



Butte County Association of Governments

DBE Goal-Setting Methodology for FFY 2021 - FFY 2023

*Submitted in fulfillment of:
Section 1101 of the Transportation Equity Act for the 21st Century
and 49 Code of Federal Regulations Part 26*

For adoption by the BCAG BOARD of DIRECTORS
August 27, 2020

**BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL DBE GOAL AND METHODOLOGY
FOR

FEDERAL FISCAL YEAR (FFY) 2020/23
(Covering the period of October 1, 2020 to September 30, 2023)**

I. INTRODUCTION

Butte County Association of Governments (BCAG) herein does submit its Proposed Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2021-2023.

II. BACKGROUND

Effective March 3, 2010, the United States Department of Transportation (“DOT”) issued a final rule affecting the implementation and management of the Department’s Disadvantaged Business Enterprise (“DBE”) program. The rule, which effectively amended the prior provision requiring annual submission of DBE goals and methodology, requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, BCAG is still required to conduct an annual review to account for changes that may warrant an adjustment to the overall goal or make an adjustment based on changed circumstances (i.e. significant change in the legal standards governing the DBE program, new contracting opportunities presented by the availability of new or different grant opportunities to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the new schedule, BCAG’s next DBE goal and methodology submission is due to FTA on August 1, 2023.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2020/23

Table 1 represents BCAG’s U.S. DOT-assisted (FTA) defined contracting program, which includes three (3) projects that were considered in preparing its **Overall DBE Goal-Setting Methodology**. The project includes contracting opportunities in the categories of Professional Services and Construction. These categories may include subcontracting possibilities with ready and available DBEs.

Table 1

| PROJECT | Total Estimated Project Cost (Federal Share) | Estimated Federal Dollar Share of Construction | Estimated Federal Dollar Share of Professional Services | Estimated Federal Dollar Share of Materials & Supplies |
|--|--|--|---|--|
| Underground Upgrades for Electric Bus Deployment – Construction only | \$626,028 | \$626,028 | \$0 | \$0 |
| Butte Regional Transit Routing Study | \$200,000 | \$0 | \$200,000 | \$0 |
| Transit Operations | \$10,897,498 | \$0 | \$10,897,498 | \$0 |
| TOTAL | \$11,097,498 | \$626,028 | \$11,097,498 | \$0 |

UNDERGROUND UPGRADES FOR ELECTRIC BUS DEPLOYMENT (CONSTRUCTION ONLY): BCAG is beginning work in FY 2020-2021 to design and construct underground upgrades to Butte Regional Transit’s facility for additional power. This power is needed to support electric buses and charging equipment. Federal funds are only being used for the construction part of this project.

BUTTE REGIONAL TRANSIT ROUTING STUDY: BCAG is beginning work in FY 2020-2021 to hire a consultant to design and construct underground upgrades to Butte Regional Transit’s facility for additional power. This power is needed to support electric buses and charging equipment.

TRANSIT OPERATIONS (TRANSDEV, INC.): BCAG is currently contracted with Transdev, Inc. for transit operating services for Butte Regional Transit. BCAG’s base contract term with Transdev expired on June 30, 2017. A two-year extension option was exercised to begin on July 1, 2017 and expired on June 30, 2019. Transdev submitted a bid and won the contract through a competitive bid process, Request for Proposal (RFP) during the FFY 2019.

The agreement is for five (5) years, from July 1, 2019 through and including June 30, 2024. BCAG has the option to extend the agreement for up to two (2) two-year extensions for a maximum contract term, including the initial term, of nine (9) years (through June 30, 2028).

Transdev partners with various vendors for bus maintenance, facility maintenance and services, employee required programs, bus parts, fuel, and uniforms. The Transdev, Inc. contract is for transit operating services for Butte Regional Transit. The majority of these services contain materials and supplies and includes some professional services.

BCAG reviewed monthly vendor costs and services provided by Transdev to determine the North American Industry Classification System (NAICS) codes.

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure

To establish BCAG's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the BCAG's FFY 2020/23 FTA-assisted contracting opportunities during the respective goal period, BCAG followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the **California Unified Certification Program (CUCP) Directory of Certified DBE Firms** and the **2014 U.S. Census Bureau County Business Patterns (CBP) Database**. Comparisons were made within BCAG's market area and by specified industries and types of businesses identified in Table 3.

Geographic Market Area: Butte County only

BCAG used the Butte County market area alone to calculate the number of potential DBEs for Medical Doctors, Pest Control, Landscaping, Drug Testing and Janitorial services. Due to the nature of the industries and keeping to local travel for contracting opportunities, the Butte County only search seemed most appropriate.

Geographic Market Area: Neighboring Counties – Butte, Colusa, Shasta, Sutter, Tehama and Yuba

The neighboring counties market area was used for services where BCAG felt vendors were not as likely to travel up to ninety (90) miles due to the nature of the service and including travel time would not keep them as competitive as a local vendor.

BCAG made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

- ⇒ **For the numerator: California UCP DBE Database of Certified Firms**
- ⇒ **For the denominator: 2014 U.S. Census Bureau's Business Pattern Database (CBP)**

To determine the relative availability of DBEs, BCAG divided the numerator representing the ratio of ready, willing and able DBE firms by the denominator representing all firms (DBE and Non-DBEs) available in each work category. BCAG focused on ready, willing DBEs located within the market area.

Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{BASE FIGURE}$$

The Base Figure resulting from this calculation is as follows:

Step 1: Base Figure: calculated by type of work to be performed

TABLE 2

| TABLE 2 - Base Goal Calculation | | | A | B | C |
|--|------------|--|----------------|--------------------|----------------------------------|
| Project | NAICS Code | Description & Work Code Category | # of DBE firms | # of overall firms | # of DBE firms/# all firms (A/B) |
| Underground | 238210 | C8740 Electrical Engineers | 1 | 420 | 0% |
| Upgrades for | 238110 | C0651 Concrete | 0 | 36 | 0% |
| Electric Bus | 238190 | B1440 Sand & Gravel | 0 | 14 | 0% |
| Deployment (Construction only) | 238190 | C1920 Structure Excavation | 0 | 14 | 0% |
| Butte Regional Transit Routing Study | 541990 | I8760 Transportation Planning | 0 | 83 | |
| Transdev Subcontracts | 441310 | I7531 Bus Services-Engine Rebuilding | 0 | 199 | 0% |
| | 621111 | I8010 Offices & Clinics of Medical Doctors | 0 | 348 | 0% Butte only |
| | 561710 | I7342 Disinfecting & Pest Control | 0 | 40 | 0% Butte only |
| | 561612 | I7384 Security Guard/Guard Patrol Services | 1 | 10 | 10% |
| | 561730 | A0780 Landscape & Horticultural Services | 2 | 170 | 1% Butte only |
| | 541380 | I8073 Drug Testing | 0 | 10 | 0% Butte only |
| | 561720 | I7341 Janitorial Services | 1 | 50 | 2% Butte only |
| | 541990 | F5132 Uniforms | 1 | 14 | 7% Butte only |
| | 453210 | D3950 Pens, Pencils, Office & Art Supplies | 0 | 4 | 0% |
| | 424310 | F5171 Lubricants | 0 | 0 | 0% |
| TOTAL | | | 6 | 1412 | 20% |

0.42%

Key Goal without weighting
 Geographic Market Area: Neighboring Counties - Butte, Colusa, Placer, Shasta, Sutter, Tehama and Yuba

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, BCAG reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within BCAG's market area, in accordance

with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step II; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included other Local Agencies' Disparity Studies within BCAG's jurisdiction and Other Evidence. A summary of these considered are as follows:

A. *Past DBE Goal Attainments*

BCAG has two potential new contracting opportunities. One for construction on upgrades to underground facilities for Electric Bus deployment and one for planning assistance for transit routing survey. Neither of these projects have DBE's within the Neighboring Counties that are available and ready to work. If BCAG went further out of the area to look for DBEs, it may not be feasible or profitable for the DBE to travel so far to bid on these contracts.

BCAG has been tracking monthly vendor payments to DBE's and small businesses by their Transit Contractor, Transdev. Currently, Transdev has only one DBE that they are doing business with, that is Capp Uniforms. This DBE just started work on the contract in March of 2020. BCAG will continue to track the payments to this DBE and encourage more participation when available DBE's can be contracted.

In the past methodology, BCAG was incorrectly tracking Local Small Businesses (LSB) and including with the DBE goal numbers. This has significantly reduced BCAG's Overall DBE Goal. The correction was made during the FTA 2018 Triennial Review that was finalized in December 2019. BCAG will continue to annually evaluate if there are any new FTA projects that will require adjustments to the goal.

B. *BCAG's Bidders List*

While BCAG's Vendor/Consultant and Plan holder Databases were assessed and utilized to verify BCAG's market area, BCAG's database is currently undergoing refinement to facilitate analysis by contract type and corresponding NAICS codes. Therefore, BCAG will not make an adjustment to the Base Figure based on the Bidders List. BCAG will continue to capture the required information from all bidders/proposers at the time of bid/proposal submission and will utilize such information in future Overall DBE Goal setting analyses. The CUCP listing is inclusive of the DBE firms in our market area.

C. *Disparity Study & Calculation of Race-Conscious Goal*

BCAG considered the State of California Department of Transportation's (Caltrans) completed Disparity Study (Study). The Study was initiated to determine the existence of discrimination or its effects within the state of California. The Study was completed in 2012, BCAG found that none of the projects included in the Overall Goal Methodology needed to use a Race Conscious goal.

BCAG did not make an adjustment to the base figure at this time and concluded that there will not be a need to calculate a race-conscious contract goal.

D. Other Evidence

BCAG did not receive any other evidence nor is aware of any other factors or adverse considerations that would have had a material effect on DBEs availability within BCAG's marketplace, or on DBEs' ability to participate (meeting bonding, insurance and financial requirements) in support of BCAG's FTA-assisted contracting programs. Therefore, no goal adjustment was made in consideration of this factor. However, BCAG will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in BCAG's FTA-assisted contracting programs.

PROPOSED OVERALL DBE GOAL:

The Revised Overall DBE Goal for FFY 2020-2023 period for BCAG's FTA-assisted contracts is 0.42%.

The proposed goal further serves to identify the relative availability of DBEs based on evidence of ready, willing, and able DBEs to all comparable firms, which are known to be available to compete for and perform on BCAG's FTA-assisted contracts. The proposed goal reflects a determination of the level of DBE participation, which would be expected absent the effects of discrimination.

V. RACE-NEUTRAL MEASURES

The revised Overall DBE Goal for FFY's 2020-23 for BCAG's DOT-assisted contract is 0.42%. BCAG will implement race-neutral measures to meet its Overall DBE Goal objectives in accordance with 49 CFR Part 26.51, including but not limited to:

- Arranging timely solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBEs and other small business firms' participation.
- Unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own work forces.
- Providing information and communications programs on contracting procedures and specific contract opportunities.
- Encourage local businesses to register with the state to become a certified DBE.
- Hold mandatory pre-bid meetings as appropriate to ensure DBE information is presented to proposers as well as to provide opportunities for DBE vendors to attend.
- Work with the local college and university's small business centers to provide information regarding DBE certification and contracting procedures.

VI. PUBLIC PARTICIPATION AND FACILITATION

Prior to establishment or adoption of BCAG's proposed overall goal, BCAG identified minority, women's, city chambers, local small business groups, general contractor groups and organizations within BCAG's market area to reach out to for consultation, feedback pertaining to the methodology utilized by BCAG to develop their proposed overall goal and any additional information they may have pertaining to effects of discrimination on opportunities for DBE's.

BCAG focused on providing direct outreach to the organizations listed above through telephone calls to obtain any comments on the proposed DBE Goal. Comments that could impact the goal would have been incorporated as a step 2 process of BCAG's goal development. All comments BCAG received are included in **Attachment A – Public Comments Received for FFY 2020/2023 Overall DBE Goal.**

In addition, BCAG has issued Outreach Consultation Letters advising the aforementioned business community of the proposed DBE goal analysis and availability for review on BCAG's website. BCAG consults minority groups and organizations year-round via event attendance and vendor programs to solicit any input they have on DBE opportunities.

BCAG has given full consideration to all comments and input and assessed the impact on the proposed Overall DBE Goal. The organizations contacted through this process seemed generally helpful in spreading word of potential contracting opportunities with BCAG and doing whatever they can to help both BCAG and the small business and/or DBE. There are many upcoming events that the local community college is involved with and now that BCAG has made contact, there is an established relationship to be part of future events to support local small businesses and encourage DBE certification when possible.

The comments received did not indicate that the proposed goal should be changed. The discussion with local organizations has been useful in shaping BCAG's future race-neutral activities and small business element of the DBE program.

ATTACHMENT A
FFY 2018/20 Overall DBE Goal

Contact Notice of BCAG DBE & Projects – Public Outreach Agencies

BCAG contacted local chamber offices and agencies to inform them of the updated DBE Goal and Analysis.

Public Outreach included:

- 1) The proposed DBE Goal and Methodology for 2020-23 was posted on the BCAG website to solicit comments on BCAG's DBE program and/or goal.



- 2) Chico Chambers of Commerce, Paradise Chambers of Commerce, Gridley Area Chambers of Commerce and Oroville Chambers of Commerce

The Chambers of Commerce in Butte County were informed of the above information via mail. BCAG can provide them a copy of the RFPs and they will post in their office. In addition, there are Business Directories of local businesses that are registered with the Chambers. This is a useful tool to find DBE/Local Small Business contractors that may be able to perform functions associated with projects/services.

- 3) Non-Profit, Valley Contractors Exchange – www.vceonline.com – 530-343-1981

BCAG utilizes Valley Contractors Exchange to provide them a copy of the RFPs and they post to the list of contractors who are associated with them. Valley Contractors also has a search tool of licensed contractors by category type. This tool is useful to find DBE/Local Small Business contractors that may be able to perform functions associated with projects/services.

- 4) Butte College, Small Business Development Center - www.buttecollegesbdc.com/ - 530-895-9017

SBDC is enthusiastic that BCAG is becoming more involved with the community college and as a local government agency, to share upcoming contracting opportunities so that they can inform the local businesses. The DBELO has attended trainings and seminars for Women in Business and will be participating in future collaboration with SBDC. SBDC has been notified via mail that BCAG is taking comments on the 2020-23 DBE Goal.

- 5) Notice for solicitation of comments regarding BCAG's 2020-23 DBE goal were mailed to Sacramento Area County Association of Governments (SACOG), Glenn Ride in Tehama County, and all of the Chambers of Commerce located within the Butte County area.

- 6) White Glove Cleaning, Inc. - (530) 354-0582

Continued to assist White Glove Cleaning Service with information from the Butte College, Small Business Development Center. Coordinated with Ron Van Dusen at SBDC to figure out what the owner, a Hispanic woman, would need to do to certify as either a DBE and/or Small Business. She was able to obtain the BCAG janitorial contract. SBDC helps with all aspects of small businesses except they do not work with non-profit organizations.

- 7) Referred a small business owner to Butte College SBDC for help in website design, marketing, accounting and attracting new clients. The small business is a female owned website business who said she was able to benefit from the information from SBDC.

- 8) Dbejournal.com
Utilize DBE Journal to solicit DBE firms for upcoming contracts.

STAFF TRAINING AND CONSULTATIONS

- 9) BCAG completed the 2018 FTA Triennial Review in December 2019. Through this process, staff has become more aware of DBE requirements and how important public participation and outreach is during the goal process. The tough fact for Butte County is the lack of DBE certified firms and contracting opportunities for DBE's.
- 10) BCAG's DBELO has attended a few of the National Transit Institute trainings for the DBE Program to better educate the DBELO and keep informed of updated requirements and methods.