



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 process¹. 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".

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

Public Participation in Setting Overall DBE Goal

Santa Rosa CityBus reached out to our region’s transit agencies (Sonoma County Transit and Petaluma Transit), performed internet searches, utilized past mailings, and included any contacts made through past public meetings to generate a listing of minority, women’s, general professional, trade, and other organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses (Figure 1). These organizations were sent an initial email on May 30, 2019 and a follow-up email on 7/1/2019 (Exhibit A) to ensure that they were made aware of the opportunity to provide comments on the proposed DBE goal.

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

Figure 1

Santa Rosa CityBus found that, in the past, pre-scheduled public meetings that were prepared for these organizations to attend to discuss and make comments on the goal had not been attended. As a substitute of creating a specific scheduled meeting, Santa Rosa CityBus included in our email communication an open invitation to schedule a meeting with our group that would work best for the respective organization. Unfortunately, no organization contacted us for a meeting time.

The only comment received was on 6/3/2019 from the Marin Small Business Development Center, which focused on some of the sentences being grammatically incorrect, therefore those were the only changes made to the document.

Additionally, 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. As shown in Exhibit A, the updated DBE Goal Methodology was published 7/1/2019 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.

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 will accept comments on the proposed goal.

Interested parties are encouraged to submit comments anytime 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

To improve Santa Rosa CityBus' future outreach with organizations that could comment on our DBE goal, we will continue to 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), and schedule regular public meetings to encourage public participation.

Data Consulted for Available Evidence

Santa Rosa CityBus used all available sources including the following to assist in considering our DBE goal setting methodology in Step One and Step Two:

- Census Bureau's Fact Finder to identify available firms (DBEs and non-DBEs) for the process in Step One
- California Department of Transportation's Unified Certification Program DBE directory for those DBEs able to bid for the process in Step One
- Data from disparity studies performed by other agencies
- Past actual DBE participation was used to adjust the figure in Step Two

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.

Project Summary Using Federal Funding Over Next 3 Years		
Projects	Estimated Project Costs	Max Allowable Federal Dollar Share
Capital Projects		
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
Sub-Total Capital expenditures FY 20-22	\$1,027,917	\$861,934
Operational Projects		
Paratransit Eligibility	\$300,000	\$150,000
Paratransit Service	\$1,200,000	\$600,000
Sub-Total Operation Expenditures FY 20-22	\$1,500,000	\$750,000
Total expenditures FY 20-22	\$2,527,917	\$1,611,934
Estimate Max Allowable Annual Federal Funds		\$537,311

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.

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

Step 1 – Base Figure*

RWA DBE's

All RWA firms
(including DBEs and non-DBEs)

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 *

$$\begin{array}{c} \text{Project's Percentage of Total Budget} \\ \times (\text{RWA DBEs} / \text{All RWA Firms}) \\ = \\ \text{Weighted Base Figure} \end{array}$$

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 to identify the number of registered DBEs willing to perform work in the Santa Rosa CityBus' market area² 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.

² 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	Marin	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 Modem 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		
Combined Totals		2244											12058	18.61%	<i>Overall availability of DBEs</i>

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
Total FTA-Assisted Contract Funds			\$1,611,934.13	1

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	
Total						0.1288
Expressed as a % (*100)						12.88%
Rounded, Weighted Base						13%

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 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	DBE past participation achieved
2016	100.00%
2017	7.05%
2018	5.94%
Historical Median:	7.05%

Figure 8

- b. **Adjusting the Step One Base Figure with the Median Past Participation.** With these principles in mind, we took:

(Base Figure 12.88%) + (Historical Median 7.05%) = 19.93% ÷ 2 = 9.97% as shown in Figure 9.

Weighted Base Figure:	12.88%
Historical Median:	7.05%
Sum	19.93%
Overall DBE Goal	9.97%

Figure 9

Based on this analysis, Santa Rosa CityBus proposes an overall DBE goal of 9.97% using 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.

In the past few fiscal years, Santa Rosa CityBus has worked to meet our DBE participation goal on FTA assisted contracts using race-neutral methods as seen in figure 10.

Fiscal Year	Overall Goal	Achievment	% of Goal Achieved
2016	7.40%	100.00%	1351.35%
2017	7.40%	7.05%	95.31%
2018	7.40%	5.94%	80.34%
2019*	7.40%	6.73%	91.00%
*Based on semi-annual (1/2) of fiscal year, remainder to be determined			

Figure 10

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.

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 study³ 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.

³ Caltrans Disparity Studies for FTA Contracts Conducted by BBC Consulting
2014 Final Report dated December 5, 2014: http://www.dot.ca.gov/drmt/docs/feddbbe/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/feddbbe/2019_disparity-study-draft.pdf

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.

With these considerations, it is anticipated that the DBE goal for FTA-assisted contracts will be achieved strictly 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 as shown in Figure 11.

Overall DBE Goal	9.97%
DBE Goal Race Neutral	9.97%
DBE Goal Race Conscious	0%

Figure 11

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.

Santa Rosa CityBus will focus our efforts by:

- Developing race-neutral methods for facilitating DBE participation
- Utilizing the Caltrans UCP to identify and notify potential DBEs about all federal and non-federal funded contracting opportunities
- Advertising projects on Planet Bids (www.planetbids.com) so that we can better track our visibility to DBEs
- Ensure contracts are accessible to small businesses, by making efforts to unbundle large contracts
- Notify prospective contractors of areas of possible subcontracting, and the availability of ready, willing, and able subcontractors, including DBE firms, to perform such work
- Outreach to DBEs and encourage them to sign up to receive notices of projects advertised on Planet Bids <https://www.planetbids.com/portal/portal.cfm?CompanyID=20314>

To improve Santa Rosa CityBus’ outreach with organizations that could comment on our DBE goal and connect with DBE certified firms, Santa Rosa CityBus continues to participate in meetings of the Business Outreach Committee (BOC), a consortium of 26 Bay Area transit and transportation agencies that is formed to maximize outreach efforts, including events for contractors and agencies to network and build relationships to promote DBE participation. The agencies included include Alameda-Contra Costa Transit District, Alameda County Transportation Commission, Bay Area Rapid Transit, California Department of Transportation, California High Speed Rail

Authority, Central Contra Costa Transit Authority, City of Rio Vista, City of Santa Rosa, Golden Gate Bridge, Highway and Transportation District, Livermore Amador Valley Transit Authority, Marin Transit, Metropolitan Transportation Commission, Napa Valley Transportation Authority, Peninsula Corridor Joint Powers Board, San Francisco Bay Area Water Emergency Transit Authority, San Francisco County Transportation Authority, San Francisco Municipal Transportation Agency, San Mateo County Transit District, Santa Clara Valley Transportation Authority, Santa Cruz Metropolitan Transit District, Solano County Transit, Sonoma County Department of Transportation and Public Works, Sonoma-Marín Area Rail Transit District, Transbay Joint Powers Authority, Tri Delta Transit, and Western Contra Costa Transit Authority.