



**BOARD OF DIRECTORS  
JULY 27, 2018**

**ACTION REQUESTED: APPROVE**

**FEDERAL TRANSIT ADMINISTRATION FINAL  
FEDERAL FISCAL YEAR 2019-2021 DISADVANTAGED  
BUSINESS ENTERPRISE PROGRAM TRIENNIAL GOAL**

File Number 8000161

**Introduction**

The SANDAG Disadvantaged Business Enterprise (DBE) Program is designed to level the playing field and encourage DBE participation on SANDAG contracts that utilize Federal Transit Administration (FTA) funding. The U.S. Department of Transportation requires submission of a DBE goal-setting methodology on a three-year basis, which establishes an agency-wide DBE goal for FTA-assisted contracts.

**Recommendation**

The Board of Directors is asked to approve the Final Proposed Triennial Goal for the Federal Transit Administration Overall Disadvantaged Business Enterprise Goal-Setting Methodology for Federal Fiscal Year (FFY) 2019 to FFY 2021.

At its May 25, 2018, meeting, the Board of Directors accepted the release of the Draft FFY 2019-2021 Triennial DBE Goal Methodology to the public for a 30-day comment period. SANDAG received and evaluated questions and comments through focused meetings with numerous minority and trade organizations and a Small Business Facilitation Forum that was open to the public and held on June 20, 2018. Valuable input was received that may result in overall process improvement; however, no adjustments to the goal or methodology are proposed based on the comments received.

**Discussion**

***Proposed Overall Triennial DBE Goal Calculation Methodology for FFY 2019-2021***

The proposed overall goal for FFY 2019-2021 (Attachment 1) is 10.3 percent. Compared to the previous goal of 8 percent, the FFY 2019-2021 goal considers the increased DBE participation in the existing period (FFY 2016-2018) as well as the estimated availability of DBEs in the SANDAG market area for work projected in FTA-assisted contracts over the next three years.

During the upcoming triennial period SANDAG is scheduled to conduct annual reviews to account for changes that may warrant an adjustment to the goal. The annual review of the goal is done to ensure the program is appropriately tailored to SANDAG specific contracts, the relevant market area and available DBEs throughout the triennial period.

### **Public Participation and Facilitation**

In accordance with public participation requirements, minority, women, local business associations, and community organizations within the SANDAG market area were consulted and provided with an opportunity to review the triennial goal analysis and provide input. SANDAG also posted a website notice of the proposed FTA Overall DBE Goal Setting Methodology (Attachment 2); conducted one-on-one meetings with industry and trade groups, including minority and women-specific groups; and hosted a Small Business Public Facilitation Forum as part of this process.

All comments submitted or provided were carefully reviewed; however, the comments did not merit an adjustment to the proposed methodologies and goals that were released for public comment in May. The comments received did not address new evidence demonstrating the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, or the effects of SANDAG efforts to establish a level playing field for the participation of DBEs. The public participation process was conducted in conformance with 49 CFR Part 26.45. A summary of the public comments and responses is included in Attachment 3.

### **Next Steps**

Upon approval by the Board of Directors of the Triennial Goal for the FTA Overall DBE Goal-Setting Methodology (FFY 2019-2021), SANDAG staff will submit the DBE Triennial Goal report to the FTA Office of Civil Rights for review and approval.

KIM KAWADA  
Chief Deputy Executive Director

Attachments: 1. SANDAG FTA Overall DBE Goal-Setting Methodology  
2. Website Public Notice – Notice of Availability for Review and Comment – FTA Triennial DBE Overall Goal for Federal Fiscal Year 2019-2021  
3. Summary of Public Comments and Responses

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# **SAN DIEGO ASSOCIATION OF GOVERNMENTS**

**Federal Transit Administration (FTA)  
Overall DBE Goal-Setting Methodology**

**FFY 2019-FFY 2021**

**Submitted in fulfillment of:  
Title 49 Code of Federal Regulations Part 26**



# DBE GOAL METHODOLOGY

## I. INTRODUCTION

The San Diego Association of Governments (SANDAG) herein sets forth its Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2019-2021 (October 1, 2018 through September 30, 2021), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs.” The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for Department of Transportation-assisted contracts; however, the program must be narrowly tailored in accordance with applicable law.

## II. BACKGROUND

SANDAG is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, SANDAG signed an assurance that it will comply with FTA’s DBE requirements. In accordance with Title 49 CFR Part 26 provisions: Participation by DBEs in USDOT Programs, SANDAG is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects.

SANDAG herein presents its Overall DBE Goal Methodology for FFY 2019-2021.

## III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2019-2021

Table 1 represents SANDAG’s FTA-assisted contracting program, which consists of projects considered in preparing this goal methodology. The projects, which include both Construction and Professional Services contracting opportunities, are anticipated to be awarded during the first year of the triennial period. Information on contracts to be awarded for the 2nd and 3rd years of the triennial period are not yet available and therefore are not considered in this assessment. Each of these projects has potential subcontracting opportunities.

**Table 1**

Project Name	Total Estimated Project Cost	Estimated FTA Dollar Share	Estimated FTA % Share
23000.00 SANDAG Regional Travel Demand Model (ABM2) improvements for ease of use, performance stability and speed, and general model enhancements.	\$150,000	\$90,479	60.3%
23000.00 SANDAG ABM2 re-estimation of model structures and equations using the latest SANDAG collected travel surveys.	\$120,000	\$72,383	60.3%
23000.00 ABM database maintenance and data reporting support, including report code for 2019 Regional Plan.	\$55,000	\$33,176	60.3%



Project Name	Total Estimated Project Cost	Estimated FTA Dollar Share	Estimated FTA % Share
23000.00 Review of Service Bureau modeling procedures, input employment tables, and implementation of new procedures to streamline the modeling process	\$95,000	\$57,303	60.3%
23000.00 Model run support and staff assistance for conducting model runs and reviewing/debugging model results.	\$75,000	\$45,239	60.3%
23006.00 Development of strategic plan, framework and best practices for the acquisition, translation, management and delivery of data necessary to support modeling and forecasting product requirements.	\$50,000	\$15,563	31.1%
23011.00 Continue Transit Public Opinion study of regional residents regarding motivations for using transit and how to best improve service and increase ridership by adding focus groups.	\$109,500	\$35,475	32.4%
23011.00 Cross border travel behavior survey to update 2010 study and update the cross-border model component of the Activity-Based Model.	\$362,500	\$117,439	32.4%
33107.01 San Diego Forward: The 2019-2050 Regional Plan: Environmental Impact Report	\$550,000	\$120,613	21.9%
33107.02 San Diego Forward: The 2019-2050 Regional Plan: Modeling support economic analysis	\$50,000	\$10,965	21.9%
33107.02 San Diego Forward: The 2019-2050 Regional Plan: Content editor for the 2019 Regional Plan	\$90,000	\$19,737	21.9%
33107.03 Web development consultant to provide assistance in developing a data framework and structure, then developing the web interface design and ultimately launching the Data Portal.	\$82,400	\$82,400	100.0%
33107.04 Data collection services and technical assistance on climate action planning, and trainings for local jurisdiction staff in support of the climate action data portal development.	\$100,000	\$100,000	100.0%
33201.00 Triennial Transportation Development Act (TDA) Performance Audit	\$180,000	\$108,965	60.5%
73006.00 Assistance in carrying out update to the Language Assistance Plan	\$50,000	\$34,714	69.4%
80001.00 Review of current ADA program; recommendations to advance program	\$50,000	\$9,605	19.2%
80001.00 Records management consultant	\$50,000	\$9,605	19.2%



Project Name	Total Estimated Project Cost	Estimated FTA Dollar Share	Estimated FTA % Share
80001.41 On-Call Class/Comp Consulting Services	\$50,000	\$9,605	19.2%
80001.41 Consultant to conduct an Organizational Review as part of the Plan of Excellence.	\$125,000	\$24,013	19.2%
80001.42 Agency Training: Various Employee Development Classes	\$80,000	\$15,368	19.2%
80001.60 Comprehensive Disparity Study within the legal framework as established by 49 CFR Part 26.	\$500,000	\$96,050	19.2%
80001.90 Software Maintenance	\$815,260	\$156,611	19.2%
11461.00 Del Mar Bluffs IV. Includes the installation of piling, drainage improvements, and erosion control measures to protect the track bed and maintain existing drainage structures.	\$1,400,000	\$261,940	18.7%
11432.00 East Division Maintenance Facility. Demolition of the former Wonder Bread building, adjacent to the completed maintenance facility.	\$176,000	\$37,998	21.6%
CM On-Call Task Orders	\$14,175,000	\$2,835,000	20.0%
A&E On-Call Task Orders	\$28,000,000	\$5,320,000	19.0%
On-Call JOC	\$2,246,766	\$426,886	19.0%
On-Call Legal	\$2,307,875	\$438,496	19.0%
On-Call Marketing	\$1,064,718	\$202,296	19.0%
On-Call Modeling	\$1,746,824	\$331,897	19.0%
On-Call Planning	\$2,333,550	\$443,375	19.0%
	<b>\$57,240,394</b>	<b>\$11,563,194</b>	<b>20.2%</b>

\*Construction projects are shaded.

In addition to the above listed projects, SANDAG awards funding to several subrecipients. For the upcoming Fiscal Year 2019, FTA Grant 5309-Veterans Transportation and Community and Living Initiative (VTCLI) will provide \$60,000 in funding to 2-1-1 San Diego and its subcontractors to complete the San Diego County One Call/One Click Partnership Project proposal as approved by the FTA.

Also, in FY19, SANDAG will pass through approximately \$1,160,000 of FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities funds to subrecipients to continue providing transportation services for seniors and individuals with disabilities. During this time, emphasis will be on monitoring and oversight of subrecipients, providing technical assistance to grantees, internal process improvements, and overseeing vehicle awards. Subrecipients of this funding include organizations such as Jewish Family Services, Facilitating Access to Coordinated Transportation (FACT), and St. Madeleine Sophie's Center. These grantees use the awards to provide specialized transportation services, which also includes the purchase of transit vehicles.

Table 2 provides a summary of the categories of work with estimated cost breakdown for each. Categories of work are groups utilizing comparable North American Industry Classification System (NAICS) codes for purposes of weighting the categories of work based on the engineer's estimates.

**Table 2**

NAICS Code	Category of Work	Estimated FTA Dollars by NAICS <sup>1</sup>	Estimated FTA % by NAICS <sup>2</sup>
221310	Water supply and irrigation systems	\$65,485	0.6%
237310	Highway, street, and bridge construction	\$65,485	0.6%
238110	Poured concrete foundation and structure contractors	\$26,194	0.2%
238120	Structural steel and precast concrete contractors	\$78,582	0.7%
238140	Masonry contractors	\$26,194	0.2%
238210	Electrical Contractors	\$42,853	0.4%
238910	Site preparation contractors	\$49,040	0.4%
323111	Commercial Printing	\$30,717	0.3%
423610	Electrical Wholesalers	\$4,882	0.0%
488999	All other support activities for transportation	\$28,613	0.2%
492110	Couriers and express delivery services	\$4,215	0.0%
531320	Offices of real estate appraisers	\$12,534	0.1%
541110	Offices of lawyers	\$404,997	3.5%
541191	Title abstract and settlement offices	\$12,534	0.1%
541310	Architectural services	\$168,546	1.5%
541320	Landscape architectural services	\$164,874	1.4%
541330	Engineering services	\$4,996,883	43.2%
541370	Surveying and mapping (except geophysical) services	\$74,982	0.6%
541380	Testing laboratories	\$198,450	1.7%
541430	Graphic Design Services	\$26,994	0.2%
541511	Custom computer programming services	\$368,449	3.2%
541512	Computer systems design services	\$7,603	0.1%
541611	Administrative management and general management consulting services	\$1,144,965	9.9%
541612	Human resources consulting services	\$24,973	0.2%
541613	Marketing consulting services	\$292,986	2.5%
541618	Other management consulting services	\$56,700	0.5%
541620	Environmental consulting services	\$369,061	3.2%
541690	Other scientific and technical consulting services	\$2,210,858	19.1%
541820	Public Relations Agencies	\$140,230	1.2%
541830	Media Buying Agencies	\$6,796	0.1%
541850	Outdoor advertising	\$13,206	0.1%

<sup>1</sup> The Estimated FTA Dollars by NAICS column is calculated by determining the dollar value of work for each NAICS code on every project listed in Table 1.

<sup>2</sup> The Estimated FTA % by NAICS column is calculated by dividing the sum of all dollar values for the NAICS code by the total Estimated FTA Dollars.



NAICS Code	Category of Work	Estimated FTA Dollars by NAICS <sup>1</sup>	Estimated FTA % by NAICS <sup>2</sup>
541910	Marketing Research and Public Opinion Polling	\$14,492	0.1%
541930	Translation and Interpretation Services	\$5,535	0.0%
541990	All other professional, scientific, and technical services	\$384,945	3.3%
561439	Other business service centers (including copy shops)	\$4,215	0.0%
561499	All other business support services	\$19,075	0.2%
561730	Landscaping Services	\$16,048	0.1%
<b>TOTAL</b>		<b>\$11,563,194</b>	<b>100.0%</b>

#### IV. GOAL METHODOLOGY

##### **Step 1: Determination of a Base Figure (26.45)<sup>3</sup>**

To establish SANDAG’s Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid or propose on SANDAG’s FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, SANDAG followed the prescribed federal methodology to determine relative availability. This was accomplished by assessing the *California Unified Certification Program (CUCP) DBE Database of Certified Firms* and the *2016 U.S. Census Bureau County Business Patterns Database* within SANDAG’s market area for each of the categories of work defined in Table 2.

The Federal DBE program requires agencies to implement the DBE program based on information from the relevant geographic market area—the area in which the agency spends the substantial majority of its contracting dollars. SANDAG’s local market area consists of the geographic area in which a substantial majority of SANDAG’s contracting dollars are expended and/or where the substantial majority of contractor and subcontractor bids or quotes are located. SANDAG’s market area is defined as Orange and San Diego Counties. SANDAG’s bidder’s list was reviewed and it confirms this market area.

In accordance with the formula below, the Base Figure is derived by dividing the number of ready, willing and able DBE firms identified for each work category by the number of all firms identified for each corresponding work category (relative availability), weighting the relative availability for each work category by the corresponding work category weight from Table 2 (weighted ratio), and adding the weighted ratio figures together.

$$\text{Base Figure} = \sum \frac{(\text{Number of Ready, Willing and Able DBEs})}{\text{Number of All Ready, Willing and Able Firms}} \times \text{weight} \times 100$$

- ⇒ For the numerator: CUCP DBE Database of Certified Firms
- ⇒ For the denominator: 2016 U.S. Census Bureau’s Business Patterns Database

A concerted effort was made to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

<sup>3</sup> 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

The result of the Base Figure calculation is shown in Table 3 as follows:

**Table 3**

NAICS Code	Category of Work	Estimated FTA % by NAICS	DBEs <sup>4</sup>	All Firms <sup>5</sup>	Weighted Ratio <sup>6</sup>
221310	Water supply and irrigation systems	0.6%	7	22	0.2%
237310	Highway, street, and bridge construction	0.6%	54	75	0.4%
238110	Poured concrete foundation and structure contractors	0.2%	22	165	0.0%
238120	Structural steel and precast concrete contractors	0.7%	14	49	0.2%
238140	Masonry contractors	0.2%	5	133	0.0%
238210	Electrical Contractors	0.4%	34	776	0.0%
238910	Site preparation contractors	0.4%	40	208	0.1%
323111	Commercial Printing	0.3%	5	202	0.0%
423610	Electrical Wholesalers	0.0%	13	151	0.0%
488999	All other support activities for transportation	0.2%	1	6	0.0%
492110	Couriers and express delivery services	0.0%	0	81	0.0%
531320	Offices of real estate appraisers	0.1%	3	124	0.0%
541110	Offices of lawyers	3.5%	6	2367	0.0%
541191	Title abstract and settlement offices	0.1%	3	21	0.0%
541310	Architectural services	1.5%	22	313	0.1%
541320	Landscape architectural services	1.4%	15	104	0.2%
541330	Engineering services	43.2%	105	1106	4.1%
541370	Surveying and mapping (except geophysical) services	0.6%	20	54	0.2%
541380	Testing laboratories	1.7%	19	83	0.4%
541430	Graphic Design Services	0.2%	31	209	0.0%
541511	Custom computer programming services	3.2%	41	1075	0.1%
541512	Computer systems design services	0.1%	56	798	0.0%
541611	Administrative management and general management consulting services	9.9%	123	1222	1.0%
541612	Human resources consulting services	0.2%	15	128	0.0%
541613	Marketing consulting services	2.5%	51	821	0.2%
541618	Other management consulting services	0.5%	88	121	0.4%
541620	Environmental consulting services	3.2%	99	145	2.2%
541690	Other scientific and technical consulting services	19.1%	69	693	1.9%

<sup>4</sup> From the CUCP DBE Database of Certified Firms

<sup>5</sup> From the 2016 U.S. Census Bureau's Business Patterns Database

<sup>6</sup> The Weighted Ratio is calculated by dividing the number of DBEs by the number of all firms, multiplied by the Estimated FTA % by NAICS.

NAICS Code	Category of Work	Estimated FTA % by NAICS	DBEs <sup>4</sup>	All Firms <sup>5</sup>	Weighted Ratio <sup>6</sup>
541820	Public Relations Agencies	1.2%	28	116	0.3%
541830	Media Buying Agencies	0.1%	6	19	0.0%
541850	Outdoor advertising	0.1%	9	32	0.0%
541910	Marketing Research and Public Opinion Polling	0.1%	15	112	0.0%
541930	Translation and Interpretation Services	0.0%	9	44	0.0%
541990	All other professional, scientific, and technical services	3.3%	32	298	0.4%
561439	Other business service centers (including copy shops)	0.0%	4	86	0.0%
561499	All other business support services	0.2%	12	53	0.0%
561730	Landscaping Services	0.1%	18	881	0.0%
<b>BASE FIGURE</b> (i.e., Sum of Weighted Ratios for all Work Categories)					
<b>12.6%</b>					

**Step 2: Adjusting the Base Figure**

Upon establishing the Base Figure, SANDAG reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within SANDAG’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 SANDAG Past DBE Goal Attainments, SANDAG’s Disparity Study, and Other Evidence, as follows:

**Past DBE Goal Attainments**

As historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform on SANDAG projects. The project anticipated to be awarded during the triennial period are substantially similar to those awarded in the recent past. SANDAG calculated past DBE participation attainments for the three (3) federal fiscal years, for which SANDAG has DBE attainment data. The table below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on FTA-assisted contracts awarded by SANDAG within the last three (3) federal fiscal years.

**Table 4**

FEDERAL FISCAL YEAR (FFY)	FTA DBE GOAL ATTAINMENT %
2014/2015	5.4%
2015/2016	8.1%
2016/2017	8.8%

**Median DBE Attainment Within the Last Three (3) Years 8.1%**

The median DBE goal attainment for the past three years is lower than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on SANDAG’s past DBE goal attainments has been made. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE Past Attainment, as shown below.

Base Figure (A)	12.6%
Median DBE Attainment (B)	8.1%
<b>Adjusted Base Figure [(A+B)/2]</b>	<b>10.3%</b>

**Disparity Study**

In April 2013, SANDAG commissioned a disparity study to be conducted. The Disparity Study Report was completed in May 2014. This study looked at the procurement history of minority- and women-owned firms for a five-year period between January 1, 2008 and December 31, 2012. The primary objective of the study was to update the examination of any disparities between SANDAG’s utilization of Minority and Women Business Enterprises (MBE/WBE) on its transportation contracts, including those funded by the United States Federal Transit Administration (FTA) and the availability of those businesses to perform that work.

The utilization of MBE/WBEs was compared with the availability of MBE/WBEs for contracting work. As part of the disparity study, the utilization of MBE/WBEs on SANDAG transportation prime contracts and subcontracts were compared with the percentage of contract dollars that MBE/WBEs might be expected to receive based on their availability for that work. The disparity study analysis resulted in including all DBE groups in the SANDAG race/gender-conscious component of our overall goal.

The Disparity Study considered DBE participation when SANDAG did not use race/gender-conscious measures. SANDAG did not apply DBE contract goals or any other race/gender-conscious measures to any locally-funded transportation contracts awarded during the study period. Overall, certified DBEs received 1.6 percent of the dollars associated with those contracts<sup>7</sup>. SANDAG considered this information when determining the percentage of its overall DBE goal that it can achieve through race/gender-neutral measures (see Section V below).

SANDAG is planning to issue a solicitation for a new disparity study in late 2018 or early 2019. The results of this new study will be used to update the Federal Fiscal Year (FFY) 2019 to FFY 2021 Triennial Overall DBE Goal, if necessary.

SANDAG also considered the extent and effectiveness of race/gender-neutral measures that SANDAG has in place and plans to have in place for the next several fiscal years. SANDAG’s current and planned race/gender-neutral measures are extensive. SANDAG plans on continuing the use of those measures in the future.

<sup>7</sup> 2014 SANDAG Disparity Study, Chapter 6 Utilization Analysis, Section C. Utilization Results on Contracts With and Without DBE Contract Goals.



## V. PROPOSED OVERALL DBE GOAL

The Final Proposed Overall DBE Goal for FFY 2019-2021 for SANDAG FTA-assisted contracts is 10.3%. As a part of the prescribed goal-setting methodology, SANDAG must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race/gender-neutral and race/gender-conscious measures. SANDAG must meet the maximum feasible portion of the overall goal by using race/gender-neutral means of facilitating DBE participation.

SANDAG considered several factors to determine what portion of the overall goal can feasibly be met using race/gender-neutral measures. These include the following:

1. The amount by which the overall goal was exceeded for the past three years.
2. The DBE participation on locally funded contracts where SANDAG did not apply race/gender-conscious measures (contract goals), and

**Overall Goal Exceeded:** In order to calculate the race/gender-neutral and race/gender-conscious split, SANDAG considered the amount by which goals were exceeded for the past three Federal Fiscal Years.

SANDAG calculated the median of the past years' awards and commitments exceeding the goal, as seen on Table 5.

Table 5

FEDERAL FISCAL YEAR	FTA DBE GOAL	FTA DBE Commitment %	EXCEEDING GOAL %
2014/2015	6.5%	7.5%	1.0%
2015/2016	8%	11.3%	3.3%
2016/2017	8%	10.4%	2.4%
<b>Median Amount By Which DBE Goals Were Exceeded</b>			<b>2.4%</b>

**DBE Participation on Locally Funded Contracts:** SANDAG did not apply DBE contract goals or any other race/gender-conscious measures to any locally-funded transportation contracts awarded during the disparity study period. Overall, **certified DBEs received 1.6 percent of the dollars associated with those contracts.** SANDAG considered this information when determining the percentage of its overall DBE goal that it can achieve through race/gender-neutral measures.

The projection of race/gender-neutral participation for the coming triennial period, as seen below.

<b>RACE/GENDER-CONSCIOUS &amp; RACE/GENDER-NEUTRAL PROJECTIONS</b>	
<b>Overall DBE Goal</b>	<b>10.3%</b>



<b>Race/Gender-Conscious Component</b>	<b>6.3%</b>
<b>Race/Gender-Neutral Component<sup>8</sup></b> <ul style="list-style-type: none"> <li>• Overall Goal Exceeded</li> <li>• DBE Participation on Locally Funded Projects</li> </ul>	<b>4%</b>

## VI. RACE/GENDER-NEUTRAL IMPLEMENTATION MEASURES

SANDAG has implemented many race- and gender-neutral remedies and partners with other organizations serving small businesses in the Southern California region to outreach and promote the participation of DBEs and small businesses in SANDAG’s FTA-assisted contracting program.

SANDAG plans to continue to implement the following race-neutral measures for FFY 2019 – 2021 and will continue to explore other options for consideration based on SANDAG’s success in meeting its overall DBE goals based on these efforts:

- SANDAG will arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBE and other small businesses (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces). Planned race-neutral measures include holding pre-bid conferences for federally aided projects, which include a networking component to promote teaming opportunities between prospective prime contractors and the DBE and small business contracting community.
- To meet the requirements under 49 CFR Part 26 Section 26.39 “Fostering Small Business Participation,” SANDAG developed a Small Business Program Strategic Plan. The strategic plan addresses all elements of SANDAG’s Small Business Program. Additional information about the Plan is included below in the Fostering Small Business Participation section.
- SANDAG has put in place is the unbundling of large On-Call Services procurements. The A&E (both 2012 and 2017 series), CM, and Marketing On-Call Services contracting groups have designated several small dollar contracts with requirements that could be attainable by small businesses. The 2012 SANDAG A&E On-Call Services contracts awarded six contracts to certified Small Business, with one awarded to a DBE, while the 2017 series awarded five contracts to certified Small Businesses and one awarded to a DBE. These A&E On-Call contracts to small and disadvantaged businesses was a first for SANDAG. Additionally, SANDAG executed ten CM contracts, awarding three to small businesses, two of which are also DBE certified. The Marketing On-Calls awarded a total of twenty-four contracts while allocating 16 to small businesses.
- To assist with SANDAG’s small business goal of reaching out to firms that are either Disadvantaged Business Enterprise (DBE) or Small Business (SB) certified, the Architecture and Engineering (A&E) and Construction Management (CM) Bench programs were developed. The Bench is intended to assist small firms in fostering new business/partnership opportunities with prime consultants that will ultimately help grow their emerging businesses. The Bench is open to small and disadvantaged firms that provide a variety of professional services as identified in the A&E and

<sup>8</sup> The Race-Neutral projection (4%) is the combined total of the median amount by which goals were exceeded over the past three years (2.4%) and the amount of DBE participation on locally-funded projects (1.6%).

CM contracts. The Bench serves as a pool of firms that prime consultants will be able to access through a simplified process to work on SANDAG projects. The Bench program has been highly successful with 17% or \$51.1 Million of the A&E task order work committed to DBE's/SB's under the original A&E Bench program. Our CM Bench program was created in 2014 and as of January 2018, 25% or \$26.6 Million of the total amount awarded has been committed to DBE and SB firms. In 2016, we executed a new series of A&E On-Call contracts with a new Bench program. Thus far, the new A&E program has achieved 18% of the total contract value awarded to DBE and SB firms.

- SANDAG provides assistance in overcoming limitations, such as the inability to obtain bonding, insurance, or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, reducing general liability insurance requirements, and providing services to help DBEs and other small businesses meet the requirements to participate in procurements). Planned race-neutral measures include referring the DBE and small business contracting community, through the SANDAG website, to the Small Business Administration (SBA) bonding assistance program.
- Other planned race-neutral measures include carrying out information and communication programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on recipient mailing lists of bidders; ensuring the dissemination of lists of potential subcontractors to bidders on prime contracts). SANDAG also solicits DBEs and small businesses within the SANDAG market area utilizing any or all of the following means: issuing solicitation flyers/letters to promote upcoming bid opportunities through e-mail blasts, website posting, electronic vendor database system, etc.
- SANDAG has implemented a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses. These race-neutral measures include providing educational and technical assistance through the San Diego Contracting Opportunity Center and the Small Business Development Center. SANDAG has also co-hosted with Caltrans three two-hour workshops to educate small businesses on the new fiscal requirements for participating in the A&E contracts. These workshops covered recent changes to the federal and state fiscal requirements, the Safe Harbor Indirect Cost Rate test program, SANDAG billing rate review procedures (also known as The Cost Analysis), and how to develop an Indirect Cost Rate.
- SANDAG attends up to thirty outreach events each year reaching nearly fifty-five hundred registered attendees to share information about SANDAG and its opportunities. Additionally, SANDAG hosts training events for our consultants to ensure they are aware of all the resources made available to them for optimizing DBE and SB participation on their contracts.
- Services are provided to DBEs and other small businesses to help improve long-term development, increase opportunities to participate in a variety of types of work, handle increasingly significant projects, and achieve eventual self-sufficiency. These planned race-neutral measures include co-sponsoring Caltrans District 11 Cal Mentor Program for small firms that are in the Architecture & Engineering (A&E) categories. The Cal-Mentor program establishes a mentoring program that pairs small businesses with large firms. The goal is to enhance small business operations to achieve their growth potential, to create more small business opportunities and provide more meaningful participation on transportation projects.
- Other planned race-neutral measures include advising the contracting community of the availability of the CUCP database (directory of certified DBEs) website at <http://www.californiaucp.com/index.html>. This database is discussed with potential bidders, included in the RFQ/RFP/IFB documents, listed on our outreach material, and included in the final



contract agreement. This ensures the distribution of the Caltrans DBE directory to the widest feasible universe of potential prime contractors. SANDAG also has established an online electronic vendor registration and procurement management system. This system contains over 8,800 registered firms who can review and download procurement documents, submit bids, and receive specific SANDAG notifications relating to outreach events, news, and upcoming procurements. Additionally, the system provides SANDAG with specific company detail, including DBE and SB certification status, NAICS codes, license numbers, company type and contact information.

- SANDAG assists DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media. SANDAG has launched an online vendor requisition system through PlanetBids. By utilizing this system, the list of consultants, contractors, and vendors may be accessed by numerous public agencies. The consultants, contractors, and vendors themselves also can access information on upcoming training classes, upcoming business opportunities, DBE certification process and approval, and significant small business outreach events.
- The Mid-Coast DBE Program and Subcontracting Plan is another planned race-neutral measure is intended to describe the specific tools and procedures that Mid-Coast Transit Constructors (MCTC) will utilize to support the SANDAG DBE/SB programs. The primary objectives of the plan include:
  - Providing DBE and SB firms practical information and tools necessary to compete for contracts on the Mid-Coast project;
  - Create a level playing field on which DBEs and SBs can compete;
  - Meet DBE goals, SB objectives, and related FTA funding requirements;
  - Develop a program to get subcontractors construction ready; and
  - Develop and utilize a database of qualified DBE and SB firms that can work on the project.
  - SANDAG has attended and sponsored numerous outreach events in the San Diego region to help implement race-neutral measures in its goal submission.
- Lastly, SANDAG is actively performing increased outreach efforts by directly contacting DBEs that are utilized from the CUCP in developing a procurements DBE goal. All applicable DBE's are contacted through email, telephone, etc. to notify of the procurement opportunity and highly encouraged to attend the pre-bid/proposal meetings. This provides DBEs with an opportunity to directly network with potential Prime bidders.

Additionally, SANDAG will participate in and/or co-sponsor the following events during FFY 2019-2021

EVENT	ANTICIPATED ATTENDEES
SANDAG A&E Speed Networking Event	200
Construction Management Association of America (CMAA) Owners' Night	200
Business Matchmaking Networking Event	150
North Small Business Development Center (SBDC) Meet the Buyers Tour	155
Women's Construction Coalition (WCC) Business with Local Agencies Luncheon	60
San Diego Housing Commission Outreach Event	50
Women's Transportation Seminar (WTS) Scholarship Bowling Event	45

EVENT	ANTICIPATED ATTENDEES
San Diego Regional Chamber of Commerce Small Business Awards, Expo & Mixer	200
North SBDC California Procurement Event	134
San Diego Unified School District Construction Expo	165
California Construction Expo	1,500
Doing Business with UC San Diego and Public Agency Partners	75
Calmentor Program Kick-Off Event	105
Department of the Navy Gold Coast - Small Business Procurement Event	750
WTS Annual Awards & Scholarship Gala	150
C&C Mentor/Protégé Kick-Off Event	45
North SBDC Meet the Buyers: Be the Best! Women in Business Expo	95
SD Airport Authority Meet the Primes Event	150
Caltrans Annual Procurement & Resource Fair	950
Turner School of Construction Management - PAC Night	45
WCC - Year End Networking and Celebration	55
Transportation Associations Holiday Luncheon	120

SANDAG additionally attends many other small business outreach events to promote its FTA-assisted contracting program.

### Fostering Small Business Participation<sup>9</sup>

Small Businesses, including DBEs, are an integral part of the San Diego business economy. Approximately 44% of SANDAG vendors are San Diego based<sup>10</sup>. Small businesses represent approximately 99.7<sup>11</sup> percent of all employers in the United States and 97 percent of firms in the San Diego-Carlsbad Metropolitan region, with 86% of those firms having fewer than 20 employees<sup>12</sup>. Over 50% of the 4,869 California certified DBE firms are located in southern California, 495 of which reside in San Diego and Imperial County<sup>13</sup>. As the small and diverse business populations continue to grow, the Small Business Development Department is dedicated to serving these communities and promoting economic growth in San Diego County. With recent skilled and trained worker requirements being imposed on SANDAG

<sup>9</sup> See Title 49 CFR Part 26 Section 26.39 “Fostering Small Business Participation.”

<sup>10</sup> Compliance Information System data from January 12, 2018.

<sup>11</sup> U.S. Small Business Administration, Small Business Profile, 2016

<sup>12</sup> Statistics of U.S. Businesses Small Business Administration Office for Advocacy, San Diego-Carlsbad Metro, 2013

<sup>13</sup> California Unified Certification Program database, collected January 12, 2018.

procurement practices, it will be important for SANDAG to also identify effective policies to ensure small businesses meet the skilled and trained worker requirements that allow small businesses to participate in the SANDAG procurement process.

As mentioned above, SANDAG has implemented a Small Business Program to fully comply with Section 26.39. Key Procurement Strategies for the Program include the following:

**a. Annual and Contract Specific Goals**

SANDAG has identified overall DBE goals for FTA-assisted contracts. The overall annual goal is achieved through establishing contract/project specific goals. Contract goals are established according to the requirement of each individual contract and will vary accordingly. Small business utilization and participation is tracked monthly, with participation being reported quarterly, bi-annually and/or annually.

**b. Bench Program**

To assist with SANDAG's small business goal of reaching out to firms that are either Disadvantaged Business Enterprise (DBE) or Small Business (SB) certified, the Architecture and Engineering (A&E) and Construction Management (CM) Bench programs were developed. The Bench is intended to assist small firms in fostering new business/partnership opportunities with prime consultants that will ultimately help grow their emerging businesses. SANDAG has established two separate Bench Programs to help create more opportunities for small and disadvantaged businesses to participate in SANDAG On-Call contracts:

**A&E Bench**

In 2012, SANDAG awarded multiple contracts totaling over \$300 million for On-Call Environmental Planning and A&E Design services. These contracts are used for transportation infrastructure projects including transit system improvements, freeway and bridge enhancements, landscape design, freeway corridors, and other design efforts. The Bench Program was initially developed to assist certified small and disadvantaged businesses in their efforts to participate on SANDAG A&E contracts. To participate in the SANDAG Bench Program, firms must be an architecture or engineering firm and certified as either a DBE by the California Unified Certification Program (CUCP) or an SB by the Department of General Services (DGS). The Bench Program is open to DBE and SB firms that provide a variety of professional A&E services and can serve as a pool of certified firms that prime consultants will be able to access through a simplified process to work on SANDAG projects. The 2012 SANDAG A&E On-Call Services contracts awarded six contracts to certified Small Businesses, with one awarded to a DBE. Awarding these A&E On-Call contracts to small and disadvantaged businesses was a first for SANDAG. The Bench program has been highly successful with 17% or \$51.1 Million of the A&E task order work committed to DBE and SB firms under the original 2012 A&E Bench program. The 2017 A&E On-Call series was executed last year with 5 of the contracts awarded to certified Small Businesses, one of which was also a DBE. Thus far, the 2017 A&E On-Call series is showing great success with many commitments having already been made to DBE and SB firms.

**CM Bench**

In 2014, SANDAG awarded multiple contracts exceeding \$200 million for On-Call Construction Management contracts. The CM Bench procurements consist of contracts for Professional, Technical Construction Management and Engineering services, and related services to support the development and construction of various proposed capital improvement and maintenance

projects include heavy rail, light rail, bus rapid transit, freeways, highways, toll roads, local streets and roads, bikeways, and walkways. The CM Bench is open to small and disadvantaged firms that provide a variety of professional CM services as identified in the CM contracts. The CM Bench serves as a pool of firms that Prime consultants will be able to easily access to work on SANDAG projects. Our CM Bench program was created in 2014 and as of March 2018, 26% or \$28.9 Million of the total amount awarded has been committed to DBE and SB firms.

SANDAG will continue to look into additional opportunities to utilize the bench program for other on-call services.

**c. DBE and Small Business Subcontracting Plans**

For alternative delivery method procurements, including Design-Build contracts, a Subcontracting Plan will be used to plan and monitor DBE and small business commitments. A Subcontracting Plan is intended to describe the specific tools and procedures that the Prime will utilize to support the SANDAG DBE/SB programs. The plan is used to define the subcontractor commitments, identify work areas anticipated for subcontracting, and establish timelines for DBE and small business subcontracts. The primary objectives of the plan include:

- Providing DBE and SB firms practical information and tools necessary to compete for contracts on the Mid-Coast Corridor Transit Project;
- Create a level playing field on which DBE and SB firms can compete;
- Meet DBE goals, SB objectives, and related FTA funding requirements;
- Develop a program to get subcontractors construction ready; and
- Develop and utilize a database of qualified DBE and SB firms that can work on the project.

A Subcontracting Plan details subcontractor goals and/or dollar commitments along with small business certification type for each listed subcontractor. These plans also include methods of monitoring performance relative to the requirements of the plan and indicate a subcontracting plan administrator. This is an effective tool for establishing accountability of Primes in regards to meeting SB and DBE commitments outlined in their contract.

**d. Procurement Evaluation**

To determine small and disadvantaged business participation, an evaluation of each various solicitations must occur. This assists project managers with an understanding of how to include small and disadvantaged business opportunities in the scope of their projects. Evaluations are conducted for the following projects:

- Mid-Coast
- A&E
- Construction
- Professional Services
- Amendments, Task Orders, etc.

## **VII. 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 SANDAG market area were consulted and provided an opportunity to review the triennial goal analysis and provide input.

SANDAG issued a Public Notice on the SANDAG website (Attachment 2) publishing the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2019-2021 and announcing the Small Business Facilitation Forum. The notice also requested feedback on issues affecting contracting in the transportation industry; starting and expanding businesses; obtaining financing, insurance and bonding; outreach efforts and assistance programs; obtaining work at SANDAG and other local establishments; subcontracting; and other topics affecting DBE Program stakeholders.

SANDAG reached out to numerous local minority, women, and community business organizations to provide them with information regarding the SANDAG DBE program and the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2019-2021. In addition to the above, SANDAG conducted a Small Business Facilitation Forum, which was open to the public on June 20, 2018 to further provide opportunities for DBEs, small businesses, and the community to provide feedback on the DBE Program and the proposed DBE goal. SANDAG conducted outreach for the Forum and sent notices to all current SANDAG prime contractors and subcontractors, all vendors registered in the SANDAG online bid system, all DBEs located in San Diego and Orange counties, and numerous local, minority, women, and community business organizations. A summary of the comments received from the community organization consultations and from the Public Facilitation Forum are included in Attachment 3.



5/25/2018

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Notice of Availability for Review and Comment - Federal Transit Administration Triennial DBE Overall Goal For Federal Fiscal Years 2019 - 2021

SANDAG has prepared its draft Disadvantaged Business Enterprise (DBE) overall goal in accordance with 49 CFR Part 26.45(g) for the triennial period between October 1, 2018 and September 30, 2021.

The DBE overall goal of 10.3 percent represents the percentage of work anticipated to be performed by certified DBE firms on SANDAG FTA-assisted projects during the triennial period.

The methodology document used to determine the proposed goal will be available for public inspection until June 25, 2018, which is at least thirty (30) days from the date of the original posting on the SANDAG website.

The methodology document may be viewed from Monday through Friday, from 8 a.m. to 4 p.m. at the following location:

San Diego Association of Governments  
401 B Street, Suite 800  
San Diego, California 92101

SANDAG will accept written comments until June 25, 2018. Written comments can be provided to the SANDAG Manager of Small Business Development, Elaine Richardson, and can be sent to the address above or emailed to [elaine.richardson@sandag.org](mailto:elaine.richardson@sandag.org).

## SANDAG FTA DBE Overall Goal Setting Methodology for

Federal Fiscal Years 2019 to 2021

**SUMMARY OF PUBLIC COMMENTS AND RESPONSES**

No	Date	Source	Comment Summary	Response Summary
1.	6/13/18 @ 1 p.m.  Meeting was conducted virtually.	American Indian Chamber of Commerce of California	<p>American Indian Chamber of Commerce suggested that SANDAG identify a person to become a member of the American Indian Chamber of Commerce corporate advisory council in order to provide guidance on how small businesses can participate on large projects.</p> <p>The Chamber inquired about the Disadvantaged Business Enterprise (DBE) certification through the California Uniform Certification Program and how it could benefit Chamber members if they qualify.</p>	<p>SANDAG will research this possibility and also consider hosting a table at the chamber expo.</p> <p>SANDAG discussed how DBE certifications could benefit Chamber members and subsequently emailed the CUCP application link to the Chamber.</p>
2.	6/21/18 @ 9 a.m.  Meeting was conducted virtually.	National Association of Minority Contractors Southern California	<p>National Association of Minority Contractors Southern California expressed concern that the DBEs listed in the bids were not being used on the proposal teams. They requested transparency regarding prime reports and how DBEs are utilized for projects and are interested in SANDAG developing a method for tracking DBE participation on Good Faith Efforts (GFE) and performance on project work.</p> <p>Most of the members of the association are not certified due to how rigorous the certification process is; however, they are trying to train members. They also do not realize the amount of effort it takes to participate on public works projects. Currently, there is plenty of private sector work to perform but some contractors do not have the culture for diverse participation.</p>	<p>SANDAG utilizes a Compliance Information System to closely monitor contracts to ensure that DBEs listed on proposals are included in the work executed by the prime contractors. Additionally, SANDAG conducts commercially useful function reviews to verify that listed DBEs are actually performing the work on projects.</p> <p>SANDAG encourages all small businesses to look into whether or not they are qualified to become a certified DBE. Certified DBE firms have an advantage on federally-funded projects with DBE contract goals because prime contractors will first focus on these firms to meet the established contract goal before seeking other small business firms. SANDAG also has a supportive services program that provides educational and technical assistance through the SDCOC and SBDC to assist</p>

No	Date	Source	Comment Summary	Response Summary
			<p>Bonding is a problem since it is difficult to set a line of credit. Lenders are afraid to invest with construction companies due to the many risks.</p> <p>Change orders on projects can be detrimental to subcontractors since the change orders are not acknowledged quickly and the subcontractors have to foot the bills for a long time.</p> <p>Awareness is needed in order for small businesses to participate on large projects. Contractors need to be trained on how to include small businesses. Small businesses need assistance with building their capabilities, so they are able to perform work. It is hard if not harder for small businesses to work on projects because they have to compete with DBEs.</p> <p>National Association of Minority Contractors Southern California's perception of 10% goal is that the goal is not realistic since it does not address the minority businesses ability to perform.</p>	<p>small businesses with DBE certification and other business areas.</p> <p>SANDAG provides assistance with bonding by simplifying the bonding process, reducing bonding requirements, reducing general liability insurance requirements when appropriate, and providing services to help DBEs and other small businesses meet the requirements to participate in procurements. SANDAG also refers the DBE and small business contracting community to the Small Business Administration (SBA) bonding assistance program.</p> <p>SANDAG will look into the Construction Change Order process and determine if any improvements can be made. The US Department of Transportation has a capital loan program through the SBA that may be beneficial to small businesses.</p> <p>SANDAG has established two Bench programs for their Architectural &amp; Engineering (A&amp;E) and Construction Management (CM) On-Call contracts to assist with SANDAG's Small Business (SB) goal of reaching out to DBEs and small businesses. The Benches assist small firms in fostering new business/partnership opportunities with prime consultants that will ultimately help grow their emerging businesses. SANDAG will be focusing on development of a more robust SB Program for non-federally funded projects.</p> <p>The SANDAG 10.3% DBE goal was calculated using the CUCP database of certified DBEs who are presumed to be ready, willing, and able to perform on SANDAG contracts. SANDAG has met or exceeded this level of participation by DBEs over the past two years.</p>
3.		San Diego Contracting	The SDCOC is interested in potential partnership for workshops and training small businesses.	SANDAG would be interested in a potential partnership to assist DBEs and small business with workshops and training.

No	Date	Source	Comment Summary	Response Summary
	<p>6/12/18 @ 1 p.m.</p> <p>401 B Street, Suite 800, San Diego</p>	<p>Opportunities Center (SDCOC)</p>	<p>SANDAG should look into different locations for pre-bid meeting as well as utilize a conference call service for virtual pre-bid meeting.</p> <p>SDCOC used to receive SANDAG solicitations; however, they are not receiving them anymore. They would like to continue advertising opportunities to small businesses.</p> <p>SDCOC inquired about SANDAG's effectiveness for Race-Neutral measures.</p> <p>SDCOC suggested a speed networking event for on-call projects in order to have greater participation from the small business community.</p>	<p>SANDAG will consider including a call-in option for future pre-bid meetings, however this would eliminate the opportunity for prime contractors and subcontractors to participate in the networking component of pre-bid meetings. This may also hinder the possibilities for teaming opportunities between prospective prime contractors and the DBE and small business contracting community.</p> <p>SANDAG hosts pre-bid and pre-proposal meetings at other locations if the attendance is projected to be higher than 50 attendees. SANDAG will continue to seek out other locations for pre-bid/proposal meetings when possible and appropriate.</p> <p>SANDAG will ensure SDCOC is included in the distribution of future advertising opportunities required for SANDAG procurements.</p> <p>SANDAG has exceeded the race-neutral component of the current DBE goal. We depend on organizations such as SDCOC to assist DBEs and small businesses with certification and other business training opportunities.</p> <p>SANDAG agrees that speed networking events are a great tool for small businesses to interact with primes and project managers.</p>
<p>4.</p>	<p>6/25/18 @ 1 p.m.</p> <p>6212 Ferris Square, San Diego</p>	<p>Associated General Contractors of America, San Diego Chapter</p>	<p>AGC struggles with the bonding capacity of DBEs and believes the public agencies should provide assistance. Low cost financing needed (financial assistance) provided to small businesses. Liability Insurance-- Bonding Control Insurance Program (BCIP) or other programs needed to help small businesses.</p>	<p>SANDAG provides assistance in overcoming the inability to obtain bonding, insurance, or financing by simplifying the bonding process, reducing bonding requirements, reducing general liability insurance requirements, and providing services to help DBEs and other small businesses meet the requirements to participate in procurements. SANDAG also refers the DBE and small business contracting community to the Small Business Administration (SBA) bonding assistance program.</p>

No	Date	Source	Comment Summary	Response Summary
			<p>Prevailing Wage and Compliance cost is high for DBEs and withholding has a high impact on DBEs.</p> <p>Change orders impact DBEs and there needs to be a way to expedite the process. DBEs don't get paid promptly and this has huge effect on SBs staying in business. Many DBEs are not paid for a long time.</p> <p>Reviewed Triennial Goal document and AGC asked how the number of DBEs was determined. They also wanted to know the approximate number of DBEs in San Diego County.</p> <p>Brad mentioned that AGC does not like "Local" preference programs because it limits San Diego-Based small businesses from pursuing work outside of San Diego County.</p>	<p>SANDAG attempts to quickly resolve all issues when prevailing wage withholdings take place. SANDAG refers DBEs and small businesses to the SDCOC and the Small Business Development Center (SBDC) for training, including Labor Compliance training.</p> <p>SANDAG will look into its Construction Change Order process and determine if any improvements can be made. The US Department of Transportation has a capital loan program that may be beneficial for small businesses.</p> <p>SANDAG uses the US Department of Transportation prescribed 2-Step goal setting procedure to determine the number of DBEs. There are approximately 500 DBEs in San Diego County.</p> <p>SANDAG does not have a local preference program at this time and is unable to have a local preference program for federally funded contracts.</p>

No	Date	Source	Comment Summary	Response Summary
5.	6/21/18 @ 1 p.m.  10679 Westview Parkway, San Diego	San Diego Supplier Development Council	<p>San Diego Supplier Development Council (SDSDC) thinks that the goal is too low and is insensitive to the DBE/SBE community because it discourages small businesses from participating on projects.</p> <p>SDSDC suggests unbundling the projects to accommodate small businesses' capacity to perform work.</p> <p>SDSDC also believes that larger companies bidding on projects have no affinity to include small minority and women-owned businesses on their teams.</p>	<p>SANDAG followed the US Department of Transportation recommended method for DBE goal setting. SANDAG encourages all DBEs and small businesses to participate in SANDAG contracting.</p> <p>SANDAG unbundles large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces. SANDAG has put in place the unbundling of large On-Call service procurements. The A&amp;E, CM, and Marketing Services contracting groups have designated several small dollar contracts with requirements that could be attainable by small businesses.</p> <p>SANDAG has also established two Bench programs for their A&amp;E and CM On-Call contracts to assist with SANDAG's small business goal of reaching out to DBEs and small businesses. The Bench programs assist small firms in fostering new business/partnership opportunities with prime consultants that will ultimately help grow their emerging businesses.</p> <p>The SANDAG FTA funded contracts that have DBE contract goals require contractors to exercise good faith efforts to meet the established goal. If bidders do not exercise good faith efforts, their bids may be held as nonresponsive. There are various contractors that have robust supplier diversity programs.</p>
Public Facilitation Forum 6/20/2018 3:00 PM – 6:00 PM				
6.	6/20/18 @ 3 p.m.  401 B St., Suite 800, San Diego	Black IPO	Does SANDAG currently have goals?	<p>SANDAG responded that over the past three years, SANDAG has exceeded the overall DBE goal and this year developed a policy to reduce the percentages of setting contract-specific goals because we were exceeding the overall DBE goal. SANDAG referred to the 2019-2021 Triennial Goal Methodology and stated that contract goals will be set when</p>

No	Date	Source	Comment Summary	Response Summary
			<p>I appreciate you opening up this forum. We just want to let you know we're prepared to do the job just like everybody else. We just want to let you know that we appreciate it, and I'm going to follow up.</p> <p>I started reading the document, I started looking through it, but I kind of got lost in it. I want to take more time to read it. But I will be submitting my comments.</p> <p>Can you please explain race conscious?</p>	<p>subcontracting opportunities exist. The 2019-2021 Triennial Goal Methodology is available online and hard copies are available as well.</p> <p>SANDAG described some of the approaches that we take to expand opportunities to firms, which include both small and disadvantaged businesses as well. SANDAG has created their own SB Bench programs for A&amp;E and CM projects. The Bench program is a very innovative method of providing additional opportunities for DBEs and small businesses to participate on SANDAG contracts.</p> <p>SANDAG briefly summarized what the Triennial Overall DBE Goal Methodology document is and how the DBE goal is calculated. A summary explanation included references to the type of FTA-funded work planned, the availability of DBEs in the SANDAG marketplace, and the availability of all firms in the same marketplace.</p> <p>SANDAG responded that the reference to "race conscious" actually refers to race and gender conscious. This means the race and gender groups are identified through the Code of Federal Regulations. These groups include African American, Hispanic American, Subcontinent Asian American, Asian Pacific American, Native American, and women. Those six groups are considered to be socially and economically disadvantaged and are one of the criteria for DBE certification. SANDAG described how this is used to narrowly tailor the DBE program and the difference between a race conscious and a race neutral DBE program. SANDAG also discussed the importance of disparity studies and how they look at availability and utilization.</p>

No	Date	Source	Comment Summary	Response Summary
			<p>There are a lot of projects for the overall \$57 million. I say build a bigger pie and we can all share.</p>	<p>SANDAG responded that while \$57 million is the total value of all anticipated projects, it is important to remember that there are specific projects that make up that total and specific types of work. For example, SANDAG estimates \$14 million worth of work in construction management. Firms that do construction management should apply to be on the CM Bench in order to be accessible to the CM primes that have been awarded contracts. In addition, only \$1.5 Million is projected for construction projects.</p>
7.	<p>6/20/18 @ 3 p.m.</p> <p>401 B St., Suite 800, San Diego</p>	<p>Bonita Pipeline</p>	<p>If I'm a DBE and I win a contract as a prime, am I still held to the DBE requirement or have I met that DBE goal because I'm a DBE?</p> <p>Prime contractor solicitations say that they will help DBEs with bonding and insurance, but I've yet to see anyone actually provide bonding or insurance assistance. If you can't bond the job, you have to write the letter and excuse yourself off of the job and the prime contractor has met the DBE goal. Bonding is an impediment to our firm.</p> <p>New York does invoice-factoring through the state. It's just like a line of credit but is based on your accounts receivable as collateral. It is managed by the state and is designed for small business. The paperwork, the process, and the interest rates are all manageable.</p> <p>Will SANDAG expand beyond just DBEs?</p>	<p>SANDAG responded that if you are a DBE, as long as you do the work, your DBE participation counts toward meeting the goal. As the DBE prime, you do not have to seek out other DBEs to meet the goal. Although, we highly encourage the use of other DBEs to work on SANDAG projects.</p> <p>SANDAG asked if having bonding assistance either through SANDAG, another governmental agency or even programs through the prime contractor would be beneficial. The commenter agreed that it would. SANDAG asked if the commenter would like to see something more than what is currently offered, such as subsidizing, waiving or exempting the bonding. The commenter concurred and stated that he was part of a project a few years ago that did group bonding. SANDAG will look into the possibility of providing a bonding assistance program or other viable alternatives.</p> <p>SANDAG asked if this was to provide working capital. The commenter confirmed. SANDAG will research the viability of offering this type of service.</p> <p>SANDAG explained that the DBE Program is a requirement of receiving US Department of Transportation funds. SANDAG</p>

No	Date	Source	Comment Summary	Response Summary
			<p>Will SANDAG seek input from a group of contractors and other stakeholders when developing the small business program?</p>	<p>does not set other goals on those projects because they conflict. Local and state funded projects can have small business goals. At this time, SANDAG has a 15 to 20 percent Small Business objective. SANDAG will soon be expanding the Small Business program.</p> <p>SANDAG stated that they will reach out to the small business and contracting community for comments and suggestions about the small business program prior to implementation.</p>
8.	<p>6/20/18 @ 3 p.m.</p> <p>401 B St., Suite 800, San Diego</p>	<p>R.D. Reed Heavy Transport</p>	<p>If we are a DBE on a job and six months into the job there is another firm that comes along that does the same type of work we do, but they check off more boxes, can the prime start using the other firm?</p>	<p>SANDAG stated that a prime cannot do this without “good cause.” SANDAG stated that they have established DBE termination and substitution procedures to ensure that primes not terminate or substitute a DBE during the performance of a contract without “good cause” as defined by 49 CFR Part 26.53.</p>
9.	<p>6/20/18 @ 3 p.m.</p> <p>401 B St., Suite 800, San Diego</p>	<p>Agilitee</p>	<p>Will each of the projects be a separate RFP?</p>	<p>SANDAG stated that most of the projects will be separate RFPs. The On-Call projects have already been awarded, but new task orders will be issued. That is why it is important to be registered on the A&amp;E or CM Bench, to participate in these on-call projects.</p>
10.	<p>6/20/18 @ 3 p.m.</p> <p>401 B St., Suite 800, San Diego</p>	<p>D.L.J. Construction Group</p>	<p>What is the timeline to expand the small business program?</p>	<p>SANDAG responded that within the next year the foundation of the revised Small Business Program may be completed. Some of the elements that may be considered in the program include a small business goal and small business set-asides which may include procurements that are earmarked for small businesses only.</p>