



Agenda Report

File #: 20-0785

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 09/16/2020

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:

City Council consideration of adopting Resolution No. 2020-123, to approve the Disadvantaged Business Enterprise Program for Federal Fiscal Years 2021-2023, establish an overall Triennial Disadvantaged Business Enterprise Goal of 0.5%, and authorize the City Manager to sign the Disadvantaged Business Enterprise Program Objective and Policy Statement.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Resolution No. 2020-123 to approve the updated Disadvantaged Business Enterprise Program (Exhibit A) for Federal Fiscal Years 2021-2023.
- b. Establish an overall Triennial Disadvantaged Business Enterprise Goal of 0.5%.
- c. Authorize the City Manager to sign the update Disadvantaged Business Enterprise Program Objective and Policy Statement.

ANALYSIS:

As a recipient of United States Department of Transportation (USDOT) Federal Transit Administration (FTA) funds, the City must comply with all federal regulations. Pursuant to the Code of Federal Regulations (CFR), Title 49, Part 26 - Participation by Disadvantaged Business Enterprise (DBE), all public agencies receiving financial assistance from the USDOT-FTA, and who anticipate awarding \$250,000 or more in FTA assisted contracts, must have an approved DBE Program and establish a three-year overall DBE Goal for potential contracting opportunities. The goal must be developed and submitted to FTA every three years in order to maintain eligibility to receive federal financial assistance. The purpose of establishing a DBE participation goal is to promote and increase the participation in federally-assisted contracts by small, socially and economically disadvantaged

business enterprises and to create a level playing field in which DBE's can compete fairly.

For the three-year period from Federal Fiscal Year (FFY) 2020-2021 to FFY 2022-2023, the City of Corona Transit Service (CCTS), anticipates awarding an estimated \$4.7 million in contracting opportunities funded in whole or in part with FTA funds. These contracting opportunities include the following anticipated projects for the three-year period: Contracted Dial-A-Ride and Fixed Route Transit Services; an Intelligent Transportation System; Digital Land Mobile Radio Communication System; a Comprehensive Operations Analysis, and Document Translation Services.

In accordance with the DBE regulations, CCTS has proposed an overall DBE Goal of 0.5% for the triennial period of FFYs 2021-2023. The overall DBE Goal was developed in conformance with the federally prescribed two-step methodology process, as shown on Exhibit "B," Overall DBE Goal and Methodology. The first step of the process established a Base Figure of the relative availability of DBEs to all comparable firms (DBE and non-DBE) within specified industries. The Base Figure was established by assessing the California Unified Certification Program (CUCP) Directory of Certified DBE Firms, and the 2018 United States Census Bureau County Business Patterns (CBP) Database within CCTS' market area for each industry identified. During the first step process, the base figure resulted in a 1% DBE goal.

The second step of the methodology process assessed other relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the Base Figure to CCTS' market area. Factors considered in the adjustment of the Base Figure included past DBE Goal attainments, bidders' lists, disparity studies, and any other relevant evidence. CCTS has experienced challenges in attaining its DBE goal for the past three FFYs 2018-2020, as the 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. Therefore, an adjustment was made, and the base figure was reduced from 1% to 0.5%; page 5 of Exhibit "B" further outlines the rationale for the adjustment.

In addition, as required by CFR, Title 49, Part 26, CCTS must meet 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.

Furthermore, CCTS must provide a public participation process when establishing the three-year overall DBE goal. Therefore, a Public Notice inviting comment on the recommended DBE goal for FFYs 2021-2023 was published on the City's website on August 4, 2020, for a 30-day period. No comments were received during the 30-day period. In addition, the public notice provided information regarding the "DBE Virtual Consultation Session" to solicit feedback on the proposed DBE goal and provide information on the contracting opportunities. As of September 1, 2020, no one had requested the link to participate in the virtual session.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 4: Actively engage in public and private partnerships to provide services and amenities; Objective A: Proactively develop partnerships with local and regional business interest and agencies by participating in community events and sharing information regarding CCTS.

FISCAL IMPACT:

There is no fiscal impact to the General Fund. Approval of the recommended resolution simply approves DBE Program for FFYs 2021-2023, and authorizes the City Manager to execute the DBE Program Objective and Policy Statement, which is necessary to demonstrate CCTS' compliance with the CFR, Title 49, Part 26, and eligibility for FTA funds to support current and future capital projects and operating costs.

ENVIRONMENTAL ANALYSIS:

This action is exempt from the California Environmental Quality Act (CEQA).

PREPARED BY: SUDESH PAUL, TRANSPORTATION PLANNING SUPERVISOR

REVIEWED BY: TOM KOPER, P.E., ACTING PUBLIC WORKS DIRECTOR

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Exhibit A - FFYs 2021-2023 CCTS DBE Program
2. Exhibit B - FFYs 2021-2023 Overall DBE Goal and Methodology
3. Exhibit C - Resolution No. 2020-123