



## **DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL FY 2020 - FY 2022**

### **Summary**

In keeping with the requirements of 49 C.F.R. Part 26 (Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs), an overall Disadvantaged Business Enterprise (DBE) goal has been developed for DBE participation in DOT-assisted contracting by the City of Santa Rosa Transit Division (Santa Rosa CityBus) during Fiscal Year 2020 through Fiscal Year 2022 (FY20-22). Santa Rosa CityBus receives funding from the Federal Transit Administration (FTA) of U.S. Department of Transportation.

Santa Rosa CityBus' overall DBE goal for FY20-22 is 9.97% of the federal financial assistance we will expend in FTA-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles.

This goal identifies the relative availability of DBEs based on evidence of ready, willing, and able DBEs in relationship to all comparable businesses which are known to be available to compete in the Transit Division's FTA-assisted contracts. The overall DBE goal reflects staff's determination of the level of DBE participation which would be expected absent the effects of discrimination. The methodology for developing the goal is in the next section.

### **Overall DBE Goal Submission**

FTA-assisted contracting for FY20-22 is expected to consist some capital projects, paratransit operations contracts and purchase of transit vehicles, which are not subject to this goal-setting process<sup>1</sup>. Additional projects may be undertaken if additional revenue becomes available; the overall DBE goal will be adjusted if necessary. The local market area for Santa Rosa and the area used (when identifying "all firms" and "DBE firms") for all the projects was all nine (9) counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma) within Caltrans Region 4. The anticipated contracts are listed below in the Goal Setting Methodology under Figure 2, column "projects".

### **Public Participation in Setting Overall DBE Goal**

A list was generated of minority, women's, general professional and trade organizations, and other organizations which could be expected to have information concerning the availability of

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<sup>1</sup> DBE goals for Transit Vehicle Manufacturers (TVMs) are established through a separate FTA process.

disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, Santa Rosa CityBus' efforts to establish a level playing field for the participation of DBEs. Santa Rosa CityBus reached out to our region's transit agencies (Sonoma County Transit and Petaluma Transit) to ensure the creation of an exhaustive list of these organizations (Figure 1) which were e-mailed to ensure they were aware of, and encouraged to provide comments on the proposed DBE goal.

As can be seen in Exhibit A, the updated DBE Goal Methodology was published on our website at: <https://srcity.org/1307/Disadvantaged-Business-Enterprise-DBE-Go> for the general public as well as the organizations listed (Figure 1) to be able to review and comment on our goal. In the email an open-ended opportunity was given to schedule an additional meeting based on the organization's availability. **Unfortunately, none of the organizations provided comments or feedback, therefore there were no changes made to the document.** To improve Santa Rosa CityBus' outreach with organizations that could comment on our DBE goal, we will attend future meetings of the Business Outreach Committee (BOC), a consortium of Bay Area transit and transportation agencies, that are seeking to level the playing field for disadvantaged business enterprises (DBEs).

Organization	Website
Hispanic Chamber of Commerce of Marin	<a href="http://hccmarin.com/">http://hccmarin.com/</a>
Hispanic Chamber of Commerce of Sonoma County:	<a href="http://www.hcc-sc.org/">http://www.hcc-sc.org/</a>
Latinos in Transit	see Facebook account
Marin Small Business Development Center	<a href="http://marinsbdc.org/">http://marinsbdc.org/</a>
Napa-Sonoma Small Business Development Center:	<a href="http://napasonomasbdc.org/">http://napasonomasbdc.org/</a>
National Association of Women Business Owners SF Bay Area	<a href="https://www.nawbo.org/san-francisco-bay-area">https://www.nawbo.org/san-francisco-bay-area</a>
North Bay Black Chamber of Commerce:	<a href="http://www.nbbcc.org/home-black-chamber-commerce.html">http://www.nbbcc.org/home-black-chamber-commerce.html</a>
North Coast Builders Exchange:	<a href="http://www.ncbeonline.com/">http://www.ncbeonline.com/</a>
Petaluma Chamber of Commerce	<a href="http://www.petalumachamber.com/">http://www.petalumachamber.com/</a>
Santa Rosa Chamber of Commerce:	<a href="http://www.santarosachamber.com/">http://www.santarosachamber.com/</a>

Figure 1

The DOT DBE Final Rule, which became effective November 3, 2014, requires that the grantee posts on its website a notice announcing the proposed overall goal before submission to FTA. The notice may be also posted in any other sources (local minority-focused media, and trade association publications). Such notice must inform the public that the proposed DBE goal and its rationale are available for inspection during normal business hours. Santa Rosa CityBus and the FTA, as the Santa Rosa CityBus' lead agency on behalf of the DOT, will accept comments on the proposed goal.

Interested parties are encouraged to submit comments to:

City of Santa Rosa  
 C/O: Brandalyn Tramel, DBE Liaison Officer  
 City of Santa Rosa  
 635 1st St., 2nd Floor  
 Santa Rosa, CA 95404

Federal Transit Administration, Region 9  
 C/O: Civil Rights Officer  
 San Francisco Federal Building  
 90 7<sup>th</sup> Street Suite 15-300  
 San Francisco, CA 94103

## Goal Setting Methodology

Santa Rosa CityBus has defined FTA-assisted contracting opportunities that were considered in preparing its Overall Annual DBE Goal Setting Analysis for FY 20-22. The projects (Figure 2) are anticipated to be awarded and/or expended within the next three Federal fiscal years.

<b>Project Summary Using Federal Funding Over Next 3 Years</b>		
<b>Projects</b>	<b>Estimated Project Costs</b>	<b>Max Allowable Federal Dollar Share</b>
<b>Capital Projects</b>		
Transit Hub/Stop Amenities	\$169,434	\$150,000
Real-Time Information Signage System	\$56,478	\$50,000
Transit Mall Kiosk Improvements	\$56,479	\$50,001
Fare Collection - Acquisition (Clipper Machine)	\$112,956	\$100,000
4G Modem Upgrade	\$68,903	\$61,000
Bus Hoist Replacement	\$360,000	\$288,000
Bus Stop Improvements	\$84,000	\$67,200
Fare Collection - Acquisition	\$19,667	\$15,734
Bus Charging Infrastructure	\$100,000	\$80,000
<b>Sub-Total Capital expenditures FY 20-22</b>	<b>\$1,027,917</b>	<b>\$861,934</b>
<b>Operational Projects</b>		
Paratransit Eligibility	\$300,000	\$150,000
Paratransit Service	\$1,200,000	\$600,000
<b>Sub-Total Operation Expenditures FY 20-22</b>	<b>\$1,500,000</b>	<b>\$750,000</b>
<b>Total expenditures FY 20-22</b>	<b>\$2,527,917</b>	<b>\$1,611,934</b>
<b>Estimate Max Allowable Annual Federal Funds</b>		<b>\$537,311</b>

Figure 2

A two-step process was used to establish the overall DBE goal, as described below.

### **Step 1: Compute Base Figure**

Per 49 CFR 26.45(c), a base figure was developed to determine the relative availability of DBEs to perform work on the anticipated contracts. The projects work was identified and the North American Industry Classification System (NAICS) code associate with this work description was identified and the number of firms available were identified by using these NAICS codes.

Available firms were identified by going to the Census Bureau's Fact Finder website:

<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>, using an "Advanced Search", then under "Geographies" select the geographic type "County", State "CA", and then each of the nine (9) counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma) within Caltrans Region 4, and "Add Selections". Then select ""Industry

Codes” and enter each individual NAICS code. Running the report provided the figure used for “total establishments”. The California Department of Transportation maintains a DBE directory at [http://www.dot.ca.gov/hq/bep/find\\_certified.htm](http://www.dot.ca.gov/hq/bep/find_certified.htm) that was used as the most relevant data source to find the number of DBEs that are ready willing and able (RWA) to do each project.

The formula for calculating the “Base Figure” of relative availability of DBEs is noted in Figure 3.

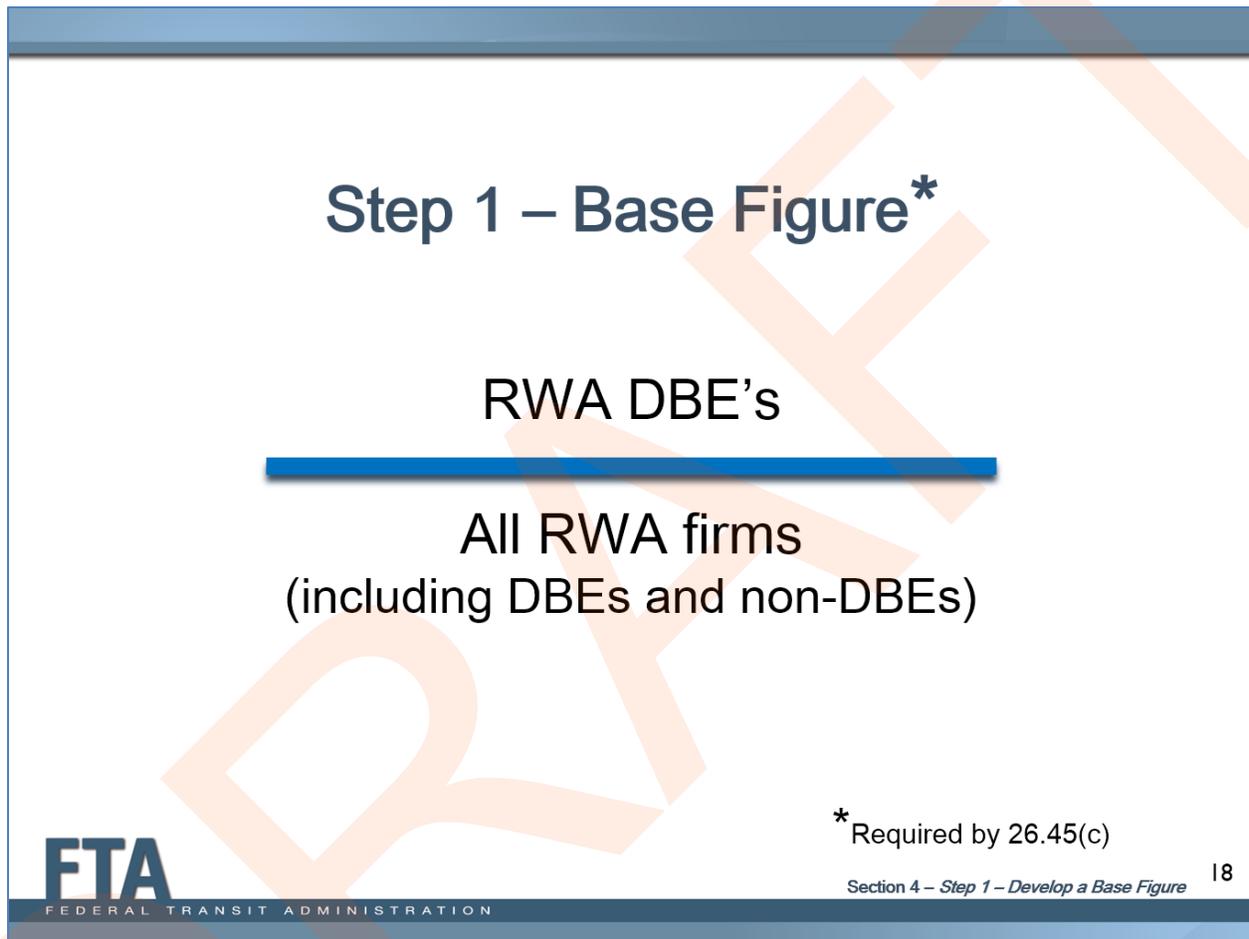


Figure 3

### Step 1b: Compute a Weighted Base Figure

Based on guidance from FTA and the U.S. DOT Office of Small and Disadvantaged Business Utilization, a weighted base figure was computed that considers the relative size of the anticipated contracts. The formula for the “Weighted Base Figure” is in Figure 4.

## Step 1 - Weighted Base Figure \*

Project's Percentage of Total Budget

$\times$  (RWA DBEs / All RWA Firms)

=

Weighted Base Figure

Repeat and sum equation as needed

\* Highly recommended but not required by regulation

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Figure 4

The weighted base figure was developed by:

- 1) Using the California Unified Certification Program Directory [http://www.dot.ca.gov/hq/bep/find\\_certified.htm](http://www.dot.ca.gov/hq/bep/find_certified.htm) to identify the number of registered DBEs willing to perform work in the Santa Rosa CityBus' market area<sup>2</sup> for each of the anticipated contracts, based on the NAICS code most relevant to each contract based on data collected in August 2016.
- 2) Using 2016 County Business Patterns (CBP) data from the U.S. Census Bureau <https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t> to identify the total number of businesses available in Santa Rosa CityBus' market area for work on each contract, based on the same NAICS codes.

<sup>2</sup> Santa Rosa CityBus' market area is defined as the nine counties of the Bay Area, including Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

- 3) Dividing the number of DBEs by the number of all businesses to determine the relative availability of DBEs in the market area, for each contract, noted as “Relative Availability” in Figure 5.

NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs) within the 9 counties									Number of all firms available (including DBEs)	Relative Availability
			Alameda	Contra Costa	Martin	Napa	San Francisco	San Mateo	Santa Clara	Solano	Sonoma		
1) 541330	Transit Hub/Stop Amenities - Design	358	466	321	81	32	329	158	712	48	137	2284	0.1567
2) 237310	Transit Hub/Stop Amenities - Install	176	39	28	5	7	13	19	22	10	23	166	1.0602
3) 423440	Real-Time Information Signage System	6	32	13	2	1	16	13	17	3	12	109	0.0550
4) 541330	Transit Mall Kiosk Improvements - Design	358	466	321	81	32	329	158	712	48	137	2284	0.1567
5) 237310	Transit Mall Kiosk Improvements - Construction	176	39	28	5	7	13	19	22	10	23	166	1.0602
6) 334514	Fare Collection - Acquisition (Clipper Machine)	1	0	1	0	0	0	1	1	0	4	7	0.1429
7) 423690	4G Modern Upgrade	18	170	34	6	3	32	41	532	9	20	847	0.0213
8) 423120	Bus Hoist Replacement - Purchase	10	76	18	7	0	12	23	56	5	11	208	0.0481
9) 238290	Bus Hoist Replacement - Install	22	44	20	2	0	13	21	19	7	4	130	0.1692
10) 541330	Bus Stop Improvements - Design	358	466	321	81	32	329	158	712	48	137	2284	0.1567
11) 236220	Bus Stop Improvements - Install	139	163	118	41	15	113	101	173	28	67	819	0.1697
12) 334514	Fare Collection - Acquisition	1	0	1	0	0	0	1	1	0	4	7	0.1429
13) 541330	Bus Charging Infrastructure - Design	358	466	321	81	32	329	158	712	48	137	2284	0.1567
14) 237310	Bus Charging Infrastructure - Construction	176	39	28	5	7	13	19	22	10	23	166	1.0602
15) 541612	Paratransit Eligibility	87	47	39	22	0	61	31	60	3	11	274	0.3175
16) 485113	Paratransit Service	0	5	1	0	1	5	3	5	1	2	23	0.0000

Figure 5

- 4) Computing a weighted base figure using the percent of the total FTA dollars for each anticipated contract as has been done in Figure 6.

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	541330	Transit Hub/Stop Amenities - Design	\$119,899.72	0.0744
2)	237310	Transit Hub/Stop Amenities - Install	\$30,100.20	0.0187
3)	423440	Real-Time Information Signage System	\$49,999.97	0.0310
4)	541330	Transit Mall Kiosk Improvements - Design	\$49,999.97	0.0310
5)	237310	Transit Mall Kiosk Improvements - Construction	\$0.89	0.0000
6)	334514	Fare Collection - Acquisition (Clipper Machine)	\$99,999.95	0.0620
7)	423690	4G Modem Upgrade	\$60,999.83	0.0378
8)	423120	Bus Hoist Replacement - Purchase	\$230,400.00	0.1429
9)	238290	Bus Hoist Replacement - Install	\$57,600.00	0.0357
10)	541330	Bus Stop Improvements - Design	\$799.20	0.0005
11)	236220	Bus Stop Improvements - Install	\$66,400.80	0.0412
12)	334514	Fare Collection - Acquisition	\$15,733.60	0.0098
13)	541330	Bus Charging Infrastructure - Design	\$40,000.00	0.0248
14)	237310	Bus Charging Infrastructure - Construction	\$40,000.00	0.0248
15)	541612	Paratransit Eligibility	\$150,000.00	0.0931
16)	485113	Paratransit Service	\$600,000.00	0.3722
<b>Total FTA-Assisted Contract Funds</b>			<b>\$1,611,934.13</b>	<b>1</b>

Figure 6

- 5) Finally, the figure for relative availability of DBEs and percent of the total FTA dollars for each anticipated contract provides the weighted base figure as found in Figure 7.

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	541330	Transit Hub/Stop Amenities - Design	0.07438	x	0.15674	0.0117
2)	237310	Transit Hub/Stop Amenities - Install	0.01867	x	1.06024	0.0198
3)	423440	Real-Time Information Signage System	0.03102	x	0.05505	0.0017
4)	541330	Transit Mall Kiosk Improvements - Design	0.03102	x	0.15674	0.0049
5)	237310	Transit Mall Kiosk Improvements - Construction	0.00000	x	1.06024	0.0000
6)	334514	Fare Collection - Acquisition (Clipper Machine)	0.06204	x	0.14286	0.0089
7)	423690	4G Modem Upgrade	0.03784	x	0.02125	0.0008
8)	423120	Bus Hoist Replacement - Purchase	0.14293	x	0.04808	0.0069
9)	238290	Bus Hoist Replacement - Install	0.03573	x	0.16923	0.0060
10)	541330	Bus Stop Improvements - Design	0.00050	x	0.15674	0.0001
11)	236220	Bus Stop Improvements - Install	0.04119	x	0.16972	0.0070
12)	334514	Fare Collection - Acquisition	0.00976	x	0.14286	0.0014
13)	541330	Bus Charging Infrastructure - Design	0.02481	x	0.15674	0.0039
14)	237310	Bus Charging Infrastructure - Construction	0.02481	x	1.06024	0.0263
15)	541612	Paratransit Eligibility	0.09306	x	0.31752	0.0295
16)	485113	Paratransit Service	0.37222	x	0.00000	
<b>Total</b>						0.1288
Expressed as a % (*100)						12.88%
<b>Rounded, Weighted Base</b>						<b>13%</b>

Figure 7

## Step 2: Adjust Base Figure

Per 49 CFR 26.45(d), following calculation of a base figure, all available evidence must be examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall DBE goal. The primary form of evidence available is the past participation of DBEs in Santa Rosa CityBus contracting.

Though there are less operational contracting opportunities identified in this triennial goal cycle than there have been in past goal setting due to focusing the use of DOT funding on internal operational costs, adjusting the base figure based on past participation is still a valid benchmark for future participation, as past projects in the capital side are very similar to the expected future projects.

- a. **Determining the Median Past Participation.** The first step in adjusting our Step One Base Figure for past participation is to determine the "median" past participation percentages as shown in Figure 8.

Year	Overall DBE achieved
2016	100.00%
2017	7.05%
2018	5.94%
<b>Median (2016, 2017 &amp; 2018)</b>	<b>7.05%</b>
<b>Average (2017 &amp; 2018)*</b>	<b>6.50%</b>

Figure 8

- b. **Adjusting the Step One Base Figure with the Median Past Participation.** With these principles in mind, we calculated our median past participation percentage and used that figure to adjust our Step One Base Figure by taking the average of the sum of our median past participation figure and our Step One Base figure as shown in Figure 9.

Rounded Weighted Base Figure:	12.88%
Historical Median:	7.05%
Sum	19.93%
<b>DBE Goal Race Neutral</b>	<b>9.97%</b>

Figure 9

Based on this analysis, Santa Rosa CityBus proposes an overall DBE goal of 9.97 % of FTA funds that will be expended in FTA-assisted contracts in FY20-22, exclusive of funds to be used for the purchase of transit vehicles.

### **Use of Race-Neutral Methods and DBE Contract Goals**

The U.S. DOT regulations require that race-neutral methods be used to the maximum extent feasible to achieve the DBE overall goal. As a grantee in FTA Region 9 (Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, or Washington) Santa Rosa CityBus would need to utilize a disparity study or similar analysis before using race-conscious goals. The California Department of Transportation Division of Rail and Mass Transit conducts a routine disparity study<sup>3</sup> which find evidence of barriers for DBE qualified minorities and women owned businesses, with a focus on “study industries” including “construction” and “engineering-related services”. When Santa Rosa CityBus puts out a bid for a project over the next three years within the “construction” or “engineering-related services” arena, we will consider contract goals based on these disparity studies. Additionally, if there are other disparity studies that we are not aware of at this time, Santa Rosa CityBus will adjust our goal if these disparity studies are applicable to our projects. Of note, many of the capital projects have the potential for construction work, but some may be performed “in-house” and completed by City of Santa Rosa Public Works staff engineers and field teams. Most of our projects will not exceed the threshold for establishing a project goal (above \$100,000) nor do they have subcontracting opportunities within them, except for; the bus hoist project, and Transit Hub/Stop Amenities project.

Race-neutral methods include making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses; unbundling large contracts to make them more accessible to small businesses; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; and providing technical assistance, communications programs, and other support services to facilitate consideration of DBEs and other small businesses.

It is anticipated that the DBE goal for FTA-assisted contracts will be achieved through race-neutral methods, and Santa Rosa CityBus does not propose to use a race conscious goal to meet our overall DBE Goal for FY20-22. During this period, Santa Rosa CityBus will closely monitor our process of meeting our Goal race neutrally. If Santa Rosa CityBus is unable to show significant progress in meeting the goal race neutrally, a short fall analysis will be conducted, and race conscious goals will be further considered.

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<sup>3</sup> Caltrans Disparity Studies for FTA Contracts Conducted by BBC Consulting  
2014 Final Report dated December 5, 2014: [http://www.dot.ca.gov/drmt/docs/feddbe/disparity\\_study.pdf](http://www.dot.ca.gov/drmt/docs/feddbe/disparity_study.pdf)  
2016 Final Report dated April 28, 2017: <http://www.dot.ca.gov/obeo/docs/2016DisparityStudyReport.pdf>  
2019 Draft Report dated May 30, 2019: [http://www.dot.ca.gov/drmt/docs/feddbe/2019\\_disparity-study-draft.pdf](http://www.dot.ca.gov/drmt/docs/feddbe/2019_disparity-study-draft.pdf)

Santa Rosa CityBus will focus our efforts by:

- Developing race-neutral methods for facilitating DBE participation
- Utilizing the Caltrans UPC to advertise all federally funded expenditures with certified DBEs
- Advertising projects on Planet Bids ([www.planetbids.com](http://www.planetbids.com)) so that we can better track our visibility to DBEs
- Outreach to DBEs and encourage them to sign up to receive notices of projects advertised on Planet Bids.

To improve Santa Rosa CityBus' outreach with organizations that could comment on our DBE goal and connect with DBE certified firms, we have attended and plan to attend future meetings of the Business Outreach Committee (BOC). When contracting, we will advise prospective contractors of areas for possible subcontracting, and of the availability of ready, willing, and able subcontractors, including DBE firms, to perform such work.