

City of Los Angeles Department of Transportation

DBE Goal

FFY 2025-2027

Disadvantaged Business Enterprise Goal for DOT-Assisted Contracts



July 22, 2024

BACKGROUND

The City of Los Angeles Department of Transportation (LADOT) receives federal funding from the U.S. Department of Transportation (DOT) Federal Transit Administration (FTA). Recipients are required to set an overall goal for Disadvantaged Business Enterprise (DBE) participation in DOT-assisted contracts in accordance with 49 CFR part 26 “Participation by Disadvantaged Business Enterprises (DBE) in Department of Transportation Programs.” LADOT establishes the overall goal to help ensure that DBEs have equal opportunity to participate in LADOT’s DOT assisted contracts. In establishing the DBE goal, 49 CFR part 26 requires recipients of DOT federal aid to use a two-step process in the development of their overall DBE goal.

This document provides information about DOT-assisted contract opportunities available during the three-year goal period, methodology used to establish the DBE goal, proportion of the DBE goal anticipated to be met through race-neutral and race-conscious means, and consultation and publication of the DBE goal. The projects forming LADOT’s DBE goal include only FTA-funded projects.

This overall DBE goal applies to the federal fiscal year (FFY) 2025-2027, or October 1, 2025 through September 30, 2027.

DOT-ASSISTED CONTRACT OPPORTUNITIES

This section describes the upcoming projects funded by the FTA, excluding transit vehicle purchases. LADOT plans to award **\$63,516,419** in FTA-assisted grants during FFY 2025-2027. FTA requires an overall DBE goal because LADOT anticipates awarding more than \$250,000 in FTA funds in a federal fiscal year.

Washington Boulevard Maintenance Facility Electrification and Microgrid

Federal Award Identification Number: to be determined on award
Transportation Improvement Program ID: to be determined on award
DOT Grant Amount: \$25,684,816

LADOT aims to upgrade the transit maintenance facility to combine fleet charging with microgrid-enabled charging and energy management with goals to lower electricity costs, increase the use of zero-emission electricity, and provide resiliency from power outages. The project will install chargers and charging infrastructure to charge 112 battery electric buses. The chargers will provide power to new electric DASH buses for routes that serve the central and northeast areas of Los Angeles.

Solar Lights

Federal Award Identification Numbers: to be determined on award
Transportation Improvement Program ID: to be determined on award
DOT Grant Amount: \$309,595

The Solar Lights project will install bus stop safety lighting as a means to further LADOT's goals to provide safe access to public transportation. LADOT aims to successfully deploy solar lights at 200 bus stops in disadvantaged communities as a model for eventual system wide deployment.

Downtown L.A. Layover (16th and Maple) Electrification and Lot Repaving

Federal Award Identification Numbers: to be determined on award

Transportation Improvement Program ID: LA0G1501

DOT Grant Amount (Expected): \$17,303,352

The 16th and Maple Layover Facility Electrification and Lot Repaving will re-pave existing vacant property and install up to thirty five (35) battery electric chargers and associated electrical infrastructure and repave the surface parking lot at the intersection of Maple Avenue and 16th Street ("Maple Avenue Lot") underneath the I-10 freeway to facilitate the charging and lay-over of Los Angeles Department of Transportation (LADOT) DASH and Commuter Express and Antelope Valley Transit Authority (AVTA) buses. The lot is on East 16th Street between Maple Avenue and Wall Street in the city of Los Angeles. The property will hold about thirty-five (35) commuter buses after their morning routes. Depending on soil conditions, trenching or directional boring will be performed to install conduit runs from the equipment pad to the charging dispensers. The project includes demolition of existing foundations, construction of driveways, asphalt pavement, stormwater mitigation improvements, fencing, column protection, and striping. Existing concrete and asphalt in poor condition will be removed.

Sylmar Bus Maintenance Facility Electrification

Federal Award Identification Numbers: to be determined on award

Transportation Improvement Program ID: to be determined on award

DOT Grant Amount (Expected): \$20,218,656

The Sylmar Bus Maintenance Facility Electrification Project will install up to fifty (50) battery electric chargers and associated electrical infrastructure to charge 100 battery electric buses. The chargers will provide power to new electric DASH buses for routes that serve the central and northeast areas of Los Angeles.

DBE GOAL AND METHODOLOGY

LADOT followed the federal regulations including the two-step goal setting methodology set forth in 49 CFR part 26.45 for how to set goals. Step 1 determines a Base Figure for the relative availability of DBEs and the overall goal and Step 2 allows adjustments to the Base Figure. This section illustrates the methodology for both steps for the projects described.

Step 1: Determine Base Figure for Relative Availability of DBEs

Project Base Figure Methodology

To calculate the Base Figure, LADOT determined each project's budget by North American Industry Classification System (NAICS) code and then used the FTA's Weighted Base Figure FTA Worksheet 2016. The summary of arriving at the Base Figure is:

- Determine project budget and allocations by NAICS code
- Total the weight of each type of work by NAICS code
- Calculate the relative availability of DBEs by NAICS Code

LADOT determined each project budget by NAICS code as follows.

Table 1 Project budgets with NAICS codes

1a Project: Solar Lights

NAICS code	NAICS category	Project budget	FTA funds
238210	Electrical Contractors and Other Wiring Installation Contractors	25%	\$76,000
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing	63%	\$193,595
541330	Engineering Services	13%	\$40,000
TOTAL		100%	\$309,595

1b Project: Washington Bus Maintenance Yard

NAICS code	NAICS category	Project budget	FTA funds
237990	Other Heavy and Civil Engineering Construction	1%	\$344,640
238210	Electrical Contractors and Other Wiring Installation Contractors	27%	\$6,862,400
238220	Plumbing, Heating, and Air-Conditioning Contractors	1%	\$220,000
334413	Semiconductor and Related Device Manufacturing	1%	\$369,600
335313	Switchgear and Switchboard Apparatus Manufacturing	4%	\$1,152,000

335314	Relay and Industrial Control Manufacturing	0%	\$80,640
335911	Storage Battery Manufacturing	6%	\$1,440,000
335999	All other miscellaneous electrical equipment and component manufacturing	45%	\$11,475,936
524126	Direct Property and Casualty Insurance Carriers (bond, fidelity, surety insurance)	2%	\$400,000
541330	Engineering Services	2%	\$588,720
541512	Computer Systems Design Services	10%	\$2,646,240
922160	Fire Protection	0%	\$104,640
TOTAL		100%	\$25,684,816

1c Project: Sylmar Bus Maintenance Yard

NAICS code	NAICS category	Project budget	FTA funds
238210	Electrical Contractors and Other Wiring Installation Contractors	28%	\$5,618,400
335313	Switchgear and Switchboard Apparatus Manufacturing	6%	\$1,152,000
335314	Relay and Industrial Control Manufacturing	0%	\$80,640
335999	All other miscellaneous electrical equipment and component manufacturing	49%	\$9,967,776
524126	Direct Property and Casualty Insurance Carriers (bond, fidelity, surety insurance)	1%	\$288,000
541330	Engineering Services	2%	\$465,600
541512	Computer Systems Design Services	13%	\$2,646,240
TOTAL		100%	\$20,218,656

1d Project: 16th/Maple lot re-paving

NAICS code	NAICS category	Project budget	FTA funds
237110	Water and Sewer Line and Related Structures Construction	0%	\$68,800
238110	Poured Concrete Foundation and Structure Contractors	0%	\$68,800
238210	Electrical Contractors and Other Wiring Installation Contractors	25%	\$4,355,280
238910	Site preparation contractors	6%	\$963,406
238990	All Other Trade Specialty Contractors (paving commercial driveway and parking lot)	5%	\$917,530
335313	Switchgear and Switchboard Apparatus Manufacturing	4%	\$768,000
335314	Relay and Industrial Control Manufacturing	0%	\$53,760
335999	All other miscellaneous electrical equipment and component manufacturing	42%	\$7,337,443
524126	Direct Property and Casualty Insurance Carriers (bond, fidelity, surety insurance)	1%	\$257,645
541330	Engineering Services	2%	\$408,000
541512	Computer Systems Design Services	11%	\$1,852,368
562119	Other waste collection	1%	\$252,321
	TOTAL	100%	\$17,303,352

Next, LADOT weighed the work by NAICS code by calculating the FTA funds allocated to each code as a percentage of all project funds. The Project FTA funds, which total \$63,516,419 for the three-year period, are listed below.

Table 2 Total Project Cost

Project FTA dollars

Solar Lights	\$309,595
Washington Bus Maintenance Yard	\$25,684,816
Sylmar Bus Maintenance Yard	\$20,218,656
16th and Maple Layover	\$ 17,303,352
Total	\$63,516,419

Using FTA's Weighted Base Figure FTA Worksheet 2016, Table 3 lists the amount of FTA funds and weight of each type of work by NAICS code.

Table 3 Weight of Work by NAICS Code

NAICS Code	NAICS Category	Amount of DOT funds on project	% of total DOT funds (weight)
237110	Water and Sewer Line and Related Structures Construction	\$68,800	0.1%
237990	Other Heavy and Civil Engineering Construction	\$344,640	0.5%
238110	Poured Concrete Foundation and Structure Contractors	\$68,800	0.1%
238210	Electrical Contractors and Other Wiring Installation Contractors	\$16,912,080	26.6%
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$220,000	0.2%
238910	Site preparation contractors	\$963,406	1.5%
238990	All Other Trade Specialty Contractors (paving commercial driveway and parking lot)	\$917,530	1.4%
334413	Semiconductor and Related Device Manufacturing	\$369,600	0.6%
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing	\$193,595	0.3%

335313	Switchgear and Switchboard Apparatus Manufacturing	\$3,072,000	4.8%
335314	Relay and Industrial Control Manufacturing	\$215,040	0.3%
335911	Storage Battery Manufacturing	\$1,440,000	2.3%
335999	All other miscellaneous electrical equipment and component manufacturing	\$28,781,155	45.3%
524126	Direct Property and Casualty Insurance Carriers (bond, fidelity, surety insurance)	\$945,645	1.5%
541330	Engineering Services	\$1,502,320	2.4%
541512	Computer Systems Design Services	\$7,144,848	11.2%
562119	Other waste collection	\$252,321	0.4%
922160	Fire Protection	\$104,640	0.2%
Total FTA-Assisted Contract Funds		\$63,516,419	100.0%

Relative Availability of DBEs

LADOT calculated the relative availability of DBEs using data from the California Unified Certification Program (CUCP) DBE directory and the US Census Bureau County Business Pattern database. These data are the most consistent and available sources so LADOT is using them until local or other informed data becomes available. This method takes the number of ready, willing, and able DBEs from the CUCP and divides it by the number of all ready, willing and able businesses available from the Census Bureau to obtain the base figure. The same NAICS codes and LADOT’s market area are used for each corresponding DBE and business category.

$$\text{Relative Availability} = \frac{\text{Ready, Willing and Able DBEs}}{\text{All Ready, Willing and Able Firms}}$$

LADOT defined the market area as the geographic area where the majority of its expenditures occur for FTA-funded projects. LADOT linked zip codes to addresses of project contractors and subcontractors from 2021 forward and determined its market area to be Los Angeles, Orange, and San Bernardino counties.

The data for DBE firms came from the CUCP database between June and July of 2024. The data for all firms in the LADOT market area came from the latest available US Census Bureau County Business Patterns, which was 2022 on the NAICS code.

Table 4 lists the relative availability of DBEs (column C) by dividing the number of DBEs available (column A) by the number of all firms available by NAICS code (column B).

Table 4 DBE Relative Availability by NAICS Code

		A	B	C
NAICS Code	NAICS Category	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
237110	Water and Sewer Line and Related Structures Construction	41	146	28.1%
237990	Other Heavy and Civil Engineering Construction	50	105	47.6%
238110	Poured Concrete Foundation and Structure Contractors	50	575	8.7%
238210	Electrical Contractors and Other Wiring Installation Contractors	66	579	11.4%
238220	Plumbing, Heating, and Air-Conditioning Contractors	15	575	2.6%
238910	Site preparation contractors	61	705	8.7%
334413	Semiconductor and Related Device Manufacturing	0	0	0.0%
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing	0	0	0.0%
335313	Switchgear and Switchboard Apparatus Manufacturing	1	19	5.3%
335314	Relay and Industrial Control Manufacturing	0	0	0.0%
335911	Storage Battery Manufacturing	0	0	0.0%
335999	All other miscellaneous electrical equipment and component manufacturing	2	50	4.0%
524126	Direct Property and Casualty Insurance Carriers (bond, fidelity, surety insurance)	0	0	0.0%
541330	Engineering Services	160	3,226	5.0%

541512	Computer Systems Design Services	96	3,108	3.1%
562119	Other waste collection	13	42	31.0%
922160	Fire Protection	0	0	0.0%
Combined Totals		620	10,173	6.1%

Overall availability of DBEs

The overall availability of DBEs is 0.0695. Therefore, the Step 1 calculation to obtain the **Base Figure for LADOT’s projects is 6.1%.**

Step 2: Adjust the Base Figure

Step 2 consists of adjusting the overall DBE goal calculated in Step 1 to account for other evidence, which may include past participation; evidence from disparity studies; statistical disparities relating to financing, bonding, and insurance; data on employment, self-employment education and training, and union apprenticeship programs; and other relevant data. LADOT reviewed past participation to consider adjusting the Base Figure.

Past Participation

LADOT’s projects for FFY 28-30 are similar to past projects and each of them contain at least one NAICS code that was used for projects awarded or implemented in the six years prior to this goal, or were used in prior goals. As a result, past DBE participation may be used to adjust the Base Figure by averaging the median DBE participation figure with the Base Figure from Step 1. This section provides DBE participation and their respective goals in the past years.

DBE Goal FFY 2022-2024

LADOT’s DBE goal for FFY 2022-2024 was 4.98%. Two projects were included totaling \$23,055,745 in DOT-assisted grants:

- Streetscapes Glassell Park Transit Pavilion: \$190,000
- LADOT Bus Maintenance Facility and CNG Fueling Facility: \$22,865,745

DBE Goal FFY 2019-2021

LADOT’s DBE goal for FFY 2019-2021 was 4.98%. Three projects were included totaling \$18,164,343 in DOT-assisted grants:

- Solar Real-Time Bus Arrival Signs: \$418,404
- Central Avenue Streetscapes: \$542,340
- San Fernando Valley Bike Path Phase III: \$17,203,599

LADOT gathered the DBE participation rates for each of the past four years to determine the median participation rate.

Table 5 DBE Goal Attainment in the Past Four Years

5a. Federal Fiscal Year 2024 - DBE Goal: 4.98%

DEB semi-annual Report	June 1	Dec 1	Total
Payments on Ongoing Contracts - Prime and sub contracts currently in progress			
Total Dollars (Line 18B)	\$1,545,336	N/A	\$1,545,336
Total Payments to DBE Firms (Line 18D)	\$11,383	N/A	\$11,383
Percent to DBE			0.74%
Actual Payments on Contracts Completed This Period			
Total Dollar Value of Completed Prime Contracts (Line 19A)	\$21,195,000	N/A	\$21,195,000
DBE Participation Needed to Meet Goals (Dollars) (Line 19C)	\$1,500,606	N/A	\$1,500,606
Total DBE Participation Dollars (Line 19D)	\$1,542,542		\$1,542,542
Percentage of Total DBE Participation Dollars (Line 19E)	7.28%		
Actual Payments on Contracts This Period			
Total Dollars	\$22,740,336	N/A	\$22,740,336
Total Payments to DBE Firms	\$1,511,989	N/A	\$1,511,989
Percent to DBE			6.65%

5b. Federal Fiscal Year 2023 - DBE Goal: 4.98%

DEB semi-annual Report	June 1	Dec 1	Total
Payments on Ongoing Contracts - Prime and sub contracts currently in progress			
Total Dollars (Line 18B)	\$6,272,004	\$3,668,083	\$9,940,087

Total Payments to DBE Firms (Line 18D)	\$826,827	\$119,080	\$945,907
Percent to DBE			9.52%
Actual Payments on Contracts Completed This Period			
Total Dollar Value of Completed Prime Contracts (Line 19A)	\$0	\$0	\$0
DBE Participation Needed to Meet Goals (Dollars) (Line 19C)	\$0	\$0	\$0
Total DBE Participation Dollars (Line 19D)	\$0	\$0	\$0
Percentage of Total DBE Participation Dollars (Line 19E)	0%	0%	0%
Actual Payments on Contracts This Period			
Total Dollars	\$6,272,004	\$3,668,083	\$9,940,087
Total Payments to DBE Firms	\$826,827	\$119,080	\$945,907
Percent to DBE			9.52%

5c. Federal Fiscal Year 2022 - DBE Goal: 4.98%

DEB semi-annual Report	June 1	Dec 1	Total
Payments on Ongoing Contracts - Prime and sub contracts currently in progress			
Total Dollars (Line 18B)	\$6,777,659	\$0	\$6,777,659
Total Payments to DBE Firms (Line 18D)	\$609,237	\$0	\$609,237
Percent to DBE			8.99%
Actual Payments on Contracts Completed This Period			
Total Dollar Value of Completed Prime Contracts (Line 19A)	\$0	\$0	\$0
DBE Participation Needed to Meet Goals (Dollars) (Line 19C)	\$0	\$0	\$0
Total DBE Participation Dollars (Line 19D)	\$0	\$0	\$0
Percentage of Total DBE Participation Dollars (Line 19E)	0%	0%	0%
Actual Payments on Contracts This Period			
Total Dollars	\$6,777,659	\$0	\$6,777,659
Total Payments to DBE Firms	\$609,237	\$0	\$609,237
Percent to DBE			8.99%

5d. Federal Fiscal Year 2021 - DBE Goal: 4.98%

DEB semi-annual Report	June 1	Dec 1	Total
Payments on Ongoing Contracts - Prime and sub contracts currently in progress			
Total Dollars (Line 18B)	\$0	\$3,285,801	\$3,285,801
Total Payments to DBE Firms (Line 18D)	\$0	\$104,703	\$104,703
Percent to DBE			3.19%
Actual Payments on Contracts Completed This Period			
Total Dollar Value of Completed Prime Contracts (Line 19A)	\$0	\$0	\$0
DBE Participation Needed to Meet Goals (Dollars) (Line 19C)	\$0	\$0	\$0
Total DBE Participation Dollars (Line 19D)	\$0	\$0	\$0
Percentage of Total DBE Participation Dollars (Line 19E)	\$0	\$0	\$0
Actual Payments on Contracts This Period			
Total Dollars	\$0	\$3,285,801	\$3,285,801
Total Payments to DBE Firms	\$0	\$104,703	\$104,703
Percent to DBE			3.19%

Table 6 summarizes LADOT’s annual DBE participation rates and re-orders them from highest to lowest value to determine the median participation rate.

Table 6 DBE and Median Participation rates

Year	DBE participation	Rates ordered high to low
2024	6.65%	9.52%
2023	9.52%	8.99%
2022	8.99%	6.65%
2021	3.19%	3.19%

Because there are two middle values when the rates are ordered, the median is determined by averaging those two values, 8.99% and 6.65%, which is 7.82%.

Therefore, the goal adjusted with past participation would be the average of the Base Figure (6.1%) and the median DBE participation figure (7.82%), or 6.96%.

$$\text{Adjusted Base Figure} = (6.1\% + 7.82\%)/2 = 6.96\%$$

The low rate of past DBE participation supports an upward adjustment to the Base Figure.

Adjustment of Base Figure

The Base Figure determined in Step 1 reflects the amount of participation that DBEs would be expected to achieve in the absence of present and past effects of discrimination. However, the projects for FFY 25-27 are similar to past projects so LADOT is adjusting the Base Figure for past DBE participation. As a result, the adjusted DBE goal is 6.96%.

The Adjusted Overall DBE goal for FFY 2025-2027 is 6.96%.

Estimated Race-Neutral and Race-Conscious Participation

LADOT is expected to meet the maximum feasible portion of its overall DBE goal by using race neutral means. Race-neutral DBE participation occurs when a DBE is awarded a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal, or even if there is a DBE goal, is awarded a subcontract by a prime contractor that did not consider its DBE status in making the award (e.g., a prime contractor that uses a strict low bid system to award subcontracts). Race-neutral means include, but are not limited to, utilizing DBE prime contractors, making RFPs/solicitations attractive to DBEs, unbundling contracts, simplifying or reducing bonding requirements, marketing to DBEs, distributing DBE directories to prime contractors, and strengthening required small business strategies. Race-conscious means include advertising a DBE goal on a project and are used when the overall goal has not been met through race-neutral methods.

Race-Neutral and Race-Conscious Split FFY 2025-2027

Should LADOT not be able to meet its DBE goal through race-neutral methods only, race-neutral and race-conscious splits have been calculated for DOT-assisted contracts. LADOT followed the methodology provided by the FTA for determining race-neutral (RN) and race-conscious (RC) splits. This methodology determines the RN/RC split based on previous Relative RN Attainment of DBE achievement, Absolute RN Attainment based on the previous Relative RN Attainment and the current Proposed Overall Goal, and subsequently the RC split based on the current Proposed Overall Goal and Absolute RN Attainment.

Table 7 summarizes the inputs for the RN/RC split from DBE achievements and the Proposed Overall Goal.

Table 7 Inputs for Calculating Race-Neutral and Race-Conscious Splits

7a. DBE Achievement, Race-Neutral Achievement, and Total Awards by Semi-Annual Reporting Period for the Past Three Years

Report due date	Overall DBE achievement	Race neutral attainment	Total awards
	Payments to DBEs		
June 2024	\$1,511,989	\$0	\$1,511,989
Dec 2023	\$119,080	\$0	\$119,080
June 2023	\$826,827	\$0	\$826,827
Dec 2022	\$0	\$0	\$0
June 2022	\$609,237	\$0	\$609,237
Dec 2021	\$104,703	\$0	\$104,703
June 2021	\$0	\$0	\$0
Total	\$3,171,836	\$0	\$3,171,836

7b. Summary

Item	Amount
Overall DBE achievement FFY 2021-2024	\$3,171,836
Race-neutral attainment FFY 2021-2024	\$0
Proposed Goal for FFY 2025-2027	6.96%

LADOT calculated the race-neutral and race-conscious splits in the following steps.

Step 1. Determine the Relative RN Attainment by dividing Race Neutral (RN) Attainment by the Overall DBE Achievement in the past DBE goal period (Table 7b).

$$\text{Relative RN Attainment} = \text{RN Attainment} / \text{Overall DBE Achievement}$$

$$0\% = \$0 / \$3,171,836$$

Step 2. Determine the Absolute RN Attainment by multiplying the Relative RN Attainment (%) by the Proposed Overall Goal (%).

$$\begin{aligned}\text{Absolute RN Attainment} &= \text{Relative RN Attainment} \times \text{Proposed Goal} \\ 0\% &= 0\% \times 6.96\%\end{aligned}$$

Step 3. Determine the RC Split by subtracting the Proposed Overall Goal (%) by the Absolute RN Attainment (%).

$$\begin{aligned}\text{RC Split} &= \text{Proposed Goal} - \text{Absolute RN Attainment} \\ 6.96\% &= 6.96\% - 0\%\end{aligned}$$

**LADOT has calculated that the overall DBE goal will be achieved by the following splits: 0% race-neutral, 6.96% race-conscious methods.
However, LADOT will continue to implement race-neutral measures.**