



Butte County Association of Governments

DBE Goal-Setting Methodology for FFY 2024 - FFY 2026

***Submitted in fulfillment of:
Section 1101 of the Transportation Equity Act for the 21st Century
and 49 Code of Federal Regulations Part 26***

Presented/Adopted by the BCAG BOARD of DIRECTORS (DRAFT)
June 22, 2023

**BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL DBE GOAL AND METHODOLOGY
FOR

FEDERAL FISCAL YEARS (FFY) 2024/26
(Covering the period of October 1, 2023 to September 30, 2026)**

I. INTRODUCTION

Butte County Association of Governments (BCAG) herein does submit 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 2024-2026.

II. BACKGROUND

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 rule, which effectively amended the prior provision requiring annual submission of DBE goals and methodology, requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, BCAG 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. Under the new schedule, BCAG’s next DBE goal and methodology submission is due to the FTA on August 1, 2026.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2024-2026

Table 1 represents BCAG’s U.S. DOT-assisted (FTA) defined contracting program, which includes two (2) projects that were considered in preparing its **Overall DBE Goal-Setting Methodology**. The projects include contracting opportunities in the categories of Professional Services and Construction. These categories may include subcontracting possibilities with ready and available DBEs.

Three additional projects were identified to start during the FFY 24/26 timeframe, but they were not used in this calculation cycle. The acquisition of diesel buses, electric buses and electric bus chargers is either being executed through state-initiated contracts that include separate DBE goals monitored by those entities or is a new industry that does not have any locatable work codes or NAICS codes at this time.

Table 1

PROJECT	Total Estimated Project Cost (Federal Share)	Estimated Federal Dollar Share of Construction	Estimated Federal Dollar Share of Professional Services	Estimated Federal Dollar Share of Materials & Supplies
Transit Operations (Amended)	\$4,887,232	\$0	\$4,887,232	\$0
Paradise Transit Center	\$2,000,000	\$2,000,000	\$0	\$0
TOTAL	\$6,887,232	\$2,000,000	\$4,887,232	\$0

TRANSIT OPERATIONS (TRANSDEV, INC.): BCAG is currently contracted with Transdev, Inc. for transit operating services for Butte Regional Transit. Transdev submitted a bid and won the contract through a competitive Request for Proposal (RFP) bid process during FFY 2019.

The current agreement between Transdev, Inc. and BCAG is for five (5) years, from July 1, 2019 (Year 1) through and including June 30, 2024. BCAG has the option to extend the agreement for up to two (2) two-year extensions for a maximum contract term, including the initial term, of nine (9) years (through June 30, 2028). This DBE goal period will include at least one of these extension processes or an amendment process. At the time of the FFY 24-26 DBE goal calculation, the last known cost obligation is for Year 5 of the contract and is used in Table 1.

Transdev partners with various vendors for bus maintenance, facility maintenance and services, employee required programs, bus parts, fuel, and uniforms. The Transdev, Inc. contract is for transit operating services for Butte Regional Transit. The majority of these services contain materials and supplies and do include some professional services.

BCAG reviewed monthly vendor costs and services provided by Transdev to determine the appropriate North American Industry Classification System (NAICS) codes.

PARADISE TRANSIT CENTER CONSTRUCTION: BCAG is beginning work in FY 2023-2024 to construct the Paradise Transit Center, a project that BCAG has completed design and environmental documents for, making it ready for construction.

BCAG reviewed the work categories provided by project staff and used the NAICS Code worksheet to determine the best categories for the expected work elements.

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure

To establish BCAG's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the BCAG's FFY 2024/26 FTA-assisted contracting opportunities during the respective goal period, BCAG followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the ***California Unified Certification Program (CUCP) Directory of Certified DBE Firms*** and the ***2014 U.S. Census Bureau County Business Patterns (CBP) Database***. Comparisons were made within BCAG's market area and by specified industries and types of businesses identified in Table 2.

Geographic Market Area: Butte County only

BCAG used the Butte County market area alone to calculate the number of potential DBEs for Medical Doctors, Pest Control, Landscaping, Drug Testing, Janitorial, Uniforms, Construction Management, and Cleaning/Grubbing services. Due to the nature of these industries and keeping to local travel for contracting opportunities, the Butte County only search seemed most appropriate.

Geographic Market Area: Neighboring Counties – Butte, Colusa, Glenn, Placer, Plumas, Shasta, Sutter, Tehama and Yuba

The neighboring counties market area was used for services where BCAG felt vendors were more willing to travel up to ninety (90) miles due to the nature of the service and including travel time would not significantly deter them as a competitive local vendor.

BCAG 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 the numerator:

- ***California UCP DBE Database of Certified Firms***
- ***<https://californiaucp.dbesystem.com/>***

⇒ For the denominator:

- ***2021 U.S. Census Bureau's Business Pattern Database (CBP)***
- ***<https://data.census.gov/table?q=cb2100cbp&tid=CBP2021.CB2100CBP>***

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To determine the relative availability of DBEs, BCAG divided the numerator representing the ratio of ready, willing and able DBE firms by the denominator representing all firms (DBE and Non-DBEs) available in each work category. BCAG focused on ready, willing DBEs located within the market area.

Application of the following formula yielded the baseline information:

$$\frac{\text{Number of Ready, Willing and Able DBEs (A)}}{\text{Number of All Available Firms (B)}} = \text{Base Figure (C)}$$

(Includes DBEs and Non-DBEs)

The Base Figure resulting from this calculation is as follows:

TABLE 2 - Base Goal Calculation - FFY 2024-26 (by type of work)			A	B	C	
Project	NAICS Code	Description & Work Code Category	# of DBE firms	# of overall firms	# of DBE firms/# all firms (A/B)	Butte County Only
Transdev Subcontracts (contract extension occurs 1-2 times during goal period)	441310	I7531 Bus Services-Engine Rebuilding	0	199	0%	
	621111	I8010 Offices & Clinics of Medical Doctors	0	122	0%	X
	561710	I7342 Disinfecting & Pest Control	0	21	0%	X
	561612	I7384 Security Guard/Guard Patrol Services	1	10	10%	
	561730	A0780/C2067 Landscape & Horticultural Services	0	94	0%	X
	541380/621511	I8073 Drug Testing	0	6	0%	X
	561720	I7341 Janitorial Services	1	33	3%	X
	423990	F5132 Uniforms	0	5	0%	X
	453210	D3950 Pens, Pencils, Office & Art Supplies	0	4	0%	
	424720	F5171 Lubricants	0	1	0%	
Paradise Transit Center	236210	C8770/C8772 Construction Management	0	4	0%	X
	238210	C9859 Commercial Electrical	0	367	0%	
	237310	C3901 Asphalt Concrete	6	58	10%	
	237310	C3910 Paving Asphalt				
	237310	C1910 Grading / Earthwork				
	238320	C9854 Painting Structures	1	180	1%	
	238320	C5900 Clean & Paint Steel				
	238320	C7804 Paint & Stain Concrete				
	238350 / 238130	C9822 Finish / Framing Carpentry Contractors	1	124	1%	
	238160	C9837 Roofing	0	135	0%	

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	332322	D3440 Sheet Metal Work Manufacturing	1	9	11%	
	238120	C5501 Steel Structures	3	19	16%	
	238120	C5201 Reinforcing Steel				
	561730	C9867 Landscaping	1	94	1%	X
	561990 / 238990	C1201 Traffic Control	5	205	2%	
	561990 / 238990	C1200 Signing				
	541620	C8852 SWPPP	3	52	6%	
	238910	C1601 Clearing & Grubbing	1	30	3%	X
Diesel Bus Acquisition		State Contract (in place)				
Electric Bus Acquisition		State Contract (in place)				
Electric Bus Charger Acquisition		No results in CA under terms "charger" or "battery" and no work code located in NAICS code sheet				
		TOTALS	24	1772	64%	
Geographic Market Area (broad)	Includes neighboring counties within an approximately 90-mile radius	Butte, Colusa, Glenn, Placer, Plumas, Shasta, Sutter, Tehama and Yuba	<i>Goal without weighting</i>	1.35%		

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, BCAG reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within BCAG's market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step II; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included other Local Agencies' Disparity Studies within BCAG's jurisdiction and Other Evidence. The following subsections provide a summary of considered evidence.

A. Past DBE Goal Attainments

BCAG has one potential new contracting opportunity for the construction of the Paradise Transit Center. Only three elements of this project have any DBE's within the county that are willing and able to work. If BCAG went further out of the area to look for DBEs, it may not be feasible or profitable for the DBE to travel so far to bid on these contracts.

BCAG has been tracking monthly vendor payments to DBE's and small businesses with their Transit Contractor, Transdev. Currently, White Glove Janitorial is the only DBE that Transdev is doing business with. This company became DBE certified in the last cycle with the encouragement of BCAG.

BCAG will continue to annually evaluate if there are any new FTA projects that will require adjustments to the goal.

B. BCAG's Bidders List

While BCAG's Vendor/Consultant and Plan holder Databases were assessed and utilized to verify BCAG's market area, BCAG's database continues to undergo refinement to facilitate analysis by contract type and corresponding NAICS codes. Therefore, BCAG will not make an adjustment to the base figure based on the Bidders List. BCAG will continue to capture the required information from all bidders/proposers at the time of bid/proposal submission and will utilize such information in future Overall DBE Goal setting analyses. The CUCP listing is inclusive of the DBE firms in our market area.

C. Disparity Study & Calculation of Race-Conscious Goal

BCAG considered the State of California Department of Transportation's (Caltrans) Disparity Study (Study), completed in 2022. The Study was initiated to determine the existence of discrimination or its effects within the state of California. BCAG found that none of the projects included in the Overall Goal Methodology needed to use a Race Conscious goal.

BCAG did not make an adjustment to the base figure at this time and concluded that there will not be a need to calculate a race-conscious contract goal.

D. Other Evidence

BCAG did not receive any other evidence nor is aware of any other factors or adverse considerations that would have had a material effect on DBEs availability within BCAG's marketplace, or on DBEs' ability to participate (meeting bonding, insurance and financial requirements) in support of BCAG's FTA-assisted contracting programs. Therefore, no goal adjustment was made in consideration of this factor. However, BCAG will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in BCAG's FTA-assisted contracting programs.

PROPOSED OVERALL DBE GOAL:

The Revised Overall DBE Goal for FFY 2024-2026 period for BCAG's FTA-assisted contracts is 1.35%.

The proposed goal further serves to identify the relative availability of DBEs based on evidence of ready, willing, and able DBEs to all comparable firms, which are known to be available to compete for and perform on BCAG's FTA-assisted contracts. The proposed goal reflects a determination of the level of DBE participation, which would be expected absent the effects of discrimination.

V. RACE-NEUTRAL MEASURES

The revised Overall DBE Goal for FFY's 2020-23 for BCAG's DOT-assisted contract is 1.35%. BCAG 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:

- 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 information and communications programs on contracting procedures and specific contract opportunities.
- Encourage local businesses to register with the state to become a certified DBE.
- Hold mandatory pre-bid meetings as appropriate to ensure DBE information is presented to proposers as well as to provide opportunities for DBE vendors to attend.
- Work with the local college and university's small business centers to provide information regarding DBE certification and contracting procedures.

VI. PUBLIC PARTICIPATION AND FACILITATION

Prior to establishment or adoption of BCAG's proposed overall goal, BCAG identified minority, women's, city chambers, local small business groups, general contractor groups and organizations within BCAG's market area to reach out to for consultation, feedback pertaining to the methodology utilized by BCAG to develop their proposed overall goal and any additional information they may have pertaining to effects of discrimination on opportunities for DBE's.

BCAG focused on providing direct outreach to the organizations listed above through telephone calls to obtain any comments on the proposed DBE Goal. Comments that could impact the goal would have been incorporated as a step 2 process of BCAG's goal development. All comments BCAG received are included in Attachment A – Public Comments Received for FFY 2024/2026 Overall DBE Goal.

In addition, BCAG has issued Outreach Consultation Letters advising the business community of the proposed DBE goal analysis and availability for review on BCAG's website. BCAG consults minority groups and organizations year-round via event attendance and vendor programs to solicit any input they have on DBE opportunities.

BCAG has fully considered all comments and input from the public and assessed the impact on the proposed Overall DBE Goal. The organizations contacted through this process seemed generally helpful in spreading word of potential contracting opportunities with BCAG and doing whatever they can to help both BCAG and the small business and/or DBE. There are many upcoming events that the local community college is involved with and now that BCAG has made contact, there is an established relationship to be part of future events to support local small businesses and encourage DBE certification when possible.

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The comments received did not indicate that the proposed goal should be changed. The discussion with local organizations has been useful in shaping BCAG's future race-neutral activities and small business element of the DBE program.

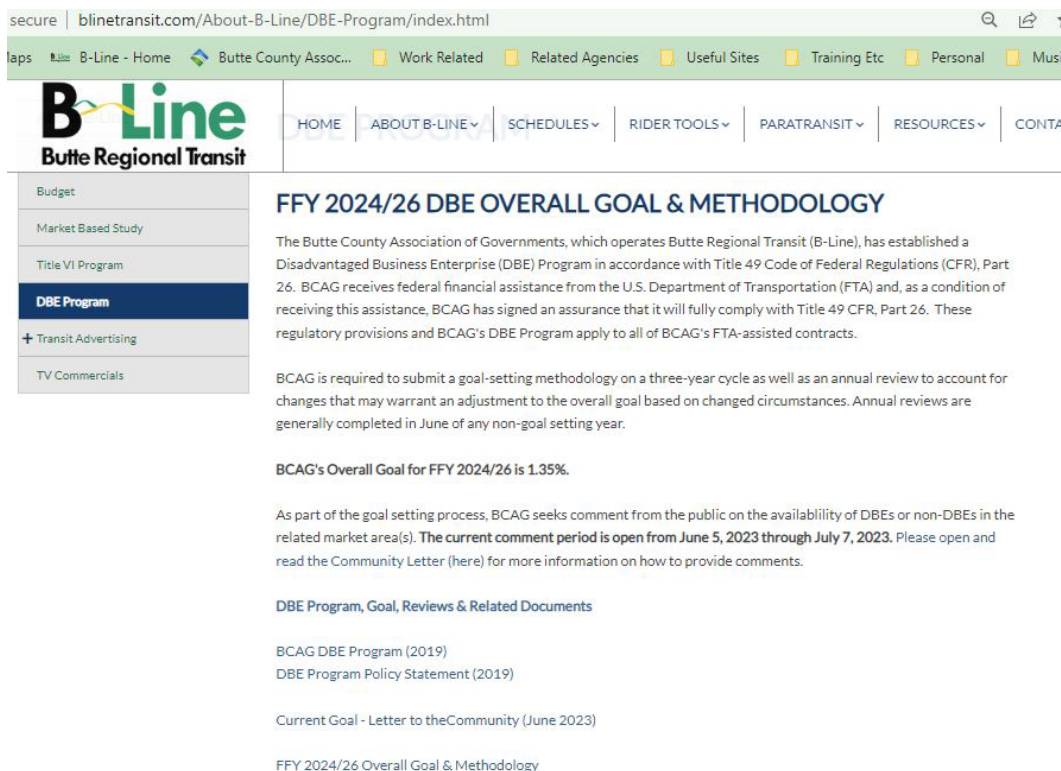
ATTACHMENT A
FFY 2024/26 Overall DBE Goal

Contact Notice of BCAG DBE & Projects – Public Outreach Agencies

BCAG contacted local chamber offices and agencies to inform them of the updated DBE Goal and Analysis.

Public Outreach included:

- 1) The proposed DBE Goal and Methodology for 2024-26 was posted on the BCAG and B-Line websites to solicit comments on BCAG's DBE program and/or goal.



- 2) Chico Chambers of Commerce, Paradise Chambers of Commerce, Gridley Area Chambers of Commerce and Oroville Chambers of Commerce

The Chambers of Commerce in Butte County were informed of the above information via mail. BCAG can provide them with a copy of the RFPs and they will post in their office. In addition, there are Business Directories of local businesses that are registered with the Chambers. This is a useful tool to find DBE/Local Small Business contractors that may be able to perform functions associated with projects/services.

- 3) Non-Profit, Valley Contractors Exchange – www.vceonline.com – 530-343-1981

BCAG utilizes Valley Contractors Exchange to provide them a copy of the RFPs. Valley Contractors also has a search tool of licensed contractors by category type. This tool is useful to find DBE/Local Small Business contractors that may be able to perform functions associated with projects/services.

- 4) Butte College, Small Business Development Center - www.buttecollegesbdc.com/ - 530-895-9017

SBDC has been notified via mail that BCAG is taking comments on the 2024-26 DBE Goal. BCAG will continue its efforts in working with the SBDC in regard to upcoming contract opportunities.

- 5) Dbejournal.com
Utilize DBE Journal to solicit DBE firms for upcoming contracts.

STAFF TRAINING AND CONSULTATIONS

- 6) BCAG's DBELO has attended a few of the National Transit Institute training courses for the DBE Program to become better educated and keep informed of updated requirements and methods.