

**Fiscal Years 2024-26**

**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)  
253 Elks Lane, San Luis Obispo, CA 93401  
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*Adopted by*

RTA Board of Directors  
(pending *September 6, 2023*)

*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 2024-2026**

**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 2024-26 of 0.5% based on all FTA-assisted contracting funds anticipated to be awarded between October 1, 2023 and September 30, 2026.

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 September 8, 2023 as an attachment 3 to this methodology.

**II. DBE GOAL FOR FY 24-26**

The proposed overall DBE Goal for FY 24-26 is 0.5%. The goal applies to FTA-funded contracts awarded by RTA and its sub-recipients from October 1, 2023 through September 30, 2026. The analysis described herein indicates the proposed goal of 0.5% 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 24-26 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.

**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 24-26. This list of anticipated projects/contracts is provided in Attachment 1. A total of 14 anticipated contracts were identified that total \$12.9 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 decreased the Base Figure from 5.9% to 0.5%.

The calculations for Step One- Base Figure and Weighted Figure calculation of 5.9% and 0.5% 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. The DBE goals achieved in the past three fiscal years are:

FY 20/21 = 6.6%

FY 21/22 = 7.4%

FY 22/23 = 6.3%

**Median = 6.6%**

The median DBE participation for the previous three-year period is 6.6%. However, this was largely skewed by the significant construction effort for the new operations and maintenance facility included in each of the past three fiscal year and has since concluded. RTA believes that with the projects that are proposed it will make every effort to achieve our overall goal of 0.5%.

### 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 and they are in the process of completing a 2023 study with an anticipated completion in November 2023. The 2018 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% 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 24-26 is proposed at 0.5% to be achieved through race and gender neutral measures.

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

The RTA also reviewed the California Department of Transportation (Caltrans) disparity study commissioned in July of 2020 and completed in November 2022 with BBC Research & Consulting (BBC). Key areas BBC presented for potential refinement for Caltrans to consider were:

- Continuing efforts to network with minority and woman owned businesses
- Further encourage the participation of small businesses
- Explore ways to increase prime and subcontracting opportunities
- Ensure collection of comprehensive contract and subcontract data on all contracts and projects
- Implement a monitoring program to ensure that subrecipient local agencies are appropriately implement the Federal DBE Program

These key areas help the RTA in its efforts to encourage the participation of minority- and woman-owned businesses in local contracts and helped refinements that the RTA made to its implementation of the Federal Disadvantaged Business Enterprise (DBE) Program.

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

The public notice and consultation process will be conducted for setting the DBE Goal for FFYs 24-26 is provided in Attachment 3. Copies of all correspondences are incorporated into attachment.

**Attachment 1**  
List of Anticipated Projects  
FY 24-26

<b>FEDERAL GRANTS WITH FY 24-26 CONTRACTING OPPORTUNITY</b>					
<b>Project</b>	<b>Antic. Federal Grants FY 24-26 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>
BMF PhotoVoltaic System Inst & Bus Stop Improvements	\$948,900		\$948,900	\$0	
Vehicle Replacements: Service & Minivans	\$581,345		\$581,345	\$0	
Vehicle Replacements: Cutaway & Buses	\$9,854,862		\$9,854,862	\$0	
Support Equipment	\$120,700		\$120,700	\$0	
Bus Engine Replacements	\$900,000		\$900,000	\$0	
Consultant Services: Adminsitration Mgt & General	\$10,000	\$10,000	\$10,000	\$0	
Consultant Services: Transportation Planning	\$200,000	\$200,000	\$200,000	\$0	
<b>TOTALS</b>	<b>\$12,615,807</b>		<b>\$12,615,807</b>	<b>\$0</b>	
<b>SOLE SOURCE</b>					
Radio System Upgrade	\$180,000		\$0	\$180,000	1
Bus Security Camera System	\$110,400		\$0	\$110,400	1
<b>TOTALS</b>	<b>\$290,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$290,400</b>	
<b>SUMMARY</b>					
Capital Totals	\$12,696,207		\$12,405,807	\$290,400	
Planning Totals	\$210,000		\$210,000	\$0	
<b>TOTALS</b>	<b>\$12,906,207</b>		<b>\$12,615,807</b>	<b>\$290,400</b>	
<b>Notes:</b>					
1 - Sole Source- software purchased from only source, the manufacturer					

**Attachment 2**  
**FY 24-26 Goal Determination Calculations**  
**Step 1 and Step 2**

<b>FY 24-26 GOAL DETERMINATION</b>									
<b>A</b>	<b>B</b>	<b>C</b>		<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
Project	NAICS	Number of Firms		Step 1 Percent DBE	Amt with contracting Opportunity	Anticipated DBE Expenditure	Weighted Percent DBE	Step 2 Percent DBE	Notes - See Below
		Overall Total	DBE Only						
<b>CAPITAL GRANTS</b>									
BMF PhotoVoltaic System Inst & Bus Stop Improvements	236220	2,344	108	4.6%	\$948,900	\$43,721	0.3%	0.3%	1
Vehicle Replacements: Service & Minivans	441110	2,637	0	0.0%	\$581,345	\$0	0.0%	0.0%	1
Vehicle Replacements: Cutaway & Buses	336120	888	0	0.0%	\$9,854,862	\$0	0.0%	0.0%	1
Support Equipment	811310	1,789	11	0.6%	\$120,700	\$742	0.0%	0.0%	1
Bus Engine Replacements	423830	845	12	1.4%	\$900,000	\$12,781	0.1%	0.1%	1
Consultant Services: Adminsitration Mgt & General	541611	2,871	705	24.6%	\$10,000	\$2,456	0.0%	0.0%	1
Consultant Services: Transportation Planning	541614	2,871	1	0.0%	\$200,000	\$70	0.0%	0.0%	1
<b>TOTALS</b>		<b>14,245</b>	<b>837</b>	<b>5.9%</b>	<b>\$12,615,807</b>	<b>\$59,769</b>	<b>0.5%</b>	<b>0.5%</b>	
<b>SOLE SOURCE</b>									
Radio System Upgrade	811210	1,789	0	0.0%	\$0	\$0	0.0%	0.0%	2
Bus Security Camera System	561621	1,261	13	1.0%	\$0	\$0	0.0%	0.0%	2
<b>TOTALS</b>		<b>3,050</b>	<b>13</b>	<b>0.4%</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>SUMMARY</b>									
Capital Totals		11,553	144	5.9%	\$ 12,405,807	\$57,244	0.5%	0.5%	
Planning Totals		5,742	706	0.4%	\$ 210,000	\$2,525	0.0%	0.0%	
<b>TOTALS</b>		<b>17,295</b>	<b>850</b>	<b>4.9%</b>	<b>\$12,615,807</b>	<b>\$59,769</b>	<b>0.5%</b>	<b>0.5%</b>	
<b>Notes:</b>									
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 July 10, 2023, 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 the week of July 24, 2023 inviting them to a meeting at RTA’s office on August 21, 2023.

RTA published its Disadvantaged Business Enterprise Goal on July 24, 2023 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**

July 10, 2023

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.

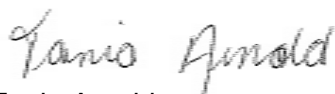
In this regard, RTA wishes to notify your organization and all interested parties that it is proposing to establish an overall DBE goal for Federal fiscal years 2024-26. This DBE goal will be applicable to contracts and procurements financed, in whole or in part, by the U.S. DOT, Federal Transit Administration (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)  
253 Elks Lane  
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

<p>South County Chamber of Commerce 800-A West Branch Street Arroyo Grande, CA 93420 805-489-1488</p>	<p>Morro Bay Chamber of Commerce 695 Harbor Street Morro Bay, CA 93442 805-772-4467</p>	<p>Paso Robles Chamber of Commerce 1225 Park Street Paso Robles, CA 93446 805-238-0506</p>
<p>Atascadero Chamber of Commerce 6907 El Camino Real, Ste A Atascadero, CA 93422 805-466-2044</p>	<p>Latino Outreach Council of San Luis Obispo County 267 W Tefft Street, Nipomo, CA 93444 805-929-1120</p>	<p>Templeton Chamber of Commerce 321 South Main Street Templeton, CA 93465 805-434-1789</p>
<p>San Luis Obispo Chamber of Commerce 895 Monterey Street San Luis Obispo, CA 93401 805-781-2777</p>	<p>Pismo Beach Chamber of Commerce 649 Dolliver Street Pismo Beach, CA 93449 805-773-4382</p>	<p>First Nations Development Institute 141-B Spring Street Claremont, CA 91711 303.774.7836</p>
<p>Santa Maria Chamber of Commerce 614 South Broadway Santa Maria, CA 93454 805-925-2403</p>	<p>Women's Network of SLO P.O. Box 1741 San Luis Obispo, CA 93406 310-699-6538 (President)</p>	<p>Northern Chumash Tribe P.O. Box 13938 San Luis Obispo, CA 93406</p>
<p>PRIDE &amp; Diversity Center 1060 Palm Street San Luis Obispo, CA 93401 805-541-4252</p>	<p>Mission Community Services Corporation 71 Zaca Lane, Ste 130 San Luis Obispo CA, 93401 (805) 595-1357 info@mcscorp.org</p>	<p>Business and Entrepreneurship Center at Cuesta College Cuesta College, San Luis Obispo Campus P.O. Box 8106, San Luis Obispo, CA 93403 (805) 546-3188</p>
<p>Downtown SLO 1135 Chorro St San Luis Obispo, CA 93401 (805) 541-0286 reachus@downtownslo.com</p>	<p>SCORE 1228 Broad St. San Luis Obispo, CA 93401 (805) 547-0779info@sloscore.org</p>	<p>Small Business Administration 801 R St., Ste. 201 Fresno, CA 93721 (559) 487-5636</p>
<p>Small Business Development Center 872 Higuera Street San Luis Obispo, CA 93401 (805) 756-5171</p>	<p>REACH <a href="https://reachcentralcoast.org/reach-us/">https://reachcentralcoast.org/reach-us/</a></p>	

July 19, 2023

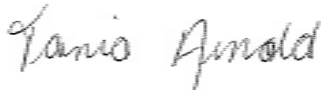
To: Organizations Representing Potential Contracting Partners  
From: San Luis Obispo Regional Transit Authority  
Subject: **Consultation for RTA Disadvantaged Business Enterprise/Small Business Enterprise Program**

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 at RTA's office at 253 Elks Lane, San Luis Obispo, at 11:00 a.m. on Monday, August 21, 2023, and your organization is strongly urged to attend. If you would like a link to attend virtually please call or email [tarnold@slorta.org](mailto: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 August 21<sup>st</sup> hopefully provides another option for your participation in RTA's program. It would be preferable to have all these meetings wrapped up by August 31<sup>st</sup> 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) 541-2228 ext 4397. We hope to meet with you shortly.

Sincerely,



Tania Arnold  
Deputy Director/CFO DBE Liaison

Log of DBE Consultation Outreach Calls:  
(pending)

**PUBLIC NOTICE**  
**DISADVANTAGED BUSINESS ENTERPRISE GOAL**  
**July 24, 2023**

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 0.5% for participation by Disadvantaged Business Enterprises (DBEs) on Federal Transit Administration (FTA) assisted contracts during the federal fiscal years from October 1, 2023 to September 30, 2026.

The proposed goal and its rationale are available for inspection during normal business hours at RTA's Administrative Offices, located at 253 Elks Lane, 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, 253 Elks Lane, San Luis Obispo, CA 93401 and/or Regional Director, U.S. Department of Transportation, Federal Transit Administration, 90 7<sup>th</sup> Street, Suite 15-300, San Francisco, CA 94103. Comments will be received for thirty (30) days from the date of this publication.

**Noticia Pública**  
**Empresa de Negocio Desventaja (DBE)**  
**24 de julio de 2023**

De acuerdo con las regulaciones de U.S. Departamento de Transporte (DOT), 49 CFR, Parta 26, propone un objetivo general de 0.5% 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 2023 hasta el 30 de septiembre de 2026.

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 253 Elks Lane, 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, 253 Elks Lane, San Luis Obispo, CA 93401 y/o Director Regional, Departamento de Transporte de los Estados Unidos, Administración Federal de Tránsito, 90 7<sup>th</sup> Street, Suite 15-300, San Francisco, CA 94103. 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)