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Telephone: 423-343-9711
Grantee ID #5097
DBE Goal and Methodology

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Kingsport Area Transit Service

FFY 2020 thru FFY 2022 DBE Goal and Methodology

Overall Goal

The Kingsport Area Transit Service (KATS) has completed its goal setting and methodology report for its three year Disadvantaged Business Enterprise (DBE) overall goal applicable to Federal Fiscal Years (FFY) 2020, 2021, and 2022 October 1, 2020 through September 30, 2022 contracting opportunities funded in whole or in part by the Federal Transit Administration (FTA), exclusive of FTA funds to be used for the purchase of transit vehicles.

KATS proposed DBE overall goal will be 1%. KATS overall goal is based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all business ready, willing and able to participate in KATS's DOT-assisted contracts. It reflects the level of DBE participation that KATS would expect absent the effects of discrimination. **KATS's entire 1% goal will be obtained through race-neutral means and 0% through race-conscious means.***

In order to establish its overall DBE goal, KATS followed federal regulations, including the two-step goal-setting methodology set forth in 49 CFR Part 26.45. KATS determined a “step one” base figure for its overall DBE goal using information from the Tennessee DBE Unified Certification Program (UCP) Directory (Attachment 2) as well as from Census Bureau data American Fact Finder (Attachment 3). KATS also determined which NAICS codes would be relevant by researching on the NAICS Identification Tools website. KATS determined whether a “step two” adjustment was needed.

**Defined local Market Area:** KATS used the Tri Cities area in order to define a local market area. This area consists of the following counties in Tennessee: Sullivan, Hawkins, and Washington. Based on areas we have done business with in the past and anticipate future business needs, these surrounding counties have been selected.

Basic Requirement: To begin the goal setting process, the recipient must first develop a base figure for the relative availability of DBEs. To determine a base figure for the relative availability of DBEs in the Kingsport Area Transit Service defined market area, the current TNUCP state-wide Disadvantaged Business Enterprise Directory (Attachment 1) was used as the numerator. The most current (2016) U.S. Census Bureau County Business Pattern (Attachment 2) data for Sullivan County, Washington, and Hawkins was divided by the total number of all firms in Sullivan, Washington, and Hawkins counties listed in the Census Bureau with relevant NAICS codes (Attachment
3) for the types of services utilized by KATS for transit system operations as well as the Architecture and Engineering for Phase 2 of the transit center. After the base figure was achieved, all other relative evidence was considered to see if an adjustment of this figure was needed to match the needs of the specific DBE community.

**Projections**

KATS projects that it will receive $3,685,335 in FTA financial assistance during FFYs 2020, 2021, and 2022. That projection is based on the grants and financial assistance that KATS received and was awarded. Out of that figure, KATS estimates that FTA's contractible portion would be approximately $783,590. See table below of future projected money spread out over FFY 20, 21, and 22.

<table>
<thead>
<tr>
<th>Project Description for FFY2020-2022</th>
<th>Estimated Federal Funds to be spent on each project</th>
<th>Totals</th>
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<tr>
<td>KATS New Transit Center Phase 2 Garage Architectural and Engineering</td>
<td>$224,000</td>
<td>$224,000</td>
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<tr>
<td>FFY2020-2022 Projected Contractible Funds FTA</td>
<td>$148,257.66 x 3 =</td>
<td>$444,773</td>
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<tr>
<td>FFY2020-2022 Projected Contractible Fuel Funds FTA</td>
<td>$76,545 x 3 = $229,635/2 =</td>
<td>$114,817</td>
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<tr>
<td>Total FTA Assisted Contract Funds</td>
<td></td>
<td>$783,590</td>
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**Public Participation – Part 26.45(q)(1) and (2)**

KATS 2020-2022 DBE proposed goal was published in the *Kingsport Times News* (the only local daily newspaper) on May 24, 2019 and was allowed a forty five day public comment period. A copy of the newspaper affidavit of publication is shown in Attachment 4 and 4a. KATS' proposed goal is also available to the public on the KATS website at www.kingsporttransit.org.

In addition to the above public outreach regarding KATS' proposed DBE goal, KATS staff made extensive effort to consult with area officials or organizations which might have information concerning the availability of disadvantaged and non-disadvantaged businesses and the effects of discrimination on opportunities for DBEs. KATS' efforts to establish a level playing field for the participation of DBEs was also part of this effort in goal development. Additional outreach efforts included posting information about DBE and goal setting on Facebook as well as continual outreach to KOSBE (Kingsport Office
of Small Business Development and Entrepreneurship) with the Chamber of Commerce regarding goal setting.

**DBE Public Outreach Opportunity**

On June 14, 2018 from 9:00 am -12:00 pm, KATS participated in a local event called “How to Successfully Subcontract with Prime Contractors & Do Business with Govt. & Large Corporations” with KOSBE (Kingsport Office of Small Business Development & Entrepreneurship), a division of the Chamber of Commerce in Kingsport, Tennessee. Transit Planner, Candace Sherer attended the event as a representative for KATS to answer questions and interact with potential suppliers. The event was geared toward woman, veteran, and minority owned small businesses and disadvantages. Several companies attended. As a panelist, I was able to describe what KATS does and to describe the kind of opportunities that would be coming available for contractors and subcontractors. I explained that we had a DBE goal that was developed specifically for our agency and how we are to strive to meet that goal. The program specifically addressed how to become a DBE as well as the advantages.

After the panel discussion, I was able to meet and exchange business cards with several local vendors. This was an extremely beneficial event for all involved.
KATS is continuously keeping current via webinars or workshops offered such as this one attended on June 4, 2019. Webinars such as this assist in continued education on how to set the DBE goal and the methodology. These webinars allow for live questions as well as several documents available for downloading which provide vital information and examples as well as names and contact information for further assistance if needed.

**DBE Public Outreach Ongoing Efforts**

KATS has been involved in DBE outreach in the community in several ways. On July 24, 2019, Candace Sherer, Transit Planner with KATS met with Bradley Osbourne, Eric Patton (Johnson City Transit representatives) as well as Caroline Jones (Marketing and Administrative Coordinator of KOSBE) and Aundrea Wilcox who is the Executive Director of KOSBE (Kingsport Office of Small Business Development & Entrepreneurship). KOSBE is located at 400 Clinchfield Street and is a part of the local
City of Kingsport Chamber of Commerce. KATS and JCT were able to discuss with Aundrea and Caroline the transit field and what opportunities that they might know of for DBE companies to be able to do business with our agencies. This was a good meeting, as it helped Aundrea gain insight into the transit field and what those business need possibilities are. Aundrea said she would keep people in mind that she knew of in order to help KATS and JCT meet their DBE goals. This was also extremely beneficial for KATS to be able to meet with Aundrea and let her know that we want to be involved locally in any opportunities that might assist us in gaining knowledge or meeting new DBE vendors. Eric Patton attended the meeting to learn more about how to become a DBE vendor, as he is in the beginning stages of opening his own minority owned business. This was informative for the entire group. Aundrea Wilcox is willing to work with any interested businesses that need assistance in becoming DBE certified for the area. She stated that not only is she interested in helping people become DBE certified, but she also wants to see them grow and be successful as a company. We discussed additional opportunities for KATS and JCT to be involved in speaking engagements for this fall.

I will keep in contact with Aundrea regarding DBE business so that I can continue in public outreach to try to increase awareness in the community for DBE participation.

See attendance sheet in Attachment 5.

KATS continues to strive to keep the public informed about DBE opportunities for goal setting as well as overall information about how to become a DBE in the area. KATS uses Facebook and their personal website to communicate these opportunities. The online posting below was on our website as a public invitation to provide public or written comment on our goal setting for FY2020-FY2022.
Kats also posted an announcement on all buses and lobby monitors soliciting DBE Goal setting community participation. See below.
To note: Despite KATS efforts to seek DBE public participation on Goal Setting and Methodology for FY2020-2022, no public input was given.

**Methodology Used to Calculate Overall Goal**

**Step 1: 26.45 (c)**

Determine the base figure for the relative availability of DBEs.

\[
\begin{align*}
3 \text{ Certified DBEs in Tri Cities area with relevant NAICS code} &= .01456 \\
206 \text{ All Ready Willing and Able Firms in the Tri Cities area with relevant NAICS code} \\
\end{align*}
\]

The data source or demonstrable evidence used to derive the numerator was: TDOT website for TN DBE UCP codes which is updated regularly (2019 version). The data source or demonstrable evidence used to derive the denominator was: US Census Bureau American Fact Finder list (2016).

KATS determined relevant DBE vendors in our region by looking on the TDOT website and looking at the TNUCP certified listings. (See attachment 1). We also identified DBE vendors that we have used in the past and are currently using for continued yearly projects. KATS also researched the Census Bureau Data by NAICS codes (Attachment 3). The total number of DBE firms (3) in the TDOT database for TDOT Region 1 of TN within the counties surrounding the Tri Cities area including (Hawkins, Sullivan, and Washington) where KATS is located was divided by the total number of firms listed by the United States Census Bureau American Fact Finder Community (2016) (See attachment 2) for the Region 1 above defined market area within these same counties (206) firms that provide goods and services utilized by KATS for transit system needs.

This calculation resulted in 3 DBEs (Region 1 TDOT DBE List with applicable NAICS codes) divided by 206 firms with applicable NAICS codes for projected work equals 0.01456, or a base goal of 1.4 percent.

**Step Two 26.45 (d): Are Adjustments to Base Figure Needed? (Part 26.45 (d))**

KATS has examined all of the evidence available in KATS' jurisdiction to determine what adjustment, if any, is needed to the base figure in order to arrive at its overall goal. No disparity studies are available for the KATS area, but based on:

KATS desire is to support opportunities for DBE’s to form, grow, and compete in this area (such as self-employment, education, marketing, and training.
The low number of DBE vendors in the TDOT Region 1 area, specifically in our determined market area with specific NAICS codes (a total of 3) found in TNUCP statewide directory of Certified DBE Vendors for Hawkins, Sullivan and Washington counties.

Past participation is not a major factor; however, KATS does somewhat factor in the fact that this is not an area with great DBE sources. This fact can make meeting the DBE goal challenging despite the fact KATS continues to try and grow this market.

**Weighting**

In order to determine the weight, each projected amount to be spent on each NAICS code description was divided by $783,590. This figure was determined by summarizing the FTA contractible funds available to be spent on operations $444,733, the projected fuel cost of $114,817, and Phase 2 transit center A and E was $224,000. These figures added together amounted to $783,590.00. This is how the calculations were determined.

Weight of each type of work by NAICS Code:

All FTA-assisted projects below: Project amounts assigned relevant NAICS Code (s).

Project 1: Phase 2 of KATS New Transit Center Engineering and Architecture portion only.

$783,590 will be allocated from FTA assisted funding. As identified in the table below (Attachment 1), the relative availability of DBE contractors in the market area is very limited.

(Weight) X (Availability) = Weighted Base Figure

Weighted Base Figure: .62%

The formula resulted in no adjustment to the goal.

Based on the limited availability of DBE firms in our area and the current projected scope of work, we have set our DBE goal at 1.0 percent with the expectation to review this goal as needed in accordance with project variance.
## Tennessee Uniform Certification Program

### (TNUCP) Listing

<table>
<thead>
<tr>
<th>Company Information</th>
<th>County Located</th>
<th>Company Type</th>
<th>Owner Name /Email/Web Addr</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapTeeVation, Inc.</td>
<td>WASHINGTON (90)</td>
<td>Other</td>
<td>Humphreys, Joy</td>
</tr>
<tr>
<td>809 S. Roan Street, Suite 6</td>
<td>Region 1</td>
<td></td>
<td><a href="mailto:joy@capteevation.com">joy@capteevation.com</a></td>
</tr>
<tr>
<td>Johnson City, TN 37601</td>
<td></td>
<td></td>
<td><a href="http://www.capteevation.com">www.capteevation.com</a></td>
</tr>
<tr>
<td>(423) 854-0008</td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

### Counties Work In

All Counties

### Specialty

Commercial Screen Printing; Marketing & Promotional Merchandise; Graphic Design Services; Promotional Products/Advertising Specialties; Other Chemical and Allied Products Merchant Wholesalers; Stationary & Office Supplies Merchant Wholesalers; Industrial & Personal Service Paper Merchant Wholesalers; Drugs & Druggists' Sundries Merchant Wholesalers; Men's & Boys' Clothing & Furnishings Merchant Wholesalers; Women's, Children's, & Infants' Clothing & Accessories Merchant Wholesalers

### NAICS List

Commercial Screen Printing (323113), Drugs and Druggists' Sundries Merchant Wholesalers (424210), Gift, Novelty, and Souvenir Stores (453220), Graphic Design Services (541430), Industrial and Personal Service Paper Merchant Wholesalers (424130), Men's and Boys' Clothing and Furnishings Merchant Wholesalers (424320), Other Chemical and Allied Products Merchant Wholesalers (424690), Other Services Related to Advertising (541890), Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers (424310), Stationery and Office Supplies Merchant Wholesalers (424120)

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<tr>
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<td>Dykes Trucking, Inc.</td>
<td>SULLIVAN (82)</td>
<td>Contractor</td>
<td>Dykes, Kim</td>
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<tr>
<td>1019 Moreland Drive</td>
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<td></td>
<td><a href="mailto:kim@dykestrucking.com">kim@dykestrucking.com</a></td>
</tr>
<tr>
<td>Kingsport, TN 37664</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(423) 392-0894</td>
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</table>

### Counties Work In

All Counties

### Specialty

Asphalt & Bridge Deck Sealing, Concrete Flatwork, Milling, General Freight Trucking (Local), Erosion Control, Traffic Control

### NAICS List

All Other Support Services (561990), General Freight Trucking, Local (484110), Highway, Street, and Bridge Construction (237310), Landscaping Services (561730), Masonry Contractors (238140), Poured Concrete Foundation and Structure Contractors (238110), Site Preparation Contractors (238910)
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<thead>
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<th>Company Information</th>
<th>County Located</th>
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<td>Southern Seeding, Inc.</td>
<td>WASHINGTON (90)</td>
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<tr>
<td>1300 Shell Rd.</td>
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<td></td>
<td><a href="mailto:jshell999@embarqmail.com">jshell999@embarqmail.com</a></td>
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<tr>
<td>Jonesborough, TN 37659</td>
<td></td>
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<td></td>
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<tr>
<td>(423) 753-9355</td>
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**Counties Work In**

All Counties

**Specialty**

Seeding, hydroseeding, sodding, landscaping and erosion control

**NAICS List**

All Other Support Services (561990), Landscaping Services (561730)
U.S. Census Bureau

FactFinder

CB1600A11

Geography Area Series: County Business Patterns

2016 Business Patterns

Table Name
Geography Area Series: County Business Patterns: 2016

Release Schedule
The data in this file were released on April 19, 2018.

Key Table Information
Beginning with reference year 2007, CBP data are released using the Noise disclosure methodology to protect confidentiality. See Survey Methodology for complete information on the coverage and methodology of the County Business Patterns data series.

Universe
The universe of this file is all operating establishments with one or more paid employees. This universe includes most establishments classified in the North American Industry Classification System (NAICS) Codes 11 through 813990. For specific exclusions and inclusions, see Industry Classification of Establishments.

Geography Coverage
The data are shown at the U.S. level and by State, County, Metropolitan and Micropolitan Statistical Areas, and Congressional District. Also available are data for the District of Columbia, Puerto Rico, and the Island Areas (American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands) at the state and county equivalent levels.

Industry Coverage
The data are shown at the 2- through 6-digit NAICS code levels for all sectors with published data.

Data Items and Other Identifying Records
This file contains data on the number of establishments, total employment, first quarter payroll and annual payroll.

Sort Order
Data are presented in ascending geography by NAICS code sequence.

FTP Download
Download the entire table at http://www2.census.gov/econ2016/CB/sector00/CB1600A11.zip.

Contact Information
U.S. Census Bureau
Economy-Wide Statistics Division
Business Statistics Branch
Tel: (301)763-2580
Email: ewd.county.business.patterns@census.gov

Release Date: 04/19/2018

NOTE: Data based on the 2016 County Business Patterns. CBP html tables and download files can be found at the County Business Patterns Website.

For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Survey Methodology.

Data in this table represent those available when this report was created; data may not be available for all NAICS industries or geographies. Excludes most government employees, railroad employees, and self-employed persons.

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<th>Meaning of 2012 NAICS code</th>
<th>Year</th>
<th>Number of establishments</th>
<th>Paid employees for pay period including March 12 (number)</th>
<th>First-quarter payroll ($1,000)</th>
<th>Annual payroll ($1,000)</th>
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<td>2016</td>
<td>1</td>
<td>a</td>
<td>D</td>
<td>D</td>
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- **a** 0 to 19 employees
- **D** Withheld to avoid disclosing data for individual companies; data are included in higher level totals
- **b** 20 to 99 employees
<table>
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<tr>
<th>NAICS CODE</th>
<th>Description</th>
<th>DBE firms in defined Market Area</th>
<th>All Available Firms</th>
<th>Relative Availability (%)</th>
<th>Amount of projected FTA funds on projects</th>
<th>% of total DOT funds (weight)</th>
<th>Total amount of FTA funds allocated</th>
<th>Weighted Base%</th>
</tr>
</thead>
<tbody>
<tr>
<td>541310</td>
<td>Architectural Design</td>
<td>0</td>
<td>9</td>
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<td>24.76%</td>
<td>$783,590.00</td>
<td>0.00%</td>
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<tr>
<td>541330</td>
<td>Engineering/Consulting Services</td>
<td>0</td>
<td>35</td>
<td>0%</td>
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<td>3.83%</td>
<td>$783,590.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>323113</td>
<td>Screen printing apparel and textile products</td>
<td>1</td>
<td>6</td>
<td>17%</td>
<td>$22,500</td>
<td>2.87%</td>
<td>$783,590.00</td>
<td>0.48%</td>
</tr>
<tr>
<td>532420</td>
<td>Office and Equipment Rental</td>
<td>0</td>
<td>No firms shown</td>
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<td>$6,600</td>
<td>0.84%</td>
<td>$783,590.00</td>
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<td>43650</td>
<td>Repair and Maintenance</td>
<td>0</td>
<td>3</td>
<td>0%</td>
<td>$15,600</td>
<td>1.99%</td>
<td>$783,590.00</td>
<td>0.00%</td>
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<tr>
<td>453210</td>
<td>Operating Supplies</td>
<td>0</td>
<td>5</td>
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<td>0.00%</td>
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<td>3</td>
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<tr>
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<td>0.00%</td>
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<tr>
<td>423430</td>
<td>Software</td>
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<td>18.84%</td>
<td>$783,590.00</td>
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<td>561730</td>
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<td>561720</td>
<td>Janitorial Services</td>
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<td>52</td>
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<td>$37,800</td>
<td>4.82%</td>
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<td>0.00%</td>
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<tr>
<td>Total firms</td>
<td></td>
<td>3</td>
<td>206</td>
<td>0.01456 or 1.4% overall DBE availability</td>
<td></td>
<td></td>
<td>$783,590.00</td>
<td>0.62%</td>
</tr>
</tbody>
</table>

DBE goal for FY2020-2022 is 1%
Standard Base Figure is 1.4%
Take $194,000 and divide it by $783,590 and that will give you the % of total DOT funds
Take the weight percentage of total DOT funds and multiply by the DBE Relative ability to get the weighted base.

Prior DBE Goal FFY2017-FFY2019 was 1%
Rounded Weighted Base Figure is .62%
Sum 1.62
Divided by 2 is 0.81
Rounded up would be 1 percent
Order Confirmation

Customer
KINGSPORT TRANSIT AUTHORITY

PO Number

Ordered By

Customer Fax

Customer Email
ChrisCampbell@KingsportTn.gov

Customer Account
1027062

Customer Address
ATTN ACCOUNTS PAYABLE
KINGSPORT TN 37660 USA

Customer Phone
4232242612

Ad Order Number
001472281

Sales Rep.
abelevins

Order Taker
abelevins

Tear Sheets
0

Affidavits
1

Invoice Text

Blind Box

Net Amount
$138.73

Ad Number
001472281-01

Ad Type
XLegal Liner

External Ad Number

Ad Size
2X34 li

Order Start Date
05/24/2019

Order Stop Date
05/24/2019

PUBLIC NOTICE CONCERNING THE
KINGSPORT AREA TRANSIT SERVICE (KATS)
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
GOAL FOR FISCAL YEARS 2020-2022

In accordance with the requirements of the U.S. Department of Transportation as set forth in 49 C.F.R. Part 26, as amended, the Kingsport Area Transit Service (KATS) hereby notifies the public that it is recommending a Disadvantaged Business Enterprise (DBE) goal, whereby 1% of all applicable professional services and procurement contracts during Fiscal Years 2020-2022, beginning October 1, 2020 and ending September 30, 2022 involve DBE firms. The DBE Program is a federal program designed for business owners deemed socially and economically disadvantaged.

The proposed goal and the methodology plan are available for review between 9:00 a.m. and 5:00 p.m., Monday through Friday at 900 East Main Street, Kingsport, TN 37660. It is also available online at www.kingsporttransit.org. Written comments on this goal will be accepted for 45 days, from May 24, 2019 through July 6, 2019. Comments are for information purposes only and may be sent to the KATS’s DBE Staff, Candace Sherer or via email at www.kingsporttransit.org in the contact section. The City of Kingsport and Kingsport Area Transit Service, does not discriminate based on race, color or national origin and operate its programs in accordance with Title VI and Title VII of the Civil Rights Act of 1964.

PUB1T: 5/24/19
This shows where the ad appeared in the Kingsport Times News on May 24, 2019. KATS is asking for public comment prior to goal setting.
PUBLIC NOTICE CONCERNING THE
KINGSPORT AREA TRANSIT SERVICE (KATS)
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
GOAL FOR FISCAL YEARS 2020-2022

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The proposed goal and the methodology plan are available for review between 8:00 a.m. and 5:00 p.m., Monday through Friday at 900 East main Street, Kingsport, TN 37660. It is also available online at www.kingsporttransit.org. Written comments on this goal will be accepted for 45 days, from May 24, 2019 through July 8, 2019. The comments are for information purposes only and may be sent to the KATS’s DBE Staff, Candace Sherer or via email at www.kingsporttransit.org in the contact section. The City of Kingsport and Kingsport Area Transit Service, does not discriminate based on race, color or national origin and operates its programs in accordance with Title VI and Title VII of the Civil Rights Act of 1964.
RE: Meeting with Aundrea Wilcox, Director of KOSBE (Kingsport Office of Small Business Development and Entrepreneurship) to discuss DBE Goals and Methodology with Kingsport Area Transit Service and Johnson City Transit

When: June 24, 2019
Time: 2:30 pm
Where: Kingsport Chamber

Attendees:

Meeting Notes:
- August 7th - SBA event - NA certification program - myths & truths
- Part 1
- NA certification program - SBA in Nashville - find the right niche - people who are truly interested in becoming DBE
- Dec 5th - KOSBE Awards, sponsors - past winners?
Hi Diane, Tonya and George, I wanted to forward some information to you about an Employment firm that introduced themselves to me. See at the bottom of this email. I told her that I would forward her email to our HR department. Thank you.

Candace Sherer
Transit Planner
KATS-Kingsport Area Transit Service
423-343-9711

See below email. When I met with Aundrea Wilcox at the Chamber of Commerce, she has made some contacts and is actively sending us some DBE folks. We may want to consider reaching out to this person for employment needs. Should I also send this to HR?

Candace Sherer
Transit Planner
KATS-Kingsport Area Transit Service
423-343-9711

Ms. Sherer,

Good afternoon. My name is Sonja Bennett. I am the owner and founder of Elite Manufacturing and Professional Services, an employment firm in East Tennessee.

I wanted to reach out to you since we are a Woman Owned, DBE certified supplier for TDOT. Elite offers employees with a multitude of skills, including transportation. Elite has been in business since 2012. I worked very hard on the front end prior to opening, to meet all federal regulations. I think you would also find that we have excellent customer references and as a whole, we are very involved with our local communities. I personally volunteer and give back to organizations on a regular basis to support local businesses and non-profits.

[mailto:sbennett@elite-workforce.com]
I am attaching a copy of Elite’s continued TDOT certification for review. Please let me know if you would have interest in meeting.

Thank you,

Sonja Bennett
Business Owner / President
Elite Manufacturing and Professional Services
O: 423.765.9935 | C: 423.646.4087 | F: 423.765.9937
sbennett@elite-workforce.com
www.elite-workforce.com
Hi Candace,

Yes! We've been working closely with Aundrea to get woman-owned certified and more, if we become DBE TN UCP certified as well I'll definitely let you know! :)

Thanks!!

---

On Mon, Jun 24, 2019 at 4:05 PM Sherer, Candace <CandaceSherer@kingsporttn.gov> wrote:

Hi Samantha,

KATS and Johnson City Transit met with Aundrea Wilcox today to discuss DBE opportunities. Since we are federally funded, we are required to spend a certain amount of funds (or at least try to) on DBE certified vendors. Aundrea said you are looking into this. I would really LOVE IT if you did become DBE TN UCP certified. Just throwing that out there to you.

Candace Sherer

Transit Planner

City of Kingsport

P: 423-224-2613

candacesherer@kingsporttn.gov
Hi Lisa,

My name is Candace Sherer. I am a Transit Planner at KATS (Kingsport Area Transit Service) in Kingsport, TN. I got your email and number off the TN UCP DBE list online. We have built a new transit center and are interested in discussing with you what you do and look at opportunities to possibly do business with you regarding future landscaping needs. If you will, call me or email me at your convenience.

Thank you,

Candace Sherer
Transit Planner
City of Kingsport
P: 423-343-9711
candacesherer@kingsporttn.gov
Wow, this really means a lot to me! You guys are awesome. I appreciate both of you for thinking about me and will be looking into getting certified as a DBE company.

Thank you,

John Schramlin
Graphic Designer
CapTeeVation, Inc.
423-854-0008

Hours of operation:
Mon- Thur 8:30-6:00
Friday closed

www.capteevation.com
Check us out on Facebook
Sign up for our Newsletter: http://eepurl.com/un19v

On Thu, May 24, 2018 at 12:38 PM, Sherer, Candace <CandaceSherer@kingsporttn.gov> wrote:

Hi John. See below. Brad Osbourne with Johnson City Transit and myself have both taken it upon ourselves to try to research this for you and Brad did receive an answer which is listed below. I think you would have the opportunity to still be DBE if you choose to prove social and economic disadvantage, and majority owner of an independent small business. I don’t know how important staying DBE is to you, but it seems to me that since Capteevation was DBE under Joy’s name, it maybe would not be as hard to prove. Totally up to you. Again, congratulations.
Good Morning,

Great question. Yes, anyone can apply for the program, and anyone can be eligible as a DBE as long as they meet the eligibility requirements established by 49 CFR Part 26. Each applicant is required to prove that they are socially and economically disadvantaged and that they are the majority owner of an independently ran for-profit small business. As it pertains to disadvantage, there is a presumption of social disadvantage for minorities and women see 26.67(a) below. This means that women and minorities that apply for DBE Certification in the program do not have to prove that they are socially disadvantaged, however they are still required to prove that they are economically disadvantaged. A person is economically disadvantaged if their personal net worth is below 1.32 million and their submitted personal documents show that they do not have the ability to acquire substantial wealth see 26.67(b) below.

If the individual applying for DBE Certification in the program is not a minority or a woman, then they have to prove that they are socially disadvantaged in addition to proving economic disadvantage see 26.67(d) below. Using your example, If the individual applying for DBE Certification in the program is a “White Male”, he will have to prove social and economic disadvantage in addition to the other eligibility requirements. If the “White Male” applicant successfully proves by a preponderance of evidence that he is socially disadvantaged, economically disadvantaged, and majority owner of an independent small business, then he will be considered
eligible for DBE Certification. The factors used in considering whether a DBE applicant is socially disadvantaged are listed in Appendix E of 49 CFR Part 26 see below.

De'Antwaine Moye | Contract Compliance Officer
Civil Rights Division
James K. Polk Bldg, 18th Floor
505 Deaderick St., Nashville, TN 37243
p. 615-532-3495
DeAntwaine.Moye@tn.gov
www.tn.gov/tdot/civil-rights/small-business-development-program

49 CFR 26.67(a)

(a) Presumption of disadvantage. (1) You must rebuttably presume that citizens of the United States (or lawfully admitted permanent residents) who are women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, or other minorities found to be disadvantaged by the SBA, are socially and economically disadvantaged individuals. You must require applicants to submit a signed, notarized certification that each presumptively disadvantaged owner is, in fact, socially and economically disadvantaged.
(2)(i) You must require each individual owner of a firm applying to participate as a DBE, whose ownership and control are relied upon for DBE certification, to certify that he or she has a personal net worth that does not exceed $1.32 million.

49 CFR 26.67(b)

(ii)(A) If the statement of personal net worth and supporting documentation that an individual submits under paragraph (a)(2) of this section demonstrates that the individual is able to accumulate substantial wealth, the individual's presumption of economic disadvantage is rebutted. In making this determination, as a certifying agency, you may consider factors that include, but are not limited to, the following:

(1) Whether the average adjusted gross income of the owner over the most recent three year period exceeds $350,000;

(2) Whether the income was unusual and not likely to occur in the future;

(3) Whether the earnings were offset by losses;

(4) Whether the income was reinvested in the firm or used to pay taxes arising in the normal course of operations by the firm;

(5) Other evidence that income is not indicative of lack of economic disadvantage; and

(6) Whether the total fair market value of the owner's assets exceed $6 million.

49 CFR 26.67(d)

(d) Individual determinations of social and economic disadvantage. Firms owned and controlled by individuals who are not presumed to be socially and economically disadvantaged (including individuals whose presumed disadvantage has been rebutted) may apply for DBE certification. You must make a case-by-case determination of whether each individual whose ownership and control are relied upon for DBE certification is socially and
economically disadvantaged. In such a proceeding, the applicant firm has the burden of demonstrating to you, by a preponderance of the evidence, that the individuals who own and control it are socially and economically disadvantaged. An individual whose personal net worth exceeds $1.32 million shall not be deemed to be economically disadvantaged. In making these determinations, use the guidance found in Appendix E of this part. You must require that applicants provide sufficient information to permit determinations under the guidance of appendix E of this part.

49 CFR Part 26 (Appendix E)

The following guidance is adapted, with minor modifications, from SBA regulations concerning social and economic disadvantage determinations (see 13 CFR 124.103(c) and 124.104).

Social Disadvantage

I. Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. Social disadvantage must stem from circumstances beyond their control. Evidence of individual social disadvantage must include the following elements:

(A) At least one objective distinguishing feature that has contributed to social disadvantage, such as race, ethnic origin, gender, disability, long-term residence in an environment isolated from the mainstream of American society, or other similar causes not common to individuals who are not socially disadvantaged;

(B) Personal experiences of substantial and chronic social disadvantage in American society, not in other countries; and

(C) Negative impact on entry into or advancement in the business world because of the disadvantage. Recipients will consider any relevant evidence in assessing this element. In every case, however, recipients will consider education, employment and business history, where applicable, to see if the totality of circumstances shows disadvantage in entering into or advancing in the business world.

(1) Education. Recipients will consider such factors as denial of equal access to institutions of higher education and vocational training, exclusion from social and professional association with students or teachers, denial of educational honors rightfully earned, and social patterns or pressures which discouraged the individual from pursuing a professional or business education.
(2) Employment. Recipients will consider such factors as unequal treatment in hiring, promotions and other aspects of professional advancement, pay and fringe benefits, and other terms and conditions of employment; retaliatory or discriminatory behavior by an employer or labor union; and social patterns or pressures which have channeled the individual into non-professional or non-business fields.

(3) Business history. The recipient will consider such factors as unequal access to credit or capital, acquisition of credit or capital under commercially unfavorable circumstances, unequal treatment in opportunities for government contracts or other work, unequal treatment by potential customers and business associates, and exclusion from business or professional organizations.

II. With respect to paragraph I.(A) of this appendix, the Department notes that people with disabilities have disproportionately low incomes and high rates of unemployment. Many physical and attitudinal barriers remain to their full participation in education, employment, and business opportunities available to the general public. The Americans with Disabilities Act (ADA) was passed in recognition of the discrimination faced by people with disabilities. It is plausible that many individuals with disabilities—especially persons with severe disabilities (e.g., significant mobility, vision, or hearing impairments)—may be socially and economically disadvantaged.

III. Under the laws concerning social and economic disadvantage, people with disabilities are not a group presumed to be disadvantaged. Nevertheless, recipients should look carefully at individual showings of disadvantage by individuals with disabilities, making a case-by-case judgment about whether such an individual meets the criteria of this appendix. As public entities subject to Title II of the ADA, recipients must also ensure their DBE programs are accessible to individuals with disabilities. For example, physical barriers or the lack of application and information materials in accessible formats cannot be permitted to thwart the access of potential applicants to the certification process or other services made available to DBEs and applicants.

From: Bradley Osborne [mailto:bosborne@johnsoncitytransit.org]
Sent: Wednesday, May 23, 2018 4:09 PM
To: DeAntwaine Moye
Subject: "White Males" Owned Business And DBE Eligibility

*** This is an EXTERNAL email. Please exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email - STS-Security. ***

Mr. Moye,
I’ve just discovered something that has thrown me for a loop with regard to eligibility for the DBE program.

Per the below links:

https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/the-new-dot-dbe-rule-is-narrowly-tailored-meeting-the-adarand-test


It appears that “White Males” can be eligible for the DBE program, but they first must meet several criteria.

From the above link:

<table>
<thead>
<tr>
<th>Use of factors other than race in determining program eligibility</th>
<th>Eligibility is based on social and economic disadvantage. To ensure that only genuinely disadvantaged individuals participate, there is a $750,000 personal net worth cap.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The certification of any firm is subject to challenge by recipients, DOT, and third parties.</td>
</tr>
<tr>
<td></td>
<td>Simplification of certification process and eligibility standards for <strong>white males.</strong></td>
</tr>
</tbody>
</table>
The term “white male” is not identified in the actual regulations, and I thought the intent of the program was only for women and minorities. Can you provide some clarity for me?

Are white males allowed to be a DBE if they prove they are disadvantaged, their business makes less than 22 million and their personal net worth is $750,000 or less?

Thank you,

Bradley Osborne
Transit Planner

137 W. Market Street
Johnson City, TN 37604
423.434.6269
bosborne@johnsoncitytransit.org
Hi Joy. Would you have a moment to call me? Wanted to discuss DBE for just a few minutes. Thanks. See number below.

Candace Sherer
Transit Planner
KATS-Kingsport Area Transit Service
423-343-9711