



Staff Report

File #: 23-0750

REQUEST FOR CITY COUNCIL ACTION

DATE: 10/18/2023

TO: Honorable Mayor and City Council Members

FROM: Community Services Department

SUBJECT:

RESOLUTION APPROVING THE UPDATED CITY OF CORONA TRANSIT SERVICE DISADVANTAGED BUSINESS ENTERPRISE PROGRAM AND GOAL FOR FEDERAL FISCAL YEARS 2024-2026

EXECUTIVE SUMMARY:

This staff report asks the City Council to adopt Resolution No. 2023-099, approving the revised Disadvantaged Business Enterprise Program, establishing the overall triennial goal of 0% for Federal Fiscal Years 2024-2026, and authorizing the City Manager to sign the Disadvantaged Business Enterprise Program Objective and Policy Statement. These are required to be eligible for Federal Transit Administration funds. The proposed 2024-2026 Triennial Disadvantaged Business Enterprise goal has been revised and updated in compliance with the Code of Federal Regulations, Title 49, Part 26, and must be approved and adopted by the City Council and submitted to the federal regional civil rights office.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Resolution No. 2023-099 to approve the Disadvantaged Business Enterprise Program and establish an overall goal of zero percent for Federal Fiscal Year 2024-2026.
- b. Authorize the City Manager, or his designee, to sign the program objective and policy statement.

BACKGROUND & HISTORY:

The City of Corona Transit Service (CCTS) is a recipient of United States Department of Transportation Federal Transit Administration (FTA) funds and must comply with all applicable federal regulations. Pursuant to the Code of Federal Regulations (CFR), Title 49, Part 26, all public agencies receiving more than \$250,000 in financial assistance from the FTA must have an

established Disadvantaged Business Enterprise (DBE) Program and an overall three-year DBE goal for contracting opportunities. The purpose of establishing a DBE goal is to promote and increase participation in federally assisted contracts by small, socially, and economically disadvantaged business enterprises and to create a level playing field in which DBEs can compete fairly.

CCTS receives FTA funds to finance its local transit operations. In compliance with CFR, Title 49 Part 26, CCTS has established and maintained its three-year DBE program. The current DBE Program and DBE Goal for Federal Fiscal Year (FFY) 2021-2023 were approved by the City Council on September 16, 2020, and are valid through September 30, 2023. In compliance with the three-year cycle, staff has updated the Disadvantaged Business Enterprise Program and City of Corona Transit Service DBE Overall Goal and Methodology for FFY 2024-2026.

ANALYSIS:

For the next three-year period, FFY 2024-2026, CCTS anticipates awarding an estimated \$11.2 million in contract services using FTA funds. These services include a transit operator for the CCTS Dial-A-Ride and Fixed Route services, an Intelligent Transportation System, and a Digital Land Mobile Radio Communication System.

DBE Program Update

The CCTS current DBE Program received concurrence from the FTA on June 16, 2021, and does not expire. However, it has been updated to reflect the following FTA reviewer comments (as shown in Exhibit 2):

FTA Reviewer Comments:

Per 49 CFR section 26.65, please verify small business size in the organization's small business program/element (section 26.39).

Per 49 CFR §26.53: please specify that the information described in 49 CFR §26.53(b) is to be submitted no later than five days after the bid opening.

Per 49 CFR section 26.49(a)(4), please provide a statement acknowledging that the organization is to report/send Transit Vehicle Manufacturer purchase information to FTA within 30 days of making an award.

Further, the contact information was updated to reflect that CCTS is now operating out of the Community Services Department.

Overall DBE Goal and Methodology

The U.S. DOT's *Tips for Goal-Setting in the Disadvantaged Business Enterprise Program* (Exhibit 5) were utilized to develop CCTS' DBE goal for this next three-year period. In accordance with the DBE regulations, CCTS has proposed an overall DBE Goal of 0% for the triennial period of FFYs 2024-2026. The goal was created by establishing a Base Figure of the relative availability of DBEs to all comparable firms (DBE and non-DBE) within specified industries; assessing relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the Base Figure to CCTS' market area; and establishing that CCTS meets the maximum feasible DBE participation

overall goal by means of a voluntary race-neutral solicitation process. Race-neutral solicitation includes, but is not limited to:

1. Arranging contracts in ways to facilitate small business participation such as unbundling large contracts or requiring prime contractors to subcontract portions of the work;
2. Providing bonding, financing, and technical assistance;
3. Communicating contract opportunities to the small business community; or
4. Providing business support and development services.

The Base Figure resulted in a 0% DBE goal, and no adjustments were made based on past DBE participation.

Public Participation

CCTS must provide a public participation process when establishing (or updating) the three-year overall DBE goal. Therefore, a 30-day Public Notice inviting comments on the updated DBE goal for FFYs 2024-2026 was published on the City's website on August 7, 2023. The public notice also provided information regarding the "DBE Virtual Consultation Session" to solicit feedback and provide information on contracting opportunities. No comments were received.

DBE Submittal Due Date

The FTA submittal deadline is the 1st of August every three years. CCTS staff received an extension through the 1st of October. A draft copy of the updated documents attached to this staff report has been submitted, and the FTA is awaiting Council approval to reach full compliance.

As a participating agency in the U.S. DOT FTA funding program, staff recommends approval of the updated DBE Program and DBE Goal and Methodology for FFY 2024-2026 to remain in good standing and in compliance with 49 CFR Part 26.

FINANCIAL IMPACT:

Approval of the CCTS Disadvantaged Business Enterprise Program and Overall DBE Goal and Methodology for FFY 2024-2026 is needed for continued eligibility for federal funds to support current and future capital projects and operating costs.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action approves updates to the Disadvantaged Business Enterprise Program and Overall DBE Goal and Methodology for FFY 2024-2026, as required by federal law. There is no possibility that this action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: SUDESH PAUL, TRANSIT PROGRAM MANAGER & CYNTHIA LARA, COMMUNITY ASSISTANCE MANAGER

REVIEWED BY: DONNA FINCH, INTERIM COMMUNITY SERVICES DIRECTOR

Attachments:

1. Exhibit 1 - Resolution 2023-099
2. Exhibit 2 - REDLINE VERSION Disadvantaged Business Enterprise Program
3. Exhibit 3 - CLEAN VERSION Disadvantaged Business Enterprise Program
4. Exhibit 4 - REDLINE VERSION Overall DBE Goal and Methodology FFY 2024-2026
5. Exhibit 5 - CLEAN VERSION Overall DBE Goal and Methodology FFY 2024-2026