



RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 22, 2006

TO: BOARD OF DIRECTORS
THRU:  Larry Rubio, Chief Executive Officer
FROM:  Vince Rouzaud, Director of Purchasing and Materials Management
SUBJECT: Adopt FY 2006/2007 Disadvantaged Business Enterprise (DBE) Goal

Summary: As a condition of continued eligibility to receive Federal financial assistance from the U. S. Department of Transportation (DOT), the Agency is required to establish an annual Disadvantaged Business Enterprise (DBE) participation goal. The purpose of the goal is to promote increased participation in federally-assisted contracts by small, socially and economically disadvantaged business enterprises.

As required by the U. S. DOT, 49 CFR Part 26, the Agency must set its annual overall goal using its best efforts to meet its annual goal through race neutral measures. Only in those instances where race neutral measures are not sufficient to meet the Agency's overall goals may the Agency establish specific contract goals. However, contract specific goals may only be used if evidence of discrimination has been documented by the Agency. In addition, the Agency is required to develop the annual goal using one of the methodologies set forth in the DOT regulations.

By using methodologies and suggested "recommendations" from the U.S. DOT's Office of Small and Disadvantaged Business Utilization for developing DBE goals, a proposed goal of 6% was calculated. The step by step methodology along with the Agency's previous DBE participation goals including the FY 05/06 goal of 5 percent is set forth in the attached "Riverside Transit Agency – Proposed Annual Overall Goal"; an unsigned copy of the Agency's DBE Policy Statement is attached for informational purposes only; it will be executed upon the completion of the public comment period. The Agency fully expects to meet its target of 5 percent DBE participation for FY 05/06.

Upon the Board's approval, the Agency will publicize its proposed overall goal to inform the public that its proposed goal and the methodology for calculating the goal are available for public review during the Agency's normal business hours for a period of 30 days following the notice date

and that the Agency will accept comments up to 45 days from the notice date.

Fiscal Impact:

None.

Committee Recommendation:

This item was discussed at the Board Budget and Administration Committee meeting of June 7, 2006. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration.

Recommendation:

- Approve a 6 percent DBE participation goal for FY 2006/2007.
- Direct staff to publicly advertise the goal and submit the participation goal to the Federal Transit Administration (FTA) with the understanding that public comments, if any, will be forwarded upon receipt.

**FEDERAL FISCAL YEAR 2006-2007
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM**

**RIVERSIDE TRANSIT AGENCY
PROPOSED ANNUAL OVERALL GOAL**

As required by Federal Regulations 49 CFR Part 26, public agencies receiving Federal Department of Transportation funds must adopt annual DBE goals. Utilization of race neutral measures is the preferred method of achieving DBE participation. Contract specific goals may be established in those instances when it is anticipated that exclusive use of race neutral measures may not be sufficient to achieve the Agency's goal.

The Agency's methodology for its proposed annual goal utilizing race neutral measures follows.

I. GOAL METHODOLOGY

The following methodology was used in establishing a Base Figure for DBE availability for FY 2006-2007:

- NUMERATOR – Certified DBE firms
(Ready, Willing and Able DBEs)
- DENOMINATOR – Total number of available firms
(Ready, Willing and Able, DBE/Non-DBE Firms)

A Base Figure is calculated by first determining the number of ready, willing, and able DBEs as follows: a) prospective and existing DBE vendors who have either previously or currently provide goods or services for the Agency; b) DBEs who have registered on the Agency's website as a prospective vendor; c) DBEs from the California Unified Certification Program (CUCP) database who are physically located in western Riverside County (i.e., communities within the Agency's service area); and d) DBEs who have participated in past procurements (bid list information).

The number of Ready, Willing and Able DBE firms is then divided by the number of total available firms identified as follows: all prospective and existing vendors (both DBE and non-DBE firms) who have a) previously or currently provide goods or services for the Agency; b) registered on the Agency's website as a prospective vendor; and c) participated in past procurements (bid list information).

The application of the formula discussed above is as follows:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Ready, Willing and Able Firms}} = \text{Base Figure}$$

By inserting the statistics discussed above, the Base Figure resulting from the above calculation is as follows:

$$\frac{114 \text{ Ready, Willing and Able DBEs}}{1,543 \text{ Ready, Willing and Able Firms}} = 7.4\%$$

By using the percentage of federal funds available for contracting opportunities in FFY 2006/2007, the result is a weighted percentage base figure reflecting those contracting opportunities directly associated with federal funds and specifically anticipated under the Agency's capital and operating budgets.

The application of the formula discussed above is as follows:

<u>77.0%</u>	<u>+</u>	<u>9.17%</u>	<u>=</u>	<u>86.17%</u>
% of federal funds for capital projects (see Table 1)		% of funds for operational costs (See Table 2)		
 next step:				
86.17%	=	total federal contracting opportunities (from above)		
<u>x 7.4%</u>	=	total available DBE firms (from above)		
 6.4% or 6% = weighted percentage base figure				

II. ADJUSTMENTS TO THE BASE FIGURE

Several factors as outlined under Title 49 were considered to evaluate the need to adjust the base figure. The Agency is not aware of any current disparity studies available for the Agency's market area and accordingly, this adjustment criteria was not used. Other agency goals were not utilized as an adjustment factor for the Agency's overall goal as no other U.S. DOT recipients with substantially similar contracting opportunities and similar market areas were identified. Further, no comments were received during last year's public comment period for use as an adjustment factor.

Review of the DBE participation on past Agency projects/ procurements reveals a median participation of 6.3% as follows:

<u>Past DBE % achieved</u>	<u>Federal Fiscal Year</u>
6.5%	FFY02
6.0%	FFY03
5.0%	FFY04
9.0%	FFY05
5.0%	FFY06

(RTA anticipates the attainment its FFY06 goal)

The contracting opportunities identified for this year (Table 1, following) are similar to those for FFY06. The actual percentages of achieved DBE participation shown above represent actual evidence of DBE participation in the Agency's award of prime contracts. Historically, DBE participation in the form of subcontracts has been infrequent and minimal.

In reviewing the information presented herein, staff recommends no adjustment be made to the proposed overall Agency goal of 6.0% (the weighted percentage base figure from page 2).

III. ANTICIPATED PROJECTS FOR FEDERAL FISCAL YEAR 2006-2007

The following projects represent the anticipated federally funded capital contracting opportunities for the Fiscal Year beginning October 1, 2006 through September 30, 2007. The Agency projects \$2,397,140 will be available for capital projects this period. The federal dollar portion of this amount equals \$1,849,192 or 77% of the capital contracting opportunities. By

applying the proposed DBE goal of 6%, the Agency projects potential expenditures of \$110,952 with DBEs this period for the capital projects listed below in Table 1.

Table 1 - % of Funds for Capital Projects

PROJECT DESCRIPTION	NON-FEDERAL FUNDS	FEDERAL FUNDS	TOTAL AMOUNT
Interactive Voice Response System	\$250,000	0	\$250,000
Network Equipment	\$25,000	0	\$25,000
Bus Shelters (Lake Elsinore)	\$55,000	0	\$55,000
Bus stop amenities	\$22,000	\$88,000	\$110,000
Capitalized maintenance spares	\$59,645	\$238,580	\$298,225
Shop equipment	\$30,923	\$123,692	\$154,615
Miscellaneous equipment	\$2,860	\$11,440	\$14,300
Support facilities – administrative	\$11,200	\$44,800	\$56,000
Support facilities – main	\$12,400	\$49,600	\$62,000
Support facilities – yard/shop	\$43,400	\$173,600	\$217,000
Shelters/benches	\$35,520	\$39,480	\$75,000
Corona Transit Center (A/E services)	\$0	\$1,080,000	\$1,080,000
TOTAL DOLLARS	\$ 547,948	\$1,849,192	\$2,397,140
PERCENTAGES OF FUNDS AVAILABLE TO RTA FOR CAPITAL CONTRACTING OPPORTUNITIES FOR 2006/07	23.0%	77.0%	

In addition to the above anticipated capital contracting opportunities, the Agency is forecasting an additional \$240,284 of potential expenditures with DBEs in support of its operations (i.e., in the form of goods and professional services). This figure is a result of the percentage of federal funds that are applied to the Agency's operating funds. The federal dollar portion of the Agency's operating funds is \$4,004,738 or 9.17% of the Agency's \$43,665,697 operating budget for FY 2006/07; by applying the proposed goal of 6% to \$4,004,738, the Agency projects potential expenditures of \$240,284 with DBE firms for its operating costs (see Table 2 on the following page for details).

Table 2 - % of Federal Funds for Operational Costs

FUNDING SOURCE	FEDERAL FUNDS
FTA Section 5307-Temecula/Murrieta	2,034,668

FTA Section 5307-Hemet/San Jacinto		1,568,561
FTA Section 5311 (State DOT)		401,509
TOTAL FEDERAL DOLLARS		\$4,004,738
ALL OTHER OPERATIONS FUNDING		\$39,660,959
TOTAL OPERATIONS FUNDS		\$43,665,697
PERCENTAGE OF FEDERAL FUNDS AVAILABLE FOR RTA 2005/06 OPERATIONS BUDGET OF \$43,665,697		9.17%

The combination of the federal dollar portions applied to operations and capital contracting opportunities shown in Tables 1 and 2 above results in a total potential expenditure of \$351,236 with DBE firms (\$110,952 + 240,284).

IV. UTILIZATION OF RACE/GENDER-NEUTRAL METHOD

The Agency will meet its annual goal by using race-neutral methods of facilitating DBE participation. The Agency actively seeks to solicit procurement participation from DBE certified firms and affirmatively ensures the same in its public notices.

Race-neutral methods include, but are not necessarily limited to, the following:

- DBE participation through a prime contract obtained through competitive procurement procedures.
- DBE participation through a subcontract on a prime contract without a DBE goal
- DBE participation on a prime contract exceeding a contract goal
- DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in its award process
- Agency participation in local area DBE outreach events

The Agency will also make efforts to ensure that Requests for Proposals (RFPs), Invitation for Bids (IFBs) and all corresponding contracting requirements foster participation by DBEs and other small businesses. The Agency encourages prime contractors to subcontract portions of the work to DBEs. Formal RFPs and IFBs are available on the Agency's website as is the Agency's DBE

policy and general information about “how to do business” with the Agency.

V. PUBLIC NOTICE IN SETTING OVERALL ANNUAL DBE GOAL

The Agency will place a public notice in the Passenger Transport, a widely circulated publication, and in the Press Enterprise, a locally circulated newspaper. The notice will inform the public of the proposed goals and that the rationale for the goal is available for review for a 30-day period with comments being accepted for a 45-day period. In order to provide sufficient public notice, the Notice will be published upon board approval of the proposed goal. The notice will read as follows:

<p style="text-align:center"><u>LEGAL NOTICE</u></p> <p style="text-align:center"><u>FOR</u></p> <p style="text-align:center"><u>RIVERSIDE TRANSIT AGENCY</u></p> <p style="text-align:center"><u>DISADVANTAGED BUSINESS ENTERPRISE GOAL</u></p> <p>Gentlemen/Ladies:</p> <p>The Riverside Transit Agency (RTA) has proposed an overall goal of 6% for Disadvantaged Business Enterprise (DBE) participation in contracting opportunities during the 2006/2007 federal fiscal year beginning October 1, 2006, pursuant to 49 CFR Part 26. Documentation on the methodology of the DBE goal and the recently revised DBE plan are available for inspection for 30 days from the date of this notice, Monday through Friday from 8 a.m. to 5 p.m. at the offices of RTA located at 1825 Third Street, Riverside, California 92507. Comments regarding the goals and the plan will be accepted for 45 days from the date of this notice. Anyone wanting to request further information or to discuss RTA’s DBE program should contact Natalie Zaragoza at the address listed or by calling (951) 565-5194.</p>

VI. ESTABLISHMENT OF GOAL

Based upon the information and methodology presented above, it is proposed that the Agency’s overall annual goal for the Federal Fiscal Year 2006-2007 be established at 6%.



ERTIA
Riverside Transit Agency
DBE PROGRAM

Objectives/Policy Statement (26.1, 26.23)

Riverside Transit Agency ("RTA") has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. RTA has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, RTA has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of RTA to ensure that DBEs, as defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of DOT assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contracts; and
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

The Director of Purchasing and Materials Management has been delegated as the DBE Liaison Officer (DBELO). In that capacity, the DBELO is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by RTA in its financial assistance agreements with the Department of Transportation.

RTA has disseminated this policy statement to the Board of Directors and all the components of our organization. RTA has distributed this statement to DBE and non-DBE business communities that perform work for RTA on DOT-assisted contracts through a public invitation to inspect or receive a copy of the RTA DBE Program. Public notice was issued in a widely circulated publication and a local publication to ensure maximum effective coverage.

Larry Rubio
Chief Executive Officer

Date