

Fiscal Years 2021-23

**Overall Goal for
Disadvantaged Business Enterprise
Participation in Federal Transit Administration
Assisted Programs
(Including Goal Setting Methodology)**

Prepared by

San Luis Obispo Regional Transit Authority (RTA)
179 Cross Street, San Luis Obispo, CA 93401
(805) 781-4397, www.SLORTA.org

Adopted by

RTA Board of Directors
March 3, 2021

Submitted to

U.S. Department of Transportation
Federal Transit Administration
San Francisco, California

(pending)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
OVERALL DBE GOAL FOR FFYs 2021-2023

I. EXECUTIVE SUMMARY

The U.S. Department of Transportation (DOT) prescribes its Disadvantaged Business Enterprise (DBE) program and requirements for recipients of Federal funds from DOT in the Code of Federal Regulations (CFR) Title 49, Part 26 (Regulations). Specific instructions are found in Section 26.45 entitled “How do recipients set overall goals.”

As a recipient of DOT financial assistance via the Federal Transit Administration (FTA), San Luis Obispo Regional Transit Authority (RTA) has established a recommended overall DBE goal for FYs 2021-23 of 5.5% based on all FTA-assisted contracting funds anticipated to be awarded between October 1, 2020 and September 30, 2023.

The goal is based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate in our FTA-assisted contracts. The overall goal reflects RTA’s determination of the level of DBE participation expected to be achieved absent the effects of discrimination. RTA intends to meet this goal to the maximum extent feasible through race-neutral measures and does not intend to establish specific goals for any contracts unless needed.

Public comments and how RTA plans to address these comments will be submitted to FTA on March 5, 2021 as an attachment 3 to this methodology.

II. DBE GOAL FOR FY 21-23

The proposed overall DBE Goal for FY 21-23 is 5.5%. The goal applies to FTA-funded contracts awarded by RTA and its sub-recipients from October 1, 2020 through September 30, 2023. The analysis described herein indicates the proposed goal of 5.5% can be achieved entirely through race and gender neutral measures. In accordance with the decision by the US Court of Appeals for the Ninth Circuit in *Western States Paving Company v. United States and Washington State Department of Transportation*, USDOT recipients in the Ninth Circuit, which includes California, cannot consider the use of a race- or gender-conscious goal unless a finding of statistically significant disparity (disparity study) has been made for the ethnic and gender groups to be included in the race- or gender-conscious goal. RTA has not conducted a disparity study and, therefore, did not consider the use of a race- or gender-conscious goal as part of the overall goal. However, based on the results of the analysis described in sections IV and V of this report, RTA believes it can achieve the weighted goal figure calculated in Step One entirely through race- and gender-neutral measures. A summary of disparity studies conducted by Caltrans and the Los Angeles County Metropolitan Transportation Authority is provided in section V of this report.

III. METHODOLOGY FOR SETTING THE OVERALL DBE GOAL

As noted in Section I (Executive Summary), the DBE goal was calculated using the two-step process described in the “Tips for Goal Setting” guidance provided by USDOT. The two step process for calculating the overall DBE goal is to:

- Step 1: Calculate a base figure to determine the relative availability of DBEs; and
- Step 2: Adjust the base figure if necessary.

The DBE Directory and Census Data method was used to calculate the base figure of the relative availability of DBEs to perform the types of contracts that RTA intends to let. A detailed description of the methodology used in Step One and associated calculations and assumptions are provided in Section IV. In Step Two, past DBE participation and projects from previous years in relation to projects proposed in FYs 21-23 was utilized to determine if the base figure should be adjusted. A description of this analysis conducted for Step Two is provided in Section V.

Determination of Local Market Area

The boundaries of the local market area were determined by examining the area in which the substantial majority of the contractors and subcontractors that are more likely to submit bids for the type of projects that will be performed in the upcoming years, as RTA had none of these major types of projects in the past five years.

IV. STEP ONE - BASE FIGURE CALCULATION

The purpose of Step One is to determine what percentage of DBEs represents all firms that are ready, willing, and able to compete for USDOT-assisted contracting. This percentage is calculated by dividing the number of DBEs ready, willing and able to bid for the types of work to be funded during a three-year period, by the number of all firms (DBEs and non-DBEs) ready, willing and able to bid for the types of work to be funded during the same three-year period. The calculation is summarized in the equation below:

$$\text{Step One-Base Figure} = \frac{\text{Ready, Willing and Able DBEs}}{\text{All Firms Ready, Willing and Able (including DBEs and non-DBEs)}}$$

To complete the calculation, the first item of work was to develop a list of contracts that RTA intends to let in FYs 21-23. This list of anticipated projects/contracts is provided in Attachment 1. A total of 10 anticipated contracts were identified that total \$23.8 million.

The DBE firms that are ready, willing and able to perform the anticipated work were identified using the California Unified Certification Program (CUCP) Statewide DBE Directory. DBE firms that indicated their willingness to work in Caltrans District 5 (Monterey County, San Benito County, San Luis Obispo County, Santa Barbara County and Santa Cruz County) were selected. North American Industry Classification System (NAICS) codes were then assigned to each project to help identify DBEs and all firms that are ready, willing and able to compete for the anticipated projects. NAICS codes were obtained from the US Census Bureau web page located at: <http://www.census.gov/eos/www/naics/>.

USDOT recommends that weighting be used to help ensure that the Step One Base Figure is as accurate as possible. Weighting increased the Base Figure from 2.8% to 5.5%.

The calculations for Step One- Base Figure and Weighted Figure calculation of 2.8% and 5.5% are shown in Attachment 2.

V. STEP TWO BASE FIGURE ADJUSTMENT

The purpose for Step Two of the goal setting calculation is to adjust the Step One figure to make it more precise, if necessary. The factors listed below were considered to determine whether such an adjustment is necessary:

- Past DBE participation;
- Disparity studies conducted in the local market area.

Past DBE Participation

The DBE goals achieved in the previous three federal fiscal years were examined to determine the median DBE participation although RTA did not have any examples of the proposed project type in these years. The DBE goals achieved in the past three fiscal years are:

FY17/18 = 0%
FY18/19 = 6.4%
FY19/20 = 3.6%

Median = 3.3%

The median DBE participation for the previous three-year period is 3.3%. However, RTA believes that with the projects that are proposed it will make every effort to achieve our overall goal of 5.5% and that the large increase from 2015-2017 to now is due, in part, to the construction of our new facilities as compared to prior years.

Disparity Studies Conducted in the Local Market Area

The Los Angeles County Metropolitan Transportation Authority (Metro) conducted a disparity study in 2018 known as the Metro 2017 Disparity Study. The study documented white women, black American, and Hispanic American owned firms exhibited disparity indices substantially below parity. The study also found that all groups, with the exception of Subcontinent Asian American-owned businesses, exhibited disparity indices substantially below parity on contracts without DBE goals. The Disparity Study noted that Metro might consider making an upward adjustment to its base figure to account for barriers that minorities, women, and minority- and woman-owned businesses face in the Los Angeles marketplace related to human capital, financial capital, business ownership, and business success. Additional Metro might also consider a downward adjustment to its base figure based on the volume of work that DBEs have performed in recent years on its contracts. Metro's utilization reports for FFYs 2011 through 2014 indicated median annual DBE participation of 3.7 percent for those years, which is lower than its base figure. USDOT "Tips for Goal-Setting" states that an agency is not required to make a step-2 adjustment to its base figure as long as it can explain what factors it considered and can explain its decision in its Goal and Methodology document.

Based on the factors listed above to consider whether to adjust the Base Figure, it is determined that no adjustment should be made to the RTA overall goal. Therefore, the overall goal for FYs 21-23 is proposed at 5.5% to be achieved through race and gender neutral measures.

The calculations for Step Two- Base Figure Adjustment are shown in Attachment 2.

The RTA will also monitor the progress of the California Department of Transportation (Caltrans) disparity study commissioned in July of 2020 with BBC Research & Consulting (BBC) to assess whether minority- and woman-owned businesses face any barriers as part of Caltrans's contracting processes. Information from the study, which is expected to be completed by June of 2021, will help the RTA in assess its efforts to encourage the participation of minority- and woman-owned businesses in local contracts and help inform any refinements that the RTA might make to its implementation of the Federal Disadvantaged Business Enterprise (DBE) Program in future years.

VI. Public Notice and Consultation

The public notice and consultation process will be conducted for setting the DBE Goal for FFYs 21-23 is provided in Attachment 3. Copies of all correspondences are incorporated into attachment.

Attachment 1
List of Anticipated Projects
FY 21-23

FEDERAL GRANTS WITH FY 21-23 CONTRACTING OPPORTUNITY					
Project	Antic. Federal Grants FY 21-23 Capital & Planning	3-Yr Total Maintenance & Planning	Amount with Contracting Opportunity	Amount without Contracting Opportunity	Notes - see below
A	B	C	D	E	F
New Ops & Maint Facility	\$19,305,662		\$19,305,662		
Bus Stop Improvements (including shelters, amenities, etc)	\$232,900		\$232,900		
Service Vehicle	\$236,860		\$236,860		
Support Equipment	\$106,200		\$106,200		
Six (6) Replacement Buses	\$3,174,080		\$3,174,080		
Server redundancy update	\$55,200			\$55,200	1
Upgrade radio system	\$71,440			\$71,440	1
Upgrade fare collection system	\$434,400			\$434,400	1
TOTALS	\$23,616,742		\$23,055,702	\$561,040	
PLANNING GRANTS					
Transit Planning & Programming					
Consultant Services (SRTP)	\$200,000	\$200,000	\$200,000		
TOTALS	\$200,000	\$200,000	\$200,000	\$0	
SUMMARY					
Capital Totals	\$23,616,742		\$23,055,702	\$561,040	
Planning Totals	\$200,000		\$200,000	\$0	
TOTALS	\$23,816,742		\$23,255,702	\$561,040	
Notes:					
1 - Sole Source- software purchased from only source, the manufacturer					

Attachment 2
FY 21-23 Goal Determination Calculations
Step 1 and Step 2

FY 21-23 GOAL DETERMINATION									
A	B	C		D	E	F	G	H	I
Project	NAICS	Number of Firms		Step 1	Amt with contracting Opportunity	Anticipated DBE Expenditure	Weighted Percent DBE	Step 2 Percent DBE	Notes - See Below
		Overall Total	DBE Only	Percent DBE					
CAPITAL GRANTS									
New Ops & Maint Facility	236220	2,239	140	6.3%	\$19,305,662	\$1,207,143	5.2%	5.2%	1
Bus Stop Improvements (including shelters, amenities, etc)	236220	2,239	140	6.3%	\$232,900	\$14,563	0.1%	0.1%	1
Service Vehicle	441110	2,625	1	0.0%	\$236,860	\$90	0.0%	0.0%	1
Support Equipment	811213	1,653	8	0.5%	\$106,200	\$514	0.0%	0.0%	1
Six (6) Replacement Buses	336120	974	0	0.0%	\$3,174,080	\$0	0.0%	0.0%	1
SQL Servers (2) Upgrade	334111	974	2	0.2%	\$0	\$0	0.0%	0.0%	2
ADA software Upgrade	511210	369	13	3.5%	\$0	\$0	0.0%	0.0%	2
Upgrade Fare collection system	511210	369	13	3.5%	\$0	\$0	0.0%	0.0%	2
TOTALS		11,442	317	2.8%	\$23,055,702	\$1,222,310	5.3%	5.3%	
PLANNING GRANTS									
Transit Planning & Programming									
Consultant Services (SRTP)	541611	2,460	640	26.0%	\$200,000	\$52,033	26.0%	26.0%	1
TOTALS		2,460	640	26.0%	\$200,000	\$52,033	26.0%	26.0%	
SUMMARY									
Capital Totals		11,442	317	2.8%	\$ 23,055,702	\$1,222,310	5.3%	5.3%	
Planning Totals		2,460	640	26.0%	\$ 200,000	\$52,033	26.0%	26.0%	
TOTALS		13,902	957	6.9%	\$23,255,702	\$1,274,342	5.5%	5.5%	
Notes:									
1. Step 2 reflects adjustment for weighting,									
2. Sole Source- software purchased from only source, the manufacturer									

Attachment 3
Public Notice and Consultation

This memo is to summarize the process RTA followed for public participation regarding its proposed DBE goal as required by the FTA. RTA will conduct public outreach that will properly address it in our submission.

DBE Goal Setting Consultation Process

On January 11, 2021, RTA mailed the “Notice to Disadvantage Business Enterprise Resource and Assistance Agencies” (copy provided below) to the organizations listed in Resource Agency Listing (copy provided below). This letter notified these groups of RTA’s goal and requested consultation. Subsequently, RTA sent these same organizations a follow-up letter (copy provided below) and a follow up phone call was made on February 9, 2021 inviting them to a meeting at RTA’s office on February 22, 2021.

RTA published its Disadvantaged Business Enterprise Goal on February 2, 2021 in our local paper, The Tribune, which is available online and in hardcopy. The notice was also posted on our website and in our lobby of our Administration office and on the public board located just outside our building for 30 days.

RTA made every concerted effort, as required, to obtain public participation for its DBE Goal.

**NOTICE TO DISADVANTAGED BUSINESS ENTERPRISE
RESOURCE AND ASSISTANCE AGENCIES**

January 11, 2021

In accordance with Federal Regulations 49 CFR Part 26, San Luis Obispo Regional Transit Authority (RTA) is committed to enabling participation of Disadvantaged Business Enterprises (DBEs) in its contracting opportunities as reflected in the RTA Disadvantaged Business Enterprise (DBE) Program.

It is the policy of RTA to ensure nondiscrimination based on race, color, sex or national origin in the award and administration of contracts assisted by the U.S. Department of Transportation (DOT). It is the intention of RTA to create a level playing field on which DBEs can compete fairly and participate in the performance of contracts and subcontracts relating to RTA's procurement activities. The DBE Program is the result of RTA's commitment to the participation of small business firms owned and controlled by socially and economically disadvantaged individuals for purchasing and contracting opportunities.

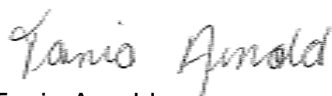
In this regard, RTA wishes to notify your organization and all interested parties that it is proposing to establish an overall DBE goal for Federal fiscal years 2021-23. This DBE goal will be applicable to contracts and procurements financed, in whole or in part, by the U.S. DOT, Federal Transit Administration (FTA).

In establishing its overall DBE goal, RTA wishes to consult with minority, women and general contractor groups, community organizations and other groups that may have information that will be useful to RTA in its procurement efforts. In this regard, we solicit your assistance by providing RTA with information concerning:

- a. DBEs and non-DBEs that may wish to participate in RTA's contracting opportunities.
- b. The effects of discrimination on opportunities for DBEs.
- c. RTA's efforts to establish a level playing field for the participation of DBEs.

Please direct your input to: San Luis Obispo Regional Transit Authority
Attn: Tania Arnold, Deputy Director/CFO (DBE Liaison)
179 Cross St.
San Luis Obispo, CA 93401

Thank you for your assistance and, if you have any comments or questions, please call me at (805) 781-4397, and refer to the DBE Program.



Tania Arnold
DBE Liaison

Resource Agency Listing

South County Chamber of Commerce 800-A West Branch Street Arroyo Grande, CA 93420	Morro Bay Chamber of Commerce 695 Harbor Street Morro Bay, CA 93442	Paso Robles Chamber of Commerce 1225 Park Street Paso Robles, CA 93446
Atascadero Chamber of Commerce 6907 El Camino Real, Ste A Atascadero, CA 93422	Latino Outreach Council of San Luis Obispo County 267 W Tefft Street, Nipomo, CA 93444	Templeton Chamber of Commerce 321 South Main Street Templeton, CA 93465
San Luis Obispo Chamber of Commerce 895 Monterey Street San Luis Obispo, CA 93401	Pismo Beach Chamber of Commerce 649 Dolliver Street Pismo Beach, CA 93449	Nipomo Chamber of Commerce 671 West Tefft Street Suite 2 Nipomo, CA 93444
Santa Maria Chamber of Commerce 614 South Broadway Santa Maria, CA 93454	Women's Network of SLO P.O. Box 1741 San Luis Obispo, CA 93406	Northern Chumash Tribal Council P.O. Box 6533 Los Osos, CA 93412

January 25, 2021

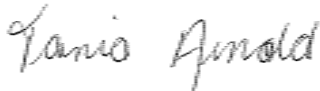
To: Organizations Representing Potential Contracting Partners
From: San Luis Obispo Regional Transit Authority
Subject: **Consultation for RTA Disadvantaged Business Enterprise/Small Business Enterprise Program**

Recently, your firm received a letter from our office with information on how you can participate in development of RTA's Disadvantaged Business Enterprise (DBE) goal. RTA is very interested in meeting directly with your organization to get your suggestions for our goal. To this end, RTA has scheduled a meeting at RTA's office to discuss how this participation goal is established. This important meeting will be held in the Downstairs Conference Room at RTA's office at 179 Cross Street, San Luis Obispo, CA 93401, at 1:30 p.m. on Monday, February 22, 2021, and your organization is strongly urged to attend. If you would like a link to attend virtually please call or email tarnold@slorta.org.

The letter sent to you earlier also offered to schedule a meeting specifically with your organization at your convenience, and that offer still stands, but the general meeting now scheduled for February 22nd hopefully provides another option for your participation in RTA's program. It would preferable to have all these meetings wrapped up by February 24th so that RTA can proceed with finalizing its DBE goal.

Should you have any questions, or to schedule a separate meeting, please do not hesitate to contact Tania Arnold Deputy Director/CFO DBE Liaison at (805) 781-4397. We hope to meet with you shortly.

Sincerely,



Tania Arnold
Deputy Director/CFO DBE Liaison

Log of DBE Consultation Outreach Calls:

Agency	Phone Number	When	Outcome
South County Chamber of Commerce	805-489-1488		office@southcountychambers.com
Morro Bay Chamber of Commerce	805-772-4467		info@morrochamber.org
Paso Robles Chamber of Commerce	805-238-0506		info@pasorobleschamber.com
Atascadero Chamber of Commerce	805-466-2044		info@atascaderochamber.org
Latino Outreach Council of San Luis Obispo County	805-929-1120		C.R. Lara President (Prior notes - has not seen it, please e-mail clararoa1@hotmail.com, CR Lara)
Templeton Chamber of Commerce	805-434-1789		info@templetonchamber.com
San Luis Obispo Chamber of Commerce	805-781-2777		slochamber@slochamber.org
Pismo Beach Chamber of Commerce	805-773-4382		info@pismochamber.com
Nipomo Chamber of Commerce	805-929-1583		info@NipomoChamber.org
Santa Maria Chamber of Commerce	805-925-2403		info@santamaria.com
Women's Network of SLO	831-332-2423		Inara Sophia President 831-332-2423, also e-mailed board@slowomensnetwork.org
Northern Chumash Tribal Council	805-801-0347		fcollins@northernchumash.org

PUBLIC NOTICE
DISADVANTAGED BUSINESS ENTERPRISE GOAL
February 2, 2021

The San Luis Obispo Regional Transit Authority (RTA), in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR, Part 26 proposes an overall goal of 5.5% for participation by Disadvantaged Business Enterprises (DBEs) on Federal Transit Administration (FTA) assisted contracts during the federal fiscal years from October 1, 2021 to September 30, 2023.

The proposed goal and its rationale are available for inspection during normal business hours at RTA's Administrative Offices, located at 179 Cross Street, San Luis Obispo, CA 93401 for thirty (30) days from the date of this notice. Written comments should be directed to Tania Arnold, Deputy Director/CFO DBE Liaison, San Luis Obispo Regional Transit Authority, 179 Cross Street, San Luis Obispo, CA 93401 and/or Regional Director, U.S. Department of Transportation, Federal Transit Administration, 201 Mission Street, Suite 2210, San Francisco, CA 94105. Comments will be received for thirty (30) days from the date of this publication.

Noticia Pública
Empresa de Negocio Desventaja (DBE)
2 de febrero de 2021

De acuerdo con las regulaciones de U.S. Departamento de Transporte (DOT), 49 CFR, Parta 26, propone un objetivo general de 5.5% para la participación de Empresa de Negocio Desventaja (DBE) en administración federal de tránsito (FTA) de contratos asistidos durante los ejercicios fiscales federales desde el 1 de octubre de 2021 hasta el 30 de septiembre de 2023.

El objetivo propuesto y su justificación pueden ser inspeccionados durante las horas normales de trabajo en las oficinas administrativas del RTA ubicadas en RTA ubicadas en 179 Cross Street, San Luis Obispo, CA 93401 durante 30 días a partir de la fecha de este aviso. Los comentarios escritos deben dirigirse a Tania Arnold, Deputy Director/CFO DBE Liaison, San Luis Obispo Regional Transit Authority, 179 Cross Street, San Luis Obispo, CA 93401 y/o Director Regional, Departamento de Transporte de los Estados Unidos, Administración Federal de Tránsito, 201 Mission Street, Suite 2210, San Francisco, CA 94105. Los comentarios serán recibidos por treinta (30) días a partir de la fecha de esta publicación.

Advertisement of Public Notice - pending

Screenshot of Website
(to be provided in the final draft)