



## RTA BOARD AGENDA

Wednesday, August 2, 2017 at 8:30 AM  
BOARD OF SUPERVISORS' CHAMBERS  
COUNTY GOVERNMENT CENTER  
1055 Monterey Street, San Luis Obispo, California 93401

The *AGENDA* is available/posted at: <http://www.slorta.org>

**President:** Lynn Compton

Board Members:

John Peschong (First District – SLO County)  
Bruce Gibson (Second District – SLO County)  
Adam Hill (Third District – SLO County)  
Lynn Compton (Fourth District – SLO County)  
Debbie Arnold (Fifth District – SLO County)  
Tim Brown (Arroyo Grande)

**Vice President:** Jamie Irons

Tom O'Malley (Atascadero)  
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Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency [LEP]) by contacting the RTA offices at 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

### FLAG SALUTE

### CALL MEETING TO ORDER, ROLL CALL

**PUBLIC COMMENT:** The Committee reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Executive Committee on any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

#### A. INFORMATION AGENDA

None

#### B. ACTION AGENDA

B-1 Open Public Hearing Period for RTA: Disadvantaged Business Enterprise Goal Methodology Update (Action)

- C. CONSENT AGENDA:** (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the RTA or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by RTA Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

None

- D. CLOSED SESSION ITEMS – CONFERENCE WITH LEGAL COUNSEL:** It is the intention of the Board to meet in closed session concerning the following items:

None

**E. BOARD MEMBER COMMENTS**

Next regularly scheduled RTA Board meeting on September 6, 2017

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**August 2, 2017**

**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Open Public Hearing Period for RTA Disadvantaged Business Enterprise (DBE) Goal Methodology Updates

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** To Authorize Executive Director to Open the Thirty (30) Day Public Hearing Period to Update DBE Goal Methodology as Required by Federal Transit Administration (FTA)

**BACKGROUND/DISCUSSION:**

In September 2010, the RTA Board of Directors adopted its Disadvantaged Business Enterprise (DBE) program and subsequently updated the program in May 2015. In order to maintain compliance with current FTA regulations, RTA must update the DBE program. As part of the DBE program, FTA requires RTA as the recipient (grantee) of federal funds to update and submit a three year DBE goal.

As part of the goal methodology update the draft revision is subject to a thirty (30) day public review period. This review period begins with this Board meeting and will conclude at the September 6, 2017 RTA regularly scheduled Board meeting. RTA will be providing notices to the agencies included in the draft methodology update to solicit feedback. Public notice will also be published in the Tribune in English and Spanish to solicit public comments. The draft goal has been submitted to FTA and is under their review.

Feedback received during the thirty (30) day public review period will be incorporated in the final methodology presented during the public hearing at the September 6, 2017 Board meeting.

**Staff Recommendation**

Authorize the RTA Executive Director to open the thirty (30) day public hearing period to update the DBE goal methodology as required by Federal Transit Administration (FTA).



**Fiscal Years 2018-20**

**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](http://www.SLORTA.org)

*To be adopted by*

RTA Board of Directors  
September 6, 2017

*Submitted to*

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

August 2, 2017

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**OVERALL DBE GOAL FOR FFYs 2018-2020**

**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 2018-20 of 5.1% based on all FTA-assisted contracting funds anticipated to be awarded between October 1, 2017 and September 30, 2020.

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.

This new report includes the change requested by Lynette Little, Civil Rights Officer, Region IX in a concurrence letter dated April 13, 2017 letter and is scheduled for adoption and inclusion of public comment at the September 6, 2017 RTA Board of Directors meeting. These public comments and how RTA plans to address these comments will be submitted to FTA on September 8, 2017 as an attachment 3 to this methodology.

**II. DBE GOAL FOR FY 18-20**

The proposed overall DBE Goal for FY 18-20 is 5.1%. The goal applies to FTA-funded contracts awarded by RTA and its sub-recipients from October 1, 2017 through September 30, 2020. The analysis described herein indicates the proposed goal of 5.1% 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 18-20 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 18-20. This list of anticipated projects/contracts is provided in Attachment 1. A total of 11 anticipated contracts were identified that total \$11.9 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 3.1% to 5.1%.

The calculations for Step One- Base Figure and Weighted Figure calculation of 3.1% and 5.1% 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:

FY 14/15 = 0%  
FY 15/16 = 2.0%  
FY 16/17 = 2.6%

**Median = 2.0%**

The median DBE participation for the previous three-year period is 2.0%. However, RTA believes that with the projects that are proposed it will make every effort to achieve our overall goal of 5.1% and that the large increase may be due, in part, to the construction of our new facilities as compared to past years.

### Disparity Studies Conducted in the Local Market Area



The Los Angeles County Metropolitan Transportation Authority (Metro) conducted a disparity study in 2012 known as the Metro 2012 DBE Program Disparity Study. The study documented a disparity for African Americans, Asian-Pacific Americans, Subcontinent Asian Americans and Hispanic Americans. The study also initially found that Caucasian females were over utilized. In a subsequent analysis, it was determined that Caucasian females were underutilized.

Based on the factors listed above to consider whether to adjust the Base Figure, it is determined that no adjustment should be made. Therefore, the overall goal for FYs 18-20 is proposed at 5.1% to be achieved through race and gender neutral measures.

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

## **VI. Public Notice and Consultation**

The public notice and consultation process will be conducted for setting the DBE Goal for FFYs 18-20 is provided in Attachment 3. Copies of all correspondences are incorporated into attachment.

**Attachment 1**  
List of Anticipated Projects  
FY 18-20

**FEDERAL GRANTS WITH FY 18-20 CONTRACTING OPPORTUNITY**

<b>Project</b>	<b>Antic. Federal Grants FY 18-20 Capital &amp; Planning</b>	<b>3-Yr Total Maintenance &amp; Planning</b>	<b>Amount with Contracting Opportunity</b>	<b>Amount without Contracting Opportunity</b>	<b>Notes - see below</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
New Ops & Maint Facility	\$7,600,000		\$7,600,000		
Paso Yard Ops Facility	\$800,000		\$800,000		
Bus Stop Improvements (including shelters, amenities, etc)	\$326,000		\$326,000		
Service Vehicle	\$60,000		\$60,000		
Support Equipment	\$81,000		\$81,000		
Six (6) Replacement Buses	\$2,460,000		\$2,460,000		
Upgrade Network Switch Infrastructure	\$12,000			\$12,000	1
SQL Servers (2) Upgrade	\$22,600			\$22,600	1
ADA software Upgrade	\$80,000			\$80,000	1
Upgrade Fare collection system	\$350,000			\$350,000	1
<b>TOTALS</b>	<b>\$11,791,600</b>		<b>\$11,327,000</b>	<b>\$464,600</b>	

<b>PLANNING GRANTS</b>					
Transit Planning & Programming					
Consultant Services (SRTP)	\$125,000	\$125,000	\$125,000		
<b>TOTALS</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$0</b>	

<b>SUMMARY</b>					
Capital Totals	\$11,791,600		\$11,327,000	\$464,600	
Planning Totals	\$125,000		\$125,000	\$0	
<b>TOTALS</b>	<b>\$11,916,600</b>		<b>\$11,452,000</b>	<b>\$464,600</b>	

**Notes:**

1 - Sole Source- software purchased from only source, the manufacturer

**Attachment 2**  
**FY 16-18 Goal Determination Calculations**  
**Step 1 and Step 2**

**FY 18-20 GOAL DETERMINATION**

A Project	B NAICS	C Number of Firms		D Step 1 Percent DBE	E Amt with contracting Opportunity	F Anticipated DBE Expenditure	G Weighted Percent DBE	H Step 2 Percent DBE	I Notes - See Below
		Overall Total	DBE Only						

**CAPITAL GRANTS**

New Ops & Maint Facility	236220	2,103	134	6.4%	\$7,600,000	\$484,261	4.3%	4.3%	1
Paso Yard Ops Facility	236220	2,103	134	6.4%	\$800,000	\$50,975	0.5%	0.5%	1
Bus Stop Improvements (including shelters, amenities, etc)	236220	2,103	134	6.4%	\$326,000	\$20,772	0.2%	0.2%	1
Service Vehicle	441110	2,738	1	0.0%	\$60,000	\$22	0.0%	0.0%	1
Support Equipment	811213	1,597	7	0.4%	\$81,000	\$355	0.0%	0.0%	1
Six (6) Replacement Buses	336120	904	0	0.0%	\$2,460,000	\$0	0.0%	0.0%	1
Upgrade Network Switch Infrastructure	334210	904	0	0.0%		\$0	0.0%	0.0%	2
SQL Servers (2) Upgrade	331111	904	0	0.0%		\$0	0.0%	0.0%	2
ADA software Upgrade	511210	351	13	3.7%		\$0	0.0%	0.0%	2
Upgrade Fare collection system	511210	351	13	3.7%		\$0	0.0%	0.0%	2
<b>TOTALS</b>		<b>14,058</b>	<b>436</b>	<b>3.1%</b>	<b>\$11,327,000</b>	<b>\$556,385</b>	<b>5.1%</b>	<b>5.1%</b>	

**PLANNING GRANTS**

Transit Planning & Programming									
Consultant Services (SRTP)	541611	2,354	494	21.0%	\$125,000	\$26,232	21.0%	21.0%	1
<b>TOTALS</b>		<b>2,354</b>	<b>494</b>	<b>21.0%</b>	<b>\$125,000</b>	<b>\$26,232</b>	<b>21.0%</b>	<b>21.0%</b>	

**SUMMARY**

Capital Totals		14,058	436	3.1%	\$ 11,327,000	\$556,385	5.1%	5.1%	
Planning Totals		2,354	494	21.0%	\$ 125,000	\$26,232	21.0%	21.0%	
<b>TOTALS</b>		<b>16,412</b>	<b>930</b>	<b>5.7%</b>	<b>\$11,452,000</b>	<b>\$582,617</b>	<b>5.1%</b>	<b>5.1%</b>	

**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 concurrence letter for previous DBE goal dated April 13, 2017. RTA will conduct public outreach that will properly address it in our submission.

DBE Goal Setting Consultation Process

On July 28, 2017, 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 will send these same organizations a follow-up letter (copy provided below), inviting them to a meeting at RTA’s office on August 23, 2017.

RTA will publish its Disadvantaged Business Enterprise Goal on August 4, 2017 in our local paper, The Tribune, which is available online and in hardcopy. The notice will also be 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 will make every concerted effort, as required, to obtain public participation for its DBE Goal.

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

July 28, 2017

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 2018-20. 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

Arroyo Grande Grover Beach Chamber of Commerce 800 W Branch Street Arroyo Grande, CA 93420Arr	Morro Bay Chamber of Commerce 695 Harbor Street Morro Bay, CA 93442Mor	Paso Robles Chamber of Commerce 1225 Park Street Paso Robles, CA 93446
Atascadero Chamber of Commerce 6904 El Camino Real Atascadero, CA 93422	Latino Outreach Council of San Luis Obispo County 267 W Tefft St Nipomo, CA 93444	Templeton Chamber of Commerce 321 South Main Street Templeton, CA 93465La
San Luis Obispo Chamber of Commerce 895 Monterey Street San Luis Obispo, CA 93401	Pismo Beach Chamber of Commerce 581 Dolliver Street Pismo Beach, CA 93449	Nipomo Chamber of Commerce 239 West Tefft Street 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 15980 18 <sup>th</sup> Street Los Osos, CA 93402

August 4, 2017

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 my 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 Upstairs Conference Room at RTA's office at 179 Cross Street, San Luis Obispo, CA 93401, at 1:30 p.m. on Wednesday, August 23rd, and your organization is strongly urged to attend.

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 August 23rd hopefully provides another option for your participation in RTA's program. It would preferable to have all these meetings wrapped up by August 25th 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:  
(to be provided in the final draft)



**PUBLIC NOTICE**  
**DISADVANTAGED BUSINESS ENTERPRISE GOAL**  
**August 2, 2017**

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 5.1% for participation by Disadvantaged Business Enterprises (DBEs) on Federal Transit Administration (FTA) assisted contracts during the federal fiscal years from October 1, 2017 to September 30, 2020.

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 Agosto de 2017**

De acuerdo con las regulaciones de U.S. Departamento de Transporte (DOT), 49 CFR, Parta 26, propone un objetivo general de 5.1% 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 2017 hasta el 30 de septiembre de 2020.

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  
(to be provided in the final draft)

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