Culver City Municipal Bus Lines
Disadvantaged Business Enterprise (DBE)
Federal Fiscal Years 2020, 2021 & 2022 Annual Goal

CULVER CITY BUS ANNUAL DBE GOAL CALCULATIONS
FFY 2020, FFY 2021 & FFY 2022

I. Amount of DBE Goal

The Culver CityBus (CCB) overall goal for the FFYs 2020, 2021, and 2022 is the following: 14.22%

II. Federal Capital Procurement – Culver City’s Culver CityBus Fiscal Years 2020, 2021, and 2022

The following represents the FTA-assisted contracting opportunities considered in the overall goal setting for fiscal years 2020, 2021, and 2022.

TABLE I – Contracting Opportunities

<table>
<thead>
<tr>
<th>Description of Work</th>
<th>NAICS Category*</th>
<th>Budgeted Amount</th>
<th>Amount of Federal Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shop In-ground Lift Replacement</td>
<td>236210</td>
<td>$800,000</td>
<td>$598,237</td>
</tr>
<tr>
<td></td>
<td>238910</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Site Preparation Contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Bus Stop Furnishings</td>
<td>236220</td>
<td>$3,334,200</td>
<td>$2,648,383</td>
</tr>
<tr>
<td></td>
<td>337127</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bus Shelter Manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Available to DBEs</td>
<td></td>
<td>$4,134,200</td>
<td>$3,246,620</td>
</tr>
</tbody>
</table>

*NAICS – North American Industry Classification System 2017

III. Goal Methodology

Step 1 – Determination of Base Figure

The annual goal methodology used is in accordance with the U.S. Department of Transportation (DOT) DBE Program Final Rule, 49 Code of Federal Regulation (CFR), Part 26. Calculations were performed to establish the Culver CityBus Base Figure for the relative availability of Disadvantaged Business
Enterprise (DBEs) in relation to all comparable firms available for CCB contracting opportunities identified for the next three years, 2020, 2021, and 2022 (Table 1). The DBEs are those who by definition in local databases are ready, willing and able to compete for the number of contracts as listed above.

The DBE database used to identify available DBE firms was the California Unified Certification Program (CUCP) Statewide DBE Directory, which is available at the CUCP website, Caltrans District 7 was the area used to identify the number of DBEs. Firms in Los Angeles County are included in that listing. The United States Census Bureau (2017 Economic Census – Business Patterns) for Los Angeles County was used to identify all available firms in the local market area. The majority of the contractors who do business in the City are drawn from this area.

The availability data for each contracting opportunity by NAICS code (North American Industry Classification System) from the California Unified Certification Program (CUCP) database (DBEs available) and from the Census Bureau database (all listed available) are listed as follows:

1. **Shop In-ground Lift Replacement**
   - Industrial Building Construction/Electrical Contractors and Other Wiring Installation Contractors (#236210) + Site Preparation Contractors (#238910)
   
   \[
   \text{DBEs Available: } 224 \text{ (Construction & Electrical) } + 39 \text{ (Site Preparation) } = 263 \\
   \text{All Firms Available: } 994 \text{ (Construction) } + 1,886 \text{ (Electrical) } = 2,880 \\n   = 9.13\%
   \]

2. **Bus Stop Furnishings**
   - Bus Shelter Construction Contractor (#236220) and Bus Shelters (#337127)

   \[
   \text{DBEs Available: } 141 \text{ (Construction) } + 1 \text{ (Manufacturing) } = 142 \\
   \text{All Firms Available: } 914 \text{ (Construction) } + 9 \text{ (Furniture) } = 923 \\n   = 15.38\%
   \]
TABLE II – DBE Availability

<table>
<thead>
<tr>
<th>NAICS Item</th>
<th>Available DBEs</th>
<th>All Available Firms</th>
<th>Relative Availability as Percent</th>
<th>Project Federal Funding</th>
<th>DBE Federal Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>236210 Industrial Building Construction/Electrical Contractors and Other Wiring</td>
<td>263</td>
<td>2,880</td>
<td>9.13%</td>
<td>$598,237</td>
<td>$54,619</td>
</tr>
<tr>
<td>239810 Site Preparation Contractors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>236220 Bus Shelter Construction</td>
<td>142</td>
<td>923</td>
<td>15.38%</td>
<td>$2,648,383</td>
<td>$407,321</td>
</tr>
<tr>
<td>337127 Bus Shelter Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DBE Federal Funding Calculation:**

Shop In-ground Lift Replacement: 263/2,880 = 9.13% * $598,237 = 54,619
Bus Shelters: 142/923 = 15.38% * $2,648,383 = $407,321

**Total Base Figure (DBE Federal Funding):**

$461,940

**Total Federal Funding Opportunities Available to DBEs (From Table I):**

$3,246,620

**DBE Goal = Total Base Figure/Total Federal Funding Opportunity:**

14.22%

**DBE Goal**

B. Step 2 – Adjustments to Base Figure

Upon establishing the Base Figure, Culver CityBus reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the City of Culver City’s market area, in accordance with provisions set forth under 49CFR Part 26.45 Step 2: DBE Goal Adjustment Guidelines. Evidence considered in making an adjustment to the Base Figure included the Culver CityBus past DBE goal attainments, market area disparity studies, and a review of the DBE goal methodology of other transit agencies in our area with similar contracting programs. The final determination resulted in no adjustment to the base figure. Determining factors are detailed as follows:

(1) Past DBE Goal Attainments

Culver CityBus considered an adjustment to the current Base Figure based on historical DBE goal attainments on similar projects and contracting opportunities during the past three (3) years. For the period of FFY17 through FFY19, the CNG Station Compressor Replacement Project, Bus Wash Replacement, and the Bus Furnishings Replacement Projects were
identified in our DBE goal methodology, and a DBE goal of 6.97% was calculated. The Culver CityBus expenditure of FTA funds is generally limited to transit bus procurements, FTA-authorized preventative maintenance activities, and transit capital projects which require multiple years to accumulate funding for full project implementation. Thus, as noted, one of the two projects within this current DBE goal methodology is the same as one that was identified in the prior DBE goal methodology, and which resulted in a DBE goal which was lower than that calculated herein for FFY20-FFY22. No activity has occurred on any of these projects during the prior three-year period; they have experienced delays in implementation due not only to lack of full adequate funding until now. These two projects are now active and a better assessment of goal attainment can be made during subsequent reports.

One project was added to the subsequent next three-year period and goal methodology, the Shop In-ground Lift Replacement, which actually may have contributed to the increase in the goal between periods. The redistribution of FTA project funding and more DBE contractors who perform that work are likely factors which increased the goal value. Due to the evidence set forth, Culver CityBus did not make an adjustment to the Base Figure as a result of a review of past DBE goal attainments.

*(2) Consideration of Disparity Studies*

The Culver CityBus did not find it feasible to conduct its own independent availability/disparity study. However, Culver CityBus identified two (2) disparity studies that included Culver CityBus market area to consider in the assessment of whether a Race-Conscious DBE Program should be adopted by the Culver CityBus. The two identified disparity studies were the Caltrans Disparity Study and The Los Angeles County Metropolitan Transportation Authority (Metro) Disparity Study.

The Caltrans Disparity Study, completed in 2016, analyzed whether there were any disparities between contracting dollars for minority and women-owned businesses statewide. The Caltrans Disparity Study included thousands of contracts in the Culver City. Thus, Culver CityBus determined that the Caltrans study is not applicable based on the differences in areas outside of the City’s market area. Additionally, there was a difference in the size and type of contracting opportunities which do not coincide with the types of projects for Culver City. The City determined not to use this Disparity Study to apply an adjustment to the base figure or the current race-neutral DBE measures.

The second disparity study taken into consideration was Metro’s 2017 Disparity Study. Metro also analyzed whether there were any disparities between contracting dollars for minority and women-owned businesses for the local Los Angeles region. In addition, Metro’s Disparity Study emphasized very large and complex projects, which were not similar in scope to Culver City’s projects. Due to significant variances in dollars expended, the City has concluded that the expenditure based on type of federal projects vary too greatly to fully adopt Metro’s Disparity Study. This Study did not support an adjustment to the base figure or race-neutral DBE measures. For the reasons reviewed above, no adjustment to the Base Figure has been made at this time. Culver CityBus will continue to review applicable disparity studies as they become available and apply the appropriate adjustments to their DBE Program.
(3) DBE Goals of Other Local Agencies

Culver CityBus surveyed the goals of other FTA recipients within our local market area having similar contracting programs and transit projects to assess whether an adjustment to our goal could be warranted. The following agencies were reviewed: Torrance Transit, City of Redondo Beach Transit, Foothill Transit and Gardena GTrans. However, after a review of these DBE goals, Culver CityBus has determined that an adjustment based on this factor is not warranted.

(4) Other Evidence

Culver CityBus did not receive any evidence to the contrary, nor are we aware of any other factors which would have a material effect on the ability of DBEs within our market area to participate (i.e. meet bonding, insurance and financial requirements) in Culver CityBus’ FTA-assisted contracting programs. Thus, no goal adjustment was made in consideration of this factor. However, Culver CityBus continues to explore and consider all available evidence that would materially affect the opportunities for DBEs to participate in our FTA-assisted contracting programs by expanding our network of communication with DBEs in our region.

3. No adjustment is being made to the base figure. Outreach efforts will be conducted to enhance the success of DBE construction awards. A DBE firm could be awarded the prime or major subcontracts in the Shop In-ground Lift Replacement and Bus Stop Furnishings.

IV. Race Neutral Participation Measures

Race neutral measures will be used to meet the entire established goal. Culver City’s Culver CityBus has not conducted a disparity study and does not have adequate evidence of past discrimination according to the ruling of the 9th Circuit Court of Appeals and the guidance provided by the Department of Transportation. The Los Angeles Metropolitan Transportation Authority is currently conducting a disparity study to ascertain the evidence of discrimination and its effects in the greater Los Angeles region. Because of the similarity in the geographic area that will be covered in the study, Culver CityBus will be able to utilize the information gathered in that effort rather than incurring the costs associated with conducting a separate study.

The race neutral measures that will be employed by the Culver City Transportation Department include:

• Create and maintain bidder’s lists to inform DBE and non-DBE firms of solicitations and future contracting opportunities.
• Monitoring the requests for bid documents for DBE participation and contracting DBEs to determine their attendance at pre-bid meetings and intent to bid.
• Surveying DBEs to determine reasons, if any, for non-participation in Culver CityBus projects.
• Public notice of advertisements in various newspapers and trade journals as well as local chambers of commerce that will facilitate DBEs and other small business participation.
• Refer interested firms of the existence of the Unified DBE Certification process and DBE directories.
• Prompt payment clauses for subcontractors will be included in all contracts.
- Require prime contractors who bid on FTA projects and sign DBE Certification Forms as part of their proposals, to present proof of viable DBE programs and utilization of DBE lists in their own solicitations for subcontractors.

V. Public Participation Process

In compliance with engagement with the DBE community and stakeholders, Culver City Transportation will be hosting a community meeting on Tuesday, October 29, 2019 from 10:00 am to 11:30 am at the Culver City Transportation Facility 2nd Floor Conference Room, 4343 Duquesne Avenue, Culver City, California 90232. At that time, Culver City will present the annual DBE Goal and Calculation for Fiscal Years 2020 through 2022, receive comments and respond to any questions.

Notification of this meeting will be disseminated through our comprehensive DBE email distribution list which includes the following: minority and women business associations, general contractor groups, community organizations, small business associations, chambers of commerce, contractor associations, and unions. Upon completion of the public meeting, a summary of the event and any comments received will be provided to the FTA.

Notification of the updated proposed DBE Goal will also be posted for public review on social media (Culver City Facebook and Twitter), and on the City of Culver City website here.

This concludes the documented Revised DBE Goal Methodology associated with Federal Department of Transportation-assisted Culver CityBus contracts for FFY 2020 – FFY2022. Please direct any questions or comments to:

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Jane.leonard@culvercity.org