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HOLLYWOOD



# DBE Goal Methodology

#### II. 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.

# III. 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.



# IV. 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.

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 areas.



#### 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	\$93,069,657	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 are ready, willing, 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%



# V. Goal Methodology

# A. Step 1: Determination of a Base Figure (26.45)<sup>1</sup>

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.

Base Figure =  $\sum \frac{\text{(Number of Ready, Willing and Able DBEs)}}{\text{(Number of All Ready, Willing and Able Firms)}} \times \text{weighted ratio}$ 



<sup>&</sup>lt;sup>1</sup> 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

- > 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 % by NAICS	DBEs	All Firms	Weighted Ratio
485991	Special needs transportation	90.0%	2	115	1.6%
541611	Administrative management and general management consulting services	10.0%	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:

# 1) 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%

# 2) 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 also reviewed the Los Angeles County Metropolitan Transportation Authority (LACMTA, or Metro) 2013 Disparity Study to determine if similarities in the contracting opportunities and market areas exist. Based on our review, we determined that the availability analysis was not similar to the procurements planned for Access upcoming triennial period. Therefore, Access plans to include a Race-Neutral goal only as part of our Proposed Overall Triennial Goal-Setting Methodology submittal for FFY 2019-FFY 2021. Access will continue to monitor our DBE participation



on FTA-funded contracts to determine if a disparity study is required to address any future disparities between the relative availability of DBE firms on Access federally funded contracting opportunities.

Access uses a strictly race-neutral DBE program since the Westerns States decision. If Access fails to reach its goal for one more complete federal fiscal years, Access will we 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.

#### 3) Other Available Evidence

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

# VI. 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 1.5%		
Race-Conscious Component	0.0%	

# VII. 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).
- 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 <sup>2</sup>

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.

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

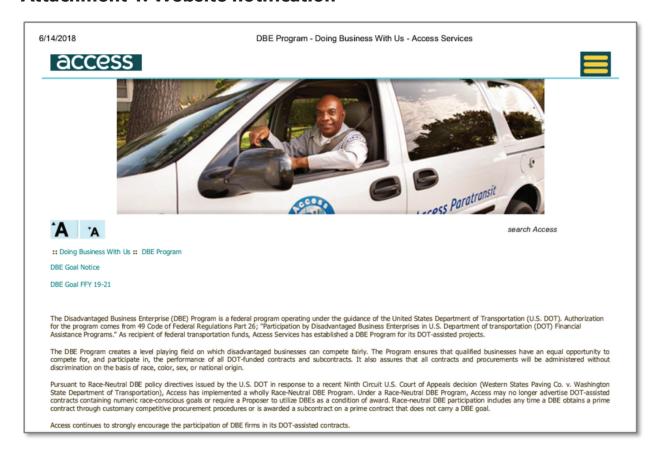
Access issued a Public Notice on the Access website (Attachment 1), publishing the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2019-2021. The notice informed the public that the proposed goal and rationale were available for inspection at the Access principal office during normal business hours and that Access would accept comments on the goal analysis until July 13, 2018.



<sup>&</sup>lt;sup>2</sup>See Title 49 CFR Part 26 Section 26.39 "Fostering Small Business Participation.

Access reached out to a total of 15 local minority, women, and community business organizations to provide them information on the Access 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. All comments received, and a summary of all contact made in an attempt to receive input as a part of this process can be found in Attachment 2.

#### Attachment 1: Website notification





# Federal Transit Administration Disadvantage Business Enterprise (DBE) Goal

### Federal Fiscal Years 2019-2021

NOTICE IS HEREBY GIVEN, that Access Services, (herein referred to as "Access") a Consolidated Transportation Service Agency for Los Angeles County (a public entity responsible for coordinating the operations for public, private non-profit paratransit providers in Los Angeles County), in accordance with 49 CFR Part 26.45(g), Access, as a recipient of U.S. Department of Transportation (DOT) assistance, announces a proposed Federal Transit Administration (FTA) Disadvantaged Business Enterprise (DBE) project overall project goal of 1.5% for the project period. This race-neutral goal represents the percentage of work to be performed by certified DBE firms on Access FTA-assisted projects during each federal fiscal year of the project period.

The methodology used to determine the proposed goal will be available for public inspection for thirty (30) days from the date of this notice, Monday-Friday from 9AM-5PM at the following location:

Access Services, 3449 Santa Anita Ave, El Monte, CA 91731, 213.270.6000

Or visit: DBE Goal FFY 19-21

The U.S. DOT and Access will accept comments on the proposed goal for 30 days from the date of this notice.

Written comments relative to the race-neutral goal, may be sent to Access Services DBE Liaison Officer, Alvina Narayan at the address above and/or emailed to *narayan@accessla.org*. Written comments can also be sent directly to the FTA, Civil Rights Officer, Marisa Appleton, 200 W Adams Street, Suite 320, Chicago, IL 60606. Written comments at both locations will be accepted until July 13, 2018.

Dated in Los Angeles, California, 13th Day of June 2018.

Andre Colaiace

**Executive Director** 



# **Attachment 2: Consultative Process Summary**

Organization	Outreach Summary, Comments, And Responses
American Indian Chamber of Commerce of California	<ul> <li>6/15 Sent initial email.</li> <li>6/19 Sent voicemail.</li> <li>6/21 Sent follow-up email. Received email from Tracy that due to impacted schedule with project deadlines, she will not be able to review goal methodology until next week.</li> <li>6/29 Spoke to receptionist and provided contact information for follow-up.</li> <li>7/3 Sent follow-up email.</li> <li>7/6 Left voicemail.</li> <li>7/12 Sent follow-up email.</li> </ul>
Asian American Architects and Engineers Association	<ul> <li>6/15 Sent initial email.</li> <li>6/19 Spoke with receptionist and provided contact information for follow-up.</li> <li>6/21 Sent follow-up email.</li> <li>6/25 Sent follow-up email.</li> <li>6/29 Spoke to receptionist and provided contact information for follow-up.</li> <li>7/3 Sent follow-up email.</li> <li>7/6 Spoke to receptionist and provided contact information for follow-up.</li> <li>7/12 Sent follow-up email.</li> </ul>
Asian Business Association	<ul> <li>6/15 Sent initial email.</li> <li>6/19 Spoke with Dennis. In his opinion, he feels that the goal is low in comparison to other agencies. He is concerned that current practices for procurements limit the small business from participating on bids. He suggests more mentor-protege type events in which a prime mentors a small business.</li> <li>Response:</li> <li>&gt; The Access goal was calculated following the US Department of Transportation recommended 2 Step process to determine the relative availability of ready, willing, and able DBEs for the projects anticipated to be awarded in the triennial period.</li> <li>&gt; Access understands the concern about the larger procurements, however it is difficult to unbundle paratransit operations. We encourage DBE and other small businesses to register and receive solicitation notices through its procurement website.</li> </ul>



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Organization	Outreach Summary, Comments, And Responses
	Access agrees to consider mentor-protegee and networking events for primes to work with small businesses. We will also host and participate in workshops for the DBE and small business contracting community and attend and participate in vendor fairs hosted by unrepresented groups and other public agencies to encourage DBE and small business participation.
Asian Business League – Southern California	6/15 Sent initial email. 6/21 Sent follow-up email. 6/25 Sent follow-up email. 7/3 Sent follow-up email. 7/12 Sent follow-up email.
California Native American Business Enterprise Center	6/15 Sent initial email. 6/19 Left voicemail. 6/21 Sent follow-up email. 6/25 Sent follow-up email. 6/29 Left voicemail. 7/3 Sent follow-up email. 7/6 Left voicemail. 7/12 Sent follow-up email.
Chinese American Construction Professionals	<ul> <li>6/15 Sent initial email.</li> <li>6/19 Left voicemail.</li> <li>6/21 Sent follow-up email.</li> <li>6/25 Sent follow-up email.</li> <li>6/29 Spoke to receptionist and provided contact information for follow-up.</li> <li>7/3 Sent follow-up email.</li> <li>7/6 Spoke with Simon and provided contact information for follow-up.</li> <li>7/12 Sent follow-up email.</li> </ul>
Greater Los Angeles African American Chamber of Commerce	<ul> <li>6/15 Sent initial email.</li> <li>6/19 Spoke to receptionist regarding triennial goal review.</li></ul>



Organization		Outreach Summary, Comments, And Responses
Hispanic Engineers Business Corp	6/15 6/19 6/21 6/25 6/29	Sent initial email. Phone number is no longer in service <b>626.683.9725</b> Sent follow-up email. Sent follow-up email. Received undeliverable message for <i>mtrujillo@bizcnet</i>
L.A. Latino Chamber of Commerce	6/15 6/19 6/21 6/25 6/29	Sent email. Received bounceback for rsoriano@lalcc.org. Spoke to Rosario. She said she will forward the goal methodology to the Board of Directors for review. Sent follow-up email. Sent follow-up email. Spoke to receptionist and she informed Access that Rolando is no longer with the Chamber and Edgar, who is fulfilling Rolando's duties, is only available Tuesday and Thursday.
	7/3 7/6 7/12	Sent follow-up email.  Spoke with Moises about the DBE program and the purpose of the Triennial Goal Methodology.  Access requested his email in order for him to review the methodology.  Sent follow-up email.
National Association of Minority Architects	6/15 6/21 6/25 7/3 7/12	Sent initial email. Sent follow-up email. Sent follow-up email. Sent follow-up email. Sent follow-up email.
National Association of Minority Contractors	6/29 7/3 7/6	Left voicemail on cell number. Office number 323.565.2526 has been disconnected.  Sent initial email. Received bounceback for d@dysonelec.com  Sent follow-up email. Left voicemail. Sent follow-up email. Left voicemail. Sent follow-up email. Sent follow-up email. Sharon called to discuss her concern for the goal being so low. She believes that it is not helping the DBE program as well as participation on projects. She suggests that Access Services increase their distribution of their solicitations and consider using outside sources to advertise their projects like PlanetBids. She also suggests sending out procurements to the local organizations, so they can advertise to their members and community to increase participation.



Organization	Outreach Summary, Comments, And Responses
	<ul> <li>Response:</li> <li>The Access goal was calculated following the US Department of Transportation recommended 2 Step process to determine the relative availability of ready, willing, and able DBEs for the projects anticipated to be awarded in the triennial period.</li> <li>Access encourages DBE and other small businesses to register and receive solicitation notices through its procurement website. We will consider sending solicitations for local organizations as well.</li> <li>Access hosts and participates in workshops for the DBE and small business contracting community and attends and participates in vendor fairs hosted by unrepresented groups and other public agencies to encourage DBE and small business participation.</li> </ul>
National Association of Women Business Owners	<ul> <li>6/15 Sent email via website portal.</li> <li>6/19 Left voicemail.</li> <li>5/21 Sent email via website portal.</li> <li>6/29 Left voicemail.</li> <li>7/6 Left voicemail.</li> </ul>
National Association of Women in Construction	<ul> <li>6/19 Phone number is no longer in service 310.306.5267.</li> <li>6/21 Sent initial mail.</li> <li>6/25 Sent follow-up email.</li> <li>7/3 Sent follow-up email.</li> <li>7/12 Sent follow-up email.</li> </ul>
Society of Hispanic Professional Engineers	<ul> <li>6/15 Sent initial email.</li> <li>6/19 Left voicemail.</li> <li>6/21 Sent follow-up email.</li> <li>6/25 Sent follow-up email.</li> <li>6/29 Left voicemail. Received follow-up call and discussed impact on organization. CFO informed Access that the organization is a non-profit and its members do not participate on federally funded contracts and had no comment on the goal methodology.</li> <li>7/3 Sent follow-up email.</li> <li>7/12 Sent follow-up email.</li> </ul>
Women's Business Enterprise Council West	<ul> <li>6/15 Sent initial email.</li> <li>6/19 Left voicemail.</li> <li>6/21 Sent follow-up email.</li> <li>6/25 Sent follow-up email.</li> <li>6/29 Left voicemail.</li> <li>7/3 Sent follow-up email.</li> <li>7/6 Attempted to leave voicemail; however, inbox was full.</li> <li>7/12 Sent follow-up email.</li> </ul>



