



## **DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL FY 2023 - FY 2025**

Version 2022.04.12

### **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 2023 through Fiscal Year 2025 (FY23-25). Santa Rosa CityBus receives funding from the Federal Transit Administration (FTA) of the DOT.

Santa Rosa CityBus' overall DBE goal for FY23-25 is 6.45% of the federal financial assistance we anticipate 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 DBE's based on evidence of ready, willing, and able DBEs in relationship to all comparable businesses which are known to be available to compete in Santa Rosa CityBus 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 is expected to consist of 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".

---

<sup>1</sup> DBE goals for Transit Vehicle Manufacturers (TVMs) are established through a separate FTA process.  
<https://www.transit.dot.gov/TVM>

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

Santa Rosa CityBus participated as a member agency in public meetings that were launched by the Business Outreach Committee (BOC) which is a consortium of Bay Area transportation agencies (held on 4/11/22 and 4/26/22). These meetings included an overview of the DBE Program, the goal setting process, and a comment period for input on the proposed DBE goals of the participating members (including Santa Rosa CityBus).

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 4/8/22 and a follow-up email on 4/xx/22 (Exhibit A) to ensure that they were made aware of the public meeting opportunities listed above to provide comments on our proposed DBE goal.

Organization	Website
Chamber of Commerce - Petaluma	<a href="http://www.petalumachamber.com/">http://www.petalumachamber.com/</a>
Chamber of Commerce - Santa Rosa	<a href="http://www.santarosachamber.com/">http://www.santarosachamber.com/</a>
Hispanic Chamber of Commerce of Marin	<a href="http://hccmarin.com/">http://hccmarin.com/</a>
Hispanic Chamber of Commerce of Sonoma County	<a href="https://sonomahispanicchamber.org/">https://sonomahispanicchamber.org/</a>
Latinos in Transit	<a href="https://www.latinosintransit.org/">https://www.latinosintransit.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>
NorCal Procurement Technical Assistance Center	<a href="https://www.norcalptac.org/">https://www.norcalptac.org/</a>
North Bay Black Chamber of Commerce	<a href="https://www.nbbcc.org/">https://www.nbbcc.org/</a>
North Coast Builders Exchange	<a href="http://www.ncbeonline.com/">http://www.ncbeonline.com/</a>
Northbay Leadership Council	<a href="https://northbayleadership.org/">https://northbayleadership.org/</a>
Small Business Development Center - Marin	<a href="http://marinsbdc.org/">http://marinsbdc.org/</a>
Small Business Development Center - Solano/Napa	<a href="https://www.solanonapasbdc.org/">https://www.solanonapasbdc.org/</a>
Small Business Development Center - Sonoma	<a href="https://www.sonomasbdc.org/">https://www.sonomasbdc.org/</a>

Figure 1

On the meeting of 4/11/22, no comment was received regarding Santa Rosa CityBus' goal. There was primarily a discussion about the difficulties DBE's face in establishing themselves as a viable business, and what sort of training opportunities might be available to assist them in this endeavor.

On the meeting of 4/26/22, .....

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 B, the updated DBE Goal Methodology was published 4/xx/22 on our website at: <https://srcity.org/1307/Disadvantaged-Business-Enterprise-DBE-Go> for the general public as well as the organizations listed above (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 meetings of the BOC that are seeking to level the playing field for DBEs and be available for other 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:

- The [U.S. Census Bureau's PUB Public Sector Annual Survey website](#) to identify available firms (DBEs and non-DBEs) for the process in Step One
- California Department of Transportation's (Caltrans) [Unified Certification Program DBE directory](#) for those DBEs able to bid for the process in Step One
- 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. The projects (Figure 2) have been awarded, 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
<b>Capital Projects</b>		
Transit Hub/Stop Amenities	\$202,080	\$178,901
Fare Collection - Acquisition (Clipper Machine)	\$135,548	\$120,001
Roadbed Rehabilitation	\$990,000	\$876,447
Bus Charging Infrastructure	\$50,000	\$40,000
<b>Sub-Total Capital expenditures</b>	<b>\$1,377,628</b>	<b>\$1,215,349</b>
<b>Operational Projects</b>		
Paratransit Eligibility	\$100,000	\$50,000
Paratransit Service	\$1,875,000	\$937,500
<b>Sub-Total Operation Expenditures</b>	<b>\$1,975,000</b>	<b>\$987,500</b>
<b>Total expenditures</b>	<b>\$3,352,628</b>	<b>\$2,202,849</b>
<b>Estimate Max Allowable Annual Federal Funds</b>		<b>\$734,283</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 project work was used to identify the North American Industry Classification System (NAICS) code associated with this work description. 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.

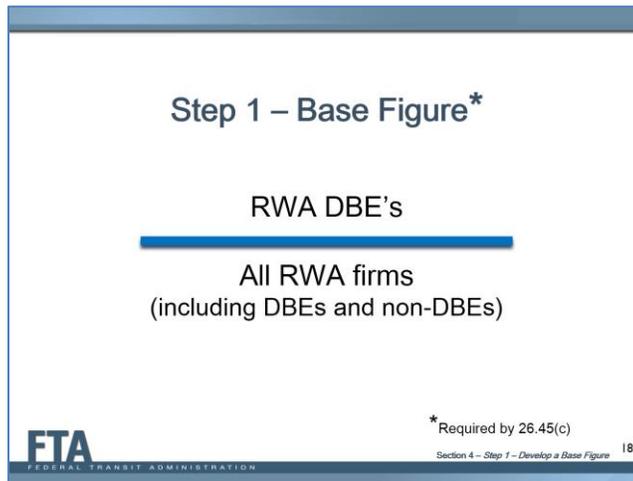


Figure 3

**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

**FTA**  
FEDERAL TRANSIT ADMINISTRATION

27

Figure 4

The weighted base figure was developed by:

- 1) Using the California Unified Certification Program Directory (<https://californiaucp.dbesystem.com/>) 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 during the goal setting.
- 2) Using County Business Patterns (CBP) data from the U.S. Census Bureau (<https://data.census.gov/cedsci/table>) 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.
- 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.

---

<sup>2</sup> The nine counties of the Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

	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	67	515	349	84	31	388	151	731	50	142	2508	0.02671		
2)	237310	Transit Hub/Stop Amenities - Install	29	34	29	5	7	15	11	24	10	25	189	0.15344		
3)	334514	Fare Collection Acquisition (Clipper Machine)	0	0	0	0	0	0	0	0	0	0	0			
4)	237310	Roadbed Reconditioning - Construction	29	34	34	34	34	34	34	34	34	34	335	0.08657		
5)	541330	Bus Charging Infrastructure - Design	67	515	60	5	0	0	0	0	0	0	647	0.10355		
6)	541612	Paratransit Eligibility	12	60	47	29	0	82	31	79	5	11	356	0.03371		
7)	485113	Paratransit Service	0	5	0	0	0	0	3	0	0	0	8	0.00000		
<b>Combined Totals</b>			<b>204</b>											<b>4043</b>	<b>5.05%</b>	<b>Overall availability of DBEs</b>

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	\$125,783.42	0.05710
2)	237310	Transit Hub/Stop Amenities - Install	\$53,118.00	0.02411
3)	334514	Fare Collection - Acquisition (Clipper Machine)	\$120,000.64	0.05448
4)	237310	Roadbed Reconditioning - Construction	\$876,447.00	0.39787
5)	541330	Bus Charging Infrastructure - Design	\$40,000.00	0.01816
6)	541612	Paratransit Eligibility	\$50,000.00	0.02270
7)	485113	Paratransit Service	\$937,500.00	0.42559
<b>Total FTA-Assisted Contract Funds</b>			<b>\$2,202,849.07</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	0.05710	x	0.02671	0.0015
2)	237310	Transit Hub/Stop Amenities - Install	0.02411	x	0.15344	0.0037
3)	334514	Fare Collection - Acquisition (Clipper Machine)	0.05448	x	0.00000	0.0000
4)	237310	Roadbed Reconditioning - Construction	0.39787	x	0.08657	0.0344
5)	541330	Bus Charging Infrastructure - Design	0.01816	x	0.10355	0.0019
6)	541612	Paratransit Eligibility	0.02270	x	0.03371	0.0008
7)	485113	Paratransit Service	0.42559	x	0.00000	0.0000
<b>Total</b>						0.0423
Expressed as a % (*100)						4.23%

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	Overall DBE achieved
2018	5.94%
2019	10.71%
2020	6.65%
2021	15.48%
<b>Median (2018 - 2021)</b>	<b>8.68%</b>

Figure 8

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

(Base Figure 4.23%) + (Historical Median 8.68%) = 12.91% ÷ 2 = 6.45% as shown in Figure 9.

Weighted Base Figure:	4.23%
Historical Median:	8.68%
Sum	12.91%
DBE Goal Race Neutral	6.45%

Figure 9

Based on this analysis, Santa Rosa CityBus proposes an overall DBE goal of 6.45% using FTA funds that will be expended in FTA-assisted contracts in FY23-25, 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	Overall DBE Achievement
2016	7.40%	7.40%
2017	7.40%	7.05%
2018	7.40%	5.94%
2019	9.97%	10.71%
2020	9.97%	6.65%
2021	9.97%	15.48%

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](#) (Arizona, California, Hawaii, Nevada, American Samoa, Commonwealth of the Northern Mariana Islands, and Guam) Santa Rosa CityBus would need to utilize a disparity study or similar analysis before using race-conscious goals. Caltrans conducts

a routine disparity study<sup>3</sup> which finds evidence of barriers for DBE qualified minorities and women owned businesses, with a focus on “study industries” including “construction” and “engineering-related services”.

If 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 setting a contract goal based on these disparity studies. Additionally, if there are other relevant disparity studies that we are not aware of at this time, Santa Rosa CityBus may 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 Roadbed Rehabilitation, and Transit Hub/Stop Amenities projects.

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 as shown in Figure 11.

<b>DBE Goal Race Neutral</b>	<b>6.45%</b>
<b>DBE Goal Race Conscious</b>	<b>0%</b>

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](http://www.planetbids.com)) to track our visibility to DBEs
- Ensure contracts are accessible to small businesses by making efforts to unbundle large contracts

---

<sup>3</sup> Caltrans Disparity Studies for FTA Contracts Conducted by BBC Consulting  
2016 Report dated 4/28/17: <https://dot.ca.gov/-/media/dot-media/programs/civil-rights/documents/2016-disparity-study-report-a11y.pdf>  
2021 Report dated 8/6/21: <https://dot.ca.gov/-/media/dot-media/programs/civil-rights/documents/disparity-study/caltrans-disparity-study-2021-final-report.pdf>

- 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

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 BOC <https://www.goldengate.org/district/doing-business/business-outreach-committee/> to maximize outreach efforts, including events for contractors and agencies to network and build relationships to promote DBE participation.

During this goal setting, the participating agencies include:

- Alameda-Contra Costa Transit District (AC Transit)
- Alameda County Transportation Commission (Alameda CTC)
- Bay Area Rapid Transit (BART)
- California Department of Transportation (Caltrans)
- California High Speed Rail Authority (HSR)
- Central Contra Costa Transit Authority (County Connection)
- City of Rio Vista (Delta Breeze)
- City of Santa Rosa (Santa Rosa CityBus)
- Golden Gate Bridge, Highway and Transportation District (GGBHTD)
- Livermore Amador Valley Transit Authority (LAVTA)
- Marin Transit
- Metropolitan Transportation Commission (MTC)
- Napa Valley Transportation Authority (NVTA)
- Peninsula Joint Powers Board (Caltrain)
- San Francisco Bay Ferry of the Water Emergency Transportation Authority (WETA)
- San Francisco County Transportation Authority (SFCTA)
- San Francisco Municipal Transportation Agency (SFMTA)
- San Mateo County Transit District (SamTrans)
- Santa Clara Valley Transportation Authority (VTA)
- Santa Cruz Metropolitan Transit District (Santa Cruz Metro)
- Solano County Transit (SolTrans)
- Sonoma County Transit (SCT)
- Sonoma-Marin Area Rail Transit (SMART)
- Transbay Joint Powers Authority (TJPA)
- Tri Delta Transit (ECCTA)
- Western Contra Costa Transit Authority (WestCAT)