

**CITY OF CORONA, CITY OF CORONA TRANSIT SYSTEM
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL DBE GOAL AND METHODOLOGY
FEDERAL FISCAL YEARS (FFY) 2021-2023
(Covering the period of October 1, 2020 to September 30, 2023)**

I. INTRODUCTION

City of Corona, City of Corona Transit System (CCTS) herein sets forth 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 (October 1, 2020 through September 30, 2023), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs”.

The goal setting process consists of two steps. Step one determines the base figure for the relative availability of DBEs. Step two determines what adjustment, if any, may be needed.

II. BACKGROUND

Public agencies receiving U.S. Department of Transportation (DOT), Federal Transit Administration (FTA) assisted funds, who anticipate awarding \$250,000 or more in DOT-assisted contracts, must adopt a three-year Disadvantaged Business Enterprise (DBE) goal. As such, CCTS is required to develop and submit a Triennial Overall DBE Goal for DBE participation as a condition of receiving federal funding for its FTA-assisted projects.

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, CCTS 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.

CCTS herein presents its Proposed Overall DBE Goal Methodology for FFY 2021/23 goal period, which resulted in a .5% Overall DBE Goal.

III. DOT-ASSISTED CONTRACTING PROGRAM FOR FFY 2021-2023

Table 1 below represents CCTS' U.S. DOT-assisted (FTA) contracting program, which includes four (4) projects considered in preparing its Overall DBE Goal-Setting Methodology utilizing the North American Industry Classification System (NAICS) work categories. The projects include: Contracting Services for Dial-A-Ride and Fixed Route Service, Comprehensive Operational Analysis, an Intelligent Transportation System, Bus Stop Amenities and Office Support equipment. These projects are anticipated to be awarded within FFYs 2021-2023. CCTS anticipates spending approximately \$4,730,026 of federal dollars in which there may be DBE contracting opportunities over the three-year term.

Table 1 – FTA-assisted Contracting Opportunities

PROJECT NAME	NAICS CUCP DATABASE	ESTIMATED FEDERAL DOLLAR SHARE	% OF FEDERAL FUNDING*
Contracting Services – Transit Operations	485113, 485991	\$4,000,000	84.6%
Consulting Services – Comprehensive Operations Analysis	541614	\$100,000	2.1%
Intelligent Transportation System	541512, 518210,	\$504,700	10.7%
Digital Land Mobile Radio System	517410	\$105,326	2.2%
Document Translation Services	541930	\$20,000	.4%
TOTAL:		\$4,730,026	100%

IV. GOAL METHODOLOGY

A. Step 1: Determination of a Base Figure (26.45)¹

To establish CCTS's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on CCTS's DOT-assisted contracting opportunities projected to be solicited during the triennial goal period, CCTS followed the prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by assessing the *California Unified Certification Program (CUCP) Directory of Certified DBE Firms*

¹ 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

and the **2018 U.S. Census Bureau County Business Patterns (CBP) Database**. Comparisons were made within the City of Corona Transit System’s market area (defined as Riverside County, San Bernardino County, and Orange County) and by specified industries and types of businesses identified in Table 1. The City of Corona Transit System’s local market area represents where the substantial majority of the City of Corona Transit System’s contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received. CCTS also considered LA County into the market area, however doing so decreased the relative DBE availability.

The City of Corona Transit System 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 1.

- ⇒ **For the numerator:** *California UCP DBE Database of Certified Firms*
- ⇒ **For the denominator:** *2018 U.S. Census Bureau’s Business Pattern Database (CBP)*

To determine the relative availability of DBEs, the City of Corona Transit System divided the numerator² representing the ratio of ready, willing and able DBE firms, by the denominator³ representing all firms (DBE and Non-DBEs) available in each work category and same geographical regional. Application of this formula yielded the following baseline information:

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

The Base Figure was further weighted by contract type and corresponding contract value. The Base Figure resulting from this weighted calculation is as follows:

² Numerator represents all DBE firms established within the City’s Market area.

³ Denominator represents all comparable available established firms.

Contracting Services – Transit Operations	Consulting Services – COA
485113 – Bus and Other Motor Vehicle Transit Systems 485991 – Special needs transportation	541614 – Process, Physical Distribution, and Logistics Consulting Services
Base Figure = $\left(84.57\% \frac{(\text{DBEs in 485113/485991})}{(\text{CBPs in 485113/485991})} \right)$	Base Figure = $\left(2.11\% \frac{(\text{DBEs in 541614})}{(\text{CBPs in 541614})} \right)$
Base Figure = $\left(0.8457 \frac{0}{96} \right)$	Base Figure = $\left(0.0211 \frac{31}{270} \right)$
Base Figure = 0.8457(0.000)	Base Figure = 0.0211(0.115)
Base Figure = 0.000	Base Figure = 0.002
Intelligent Transportation System	Digital Land Mobile Radio System
541512 – Computer Systems Design Services 518210 – Data Processing, Hosting and Related Services	517410 – Satellite telecommunications
Base Figure = $\left(10.67\% \frac{(\text{DBEs in 541512/518210})}{(\text{CBPs in 541512/518210})} \right)$	Base Figure = $\left(2.23\% \frac{(\text{DBEs in 517410})}{(\text{CBPs in 517410})} \right)$
Base Figure = $\left(0.1067 \frac{131}{1749} \right)$	Base Figure = $\left(0.0223 \frac{0}{24} \right)$
Base Figure = 0.1067(0.075)	Base Figure = 0.0223(0.000)
Base Figure = 0.008	Base Figure = 0.000
Document Translation Services	BASE FIGURE
541930 – Translation and Interpretation Services	
Base Figure = $\left(0.42\% \frac{(\text{DBEs in 541930})}{(\text{CBPs in 541930})} \right)$	
Base Figure = $\left(0.0042 \frac{12}{81} \right)$	= .000+.002+.008+.000+.001 = .011 = (.011) 100 = 1.104 = 1%* <i>*Rounded to the nearest whole number</i>
Base Figure = 0.0042(0.148)	
Base Figure = 0.001	

B. Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, CCTS is required to review and assess other known evidence potentially impacting the relative availability of DBEs within CCTS'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 include *Past DBE Goal Attainments, Bidders List, Disparity Studies, and Other Evidence*. A summary of these considered follows:

Past DBE Goal Attainments

CCTS has experienced challenges in attaining its DBE goal for the past three federal fiscal years; the following table reflects the historical DBE participation on FTA-assisted contracts awarded by CCTS:

FFY18	FFY19	FFY20
0.0%	0.0%	0.0%
Median DBE Participation: 0.0%		

Median for the past DBE participation on CCTS projects was 0.0 percent and is lower than the Base Figure derived from Step 1; therefore an adjustment is made based on past DBE participation.

Majority of the capital program funds were for contracted transit operations; once the contract was awarded, there were no additional opportunities for the following years to meet the DBE goal. While the contractor utilized a subcontractor, the amount was not sufficient to meet the DBE goal for the year. In addition, the other three projects were delayed as much of the staff time was dedicated towards the transition of the new transit operations contractor. Furthermore, staff could not proceed with the projects as the funds have yet to be programmed in the federal grants. Together these three factors constrained CCTS' ability to proceed with all of the federally funded projects and limited its ability to obtain its overall DBE goal.

While CCTS will make every effort to address the aforementioned limitations, CCTS expects to have similar contracting opportunities in the up-coming triennial cycle as previously proposed. In addition, majority of the funds have yet to be programmed. Therefore, CCTS has considered an adjustment to the Base Figure and it is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE past attainment as show below:

$$\text{Adjusted Base Figure} = \frac{1\% (\text{Base Figure}) + 0\% (\text{Median Attainment})}{2}$$

The formula resulted in a proposed adjustment (decrease) to the Base Figure from 1% to .5%.

City of Corona Transit System's Bidders List

CCTS does not have a bidders list at this time, however CCTS will work to build and maintain a Bidder's List that can be utilized for future goal development. Bidders List will be developed based on the guidelines in CCTS' DBE Plan. CCTS has not made a further adjustment to the base figure based on a Bidder's List.

Evidence from Disparity Studies

CCTS did not find it feasible to conduct its own independent availability/disparity study. CCTS staff did review and consider the following studies available during the evaluation of adjustment of the Base Figures: 2016 Disparity Study available through California Department of Transportation (Caltrans) and the LA Metro 2017 Disparity Study.

Caltrans study is not applicable due to the following factors: study covers the entire state of California rather than focusing on a market area similar to CCTS; and their contracting opportunities differ from CCTS such that they focused on construction and engineering contract which do not coincide with types of opportunities available in the upcoming triennial period by CCTS.

Metro's study also emphasizes on large and complex projects such as Caltrans which are not similar in scope to the types of projects that CCTS will conduct. The study also indicated majority of Metro's contracting opportunities went to locations in the Los Angeles; as such LA County is considered as Metro's geographical market area. When calculating the base figure in Step 1, CCTS considered including LA County in CCTS' market area however this further reduced the DBE availability percentage.

Both of the studies vary in scope and not relevant to CCTS's federally-assistance contracting opportunities, therefore CCTS did not make an adjustment under this factor at this time. CCTS will continue to review applicable Disparity Studies as they become available and apply the appropriate adjustments to the DBE Program.

Other Evidence

CCTS is not in possession of other information nor aware of any other factors or adverse considerations that would have a material effect on DBE's availability within CCTS market area, or on DBEs ability to participate in CCTS' FTA-assisted contracting opportunities. Therefore, no goal adjustment was in consideration of this factor. However, during this triennial goal, CCTS will explore and consider all available evidence that would materially affect the opportunities for DBEs to form, grow, and compete in CCTS's FTA-assisted contracting programs.

Goal Adjustments

After considering the above factors, the Base Figure of 1% was adjusted, resulting in **CCTS' Overall DBE goal for Fiscal Years 2021-2023 of .5%.**

V. PROPOSED OVERALL DBE GOAL

The Overall DBE Goal for FFY 2021-2023 for the City of Corona Transit System's FTA-assisted contracts is .5%. The Overall Goal is expressed as a percentage of all DOT-assisted funds that CCTS will expend in applicable DOT-assisted contracts in the given federal fiscal years.

The goal further serves to identify the relative availability of DBE's based on evidence of ready willing, and able DBE's to all comparable firms, which are known to be available to compete for and perform on the City of Corona Transit System's DOT-assisted contracts. In addition, as part of the prescribed goal-setting methodology, CCTS must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race-neutral and race-conscious measures.

In conformance with Title 49 CFR Part 26; "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs" and in further response to FTA Notices issued to Public Transportation Providers regarding DOT's DBE Program and Race-Neutral Policy Implementation Guidance, CCTS intends to implement a **strictly Race-Neutral Overall DBE Goal for FFY 2021-2023**, due to the absence of readily available evidence of discrimination and its effects in its marketplace.

VI. RACE-NEUTRAL MEASURES

The CCTS 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:

- Reaching out to DBE's under California Unified Certification Program, 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 technical assistance and other services to small businesses, including DBE firms.
- Providing information and communications programs on contracting procedures and specific contract opportunities.

A. Small Business Element

The City's DBE Program includes elements to facilitate competition by small businesses in the CCTS contracts as prime contractors or subcontractors. These elements include informational outreach on the City's website, business development references, contract language for small business primes and goals for subcontracting opportunities. The DBE Program includes details of the City's efforts to Foster Small Business Participation.

VII. PUBLIC PARTICIPATION

A. Consultation

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within the CCTS' market area were consulted and provided an opportunity to review the triennial goal analysis and provide input (see Attachment 1). CCTS reached out to the following community organizations to solicit their comments regarding the 2021-2023 Triennial DBE Goal:

- Inland Empire Women's Business Center
- Businesswomen's Association of San Bernardino County
- Orange County Small Business Development Center
- Southern California Minority Supplier Development Council
- Greater Riverside Hispanic Chamber of Commerce
- Asian Business Association
- Riverside County Black Chamber of Commerce
- Inland Empire Small Business Development Center
- Greater Riverside Chamber of Commerce
- Corona Chamber of Commerce
- San Bernardino Area Chamber of Commerce
- Orange County Chamber of Commerce

Organizations were contacted via email to discuss the proposed goal methodology, whereas, the organizations were provided the synopsis of the DBE Goal (see Attachment 2). Any interested parties were then provided the complete Overall DBE Goal & Methodology. CCTS did not receive any comments from the outreach efforts.

B. Public Notice

CCTS will also post a Public Notice announcing the proposed Overall Goal for the FFY 2021-2023 FTA-assisted contracts on its official internet website; CCTS has elected to utilize its official website as the publication site. Such Notice will inform the public that the proposed goal and rationale are available for inspection at the City of Corona Transit System's principal office during normal business hours for 30 days following the date of the Public Notice and that CCTS will accept comments on the goal analysis for 30 days from the date of the Public Notice. CCTS will give full consideration to all comments and input and assess its impact on the proposed Overall DBE Goal. If no impact and/or comments are received during the public participation process, the Goal will be considered final. If there are comments, the City will respond in accordance with the DBE Program.

CCTS reached out to the following community organizations to solicit their comments regarding the 2021-2023 Triennial DBE Goal:

- Inland Empire Women's Business Center
- Businesswomen's Association of San Bernardino County
- Orange County Small Business Development Center
- Southern California Minority Supplier Development Council
- Greater Riverside Hispanic Chamber of Commerce
- Asian Business Association
- Riverside County Black Chamber of Commerce
- Inland Empire Small Business Development Center
- Greater Riverside Chamber of Commerce
- Corona Chamber of Commerce
- San Bernardino Area Chamber of Commerce
- Orange County Chamber of Commerce

Organizations were contacted by email to discuss the proposed goal methodology. Organizations were provided the opportunity to comment on the goal methodology and the CCTS DBE Program.

Source	Communication	Comment Summary	Response Summary
Inland Empire Women's Business Center https://www.iewbc.org/ 3780 Market St. Riverside, CA 92501	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	NA
Businesswomen's Association of San Bernardino County https://nasbc.org/ 330 Sixth St. #201 Redlands, CA 92374	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	NA
Orange County Small Business Development Center https://orangecountybdc.org/ 1300 S. Bristol St., 2nd floor Santa Ana, CA 92704	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	NA
Southern California Minority Supplier Development Council https://www.scmcdc.org/ 800 W. 6th St. #830 Los Angeles, CA 90017	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	NA
Greater Riverside Hispanic Chamber of Commerce https://greateriversonhispanicchamberofcommerce.org/	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	NA
Asian Business Association https://www.abala.org Corona, CA 92878	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	NA
Riverside County Black Chamber of Commerce https://riversidecountybcc.org/ 2060 Chicago Ave. # A13 Riverside, CA 92507	Initial email sent 7/2/20 sent follow-up email 7/17/20, original email was undeliverable	7/17 Follow-up email to Pepi Jackson, president pepi@riversidecountybcc.org No comments received 8/5/20 - email copy of the public notice	NA
Inland Empire Small Business Development Center https://inlandempirebdc.org/ 3780 Market St. Riverside, CA 92501	Tried to send initial email through website on 7/2 but undeliverable; had left voicemail. Received call back 7/6; provided consultant name & email.	7/6/20 Sent synopsis of the DBE Goal to email provided; received response back; sent the DBE Overall Goal & Methodology Phone appointment with consultant 7/9/20 @ 11am 8/5/20 - email copy of the public notice	No comments on the DBE Goal Methodology however are partnering to provide educational services to small businesses wishing to become DBE certified, transit projects opportunities in the next triennial period and connecting with prime contractors for subcontracting opportunities
Greater Riverside Chamber of Commerce http://www.riverside-chamber.com/ 3985 University Ave. Riverside, Ca 92501	Initial email sent 7/2/20 Follow-up email sent 7/17/20	7/17/20 received response back forwarding original email to the CEO/President for follow-up No comments received 8/5/20 - email copy of the public notice	
Corona Chamber of Commerce https://www.mychamber.org/ 904 E. 6th St. Corona, Ca 92879	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	
San Bernardino Area Chamber of Commerce http://www.sbchamber.org/ 546 W. 6th St. San Bernardino, CA 92410	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	
Orange County Chamber of Commerce https://www.orangechamber.com/ 635 S. Main St. Suite 200-310 Orange, CA 92668	Initial email sent 7/2/20 Follow-up email sent 7/17/20	No comments received 8/5/20 - email copy of the public notice	

CCTS TRIENNIAL DBE GOAL

City of Corona Transit System (CCTS) is in the process of preparing their Triennial Overall Disadvantaged Business Enterprise (DBE) Goal for the upcoming triennial period (October 1, 2020 through September 30, 2023).

Overall DBE Goal

- As a direct recipient of Federal Transit Administration (FTA) funding, CCTS is required to have a DBE program to increase the participation of DBEs in federally aided contracts.
- The purpose of the DBE goal-setting process is to level the playing field so that DBEs can complete fairly for FTA-Associated contracts.
- The proposed overall DBE goal for Federal Fiscal Years 2021-2023 for CCTS's FTA-assisted contracts is .5%
- CCTS intends to use race-neutral methods to meet the overall DBE goal.

Project Goal

The Overall DBE Goal reflects the relative availability of DBEs and all comparable businesses available to compare within the market area.

DBE & Small Business Participation

CCTS plans to incorporate the following strategies to foster small business participation in its contracting process:

- Breaking out procurements or unbundling procurement actions to provide greater opportunities for Disadvantaged Business Enterprises (DBEs), small and minority firms, and women's business enterprises to participate.
- For procurements that require competition, the City will seek out small businesses to compete for these procurement actions by actively including DBE and non-DBE small business firms on the solicitation lists.
- For micro purchases that do not require competition, seeking out DBE and non-DBE small business firms to satisfy these requirements.

Race-Neutral Measures

CCTS plans to implement the following race-neutral measures for FFY 2021-2023 and will continue to explore other options:

- Reaching out to DBE's under California Unified Certification Program, 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 technical assistance and other services to small businesses, including DBE firms.
- Providing information and communications programs on contracting procedures and specific contract opportunities.