumont shall not exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, the City of Beaumont will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

# **Section 26.11 Record Keeping Requirements**

Uniform Report of DBE Awards or Commitments and Payments: 26.11(e)

The City of Beaumont will report DBE participation to the relevant operating administration, the FTA, using the Uniform Report of DBE Awards or Commitments and Payments.

*Bidders List: 26.1 1(c)* 

The City of Beaumont will create a Bidders List including DBE and non-DBE firms that bid or quote on DOT assisted contracts. The purpose of this requirement is to allow use of the Bidders List approach to calculating overall goals. The Bidders List will include the name, address, DBE or non-DBE status of participating firms.

The City of Beaumont may collect this information by the following:

- Including clauses in contracts which require prime bidders to report the names/addresses, and other relevant information of all firms who quote on subcontracts
- 2. A recipient directed survey of potential firms
- 3. A notice in all solicitations, and otherwise widely disseminated, request to firms quoting on subcontracts to report information directly to the recipient
- 4. Any other acceptable and applicable methods

# Section 26.13 Assurances

The City of Beaumont has signed the following assurances applicable to all DOT assisted contracts and their administration.

Federal Financial Assistance Agreement Assurance 26.13(a)

The City of Beaumont shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT assisted contract or in the administration of its DBE program or in the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under

49 CFR Part 26 to ensure nondiscrimination in the award and administration of USDOT assisted contracts. The City of Beaumont's DBE program, as required by 49 CFR Part 26 and as approved by USDOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the City of Beaumont of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil liberties Act of 1986 (31 U.S.C. 3801et seq.).

The above language will also appear in financial assistance agreements with subrecipients, if applicable. *Contract Assurance 26.13(b).* 

The City of Beaumont will ensure that the following clause is placed in every DOT assisted contract and subcontracts.

"The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which my result in the termination of this contract or such other remedy as the recipient deems appropriate."

# **SUBPART B - ADMINISTRATIVE REQUIREMENTS**

# Section 26.21 DBE Program Updates

Since the City of Beaumont is expected to receive \$250,000 or more in FTA planning, capital, and/or operating assistance in federal years 2021-2024, the recipient will continue to carry out this program until all funds from DOT financial assistance have been expended. The City of Beaumont shall provide to DOT updates representing significant changes in the program.

# Section 26.25 DBE Liaison Officer (DBELO)

The City of Beaumont/Beaumont Transit has designated the following individual as the DBE liaison Officer:

Ms. Willa White, Accounting/HR Manager 550 Milam
Beaumont, Texas 77701
wwhite@beaumonttransit.com
(409)835-7895 office

In this capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the City of Beaumont and its contractors comply with all provisions of 49 CFR Part 26. The DBELO has direct, independent access to the BMT General Manager (the Beaumont City Manager's designated representative) concerning DBE matters. If the matter cannot be resolved by the BMT General Manager, the DBELO has direct access to the Beaumont City Manager. An organizational chart displaying the DBELO's position in the organization is found in Attachment A to this program.

The DBELO is responsible for developing, implementing, and monitoring the DBE program, in coordination with other appropriate officials. The DBELO has one administrative assistant which is available to assist with data collection and reports. In addition, she has the assistance of the BMT General Manager. Contracts, bid documents, RFP's, solicitations, and purchase requisitions for major capital items are prepared and executed by Beaumont Transit or the City of Beaumont Purchasing Department. The DBELO may receive assistance from the city on major purchases or contracts. DBELO duties and responsibilities include:

- Prepare and report statistical data and other information as required by USDOT
- Review third party contracts and purchase requisitions for compliance with the DBE program

- 3. Work with departments to set annual goals
- 4. Ensure that bid notices and requests for proposals are available to DBEs on a timely basis
- Identify contracts and procurements to ensure that DBE goals are included in solicitations (both race-neutral methods and contract specific goals attainment) and identify ways to improve progress
- 6. Analyze the City of Beaumont's progress toward goal attainment and identify ways to improve progress
- 7. Participate in pre-bid meetings
- 8. Advises the GM and city (governing body) regarding DBE matters and achievement
- 9. Chair the DBE Advisory Committee
- 10. Provide DBEs with information and assistance in preparing bids and other requirements
- 11. Plan and participate in DBE training
- 12. Ensure certification of DBEs according to the criteria set by USDOT and act as liaison to the Uniform Certification Process
- 13. Provide outreach to DBEs and community organizations to advise them of opportunities

# Section 26.27 DBE Financial Institutions

It is the policy of the City of Beaumont to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT assisted contracts to make use these institutions. The City of Beaumont has evaluated all local financial institutions to determine if a DBE financial institution is located in the local geographic area which would meet the needs and requirements of the Beaumont Transit. It has been determined that no locally DBE owned financial institution exists in the Beaumont, TX region. The City of Beaumont will reevaluate the availability of DBE owned financial institutions on an annual basis. Should any DBE financial institutions should become available, the DBELO shall maintain data on them and make it available.

#### **Section 26.29 Prompt Payment Mechanisms**

The City of Beaumont shall include the following clauses in all DOT assisted prime contracts: Prompt Payment 26.29(a) "The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than thirty (30) days from receipt of each payment the prime contractor receives from the City of Beaumont. Any delay or postponement from the above referenced time frame may occur only for good cause following written approval from the recipient. This clause applies to both DBE and non-DBE subcontracts."

# 26.29(b) Retainage

"The prime contractor agrees to return retainage payments to each subcontractor within thirty (30) days after the subcontractors work is satisfactorily completed. Any delay or postponement from the above referenced time frame may occur only for good cause following written approval of the recipient. This clause applies to both DBE and non-DBE subcontracts."

# 26.29(d) Monitoring and Enforcement

The City of Beaumont, to ensure that prompt payment and return of retainage is occurring within the above referenced time requirements, has established procedures to monitor and enforce these provisions. The city may send a representative to the job site on a regular basis based upon the pay schedule and check with the contractor and the contractor's employees, to ensure that they are receiving their pay as required on their specified pay day dates. The contractor will be required to provide documentation to the city each payroll which lists the name of the employees and amount paid. The prime contractor will also be required to provide documentation of any retainages paid to

subcontractors including the date the work was completed, the date the retainage was paid, and the amount of the retainage.

Failure by the prime contractor to pay subcontractors or to pay retainages, within the thirty (30) day period following satisfactory completion of work as prescribed above, may result in sanctions. If a contractor feels that a sanction or consequence imposed by the city for failing to meet the thirty (30) day requirement is unfair, the contractor my appeal to present arguments on their behalf. The city will take into consideration any information presented by the contractor during appeal and will make a final decision on the matter.

# Section 26.31 Directory

The City of Beaumont/BMT is a member of the Texas Unified Certification Program (TUCP) for DBE certification. TUCP is administered by the Texas Department of Transportation (TXDOT). The TUCP directory is available at the following URL:

https://txdot.txdotcms.com/FrontEnd/SearchCertifiedDirectory.asp?XID=7637&TN=txdot. The TxDOT Memorandum of Understanding (MOU) for the TUCP is available at the following URL: <a href="https://ftp.txdot.gov/pub/txdot-info/bop/tucp\_moa.pdf">https://ftp.txdot.gov/pub/txdot-info/bop/tucp\_moa.pdf</a>. Prospective DBEs are encouraged to visit the following URL for additional information regarding the program: <a href="https://www.txdot.gov/inside-txdot/division/civil-rights.html">https://www.txdot.gov/inside-txdot/division/civil-rights.html</a>. Here, potential DBEs will find certification forms and instructions for applying to become a DBE.

#### Section 26.33 Overconcentration

The City of Beaumont has not identified overconcentration in the types of work that DBEs perform. An evaluation for overconcentration will be performed on an annual basis.

#### Section 26.35 Business Development Plan

Beaumont Transit does not have a Business Development Plan. An evaluation will be conducted annually to determine if there is a need for one.

# **Section 26.37 Monitoring and Enforcement Mechanisms**

The City of Beaumont will undertake the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26:

- 1. Any false, fraudulent, or dishonest conduct in connection with the DBE program will be brought to the attention of the Department of Transportation so it may take the steps provided in Part 26.109 (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules).
- Consideration will be given to similar action under the recipient's own legal authorities, including responsibility determinations regarding future contracts. Failure to comply with the DBE regulations could result in a contractor being banned from participation in future contracting opportunities.
- 3. The recipient will provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is performed by the DBE. This will be accomplished by onsite visits by a city representative and a review of contracting records by the city contracting officer responsible for the project. The city contracting officer will provide a written certification to be included in the contract file that a review has been performed. Onsite visits and reviews of contracting records will occur for each contract/project under which DBEs are participating.
- 4. An accounting of payments to DBE firms for work committed to them at the time of contract award will be kept by the city contracting officer

### **Section 26.39 Small Business Participation**

The City of Beaumont has incorporated a Small Business Utilization Plan into the DBE program. In addition to encouraging participation by DBEs in all contracts/projects, the city will make good faith

efforts to ensure that non-DBE small businesses have an equal opportunity to participate. All reasonable steps will be taken to facilitate competition by removing obstacles to small business concerns, DBE and non-DBE, in order to allow for their participation. The city will implement the following combination of steps to encourage participation by small businesses, both DBE and non-DBE:

- 1. For large prime contracts which are generally capital projects requiring bids and administered by the City of Beaumont Purchasing Department, reasonable steps will be taken to eliminate obstacles to small business participation, such as the unnecessary and unjustified bundling of contract requirements. This will allow for greater participation by small businesses as prime contractors and subcontractors.
- 2. Regarding multiyear design and build contracts, or other "megaprojects", language will be inserted in the RFP that require prime bidders to either specify elements of the contract, or specific subcontracts, that are of a size that small business can reasonably perform.
- 3. On prime contracts not having DBE goals, the prime contractor will be required to provide subcontracting opportunities of a size that small business could reasonably perform, rather than self-performing all of the work involved.
- 4. Continue to utilize and give priority to local small businesses wherever possible for the small purchases.
- 5. Require that all small businesses, DBE and non-DBE, in which a prime contractor proposes, certify with the TUCP or SBA. A contractor will not be credited for the use of small businesses, either DBE or non-DBE, unless proper certification is obtained.
- 6. Prime contractors will be required to provide documentation of small business DBE and/or non-DBE certification with their bid.

# SUBPART C - GOALS, GOOD FAITH EFFORTS, AND COUNTING

#### Section 26.43 Set asides and Quotas

The City of Beaumont does not use set asides or quotas in the administration of the DBE program.

#### Section 26.45 Overall Goals

A description of the methodology used to calculate the overall goal and the goal calculations can be found in the tables beginning on page 12 of this plan. In accordance with Section 26.45, the City of Beaumont will submit its triennial overall DBE goal to the Federal Transit Administration (FTA) on or before August 1<sup>st</sup> of the year specified by the administration. The triennial goal codified in this document is for the FFY 2021-2024 period. The next goal submission will be due August 1, 2024, for the FFY 2024-2026 period.

The recipient will request use of project specific DBE goals as appropriate, and/or will establish project specific goals as applicable.

The process used by the City of Beaumont to establish overall DBE goals is the "Step1, Step 2" process as outlined in Part 26.45(c)-(d), whereby a base figure is established regarding the availability of DBEs to perform work on DOT assisted contracts and adjusting the goal as necessary based on additional market information in the local area. The process is outlined below:

#### STEP 1

Identify total dollars per major NAICS Code budgeted for the triennial period. This amount was determined by identifying the USDOT funding for each project (less non-contractable items like labor, fringe benefits, and items under contract for the triennial period). Rolling stock purchases were not included as eligible contracting opportunities since bus and van manufacturers are required by the City of Beaumont to provide DBE goals to FTA as a Transit Vehicle Manufacturer (TVM). Project costs were determined

- using FY 2021 proforma calculations based on actual data as of March 2021 and/or June 2021.
- 2. Establish a base figure for each major NAICS Code by dividing the number of DBEs by the total number of firms in the area to obtain the relative availability of DBEs per NAICS Code.

DBE firms (numerator) are identified by determining the number of DBEs in each NACIS category in the TxDOT UCP database for the Jefferson County, TX (<a href="https://txdot.txdotcms.com/FrontEnd/SearchCertifiedDirectory.asp?XID=8984&TN=txdot">https://txdot.txdotcms.com/FrontEnd/SearchCertifiedDirectory.asp?XID=8984&TN=txdot</a>), which is defined by DBEs that have certified that they are willing and able to work in the county. The TUCP includes local, statewide, and national companies, dependent upon the type of work. Total firms available (denominator) was calculated using U.S. Census data from the County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019 for Jefferson County, Texas (<a href="https://data.census.gov/cedsci/table?q=CBP2019.CB1900CBP&tid=CBP2019.CB1900CB">https://data.census.gov/cedsci/table?q=CBP2019.CB1900CBP&tid=CBP2019.CB1900CB</a>

A concerted effort was made to ensure that the scope of businesses included in the numerator were as close as possible to the scope included in the denominator.

- 3. Multiplying the relative availability of DBEs by the total amount of dollars budgeted for each corresponding NAICS Code to determine the estimated dollar amount for DBE participation in each area.
- 4. After calculating the sum of the estimated dollar amounts in each category and dividing by the total dollars budgeted for award in the period, an overall DBE base goal is derived.

# STEP 2

- 1. A determination is made if the base DBE goal needs adjusting.
- 2. If the base DBE goal is not consistent with past participation, the base goal may be adjusted.
- 3. In order to use past participation as a basis for base DBE goal adjustment, contracting opportunities in previous fiscal years must be substantially similar to the current fiscal year contracting opportunities. The average of "the median past participation" must be used with the "weighted base figure" to determine the final adjusted DBE goal.

Before establishing the overall goal, the recipient consulted with the community to obtain information concerning the availability of DBE and non-DBE businesses, the effects of discrimination on opportunities for DBEs, and the efforts made to establish a level playing field for participation. Although not limited to the following named groups and organizations, BMT reached out to the following organizations in its good faith efforts to identify and/or encourage small and minority owned businesses in its DBE program:

- 1. Golden Triangle Minority Business Council
- 2. City of Beaumont Planning Department
- 3. Beaumont Chamber of Commerce

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- 4. Beaumont NAACP
- 5. Port Arthur NAACP
- 6. Lamar University Small Business Development Center
- Texas Workforce Commission

A copy of the targeted email solicitation is included in Appendix B. The goal of the solicitation was to set up video conferences with the support agencies to meet the requirements of 49 CFR Part 26.45(g)(l)(i). Five of the seven agencies were not scheduling any teleconferences due to reduced staffing from the

pandemic. The Lamar University Small Business Development Center was willing to schedule a meeting once the pandemic has passed. The Texas Workforce Commission cited work staffing challenges due to unemployment claims as a reason it was not able to meet at the present time. BMT is confident that prior to the expiration of the triennial goal, it will return to meetings with DBE support agencies. On July 16, 2021, BMT published a legal advertising referenced in the Beaumont Enterprise. The ad outlined the transit system's DBE policy and solicited businesses for the DBE program. A copy of the ad is attached in Appendix B.

To date, one interested organization or contractor has contacted the City of Beaumont or Beaumont Transit to express interest or receive information regarding the DBE program. BMT is working with the vendor to become certified in the program. BMT will continue its outreach efforts which appear to be hindered by the COVID pandemic. BMT is in conversations with agencies which receive federal funding to host a joint DBE vendor fair once the pandemic has passed. It should be noted that many factors make DBE outreach difficult including economic hardships in the region, small business consultation and advice, availability of financial resources necessary to start a small business and a high level of community residents without the necessary education and experience to undertake and manage a small business. Also challenging the success of the DBE effort is relatively few capital projects undertaken by Beaumont Transit which would provide opportunities for small minority business to participate. Following consultation with area organizations/groups, the recipient will publish a notice of DBE goals for the period, informing the public that the proposed goal and rationale are available for inspection during normal business hours for thirty (30) days following the date of the notice, and informing the public that public comments will be accepted for forty-five (45) days from the date of the notice. Typically, this notice will be published around June 1 prior to the required year to allow a forty -five (45) day comment period to occur prior to the August 1<sup>st</sup> goal due date. The notices will contain the address to which comments may be sent and addresses (including offices and websites) where the proposal may be viewed.

The recipient's goal submission to DOT will include: the goal (including the breakout of race-neutral and race-conscious participation, as appropriate); a copy of the methodology, worksheets, and other supporting documentation used to calculate the goal; a summary of information and comments received during the above-mentioned public participation process; the recipient's responses to those comments; and proof of publication of the goal in media outlets.

The goal will become effective on October 1<sup>st</sup> of the specified year. If a goal is established for a specific project, that goal will begin at the time of the first solicitation of the DOT assisted contract for the project. The goal will remain effective for the duration of the specified triennial period. BMT is in the process of scheduling a fall 2021 meeting with a faith-based group which represents a high number of disadvantaged groups in the community. The meeting will focus on the DBE program and how minority businesses can partner with the transit system.

# Section 26.47 Goal Setting and Accountability

If the awards and commitments shown on the recipient's *Uniform Report of Awards or Commitments* and *Payments Form* at the end of any fiscal year are less than the overall applicable goal for that year, BMT will be required to undertake a shortfall analysis and the following tasks will be undertaken:

- 1. Detailed analysis of the reason for the difference between the overall goal and the actual awards/commitments
- 2. Implementation of specific steps and milestones to correct deficiencies identified in the analysis
- 3. Establishment and implementation of a corrective action plan

The City of Beaumont is not a state DOT, not one of the 50 largest transit systems in the country, not an Operational Evolution Partnership Plan airport, nor any other airport designated by DOT. Therefore, the recipient is not required to submit any corrective plan resultant from a shortfall analysis to USDOT. It is

however required to implement the corrective plan internally and maintain information/records pertaining to the analysis and corrective efforts made.

# Section 26.49 Transit Vehicle Manufacturer's (TVM) Goals

The City of Beaumont will require each transit vehicle manufacturer, as a condition of being authorized to bid or propose on FTA assisted transit vehicle procurements, to certify that it has complied with the requirements of the section.

# **Section 26.51** Meeting Overall Goals/Contract Goals

The following is a summary of the basis of our estimated breakout of race-neutral and race conscious DBE participation. To determine the breakout, the previous six-year DBE race-neutral median was compared to the step 1 base figures calculated in Table D. FFY 2019-2021 were not used in the median DBE accomplishment calculation because there was 0.00% participation. For the 2022-2024 DBE triennial period BMT proposes a race-conscious goal of 0.05% and a race-neutral goal of 0.80% for a total DBE goal of 0.85%. This breakout is derived from projects from previous years DBE participation which demonstrate a median race-neutral achievement of 0.80% (see Table D). Therefore, it is projected that 0.80% of adjusted goal will be achieve using race neutral means and the remaining 0.05% will be achieved using race conscious means.

In order to ensure that the DBE program is narrowly tailored to overcome the effects of discrimination, if we use contract goals we will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see 26.51(f)) and we will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- 1. DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures
- 2. DBE participation through a subcontract on a prime contract that does not carry DBE goal
- 3. DBE participation on a prime contract exceeding a contract goal
- 4. DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award

BMT will maintain data separately on DBE achievements in those contracts with and without contract goals, respectively. Beaumont Transit's objective during the triennial period is to meet the maximum feasible portion of goal using race-neutral means. Examples of race-neutral means are:

- 1. Arranging solicitations, times for presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE's
- 2. Providing technical assistance and other services
- 3. Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors
- 4. Other means found in 49 CFR Part 26.51

Beaumont Transit is managed by First Transit subsidiary Transit Management of Beaumont which was awarded a contract to operate the transit system on October 01, 2020. Previous triennial DBE goals were calculated and submitted by a different contractor.

BMT notes that the 2019-2021 triennial 3.21% race conscious goal and the 1.17% race neutral goal are inconsistent with the 2.0% goal reported in TrAMS. It appears that the 2016-2018 triennial goal was 2.0% which may have not been updated in TrAMS when the new goal was calculated. While BMT is aware of the discrepancy, after review of the 2019-2021 DBE triennial goal, it appears that the goal was based on capital projects that did not come to fruition for unknown reasons.

To prevent a similar occurrence in the future, the contractor, Transit Management of Beaumont, is working with the grantee, the City of Beaumont, to ensure city staff understand the programs and that it has access to all goals and reporting requirements of the DBE program.

Beaumont Transit is expected to meet all the feasible portion of its overall goal using race-neutral

means of facilitating DBE participation. To ensure that the DBE program will be narrowly tailored to overcome the effects of discrimination, if contract goals are utilized, BMT will adjust the estimated breakout of race-neutral, and race-conscious participation, as needed, to reflect actual DBE participation (see 26.51(f)) and will track and report race-neutral and race-conscious participation separately. Race-neutral DBE participation is defined as when a DBE wins a contract through the customary competitive procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or if there is a DBE goal, wins a subcontract form a prime contractor that did not consider its DBE status in making the award (e.g., a contractor that uses a strict low bid system to award subcontracts). The City of Beaumont may use one or more of the following race-neutral means:

- Arranging solicitations, times for presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation. This includes unbundling large contracts to make them more accessible to small businesses and requiring or encouraging prime contractors to subcontract portions of work they might otherwise self-perform.
- Providing assistance in overcoming limitations such as the inability to obtain bonding or financing. This would include simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and by providing any other additional services to help DBEs and small businesses obtain bonding and financing.
- 3. Providing technical assistance.
- 4. Carrying out information and communications programs on contracting procedures and on specific contracting opportunities. This will be accomplished by including DBEs and other small businesses on mailing lists for bidders, ensuring the dissemination to prime contractors of the list of potential subcontractors, and providing information in languages other than English where appropriate.
- 5. Implementing a supportive services program to develop and/or improve immediate and long-term business management, record keeping, financial capability, and accounting capability for DBEs and other small businesses.
- 6. Providing services to DBEs to help them improve long term development, increase opportunities to participate in a variety of types of work and perform increasingly s significant projects.
- 7. Establishing a program to assist new startup firms, particularly in fields where DBE participation has been historically low.
- 8. Ensure prime contractors are aware of how to access the DBE directory online and provide them with printed copies if needed.
- 9. Assisting DBEs and other small businesses in developing their capability to utilize emerging technology, and to conduct business electronically.

If the recipient does not project being able to meet its DBE goal using race-neutral means, it may also use contract goals. Contract goals are established so that over the period to which the overall goal applies, contractors will cumulatively result in meeting any portion of the overall goal that is not projected to be met using race-neutral means.

Contract goals, if necessary, will only be established on DOT assisted contracts that have subcontracting possibilities. There is not a need to establish contract goals on every contract. The size of the contract goals will be adapted to the circumstances of each contract, such as the type and location of the work and availability of DBEs to perform the work.

Contract goals will be expressed as a percentage of the total amount of the DOT assisted contract.

#### Section 26.53 Good Faith Efforts Procedures

26.53(a) Award of contracts with a DBE goal

In instances where a DBE contract specific goal is included in a solicitation or procurement, the City of Beaumont will not award the contract to a bidder who does not either:

- 1. Meet the contract goal with verified DBE participation, or
- 2. Document that adequate good faith efforts were made to meet the DBE goal, even if it was unable to do so. It is the obligation of the bidder to demonstrate that it has made sufficient good faith efforts prior to submission of the bid.

# 26.53(a) & (c) Evaluation of Good Faith Efforts

The following personnel are responsible for determining whether a bidder/offeror who has not met the DBE contract goal has demonstrated sufficient good faith efforts in order to be considered a responsive bid:

- 1. The DBE Liaison Officer
- 2. The City of Beaumont Contracting Officer

The City of Beaumont shall ensure that sufficient good faith efforts are made by each bidder/offeror. This may be accomplished by the following methods: the bidder/offeror meets the DBE contract goal and documents the commitments for participation by DBE firms sufficient for this purpose; if the bidder/offeror does not meet the contractual DBE goal, documentation must be presented that shows adequate good faith efforts to meet the goal were made. Regardless of methodology, the bidder/offeror shall be able to demonstrate that it took all reasonable and necessary steps to achieve the DBE goal or other requirements of Part 26.53, which, by the scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if unsuccessful. It is therefore the responsibility of the two listed individuals above to make a fair and reasonable judgment that the bidder meets the contractual DBE goal, or that if it did not attain the goal, that it made adequate good faith efforts to do so. This shall be accomplished by:

- Considering the quality, quantity, and intensity of efforts made by the bidder
- Determine if efforts made by the bidder were such that a person could reasonably expect them to take if they were actively and aggressively trying to obtain DBE participation sufficient to meet the contract goal
- 3. Ensuring the bidder has solicited through all available means, such as attendance at prebid meetings, advertising, or written notices, the interest of certified DBEs who have the capability to perform the work described in the contract. Ensuring that a proper amount of time was given to the DBEs to respond to the solicitation.
- 4. Breaking out the work described in a contract into economically feasible units in order to facilitate DBE small business participation even when the prime contractor could to perform the work with its own employees
- 5. Making efforts to provide DBEs with information about the proposed project including plans, specifications, and requirements of the contract in a timely manner
- 6. Ensuring that good faith negotiations with interested DBEs were conducted. Evidence of such negotiations should include the names, telephone numbers, and addresses of DBEs as well as a description of the information provided regarding the plans and specifications of the work chosen for subcontracting. In addition, evidence should be provided as to why agreements could not be reached for DBEs to perform the work.
- 7. Determining if any bids by DBEs are excessive or unreasonable. Additional costs to utilize DBEs in itself is not sufficient for a bidder not to meet the contract goal(s) long as the additional costs are determined to be reasonable.
- 8. Not rejecting DBEs as unqualified without sound reasons as determined by thorough investigation of their capabilities
- 9. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or prime contractor

- 10. Making efforts to assist interested DBEs in obtaining equipment, supplies, materials, or related assistance or services
- 11. Effectively utilizing the services of local minority/women organizations, minority/women contractor's groups, and local, state, and federal minority/women business assistance offices
- 12. Considering the performance of all bidders in the good faith efforts process. If the winning bidder does not meet the DBE contract goals, but other bidders on the project did meet the DBE goal, the question could be posed whether the winning bidder could have attained the contract DEBE goal with additional reasonable efforts.

# 26.53(b) Information to be Submitted

The City of Beaumont will treat each bidder's compliance with the good faith effort requirements as a matter of responsiveness. Each solicitation for which a contract goal has been established will require the bidder/offeror to submit the following information:

- 1. The names and addresses of DBE firms that will participate in the contract
- 2. A description of the work that each DBE will perform
- 3. The dollar amount of the participation of each DBE firm
- 4. A written and signed commitment to use a DBE subcontractor whose participation it submits to meet a contract goal
- 5. Written and signed documentation from the DBE that it is participating in the contract as provided in the prime contract's commitment
- 6. Evidence of good faith efforts if the contract DBE goal is not met

### 26.53(d) Administrative Reconsideration

Within five (5) days of being informed by the City of Beaumont that a bid is unresponsive because it has not documented DBE good faith efforts, a bidder may request administrative reconsideration. Bidders should make this request in writing to the City Contracting Officer, Public Works Department, 801 Main Street, Suite 210, Beaumont, Texas 77701, (409) 880-3725. The reconsideration official shall not have played any role in the original determination that the bidder did not document sufficient good faith efforts. If the City Contracting Officer participated in the original decision, he/she must appoint another department employee to serve as reconsideration official.

As part of the reconsideration process, the bidder will have the opportunity to provide written documentation or argument concerning the issue of either attaining the DBE or making sufficient good faith efforts to do so. The bidder will be given the opportunity to meet with the reconsideration official in person to discuss the issue and provide documentation. The City of Beaumont will issue a written decision on the reconsideration, explaining the basis for finding that the bidder made or did not meet the DBE goal, or did or did not make sufficient good faith efforts if it did not make the goal. The City of Beaumont's finding is final and is not administratively appealable to USDOT, FTA or TxDOT.

Good Faith Efforts When a DBE is Terminated/Replaced on a Contract with Contract Goals 26. 53(f) The City of Beaumont will not allow any prime contractor to terminate a DBE contractor listed on a bid/contract with a DBE contract goal without prior written consent. Prior written consent will only be provided when there is "good cause" for termination of the DBE firm as established by Part 26.53(f)3 of the DBE regulation.

Before transmitting to the recipient its request to terminate, the prime contractor must give notice in writing to the DBE of its intent to do so. A copy of this notice must be provided to the City of Beaumont prior to consideration of the request to terminate. The DBE will have five (5) days to respond and advise the city if it objects to the proposed termination. The five (5) day period may be reduced if the matter is one of public necessity.

In those instances where "good cause" exists to terminate a DBE contract, the City of Beaumont will require that the prime contractor make good faith efforts to replace the terminated DBE with another

qualified and certified DBE, to the extent needed to meet the contract goal. The prime contractor will be required immediately to notify the DBELO and the City Contracting Officer of the DBEs inability or unwillingness to perform and provide reasonable documentation.

In this situation, the prime contractor will be required to obtain the City of Beaumont's prior approval of the substitute DBE firm and to provide copies of amended or new subcontracts, or documentation of good faith efforts.

If the contractor fails or refuses to comply within the time specified above, the City Contracting Officer may issue stop work/payment until satisfactory action has been taken. If the contractor still fails to comply, the City Contracting Officer may issue a termination for default proceeding.

# **Sample Bid Specification**

Contract wording shall include the following: "The requirements of 49 CFR Part 26 apply to this contract. It is the policy of the City of Beaumont to practice non-discrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this contract will be conditioned upon satisfying the requirements of this bid specification. These requirements apply to all bidders/offerors, including those who qualify as a DBE. A DBE contract goal of "X%" has been established for this contract. The bidder/offeror shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26 to meet the contract goal for DBE participation in the performance of this contract".

The bidder/offeror is required to submit all of the following information:

- 1. The names and addresses of the DBE firms that participate in the contract
- 2. A description of the work that each DBE will perform
- 3. The dollar amount of each participating DBE firm
- 4. Written documentation of the bidders/offeror's commitment to use DBEs that are submitted to participate in order to meet the DBE contract goal
- 5. Written confirmation from the DBE that it is participating in the contract as provided in the commitment made under item 4 above
- 6. evidence of good faith efforts If the contract goal is not met

# **Section 26.55 Counting DBE Participation**

DBE participation will be counted toward overall and contract goals as provided in 49 CFR Part 26.55.

Table A1: FY 2022 Projects & Activities

Project	Activity	NAICS
Bus wash replacement	Specialty trade contractors	238990
Landscaping	Landscaping contractors	561730
UST removal	Oil & gas pipeline and related structures construction	237120
Building improvements	Painting	238320
	Heavy truck tire and tube wholesalers	423130
	Other gas stations	447190
	Motor vehicle supplies and new parts new wholesalers	423120
	Stationery and office supplies merchant wholesalers	424120
Operating expenses	Employee drug testing	621999
	Background check services	561611
	Contract vehicle repair	811111
	Armored car service	561613
	Exterminating and pest control	561710

Table A2: FY 2023 Projects & Activities

Project	Activity	NAICS
	Heavy truck tire and tube wholesalers	423130
	Other gas stations	447190
	Motor vehicle supplies and new parts new wholesalers	423120
	Stationery and office supplies merchant wholesalers	424120
Operating expenses	Employee drug testing	621999
	Background check services	561611
	Contract vehicle repair	811111
	Armored car service	561613
	Exterminating and pest control	561710

Table A3: FY 2023 Projects & Activities

Project	Activity	NAICS
	Heavy truck tire and tube wholesalers	423130
	Other gas stations	447190
	Motor vehicle supplies and new parts new wholesalers	423120
	Stationery and office supplies merchant wholesalers	424120
Operating expenses	Employee drug testing	621999
	Background check services	561611
	Contract vehicle repair	811111
	Armored car service	561613
	Exterminating & pest control	561710

Table B: Relative Availability of DBE Firms in Beaumont Transit Market Area

NAICS Code	Project	DBEs Available	Firms Available	Relative Availability
238990	Bus wash replacement	2	22	9.00%
561730	Landscaping	4	40	10.00%
237120	UST removal	0	15	0.00%
238320	Painting	1	13	7.60%
423130	Tires	0	3	0.00%
447190	Fuel	0	10	0.00%
423120	Parts and supplies	0	13	0.00%
424120	Office supplies	0	4	0.00%
621511	Employee drug testing	0	10	0.00%
561611	Background check service	0	3	0.00%
561613	Armored car service	0	2	0.00%
811111	Contract vehicle repair	0	83	0.00%
561710	Exterminating & pest control	0	10	0.00%

**Table C1: USDOT Funding Amounts** 

STIP Project	USDOT Budget	USDOT Percent
Bus wash replacement	\$24,000	80.00%
Landscaping	\$12,000	80.00%
Underground storage tank (UST) removal	\$68,000	80.00%
Building painting	\$20,000	80.00%
Tires	\$41,096	50.00%
Fuel	\$4,500	50.00%
Parts and supplies	\$153,255	50.00%
Office supplies	\$54,084	50.00%
Employee drug testing	\$26,190	50.00%
Background check service	\$3,015	50.00%
Armored car service	\$6,092	50.00%
Contract vehicle repair	\$160,878	50.00%
Exterminating & pest control	\$4,392	50.00%

Table C2: Weight of Each Type of Work by NAICS Code

NACIS Code	Project	USDOT Funding	Percent Budget	DBE Firms	All Firms	Base	DBE Dollars	Weight
238990	Bus wash replacement	\$ 24,000	100.00%	2	22	9.09%	\$2,182	9.091%
561730	Landscaping	\$ 12,000	100.00%	4	40	10.00%	\$1,200	10.00%
237120	UST removal	\$ 68,000	100.00%	0	15	0.00%	\$ 0	0.00%
238320	Painting	\$ 20,000	100.00%	1	13	7.69%	\$1,538	7.692%
423130	Tires	\$ 41,096	9.06%	0	3	0.00%	\$ 0	0.00%
447190	Fuel	\$ 4,500	0.99%	0	10	0.00%	\$ 0	0.00%
423120	Parts and supplies	\$153,255	33.79%	0	13	0.00%	\$ 0	0.00%
424120	Office supplies	\$ 54,084	11.93%	0	4	0.00%	\$ 0	0.00%
621511	Employee drug testing	\$ 26,190	5.78%	0	10	0.00%	\$ 0	0.00%
561611	Background check svc.	\$ 3,015	0.66%	0	3	0.00%	\$ 0	0.00%
561613	Armored car service	\$ 6,092	1.34%	0	2	0.00%	\$ 0	0.00%
811111	Contract vehicle repair	\$160,878	35.47%	0	83	0.00%	\$ 0	0.00%
561710	Exterminating & pest control	\$ 4,392	0.97%	0	10	0.00%	\$ 0	0.00%
TOTALS		\$577,501					\$4,920	0.85%

Table D: Beaumont Transit Triennial DBE Achievement FFY 2016 - 2021

Reporting Period	DBE Goal	R. C. Goal	R. C. Actual	R. N. Goal	R. N. Actual	DBE Actual
FFY 2016 (1)	2.00%	0.00%	0.00%	2.00%	0.46%	0.46%
FFY 2016 (2)	2.00%	0.00%	0.00%	2.00%	0.94%	0.94%
FFY 2017 (1)	2.00%	0.00%	0.00%	2.00%	0.55%	0.55%
FFY 2017 (2)	2.00%	0.00%	0.00%	2.00%	0.56%	0.56%
FFY 2018 (1)	2.00%	0.00%	0.00%	2.00%	1.45%	1.45%
FFY 2018 (2)	2.00%	0.00%	0.00%	2.00%	0.00%	0.00%
FFY 2019 (1)	4.38%	3.21%	0.00%	1.17%	0.00%	0.00%
FFY 2019 (2)	4.38%	3.21%	0.00%	1.17%	0.00%	0.00%
FFY 2020 (1)	4.38%	3.21%	0.00%	1.17%	0.00%	0.00%
FFY 2020 (2)	4.38%	3.21%	0.00%	1.17%	0.00%	0.00%
FFY 2021 (1)	4.38%	3.21%	0.00%	1.17%	0.00%	0.00%
Median	3.09%	3.21%	0.00%	1.63%	0.80%	0.80%

Table E: Beaumont Transit Triennial DBE Goal FFY 2022 - 2024

Overall Goal	DBE Goal Race	Dollar Amount	DBE Goal Race	Dollar Amount	Total DBE
	Neutral	Race Neutral	Conscious	Race Conscious	Dollar Amount
0.85%	0.80%	\$4,620	0.05%	\$289	\$4,920

# **SUBPARTS D & E - CERTIFICATION STANDARDS AND PROCEDURES**

# **Section 26.61 Certification Process**

The City of Beaumont is a participant in the Texas Unified Certification Program (TUCP) administered by the Texas Department of Transportation (TXDOT). The City of Beaumont does not certify DBEs. TxDOT certifies DBEs and publish a directory. TxDOT uses the certification standards of Subpart D of Part 26 in order to determine the eligibility of firms to participate as DBEs in DOT assisted contracts. Application forms for certification can be found at the URL below.

#### Section 26.81 Unified Certification Program

The City of Beaumont is a member of the Texas Unified Certification Program administered by TXDOT. The TUCP will meet all requirements of this section. The City of Beaumont will only use those DBE firms certified by the TUCP. Application forms for certification and the current DBE director are available at the following URL:

https://txdot.txdotcms.com/FrontEnd/SearchCertifiedDirectory.asp?XID=7637&TN=txdot. The TxDOT Memorandum of Understanding (MOU) for the TUCP is available at the following URL:

https://ftp.txdot.gov/pub/txdot-info/bop/tucp\_moa.pdf. TxDOT is the TUCP is the certifying agency. Individuals or agencies interested in certifying can contact the TUCP online at the address above or can call the TxDOT Office of Civil Rights for DBE and SBE Programs at (512) 486-5090, or (512) 486-5500.

# **Section 26.83 Procedures for Certification Decisions**

The TUCP will follow the certification procedures outlined in Subpart E of Part 26 to determine eligibility

for participation as DBEs in DOT assisted contracts. The MOU is available upon request or can be found online at the address above.

Any firm or complainant may appeal TUCP decisions in any certification matter directly to USDOT. Appeals should be sent to:

U.S. Department of Transportation Office of Civil Rights, Certification Appeals Branch 1200 New Jersey Ave.SE Washington, D.C. 20590

USDOT decisions regarding certification appeals are final and the City of Beaumont will promptly implement upon adjudication.

#### **SUBPART F - COMPLIANCE AND ENFORCEMENT**

# Section 26.109 Information, Confidentiality, and Enforcement

The City of Beaumont will safeguard against disclosure to third parties any information that may be reasonably regarded as confidential business information consistent with local, state, and federal law. Notwithstanding contrary provisions of state or local law, no personal financial information submitted as a response to personal net worth requirements will be released to any third party (other than DOT) unless authorized in writing by the submitter.

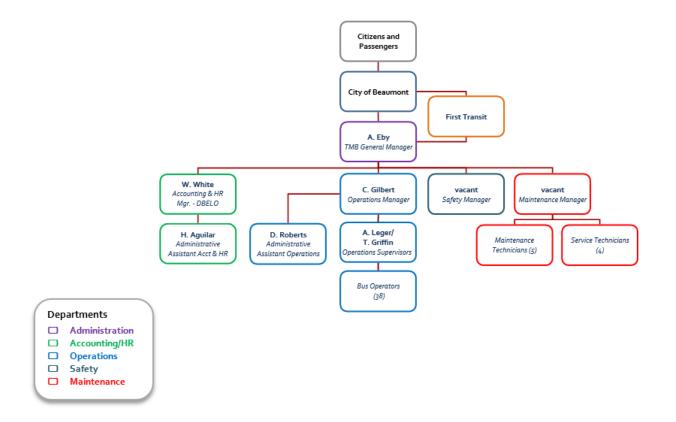
# Monitoring Payments to DBEs

The City of Beaumont will require all prime contractors maintain records and documents of all payments to DBEs for three (3) years following the final payment of a contract. These records will be readily made available for inspection if requested by an authorized representative of the City of Beaumont or TxDOT. Interim audits of contract payments to DBEs will be conducted by the City of Beaumont and/or Beaumont Transit. The city will check to ensure that actual amounts paid to DBE contractors equals the dollar amounts stated in the schedule of DBE participation.

# Appendix A: ORGANIZATIONAL CHART

Transit Management of Beaumont

Organizational Chart 2021



# Appendix B: OUTREACH EFFORTS

#### Beaumont Transit Triennial DBE Goal



Pursuant to the requirements of 49 CFR Part 26, the City of Beaumont/Beaumont Transit (BMT) has developed a Disadvantaged Business Enterprise (DBE) Program. It is the policy of the City of Beaumont/BMT to ensure that DBEs, as defined in CFR 49 Part 26, have equal opportunity to receive and participate in DOT-assisted public transportation contracts. It is also our policy:

- To ensure non-discrimination in the award and administration of USDOT assisted contracts. 1.
- 2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts.
- To ensure that the DBE Program is narrowly tailored in accordance with applicable law. 3.
- To ensure that only firms which fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs. 4.
- 5. To help remove barriers to the participation of DBEs in DOT-assisted contracts.
- To assist the development of firms that can compete successfully in the marketplace outside the DBE Program. 6.

In accordance with Section 26.45, the City of Beaumont will submit its triennial DBE goal to the Federal Transit Administration (FTA) on or before August 1, 2021. The goal will be effective October 01, 2021, through September 30, 2024.

A requirement of establishing the goal includes outreach to community concerning the availability of DBE and non-DBE small businesses which may be interested in contracting opportunities with BMT. Small and minority owned businesses interested in contracting opportunities and community organizations interested in assisting BMT identify DBEs should contact:

Ms. Willa White DBE Liaison Officer wwhite@beaumonttransit.com (409) 835-7895 x314

Albert Eby General Manager Beaumont Transit (409) 835-7895 x 315 www.beaumonttransit.com aeby@beaumonttransit.com



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Pursuant to the requirements of 49 CFR Part 26, the City of Beaumont/Beaumont Transit (BMT) has developed a Disadvantaged Business Enterprise (DBE) Program. It is the policy of the City of Beaumont/BMT to ensure that DBC, as defined in CFR 49 Part 26, have equal opportunity to receive and participate in DD-rassisted public transportation contracts. -assisted public transportation contrac is also our policy: To ensure non-discrimination in the ward and administration of USDOT asaward and administration of osbot of as-sisted contracts.

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wwhite@beaumonttransit.com (409) 835-7895 x314