

# SONOMA COUNTY TRANSIT

## Disadvantaged Business Enterprise (DBE)

### Goal Methodology Report

**FFY 2020-2022**  
**(October 1, 2019 through September 30, 2022)**



**COUNTY OF SONOMA**  
**DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS**  
**SONOMA COUNTY TRANSIT**

## Summary

The County of Sonoma Department of Transportation and Public Works, Transit Division (SCT) has completed its goal setting and methodology for its three-year Disadvantaged Business Enterprise (DBE) overall goal applicable to Federal Fiscal Years (FFY) 2020-2022 contracting opportunities funded by the Federal Transit Administration (FTA) in accordance with 49 CFR Part 26 and has developed a race neutral goal of 0.96%.

The goal is applicable to a total of \$3,840,000 of FTA dollars anticipated for preventative maintenance during the three-year goal period. In the event of changed circumstances, SCT will reevaluate to determine whether the established goal continues to be realistic or if a mid-period adjustment is necessary.

The DBE goal developed is based on the projected availability of ready, willing, and able DBEs to participate in the project. SCT's assessment of FTA-assisted contracts for the goal period included review of the Census Bureau County Business Pattern (CBP) Database, California Unified Certification Program (CUCP) Database, past participation, and proposed goals of similar transit agencies.

### FTA – Assisted Contracts

A total of \$3,480,000 of FTA dollars are anticipated for FTA-assisted contracts during the goal period. Table 1 represents SCT's defined FTA-assisted contracting program that was considered in preparing its Overall Annual DBE Goal Setting Analysis for FFY 2020-2022. The projects have contracting and subcontracting opportunities and are anticipated to be awarded and/or expended within the next three federal fiscal years:

**Table 1**

| <b>Project Description</b> | <b>Estimated Project Cost</b> | <b>Estimated Federal Dollar Share</b> |
|----------------------------|-------------------------------|---------------------------------------|
| Preventative Maintenance   | \$ 8,500,000                  | \$ 3,480,000                          |
| <b>TOTAL</b>               | <b>\$ 8,500,000</b>           | <b>\$ 3,480,000</b>                   |

There are no FTA-assisted construction projects that qualify for inclusion in the goal-setting calculation anticipated for FFY20-22 at this time. If a project arises during the goal period, Sonoma County Transit will revise the goal methodology.

SCT receives preventative maintenance grants from FTA. The annual amount is anticipated to be \$1,280,000. These funds are used mostly to pay SCT's contractor, TransDev, for fixed route preventative maintenance services. TransDev was selected through an FTA compliant competitive procurement process. A portion of the preventative maintenance will be unbundled in order to add contracting opportunities for DBEs. The services unbundled include mobile windshield repair/glass restoration services, upholstery maintenance/repair/restoration services, and vehicle paint refurbishment.

SCT also receives federal grants for bus purchases. The amount anticipated during the goal period is \$3,402,957. The bus manufacturers administer the DBE requirements for the bus purchases and is not included in this calculation.

### Step One: Determination of a Base Figure (49 CFR 26.45)

The step of the goal setting process is to determine the base figure for the relative availability of DBEs based on evidence of ready, willing, and able DBEs in relationship to all comparable businesses known to

be available to compete for FTA-assisted contract(s) SCT anticipates awarding during the goal period.

Base figures were calculated based on the specialty areas using the North American Industrial Classification System (NAICS) codes. SCT identified seven NAICS codes as pertinent specialties for the contract(s). Table 2 provides summaries of the corresponding specialty work utilizing 2017 CBP NAICS codes and also serves to identify the estimated federal dollar share, weighted in each primary work category.

**Table 2**

| Type                     | Description                                | NAICS  | Estimated Federal Dollar Share | % of Federal Funding By Work Category |
|--------------------------|--------------------------------------------|--------|--------------------------------|---------------------------------------|
| Preventative Maintenance | Contracted Transit Operation Services      | NA     | 3,456,000                      | 90%                                   |
| Preventative Maintenance | Mobile Windshield repair/Glass Restoration | 811122 | 150,000                        | 4%                                    |
| Preventative Maintenance | Upholstery maintenance/Repair/Restoration  | 811121 | 117,000                        | 3%                                    |
| Preventative Maintenance | Vehicle Paint Refurbishment                | 811121 | 117,000                        | 3%                                    |
| <b>TOTAL</b>             |                                            |        | <b>3,840,000</b>               | <b>100%</b>                           |

**Market Area:** The local market area was determined by assessing where the substantial majority of contractors and subcontractors that Sonoma County Department of Transportation and Public Works receives bids or quotes are located and where the substantial majority of contracting dollars are spent. The local market area is defined as California Department of Transportation District 4, which includes the following counties: Sonoma, Napa, Solano, Marin, Contra Costa, Alameda, Santa Clara, San Mateo, and San Francisco.

**Number of DBEs:** To determine the number of DBEs in SCT’s market area, SCT searched the CUCP database for DBEs that are certified in the NAICS codes identified for the contract(s). The numbers of DBEs identified are summarized column C of Table 3 below

**Number of All Firms:** To determine the number of all firms (DBE and non-DBE) in SCT’s market area, SCT searched the most recent CBP database for all firms specializing in the NAICS codes identified as pertinent for the contract(s). The numbers all firms are summarized in column D of Table 3 below.

**Relative Availability of DBE Firms:** Relative availability is derived by dividing the number of DBEs available in a particular NAICS code by the number of all firms in that same NAICS code. This is summarized in column E of Table 3 below. This number is then multiplied by the federal share factor for the weighted base figure.

**Base Figure:** A base figure of 0.8% was determined based on the analysis of relative DBE availability as applied to FTA-assisted contract expenditure dollars weight as shown in Table 3 above.

**Table 3**

| A. Description                             | B. NAICS | C. DBE    | D. CBP       | E. Base Figure | F. % of Total Federal Share | G. Weighted Base Figure |
|--------------------------------------------|----------|-----------|--------------|----------------|-----------------------------|-------------------------|
| Contracted Transit Operation Services      | NA       | 0         | 0            | 0              | 90%                         | 0%                      |
| Mobile Windshield repair/Glass Restoration | 811122   | 2         | 92           | 2%             | 4%                          | .5%                     |
| Upholstery maintenance/Repair/Restoration  | 811121   | 5         | 698          | 0.7%           | 3%                          | .23%                    |
| Vehicle Paint Refurbishment                | 811121   | 5         | 698          | 0.7%           | 3%                          | .23%                    |
| <b>TOTAL</b>                               |          | <b>12</b> | <b>1,488</b> | <b>0.8%</b>    | <b>100%</b>                 | <b>.96%</b>             |

**Step Two: Adjustments (49 CFR 26.45(d))**

The federal DBE program requires recipients to consider a potential step two adjustment to its base figure. In determining whether an adjustment to the base figure in step one was warranted, SCT reviewed past participation on transit projects, past participation on other public works projects under the County of Sonoma Department of Transportation, and the Caltrans Division of Rail and Mass Transit disparity study.

**A. SCT Past Participation**

Table 4 reflects SCT’s DBE goal attainments and/or commitments on projects awarded within the last three federal fiscal years. The Transit Facility Rehabilitation project that was in the FY17-19 goal methodology did not proceed during the previous goal period and is not expected in the next goal period.

The USDOT Tips for Goal Setting in the Disadvantaged Business Enterprise Program suggests an agency may adjust the goal by averaging the base figure with the past median DBE participation. The mean average past participation based on the previous three federal fiscal years, is 0.24%. This number was derived by arranging the percentages in order from low to high and finding the middle number.

SCT cannot use past participation as an adjustment factor for this goal period because the projects are not similar when the NAICS codes are compared.

**Table 4**

| Federal Fiscal Year | DBE GOAL | DBE ATTAINMENT |
|---------------------|----------|----------------|
| FFY 16/17           | 4.81%    | 0.73%          |
| FFY 17/18           | 4.81%    | 0%             |
| FFY 18/19           | 4.81%    | 0%             |

**B. Bidders List**

While a bidders list would serve as quantifiable evidence of DBEs demonstrated interest and capacity, data collected thus far is limited and insufficient due to this anticipated project being different than a majority of projects delivered in the Sonoma County Transportation and Public Works Department to

merit consideration for an adjustment. However, Sonoma County Transit will continue to capture such information from all bidders at the time of bid/proposal submission and will utilize such information in future goal-setting analysis.

### **C. Evidence from Disparity Studies**

The USDOT suggests that federal aid recipients also examine evidence from disparity studies conducted within their jurisdiction. Due to the size of SCT, it is not feasible to conduct an independent disparity study, therefore SCT reviewed the study by the California Department of Transportation Division of Rail and Mass Transit (DRMT). The disparity studied was completed by BBC Research & Consulting and the final report was dated December 5, 2014. This study found evidence of barriers for minorities and women owned businesses that qualify as DBEs. However, Caltrans projects are not similar upon comparison to the project that SCT is anticipating, therefore, the disparity study cannot be used as an adjustment factor for this goal period. DRMT is in the process of completing a new disparity study and publication is anticipated in June 2019.

### **D. Other Agencies DBE Goals**

SCT has not surveyed other FTA-recipients (local agencies), with similar contracting programs to assess their DBE goals and attainments toward making an adjustment. However, SCT has reviewed the goal methodologies of several other agencies within the market area and the projects are not similar in scope to the project SCT anticipates therefore an adjustment is not warranted on the goals of other local agencies.

### **E. Other Evidence**

SCT did not receive any anecdotal evidence nor is it aware of any other factors or adverse considerations that would have a material affect on DBEs availability within the Sonoma County Transit market area or on DBEs ability to participate (meeting bonding, insurance and financial requirements) in the SCT's FTA-assisted contracting program. Therefore, no further consideration toward a goal adjustment was made for FFYs 2017-2019. However, SCT will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in the Sonoma County Transit FTA-assisted contracting program.

### **Overall Resultant Goal Adjustment:**

Based on SCT's review and consideration of the above factors, particularly current DBE availability data and past participation, an adjustment to the base figure was merited.

### **Race-Conscious and Race Neutral Methods**

The United States Department of Transportation (USDOT) regulations require that race-neutral methods be used to the maximum extent feasible to reach the DBE overall goal. And under the determination of the 9<sup>th</sup> circuit court in the Western States case, entities need to show the presence or absence of discrimination or its effects to use race-conscious methods.

Due to the emphasis on race-neutral methods, SCT will continue to use race-neutral measures such as, conducting outreach to the professional organizations, distributing DBE information to potential DBEs, and unbundling large contracts to make them more accessible. SCT will carefully monitor participation during the course of the goal period. At the conclusion of each year during the goal period, SCT will re-

evaluate the effectiveness of the race-neutral methods and determine if it is necessary to institute a race-conscious portion and contract specific goals.

SCT has noted the following steps to improve goal attainment through race-neutral methods

1. Update the goal and methodology with guidance from the FTA regional civil rights specialist
2. Improve DBE guidance provided to contractors
  - a. Provide a contact list of DBEs in the area at the pre-bid conference
3. Improve monitoring
  - a. Created a DBE checklist for federal projects
  - b. Created an improved tracking spreadsheet for progress payments
  - c. Require resident engineer to submit monitoring logs monthly instead of at completion of project
4. Increase outreach
  - a. Contact County Economic Development Board to provide DBE information
  - b. Create a direct contact list of liaisons at the various chambers of commerce, trade organizations, and other potential stakeholders.
5. Continue staff education through various trainings offered on DBE and networking opportunities

#### **Public Participation and Publication**

The goal methodology was sent to minority, women's, and general professional and trade organizations listed in Table 5 as stakeholders regarding the DBE program. A notice was published on the County of Sonoma Department of Transportation and Public Works (Exhibit A) on September 26, 2019. A copy of the goal and methodology was available online and at the main office for review.

A public consultation meeting will be held on October 4, 2019. If any comments are received that need to be addressed in the goal methodology, SCT will revise and resubmit to FTA.

#### **Table 5**

- Cloverdale Chamber of Commerce
- Connections
- Cotati Chamber of Commerce
- Healdsburg Chamber of Commerce
- Hispanic Chamber of Commerce
- La Luz Center
- Latino Service Providers
- Mark West Area Chamber of Commerce
- North Bay Black Chamber of Commerce
- Petaluma Chamber of Commerce
- Rohnert Park Chamber of Commerce
- Russian River Chamber of Commerce
- Santa Rosa Chamber of Commerce
- Sonoma County Executives Association
- Sonoma Valley Chamber of Commerce
- Windsor Chamber of Commerce

## **Conclusion**

SCT has developed this goal setting and methodology report in accordance with 49 CFR Part 26, requiring USDOT grantees to establish a DBE overall goal as a percentage of FTA funds anticipated to be expended in the three forthcoming federal fiscal years.

A 0.96% goal has been established for the FTA-assisted contracts anticipated during the period. SCT will monitor its DBE overall goal by tracking the individual contract(s) throughout the term of the contract for DBE participation and payments.

*Exhibit A*

Screen shot of webpage notification will be added once published.