



# **Butte County Association of Governments**

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## **Proposed DBE Goal-Setting Methodology**

**for**

## **FFY2015-FFY2017 Revision #1**

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

Proposed for adoption by the BCAG BOARD of DIRECTORS  
September 22, 2016

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

**FEDERAL FISCAL YEAR (FFY) 2015-17 (Revision #1)  
(Covering the period of October 1, 2014 to September 30, 2017)**

**I. INTRODUCTION**

Butte County Association of Governments (BCAG) herein does submit Revision #1 to 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 2015-2017.

**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, 2017.

**BCAG herein presents Revision #1 to its Overall DBE Goal Methodology for FFY 2015/17 goal period.**

**III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2015/17**

**Table 1** represents the BCAG’s U.S. DOT-assisted (FTA) defined contracting program, which includes three (3) projects that were considered in preparing **Revision #1** to its **Overall DBE Goal-Setting Methodology**. The three projects include contracting opportunities in the categories of Professional Services and Materials & Supplies of which, all have viable subcontracting possibilities and corresponding availability of DBEs, a required criterion for Overall Goal consideration, and is anticipated to be awarded within the respective goal period.

**Table 1**

<b>PROJECT</b>	<b>Total Estimated Project Cost (Federal Share)</b>	<b>Estimated Federal Dollar Share of Construction</b>	<b>Estimated Federal Dollar Share of Professional Services</b>	<b>Estimated Federal Dollar Share of Materials &amp; Supplies</b>
Paradise Transit Center	\$580,000	\$0	\$580,000	\$0
Transdev Inc.	\$7,100,050	\$0	\$865,726	\$0
Fuel/Petroleum	\$1,050,000	\$0	\$0	\$1,050,000
<b>TOTAL</b>	<b>\$8,730,050</b>	<b>\$0</b>	<b>\$1,445,726</b>	<b>\$1,050,000</b>

**PARADISE TRANSIT CENTER:** The objective for the Paradise Transit Center project in FFY 2017 is to confirm a location, develop a design and produce environmental documents for the construction of a Paradise Transit Center facility. The construction phase of the project is estimated to begin in FFY 2018. This design phase of the project will entail contracts for professional services such as engineering, surveying and design.

In order to figure out the North American Industry Classification System (NAICS) codes for the Paradise Transit Center Architectural & Design project, BCAG used the same NAICS codes that were used during the Oroville Transit Center Architectural & Design phase in 2004. Since the Paradise Transit Center will be similar to Oroville, the design phase was broken down in professional service categories similar to Oroville as follows: 10% for Architectural Services, 72% for Design Engineering, 7% for Environmental Services and 11% for Surveying Services.

**TRANSIT OPERATIONS (TRANSDEV, INC.):** The Transdev, Inc. contract is for transit operating services for Butte Regional Transit. The contract includes services from various vendors for bus maintenance, facility maintenance and services, employee required programs, bus parts, fuel, and uniforms. 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 NAICS categories.

BCAG’s base contract term with Transdev will expire on June 30, 2017 and has a two-year extension option. BCAG will exercise the two-year extension option to begin on July 1, 2017 and is included within the contracting opportunities analyzed for this FFY 2015-17 goal methodology.

**FUEL/PETROLEUM:** BCAG is currently purchasing fuel under the California state contract. During the goal calculation process, alternative fuel vendors were explored including DBEs.

Table 2 provides a summary of the three (3) projects by primary category, the NAICS codes used, the federal dollar share amount and percentage. Of the three (3) projects, one (1) project will consist of Professional Services; one (1) project will consist of Materials & Supplies and one (1) project will consist of both Professional Services and Materials & Supplies.

**Table 2  
PARADISE TRANSIT CENTER**

<b>CONTRACT CATEGORY</b>	<b>NAICS WORK CATEGORIES</b>	<b>ESTIMATED FEDERAL DOLLAR SHARE</b>	<b>% OF FEDERAL FUNDING (Rounded)</b>
Professional Services	541310 (Architectural Services), 541620 (Environmental Consulting), 541330 (Design Engineering), 541370 (Surveying)	\$580,000	100%
<b>TOTAL</b>		<b>\$580,000</b>	<b>100%</b>

**FUEL/PETROLEUM**

<b>CONTRACT CATEGORY</b>	<b>NAICS WORK CATEGORIES</b>	<b>ESTIMATED FEDERAL DOLLAR SHARE</b>	<b>% OF FEDERAL FUNDING (Rounded)</b>
Materials & Supplies	454310 (Fuel/Petroleum)	\$1,050,000	100%
<b>TOTAL</b>		<b>\$1,050,000</b>	<b>100%</b>

**BCAG TRANSIT CONTRACTOR – TRANSDEV, INC.**

<b>CONTRACT CATEGORY</b>	<b>NAICS WORK CATEGORIES</b>	<b>ESTIMATED FEDERAL DOLLAR SHARE</b>	<b>% OF FEDERAL FUNDING (Rounded)</b>
Professional Services Materials & Supplies  Transit Operator Contracting Opportunities	561730 (Landscaping), 541380 (Testing Laboratories), 453210 (office supplies), 324191 (petroleum lubricating), 561720 (janitorial services), 81233 (uniforms), 811447 & 811482 (bus maintenance & parts), 621111 (Medical Doctors/Clinics), 51710 (pest control), 561612 (security guards), 485210 (Interurban & rural bus transportation)	<b>\$7,100,050 (total project)</b>  <b>\$865,726 (sub-contracting opportunities)</b>	100%
<b>TOTAL</b>		<b>\$7,100,050</b>	<b>100%</b>

#### **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 2015/17 Revision #1 FTA-assisted contracting opportunities projected to be solicited 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: California

BCAG used the California statewide market area to calculate the number of potential DBEs for Fuel and the Interurban and Rural Bus Transportation service relating to the option on the existing Transit Operator contract. Due to the nature of the industries and frequent travel for contracting opportunities, the statewide search seemed most appropriate.

##### Geographic Market Area (counties): Butte, Colusa, El Dorado, Nevada, Placer, Sacramento, Shasta, Sutter, Tehama, Yolo and Yuba

The main market area included counties within a ninety (90) mile radius of BCAG. Due to the nature of the industries, BCAG felt these were contracting opportunities that vendors were used to travelling and would be willing to travel at least ninety (90) miles to provide services.

##### Geographic Market Area: Neighboring Counties – Butte, Colusa, Glenn, 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.

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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 3**

<i>Base Goal Calculation</i>			A	B	C
<i>Project</i>	<i>NAICS Code</i>	<i>Description: Work Category</i>	<i># of DBE firms</i>	<i># of overall firms</i>	<i># DBE firms/ # all Firms (A/B)</i>
Transit Center	541310	Architectural services	6	153	3.92%
	541620	Environmental Consulting	5	181	2.76%
	541330	Design Engineering	6	598	1.00%
	541370	Surveying	2	44	4.55%
Transdev Subcontracts	441310	Automotive Parts and Accessories Stores	1	330	0.30%
	621111	Offices and Clinics of Medical Doctors	0	302	0.00%
	561710	Pest Control	1	30	3.33%
	561612	Security Guard Services	1	119	
	561730	Landscaping	0	113	0.00%
	541380	Testing Laboratories	0	5	0.00%
	561720	Janitorial Services	0	45	0.00%
	812320	Uniforms	0	160	0.00%
	453210	Office Supplies	0	63	0.00%
Fuel	424720	Petroleum Lubricants - wholesale	6	15	40.00%
Option (2 year)	454310	Fuel	0	327	0.00%
	485210	Interurban and Rural Bus Transportation	0	55	0.00%
<b>Total</b>			<b>28</b>	<b>2540</b>	<b>1</b>

Key

- Geographic Market Area: California
- Geographic Market Area: Butte, Colusa, El Dorado, Nevada, Placer Sacramento, Shasta, Sutter, Tehama, Yolo and Yuba
- Geographic Market Area: Neighboring Counties - Butte, Colusa, Glenn, Sutter, Tehama and Yuba

1.10%

**Goal without weighting**

**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 had two sole source procurements; one for radio communications and the second for GFI installation of hardware and software for connection to the mobile data terminals. There were no subcontractors on these two contracts, and neither prime contractor was a DBE.

The construction contract for the BCAG/BRT Maintenance Facility had a Race-Conscious DBE goal of 7% that ultimately was not attained. BCAG was unable to use this project for an adjustment because there are no construction projects in the three-year goal period.

**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***

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 it will need to use Race Conscious goals for the Construction Engineering portion of the construction for the Paradise Transit Center project, estimated for construction in FFY 2018. For the next three-year goal period,, BCAG will complete the process of calculating the Overall Goal for FFY 2018-2020 and will include the Paradise Transit Center construction project in the calculations. BCAG did not make an adjustment to the base figure at this time.

**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 2015-2017 period for BCAG's FTA-assisted contracts is 1.10%.**

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 2015-2017 for BCAG's DOT-assisted contract is 1.10%.** 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



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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 Revision #1 FFY2015-17 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**  
**Revision #1 FFY2015-17 Overall DBE Goal**

**Contact Notice of BCAG DBE & Projects – Public Outreach Agencies**

BCAG contacted 4 local outreach agencies to inform them of the updated DBE Goal and Analysis. In addition, the Public Agencies were informed of the upcoming project in Town of Paradise (P&E Project-Paradise Transit Center).

Four Agencies:

- 1) Chico Chambers of Commerce – [www.chicochamber.com](http://www.chicochamber.com) – 530-891-5556

Chico Chambers were informed of the above information. Chico Chambers stated that BCAG can provide them a copy of the RFPs and they will post in their office. In addition, Chico Chambers directed BCAG to search the Business Directory of businesses that are registered with Chico Chambers. This tool would be useful to find DBE/Local Small Business contractors that may be able to perform functions associated with projects/services.

- 2) Paradise Chambers of Commerce – [www.paradisechamber.com](http://www.paradisechamber.com) – 530-877-9356

Paradise Chambers were informed of the above information. Paradise Chambers stated that BCAG can provide them a copy of the RFPs and they will post in their office. In addition, Paradise Chambers directed BCAG to search the Business Directory of businesses that are registered with Paradise Chambers. This tool would be useful 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](http://www.vceonline.com) – 530-343-1981

Valley Contractors Exchange was informed of the above information. Valley Contractors Exchange stated that BCAG can provide them a copy of the RFPs and they will post to the list of contractors who are associated with them. Valley Contractors also have a search tool of licensed contractors by category type. This tool would be 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/](http://www.buttecollegesbdc.com/) - 530-895-9017

The Small Business Development Center (SBDC) was informed of the above information. SBDC was glad to hear that BCAG, was 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 registered for the 18th Annual Women in Business Conference, to take place September 2016 and will be participating in future events.