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# Southern California Regional Rail Authority's

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## **Federal Transit Administration (FTA) - Overall DBE Goal Setting Methodology for FFY 2019/21 Goal Period**

*Submitted in fulfillment of:*

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

*and*

*Federal Register / Vol. 75, No. 22 [Docket No. OST-2010-0021]*

This analysis is prepared exclusively for SCRRRA; it is non-transferable and is not to be duplicated.

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
 (AUTHORITY)  
 DISADVANTAGED BUSINESS ENTERPRISE (DBE)  
 PROPOSED OVERALL GOAL AND METHODOLOGY  
 FOR  
 Federal Fiscal Year (FFY) Period 2019/21  
 (October 1, 2018 to September 30, 2021)**

**I. INTRODUCTION**

The Southern California Regional Rail Authority (Authority) is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Goal for DBE participation as a condition of receiving federal assistance, pursuant Moving Ahead for Progress in the 21<sup>st</sup> Century; 49 CFR Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs” and the Federal Transportation Administration (FTA) Master Funding Agreement.

**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 final rule, requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, the Authority 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, etc.) to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the three-year schedule, the Authority’s DBE goal and methodology submission is due to FTA on August 1, 2018 for proposed FTA funded contracting activities for Federal Fiscal Years (FFY) 2019/21.

**The Authority herein presents its Proposed Overall DBE Goal Methodology for FFY 2019/21 goal period, which resulted in a 12% Overall DBE Goal.**

**III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2019/21**

**Table 1** represents the Authority’s U.S. DOT-assisted (FTA) defined contracting program, which includes projects considered in preparing its **Overall DBE Goal-Setting Methodology**. The projects have viable subcontracting possibilities and corresponding availability of DBEs, a required criterion for Overall Goal consideration, and are anticipated to be awarded within the respective goal period.

**Table 1**

PROJECT	Total Estimated Project Cost (Federal Share)
Wayside Communication System Design, Slot Planning, Interference Mitigation	\$500,000.00

Rehab Update CIS at Stations	\$900,000.00
Replace Fencing and Gates at MOC	\$149,050.00
Renovate Restrooms at CMF and MOC	\$756,800.00
Replace yard and progressive track lighting at CMF	\$933,020.00
Spot Track Facility Modifications	\$1,638,750.00
Replace Car shop Jacks at CMF	\$559,240.00
Employee Communications System Upgrade	\$228,375.00
Electric Vehicle Charging Stations	\$461,380.00
EMF Additional Underground Fuel Storage Tanks	\$2,608,200.00
Rehab Worn Signal and Grade Crossing Cables - Pasadena Sub	\$557,480.00
Rehabilitation of Grade Crossings	\$9,189,680
SCRRA Positive Train Control Lab Systems Support and Testing	\$2,207,500.00
Rail Car Overhaul	\$92,933,250.00
Locomotive and Cab Car Camera & DVR replacements	\$1,099,875.00
Signal System Rehab	\$6,230,860.00
Rehab Signal and Grade Crossing Cables	\$9,667,240.00
C&S Corrosion Mitigation	\$649,845.00
Rehab C&S Maintenance Vehicles	\$300,000.00
SCRRA Production Back-office Systems Upgrades and Testing Support	\$2,935,500.00
Replace AC Meter Service @ N. Main Street - East Bank	\$130,600.00
Rehab Worn and/or Defective Battery Cells - River Sub	\$64,240.00
Rehab AC Units	\$236,940.00
Area Lighting and Fencing Around Houses - River Sub	\$536,800.00
Remove Unnecessary iiATS Instructors from RR Right of Way	\$667,800.00
Station Signage Rehab	\$931,500.00
Station Platform Detectable Warning Panel and Pavement Marking Rehab	\$891,000.00
Sub Structures and Bridge Deck Replacement	\$54,045,497.00
Rail and Track Replacement and Rehabilitation	\$48,201,010.00
Tie Rehabilitation	\$17,847,390.00
Project Study Reports and Initial Design for Capital Projects	\$1,000,000.00
Locomotive Test Facility CMF and EMF	\$2,298,450.00
<b>TOTAL</b>	<b>\$261,357,272</b>

Table 2 provides a summary of work grouped by four (4) primary categories: Construction, Professional Services, Materials & Supplies and Rail Car and Equipment Improvements utilizing the North American Industry Classification System (NAICS) primary work categories. Table 2 also serves to identify the estimated Federal Dollar Share and the Percent of Federal funding by category, as follows:

**Table 2**

<b>CONTRACT CATEGORY</b>	<b>NAICS WORK CATEGORIES<sup>1</sup></b>	<b>ESTIMATED FEDERAL DOLLAR SHARE</b>	<b>% OF FEDERAL FUNDING (Rounded)</b>
<b>Construction</b>	237110, 237310,	\$168,351,304	64%

	238110, 238120, 238130, 238140, 238210, 238220, 238290, 238310, 238320, 238340, 238910, 238990, 484110, 484220, 484210, 561730, 561990, 562112		
<b>Professional Services</b>	541310, 541330, 541350, 541360, 541370, 541380, 541511, 541512, 541614, 541620, 541990	\$41,268,244	16%
<b>Materials</b>	334290, 335122, 339950, 423320, 423410, 423430, 423610, 423730, 423860, 423990,	\$29,171,460	11%
<b>Rail Car and Equipment Improvements</b>	336510, 423830, 811111, 811121	22,566,264	9%
<b>TOTAL</b>		<b>\$261,357,272</b>	<b>100%</b>

#### IV. GOAL METHODOLOGY

##### *Step 1: Determination of a Base Figure (26.45)<sup>2</sup>*

To establish the Authority’s Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the Authority’s FFY 2019/21 FTA-assisted contracting opportunities projected to be solicited during the respective goal period, the Authority 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 *2016 U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made within the Authority’s market area (defined as Orange, Los Angeles, Riverside San Bernardino and Ventura County) and by specified industries and types of businesses identified in Table 2. The Authority’s local market was determined by identifying where the substantial majority of the Authority’s contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received.

The Authority 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 corresponding detail of all work category classifications grouped, refer to Table 3 below.

- ⇒ **For the numerator:** *California UCP DBE Database of Certified Firms*
- ⇒ **For the denominator:** *2016 U.S. Census Bureau’s Business Pattern Database (CBP)*

<sup>2</sup> 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

To determine the relative availability of DBEs, the Authority divided the numerator<sup>3</sup> representing the ratio of ready, willing and able DBE firms, by the denominator<sup>4</sup> representing all firms (DBE and Non-DBEs) available in each work category, see below:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (Including DBEs and Non-DBEs)}} = \text{DBE Availability \%}$$

To determine the appropriate weighting percent by NAICS, the estimated dollar value by NAICS was divided by the total estimated federal dollars for FFY 2019/21. The weighting percent by NAICS was then multiplied by the DBE Availability % to determine the Base Figure % by NAICS, see below:

$$\text{Weighting} \times \text{DBE Availability \%} = \text{Base Figure \% by NAICS}$$

To determine the Step 1 Base Figure, the Authority added together the Base Figure percentages by NAICS in Table 3 below, which resulted in a 14% Step 1 Base Figure.

**Table 3**

CATEGORY OF WORK	NAICS CODES	Weighting*	DBE Availability %	Base Figure % by NAICS
Water and Sewer Line and Related Structures Construction	237110	3.102%	36.64%	1.1366%
Highway, Street and Bridge Construction	237310	3.320%	84.23%	2.7967%
Poured Concrete Foundation and Structure Contractors	238110	4.139%	15.75%	0.6520%
Structural Steel and Precast Concrete Contractors	238120	4.171%	26.87%	1.1209%
Framing Carpentry Contractors	238130	0.130%	9.01%	0.0117%
Masonry Contractors	238140	0.310%	5.67%	0.0176%
Electrical Contractors	238210	13.896%	3.61%	0.5011%
Plumbing, Heating and Air Conditioning Contractors	238220	5.567%	1.08%	0.0599%
Other Building Equipment Contractors	238290	0.285%	5.35%	0.0153%
Drywall and Insulation Contractors	238310	0.054%	3.02%	0.0016%
Painting and Wall Covering Contractors	238320	0.069%	2.15%	0.0015%
Tile and Terrazzo Contractors	238340	0.022%	0.85%	0.0002%
Site Preparation Contractors	238910	5.127%	13.80%	0.7077%
All Other Specialty Trade Contractors	238990	3.323%	11.85%	0.3937%
Other Communications Equipment Manufacturing	334290	0.084%	20.00%	0.0169%
Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing	335122	0.062%	2.63%	0.0016%
Railroad Rolling Stock Manufacturing	336510	5.565%	71.43%	3.9750%
Sign Manufacturing	339950	0.217%	5.11%	0.0111%
Brick, Stone, and Related Construction Material Merchant Wholesalers	423320	0.207%	12.90%	0.0267%
Photographic Equipment and Supplies Merchant Wholesalers	423410	0.105%	3.13%	0.0033%
Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	423430	0.212%	2.20%	0.0046%
Electrical Apparatus and Equipment, Wiring Supplies, and Related	423610	2.463%	4.97%	0.1225%

<sup>3</sup> Numerator represents all DBE firms established within SCRRA's market area.

<sup>4</sup> Denominator represents all comparable available established firms within SCRRA's market area.

Equipment Merchant Wholesalers				
Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers	423730	0.027%	4.85%	0.0013%
Industrial Machinery and Equipment Merchant Wholesalers	423830	0.328%	0.98%	0.0032%
Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	423860	7.244%	9.41%	0.6818%
Other Miscellaneous Durable Goods Merchant Wholesalers	423990	0.541%	3.07%	0.0166%
General Freight Trucking, Local	484110	1.658%	5.64%	0.0936%
Specialized Freight Trucking, Local	484220	0.035%	36.88%	0.0130%
Support Activities for Rail Transportation	488210	17.571%	44.12%	7.7518%
Architectural Services	541310	0.804%	6.75%	0.0542%
Engineering Services	541330	9.909%	11.14%	1.1035%
Building Inspection Services	541350	0.045%	20.83%	0.0094%
Geophysical Surveying and Mapping Services	541360	0.375%	45.45%	0.1706%
Surveying and Mapping Services	541370	0.463%	39.78%	0.1841%
Testing Laboratories	541380	0.952%	16.30%	0.1551%
Custom Computer Programming Services	541511	0.371%	4.90%	0.0182%
Computer System Design Services	541512	0.383%	8.94%	0.0342%
Administrative Management and General Management Consulting Services	541611	0.629%	14.52%	0.0914%
Process, Physical Distribution, and Logistics Consulting Services	541614	0.019%	23.22%	0.0044%
Environmental Consulting Services	541620	1.128%	55.74%	0.6289%
All Other Professional, Scientific and Technical Services	541990	0.712%	11.78%	0.0839%
Landscaping Services	561730	0.095%	1.79%	0.0017%
All Other Support Services	561990	1.538%	6.30%	0.0969%
Hazardous Waste Collection	562112	0.001%	36.54%	0.0004%
General Automotive Repair	811111	0.057%	0.17%	0.0001%
Automotive Body, Paint, and Interior Repair and Maintenance	811121	2.684%	0.37%	0.0099%
Total:		100%		22.79%
Base Figure 22.79% *60% (40% Prime to Perform Factor) = 13.67%				
14% (Rounded to the nearest whole number)				

\*Weighting based on estimated value per NAICS.

### ***Step 2: Adjusting the Base Figure***

Upon establishing the Base Figure, the Authority reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the Authority's market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included the Authority's *Past DBE Goal Attainments*, Evidence from *Disparity Studies conducted in the Authority's market area*, and *Other Evidence*, as follows:

#### ***A. Past DBE Goal Attainments***

The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by the Authority within the last three (3) Federal Fiscal Years:

**Table 4**

Year	Attainment
June 2015	0%
December 2015	8.6%
June 2016	41.6%
December 2016	8.9%
June 2017	15.9%
December 2017	11.2%
Median of Past Awards = 0%, 8.6%, <b>8.9%, 11.2%</b> , 15.9%, 41.6% = $(8.9+11.2=20.1/2) =$ <b><u>10.05% Median Past Participation</u></b>	

*\*FFY 2018 still in progress as of the date of methodology preparation, so FFY 2015 was used in lieu of FFY 2018*

The Authority considered an adjustment to the Base Figure based on the median DBE participation on DOT-assisted contracts awarded within the past three FFYs (2015/17). The median established for the past three years is lower than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on the Authority’s past DBE goal participation has been made. As three years of DBE Participation data was reviewed and the years reviewed included projects with a similar variety in scope to the scopes projected for the 2019/21 period, the Authority can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform in the 2019/21 overall goal period. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE Past participation, as shown below.

$14\% \text{ Base Figure} + 10.05\% \text{ Median Past Participation} = 24.05\%$
$24.05/2 = 12.03\%$
<b>Adjusted Base Figure: 12%</b> (Rounded to the nearest whole number)

The formula resulted in a downward adjustment to Base Figure based from 14% to 12%.

***B. Evidence from Disparity Studies***

***Barriers to Entry: Employment, Self Employment, Education and Training, Business Ownership Rates and Access to Capital***

As directed by FTA, the Authority reinstated race-conscious measures, coupled with race-neutral measures in July of 2010 based on results received from the Southern California Regional Disparity Study, the Authority’s analysis of its past utilization data and an examination of similar market area Disparity Studies.

The Authority did not find it feasible to conduct a more recent independent availability/disparity study; however, the Authority identified two (2) disparity studies, inclusive market areas like the Authority’s, to consider whether a Race-Conscious DBE Program should continue to be implemented. The 2 identified Disparity Studies were the Caltrans Disparity Study and The Los Angeles County Metropolitan Transportation Authority (Metro) Disparity Study.

The first Disparity Study considered was that of the California Department of Transportation (Caltrans), completed in 2016 due to the timeliness of the contracts reviewed. The Caltrans Disparity Study reviewed Construction and Engineering contracts state-wide between the years January 1, 2011 to December 31, 2014. As the Caltrans' Disparity Study included thousands of contracts from areas outside of the Authority's market area as well as projects that had no relation to the scopes included in the upcoming goal period, the Authority opted to not utilize this Disparity Study to apply an adjustment to their current race-neutral/race-conscious DBE application measures.

The second Disparity Study taken into consideration was Metro's Disparity Study due to the similarities in market area and timeliness of the contracts reviewed. Where the Caltrans Study market area included the entire state of California, the Metro Study focused on Los Angeles County which is more aligned with the Authority's market area. The Metro Disparity Study was initiated in November 2016 and included a five-year study period (January 1, 2011 through December 31, 2015) to determine any differences between the participation of minority- and woman-owned businesses in relevant contracts and the availability of those businesses to perform that work (referred to as *disparities*). Disparity analysis results indicated that most racial/ethnic and gender groups showed disparities on contracts where race- and gender-conscious measures were not in place during the study period. As a result, the Disparity Study recommended the use of contract DBE goals.

As Metro's Disparity Study satisfies the legal standards established by the Ninth Circuit Court of Appeals in *Western States Paving Co., Inc. v. Washington State Department of Transportation*, and guidance from the U.S. Department of Transportation/Federal Transit Administration (FTA) concerning the implementation of race-conscious application, the Authority has elected to utilize this study as a basis for continuing to implement the race-conscious component of their Overall DBE goal. The Authority will ensure that the use of race-conscious goals is narrowly tailored and consistent with other relevant legal standards.

The Authority will continue to review applicable Disparity Studies as they become available and apply the appropriate adjustments to their Race-neutral/Race-Conscious DBE goal application.

### ***C. Other Evidence***

The Authority did not receive any anecdotal evidence nor is it aware of any other factors or adverse considerations that would have had a material affect on DBEs availability within the Authority's marketplace, or on DBEs' ability to participate (meeting bonding, insurance and financial requirements) in the Authority's FTA-assisted contracting programs at this time. However, as part of the Authority's 30 day period public facilitation process, it will request comments/input from industry groups both representing DBEs and non-DBEs to determine whether further consideration in making an adjustment is warranted. The Authority will also consider input received through disparity studies in the Authority's market area.

**The Overall DBE Goal for FFY 2019/21 goal period for the Authority's FTA-assisted contracts is 12%.**



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 the Authority’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/RACE-CONSCIOUS APPLICATION**

The Authority reinstated race-conscious measures, coupled with race-neutral measures in July 2010 based on results received from the Southern California Regional Disparity Study, the Authority’s analysis of its past utilization data and an examination of similar market area Disparity Studies.

**A. Consideration of the Amount by which the Authority has Exceeded Goals in the Past**

DOT has identified the amount a recipient has exceeded their overall goals in the past years as a useful tool in projecting the race/gender-neutral participation one can expect in future Federal Fiscal Years.

The following table reflects the demonstrated capacity of DBEs on FTA-assisted contracts completed by the Authority within the last three (3) Federal Fiscal Years:

*Table 5*

Overall DBE Goal by Period	Federal Fiscal Year	DBE Attainment	% Goal Exceeded
10%	FFY 2015*	8.2%	0%
10%	FFY 2016	33.9%	23.9%
10%	FFY 2017	12.7%	2.7%
Median % Goals Exceeded by = 0%, <u>2.7%</u> , 23.9% = 4.8%			
<b>3%** Median Participation above</b>			

*\*FFY 2018 still in progress as of the date of methodology preparation, so FFY 2015 was used in lieu of FFY 2018*

*\*\*Rounded to the nearest whole number*

The Authority’s Historical Past Participation above the DBE goal produced a median of 3% DBE Participation (as illustrated in the table above). As the Authority’s historical DBE Participation exceeded the projected DBE goal valid during the attainment periods, it is reasonable to conclude that at least 3% of the FFY 2019/21 goal can be met race-neutrally.

**B. Past Participation by DBE Prime Contractors**

DOT has identified that the amount of past participation obtained through the use of DBE primes should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period.

Therefore, the Authority considered the amount of past DBE participation (based on awards) obtained through the use of DBE primes in FFYs 2015, 2016 and 2017 below:

*Table 6*

FFY	Total Dollar Value Awarded to DBE Prime	Reporting Period	Total Dollar Value of Awarded Contracts
2017	\$ 2,266,667	04/1/17-09/30/17	\$35,303,637

	\$ 0	10/1/16-03/31/17	\$19,172,075
2016	\$ 0	04/1/16-09/30/16	\$20,690,083
	\$19,200,000	10/1/15-03/31/16	\$67,200,000
2015	\$408,000	04/1/15-09/30/15	\$9,806,111
		10/1/14-03/31/15	\$477,712.00
<b>Total:</b>	<b>\$21,874,667</b>		<b>\$152,649,618</b>
<b>% DBE Prime Participation</b>	Total Dollar Value Completed by DBE Prime (\$21,874,667) / Total Dollar Value of Completed Contracts (\$152,649,618) = 14.32% DBE Prime Participation		<b>14%*</b>

\*Rounded to nearest whole number

The Authority found that 14% of the DBE participation during FFYs 2015 through 2017 was produced by the utilization of DBE primes. This value was developed by dividing the total dollars awarded to DBE Primes (\$21,874,667) by the total dollars awarded on all Primes contracts (\$152,649,618) within FFYs 2015 through 2017, as displayed in the table above. The Authority confirmed that the projects completed during FFYs 2015 through 2017 were similar to the types of projects being procured in the upcoming overall goal period, a required criterion for consideration in utilizing DBE prime participation to validate race-neutral application. As 14% DBE participation was achieved on like-projects during the attainment period reviewed the Authority concluded that this rate of DBE participation should be considered in the amount of race-neutral participation that could be expected in the overall goal period.

### C. Consider Past Participation by DBE Subcontractors on Contracts without Goals

DOT has identified that the amount of past participation obtained through the use of DBE subcontractors on contracts without DBE goals should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period. Therefore, the Authority considered the amount of past DBE subcontractor participation on contracts without DBE goals in FFYs 2015, 2016 and 2017 below:

**Table 7**

FFY	Total Dollar Value Awarded to DBE Subcontractors on RN Contracts	Reporting Period	Total Dollar Value of Awarded RN Prime Contracts
2017	\$0	04/1/17-09/30/17	\$2,266,667
	\$0	10/1/16-03/31/17	\$0
2016	\$0	04/1/16-09/30/16	\$0
	\$0	10/1/15-03/31/16	\$19,200,000
2015	\$0	04/1/15-09/30/15	\$408,000
	\$0	10/1/14-03/31/15	\$0
<b>Total:</b>	<b>\$0</b>		<b>\$21,874,667</b>
Total Dollar Value Awarded to DBE Subs (\$0) / Total Dollar Value Awarded on RN Prime Contracts (\$21,874,667) = 0%			<b>0% RN DBE Subcontract Participation</b>

A DBE participation value of 0% was derived by the utilization of DBE firms in the Race-Neutral (RN) periods above. The Authority confirmed that the projects completed during FFYs 2015 through 2017 were similar to the types of projects being procured in the upcoming overall goal period, a required criterion for consideration in utilizing DBE subcontractor participation to validate race-neutral application. The Authority concluded that this rate of DBE participation should be considered in the amount of race-neutral participation that could be expected in the overall goal period.

**D. Consider MBE/WBE/DBE Participation Pursuant to Race/Gender-Neutral State or Local Programs.**

The Authority monitors Small Business participation but does not currently track MBE/WBE/DBE participation on Race/Gender-Neutral or Local Programs. The Authority will consider methods of tracking this information in the future for use in considering the proper race/gender-neutral application.

**E. Consider Concrete Plans to Implement New Race-Neutral Methods.**

The Authority will be implementing new and comprehensive mechanisms aimed at obtaining additional DBE participation through race/gender-neutral means, in response to receiving Board approval to bundle four of our anticipated procurements into one larger procurement.

The Authority understands that bundling projects may have adverse effects on the ability of DBE firms to compete and has set an action plan in place to address possible barriers bundling may create for our DBE contracting community. The Authority’s plan includes informational meetings (pre-advertisement) targeted at our DBE community to solicit feedback regarding effects of bundling the applicable projects. Input received will then be assessed by the Authority to develop a supportive services workshop series geared at addressing identified vulnerabilities. Additionally, the Authority has drafted a Mentor Protégé Plan requirement for inclusion in the solicitation documents, should the feedback support the need for this race-neutral measure.

These new race-neutral efforts will be aggressive and responsive to our contracting environment. The Authority anticipates that the additional race-neutral participation achieved as a result of these new measures will assist in mitigating any decrease to DBE participation that might result from the anticipated procurement bundling.

**F. Past History of Inability to Achieve Goals**

DOT has identified that a recipient’s past inability to meet their goals in the past years as a powerful indicator that the recipient may be justified in applying race-/gender-conscious measures to achieve their goals in future Federal Fiscal Years. The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by the Authority within the last three (3) Federal Fiscal Years:

*Table 8*

Overall DBE Goal by Period	FFY	DBE Attainment	% Below DBE Goal
10%	FFY 2015*	8.2%	1.8%
10%	FFY 2016	33.9%	0%
10%	FFY 2017	12.9%	0%
Median % Goals Exceeded by = 0%, <b>0%</b> , 1.8% = 0% <b>0%** Median in inability to meet goals</b>			

\*FFY 2018 still in progress as of the date of methodology preparation, so FFY 2015 was used in lieu of FFY 2018

The median of the Authority's historical DBE participation did not produce a shortfall in the Authority's ability to meet goals in Federal Fiscal Years 2015 through 2017. As no shortfall was identified, this numeric factor was not considered in the race-neutral/race-conscious split.

As the Authority reviewed three years of DBE Participation data for projects with similar scopes and values to the projects in the upcoming goal period, the Authority can reasonably assume that the rates of RN DBE participation reflected are an accurate reflection of DBE capacity to perform race-neutrally in the 2019/21 overall goal period. The Authority added the three RN percentages together and divided that number by three to find the average RN participation projected to be attained in the coming goal period. The Authority has applied this to the proposed DBE Goal to project the necessary race-conscious/race-neutral breakout, as illustrated below:

<p style="text-align: center;">% Goals Exceeded in Past = 3% RN DBE Prime Participation = 14% RN DBE Sub Participation = 0%</p> <p style="text-align: center;">3% (% Goals Exceeded in Past) + 14% (RN DBE Prime Participation) + 0% (RN DBE Sub Participation) = 17% 17% / 3 = 5.6% (Average RN Participation) <b>6% RN Projection (Rounded to the nearest whole number)</b></p> <p style="text-align: center;"><b>DBE Goal: 12%</b> <b>RN Application 6% / RC Application 6%</b></p>
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Consistent with the FTA guidance provided and the reasons delineated above the Authority has found it advisable to implement the race-neutral/race-conscious breakout illustrated above to meet the proposed Overall DBE Goal (12%) in accordance with 49 CFR Part 26.51.

### **G. Monitor DBE Participation to Determine Whether an Adjustment to the Use of Race/Gender-Conscious Measures is Necessary**

The Authority will continue to monitor its DBE participation during the overall goal period to determine whether the application of the Authority's race-neutral/race-conscious measures to meet the proposed Overall DBE Goal (12%) remains on target. The Authority will adjust the application of race/gender-neutral and race/gender-conscious measures, as necessary to ensure the Authority meets the maximum feasible portion the overall goal by using race/gender-neutral means of facilitating DBE participation.

## **VI. PUBLIC PARTICIPATION AND FACILITATION**

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within the Authority's market area will be consulted and provided an opportunity to review the Authority's goal analysis and provide input.

The Authority will issue a Public Notice, publishing the Authority's Proposed Overall Goal for the FFYs 2019/21. The Notice will inform the public that the proposed goal and rationale are available for inspection at the Authority's website for 30 days following the date of the Public Notice and that the Authority will accept comments on the goal analysis for 30 days from the date of the Public Notice. Comments received will be reviewed for incorporation into the Authority's goal methodology.

Furthermore, the Authority consults and will continue to consult with minority groups and organizations year round via event attendance and facilitation to directly solicit the public in-person regarding input they have on DBE opportunities and any real and/or perceived barriers to DBE participation.

Comments received from the Authority's on-going consultation were reviewed and considered in determining whether an adjustment to the 12% Overall Goal (RN Application 6% / RC Application 6%) was necessary. Comment review produced the conclusion that the substantial bulk of input received involved procurement and contract implementation procedures rather than numeric goal values or race-conscious/race-neutral breakouts, therefore an adjustment to the goal was not necessary. The Authority has incorporated input regarding procurement implementation and contract compliance into their current procedures and will continue to do so moving forward.