

Access Services

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

Federal Fiscal Years (FFY) 2019-2021

Introduction

Access Services (Access) 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 2019-2021 (October 1, 2018 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." 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.

Background

Access is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, Access 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, Access is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects.

Access does not have sub-recipients.

Access herein presents its Overall DBE Goal Methodology for FFY 2019-2021.



FTA-Assisted Contracting Program for FFY 2019-2021

Since its founding in 1994, Access has operated as a coordinated paratransit system that provides seamless Americans with Disabilities Act paratransit on behalf of its now 45 fixed-route member agencies. This structure, which was encouraged by the original ADA paratransit regulations, provides an enormous benefit to paratransit customers in the Los Angeles County basin who are able to enjoy transfer-free paratransit services for their trips.

Los Angeles County spans over 4,700 square miles of which 1,950 squares miles is Access' service area. This vast service area prompted Access in 1994 to assess the best method in delivering an efficient and effective coordinated ADA Complementary Paratransit service model. Due to the size of the service area, including taking into consideration aspects of implementing a coordinated ADA complementary system, six (6) service areas were established.

The inception of the six (6) service regions prompted six (6) different contractors with each service region competitively bid and procured.

The Prime contractor for each respective service area holds primary responsibility in administering and delivering ADA Complementary Paratransit services. The contractor is responsible for hiring drivers, reservations/dispatch personnel, call-takers, fleet, maintenance, and other support staff. The Prime contractor, to the extent possible can identify subcontracting opportunities. This service model has been proven effective in over 20 years that Access has operated, as it allows Access Services to efficiently manage ADA Complementary Paratransit services in Los Angeles County.

During FY 2017, Access engaged the services of a third-party consulting firm to conduct a Comprehensive Operational Review (COR) of its Operations. The purpose of the COR was to assess Access current service delivery model and to recommend improvements to Access' operational structure.

Table 1 represents Access’s FTA-assisted contracting program, which consists of projects considered in preparing this goal methodology. These projects include multi-year transportation service contracts for the provision of ADA complementary paratransit services in each of the six-distinct service area.

Table 1

Project Name and Description	Total Estimated Project Cost	Estimated FTA Dollar Share	Estimated FTA % Share
Antelope Valley Service-Transportation Service Contractor, ADA Complementary Paratransit Services	\$30,630,460	\$11,639,575	38.0%
Eastern Provider Service- Transportation Service Contractor, ADA Complementary Paratransit Services	\$224,896,050	\$85,460,499	38.0%
Southern Provider Service- Transportation Service Contractor, ADA Complementary Paratransit Services	\$244,920,150.00	\$93,069,657.00	38.0%
	\$255,526,510	\$97,100,074	38.0%

It has been very difficult to unbundle or reduce the contracts into smaller structures due to the size and scale of Access’ operations and the financial investment that is required to operate one of the six service areas. Access has not been able to identify DBE firms that is willing, ready and/or able to provide the level of operational support for specialized services such as ADA Paratransit.

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 engineer’s estimates.

Table 2

NAICS Code	Category of Work	Estimated FTA Dollars by NAICS	Estimated FTA % by NAICS
485991	Special needs transportation	\$171,152,758	90.0%
541611	Administrative management and general management consulting services	\$19,016,973	10.0%
Total		\$190,169,730.80	100.0%

Goal Methodology

Step 1: Determination of a Base Figure (26.45)

To establish the Access Base Figure of the relative availability of DBEs relative to all comparable firms (DBE and Non-DBE) available to bid or submit proposals on Access FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, Access 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 *2016 U.S. Census Bureau County Business Patterns Database* within the Access market area, defined as Los Angeles County 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.

The Access 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 Access 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 the Access 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: CUCP DBE Database of Certified Firms
- > For the denominator: 2016 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.

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

Table 3

NAICS Code	Category of Work	Estimated FTA Dollars by NAICS	DBEs	All Firms	Weighted Ratio
485991	Special needs transportation	\$171,152,758	2	115	1.6%
541611	Administrative management and general management consulting services	\$19,016,973	230	2,706	0.8%
Total					2.4%

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, Access 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:

Past DBE Goal Attainments

Historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform on Access projects. The projects anticipated to be awarded during the triennial period are substantially similar to those awarded in the recent past. Access 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 Access within the last three (3) federal fiscal years.

Table 4

Federal Fiscal Year (FFY)	FTA DBE Goal Attainment %
2014 / 2015	0.6%
2015 / 2016	1.2%
2016 / 2017	0.7%
Median DBE attainment within the last three (3) years	0.7%

The median established for the past three years is lower than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on Access past DBE goal attainments has been made. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the median DBE Past Attainment, as shown below.

Base Figure (A)	2.4%
Median DBE Attainment (B)	0.7%
Adjusted Base Figure [(A+B)/2]	1.5%

Disparity Study

Access has reviewed the 2016 Caltrans Disparity Study and has determined that the type of work forms is significantly different from Access projects; therefore, Access will not be making adjustments to the base figure based on the Caltrans Disparity Study.

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

Other Available Evidence

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

Proposed Overall DBE Goal

The Final Proposed Overall DBE Goal for FFY 2019-2021 for Access FTA-assisted contracts is 1.5%. The DBE Goal based on the federal share is a Race Neutral goal and Access 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, Access 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

The United States Department of Transportation (USDOT) regulations require that race-neutral methods be used to the maximum extent feasible to reach the DBE overall goal. Under the determination of the 9th circuit court in the Western States case, entities need to show the presence or absence of discrimination or its effects to use race-conscious methods.

Due to the emphasis on race-neutral methods, Access will continue to use the race-neutral measures listed below. Access will carefully monitor participation during the course of the goal period. At the conclusion of each year during the goal period, Access will re-evaluate the effectiveness of the race-neutral measures and determine if it is necessary to institute a race conscious portion and contract specific goals.


Access intends to continue to use race-neutral methods to meet the overall DBE goal of 1.5% for FFY 2019-2021 in accordance with Title 49 CFR Part 26.51.

Race-Conscious & Race-Neutral Projections	
DBE Adjusted Base Figure	1.5%
Race-Neutral Component[1]	1.5%
Race-Conscious Component	0.0%

Race-Neutral Implementation Measures

Access is currently implementing a number of race- and gender-neutral remedies to outreach and promote the participation of DBEs and small businesses in the Access FTA-assisted contracting program. Access plans to continue or implement the following race-neutral measures for FFY 2019-2021 and will continue to explore other options for consideration based on Access success in meeting its overall DBE goals based on these efforts:

- > Access will encourage DBE and other small business contracting community to register and receive solicitation notices through its procurement website: accessla.org/cms/view/current_opportunities
- > Access will host and participate in workshops for the DBE and small business contracting community. Access will attend and participate in vendor fairs hosted by unrepresented groups and other public agencies.
- > Access will unbundle solicitations, provide pre-bid/pre-proposal conferences to afford networking opportunities for primes and subcontractors. Access 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).
- > Access 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).

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- > 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, Access will actively promote the small business conferences, programs, and support services offered by other agencies that have established DBE and other small business programs.
 - > Access will advise its contracting community of the online directory of certified DBEs, found at the California Unified Certification Program website: www.dot.ca.gov/hq/bep/find_certified.htm.
 - > Access will also advise the contracting community of the available small businesses certified by the California Department of General Services (DGS) and found at the following www.dgs.ca.gov/pd/Programs/eprocure.aspx.
 - > Access will advise the DBE and small business community to participate in Caltrans' related bidding/proposal opportunities at www.dot.ca.gov/hq/esc/oe/. Access 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 Participation

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

- > Conducting "How to do Business with Access" 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 Access contractors or past Access contractors who may qualify for DBE-certification by encouraging them to seek and obtain DBE-certification.

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 Access market area will be consulted and provided an opportunity to review the triennial goal analysis and provide input.

Access plans to issue a Public Notice on the website publishing the Access Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2019-FFY 2021. The notice would inform the public that the proposed goal and rationale are available for inspection at the Access principal office during normal business hours for 30 days following the date of the Public Notice, and that Access would accept comments on the goal analysis for 30 days from the date of the Public Notice. Access will give full consideration to all comments and input received as a part of this process.