



Federal Transit Administration (FTA)

DBE Triennial Goal

FFY 2019-2021

Submitted in fulfillment of:
Title 49 Code of Federal Regulations Part 26

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1. INTRODUCTION

Riverside Transit Agency herein sets forth its overall Disadvantaged Business Enterprise (DBE) Goal along with the corresponding goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2019-2021 (October 1, 2019 through September 30, 2021), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs.”

2. BACKGROUND

Riverside Transit Agency is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA) funding. As a condition of receiving this assistance, Riverside Transit Agency must comply with FTA’s DBE requirements. In accordance with Title 49 CFR Part 26; Participation by DBE’s in USDOT programs, Riverside Transit Agency is required to develop and submit a triennial Overall DBE Goal for its FTA assisted projects.

3. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2019-2021

Table 1 represents RTA’s FTA-assisted contracting program which lists all the projects considered in preparing the goal methodology. It is anticipated that the projects listed in this table will be awarded during the triennial period.

Table 1

Projects WITH Contracting Opportunity	Federal Funds 2019 - 2021
Capitalized Preventative Maintenance	\$6,336,525
Fare Study	\$128,000
Non-Revenue Vehicles	\$364,865
Capitalized Tire Lease	\$929,970
Associated Transit Improvements	\$460,000
Capital Maintenance Spares	\$604,069
Maintenance Support Equipment	\$86,000
Facility Maintenance	\$1,382,879
Information Systems	\$1,646,150
Hemet Mobility Hub	\$1,951,311
Total FTA-assisted Contracting Opportunity	\$13,889,769

Table 2 represents all the projects in Table 1 but is further broken down by sub-contracting opportunities for each project (if applicable). NAICS codes were established for all work categories listed in Table 2.

Table 2

Projects AND Sub-Contracting Opportunity	Estimated FTA \$ by Work Category
	2019 - 2021
Capitalized Preventative Maintenance	\$6,336,525
Motor vehicle parts and accessories, new, merchant wholesalers	\$6,336,525
Fare Study	\$128,000
Marketing Consulting Services	\$128,000
Non-Revenue Vehicles	\$364,865
New Car Dealers	\$364,865
Capitalized Tire Lease	\$929,970
Tire Dealers	\$929,970
Associated Transit Improvements	\$460,000
Concrete paving (i.e., highway, road, street, public sidewalk)	\$391,000
Engineering Services	\$23,000
Wall component (i.e., exterior, interior), prefabricated, installation	\$46,000
Capital Maintenance Spares	\$604,069
Motor vehicle parts and accessories, new, merchant wholesalers	\$604,069
Maintenance Support Equipment	\$86,000
Air compressors (except air-conditioning, refrigeration) merchant wholesalers	\$8,600
Pressure washers merchant wholesalers	\$8,600
Power hand tools (e.g., drills, sanders, saws) merchant wholesalers	\$68,800
Facility Maintenance	\$1,382,879
Office furniture merchant wholesalers	\$69,144
Carpet merchant wholesalers	\$69,144
Painting (except roof) contractors	\$69,144
Plumbing contractors	\$345,720
HVAC (heating, ventilation and air-conditioning) contractors	\$414,864
Electrical contractors	\$276,576
Parking lot paving and sealing	\$138,288
Information Systems	\$1,646,150
Computer software, packaged, merchant wholesalers	\$987,690
Peripheral equipment, computer, merchant wholesalers	\$658,460
Hemet Mobility Hub	\$1,951,311
Framing Contractors	\$390,262
Grading, highway, road, street and airport runway	\$195,131
Concrete paving (i.e., highway, road, street, public sidewalk)	\$487,828
Plumbing Contractors	\$117,079
Electrical Contractors	\$117,079
HVAC (heating, ventilation and air-conditioning) contractors	\$97,566
Drywall Contractors	\$97,566
Roofing Contractors	\$78,052
Security and fire system, installation only	\$58,539
Vinyl Flooring Contractors	\$97,566
Landscape installation services	\$78,052
Painting (except roof) contractors	\$58,539
Siding contractors	\$78,052
Total FTA-assisted Contracting Opportunity	\$13,889,769

After all the NAICS codes were assigned to the work categories in Table 2, the sheet was sorted by NAICS code number to identify any potential duplicates. In some cases, the same NAICS code applied to work categories across different projects as demonstrated in Table 3 (highlighted in red).

Table 3

NAICS Codes "Duplicates"	NAICS Code	Estimated FTA \$ by NAICS 2019 - 2021
Concrete paving (i.e., highway, road, street, public sidewalk)	237310	\$391,000
Grading, highway, road, street and airport runway	237310	\$195,131
Concrete paving (i.e., highway, road, street, public sidewalk)	237310	\$487,828
Wall component (i.e., exterior, interior), prefabricated, installation	238130	\$46,000
Framing Contractors	238130	\$390,262
Roofing Contractors	238160	\$78,052
Siding contractors	238170	\$78,052
Electrical contractors	238210	\$276,576
Electrical Contractors	238210	\$117,079
Security and fire system, installation only	238210	\$58,539
Plumbing contractors	238220	\$345,720
HVAC (heating, ventilation and air-conditioning) contractors	238220	\$414,864
Plumbing Contractors	238220	\$117,079
HVAC (heating, ventilation and air-conditioning) contractors	238220	\$97,566
Drywall Contractors	238310	\$97,566
Painting (except roof) contractors	238320	\$69,144
Painting (except roof) contractors	238320	\$58,539
Vinyl Flooring Contractors	238330	\$97,566
Parking lot paving and sealing	238990	\$138,288
Motor vehicle parts and accessories, new, merchant wholesalers	423120	\$6,336,525
Motor vehicle parts and accessories, new, merchant wholesalers	423120	\$604,069
Office furniture merchant wholesalers	423210	\$69,144
Carpet merchant wholesalers	423220	\$69,144
Computer software, packaged, merchant wholesalers	423430	\$987,690
Peripheral equipment, computer, merchant wholesalers	423430	\$658,460
Power hand tools (e.g., drills, sanders, saws) merchant wholesalers	423710	\$68,800
Air compressors (except air-conditioning, refrigeration) merchant wholesalers	423830	\$8,600
Pressure washers merchant wholesalers	423850	\$8,600
New Car Dealers	441110	\$364,865
Tire Dealers	441320	\$929,970
Engineering Services	541330	\$23,000
Marketing Consulting Services	541613	\$128,000
Landscape installation services	561730	\$78,052
Total FTA-assisted Contracting Opportunity		\$13,889,769

Table 4 provides a final summary of the work categories once all the duplicate NAICS codes were combined. The table also provides the estimated FTA funds per NAICS code and the corresponding NAICS weight for each work category.

Table 4

CATEGORY OF WORK	NAICS CODE	Estimated FTA \$ by NAICS 2019 - 2021	NAICS WEIGHT
Concrete paving (i.e., highway, road, street, public sidewalk), Grading	237310	\$1,073,959	7.73%
Wall component (i.e., exterior, interior), prefabricated, installation, Framing Contractors	238130	\$436,262	3.14%
Roofing Contractors	238160	\$78,052	0.56%
Siding contractors	238170	\$78,052	0.56%
Electrical contractors, Security and Fire System Installation	238210	\$452,194	3.26%
Plumbing contractors, HVAC (heating, ventilation and air-conditioning) contractors	238220	\$975,228	7.02%
Drywall Contractors	238310	\$97,566	0.70%
Painting (except roof) contractors	238320	\$127,683	0.92%
Flooring Contractors	238330	\$97,566	0.70%
Parking lot paving and sealing	238990	\$138,288	1.00%
Motor vehicle parts and accessories, new, merchant wholesalers	423120	\$6,940,594	49.97%
Office furniture merchant wholesalers	423210	\$69,144	0.50%
Carpet merchant wholesalers	423220	\$69,144	0.50%
Peripheral equipment, computer, merchant wholesalers	423430	\$1,646,150	11.85%
Power hand tools (e.g., drills, sanders, saws) merchant wholesalers	423710	\$68,800	0.50%
Air compressors (except air-conditioning, refrigeration) merchant wholesalers	423830	\$8,600	0.06%
Pressure washers merchant wholesalers	423850	\$8,600	0.06%
New Car Dealers	441110	\$364,865	2.63%
Tire Dealers	441320	\$929,970	6.70%
Engineering Services	541330	\$23,000	0.17%
Marketing Consulting Services	541613	\$128,000	0.92%
Landscape installation services	561730	\$78,052	0.56%
Total FTA-assisted Contracting Opportunity		\$13,889,769	100%

4. GOAL METHODOLOGY

Step 1: Determination of a Base Figure

RTA followed the prescribed federal methodology to determining a base figure. RTA looked at the availability of ready and willing DBE firms in each category code and also looked at ALL ready and willing firms in each category code. This information was gathered through the California Unified Certification Program (CUCP) DBE Database of Certified Firms and the 2016 U.S. Census Bureau County Business Patterns Database with specific market area defined based on the individual contracting opportunity.

RTA’s local market area consists of Riverside County and San Bernardino County. This is where the majority of contracting dollars are expended and/or the majority of contractor and subcontractor bids/quotes are located.

The base figure is derived by dividing the number of ready, willing and able DBE firms identified in each work category by the number of ALL firms identified in each work category (relative availability), then weighting the relative availability for each work category by the corresponding work category weight (Table 4), and then adding the weighted ratios together.

$$\text{Base Figure} = \frac{\text{Number of Ready, Willing and Able DBE Firms}}{\text{Number of ALL Ready, Willing and Able Firms}} \times \text{category weight} \times 100$$

- Φ Numerator: CUCP DBE Database of Certified Firms
- Φ Denominator: 2016 U.S. Census Bureau’s Business Patterns Database

To ensure the information pulled for DBE firms and ALL firms was apples to apples, the same geographic region was selected for both groups as noted in Table 5.

The result of the base figure calculation is **2.1%**, as shown in Table 5:

Table 5

CATEGORY OF WORK	NAICS CODE	NAICS WEIGHT	GEOGRAPHIC REGION	ALL FIRMS	DBE FIRMS	WEIGHTED RATIO
Concrete paving (i.e., highway, road, street, public sidewalk), Grading	237310	7.73%	Riverside County & San Bernardino County	100	22	1.7%
Wall component (i.e., exterior, interior), prefabricated, installation, Framing Contractors	238130	3.14%	Riverside County & San Bernardino County	109	3	0.1%
Roofing Contractors	238160	0.56%	Riverside County & San Bernardino County	221	0	0.0%
Siding contractors	238170	0.56%	Riverside County & San Bernardino County	24	0	0.0%
Electrical contractors, Security and Fire System Installation	238210	3.26%	Riverside County & San Bernardino County	890	23	0.1%

Plumbing contractors, HVAC (heating, ventilation and air-conditioning) contractors	238220	7.02%	Riverside County & San Bernardino County	1126	9	0.1%
Drywall Contractors	238310	0.70%	Riverside County & San Bernardino County	299	5	0.0%
Painting (except roof) contractors	238320	0.92%	Riverside County & San Bernardino County	355	3	0.0%
Flooring Contractors	238330	0.70%	Riverside County & San Bernardino County	163	1	0.0%
Parking lot paving and sealing	238990	1.00%	Riverside County & San Bernardino County	460	25	0.1%
Motor vehicle parts and accessories, new, merchant wholesalers	423120	49.97%	United States	13,333	10	0.0%
Office furniture merchant wholesalers	423210	0.50%	Riverside County & San Bernardino County	111	0	0.0%
Carpet merchant wholesalers	423220	0.50%	Riverside County & San Bernardino County	106	0	0.0%
Peripheral equipment, computer, merchant wholesalers	423430	11.85%	United States	8627	21	0.0%
Power hand tools (e.g., drills, sanders, saws) merchant wholesalers	423710	0.50%	United States	6163	18	0.0%
Air compressors (except air-conditioning, refrigeration) merchant wholesalers	423830	0.06%	United States	29663	16	0.0%
Pressure washers merchant wholesalers	423850	0.06%	United States	4415	17	0.0%
New Car Dealers	441110	2.63%	Riverside County & San Bernardino County	204	0	0.0%
Tire Dealers	441320	6.70%	United States	20463	4	0.0%
Engineering Services	541330	0.17%	Riverside County & San Bernardino County	491	28	0.0%
Marketing Consulting Services	541613	0.92%	Riverside County & San Bernardino County	295	8	0.0%
Landscape installation services	561730	0.56%	Riverside County & San Bernardino County	819	5	0.0%
BASE FIGURE		100%		88,437	218	2.1%

Step 2: Adjusting the Base Figure

After establishing the base figure, RTA reviewed other known factors potentially impacting the relative availability of DBE's within the market area. This approach follows the narrow tailoring provisions set forth under 49 CFR Part 26.45: Step 2; DBE Goal Adjustment guidelines.

Factors considered in making an adjustment to the Base Figure include the following:

A. Past DBE Goal Attainments

The primary form of evidence available is the past participation of DBE's in RTA's contracting. RTA calculated past DBE participation attainments for the last five (5) federal fiscal years. Table 6 reflects the actual representation of DBE's on FTA-assisted contracts awarded by RTA in the last five federal fiscal years.

Table 6

Federal Fiscal Year (FFY)	Annual DBE Goal	FTA DBE Goal Attainment
2013	2.0	1.0%
2014	2.0	8.0%
2015	2.0	0.0%
2016	2.0	1.0%
2017	2.0	2.0%
Median DBE Attainment Within the Last Five Years		1.0%

The median established for the past five years as shown in Table 6 is lower than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on RTA’s past DBE goal attainments has been made. The decision to make an adjustment was based on the following:

- The projects being proposed for FFY 2019-2021 are more simplistic, smaller scale, and require fewer trades. As a result, there are lower levels of DBE firms available for participation.
- Another factor is the local competition for DBE participation. San Bernardino County will be starting the I-10 corridor project in 2018 which is estimated to cost \$450 million dollars and there is a DBE contract goal of 10% (\$40 million) for this project. Due to the longer duration and greater value of this project, RTA anticipates continued competition for DBE contractor participation resulting in the reduced availability of these firms.

Based on the aforementioned, RTA feels that an adjustment to the base figure is warranted. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE past attainment, as shown below:

$$\text{Adjusted Base Figure} = \frac{\text{Base Figure (2.1\%)} + \text{Median Attainment (1.0\%)}}{2}$$

The formula resulted in a proposed adjustment (decrease) to the Base Figure from 2.1% to 1.5%

B. Disparity Study

RTA reviewed the 2016 Caltrans disparity study but felt their data covered such a large geographical area (Northern CA, Southern CA, Central CA and the Bay Area) that it was not applicable to RTA’s goal setting methodology. RTA also reviewed the 2017 Los Angeles Metro disparity study but feels the size and scale of their projects are so much larger than RTA that it is not applicable.

C. Other Available Evidence

RTA is not aware of any other factors that would have an impact on the DBE goal setting methodology.

5. PROPOSED OVERALL DBE GOAL

The final proposed overall DBE goal for FFY 2019-2021 for Riverside Transit Agency's FTA-assisted contracts is 1.5%. The DBE goal is a Race Neutral goal and RTA will implement race neutral measures to achieve this goal.

6. UTILIZATION OF RACE/GENDER NEUTRAL METHOD

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 be insufficient to meet the goal.

We estimate that, in meeting our overall goal of 1.5%, we will obtain 100% from race neutral participation and 0% through race-conscious measures. The Agency actively seeks to solicit procurement participation from DBE 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
- RTA will unbundle solicitations, provide pre-bid/pre-proposal conferences to allow networking opportunities for primes and subcontractors
- RTA will advise its contracting community of the online directory of certified DBE's, found at the California Unified Certification Program website: www.CaliforniaUCP.com
- RTA will participate in local area DBE outreach events

RTA 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. RTA encourages prime contractors to subcontract portions of the work to DBEs. Formal RFPs and IFBs are available on RTA's website as is RTA's DBE policy and general information about "how to do business" with RTA.

Although participation for FFY 2015-2016 did not achieve RTA's 2.0% goal through race neutral measures, 2017 did show improvement. The Agency feels it can meet its DBE participation goal through race neutral measures for FFY 2019-2021 based on the following factors:

- During the last triennial period, RTA anticipated the use of federal funds for several projects, however, State Prop 1B funds were substituted for federal funds due to the Prop 1B funds approaching expiration. RTA is not in a position where other forms of funding are nearing expiration so we expect to use federal funds as planned.
- During the last triennial period, there were a couple large projects factored into the total funds available for "contracting opportunity" that never actually came to fruition. This reduced the overall contracting opportunities for DBE firms which affected our goal attainment. There are fewer projects that are more simplistic planned for FFY 2019-2021 so RTA is confident that these projects will materialize as planned.

7. PUBLIC PARTICIPATION

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business associations, and community organizations with the Riverside Transit Agency market area were provided an opportunity to review the triennial goal analysis and provide input.

RTA issued a notice on their website of the proposed FTA Overall DBE Goal Setting Methodology for FFY 2019-2021. This notice informed the public that the proposed goal and methodology are available for review at the RTA main office during normal business hours for 30 days following the date of public notice.

A public meeting was held at the RTA main office, 1825 Third St. Riverside, CA. 92507 on July 27, 2018 at 4:00pm.

Invites to the meeting and a copy of the DBE methodology goal were emailed directly to:

- Greater Riverside Hispanic Chamber of Commerce
- Black Chamber of Commerce Inland Empire
- Inland Empire Women’s Business Center
- Asian Indian Chamber of Commerce of the Inland Empire
- Inland Empire Small Business Development Center
- National Latina Business Women Association – Inland Empire
- Chamber of Commerce for the following cities: Banning, Canyon Lake, Corona, Hemet, San Jacinto, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside and Temecula

The Agency received two (2) “Will not attend” responses from Corona Chamber of Commerce and Inland Empire Regional Chamber of Commerce, and one (1) “Will attend” response from Black Chamber of Commerce Inland Empire. There was no specific feedback provided from the one attendee.

Staff has also attended outreach events to encourage DBE participation within the local community. At these events, RTA passes out information on how to become a vendor for RTA along with a CUCP handout that covers the general criteria for certification as a DBE. Listed below are a couple events staff attended in the last twelve months:

- San Bernardino Business to Business Expo
- So. California Procurement, Manufacturing Summit
- California Transit Association Conference

Feedback from Public Participation Process

Staff has not received any feedback related to the FFY 2019-2021 DBE Goal Setting Methodology.