

FY 2022 - FY 2024

Overall Goal for

Disadvantaged Business Enterprise

Participation in Federal Transit Administration

Assisted Programs

Prepared by the

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Disadvantaged Business Enterprise (DBE)

FY 2022 - FY 2024 Triennial Overall DBE Goal for FTA-Assisted Programs

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Disadvantaged Business Enterprise (DBE)

FY 2022 - FY 2024 Triennial Overall DBE Goal for FTA-Assisted Programs

INTRODUCTION

The Santa Barbara Metropolitan Transit District (MTD) has prepared this FY 2022 - FY 2024 triennial overall Disadvantaged Business Enterprise (DBE) goal for projects assisted by the U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), in compliance with Code of Federal Regulations (CFR) Title 49--Transportation, Subtitle A--Office of the Secretary of Transportation, Part 26--Participation By Disadvantaged Business Enterprises In Department Of Transportation Financial Assistance Programs, Subpart C--Goals, Good Faith Efforts, and Counting, Section 26.45--How do recipients set overall goals.

The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for USDOT-assisted contracts. The program is narrowly-tailored in accordance with applicable law.

BACKGROUND

As a condition of receiving funding from FTA, MTD annually signs an assurance that it will comply with FTA's DBE requirements. In accordance with Title 49 CFR Part 26 provisions, MTD is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects. This document presents MTD's Overall DBE Goal and Methodology for FY 2022 - FY 2024.

FTA-ASSISTED CONTRACTING PROGRAM

MTD currently utilizes its FTA Section 5307 funding for operations. Thus, all of MTD's operating expenditures are federalized. MTD's FY 2022 budget estimates Section 5207 funding to total \$5,812,679. MTD also has budgeted an additional \$6,285,796 in COVID-19 relief funding for FY 2022. Thus, FTA operating assistance for FY 2022 is budgeted at a total of \$12,098,475. This represents 43.0 percent of MTD's FY 2022 operating budget. The percentage of MTD's operating funding from the Section 5307 program and COVID-19 relief is not expected to change significantly in FY 2023 or FY 2024. Thus, it is assumed that 43.0 percent of every MTD operating expenditure will be from FTA funds for the entire three-year period.

Table 1 below lists the operating expenditures that comprise potential contracting opportunities in FY 2022. These contracting opportunities comprise 23.3 percent of MTD's operating budget. The table includes both the total amount budgeted and the FTA share (i.e., 43.0 percent of the total) of each potential contracting opportunity. As shown in the table, nearly \$6.6 million in total funds, including more than \$2.8 million in FTA funds, are potentially available for contracting opportunities. This amount is not expected to vary significantly in FY 2023 or FY 2024.

TABLE 1: MTD FY 2022 Operating Budget Contracting Opportunities

OPERATIONS	TOTAL COST	FTA SHARE
<i>Drivers</i>		
Uniforms	\$20,000	\$8,591
<i>Hiring & Training</i>		
Medical Exams & License Fees	\$30,000	\$12,886
Employment Advertising	\$10,000	\$4,295
Training, Travel & Meetings	\$5,000	\$2,148
<i>Risk & Safety</i>		
Public Liability - Professional Services	\$169,886	\$72,972
Public Liability - Insurance	\$539,995	\$231,948
Workers Comp - Professional Services	\$303,881	\$130,528
Workers Comp - Insurance	\$185,250	\$79,572
Workers Comp - Misc Risk & Safety	\$20,000	\$8,591
<i>Transportation Subsidies</i>		
ADA Complementary Paratransit	\$1,376,274	\$591,161
MAINTENANCE		
<i>Mechanics</i>		
Uniforms	\$18,000	\$7,732
<i>Cleaners & Fuelers</i>		
Uniforms	\$6,864	\$2,948
Medical Exams & License Fees	\$3,000	\$1,289
<i>Supervision</i>		
Training, Travel & Meetings	\$10,000	\$4,295
<i>Vehicle Consumables</i>		
Fuel & Lubrication	\$1,318,085	\$566,166
Tire Lease	\$152,447	\$65,482
Tire Mounting	\$12,000	\$5,154
<i>Vehicle Parts & Supplies</i>		
Subtotal (All)	\$713,300	\$306,389
<i>Vendor Bus Repairs</i>		
Subtotal (All)	\$60,000	\$25,772
<i>Risk & Safety</i>		
Workers Comp - Professional Services	\$15,994	\$6,870
Workers Comp - Insurance	\$9,750	\$4,188
PASSENGER ACCOMMODATIONS		
<i>Passenger Facilities</i>		
Bldgs & Grds - Subtotal (All)	\$107,894	\$46,344
<i>Transit Development</i>		
Training, Travel & Meetings	\$3,000	\$1,289
Planning Services & Supplies	\$120,000	\$51,544
<i>Marketing & Community Relations</i>		
Media Ad Placement	\$16,000	\$6,873
Brochures, Publications, & Promotions	\$155,000	\$66,578
Market Research	\$2,500	\$1,074
Training, Travel & Meetings	\$3,000	\$1,289
<i>Fare Revenue Collection</i>		
Outside Services - Subtotal (All)	\$71,800	\$30,841
GENERAL OVERHEAD		
<i>Finance</i>		
Financial Audit Services	\$44,200	\$18,986
<i>Utilities</i>		
Telephone & Data Communication	\$95,000	\$40,806
Two-Way Radios	\$15,000	\$6,443
<i>Operating Facilities</i>		
Service Vehicles - Subtotal (All)	\$53,400	\$22,937
Bldgs & Grds - Contract Maintenance	\$127,680	\$54,843
Bldgs & Grds - Other	\$158,706	\$68,170
<i>District Administration</i>		
Admin Services - Public Officials Insurance	\$106,687	\$45,826
Admin Services - Legal Counsel	\$80,000	\$34,363
Admin Services - Pension Admin	\$3,000	\$1,289
Admin Services - Licenses & Equipment Maintenance	\$250,000	\$107,384
Admin Services - Miscellaneous Services	\$100,000	\$42,954
Admin Services - Office & Computer Supplies	\$35,000	\$15,034
Admin Services - Conferences, Meetings & Training	\$5,000	\$2,148
Admin Services - Bus Ad Revenue Program	\$0	\$0
Admin Services - Misc	\$30,000	\$12,886
GRAND TOTAL CONTRACTING OPPORTUNITIES	\$6,562,593	\$2,818,877

As shown in Table 2, MTD anticipates the use of FTA funds for one capital project, a contactless fare payment system, which is applicable to the overall DBE goal during the triennial period. (MTD also anticipates the use of FTA funds for revenue vehicle purchases. Pursuant to FTA regulations, transit revenue vehicle purchases are not included in this calculation of MTD’s overall DBE annual goal.)

TABLE 2: MTD FY 2022 Capital Projects

Capital Projects	Total Cost	FTA Share*
Revenue Vehicles	\$19,741,726	n/a
Other Capital Projects	\$7,906,000	\$1,500,000
<i>Total Capital Projects</i>	<i>\$27,647,726</i>	<i>\$1,500,000</i>

*Excluding revenue vehicles.

MTD’s total contracting opportunities that are applicable to the overall DBE goal-setting process are presented in Table 3. As the table shows, in FY 2022 MTD expects to have a total of \$4,318,877 of FTA funds in FTA-assisted contracting opportunities.

TABLE 3: MTD FY 2022 Contracting Opportunities Summary

Line Item	FTA Share
Federal Operating Contracting Opportunities	\$2,818,877
Federal Capital Contracting Opportunity	\$1,500,000
<i>Total Federal Contracting Opportunities</i>	<i>\$4,318,877</i>

GOAL METHODOLOGY

Step 1: Determination and Weighting of a Base Figure

MTD does not have any subrecipients. MTD followed an approved federal methodology to determine the Base Figure for the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid on MTD’s FTA-assisted potential contracting opportunities. Table 4 presents the North American Industry Classification System (NAICS) codes for the various potential contracting opportunities shown in Table 1 above. Table 4 also presents the number of all firms, the number of DBE firms certified by the California Unified Certification Program (CUCP), and the percent of all firms that are CUCP-certified DBE firms for those NAICS codes.

TABLE 4: Total Firms & California Unified Certification Program (CUCP) DBE Firms by NAICS Code

NAICS Codes	Description	Number of Firms ¹		Percent DBE
		All Firms	DBE Firms	
441310	Automotive Parts & Accessories Stores	2,097	4	0.19%
441320	Tire Dealers	1,211	4	0.33%
443142	Electronics Stores	1,756	3	0.17%
444130	Hardware Stores	746	5	0.67%
453210	Office Supplies & Stationery Stores	475	8	1.68%
454310	Fuel Dealers	64	0	0.00%
485991	Special Needs Transportation	236	9	3.81%
517110	Wired Telecommunications Carriers	1,610	7	0.43%
517210	Wireless Telecommunications Carriers (except Satellite)	2,067	1	0.05%
522110	Commercial Banking	5,007	0	0.00%
524210	Insurance Agencies & Brokerages	9,922	21	0.21%
524291	Claims Adjusting	198	8	4.04%
524292	Third Party Admin. of Insurance & Pension Funds	356	4	1.12%
541110	Offices of Lawyers	18,037	27	0.15%
541430	Graphic Design Services	2,367	164	6.93%
541611	Admin. Management Consulting Services	7,757	852	10.98%
541850	Outdoor Advertising	225	30	13.33%
541860	Direct Mail Advertising	190	26	13.68%
541890	Other Services Related to Advertising	523	50	9.56%
561311	Employment Placement Agencies	882	31	3.51%
561439	Other Business Service Centers (including Copy Shops)	602	14	2.33%
561499	All Other Business Support Services	270	51	18.89%
561720	Janitorial Services	3,341	99	2.96%
561730	Landscaping	4,353	60	1.38%
561790	Other Services to Buildings & Dwellings	853	46	5.39%
611420	Computer Training	95	64	67.37%
611430	Professional & Management Development Training	428	175	40.89%
621999	All Other Misc. Ambulatory Health Care Services	301	5	1.66%
811121	Automotive Body, Paint, & Interior Repair & Maintenance	2,962	9	0.30%
811122	Automotive Glass Replacement Shops	295	1	0.34%
811212	Computer & Office Machine Repair & Maintenance	445	20	4.49%
811213	Communication Equipment Repair & Maintenance	92	8	8.70%
812331	Linen Supply	81	2	2.47%
	Total/Base Figure	69,844	1,808	2.59%

Note 1: All firms from 2017 County Business Patterns (US Census Bureau); DBE firms from 2021 CUCP (Caltrans).

The methodology included accessing the 2017 U.S. Census Bureau County Business Patterns NAICS codes database (for all firms) and the 2021 CUCP-certified DBE database (for DBE firms) in the categories of work defined in Table 1 for MTD's market area. For all firms, the market area comprises the following California counties: Los Angeles, Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura. For DBE firms, the market area comprised all CUCP-certified DBE firms that indicated an interest in working in Santa Barbara County. This methodology resulted in a Base Figure that 2.59 percent of all available firms in the MTD market area are certified by the CUCP as DBE firms.

MTD next weighted the Base Figure using the "Weighted Base Figure Worksheet" provided by FTA. Table 5 below shows the results of the weighting process. As shown, the Weighted Base Figure resulting from this methodology is 2.32 percent.

Step 2: Adjusting the Base Figure

Following the establishment and weighting of the Base Figure, MTD reviewed and assessed other evidence that could potentially affect the relative availability of DBEs within the market area. This is in accordance with the prescribed narrow-tailoring provisions set forth under 49 CFR Part 26.45.

Past DBE Goal Attainment

Historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform. Thus, MTD calculated past DBE participation attainments for the three most recent completed federal fiscal years:

- FFY 2018 - 2.16%
- FFY 2019 - 0.65%
- FFY 2020 - 0.54%

In the first six months of FFY 2021, MTD achieved 0.40%. MTD continues to believe that the Weighted Base Figure of 2.32 percent is achievable with the continuation of the agency's enhanced effort to encourage DBE firms to become certified by the CUCP and bid on MTD projects. Thus, MTD believes that it is not appropriate to revise the Base Figure based on past DBE goal attainment.

Evidence from Disparity Studies

MTD is not aware of any disparity studies conducted within our jurisdiction. However, the Los Angeles County Metropolitan Transportation Authority (Metro) conducted a disparity study in 2012 (the "Metro 2012 DBE Program Disparity Study"). MTD currently uses a strictly race-neutral DBE program. If MTD continues to fail to reach its DBE overall goal, the agency will re-evaluate its DBE program to determine whether contract goals are necessary to achieve the overall goal.

TABLE 5: Weighted Base Figure

NAICS Codes	Description	Weight	Availability	Weighted Base Figure
441310	Automotive Parts & Accessories Stores	0.10869	0.00191	0.0002
441320	Tire Dealers	0.02506	0.00330	0.0001
443142	Electronics Stores	0.00000	0.00171	0.0000
444130	Hardware Stores	0.00000	0.00670	0.0000
453210	Office Supplies & Stationery Stores	0.00533	0.01684	0.0001
454310	Fuel Dealers	0.20085	0.00000	n/a
485991	Special Needs Transportation	0.20971	0.03814	0.0080
517110	Wired Telecommunications Carriers	0.01448	0.00435	0.0001
517210	Wireless Telecommunications Carriers (except Satellite)	0.00229	0.00048	0.0000
522110	Commercial Banking	0.01094	0.00000	n/a
524210	Insurance Agencies & Brokerages	0.12825	0.00212	0.0003
524291	Claims Adjusting	0.00000	0.04040	0.0000
524292	Third Party Admin. of Insurance & Pension Funds	0.07813	0.01124	0.0009
541110	Offices of Lawyers	0.01219	0.00150	0.0000
541430	Graphic Design Services	0.02362	0.06929	0.0016
541611	Admin. Management Consulting Services	0.00674	0.10984	0.0007
541850	Outdoor Advertising	0.00000	0.13333	0.0000
541860	Direct Mail Advertising	0.00000	0.13684	0.0000
541890	Other Services Related to Advertising	0.00853	0.09560	0.0008
561311	Employment Placement Agencies	0.00000	0.03515	0.0000
561439	Other Business Service Centers (including Copy Shops)	0.00000	0.02326	0.0000
561499	All Other Business Support Services	0.01867	0.18889	0.0035
561720	Janitorial Services	0.00000	0.02963	0.0000
561730	Landscaping	0.01946	0.01378	0.0003
561790	Other Services to Buildings & Dwellings	0.05586	0.05393	0.0030
611420	Computer Training	0.00000	0.67368	0.0000
611430	Professional & Management Development Training	0.00396	0.40888	0.0016
621999	All Other Misc. Ambulatory Health Care Services	0.00503	0.01661	0.0001
811121	Automotive Body, Paint, & Interior Repair & Maintenance	0.01728	0.00304	0.0001
811122	Automotive Glass Replacement Shops	0.00000	0.00339	0.0000
811212	Computer & Office Machine Repair & Maintenance	0.03809	0.04494	0.0017
811213	Communication Equipment Repair & Maintenance	0.00000	0.08696	0.0000
812331	Linen Supply	0.00684	0.02469	0.0002
Total				0.0232
Percent				2.32%

If after re-evaluation MTD believes a race-conscious program is necessary, MTD, as required by the Western States decision, will gather evidence to determine if discrimination in the transportation contracting industry is present.

DBE goal of Another Recipient

MTD did not base its DBE goal on the DBE goal of another recipient.

Evidence from Related Fields

MTD is unaware of any disparities in the ability of DBEs to get the financing, bonding, and insurance required to participate in MTD's program. MTD is also unaware of any data on employment, self-employment, education, training and union apprenticeship programs that MTD can relate to the opportunities for DBEs to perform in its program.

Continuing Effects of Past Discrimination

MTD is unaware of any demonstrable evidence that is logically and directly related to continuing effects of past discrimination. Thus, MTD has no basis to adjust the base figure to alleviate the continuing effects of past discrimination.

OVERALL DBE GOAL

As discussed under Goal Methodology: Step 2 above, MTD has no basis for adjusting the base figure. Thus, MTD's final triennial overall DBE goal for FY 2022 - FY 2024 for DBE participation in FTA-assisted programs is 2.32 percent. The goal is available for all CUCP-certified DBEs on a Race Neutral basis.

If appropriate, MTD may adjust the three-year overall goal during the three-year period to which it applies, in order to reflect changed circumstances. If so, MTD will submit such an adjustment to the FTA for review and approval.

RACE-NEUTRAL IMPLEMENTATION MEASURES

MTD will employ various actions to increase future DBE participation and achieve the overall goal:

- MTD will continue to identify existing contractors that could potentially qualify for CUCP certification as DBE firms, and will encourage such firms to apply for certification. Staff will assist such firms in their application as appropriate.
- MTD will increase staff participation in outreach opportunities to firms that may qualify for DBE certification, including professional organizations and publications geared to such firms. Staff will encourage interested firms to apply for DBE certification and will assist them as appropriate.

- MTD will work with nearby transit operators to consider joint participation in DBE-oriented contracting information events.
- MTD will continue to identify strategies for increasing DBE participation if the agency continues to fail to meet its DBE goal. Such strategies may include the future implementation of a race-conscious component.

Fostering Small Business Participation

MTD's DBE program includes an element to structure contracting requirements to facilitate competition by small business concerns. The element takes all reasonable steps to eliminate obstacles to participation by small business concerns.

The small business participation element includes the following strategies:

- In multi-year design-build contracts, MTD will require bidders on the prime contract to specify elements of the contract or specific subcontracts that are of a size that small businesses, including DBEs, can reasonably perform.
- On prime contracts exceeding \$100,000, MTD will encourage the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.
- MTD will structure applicable procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBEs, to compete for and perform prime contracts.
- To meet the portion of MTD's overall goal projected to be met through race-neutral measures, MTD will ensure that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.
- MTD will actively implement these program elements to foster small business participation a requirement of good faith implementation of MTD's DBE program.

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

MTD conducted the following outreach activities during the development of the overall DBE goal:

- MTD published a link on the agency's website (www.sbmtd.gov) to MTD's DBE program, including this Triennial Goal document, for a public comment

period on June 30, 2021 (see Attachment 1). The document will remain posted on the website during the entire three-year period.

- Staff emailed DBE information to various advocacy groups representing potential DBE firms and general contracting firms for dissemination to their members.
- On July 19, 2021, MTD conducted an online virtual meeting to describe MTD's DBE program and the methodology that was utilized to arrive at the proposed DBE goal. The meeting was open to all persons or businesses that were interested in attending. MTD staff prepared and circulated a press release regarding the virtual meeting. MTD also published an "MTD News" item on the agency's website regarding the virtual meeting (see Attachment 2).
- Staff will continue to work with existing vendors that may be eligible to become certified DBE firms to encourage them to apply for certification.
- Staff will continue to reach out to appropriate groups to present MTD's DBE program and solicit their input into the agency's goal-setting process.

Attachment 1

Excerpt from MTD's "Doing Business" Webpage:

DISADVANTAGED BUSINESS ENTERPRISE GOAL

It is MTD's policy to create a level playing field for Disadvantaged Business Enterprises, ensure the program is narrowly tailored to applicable law, ensure that only firms that meet eligibility standards participate in the program, and assist in the development of firms so they can compete successfully in the marketplace outside of the DBE program.

MTD will take every necessary and reasonable step under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal Transit Administration assisted contracts.

To qualify as a DBE a firm must meet the eligibility criteria stated in 49 CFR Part 26 and be certified through the California Unified Certification Program which is supervised by the California Department of Transportation (Caltrans). General information and details about eligibility requirements and becoming certified as a DBE can be found by clicking on the following links:

- [Draft Disadvantaged Business Enterprise Goal FY 22-24](#)
- [California Unified Certification Program](#)
- [Caltrans DBE Federal Program Resources](#)



Attachment 2

MTD TO HOST VIRTUAL WORKSHOP FOR LOCAL SMALL BUSINESS OWNERS

SANTA BARBARA—Santa Barbara MTD is hosting a virtual workshop for local business owners to learn more about becoming a certified disadvantaged business enterprise (DBE), and about future contracting opportunities with MTD.

DBEs are defined as small businesses with minority or woman ownership of at least 51%. MTD has an average of \$6 million in contracting opportunities each year, and actively seeks certified DBE firms to bid on those contracts.

To share information about MTD's goals and process, and to answer any questions a business owner might have, a public virtual workshop will be held via Zoom:

Date: **Monday, July 19, 2021**

Time: **12:00 p.m. to 12:45 p.m.**

[Zoom registration link here.](#)

MTD is also welcoming input on the agency's proposed Disadvantaged Business Enterprise (DBE) goal for FFYs 2022 – 2024. The Santa Barbara Metropolitan Transit District (MTD) has developed the proposed goal in accordance with Title 49 of the Code of Federal Regulations,

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participate in contract planning, or rely, funded by the Federal Highway Administration of the U.S. Department of Transportation.

The proposed DBE triennial overall goal is 2.32%, to be achieved through race-neutral measures (i.e., with no contract goals). The proposed DBE goal and methodology is available on the MTD website at <https://sbmtd.gov/about/doing-business/>. The overall goal is for the three-year period that begins October 1, 2021 and ends September 30, 2024.

Questions or comments on the goal or methodology may be submitted through MTD's website at <https://sbmtd.gov/about/about-mtd/> or by emailing Steve Maas at smaas@sbmtd.gov.

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