

Attachment 5: Overall Triennial Goal Calculation Methodology



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Federal Transit Administration (FTA)
Overall Disadvantage Business Enterprise (DBE)
Goal-Setting Methodology

Fiscal Federal Years (FFY) 2022-2024

Goal Period

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Submitted in fulfillment of:

Title 49 Code of Federal Regulations Part 26

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DBE Goal Methodology

I. Introduction

Antelope Valley Transit Authority (AVTA) herein sets forth its Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2022 – 2024 (October 1, 2021 through September 30, 2024), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 "Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs." The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for Department of Transportation-assisted contracts, however, the program must be narrowly tailored in accordance with applicable law.

II. Background

AVTA is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, AVTA signed an assurance that it will comply with FTA's DBE requirements. In accordance with Title 49 CFR Part 26 provisions: Participation by DBEs in USDOT Programs, AVTA is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects.

AVTA herein presents its Overall DBE Goal Methodology for FFY 2022-2024.

III. FTA Assisted Contracting Program for FFY 2022-2024

Table 1 represents AVTA's FTA-assisted contracting program, which consists of projects considered in preparing this goal methodology. The projects, which include Construction, Professional Services and Materials/Supplies contracting opportunities, are anticipated to be awarded during the triennial period:

Table 1

Projects	Dollar Amount	Federal Share
2022		
Transformer	\$ 100,000.00	\$ 100,000.00
I/O Upgrades (vehicle equipment/IT)	\$ 250,000.00	\$ 250,000.00
Apollo Video Upgrade (vehicles)	\$ 660,000.00	\$ 660,000.00
Farebox Upgrade (vehicles)	\$ 450,000.00	\$ 100,000.00
Admin Equipment - facility expansion	\$ 400,000.00	\$ 400,000.00
Engineering - facility expansion	\$ 72,000.00	\$ 72,000.00
Construction	\$ 7,000,000.00	\$ 6,250,000.00
Project Management - facility expansion	\$ 500,000.00	\$ 500,000.00

Secured Facility Access - facility expansion	\$ 150,000.00	\$ 150,000.00
Security Camera Upgrade - facility expansion	\$ 150,000.00	\$ 150,000.00
Engineering - AV Transit Center	\$ 27,800.00	\$ 27,800.00
Engineering - Palmdale Transit Center	\$ 10,800.00	\$ 10,800.00
Engineering - OMP Park & Ride	\$ 10,800.00	\$ 10,800.00
WAVE primary units	\$ 626,340.00	\$ 501,072.00
Construction - South Valley Transit Center	\$ 500,000.00	\$ 400,000.00
Construction & Bus Stop Amenities	\$ 500,000.00	\$ 500,000.00
Cloud Service Implementation	\$ 50,000.00	\$ 50,000.00
Domain Names	\$ 3,000.00	\$ 3,000.00
Network Fiber Upgrade	\$ 60,000.00	\$ 60,000.00
Network Switch Upgrade	\$ 100,000.00	\$ 100,000.00
Server Storage Upgrades	\$ 20,000.00	\$ 20,000.00
Wi-Fi Upgrade	\$ 70,000.00	\$ 70,000.00
Workstation Replacements	\$ 40,000.00	\$ 40,000.00
Facility Copiers	\$ 70,000.00	\$ 70,000.00
Community Room Equipment	\$ 50,000.00	\$ 50,000.00
Electric Forklift	\$ 20,000.00	\$ 20,000.00
Power Wash Trailer	\$ 40,000.00	\$ 40,000.00
Bus Lifts	\$ 300,000.00	\$ 300,000.00
Senior, Disabled Micro transit Operations	\$ 57,500.00	\$ 57,500.00
2023		
Facilities Improvements	\$ 1,000,000.00	\$ 1,000,000.00
Admin Equipment - Facility Improvements	\$ 150,000.00	\$ 150,000.00
IT Annual Replacement	\$ 40,000.00	\$ 40,000.00
Maintenance Equipment (tooling)		\$ 100,000.00
2024		
Facilities Improvements	\$ 150,000.00	\$ 150,000.00
Regional Project Facilities Improvements	\$ 1,000,000.00	\$ 1,000,000.00
Workstation Replacements IT	\$ 40,000.00	\$ 40,000.00
Maintenance Equipment (tooling)	\$ 100,000.00	\$ 100,000.00
	\$ 14,768,240.00	\$ 13,542,972.00

AVTA does not pass any FTA funds to any subrecipients.

Table 2 provides a summary of the categories of work with estimated cost breakdown for each. Categories of work are groups utilizing comparable North American Industry Classification System (NAICS) codes for purposes of weighting the categories of work based on the staff estimates.

Table 2

Category of work	Federal Share	NAICS Code	Commodity weight
Power, distribution, and specialty transformer manufacturing	\$ 100,000.00	335311	0.7%
Audio and video equipment manufacturing	\$ 910,000.00	334310	6.7%
Transportation Equipment and Supplies	\$ 100,000.00	423860	0.7%
Office Machinery and Equipment	\$ 1,550,000.00	532420	11.4%
Engineering Services	\$ 121,400.00	541330	0.9%
Administrative Management & Management Consulting	\$ 500,000.00	541611	3.7%
Security Systems Services	\$ 300,000.00	561621	2.2%
Other Miscellaneous Electrical Equipment	\$ 501,072.00	335999	3.7%
Commercial Building Construction	\$ 8,300,000.00	236220	61.3%
Other Computer Related Services	\$ 53,000.00	541519	0.4%
Computer Systems Design Services	\$ 290,000.00	541512	2.1%
Computer and Computer Peripheral Equipment and software merchant	\$ 200,000.00	423430	1.5%
Industrial Truck Trailer, and Stacker manufacturing	\$ 20,000.00	333924	0.1%
Service Establishment Equipment and Supplies	\$ 40,000.00	423850	0.3%
Machine Tool Manufacturing	\$ 200,000.00	333517	1.5%
Commercial and industrial machinery and Equipment	\$ 300,000.00	811310	2.2%
Special Needs Transportation	\$ 57,500.00	485991	0.4%
Total	\$ 13,542,972.00		100.0%

IV. Goal Methodology

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

To establish AVTA's Base Figure of the relative availability of DBEs relative to all comparable firms (DBE and Non-DBE) available to bid or submit proposals on AVTA's FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, AVTA followed the prescribed federal methodology to determine relative availability. This was accomplished by assessing the California Unified Certification Program (CUCP) DBE Database of Certified Firms and the 2019 U.S. Census Bureau County Business Patterns Database within AVTA's market area, defined as Los Angeles and San Bernardino counties for each of the categories of work defined in Table 2.

The Federal DBE program requires agencies to implement the DBE program based on information from the relevant geographic market area-the area in which the agency spends the substantial majority of its contracting dollars.

AVTA's local market for contracts consists of a geographic area that:

- is where a large majority of contracting dollars is expended, and
- is where a substantial number of contractors and subcontractors are located and available to submit bids or quotes.

The AVTA’s bidder’s list was reviewed and it confirms this market area.

In accordance with the formula listed below, the Base Figure is derived by:

- dividing the number of ready, willing and able DBE firms identified for each NAICS work category by the number of all firms identified within AVTA's market area for each corresponding work category (relative availability),
- weighting the relative availability for each work category by the corresponding work category weight from Table 2 (weighted ratio), and
- adding the weighted ratio figures together.

$$\text{Base Figure} = \sum \frac{\text{(Number of Ready, willing and Able DBEs)}}{\text{(Number of All Ready, willing and Able Firms)}} \times \text{Weighted Ratio}$$

For the Numerator: CUPC Database of Certified Firms

For the denominator: 2019 U.S. Census Bureau County Business Patterns Database

A concerted effort was made to ensure that the scope of businesses included in the numerator were as close as possible to the scope included in the denominator.

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

The result of the Base Figure calculation is shown in Table 3 as follows:

Category of Work	NAICS Code	Commodity Weight	All Firms ²	DBEs ³	Relative Availability	Weighted Ratio
Power, distribution, and specialty transformer manufacturing	335311	0.7%	10	2	20%	0.1%
Audio and video equipment manufacturing	334310	6.7%	34	2	6%	0.4%
Transportation Equipment and Supplies	423860	0.7%	169	31	18%	0.1%
Office Machinery and Equipment	532420	11.4%	47	8	17%	1.9%
Engineering Services	541330	0.9%	1942	444	23%	0.2%
Administrative Management & Management Consulting	541611	3.7%	4079	825	20%	0.7%
Security Systems Services	561621	2.2%	233	19	8%	0.2%
Other Miscellaneous Electrical Equipment	335999	3.7%	34	10	29%	1.1%
Commercial Building Construction	236220	61.3%	1127	203	18%	11.0%
Other Computer Related Services	541519	0.4%	256	169	66%	0.3%
Computer Systems Design Services	541512	2.1%	1985	291	15%	0.3%
Computer and Computer Peripheral Equipment and software merchant	423430	1.5%	441	24	5%	0.1%
Industrial Truck Trailer, and Stacker manufacturing	333924	0.1%	12	0	0%	0.0%
Service Establishment Equipment and Supplies	423850	0.3%	204	21	10%	0.0%
Machine Tool Manufacturing	333517	1.5%	68	2	3%	0.0%
Commercial and industrial machinery and Equipment	811310	2.2%	554	14	3%	0.1%
Special Needs Transportation	485991	0.4%	146	9	6%	0.0%
Base Figure (i.e., Sum of Weighted Ratios for all Work Categories)						16.7%

² From the 2019 US Census Bureau of Certified Firms

³ From the CUCP Database of Certified Firms

b. Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, AVTA reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the market area, in accordance with prescribed narrow tailoring provisions as set forth under 49 CFR Part 26.45: Step 2, DBE Goal Adjustment Guidelines.

Evidence considered in making adjustments to the Base Figure included Past DBE Goal Attainments and Other Evidence, as follows:

1) Past DBE Goal Attainments

Historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform on AVTA projects. The projects anticipated to be awarded during the triennial period are substantially similar to those awarded in the recent past. AVTA proceeded to calculate past DBE participation attainments for the three (3) federal fiscal years, for which DBE attainment data is available. The table below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on FTA- assisted contracts awarded by AVTA within the last three (3) federal fiscal years.

Table 4

Federal Fiscal Year (FFY)	FTA DBE Goal Attainment %
2017/2018	1.1%
2018/2019	3.0%
2019/2020	1.75%
Median DBE Attainment Within the Last Three (3) Years	1.75%

The median established for the past three years was derived from limited participation of DBEs in the market area, it is significantly lower than the Base Figure derived from Step 1. Therefore, an adjustment to the Base Figure based on AVTA's past DBE goal attainments has been made. The adjustment is calculated by averaging the Base Figure with the median DBE Past Attainment, as shown below.

Base Figure (A)	16.7%
Median DBE Attainment (B)	1.75%
Adjusted Base Figure [(A+B)/2]	9.23%

2) AVTA’s Bidder’s List

AVTA will continue to capture Bidders List information for the identification and potential use in meeting future DBE goal determinations.

3) Disparity Study

AVTA has reviewed the recent Los Angeles Metro disparity study. After careful consideration, AVTA has determined that the scope of work was substantially different than what AVTA provides. Therefore, AVTA has not adjusted the based figure due to a local disparity study.

AVTA uses a strictly race-neutral DBE program since the Western States decision. If AVTA fails to reach its goal for one more complete federal fiscal year, AVTA will re-evaluate its DBE program to determine whether contract goals are necessary to achieve the overall goal. If after re-evaluation AVTA believes a race-conscious program is necessary, as required by Western States, AVTA will gather evidence to determine if discrimination in the transportation contracting industry is present. AVTA will make a determination at that time what type of evidence gathering is appropriate, based on DOT regulations and case law.

4) Other Available Evidence

AVTA is not in possession of other information that would have an impact on the DBE goal assessment.

V. Proposed Overall DBE Goal

The Final Proposed Overall DBE Goal for FFY 2022-2024 for AVTA's FTA-assisted contracts is 9%⁴. The DBE Goal based on the federal share is a Race Neutral goal and AVTA will implement race neutral measures to achieve this goal, as generally described in the following section. As a part of the prescribed goal-setting methodology, AVTA must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race-neutral and race-conscious measures.

Race-Conscious & Race-Neutral Projection

AVTA intends to continue to use race-neutral methods to meet the overall DBE goal of 9% for FFY 2022-2024 in accordance with Title 49 CFR Part 26.51.

Race/Gender-Conscious & Race/Gender-Neutral Projections	
Overall DBE Goal	9%
Race/Gender-Conscious Component	0%
Race/Gender-Neutral Component	9%

VI. Race-Neutral Implementation Measures

AVTA is currently implementing a number of race- and gender-neutral remedies to outreach and promote the participation of DBEs and small businesses in AVTA's FTA-assisted contracting program. AVTA plans to continue or implement the following race-neutral measures for FFY 2022-2024 and

⁴ Rounded to a whole number

will continue to explore other options for consideration based on AVTA' success in meeting its overall DBE goals based on these efforts:

- AVTA will encourage DBE and other small business contracting community to register and receive solicitation notices through its on-line procurement website:
<https://www.planetbids.com/portal/portal.cfm?CompanyID=25014s> .
- AVTA will host and participate in workshops for the DBE and small business contracting community. AVTA will attend and participate in vendor fairs hosted by unrepresented groups and other public agencies.
- AVTA will unbundle solicitations, provide pre-bid/pre-proposal conferences to afford networking opportunities for primes and subcontractors. AVTA will promote and encourage teaming opportunities between prospective prime contractors and the DBE and small business contracting community. Arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation.
- Structure solicitations to remove barriers such as the inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBEs, and other small businesses, obtain bonding and financing).
- AVTA will solicit DBEs and other small businesses participation by carrying out information programs through use of advertisement and other communication methods on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists of bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate).
- As a supportive service to help develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses, AVTA will actively promote the small business conferences, programs, and support services offered by other agencies that have established DBE and other small business programs. AVTA will also begin conducting “How to do Business with AVTA” and DBE workshops.
- AVTA will advise its contracting community of the online directory of certified DBEs, found at the California Unified Certification Program website:
http://www.dot.ca.gov/hq/bep/find_certified.htm.
- AVTA will also advise the contracting community of the available small businesses certified by the California Department of General Services (DGS) and found at:
<http://www.dgs.ca.gov/pd/Programs/eprocure.aspx> .
- AVTA will advise the DBE and small business community to participate in Caltrans’ related bidding/proposal opportunities at <http://www.dot.ca.gov/hq/esc/oe/>. AVTA will also encourage DBEs and small businesses to seek the assistance and training through the U.S. Small Business Administration at www.sba.gov .

Fostering Small Business Participation⁵

AVTA has implemented several strategies to foster small business participation in its contracting process. These include the following:

- Advertise and push out solicitation notifications thru AVTA's new procurement system website.
- Conducting "How to do Business with AVTA" and DBE workshops.
- On larger prime contracts requiring the prime contractor to consider subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.
- Identifying alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBEs, to compete for and perform prime contracts.
- Ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.
- Provide outreach to current AVTA contractors or past AVTA contractors who may qualify for DBE-certification by encouraging them to seek and obtain DBE-certification.

VII. Public Participation and Facilitation

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

AVTA issued a Public Notice on AVTA's website (Attachment 1) publishing the AVTA Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2022-FFY 2024. The notice informed the public that the proposed goal and rationale were available for inspection at AVTA' principal office during normal business hours and that AVTA would accept comments on the goal analysis for 45 days from the date of the Public Notice.

AVTA reached out to a total of 12 local minority, women, and community business organizations to provide them information on the AVTA DBE program and specifically the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2019-2021. Each organization was contacted multiple times by telephone and email. A summary of all contact made in an attempt to receive input as a part of this process can be found in Attachment 2. AVTA placed notices in the Antelope Valley Press and Our Weekly publications (Attachment 3) and conducted outreach meetings (Attachment 4) to provide opportunities for public comment.

⁵ See Title 49 CFR Part 26 Section 26.39 "Fostering Small Business Participation"

Attachment 1: Website Notification

Attachment 2: Consultative Process Summary

Attachment 3: Publication/Outreach Meeting