

**RYDE Racine
Disadvantaged Business Enterprise (DBE)
Three-Year Goal-Setting Methodology Report**



FFY 2025-2027

August 2024

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Introduction

This document constitutes the City of Racine’s submission for RYDE Racine, its public transit system, of its Disadvantaged Business Enterprise (DBE) Transit Overall Goal Setting Methodology Report to the United States Department of Transportation, Federal Transit Administration (FTA) for Federal Fiscal Years (FFY) 2025, 2026 and 2027.

The report has been prepared in compliance with:

- DBE Regulations, 49 CFR 26.45, as amended, http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title49/49cfr26_main_02.tpl
- USDOT, “Tips for Goal Setting in the DBE Program” <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

The four elements of the goal setting process are outlined in 49 CFR 26.45(c-g) as follows:

1. The measurement of the actual relative availability of DBEs to perform RYDE Racine’s anticipated contracting opportunities;
2. Adjustment factor analysis to evaluate evidence of the effects of discrimination in RYDE Racine’s jurisdiction and determine whether an adjustment is necessary;
3. Calculation of the race/gender-conscious and neutral split for the goal attainment;
4. Consultation and publication regarding the goal to facilitate public input.

Executive Summary

RYDE Racine's overall DBE transit goal for FFY 2025-2027 is **0.250%** of the Federal financial assistance it will expend in FTA-assisted contracts. This excludes FTA funds to be used in the purchase of transit vehicles. The race-neutral goal split is **.250%**.

A total of **\$2,231,000** in FTA funds are anticipated to be awarded by RYDE Racine on FTA-assisted contracts during the FFY 2025-2027 period. A goal of **0.250%** means that RYDE Racine has set a goal of expending approximately **\$8,217.00** with DBE firms for the combined three-year period. Of that amount, the race-neutral goal is **\$8,217.00**.

This goal was based on budgeted expenditures in RYDE Racine's largest budgeting and accounting line items.

Overall Goal Setting Methodology

Step One – Relative Ability of DBE Firms

Base Figure

The **Base Figure** for the relative availability of DBE’s was calculated as follows:

$$\frac{20 \text{ Ready, willing, and able DBEs}}{2102 \text{ All firms ready, willing and able}} = .951\% \text{ Base figure (\%)}$$

Supporting documentation used to calculate the goal is contained in **Appendix A**.

Data Sources and Demonstrable Evidence – Numerator

This section outlines the data sources and demonstrable evidence RYDE Racine used to derive the numerator (ready, willing and able DBEs).

The numerator of the base figure is 20. In order to derive the numerator, RYDE Racine collected information regarding anticipated contracting opportunities for the three-year goal-setting period. We aggregated all of RYDE Racine’s future expenses by budget and accounting “object” codes.

The worksheet **Appendix A. Tab 1. “Anticipated projects, firm availability and unweighted Step 1 result,”** shows the anticipated contracting opportunities for FFY 2025-2027.

RYDE Racine used the information from anticipated contracting opportunities to identify relevant and applicable NAICS (North American Industry Classification System) codes for each Object code. Next, using the contract-specific NAICS industrial codes, we reviewed the Wisconsin Unified Certification Program (UCP) list to determine ready, willing and able DBE firms in relation to those anticipated contracting opportunities. Much care was taken in determining which industrial codes corresponded to actual past transactions found for an Object code. However, all DBEs within an identified NAICS code were counted among the ready, willing and able DBE firms.

Appendix A. Tab 1 includes the results of RYDE Racine’s search of the Wisconsin UCP list.

Appendix A. Tab 2. NAICS Code Definitions shows the intermediate step of accumulating firms one NAICS Code at a time. The WI DBE UCP Directory and the Census of Wisconsin Firms counted by NAICS code are not appended in the interest of a manageable sized document.

A base figure of **.95%** calculated from the number of ready, willing, and able DBE firms through the UCP list divided by the total number of firms summed for all applicable NAICS codes is shown at the bottom of the table in **Appendix A. Tab 1 Anticipated Projects** Auto vehicles 336110, Website hose 518210, Newspaper Publishing 513110, Pavement & Fencing 238990, Tires & Tubes 423130, Armored Transportation 561613, Audit services 541219, Fuel & Oil 454319. This result is brought forward to a summary in **Appendix A. Tab 5. Calculations** along with results of all other methods for comparison.

Similar to the analysis of the UCP list data, RYDE Racine reviewed the US Census raw data using the NAICS codes arrived at through review of the anticipated contracting opportunities. In this way, staff arrived at a total number of firms relative to the type of contracting opportunities anticipated over the three-year period.

Data Sources and Demonstrable Evidence – Denominator

This section describes the data sources and demonstrable evidence RYDE Racine used to identify the denominator (all firms - ready, willing and able). The denominator of the base figure is 2102. Census data information for Wisconsin, using the same NAICS codes, was used to determine the number of all firms ready, willing and able to perform on the anticipated contracts. The Wisconsin business pattern data from the Census was not modified to exclude any potential firms.

Bidders List

A bidders list was not used. Because past experience with most of these codes involved many smaller purchases, data regarding DBEs that were not selected was not recorded.

Use of Weighting

According to USDOT's "Tips for Goal Setting in the DBE Program", the use of weighting can help ensure the base figure is as accurate as possible. While weighting is not required by rule, it can make the goal calculation more accurate. RYDE Racine staff chose to adopt a weighted approach in its DBE goal calculation; the worksheet labeled **Appendix A. Tab 3. Weighted Base** shows the same data as the previous 'Anticipated Projects' worksheet, with columns added to show weighting for each Object code listed.

The weighting is achieved at this stage by multiplying the DBE to all firms ratio for an Object code by the share of all dollars spent in that Object code. This weighting is listed at the bottom of the last column, titled "Weighted Base." The weighted base is **.195%**. This figure is forwarded to the **Appendix A. Tab 5. Calculations**.

Step Two – Adjustment Factor Analysis

RYDE Racine considered a number of potential factors to determine whether any adjustments to the Step One Base Figure of **.195%** were warranted.

Past Participation

A prominent factor in an adjustment consideration is past participation. Past participation is the volume of work DBEs have performed on transit contracts in recent years. **Appendix A. Tab 4. Achievement** shows data from previous six semi-years. Historically **0.304%** of contract dollars went to DBEs. The figure was calculated as the median value of six time periods. The two middle values were averaged. This figure was forwarded to **Appendix A. 5. Calculations**.

RYDE Racine has seen increased success in hiring DBEs, RYDE Racine remains committed to hiring DBEs to the extent that they are ready, willing and able. This issue continues to be addressed in our shortfall analysis and in Step Three of this goal setting report.

Conclusion: we were able to use past participation as a factor, so at this point the Step One Base Figure plus the Median Past Participation change the base figure to .249%.

Disparity Studies

We did not find a relevant disparity study.

Step Three – Calculation of Race Neutral (RN) & Race-Conscious (RC) Split

Consideration for the use of race-conscious means in addition to race-neutral means to facilitate DBE participation is another aspect of goal-setting.

USDOT “*Tips for Goal Setting in the DBE Program*” lists the following considerations to evaluate:

- Consider the Amount by Which You Exceeded Your Goals in the Past
- Consider Past Participation by DBE Prime Contractors
- Consider Past Participation by DBE Subcontractors on Contracts without Goals

RYDE Racine compared the draft goal from Step 2 to Past Participation by DBE Prime Contractors. Our goal was not achieved through race/gender-neutral means.

The types of purchases are very consistent year to year. The consistency in purchases from year to year allows RYDE Racine to project that race neutral means will remain sufficient to obtain its DBE goal as it has in the past and that race conscious means will not need to be implemented.

Step Four – Public Participation and Consultation

RYDE Racine’s Public Involvement Policy and Practices were revised and adopted as part of our 2023-2026 Title VI Program.

In establishing an overall three-year goal, transit agencies must provide for public participation. Public participation must include the two following steps: consultation with interested parties and a published notice.

Consultation

RYDE Racine’s consultation process involves consideration of input during the development of the goal. Minority, women’s, and general contractor groups, community organizations and other officials or organizations may provide information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and RYDE Racine’s efforts to establish a level playing field for the participation of DBEs.

RYDE Racine conducted a discussion at its August 29th, 2024 Transit Commission meeting. RYDE Racine held an open house at our Transit Center and placed a public notice, and solicited comments on our website. We reached out to racial minority organizations. At the event, information on the goal-setting process, the anticipated projects, and availability of firms was available. RYDE’s DBELO attended to facilitate a discussion and to obtain participant input. The effort was not effective and may not be repeated in the future.

Public notices are discussed in the next section.

All input is included in Appendix B.

The DBE goal was not changed as the result of public participation and consultation.

Published Notice

The DBE Final Rule, which became effective November 3, 2014, requires posting a notice on the agency's website announcing the proposed overall goal before submission to FTA. The notice may also be posted in any other sources (e.g. minority-focused media, trade association publications).

Public notices announcing the DBE process and seeking public comment were published in the main daily local paper. We posted the notice on our web page. We attended the Hispanic Heritage Month Luncheon at the Cesar Chavez Center, 2221 Douglas Avenue from 11:30 am to 1: 30 pm where we networked with Hispanic business and community leaders.

Upon establishment of the draft goal, public notices were issued by RYDE Racine to provide the opportunity for public comment. Documentation of publication of the notices is provided in **Appendix B**.

Any comments received by the end of the 30-day public comment period are listed in **Appendix B**. No issues were identified with the methodology report to warrant further analysis of a step two goal adjustment. Communications to foster DBE participation are ongoing as part of our DBE program efforts.

Appendices

Appendix A. Tab 1. Anticipated projects, firm availability and unweighted Step 1 result

2025-2027 Projected Expenses					
Budget	NAICS Code	3-Year Total	DBE Firms	Total WI Firms	Step 1 - Relative availability
Auto- vehicles	336110	\$ 150,000.00	0	0	0.00%
54500 Website host	518210	\$ 9,000.00	12	179	6.70%
53215 Newspaper Publishing	513110	\$ 6,000.00	0	0	0.00%
Lot Paving	238990	\$ 200,000.00	0	606	0.00%
53240 Uniforms	458110;424320;424330;424340	\$ 100,000.00	2	64	3.13%
Fencing	238990	\$ 140,000.00	2	606	0.33%
53235 Tires & Tubes	423130	\$ 120,000.00	0	26	0.00%
52200 Amored Transport	561613	\$ 18,000.00	0	16	0.00%
52121 Audit Services	541219	\$ 33,000.00	3	605	0.50%
53250 Fuel & 53280 Oil	454319	\$ 1,455,000.00	1	0	0.00%
		\$ 2,231,000.00	20	2102	0.95%

Appendix A. Tab 2. NAICS Code Definitions

NAICS22	INDEX ITEM DESCRIPTION
238990	Asphalting, residential and commercial driveway and parking area
238990	Blacktop work, residential and commercial driveway and parking area
238990	Fence installation (except electronic containment fencing for pets)
238990	Fencing contractors (except electronic containment fencing for pets)
238990	Parking lot paving and sealing
336110	Chassis, automobile, manufacturing
336110	Chassis, light truck and utility, manufacturing
423130	Heavy truck tires and tubes merchant wholesalers
423130	Motor vehicle tire and tube merchant wholesalers
423130	Tire and tube repair materials merchant wholesalers
423130	Tire tubes, motor vehicle, merchant wholesalers
424340	Boots (e.g., hiking, western, work) merchant wholesalers
458110	Uniform stores (except athletic)
513110	Internet newspaper publishing
513110	Newspaper branch offices
513110	Newspaper publishers
518210	Web hosting (excluding software publishing)
541211	Auditing services (i.e., CPA services), accounts
561613	Armored car services

Appendix A. Tab 3. Weighted Base

2025-2027 Projected Expenses				
Budget	Step 1 - Relative availability		% of total funds	Weighted Base
Auto- vehicles	0.00%		6.72%	0.000%
54500 Website host	6.70%		0.40%	0.027%
53215 Newspaper Publisl	0.00%		0.27%	0.000%
Lot Paving	0.00%		8.96%	0.000%
53240 Uniforms	3.13%		4.48%	0.140%
Fencing	0.33%		6.28%	0.021%
53235 Tires & Tubes	0.00%		5.38%	0.000%
52200 Amored Transport	0.00%		0.81%	0.000%
52121 Audit Services	0.50%		1.48%	0.007%
53250 Fuel & 53280 Oil	0.00%		65.22%	0.000%
	0.95%		100.00%	0.195%

Appendix A. Tab 4. Achievement

Period	Total Dollar Value of Completed Prime Contracts	% of Total to DBES	Amount	Rank	Dollar %
2021	\$ 1,158,512.00	0.000%	\$ -	1	
2022	\$ 1,567,060.00	0.000%	\$ -	2	
2022	\$ 1,484,023.00	0.195%	\$ 2,895.00	3	
2023	\$ 1,888,232.00	0.414%	\$ 7,810.00	4	
2023	\$ 1,711,236.00	0.460%	\$ 7,871.00	5	
2024	\$ 1,798,721.00	0.438%	\$ 7,872.00	6	
Median		0.304%			

(median is the average of th rank #3 & #4.)

Appendix A. Tab 5 Calculations

Step 1 Goal-Relative Availability	Weighted Base Goal(WBG)	Historical Median (HM)	Overall DBE Goal	Weighted Base DBE Goal
0.951%	0.195%	0.304%	0.250%	0.601%
As determined by Anticipated Projects	As determined in Weighted Base	As determined in Achievement	$(WBG + HM)/2$	$(WBG + \text{Step One Goal})/2$

Appendix B. Record of Public Involvement

The Journal Times

AFFIDAVIT OF PUBLICATION

State of Pennsylvania, County of Lancaster, ss:

I, Casey Allen, of lawful age, being duly sworn upon oath depose and say that I am an agent of Column Software, PBC, duly appointed and authorized agent of the Publisher of Journal Times, a daily newspaper published and distributed in the City of Racine, County of Racine and State of Wisconsin, and that a notice, of which the annexed printed slip is a true copy, has been published in the said JOURNAL TIMES for

the term of 3 weeks, once each week successively, commencing on Jul 15, 2024 and ending on Jul 29, 2024

RYDE Racine
730 Washington Ave
Racine, WI 53402

ORDER NUMBER: COL-WI-900356

Section: Legal

Category: 0099 Legal Notices

Notice ID: J78FVIaUIRbXPqLa7qk

PUBLISHED ON: Jul 15, 2024, Jul 22, 2024, Jul 29, 2024

TOTAL AD COST: \$46.79

Casey Allen
Agent

Commonwealth of Pennsylvania - Notary Seal
Nicole Burkholder, Notary Public
Lancaster County
My commission expires March 30, 2027
Commission Number 1342120

VERIFICATION

State of Pennsylvania
County of Lancaster

Signed or attested before me on this: 07/29/2024

Nicole Burkholder

Notary Public

Notarized remotely online using communication technology via Proof

Disadvantaged Business Enterprise (DBE) Goal

The City of Racine's public transit system, also known as RYDE Racine, hereby notifies the public that it is seeking input on setting a DBE participation rate goal on contracts assisted by the Federal Transit Administration (FTA) in fiscal years 2025-2027.

Further information is available at ryderacine.com under the "Policies" tab.

Comments and questions may be directed to Trevor Jung, Transit and Mobility Director at mailing address 730 Washington Avenue, Racine, WI 53403, or www.ryderacine.com/contact-us/, or via email at trevor.jung@cityofracine.org. Comments will be accepted through August 28, 2024.

PUB: July 15, 22, 29, 2024
COL-WI-900356 WNAXLP

The Journal Times

AFFIDAVIT OF PUBLICATION

State of Texas, County of Bexar, ss:

I, Justin Mattos, of lawful age, being duly sworn upon oath depose and say that I am an agent of Column Software, PBC, duly appointed and authorized agent of the Publisher of Journal Times, a daily newspaper published and distributed in the City of Racine, County of Racine and State of Wisconsin, and that a notice, of which the annexed printed slip is a true copy, has been published in the said JOURNAL TIMES for

the term of 4 weeks, once each week successively, commencing on Aug 5, 2024 and ending on Aug 26, 2024

RYDE Racine
730 Washington Ave
Racine, WI 53402

ORDER NUMBER: COL-WI-900556

Section: Legal

Category: 0099 Legal Notices

Notice ID: 4pbvkXfo7BC3ssepQpJB

PUBLISHED ON: Aug 5, 2024, Aug 12, 2024, Aug 19, 2024, Aug 26, 2024

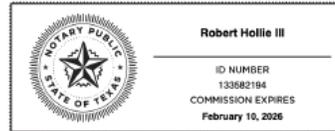
TOTAL AD COST: \$60.81

Justin Mattos

Agent

VERIFICATION

State of Texas
County of Bexar



Signed or attested before me on this: 08/27/2024

Robert Hollie III

Notary Public

Electronically signed and notarized online using the Proof platform.

Disadvantaged Business Enterprise (DBE) Goal

The City of Racine's public transit system, also known as RYDE Racine, hereby notifies the public that it is seeking input on setting a DBE participation rate goal on contracts assisted by the Federal Transit Administration (FTA) in fiscal years 2025-2027.

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PUB: August 5, 12, 19, 26, 2024
COL-WI-900556 WNA_XLP



DBE OUTREACH
TUESDAY, AUGUST 6TH (3-5PM)
CORINNE REID OWENS TRANSIT CENTER

Women or Minority Owned Business?

We want to hear from you regarding our Disadvantaged Business Enterprise Goal!

The DBE Program Works To:

Ensure nondiscrimination in the award and administration of FTA-assisted contracts.

Help remove barriers to the participation of DBEs in FTA-assisted contracts

Create a level playing field on which DBEs can compete fairly for FTA-assisted contracts.

Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs

Ensure that the DBE program is narrowly tailored in accordance with applicable law

Assist the development of firms that can compete successfully in the marketplace outside the DBE program.



PROGRAMA DBE
MARTES, 6 DE AGOSTO (3 A 5PM)
EN EL CENTRO DE TRÁNSITO:
CORINNE REID OWENS

¿Es mujer o minoría dueño/a de negocio?

¡Queremos escucharle acerca de nuestra meta para Empresas Comerciales en Desventaja (DBE, por sus siglas en inglés)!

El Programa DBE Trabaja Para:

Asegurar la no-discriminación en la otorgación y administración de contratos con apoyo FTA.

Ayudar a remover las barreras de participación de DBEs en contratos con apoyo FTA.

Crear un campo de juego nivelado en el cual negocios DBE puedan competir equitativamente por contratos con apoyo FTA.

Asegurar que sólo empresas que cumplan completamente con los estándares de elegibilidad 29 CFR parte 26 sean permitidos participar como DBEs.

Asegurar que el programa DBE sea estrictamente diseñado de acuerdo con las leyes aplicables.

Ayudar en el desarrollo de empresas que puedan competir exitosamente en el mercado fuera del programa DBE.

DesignsTouch

201 6th Street, Ste 401
Racine, WI 53403
262.417.7044
info@designstouch.com



To whom it may concern,

We appreciate the City of Racine Transit Department for allowing us to design and develop a new website, ryderacine.com, and Trevor Jung, the City's Transit & Mobility Director, for hiring DesignsTouch, a Racine DBE, Disadvantaged Business Enterprise. We are excited about the potential for future projects with Racine Transit to meet—disadvantaged Business Enterprise (DBE) program goals. We are grateful that the city is committed to supporting minority and women-owned businesses.

We strongly believe that the goal-setting methodology established by RYDE Racine will increase awareness and participation of local DBE firms, resulting in more inclusive business partnerships.

Sincerely,

Nim Joshi

Founder & CEO

Transit Commission Meeting August 27th, 2024:
[Edited transcript]

Commissioner Anastasio: “Have we met the goal?” Director Jung explained that traditionally we have not met the goal and write a shortfall analysis.

Commissioner Santos: “Please speak more to the discrimination” Director Jung explained that we have a number of businesses local to the Racine area that are by definition but not by certification a DBE. However, in the formulas for comparison they are not counted towards meeting a DBE goal because the DBE process in and of itself is a barrier to becoming a DBE.

Commissioner Anastasio: “What is the advantage of becoming a DBE?” Director Jung explained that there is potential for DBE’s to acquire more federal contracts and dollars by being a certified DBE. All DBE’s are compiled on a list managed by the State of WI that is easily and readily accessible.

Commissioner Zabel: “Is there help if someone wants to become a DBE?” Director Jung explained that help is available if someone wants to become a DBE.

Commissioner Santos: “Do dollars get set aside until they can be spent on a DBE?” Director Jung explained that dollars are not held for a DBE.

Commissioner Zabel: “The idea is to set a goal and try, not necessarily that we succeed?” Director Jung confirmed that this is a correct understanding of the program and goal.

Racine Transit Commission Action

The Racine Transit Commission approved RYDE's DBE Three-Year Goal Setting Methodology Report, on August 29th, 2024, as distributed and presented.