



REPORT TO CITY COUNCIL

Approved by:



Department Director



Arnaldo Rodriguez, City Manager

Council Meeting of: July 3, 2019

Agenda Number: B-9

SUBJECT: Minute Order – Authorizing the City Engineer to Issue Public Notice of a Proposed Triennial Disadvantaged Business Enterprise (DBE) Goal Of 10 percent for Federal Transit Administration (FTA) Funded Projects

RECOMMENDATION:

Staff recommends that the City Council (Council) approve Minute Order authorizing the City Engineer to issue public notice of a proposed triennial DBE goal of 10 percent for FTA funded projects.

SUMMARY:

To continue receiving FTA grant funds, the City must develop a triennial DBE proposed goal for the period of Federal Fiscal Year (FFY) 2019/20 through the end of FFY2021/22. The goal must be published, followed by a 45-day public comment period, after which the City must submit its adopted triennial DBE goal to the FTA.

DISCUSSION:

Per the code of federal regulations (49 CFR 26.45), the United States Department of Transportation (USDOT) requires that direct recipients of FTA funding submit of a triennial DBE goal for FTA-funded projects. The DBE goal is based on contracting opportunities reasonably expected to occur during federal fiscal years 2019/20, 2020/21, and 2021/22. The City is anticipated to expend an estimated \$4,977,967 of federal funding on purchases and projects during this triennial period.

The following transit purchases and projects are budgeted for FFY 2019/20, and anticipated for 2020/21, and 2021/22:

FFY	PROJECT/PURCHASE	ESTIMATE
2019-20	Purchase nine cutaway buses for the Transit Division	\$1,234,167
2019-20	Construction of a 3,200 SF Operations/Transit Facility	\$3,070,800
2020-21	Purchase two cutaway buses for the Transit Division	\$ 273,000
2021-22	Purchase one zero emission bus for the Transit Division	\$ 400,000
	Total:	<u>\$4,977,967</u>

The California Department of Transportation’s (Caltrans) methodology was used for calculating the goal. This methodology is based on an analysis of the amount of FTA funds that the City will be expending for the identified three-year time period, the dollar amount of work items that could be subcontracted out, and the percentage of contractors who are DBE's who are ready, willing and able to participate in the federal-aid contracting program. All cost estimates for federally funded projects and purchases for the three-year period were reviewed and used to identify purchases and areas of work that would be subcontracted out, and the dollar amount of those items. California Unified Certification Program (CUCP) maintains a database of certified DBE’s which was used to search for the DBE’s for the corresponding purchases and areas of work, that were ready, willing, and able to work in the City’s identified district, Caltrans District 6. The calculation took the total items identified as subcontracting opportunities and applied an 80 percent weighting factor. This weighting factor represents a deduction to the available DBE’s that may not be able to participate on these subcontracting opportunities. Divided the weighted factor by the total amount of FTA funds that will be expended to arrive at the 10 percent DBE goal for FTA funded projects for FFY 2019/20, 2020/21, and 2021/22.

The code of federal regulations (49 CFR 26.45) require that notice of the proposed DBE goal be published, which starts a 45-day period in which the public may submit comments. Following the 45-day public comment period, the triennial DBE goal will be presented for Council's consideration and approval.

FINANCIAL IMPACT:

FTA stated that noncompliance with the requirement to develop and publish a triennial DBE goal, along with a 45-day public comment period, subjects a local agency to suspension of current grant funding and denial of future grants. Estimated staff time and publication costs of approximately \$1,400 will be charged to Transit accounts. Council action requested in this report will have minimal effect on the General Fund.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

Compliance with the FTA requirement of publication of a triennial DBE goal, along with a public comment period, protects the City's FTA grant funding, thereby promoting the City's Strategy #121: Multi-modal transportation – Develop a city-wide multi-modal transportation plan to ensure safe, affordable and convenient transportation modes for residents and businesses within Madera.

ALTERNATIVES:

The alternative would be to not comply with the FTA requirements. This could result in putting current FTA grant funding in jeopardy and potential denial of future FTA grant funds.

ATTACHMENTS:

1. Notice of Publication to be published in the Madera Tribune
2. Methodology for Determining Triennial DBE Goal for Federally-Funded Transit Projects FFY 2019/20, 2020/21, and 2021/22
3. Caltrans District 6 Map

NOTICE OF PUBLICATION

City of Madera
Triennial DBE (Disadvantaged Business Enterprise) Goal
for Federally-funded Transit Projects
FFY2019-20, 20-21 & 21-22

The City of Madera is the recipient of grants through the United States Department of Transportation Federal Transit Administration (FTA). It is the policy of the City to ensure that disadvantaged business enterprises (DBE's) have an equal opportunity to receive and participate in FTA-funded contracts.

A DBE goal of 10 percent has been calculated for the City's FTA-funded contracts for FFY 2019-20, 20-21 & 21-22.

The triennial DBE goal is subject to review and adjustment on an annual basis. The calculations and methodology are available for review by calling (559) 661-5418, via email to jstickman@madera.gov, and at the City Engineer's office, 205 West 4th Street, Madera, CA 93637.

Public comment will be accepted, in writing, for 45 days from the date of this notice and may be sent to the following addresses:

Keith Helmuth, DBE Liaison Officer
City of Madera
205 West 4th Street
Madera, CA 93637
or to jstickman@madera.gov

This notice is published pursuant to the requirements of CFR Title 49 Section 26.45 and authorized by City Council Minute Order.

KEITH HELMUTH
City Engineer
City of Madera

City of Madera
 Triennial Disadvantaged Business Enterprise (DBE) Goal Methodology
 for Federally-funded Transit Projects
 FFY 2019/20, 2020/21, and 2021/22

Calculated triennial DBE goal for Federal Transit Administration (FTA) funded projects using California Department of Transportation’s (Caltrans) DBE goal methodology as follows:

1. Identified projects and determined the amount of FTA Funds that the City of Madera (City) will be receiving for federally-funded project for FFY 2019/20, 2020/21, and 2021/22. The City of Madera will be allotting \$4,977,967 of federal funds for this period. In FFY 2019-20, the City will be purchasing nine cutaway buses for the Transit Division; the amount allotted for this is \$1,234,167. The City will be constructing a 3,200 square foot administrative/transit facility; the amount of federal funds allotted for this is \$3,070,800. The City will be purchasing two cutaway buses for the Transit Division in FY 2020-21; the amount of federal funds allotted for this is \$273,000. The City will be purchasing one zero emission bus in FFY 2021-22; the amount of federal funds allotted for this is \$400,000.
2. Reviewed all cost estimates for federally funded work.
3. Determined from the cost estimates what work items by *Work Category Code* would typically be done by the prime contractor and what work items could be subcontracted out. This does not mean that if the prime contractor is capable of performing all the work items, then no work can or will be subcontracted out – good faith efforts were made by the City in identifying work items that may be subcontracted to attain DBE participation. **The value of work that could be subcontracted out was determined to be \$638,569.60.**
4. For the work items that could be subcontracted, *Work Category Codes* from the California Department of Transportation’s Office of Business & Economic Opportunity website at <http://www.dot.ca.gov/obeo/index.html> were identified as follows:

Work Code	Category
C0651	CONCRETE & CEMENT SUPPLIER (BULK ITEM)
C0655	STEEL SUPPLIER
C0657	LUMBER SUPPLIER
C1601	CLEARING AND GRUBBING
C8702	MANAGEMENT INFORMATION SYSTEMS
C8852	SWPPP PLANNING
C9842	MASONRY
C9850	PLUMBING
C9851	FIRE PROTECTION CONTRACTOR
C9857	LOW VOLTAGE ELECTRICAL SYSTEMS
C9859	COMMERCIAL ELECTRICAL
C9866	HEATING & AIR CONDITIONING

D2530	PUBLIC BUILDING & RELATED FURNITURE
D3710	MOTOR VEHICLES & EQUIPMENT

5. Determined the *DBE Work Factor*¹ for each item of work:

DBE Work Factor Percentage	Description
100	DBE performs, manages and supervises the work item.
12	DBE provides the material or supplies for work item.
10	DBE provides the trucking operation for a work item.

6. Searched for certified DBE's using the California Unified Certification Program (CUCP) website at <https://ucp.dot.ca.gov/licenseForm.htm> to find the total number of DBE's for the corresponding work code categories, that were ready, willing, and able to work in the City's identified district, Caltrans District 6 (contractors do not have to be physically located within District 6 to be considered ready, willing, and able to work within the district). Also, per the Caltrans method, categories with seven or fewer DBE's are not factored into the search.

Work Code	Category	Total DBE's
C0651	CONCRETE & CEMENT SUPPLIER (BULK ITEM)	4
C0655	STEEL SUPPLIER	14
C0657	LUMBER SUPPLIER	7
C1601	CLEARING AND GRUBBING	47
C8702	MANAGEMENT INFORMATION SYSTEMS	141
C8852	SWPPP PLANNING	22
C9842	MASONRY	14
C9850	PLUMBING	10
C9851	FIRE PROTECTION CONTRACTOR	0
C9857	LOW VOLTAGE ELECTRICAL SYSTEMS	12
C9859	COMMERCIAL ELECTRICAL	18
C9866	HEATING & AIR CONDITIONING	15
D2530	PUBLIC BUILDING & RELATED FURNITURE	0
D3710	MOTOR VEHICLES & EQUIPMENT	4

7. Calculated the DBE goal percentage as 10 percent. The total DBE work amount \$638,569.60 times 80 percent equals \$510,855.68. The 80 percent factor is used for weighting and represents a deduction to the available DBE's that may not be able to participate on this contract. Divided the weighted factor of \$510,855.68 by the total work item \$4,977,967 to arrive at the 10 percent. ($\$510,855.68 / \$4,977,967 = .10$)

8. Confirmed that as a condition of being authorized to bid or propose on FTA-assisted contracts for bus purchases that each Transit Vehicle Manufacturer (TVM) has complied with the requirements of 49 CFR Part 26 (the DBE participation program).

¹ This is the percentage of work that can be performed by a DBE subcontractor for each item of work



Caltrans District 6