



# Butte County Association of Governments

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## Proposed DBE Goal-Setting Methodology for FFY 2018 - FFY 2020

*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  
August 24, 2017

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

**FEDERAL FISCAL YEAR (FFY) 2018/20  
(Covering the period of October 1, 2018 to September 30, 2020)**

**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 2018-2020.

**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 its Overall DBE Goal Methodology for FFY 2018/20 goal period.**

**III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2018/20**

**Table 1** represents the BCAG’s U.S. DOT-assisted (FTA) defined contracting program, which includes five (5) projects that were considered in preparing its **Overall DBE Goal-Setting Methodology**. The five projects include contracting opportunities in the categories of Professional Services, Construction and Materials & Supplies of which, most 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 Construction	\$1,500,000	\$1,500,000	\$0	\$0
Transdev Inc.	\$1,281,803	\$0	\$1,281,803	\$0
Bus Stop Improvements	\$1,000,000	\$1,000,000	\$0	\$0
Fuel/Petroleum	\$1,050,000	\$0	\$0	\$1,050,000
Transit Operator Bid	\$22,807,734	\$0	\$22,807,734	\$0
<b>TOTAL</b>	<b>\$27,639,537</b>	<b>\$2,500,000</b>	<b>\$24,089,537</b>	<b>\$1,050,000</b>

**PARADISE TRANSIT CENTER:** The objective for the Paradise Transit Center project in FFY 2017 was 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. The construction phase of the project will entail contracts for concrete, plumbing, electrical, masonry, roofing and landscaping.

In order to figure out the North American Industry Classification System (NAICS) codes for the Paradise Transit Center Construction project, BCAG used the same NAICS codes that were used during the Oroville Transit Center Construction in 2004. Since the Paradise Transit Center will be similar to Oroville, the construction phase was broken down into subcontracting opportunities similar to Oroville as follows: 59% for Prime Contractor – Highway Construction, 2% for Landscaping, 12% for Concrete, 2% for Plumbing and Construction, 9% for Electrical, 14% for Construction Engineering and 2% for General Contractor 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 expired on June 30, 2017. A two-year extension option was exercised to begin on July 1, 2017 and to expire on June 30, 2019. This is included within the contracting opportunities analyzed for this FFY 2018/20 goal methodology.

**BUS STOP IMPROVEMENTS:** The objective for the Bus Stop Improvement project is to ensure the current Butte Regional Transit Bus Stops are in compliance with BCAG & CALDOT (California Department of Transportation) guidelines as well as ADA (Americans with Disability Act) Regulations. The construction/improvement phase of the project is estimated to begin in FFY 2018. The construction/improvement phase of the project will entail purchase and installation of benches, bus shelters with bus signage, trash receptacles, contracts for concrete, grading, hauling, and landscaping.

In order to figure out the North American Industry Classification System (NAICS) codes for the Bus Stop Improvement project, BCAG used a sample obtained online from Martin County Transit Service-March 2015 to assist in estimating cost percentages.

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

**TRANSIT OPERATOR BID:** BCAG is currently contracted with Transdev, Inc. for transit operating services for Butte Regional Transit. The contract is a two-year extension option that was exercised and began on July 1, 2017 and to expire on June 30, 2019. The Transit Operator Bid for the Management and Operation of Butte Regional Transit services will be a competitive bid process – Request for Proposal (RFP) during the FFY 2018/2020 goal methodology. The Contractor will partner with various vendors for bus maintenance, facility maintenance and services, employee required programs, bus parts, fuel, and uniforms.

In order to figure out the North American Industry Classification System (NAICS) codes for the Transit Operator Bid, BCAG used the same NAICS codes that were used during the Transit Operations (Transdev, Inc.) contract for the two-year extension option. Since the Contractors will mainly partner with the same vendors for bus maintenance, facility maintenance and services, employee required programs, bus parts, fuel, and uniforms this seemed an appropriate approach.

#### **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 2017/20 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 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: 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:

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

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The Base Figure resulting from this calculation is as follows:

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

**TABLE 2**

<i>Base Goal Calculation</i>			A	B	C
<i>Project</i>	<i>NAICS Code</i>	<i>Description &amp; Work CodeC category</i>	<i># of DBE firms</i>	<i># of overall firms</i>	<i># DBE firms/ # all Firms (A/B)</i>
Paradise Transit Center - Construction	237310	C2201 (Finishing Roadway) Highway/General Contractor	5	46	10.87%
	237990	C9801 Building Construction/Engineering	0	8	0.00%
	561730	C2000 (Highway Planting) Landscaping	3	174	1.72%
	238910	C2800 (Concrete Base) Concrete	0	61	0.00%
	238210	C8602 (Signal & Lighting) Electrical Contractors	1	137	0.73%
	238990	C2301 (Pipeline, Drain Inspection & Cleaning) Plumbing	0	74	0.00%
Transdev Subcontracts	441310	I7531 (Bus Services-Engine Rebuilding)	0	75	0.00%
	621111	I8010 (Offices & Clinics of Medical Doctors)	0	473	0.00%
	561710	I7342 (Disinfecting & Pest Control)	0	46	0.00%
	561612	I7384 (Security Guard/Guard Patrol Services)	0	16	0.00%
	561730	A0780 (Landscape & Horticultural Services)	2	175	1.14%
	541380	I8073 (Drug Testing)	0	11	0.00%
	561720	I7341 (Janitorial Services)	0	63	0.00%
	541990	F5132 (Uniforms)	0	16	0.00%
	453210	D3950 (Pens, Pencils, Office & Art Supplies)	0	12	0.00%
	424310	F5171 (Lubricants)	0	2	0.00%
Bus Stop	236115	C9810 (Relocate Bus Stop)	0	116	0.00%
	238110	C7301 (New Sidewalk/Connecting Path)	2	47	4.26%
	238990	C1200 (Add/Replace/Move Bus Sign at stop)	2	74	2.70%
	238210	C9859 (Add detectable warnings)	1	137	0.73%
	238910	C1601 (Clearing & Grubbing)	3	61	4.92%
	237310	C8406 (Minor Crosswalk Striping)	0	46	0.00%
	541611	C8700 (Other Improvements)	2	55	3.64%
	561110	C8701 (Mobilization)	1	28	3.57%
Fuel	454310	F5980 (Fuel Dealers)	0	25	0.00%
Transit Operator Bid FY 19/20	485210	E4110 (Local & Suburban Transportation)	0	0	0.00%
		<b>Total</b>	<b>29</b>	<b>2268</b>	<b>43.93%</b>

1.28%

Goal without weighting

Key


Geographic Market Area: California

Geographic Market Area: Neighboring Counties - Butte, Colusa, 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 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.

BCAG has started tracking vendor payments to DBE's and small businesses by their Transit Contractor and from the revised goal calculated for FFY 2015/17 Revision #1, BCAG is meeting it's race-neutral goal of 1.10%. Due to the fact that this is a rural area, not many DBE's are available or certified so this is a way BCAG can help attain their 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 it should use a Race Conscious goal for the Construction Engineering portion of the Paradise Transit Center Construction project, estimated for construction in FFY 2018.

BCAG looked at the number of ready and willing DBE firms in Construction Engineering for their market area and there were none to be found. The total number of firms within the market area was 8 firms. That being said, if BCAG were to calculate a race-conscious goal for the Paradise Transit Center Construction project, the goal would likely not be able to be met. BCAG has chosen to include the Construction Engineering portion in the race-neutral 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 2018-2020 period for BCAG's FTA-assisted contracts is 1.28%.**

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 2018/20 for BCAG's DOT-assisted contract is 1.28%.** 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**



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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 2018/2020 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) 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.

- 2) Non-Profit, Valley Contractors Exchange – [www.vceonline.com](http://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.

- 3) Butte College, Small Business Development Center - [www.buttecollegesbdc.com/](http://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 attended the 18th Annual Women in Business Conference, in September 2016 and will be participating in the 19<sup>th</sup> Annual Women in Business Conference in September 2017. SBDC has been notified via mail that BCAG is taking comments on the 2018/20 DBE Goal.

- 4) Notice for solicitation of comments regarding BCAG's 2018/2020 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.

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

Assisted 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.

- 6) McLaughlin Air – Bob McLaughlin, [bob1@mclaughlin-air.com](mailto:bob1@mclaughlin-air.com)  
Wave-EC – H. Fernandes, [hfernandes@wave-ec.com](mailto:hfernandes@wave-ec.com)

Informed DBE HVAC Contractors within a 90-mile radius of BCAG's contracting opportunity in Butte County. This was sent by the Project Manager via email with links to the plans and specifications that were expected to be made for advertisement and bidding. No comments were received.

- 7) Referred a small business owner to Butte College SBDC for help in website design, marketing, accounting and attracting new clients. The small business owner is an Attorney who said he 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) Philippa Drew [pdrew@calyptusgroup.com](mailto:pdrew@calyptusgroup.com) 617-577-0041

Philippa Drew from Calyptus Group came to BCAG to train the DBELO and the Transit Manager on Goal Calculation and implementation of the DBE Program as well as, some samples provided to assist with tracking DBE monthly/quarterly DBE performance.

- 10) BCAG's DBELO attended the National Transit Institute training for the DBE Program in Jacksonville, FL. This is the first of many planned trainings to attend to better educate the DBELO and keep informed of updated requirements and methods.