



# Orange County Transportation Authority's

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**PROPOSED**

**Federal Transit Administration (FTA) - Overall  
DBE  
Goal Setting Methodology  
for  
FEDERAL FISCAL YEARS 2019/21**

*Submitted in fulfillment of:*

*Section 1101 of the Transportation Equity Act for the 21<sup>st</sup> Century  
49 Code of Federal Regulations Part 26  
and*

*Federal Register / Vol. 75, No. 22 [Docket No. OST-2010-0021]*

This analysis is prepared exclusively for OCTA; it is non-transferable and is not to be duplicated.

**ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA)  
DISADVANTAGED BUSINESS ENTERPRISE (DBE)  
PROPOSED OVERALL GOAL AND METHODOLOGY  
FOR  
Federal Fiscal Year (FFYs) Period 2019/21  
(October 1, 2018 to September 30, 2021)**

## I. INTRODUCTION

The Orange County Transportation Authority (OCTA) is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Goal for DBE participation as a condition of receiving federal assistance, pursuant to section 1101 of the Fixing America's Surface Transportation Act; 49 CFR Part 26 "Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs" and the Federal Transportation Administration (FTA) Master Funding Agreement.

## 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 final rule, requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, OCTA 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, etc.) to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the three-year schedule, OCTA's DBE goal and methodology submission is due to FTA on August 1, 2018 for proposed FTA funded contracting activities for Federal Fiscal Years (FFYs) 2019/21.

**OCTA herein presents its Proposed Overall DBE Goal Methodology for FFY 2019/21 goal period, which resulted in an 11% Overall DBE Goal.**

## III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2019/21

**Table 1** represents OCTA's U.S. DOT-assisted (FTA) defined contracting program, which includes projects considered in preparing its ***Proposed Overall DBE Goal-Setting Methodology***. The projects have viable subcontracting possibilities and corresponding availability of DBEs, a required criterion for Overall Goal consideration, and are anticipated to be awarded within the respective goal period.

***Table 1***

<b>PROJECT</b>	<b>Total Estimated Cost (Federal Share)</b>
Bristol Street Transit Corridor Study	\$550,000.00
Rideshare Design Agency	\$125,000.00
Guaranteed Ride Home Program, OnTheGo Newsletter & Media Events	\$30,000.00
Regional Rideshare Database	\$45,000.00
Rideshare Survey Processing	\$125,000.00

Video Surveillance System (VSS) at Placentia Metrolink station	\$750,000.00
Bus Rapid Transit/Managed Lanes Network Study	\$350,000.00
Laguna Niguel / San Juan Capistrano Passing Siding - Construction	\$16,000,000.00
Right of Way (ROW) Slope Stabilization - Construction	\$2,000,000.00
Right of Way (ROW) Slope Stabilization – Construction Management Services	\$250,000.00
Anaheim Canyon Station Improvement - Construction Management	\$1,770,000.00
Federally-mandated paratransit service (ACCESS) - Fixed Cost	\$1,569,781.20
Federally-mandated paratransit service (ACCESS) - Primary Service Provider revenue vehicle hours (RVH)	\$29,684,019.94
Federally-mandated paratransit service (ACCESS) - Americans with Disabilities Act (ADA) Taxi Service - Supplemental Service	\$11,363,485.14
Major Maintenance	\$228,461.15
Travel Training Program	\$220,000.00
Special Transportation Services Resources Booklet	\$30,000.00
Contracted Fixed Route (CFR) Express Bus Service Variable Cost for Irvine Sand Canyon	\$848,696.25
Contracted Fixed Route (CFR) Fixed Cost-Irvine	\$814,787.00
Contracted Fixed Route (CFR) Variable Cost-Irvine	\$13,843,368.00
Contracted Fixed Route (CFR) Fixed Cost Stationlink Sand Canyon	\$35,120.11
Contracted Fixed Route (CFR) Variable Cost-Stationlink Sand Canyon	\$596,442.50
Contracted Fixed Route (CFR) Express Bus Fixed Cost for Irvine Sand Canyon	\$50,046.00
Contracted Fixed Route (CFR) Fixed Cost-Anaheim	\$1,183,328.00
Contracted Fixed Route (CFR) Variable Cost-Anaheim	\$20,107,489.75
Contracted Fixed Route (CFR) Fixed Cost - Stationlink Anaheim	\$5,488.00
Contracted Fixed Route (CFR) Variable Cost - Stationlink Anaheim	\$94,148.25
Contracted Fixed Route (CFR) Express Bus Service Fixed Cost for Anaheim	\$5,049.00
Major Maintenance for Contracted Fixed Route (CFR) 40-foot vehicles	\$245,104.00
Contracted Fixed Route (CFR) Express Bus Service Variable Cost for Anaheim	\$86,487.00
Replace Metal Siding and Framing at Bus wash Building at Irvine Construction Circle Bus Base.	\$307,000.00
Electrical Room Ventilation at Irvine Construction Circle Base	\$50,000.00
Steam Clean Rack Hoist Replacement at Irvine Construction Circle Bus Base	\$150,000.00
Restroom Walls and Plumbing Repairs Irvine Construction Circle Base Operations Building.	\$150,000.00
Electrical Service for Liquid Hydrogen Fueling Station at Santa Ana Base.	\$711,000.00
Hydrogen Gas Detection and Ventilation for 10 H2 Buses at Santa Ana Base.	\$415,000.00
Heating, ventilation, and air conditioning (HVAC) Unit Replacement at Anaheim Base Operations Building	\$450,000.00
Heating, ventilation (HV) Unit Replacements at Anaheim Base Maintenance Building.	\$480,000.00
Emergency Back-Up Generator Replacement at Anaheim Bus Base.	\$300,000.00
Light Pole and Luminaire Replacement at Golden West Transportation Center (GWTC)	\$250,000.00
Concrete Pavement Joint Sealant and Restriping	\$200,000.00
Revitalization of Bus Dock Platform & Canopies at Fullerton Transportation Center (FTC)	\$500,000.00

Bus Wash Building Interior Finish Restoration	\$330,000.00
Miscellaneous Hard Surface Repairs at Transit Facilities (asphalt and concrete)	\$200,000.00
Fire Protection Coating Structural Steel in Maintenance Bldg. at Irvine Sand Canyon (IRSC) Base	\$250,000.00
HVAC Unit Replacements at Garden Grove Base Maintenance Building	\$210,000.00
Roofing Replacement at Garden Grove Annex Lower Building	\$100,000.00
Reconstruction of Asphalt Pavement at Fullerton Park and Ride (FPNR)	\$225,000.00
Vanpool Marketing and Outreach	\$120,000.00
Improve Customer Amenities	\$600,000.00
OC Streetcar Vehicle Inspection Consultant	\$556,313.00
<b>TOTAL</b>	<b>\$109,560,614.29</b>

Table 2 provides a summary of work grouped by three (3) primary categories: Construction, Professional Services and Materials & Supplies utilizing the North American Industry Classification System (NAICS) primary work categories. Table 2 also serves to identify the estimated Federal Dollar Share and the Percent of Federal funding by category, as follows:

**Table 2**

CONTRACT CATEGORY	NAICS WORK CATEGORIES <sup>1</sup>	ESTIMATED FEDERAL DOLLAR SHARE	% OF FEDERAL FUNDING (Rounded)
<b>Construction</b>	236210, 237110, 237310, 238110, 238130, 238160, 238170, 238210, 238220, 238310, 238320, 238340, 238910, 238990, 484110, 484210, 484220, 561621, 561730	\$15,009,804.16	13.7%
<b>Professional Services</b>	541310, 485113, 485310, 485991, 488210, 488999, 512110, 541310, 541330, 541350, 541360, 541370, 541380, 541430, 541511, 541512, 541611, 541614, 541620, 541690, 541720, 541810, 541820, 541850, 541870, 541910, 541930, 541990, 561110, 561439, 561790, 561990, 611430, 624120, 811111,	\$93,455,203.99	85.3%

<sup>1</sup> Refer to Attachments I and II for corresponding detail of all work trades grouped under the primary NAICS Codes.

	811121, 811198, 926120		
<b>Materials</b>	323111, 423410, 423430, 423610, 423690, 423730, 444110	\$1,095,606.14	1.0%
<b>TOTAL</b>		<b>\$109,560,614.29</b>	<b>100%</b>

#### IV. GOAL METHODOLOGY

##### *Step 1: Determination of a Base Figure (26.45)<sup>2</sup>*

To establish OCTA's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on OCTA's FFY 2019/21 FTA-assisted contracting opportunities projected to be solicited during the respective goal period, OCTA 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 *2015 U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made within OCTA's market area (defined as Orange, Los Angeles, Riverside and San Bernardino County) and by specified industries and types of businesses identified in Table 2. OCTA's local market was determined by identifying where the substantial majority of OCTA's contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received.

OCTA 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 corresponding detail of all work category classifications grouped, refer to Table 3 below.

- ⇒ *For the numerator:* **California UCP DBE Database of Certified Firms**
- ⇒ *For the denominator:* **2015 U.S. Census Bureau's Business Pattern Database (CBP)**

To determine the relative availability of DBEs, OCTA divided the numerator<sup>3</sup> representing the ratio of ready, willing and able DBE firms, by the denominator<sup>4</sup> representing all firms (DBE and Non-DBEs) available in each work category, see below:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (Including DBEs and Non-DBEs)}} = \text{DBE Availability \%}$$

To determine the appropriate weighting percent by NAICS, the estimated dollar value by NAICS was divided by the total estimated federal dollars for FFY 2019/21. The weighting percent by NAICS was then multiplied by the DBE Availability % to determine the Base Figure % by NAICS, see below:

$$\text{Weighting} \times \text{DBE Availability \%} = \text{Base Figure \% by NAICS}$$

To determine the Step 1 Base Figure, OCTA added together all Base Figure % by NAICS in Table 3

<sup>2</sup> 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

<sup>3</sup> Numerator represents all DBE firms established within OCTA's market area.

<sup>4</sup> Denominator represents all comparable available established firms within OCTA's market area.

below, resulting in a 12.39% that was multiplied by 70%, (to account for 30% Prime performance required on most OCTA contracts) to produce a Step 1 Base Figure of 9%.

**Table 3**

CATEGORY OF WORK	NAICS CODES	Weighting*	DBE Availability %	Base Figure % by NAICS
Industrial Building Construction	236210	0.376%	65.29%	0.245%
Water and Sewer Line and Related Structures Construction	237110	0.821%	42.40%	0.348%
Highway, Street and Bridge Construction	237310	2.357%	84.96%	2.003%
Poured Concrete Foundation and Structure Contractors	238110	1.819%	14.21%	0.259%
Framing Carpentry Contractors	238130	0.145%	9.84%	0.014%
Roofing Contractors	238160	0.176%	2.19%	0.004%
Siding Contractors	238170	0.140%	1.22%	0.002%
Electrical Contractors	238210	0.920%	4.06%	0.037%
Plumbing, Heating and Air Conditioning Contractors	238220	0.732%	1.26%	0.009%
Drywall and Insulation Contractors	238310	0.247%	3.40%	0.008%
Painting and Wall Covering Contractors	238320	0.297%	2.49%	0.007%
Tile and Terrazzo Contractors	238340	0.079%	0.97%	0.001%
Site Preparation Contractors	238910	2.193%	14.10%	0.309%
All Other Specialty Trade Contractors	238990	1.827%	12.76%	0.233%
Commercial Gravure Printing	323111	0.040%	1.48%	0.001%
Photographic Equipment and Supplies Merchant Wholesalers	423410	0.137%	3.25%	0.004%
Computer and Computer Peripheral Equipment and Software Merchant	423430	0.075%	2.22%	0.002%
Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	423610	0.249%	5.12%	0.013%
Other Electronic Parts and Equipment Merchant Wholesalers	423690	0.034%	1.81%	0.001%
Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers	423730	0.447%	4.85%	0.022%
Building Material and Supplies Dealer	444110	0.044%	0.49%	0.000%
General Freight Trucking, Local	484110	0.831%	6.26%	0.052%
Specialized Freight Trucking, Local	484220	0.030%	40.33%	0.012%
Bus and Other Motor Vehicle Transit Systems	485113	13.609%	4.69%	0.638%
Taxi Service	485310	4.149%	2.47%	0.102%
Special Needs Transportation	485991	7.633%	4.23%	0.323%
Support Activities for Rail Transportation	488210	0.436%	41.67%	0.182%
All Other Support Activities for Transportation	488999	3.780%	46.15%	1.745%
Motion Picture and Video Production	512110	0.016%	0.78%	0.000%
Architectural Services	541310	0.162%	7.16%	0.012%
Engineering Services	541330	2.484%	12.18%	0.303%
Building Inspection Services	541350	0.103%	23.38%	0.024%
Geophysical Surveying and Mapping Services	541360	0.787%	55.56%	0.437%
Surveying and Mapping Services	541370	0.787%	43.86%	0.345%
Testing Laboratories	541380	1.016%	18.11%	0.184%
Graphic Design Services	541430	0.014%	11.60%	0.002%
Custom Computer Programming Services	541511	0.005%	5.38%	0.000%
Computer System Design Services	541512	0.102%	10.07%	0.010%
Administrative Management and General Management Consulting Services	541611	15.393%	16.56%	2.549%

Process, Physical Distribution, and Logistics Consulting Services	541614	0.133%	26.44%	0.035%
Environmental Consulting Services	541620	1.007%	60.49%	0.609%
Other Scientific and Technical Consulting Services	541690	0.184%	3.30%	0.006%
Research and Development in the Social Sciences and Humanities	541720	0.158%	60.23%	0.095%
Advertising Agencies	541810	0.202%	7.86%	0.016%
Public Relations Agencies	541820	3.498%	25.10%	0.878%
Outdoor Advertising	541850	0.055%	22.67%	0.012%
Advertising Material Distribution Services	541870	0.067%	26.76%	0.018%
Marketing Research and Public Opinion Polling	541910	0.034%	19.95%	0.007%
Translation and Interpretation Services	541930	0.029%	13.46%	0.004%
All Other Professional, Scientific and Technical Services	541990	0.796%	14.55%	0.116%
Office Administrative Services	561110	0.335%	3.45%	0.012%
Other Business Service Centers (including Copy Shops)	561439	0.034%	3.13%	0.001%
Security Systems Services (except Locksmiths)	561621	0.137%	4.85%	0.007%
Landscaping Services	561730	0.091%	1.48%	0.001%
Other Services to Buildings and Dwellings	561790	0.052%	4.89%	0.003%
All other Support Services	561990	0.336%	7.82%	0.026%
Professional and Management Development Training	611430	0.100%	59.75%	0.060%
Services for the Elderly and Persons with disabilities	624120	7.633%	0.23%	0.017%
General Automotive Repair	811111	1.803%	0.16%	0.003%
Automotive Body, Paint, and Interior Repair and Maintenance	811121	1.646%	0.34%	0.006%
All Other Automotive Repair and Maintenance	811198	1.646%	1.35%	0.022%
Regulation and Administration of Transportation Programs	926120	15.535%	0.00%	0.000%
Total:		100%		12.39
Base Figure 12.39% *70% (30% Prime to Perform Factor) = 8.7%				
9% (Rounded to the nearest whole number)				

\*Weighting based on estimated value per NAICS.

### ***Step 2: Adjusting the Base Figure***

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

Evidence considered in making an adjustment to the Base Figure included OCTA's *Past DBE Goal Attainments*, Evidence from *Disparity Studies conducted in OCTA's market area*, and *Other Evidence*, as follows:

#### ***A. Past DBE Goal Attainments***

The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by OCTA within the last three (3) Federal Fiscal Years:

***Table 4***

Year	Attainment
FFY 2015*	12.8%
FFY 2016	14.9%
FFY 2017	12.7%
Median of Past Awards = 12.7%, <b>12.8%</b> , 14.9% = 12.8% Median Past Participation	

\*FFY 2018 still in progress as of the date of methodology preparation, so FFY 2015 was used in lieu of FFY 2018

OCTA considered an adjustment to the Base Figure based on the median DBE participation on DOT-assisted contracts completed within the past three FFYs (2015/17). The median established for the past three years is higher than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on OCTA's past DBE goal participation has been made. As three years of DBE Participation data was reviewed and the years reviewed included projects with a similar variety in scope to the scopes projected for the 2019/21 period, OCTA can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform in the 2019/21 overall goal period. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE Past participation, as shown below.

$$9\% \text{ Base Figure} + 12.8\% \text{ Median Past Participation} = 21.8\%$$

$$21.8/2 = 10.9\%$$

**Adjusted Base Figure: 11%** (Rounded to the nearest whole number)

The formula resulted in an upward adjustment to Base Figure based from 9% to 11%.

***B. Evidence from Disparity Studies***

***Barriers to Entry: Employment, Self Employment, Education and Training, Business Ownership Rates and Access to Capital***

As directed by FTA, OCTA reinstated race-conscious measures, coupled with race-neutral measures in April 2014 based on results received from the Southern California Regional Disparity Study, OCTA's analysis of its past utilization data and an examination of similar market area Disparity Studies.

OCTA did not find it feasible to conduct a more recent independent availability/disparity study; however, OCTA identified two (2) disparity studies, inclusive market areas like OCTA's, to consider whether a Race-Conscious DBE Program should continue to be implemented. The 2 identified Disparity Studies were the Caltrans Disparity Study and The Los Angeles County Metropolitan Transportation Authority (Metro) Disparity Study.

The first Disparity Study considered was that of the California Department of Transportation (Caltrans), completed in 2016 due to the timeliness of the contracts reviewed. The Caltrans Disparity Study reviewed Construction and Engineering contracts state-wide between the years January 1, 2011 to December 31, 2014. As the Caltrans' Disparity Study included thousands of contracts from areas outside of OCTA's market area as well as projects that had no relation to the scopes included in the upcoming goal period, OCTA opted to not utilize this Disparity Study to apply an adjustment to their current race-neutral/race-conscious DBE application measures.

The second Disparity Study taken into consideration was Metro's Disparity Study due to the similarities in market area and timeliness of the contracts reviewed. Where the Caltrans Study market area included the entire state of California, the Metro Study focused on Los Angeles County which is more aligned with OCTA's market area. The Metro Disparity Study was initiated in November 2016 and included a five-year study period (January 1, 2011 through December 31, 2015) to determine any differences between the participation of minority- and woman-owned businesses in relevant contracts and the availability of those businesses to



perform that work (referred to as *disparities*). Disparity analysis results indicated that most racial/ethnic and gender groups showed disparities on contracts where race- and gender-conscious measures were not in place during the study period. As a result, the Disparity Study recommended the use of contract DBE goals.

As Metro's Disparity Study satisfies the legal standards established by the Ninth Circuit Court of Appeals in *Western States Paving Co., Inc. v. Washington State Department of Transportation*, and guidance from the U.S. Department of Transportation/Federal Transit Administration (FTA) concerning the implementation of race-conscious application, OCTA has elected to utilize this study as a basis for continuing to implement the race-conscious component of their Overall DBE goal. OCTA will ensure that the use of race-conscious goals is narrowly tailored and consistent with other relevant legal standards.

OCTA will continue to review applicable Disparity Studies as they become available and apply the appropriate adjustments to their Race-neutral/Race-Conscious DBE goal application.

### ***C. Other Evidence***

OCTA did not receive any anecdotal evidence nor is it aware of any other factors or adverse considerations that would have had a material affect on DBEs availability within OCTA's marketplace, or on DBEs' ability to participate (meeting bonding, insurance and financial requirements) in OCTA's FTA-assisted contracting programs at this time. However, as part of OCTA's 30 day period public facilitation process, it will request comments/input from industry groups both representing DBEs and non-DBEs to determine whether further consideration in making an adjustment is warranted. OCTA will also consider input received through disparity studies in OCTA's market area.

**The Overall DBE Goal for FFYs 2019/21 goal period for OCTA's FTA-assisted contracts is 11%.**

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 OCTA'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/RACE-CONSCIOUS APPLICATION**

OCTA reinstated race-conscious measures, coupled with race-neutral measures in April 2014 based on results received from the Southern California Regional Disparity Study, OCTA's analysis of its past utilization data and an examination of similar market area Disparity Studies.

### **A. Consideration of the Amount by which OCTA has Exceeded Goals in the Past**

DOT has identified the amount a recipient has exceeded their overall goals in the past years as a useful tool in projecting the race/gender-neutral participation one can expect in future Federal Fiscal Years.

The following table reflects the demonstrated capacity of DBEs on FTA-assisted contracts completed by OCTA within the last three (3) Federal Fiscal Years:

**Table 5**

Overall DBE Goal by Period	Federal Fiscal Year	DBE Attainment	% Goal Exceeded
8%	FFY 2015*	12.8%	4.8%
10%	FFY 2016	14.9%	4.9%
10%	FFY 2017	12.7%	2.7%
Median % Goals Exceeded by = 2.7%, <u>4.8%</u> , 4.9% = 4.8%			
<b>5%** Median Participation above</b>			

\*FFY 2018 still in progress as of the date of methodology preparation, so FFY 2015 was used in lieu of FFY 2018

\*\*Rounded to the nearest whole number

OCTA's Historical Past Participation above the DBE goal produced a median of 5% DBE Participation (as illustrated in the table above). As OCTA's historical DBE Participation exceeded the projected DBE goal valid during the attainment periods, it is reasonable to conclude that at least 5% of the FFY 2019/21 goal can be met race-neutrally.

## B. Past Participation by DBE Prime Contractors

DOT has identified that the amount of past participation obtained through the use of DBE primes should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period.

Therefore, OCTA considered the amount of past DBE participation (based on awards) obtained through the use of DBE primes in FFYs 2015, 2016 and 2017 below:

**Table 6**

FFY	Total Dollar Value Awarded to DBE Prime	Reporting Period	Total Dollar Value of Awarded Contracts
2017	\$ 3,673,243	04/1/17-09/30/17	\$37,278,819
	\$ 0	10/1/16-03/31/17	\$ 14,914,436
2016	\$ 130,000	04/1/16-09/30/16	\$ 1,454,108
	\$127,880	10/1/15-03/31/16	\$ 18,145,266
2015	\$ 203,610	04/1/15-09/30/15	\$ 39,414,954
	\$444,229	10/1/14-03/31/15	\$13,935,233
Total:	\$ 4,578,962		\$125,142,816
% DBE Prime Participation	Total Dollar Value Completed by DBE Prime (\$4,578,962) / Total Dollar Value of Completed Contracts (\$125,142,816) = 3.66% DBE Prime Participation		<b>4%*</b>

\*Rounded to nearest whole number

OCTA found that 4% of the DBE participation during FFYs 2015 through 2017 was produced by the utilization of DBE primes. This value was developed by dividing the total dollars awarded to DBE Primes (\$4,578,962) by the total dollars awarded on all Primes contracts (\$125,142,816) within FFYs 2015 through 2017, as displayed in the table above. OCTA confirmed that the projects completed during FFYs 2015 through 2017 were similar to the types of projects being procured in the upcoming overall goal period, a required criterion for consideration in utilizing DBE prime participation to validate race-neutral application. As 4% DBE participation was achieved on like-projects during the attainment period

reviewed OCTA concluded that this rate of DBE participation would be an accurate reflection of DBE prime capacity in the primary types of work projected to be performed in the coming overall goal period.

### C. Consider Past Participation by DBE Subcontractors on Contracts without Goals

DOT has identified that the amount of past participation obtained through the use of DBE subcontractors on contracts without DBE goals should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period. Therefore, OCTA considered the amount of past DBE subcontractor participation on contracts without DBE goals in FFYs 2015, 2016 and 2017 below:

**Table 7**

FFY	Total Dollar Value Awarded to DBE Subcontractors on RN Contracts	Reporting Period	Total Dollar Value of Awarded RN Prime Contracts
2017	\$ 0	04/1/17-09/30/17	\$ 3,673,243
	\$ 0	10/1/16-03/31/17	\$ 0.00
2016	\$ 0	04/1/16-09/30/16	\$130,000
	\$ 46,793	10/1/15-03/31/16	\$ 174,673
2015	\$ 0	04/1/15-09/30/15	\$ 203,610
	\$0	10/1/14-03/31/15	\$214,677
Total:	\$ 46,793		\$ 4,396,203
Total Dollar Value Awarded to DBE Subs (\$46,793) / Total Dollar Value Awarded on RN Prime Contracts (\$4,396,203) = 1.06%			<b>1%* RN DBE Subcontract Participation</b>

*\*Rounded to the nearest whole number*

A DBE participation value of 1% was derived by the utilization of DBE firms in the Race-Neutral (RN) periods above. Although OCTA reviewed a three-year period to provide a sufficient sampling of performance on past projects, closer examination uncovered that the RN projects awarded were primarily in-plant bus inspection projects, Vanpool Service providers, janitorial services and part or product purchases projects. As these types of projects make up only a small percentage of the projects anticipated for award in FFYs 2019/21, OCTA does not have reasonable justification to assume that the percent of DBE participation reflected above is an accurate reflection of DBE subcontractor's capacity to perform race-neutrally in the 2019/21 overall goal period.

### D. Consider MBE/WBE/DBE Participation Pursuant to Race/Gender-Neutral State or Local Programs.

OCTA monitors Small Business participation but does not currently track MBE/WBE/DBE participation on Race/Gender-Neutral or Local Programs. OCTA will consider methods of tracking this information in the future for use in considering the proper race/gender-neutral application.

### E. Past History of Inability to Achieve Goals

DOT has identified that a recipient's past inability to meet their goals in the past years as a powerful indicator that the recipient may be justified in applying race-/gender-conscious measures to achieve their goals in future Federal Fiscal Years. The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by OCTA within the last three (3) Federal Fiscal Years:

**Table 8**

Overall DBE Goal by Period	FFY	DBE Attainment	% Below DBE Goal
8%	FFY 2015*	12.8%	0%
10%	FFY 2016	14.9%	0%
10%	FFY 2017	12.7%	0%

\*FFY 2018 still in progress as of the date of methodology preparation, so FFY 2015 was used in lieu of FFY 2018

OCTA's historical DBE participation did not produce a shortfall in OCTA's ability to meet goals in Federal Fiscal Years 2015 through 2017. Considering that OCTA's median rate for exceeding the DBE goal is 5% and that OCTA was able to achieve 4% in race-neutral participation from DBE Primes on like projects, OCTA added the two race-neutral percentages together and divided that number by two to find the average race-neutral participation.

As three years of DBE Participation data was reviewed for projects with similar scopes and values to the projects in the upcoming goal period, OCTA can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform race-neutrally in the 2019/21 overall goal period. OCTA has applied this to the proposed DBE Goal to project the necessary race-conscious/race-neutral breakout, as illustrated below:

<p style="text-align: center;">           % Goals Exceeded in Past = 5%            RN DBE Prime Participation = 4%            5% (% Goals Exceeded in Past) + 4% (RN DBE Prime Participation) = 9%            9% / 2 = 4.5% (Average RN Participation)  <b>5% RN Projection (Rounded to the nearest whole number)</b>   <b>DBE Goal: 11%</b>  <b>RN Application 5% / RC Application 6%</b> </p>
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Consistent with the FTA guidance provided and the reasons delineated above OCTA has found it advisable to implement the race-neutral/race-conscious breakout illustrated above to meet the proposed Overall DBE Goal (11%) in accordance with 49 CFR Part 26.51.

## **F. Monitor DBE Participation to Determine Whether an Adjustment to the Use of Race/Gender-Conscious Measures is Necessary**

OCTA will continue to monitor its DBE participation during the overall goal period to determine whether the application of OCTA's race-neutral/race-conscious measures to meet the proposed Overall DBE Goal (11%) remains on target. OCTA will adjust the application of race/gender-neutral and race/gender-conscious measures, as necessary to ensure OCTA meets the maximum feasible portion the overall goal by using race/gender-neutral means of facilitating DBE participation.

## **VI. PUBLIC PARTICIPATION AND FACILITATION**

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within OCTA's market area will be consulted and provided an opportunity to review OCTA's goal analysis and provide input.

OCTA will issue a Public Notice, publishing OCTA's Proposed Overall Goal for the FFYs 2019/21. The Notice will inform the public that the proposed goal and rationale are available for inspection at OCTA's CAMMNET website for 30 days following the date of the Public Notice and that OCTA will accept comments on the goal analysis for 30 days from the date of the Public Notice.

Furthermore, OCTA consults and will continue to consult with minority groups and organizations year round via event attendance and facilitation to directly solicit the public in-person regarding input they have on DBE opportunities and any real and/or perceived barriers to DBE participation.