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SONOMA COUNTY TRANSPORTATION AUTHORITY

Proposed Overall Annual DBE Goal Setting Methodology

FFY 2003/2004

Submitted in fulfillment of:

*Section 1101 of the Transportation Equity Act for the 21st Century
49 Code of Federal Regulations Part 26
and
Caltrans Local Assistance Procedures Manual*

* This analysis is prepared exclusively for Sonoma County Transportation Authority,
it is non-transferable and is not to be duplicated *

**SONOMA COUNTY TRANSPORTATION AUTHORITY
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM
OVERALL ANNUAL DBE GOAL SETTING METHODOLOGY
FOR
FEDERAL FISCAL YEAR (FFY) 2003/04
(Covering the period of October 1, 2003 through September 30, 2004)**

I. DOT-ASSISTED CONTRACTING PROGRAM FOR FFY 2002/03

Table 1 serves to define Sonoma County Transportation Authority's (Authority) DOT-assisted contracting program for FFY 2003/04 by contract type (i.e. construction and professional services and respective federal dollar amounts allocated). The Authority's fiscal year's contracting program includes two (2) DOT-assisted projects, which were assessed in preparing the Authority's *Overall Annual DBE Goal-Setting Analysis*. The 101 EIR/EIS Old Redwood Hwy. to Rohnert Park Expressway project and the 101 EIR/EIS Steel Lane to Windsor River Rd. project included in the Authority's FFY 2002/03 Goal Analysis are being included in this year's analysis.

Although the two (2) projects included in FFY 2003/04 goal analysis are carry-overs from FFY 2002/03 goal analysis, the data relied on to determine DBE availability has been updated to reflect the Caltrans Calcet DBE Directory of Certified Firms and the 2001 U.S. Census Bureau County Business Patterns (CBP) Database. Additionally, the analysis has been expanded to include a larger market area based on the developed bidder's list. Both EIR/EIS projects have subcontracting possibilities and are anticipated to be awarded within the fiscal year 2003/04.

Table 1

PROJECT	Total Estimated Project Cost	Estimated Federal Dollar Share of Construction	Estimated Federal Dollar Share of Professional Services	Estimated Federal Dollar Share of Materials & Supplies
101 EIR/EIS Old Redwood Hwy. To Rohnert Park Expressway	\$4,000,000.00	-0-	\$3,523,600.00	-0-
101 EIR/EIS Steele Ln. to Windsor River Rd.	\$4,000,000.00	-0-	\$3,523,600.00	-0-
TOTAL	\$8,000,000.00	- 0 -	\$7,047,200.00	- 0 -

Table 2 provides a summary of the corresponding subspecialty work grouped into three (3) primary categories: *Highway & Street Construction, Professional Services and Materials and Supplies* utilizing Caltrans Work Category Codes (WCC) and comparable North American Industry Classification System (NAICS) Work Codes. Out of the three primary categories only Professional Services has DOT funding. **Table 2** also serves to identify the estimated Federal Dollar Share and the Percent of Federal Funding weighted in each primary work category, as follows:

Table 2

CONTRACT TYPE	WORK CATEGORY DESCRIPTION	NAICS CATEGORY	ESTIMATED FEDERAL DOLLAR SHARE	% OF FEDERAL FUNDING BY WORK CATEGORY
Professional Services	C8704 ¹	54133 ²	\$7,047,200.00	100%
Highway & Street Construction	N/A	N/A	-0-	N/A
Materials & Supplies	N/A	N/A	-0-	N/A
TOTAL			\$7,047,200.00	100%

II. GOAL-METHODOLOGY

Step 1: Determination of a Base Figure (26.45)³

Sonoma County Transportation Authority followed two of the five prescribed federal goal-setting methodologies (census information and another local agency's approved goal) to establish the Authority's Base Figure. The Base Figure is representative of the relative availability of DBEs within the specified industries to all comparable firms (DBEs and Non-DBEs) available to bid or propose on Sonoma County Transportation Authority's FFY 2003/04 DOT-assisted contracting opportunities. This was accomplished by accessing *Caltrans Calcert DBE Directory of Certified Firms* and the 2001 *U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made by corresponding zip codes within Sonoma County Transportation Authority's market area (defined as Sonoma, Alameda, Sacramento, San Francisco, Napa, Marin, Contra Costa and Solano Counties) and by the specified industries and types of businesses identified in Table 2.

Sonoma County Transportation Authority 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 Attachments I and II. The local market area was determined by assessing where the substantial majority of contractors and subcontractors that the Authority receives bids or quotes are located and where the substantial majority of contracting dollars are spent.

¹ For a complete listing of Work Category Codes impacted refer to Attachment I.

² For a complete listing of NAICS Codes impacted refer to Attachment II.

³ 26.45 represents Title 49 CFR Part 26 regulatory reference.

- ⇒ **For the numerator:** *Caltrans' Calcert DBE Directory of Certified Firms*
- ⇒ **For the denominator:** *2001 U.S. Census Bureau's Business Pattern Database (CBP)*

To determine the relative availability of DBEs within the Sonoma County Transportation Authority's market area, the Authority divided the numerator representing the ratio of ready, willing and able DBE firms, by the denominator representing all firms (DBEs and Non-DBEs) available for each of the work categories. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing, and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{BASE FIGURE}$$

The Base Figure was further adjusted by weighting the relative availability of DBEs grouped by the major work categories, giving more weight to the work categories/industries, in which Sonoma County Transportation Authority projects to spend more if its DOT-assisted dollars. The resulting weighted calculation is delineated in the table below:

Step I: Base Figure: (weighted by type of work to be performed and corresponding contracting dollars)

$$\text{Base Figure} = \left(100\% \frac{\text{DBEs in WCC C8704*}}{\text{CBPs in NAICS 54133**}} \right)$$

$$\text{Base Figure} = \left(.100 \frac{434}{3999} \right)$$

$$\text{Base Figure} = \left(.100 (0.1085) \right)$$

$$\text{Base Figure} = \left(.1085 \right)$$

$$\text{Base Figure} = (.1085) 100 = 10.85 = \mathbf{11\%}^{***}$$

* For additional Caltrans Work Category Codes within the Highway & Street Construction and Professional Services Areas included in the analysis, refer to Attachment I.

** For additional NAICS Work Codes for the respective categories included in the analysis, refer to Attachment II.

*** Rounded to the nearest whole number.

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, Sonoma County Transportation Authority reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the Authority'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 *Sonoma County Transportation Authority's Past DBE Goal Attainments on Similar Type Projects, Bidders List, Disparity Studies, and other Local Agencies' DBE Goals and attainments within Sonoma County Transportation Authority's jurisdiction and Other Evidence*. A summary of these considerations follows:

A. Demonstrated Capacity of DBEs Measured by Actual Attainment

While this is an important consideration in the overall goal setting analysis, Sonoma County Transportation Authority has no historical records of DBE attainments, as no projects have been awarded since the Authority sought DOT-assisted dollars in FFY 2002-03. Data relative to DBE availability and capacity to perform beyond the evidence, which was considered in Step I does not exist. Therefore, no adjustment to the Base Figure is warranted.

B. Sonoma County Transportation Authority's Bidders List

While a Bidders List would serve as quantifiable evidence of DBEs demonstrated interest and capacity to bid and perform in the specified industries, Sonoma County Transportation Authority's Bidder's list does not indicate if any of the firms were DBE Firms. Therefore, the Authority was unable to adequately determine the viability to make an adjustment to the Base Figure based on this data. However, Sonoma County Transportation Authority will initiate the process of capturing such information from all bidders at the time of bid/proposal submission and will utilize such information in future goal-setting analysis.

C. Evidence from Disparity Studies

Sonoma County Transportation Authority is not aware of any current disparity studies within Sonoma County Transportation Authority's jurisdiction and/or market area to consider in this step of the goal setting analysis.

D. Other Agencies DBE Goals

Sonoma County Transportation Authority surveyed other DOT-recipients (local agencies) within its jurisdiction, with similar contracting programs to assess their DBE goals and actual attainments toward making an adjustment. Local agencies included in the survey were Napa County, City of Vacaville, and the Metropolitan Transportation Commission. Using the most current data available, DBE Goals established for these local agencies ranged from 10% to 12% for FFY 2003. Since the goal projections and attainments are in alignment with Sonoma County Transportation Authority's Base Figure of 11%, no adjustment is recommended.

E. Other Evidence

The Authority did not receive any anecdotal evidence nor is it aware of any other factors or adverse considerations over and above those factors considered that would sufficiently merit an adjustment to the Base Figure at this time. Therefore, no further consideration toward a goal adjustment was made this fiscal year. However, the Authority will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in the Authority's FHWA-assisted contracting program.

Overall Resultant Goal Adjustment

Based on Sonoma County Transportation Authority's review and consideration of the above factors, particularly the lack of historical DBE participation/attainment data, and current DBE availability data, evidence considered does not merit an adjustment to the Base Figure at this time.

III. OVERALL ANNUAL GOAL AND PROJECTION OF RACE-NEUTRAL AND RACE-CONSCIOUS PARTICIPATION:

The Overall Annual (FFY 2003/04) DBE Goal for Sonoma County Transportation Authority's DOT-assisted contracts is 11%. The Overall Goal is expressed as a percentage of all DOT-assisted funds that Sonoma County Transportation Authority will expend in FHWA-assisted contracts in the forthcoming fiscal year.

This 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 Sonoma County Transportation Authority's DOT-assisted contracts. The Overall Annual Goal reflects a determination of the level of DBE participation, which would be expected absent the effects of discrimination.

Although Sonoma County Transportation Authority will utilize race-neutral small business outreach efforts to promote viable participation, given the Authority's lack of DBE historical attainment data on similar types of projects, other agencies' low race-neutral projections, and limited availability of DBE firms to prospective Prime Consultants, Sonoma County Transportation Authority **projects that the Overall Annual DBE Goal for FFY 2003/2004 of 11% will be met utilizing Race-Conscious numeric goal setting measures.** Should the initial contract's actual DBE commitments exceed projections, adjustments will be made accordingly.

IV. PUBLIC PARTICIPATION AND FACILITATION

In accordance with Public Participation Regulatory Requirements of 49 CFR Part 26 and Caltrans Local Assistance Procedures Manual (LAPM), minority, women, local business chambers, and community organizations within Sonoma County Transportation Authority's market area will be provided an opportunity to review this goal analysis. The Authority will prepare an Outreach Consultation Letter advising the aforementioned business community of the proposed DBE goal analysis and availability for review.

The Sonoma County Transportation Authority will also issue a Public Notice in general circulation media and in at least one other minority focused media publishing the Authority's proposed Overall Annual Goal for FFY 2003/04 DOT-assisted contracts. Such Notice will inform the public that the proposed goal and its rationale is available for inspection at Sonoma County Transportation Authority's principal office during normal business hours, between 8:30 a.m. to 4:30 p.m., for 30 days following the date of the Public Notice and that the Sonoma County Transportation Authority will accept comments on the goal analysis for 45 days from the date of the Public Notice. The required public participation provisions will be fully satisfied prior to submitting Sonoma County Transportation Authority's Overall Annual DBE Goal to Caltrans for final review and approval.

**SONOMA COUNTY TRANSPORTATION AUTHORITY
DBE OVERALL ANNUAL GOAL ANALYSIS FOR FFY 2003/2004**

ESTABLISHMENT OF THE NUMERATOR:

**# OF ALL ESTABLISHED DBE FIRMS BY WORK CATEGORY WITHIN
THE SONOMA COUNTY TRANSPORTATION AUTHORITY'S MARKET AREA (DEFINED
AS SONOMA, ALAMEDA, SACRAMENTO, SAN FRANCISCO, NAPA, MARIN, CONTRA COSTA AND SOLANO COUNTIES)¹**

PROFESSIONAL SERVICES:			BY CORRESPONDING ZIP CODES									
CALTRANS WORK CATEGORY CODE	EQUIV. NAICS CODE:	ENGINEERING	941	945	946	947	948	949	954	956	958	TOTAL
C8704	54133	Architectural Engineering	20	7	20	3	0	1	0	3	1	55
C8707	54131	Feasibility Studies	32	18	32	5	1	3	3	9	13	116
C8712	54131	Public Relations	11	8	7	1	1	0	0	5	6	39
C8720	54133	Civil Engineering	18	21	26	2	0	0	2	4	5	78
C8721	54162	Right of Way Engineering	4	5	10	1	0	0	1	1	0	22
C8722	54169	Environmental Engineering	15	18	18	4	0	1	3	2	2	63
C8730	54169, 54133	Safety Studies	7	3	8	1	1	0	2	1	3	26
I7336	54143	Design	9	9	6	5	1	0	0	2	3	35
TOTAL NUMBER OF ESTABLISHED DBE FIRMS			116	89	127	22	4	5	11	27	33	434

¹: **DATA SOURCE:** Caltrans Calcert Directory of Certified DBE Firms.