

**Solano County Transit (SolTrans)
Overall Disadvantaged Business Enterprise (DBE) Goal
Federal Fiscal Year 2023 through 2025**

Summary

In accordance 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 SolTrans for the period covering Federal Fiscal Years October 1, 2022 through September 30, 2023 (FFY 2023), October 1, 2023 through September 30, 2024 (FFY 2024) and October 1, 2024 through September 30, 2025 (FFY 2025). SolTrans receives funding from the Federal Transit Administration (FTA) of the U.S. Department of Transportation. The Agency's overall DBE goal for FFY 2023 through FFY 2025 is ten percent (10%) of the federal financial assistance we will expend in FTA-assisted contracts, using race-neutral means, exclusive of FTA funds to be used for the purchase of transit vehicles. There is no race-conscious portion of SolTrans' DBE Goal.

This goal identifies the relative availability of DBEs based on evidence of ready, willing, and able DBEs in relation to all comparable businesses, which are known to be available to compete in SolTrans' 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.

Overall DBE Goal Methodology

The Goal-setting methodology consists of the following four procedures and follows FTA's Two-Step Process:

A – Determine the weight of each type of work by NAICS (North American Industry Classification System) Code for projects receiving FTA funding to occur from FFY 2023 to FFY 2025.

B – Define SolTrans' market area and the availability of DBE firms within the market area.

C – Calculation of SolTrans' Base Figure Goal (Step 1)

D – Adjust the Base Figure based on DBE attainment in the past three years (Step 2)

A – Determine the weight of each type of work by NAICS Code for FTA-funded projects.

The following FTA-assisted projects are included in SolTrans' capital and operating budget for FFY 2023 through FFY 2025 covered by this goal. The amounts are estimates as these contracts have yet to be finalized. FTA-assisted contracting for FFY 2023 through FFY 2025 is expected to consist of three (3) projects, exclusive of contracts for the purchase of transit vehicles, which are not subject to this goal-setting process. Additional projects may be undertaken if additional funds become available; the overall DBE Goal will then be adjusted if necessary. The anticipated projects are listed below, with prime contracts and sub-contract opportunities listed, and showing their weighted values by NAICS code in **Table 1**.

Construction Project – SolTrans will spend about \$5 million for a project to upgrade the electrical infrastructure in its bus yard to allow the simultaneous charging of greater numbers of zero-emission buses that will begin to arrive in 2023.

In addition, the following smaller professional service projects were included in the analysis:

1. Marketing and Public Relations Services
2. Armored Car Services

Because projects 2-3 are operating projects, SolTrans is limited on the amount of federal funds that can be used. The effective percentage of federal funds for operations based on experience is 27% of the total project.

Table 1

Step 1 - Determine the weight of each type of work by NAICS Code:

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	541330	Electrical Engineering Services (Bus Charging Upgrade)	\$250,000.00	0.0488
2)	423610	Electrical Apparatus and Equipment (Bus Charging Upgrade)	\$900,000.00	0.1755
3)	236220	Institutional Building Construction (Bus Charging Upgrade)	\$3,872,771.00	0.7552
4)	541613	Marketing and Public Relations Services	\$40,500.00	0.0079
5)	561613	Armored Car Services	\$64,800.00	0.0126
Total FTA-Assisted Contract Funds			\$5,128,071.00	1

B - Determine Market Area and Availability of DBE Firms

SolTrans' market area has traditionally comprised of the Counties of Alameda, Contra Costa, Marin, Napa, Sacramento, San Francisco, San Mateo, Santa Clara, Solano, Sonoma and Yolo, as they have contained the majority of SolTrans' bidders. For the contracted transit services, there are a limited number of companies who provide full-service transit operations services. SolTrans relies on past experience and known bidders for this type of contract to determine the availability of firms.

Determination of DBE's

- 1) Using the California Unified Certification Program (CUCP) Directory to identify the number of registered DBE's willing to perform work in SolTrans' market area, as defined above, for each of the anticipated contracts, based on the NAICS codes most relevant to each contract.
- 2) Using 2019 Countywide Business Patterns (CBP) data from the U.S. Census Bureau to identify the total number of businesses available in SolTrans' market area for work on each contract, based on the same NAICS codes. Data used for 2019 Business Patterns was released by the US Census Bureau in April November 2020.

Table 2 shows the proportion of DBE firms to all available firms within SolTrans' market area.

C - Step 1: Compute Base Figure

Table 2 - Relative Availability of DBE Firms by NAICS Code:

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability	
1)	541330	Electrical Engineering Services (Bus Charging Upgrade)	405	2331	0.1737	
2)	423610	Electrical Apparatus and Equipment (Bus Charging Upgrade)	66	351	0.1880	
3)	236220	Institutional Building Construction (Bus Charging Upgrade)	149	755	0.1974	
4)	541613	Marketing and Public Relations Services	1	20	0.0500	
5)	561613	Armored Car Services	0	9	0.0000	
Combined Totals			621	3466	0.1792	Overall availability of DBEs

Per 49 CFR 26.45(c), a base figure was calculated by multiplying the weighted percentage of funds to be expended for each NAICS Code by the relative availability of DBE firms as shown in **Table 3**.

The Base Figure for all NAICS Codes was totaled, resulting in a 19% **Overall Base Figure**.

Table 3 – Weighted Base Figure (Relative Availability of DBE Firms):

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	541330	Electrical Engineering Services (Bus Charging Upgrade)	0.04875	x	0.17375	0.0085
2)	423610	Electrical Apparatus and Equipment (Bus Charging Upgrade)	0.17550	x	0.18803	0.0330
3)	236220	Institutional Building Construction (Bus Charging Upgrade)	0.75521	x	0.19735	0.1490
4)	541613	Marketing and Public Relations Services	0.00790	x	0.05000	0.0004
5)	561613	Armored Car Services	0.01264	x	0.00000	0.0000
						Total
						Expressed as a % (*100)
						19.09%
						Rounded, Weighted Base Figure:
						19%

D –Step 2: Adjust Base Figure

Step 2 makes adjustments to the Base Figure formulated in Step 1.

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 modify the base figure to arrive at an overall DBE goal. To determine an adjusted base figure, SolTrans has reviewed information related to the proven capacity of DBE firms to perform similar contracts.

Past DBE Participation

For adjustments to the Base Figure, SolTrans considers past DBE participation to be an accurate measure of the expected current capacity of DBE firms to perform work on its federally assisted contracting projects. SolTrans has determined that anticipated contracts for FFY 2023-2025 are similar to the previous capital and service contracts that were issued during the FFY 2020-2023 DBE Goal cycle. Specifically, the Electrical Infrastructure Construction Project is a construction project similar to the FFY 2017-2019 CNG Fueling Facility Construction Project. It is a type of project that utilize a number of smaller sub-contracting firms to perform specialized construction activities within the scope of the larger project.

In regard to past DBE performance, SolTrans' FFY 2019-2022 Overall DBE Goal for federally funded projects was set at 2%, which was never attained during that triennial cycle. SolTrans' DBE attainment during the past three federal fiscal years, based on semi uniform reports submitted to FTA, is shown in Table 4. Based on this information, an adjustment that takes into account the level of DBE attainment over the past three years, (and using the median of the three years, which eliminates extremes, whether high or low) is deemed appropriate and is described below:

Table 4 – Past DBE Goal Attainment

Report Period	DBE Attainment
FFY 2019	0.25%
FFY 2020	0.25%
FFY 2021	0.12%

This calculation defines goal attainment as the federal spending on DBE vendors for the period divided by the total federal spending for the period. Only three federal contracts were awarded in the past three years with one awarded to a DBE, however it was a very small contract. Due to the immateriality of the amount of dollars spent on our DBE vendor, we feel that our median of 0.25% does not need to be recalculated or adjusted.

The median of the percentages of past DBE Attainment is calculated by taking the middle of the three percentages, resulting in a median of 0.25%. This adjustment is obtained by averaging the Step 1 Weighted Base figure of 19% with the Median of Past Attainment of 0.25%.

Base Figure = 19%

Historical Median of Past Participation = 0.25%

Adjustment: (Base Figure 19%) + (Median of Past Participation 0.25%) divided by 2 = 9.63%

The Base Figure is then rounded up to 10%.

Disparity Studies

SolTrans has considered the evidence presented in recent disparity studies that were conducted by Caltrans (June 2019) and SFMTA (2015) and determined that these findings do not match the nature and scale of the anticipated contracts to be issued during the FFY 2023-2025 DBE cycle. Should new contracting opportunities occur that would require revisions to SolTrans' overall goal, disparity studies will again be considered as a source of information that may warrant further adjustments to the Base Figure.

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. Race-neutral methods include making efforts to assure that bidding and contract requirements facilitate participation by DBE firms 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 DBE and SBE firms.

SolTrans will continue using race-neutral means to encourage their transit service prime contractor to utilize DBE firms when possible. Semi-annual meetings with the contractor will be held to discuss potential subcontracting opportunities.

Public Participation in Setting Overall DBE Goal

SolTrans has sought and encouraged public participation from minority, women, and general contractor groups, through its participation as a member of the Business Outreach Committee (BOC), a consortium of Bay Area Transit and Transportation Agencies that assists DBEs and other small companies with expansion of their businesses through training, technical assistance, and relationship-building with Agency Staff and the contracting community of the San Francisco Bay

Area.

SolTrans anticipates very limited Federal contracting opportunities for the next three years and determined further public outreach would not be beneficial to setting our goal. During past outreach meetings, there were no comments or questions brought up by any DBE firm representatives or members of the public that introduced new information that would lead Staff to consider a revision of our proposed DBE Goal. Moreover, we determined that given the limited DBE opportunities for the contracts that we anticipate to award, these would not warrant a further expenditure of Staff resources to pursue additional outreach and consultation efforts.

In Spring 2018, the SolTrans Executive Director, and the SolTrans DBE Liaison Officer (DBELO) developed a plan to mentor and otherwise assist a marketing firm to become certified as a DBE in August 2018. That firm will be encouraged to bid on the next contract opportunity.

Ongoing Outreach

SolTrans will continue to seek on-going public participation from community organizations through public meetings and public planning documents comment periods on up-coming projects. For specific contracting opportunities, SolTrans will reach out to DBE firms in our market area to invite them to bid. Additionally, the SolTrans website offers opportunities for the public to submit comments regarding services and programs.

Notice of Proposed DBE Goal

Federal regulations require that notice of SolTrans' proposed overall DBE goal for FFY 2023 through FFY 2025 FTA-assisted contracts be posted on the Agency's official website and may also be posted in other sources (e.g., general circulation media, local minority-focused media, and trade association publications). Such notice must inform the public that the proposed DBE goal and its rationale are available for inspection during normal business hours for a period of thirty (30) days following the date of the notice. SolTrans and the FTA, as the Agency's lead on behalf of the Department of Transportation, will accept comments on the proposed goal for forty-five (45) days from the date of notice.

Interested parties are encouraged to submit comments to:

Reilly Kent, DBE Liaison Officer
Solano County Transit (SolTrans)
311 Sacramento Street
Vallejo, CA 94590

Or:
Federal Transit Administration, Region IX
Attention: Civil Rights Officer
TRO-9, 90 Seventh Street, Suite 15-300
San Francisco, CA 94103-6701

Publication to Date of Proposed New Three-Year Overall DBE Goal

Federal Regulations require that SolTrans publish a notice on its official website announcing the proposed goal for FFY 2023 through FFY 2025 contracts assisted by U.S. DOT.