

City of Los Angeles Department of Transportation

# DBE Triennial Goal FFY 2019-2021

Disadvantaged Business Enterprise Goal for DOT-Assisted  
Contracts



August 1, 2018

## **BACKGROUND**

The City of Los Angeles Department of Transportation (LADOT) receives federal financial assistance from the U.S. Department of Transportation (DOT). 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.” The triennial goal is established to help ensure that DBEs have equal opportunity to participate in LADOT’s DOT-assisted contracts.

### **Effective Dates of Triennial DBE Goal**

October 1, 2018 through September 30, 2019 (FFY 2019)

October 1, 2019 through September 30, 2020 (FFY 2020)

October 1, 2020 through September 30, 2021 (FFY 2021)

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 triennial 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.

## **DOT-ASSISTED CONTRACT OPPORTUNITIES**

This section describes the upcoming federally-funded operational and capital projects including total DOT funding amount, which is required to be at least \$250,000. Transit vehicle purchases were not considered. LADOT anticipates awarding \$18,164,343 in DOT-assisted grants during FFY 2019-2021 on the following projects:

### **Solar Real-Time Bus Arrival Signs**

Temporary Federal ID Number: 1644-2018-2

DOT Grant Amount: \$418,404

LADOT anticipates awarding \$418,404 in Federal Transit Administration (FTA) Section 5307 1% Associated Transit Improvement (ATI) grant funding in Fiscal Year 2019 for 170 solar-powered, real-time bus arrival information signs (Solar Bus Signs Project). The signs will be installed at select bus stops along DASH routes within the Los Angeles Promise Zone, a collective impact anti-poverty initiative that began in 2014. This project supports LADOT’s broader efforts to improve DASH performance and provide equitable

and affordable access to information, quality transit service, and advanced transportation technologies.

### **Central Avenue Public Transit Improvement/Street Light Project**

Federal Award Identification Number: CA-04-0208-01

DOT Grant Amount: \$542,340

LADOT anticipates awarding \$542,340 in FTA 5309 funds for the Central Ave. Public Transit Improvement/Street Light Project at Washington Blvd and Walnut St to 58<sup>th</sup> and Slauson Ave (Central Ave. Project). This project will consist of purchase and installation of 11 street light bracket arms and 23 new decorative street lights for bus stops in the project area.

### **San Fernando Valley Bike Path Project**

Temporary Federal ID Number: 1644-2018-3

DOT Grant Amount: \$17,203,599

LADOT anticipates awarding \$17,203,599 in FTA 5309 funds for the San Fernando Valley Bike Path Phase III Project. This project will consist of construction of a 4.75 mile Class I bike path within Los Angeles County Metropolitan Transportation Authority (Metro) owned rail-right-of-way along San Fernando Rd. between Branford St. and Cohasset St. The project also includes construction of a bike and pedestrian bridge over the Tujunga Wash.

## **DBE GOAL AND METHODOLOGY**

LADOT followed the federal regulations including the two-step goal setting methodology set forth in 49 CFR Part 26.45. This section illustrates the methodology for determining base and weighed base figures for the Solar Bus Signs and Central Ave. Projects. LADOT used the California Unified Certification Program (UCP) DBE directory and US Census Bureau data to establish base figures. LADOT did not use bidders lists to inform the base figure because of disparate work types in projects undertaken in the past three years compared to those of the Solar Bus Signs and Central Ave. Projects.

### **Step I: Determine Base Figure for Relative Availability of DBEs**

#### Solar Bus Signs Project Base Figure Methodology

Calculation of the Solar Bus Signs Project Base Figure is detailed in Table A. North American Industry Classification System (NAICS) codes were obtained through an online search for firms that provide solar-powered real-time bus arrival signs and their respective

NAICS codes (column A). DBEs with the corresponding NAICS codes were identified through the California Unified Certification Program (UCP) database (column G).<sup>1</sup> The number of businesses with the corresponding NAICS codes was obtained through the US Census Bureau County Business Patterns for 2016 using California as the market range (column H).<sup>2</sup> Number DBEs were divided by total firm counts for all NAICS codes to determine the base figure.

$$\text{Base Figure} = \frac{\text{Ready, Willing and Able DBEs}}{\text{All Ready, Willing and Able Firms}}$$

$$106 / 1,464 = 7.24\%$$

### *Geographic Market Area*

LADOT determined that data from the state of California will be used for the Solar Bus Signs Project. Given the relatively small number of firms estimated to be in the market for this relatively specialized product, LADOT found that it is reasonable to use the State of California as the market area.

### *Weighing Base Figure*

The LADOT Head of Transit Operations verified that this work is typically conducted by one firm that manufactures, transports, and installs the solar bus signs. A known vendor of solar bus signs confirmed that the vendor ships and/or installs the product according to the client's needs.<sup>3</sup> Given that it is reasonable that one vendor would manufacture, transport, and install their own signs, the base figure was not weighed between these three components of work. Instead, the number of DBEs was divided by total number of firms across all NAICS codes to provide an estimate of DBE availability.

### *Caveat*

It is possible that not all NAICS codes associated with the production of solar bus signs were captured, or that the NAICS codes used include firms that do not produce solar bus signs. Additionally, secondary and tertiary NAICS codes were also included. Error could result depending on accuracy of the NAICS codes used.

<sup>1</sup> California Unified Certification Program (UCP) 2018. Accessed 6/6/18.

<http://www.dot.ca.gov/hq/bep/ucp.htm>

<sup>2</sup> US Census Bureau County Business Patterns 2016. Accessed 6/6/18.

<https://www.census.gov/programs-surveys/cbp/data/tables.html>

<sup>3</sup> Phone call with vendor 6/1/18

*Base Figure for Relative Availability of DBEs*

LADOT found that the relative availability of DBEs is **7.24%** for the Solar Bus Signs project. This amounts to \$30,294 (column K).

**Table A: DBE Availability – Solar Bus Signs Project**

(A)	(B)	(C)	(D) = (BxC)	(E)	(F) = (DxE)	(G)	(H)	(I)	(J) = (G/H)	(K) = (JxF)
Project Title & Subcontracting Opportunities (2017 NAICS)	Total Project Cost	DOT Funding %	DOT Amount	Weight Estimated % of Project Total Cost	Estimated DOT % of Total Project Cost	CUCP # DBE Firms Available June 2018	2016 US Census # of DBE & Non DBE Firms	Range of Market	% of relative DBE availability	Dollars to DBEs based on relative availability
<b>SOLAR SIGNS - FTA 5307 1%</b>	\$597,404	70%	\$418,404	100%	\$418,404			California		\$30,294
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing #334220						4	174		2.30%	
Other Communications Equipment Manufacturing #334290						7	63		11.11%	
Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing #334511						1	106		0.94%	
Sign manufacturing #339950						22	595		3.70%	
All other Support Activities for Transportation #488999						17	67		25.37%	
All Other Business Support Services #561499						55	459		11.98%	
<b>LINE SUB-TOTAL</b>				<b>100%</b>	<b>\$418,404</b>	<b>106</b>	<b>1,464</b>		<b>7.24%</b>	<b>\$30,294</b>

### Central Ave. Project Base Figure Methodology

Calculation of the Central Ave. Project Base Figure is detailed in Table B. The City of Los Angeles Bureau of Street Lighting (BSL) provided a preliminary project cost estimate detailing cost components. NAICS codes for construction, concrete, and electricity supply provided by BSL were used to obtain number of businesses in the UCP database (column G) and US Census Bureau County Business Patterns (column H).<sup>4</sup> According to BSL, a construction company will be the prime contractor, while concrete and electricity suppliers will be subcontractors.

$$\text{Base Figure} = \frac{\text{Ready, Willing and Able DBEs}}{\text{All Ready, Willing and Able Firms}}$$

$$328 / 2,728 = 12.02\%$$

### *Geographic Market Area*

LADOT used firm data from Los Angeles County for the Central Ave Street Lights Project. A search in the UCP database and County Business Patterns indicated that the relative availability of DBEs for each of the NAICS codes were greater in Los Angeles County than in the state of California. Given this indication of local availability, LADOT defined Los Angeles County as the geographic market area.

### *Caveat*

For NAICS code #237310 Highway, Street, and Bridge Construction, The UCP database identified 206 DBE firms while the US Census County Business Patterns provided a count of 80 total firms. To account for this discrepancy and adjust towards a more realistic figure, the percentage of relative DBE availability was adjusted from 250% to 90%. Error could result from this assumption. There may be contractors with other NAICS codes that were not included in calculating the base figure. Additionally, different actual percentages of contract dollars going to types of work would result in inaccuracy of the base figure.

### *Weighted Base Figure for Relative Availability of DBEs*

To arrive at the weighted base figure, LADOT divided the dollars going to DBEs based on relative availability including project percentage by total project dollars:

$$\$79,228 / \$542,340 = 14.60\%$$

<sup>4</sup> California Unified Certification Program (UCP) 2018. Accessed 6/15/18.  
<http://www.dot.ca.gov/hq/bep/ucp.htm>

LADOT found that the relative availability of DBEs is **14.60%** for the Central Ave. Project.



Table B: DBE Availability – Central Ave. Project

(A)	(B)	(C)	(D) = (BxC)	(E)	(F) = (DxE)	(G)	(H)	(I)	(J) = (G/H)	(K) = (JxF)
Project Title & Subcontracting Opportunities (2017 NAICS)	Total Project Cost	DOT Funding %	DOT Amount	Weight Estimated % of Project Total Cost	Estimated DOT % of Total Project Cost	CUCP # DBE Firms Available June 2018	2016 US Census # of DBE & Non DBE Firms	Range of Market	% of relative DBE availability	Dollars to DBEs based on relative availability
<b>CENTRAL AVE STREET LIGHTING</b>	\$542,340	100%	\$542,340							
<b>Construction</b>				80%	\$433,872			LA County		\$45,682
Highway, Street, and Bridge Construction #237310						206	80		90.00%*	
Electrical Contractors and Other Wiring Installation Contractors #238210						135	1,886		7.16%	
<b>Concrete</b>								LA County		
Structural Steel and Precast Concrete Contractors #238120				9%	\$48,811	61	106		22.59%	\$28,089
<b>Electrical Supply</b>										
Electrical apparatus and equipment, wiring supplies, and related equipment merchant wholesalers #423610				11%	\$59,657	60	656	LA County	3.28%	\$5,456
<b>LINE SUB-TOTAL</b>		100%		100%	\$542,340	328	2,728		14.60%	\$79,228

\*To account for the discrepancy of greater number DBE firms than total firms, the percentage of relative DBE availability was adjusted to 90%.

### San Fernando Valley Bike Path Project Base Figure Methodology

Calculation of the San Fernando Valley Bike Path Project is detailed in Table C. The LADOT Active Transportation Division provided a preliminary project cost estimate detailing cost components and work/NAICS codes. LADOT totaled dollars for each NAICS code (column D). For costs that did not have a work/NAICS code assigned, LADOT assigned a NAICS code based on the work description. The NAICS codes were used to obtain number of businesses in the UCP database (column E) and US Census Bureau County Business Patterns (column F).<sup>5</sup>

$$\text{Base Figure} = \frac{\text{Ready, Willing and Able DBEs}}{\text{All Ready, Willing and Able Firms}}$$

$$1,794 / 11,455 = 15.66\%$$

### *Geographic Market Area*

LADOT used firm data from Los Angeles County for the San Fernando Valley Bike Path Project. Assuming that these materials and services will be locally available, LADOT defined Los Angeles County as the geographic market area.

### *Caveat*

For three of the NAICS codes, the UCP database identified more DBE firms than total firms identified by the US Census County Business Patterns. To account for this discrepancy and adjust towards a more realistic figure, the percentage of relative DBE availability was adjusted to 90% (column H in Table C). Error could result from this assumption. Additionally, a group of work categories were not assigned NAICS codes (Attachment 1). LADOT designated the best fitting codes to them. Error could have resulted from assigning an inappropriate NAICS code to an unassigned work category.

### *Weighted Base Figure for Relative Availability of DBEs*

To arrive at the weighted base figure, LADOT divided the dollars going to DBEs based on relative availability including project percentage by total project dollars:

$$\$5,490,468 / \$17,203,599 = 31.91\%$$

LADOT found that the weighted base figure for relative availability of DBEs on the San Fernando Valley Bike Path Project is 31.91%.

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<sup>5</sup> California Unified Certification Program (UCP) 2018. Accessed 7/22/18 and 7/23/18.  
<http://www.dot.ca.gov/hq/bep/ucp.htm>

Table C: DBE Availability – San Fernando Valley Bike Path

(A)	(B)	(C)	(D) = (BxC)	(E)	(F)	(G)	(H) = (E/F)	(I) = (DxH)
Project Title & Subcontracting Opportunities (2017 NAICS)	DOT Amount	Weight Estimated % of Project Total Cost	Estimated DOT % of Total Project Cost	CUCP #DBE Firms Available July 2018	2016 US Census # of DBE & Non DBE Firms	Range of Market	% of Relative DBE availability	Dollars to DBEs based on relative availability
Office building construction #236220	\$17,203,599	0.23%	\$40,000	200	917	Los Angeles County	21.81%	\$8,724
Water, Sewer Line and Related Structures Construction #237110		2.12%	\$364,620	103	83		90.00%*	\$328,158
Highway, street, and bridge construction #237310		18.80%	\$3,233,817	207	80		90.00%*	\$2,910,435
Poured concrete foundation and structure contractors #238110		6.78%	\$1,166,415	83	244		34.02%	\$396,772
Structural steel and precast concrete contractors #238120		0.03%	\$5,214	63	106		59.43%	\$3,099
Masonry contractors #238140		3.19%	\$548,460	30	203		14.78%	\$81,053
Electrical contractors and other wiring installation contractors #238210		31.28%	\$5,381,344	140	1886		7.42%	\$399,463
Plumbing, heating, and air-conditioning contractors #238220		0.02%	\$3,300	50	2290		2.18%	\$72
Painting and wall covering contractors #238320		0.49%	\$85,000	34	716		4.75%	\$4,036
Site preparation contractors #238910		8.51%	\$1,463,302	120	337		35.61%	\$521,057
All other specialty trade contractors #238990		10.65%	\$1,832,910	148	513		28.85%	\$528,793
Pipeline transportation of crude oil #484121		0.29%	\$50,000	25	819		3.05%	\$1,526
Ornamental and architectural metal work manufacturing #332323		0.26%	\$45,000	16	83		19.28%	\$8,675
Brick, stone, and related construction material merchant wholesalers #423320		0.01%	\$2,500	24	78		30.77%	\$769
Other professional equipment & supplies merchant wholesalers #423490		0.23%	\$40,000	9	63		14.29%	\$5,714
Metal service centers & other metal merchant wholesalers #423510		2.73%	\$469,090	24	381		6.30%	\$29,549
Other building material dealers #444190		0.36%	\$61,600	19	687		2.77%	\$1,704
Building inspection services #541350		1.35%	\$233,000	85	175		48.57%	\$113,171
Environmental consulting services #541620		0.12%	\$20,000	290	241		90.00%*	\$18,000
Landscaping services #561730		5.53%	\$951,974	78	1129		6.91%	\$65,770
All other support services #561990		0.84%	\$143,696	42	331		12.69%	\$18,233
Other electronic and precision equipment repair and maintenance #811219		6.18%	\$1,062,357	4	93		4.30%	\$45,693
<b>LINE SUB-TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>\$17,203,599</b>	<b>1,794</b>	<b>11,455</b>		<b>31.91%</b>	<b>\$5,490,468</b>

\*To account for the discrepancy of greater number DBE firms than total firms, the percentage of relative DBE availability was adjusted to 90%.

### Overall DBE Goal

The total of all weighted dollars going to DBEs between the three projects based on relative availability is \$5,599,990. The total DOT-assisted amount is \$18,164,343.

$$\$5,599,990 / \$18,164,343 = 30.83\%$$

Table D shows the individual project and total weighted base figures.

*Table D: Project and Total Weighted Base Figures*

Project	DBE Dollars	Total Dollars	Weighted Goal
Solar Bus Signs	\$30,294	\$418,404	7.24%
Central Ave	\$79,228	\$542,340	14.61%
SFV Bike Path	\$5,490,468	\$17,203,599	31.91%
Total	\$5,599,990	\$18,164,343	30.83%

**The final overall DBE goal for FFY 2019-2021 is 30.83%.**

### **Step 2: Adjust the Base Figure for the Overall DBE Goal**

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
- Other relevant data

### Past Participation

Projects anticipated for FFY 2019-2021 are different from the types of projects in the past three years, thus no adjustment was made for past participation. The current Solar Bus Signs and Central Ave. Projects require different materials and labor than the transit pavilion, bus turnaround, bus maintenance, and mixed-use development projects from the past three years. While the transit pavilion project included a bus light component,

City labor was used in this project whereas contract labor will be used in the Central Ave. Project. While not used to adjust the base figure, this section provides DBE participation and their respective goals in the past three years:

#### *DBE Goal FFY 2016-2018*

LADOT's DBE goal for FFY 2016-2018 was 18.7% (Table D). Two projects were included in calculation of the October 1, 2015 - September 30, 2018 goal using a total of \$22,865,745 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 2013 - 2015*

LADOT's DBE goal for FFY 2013 - 2015 was 20.0%. Three projects were included in calculation of the October 1, 2012 - September 30, 2015 goal using a total of \$18,015,553 in DOT-assisted grants:

- California State LA Bus Turnaround: \$350,033
- Chinatown Blossom Plaza Mixed-Use Development Project: \$4,580,250
- LADOT Bus Maintenance Facility and CNG Fueling Facility: \$13,085,270

#### *Table D: DBE Goal Attainment in Previous Three Years*

##### *D1. Federal Fiscal Year 2018 - DBE Goal: 18.7%*

	DBE Report	June 1	Total
A.	Total dollars awarded to DBE prime contractors (Line 8C)	\$0	\$0
B.	Total dollars awarded to DBE subcontractors (Line 9C)	\$0	\$0
C.	Total dollars awarded to DBEs (A+B)		\$0
D.	Total prime contractor dollars awarded (Line 8A)	\$0	\$0
E.	Annual percentage awarded to DBEs (C3/D3)		0%

##### *D2. Federal Fiscal Year 2017 - DBE Goal: 18.7%*

	DBE Report	June 1	Dec 1	Total
A.	Total dollars awarded to DBE prime contractors (Line 8C)	\$110,906	\$0	\$110,906

B.	Total dollars awarded to DBE subcontractors (Line 9C)	\$1,632	\$0	\$1,632
C.	Total dollars awarded to DBEs (A+B)			\$112,538
D.	Total prime contractor dollars awarded (Line 8A)	\$171,334	\$0	\$171,334
E.	Annual percentage awarded to DBEs (C3/D3)			65.7%

*D3. Federal Fiscal Year 2016 - DBE Goal: 18.7%*

	DBE Report	June 1	Dec 1	Total
A.	Total dollars awarded to DBE prime contractors (Line 8C)	\$0	\$0	\$0
B.	Total dollars awarded to DBE subcontractors (Line 9C)	\$0	\$29,995	\$29,995
C.	Total dollars awarded to DBEs (A+B)			\$29,995
D.	Total prime contractor dollars awarded (Line 8A)	\$0	\$19,465,745	\$19,465,745
E.	Annual percentage awarded to DBEs (C3/D3)			0%

*D4. Federal Fiscal Year 2015 - DBE Goal: 20.0%*

	DBE Report	Dec 1	Total
A.	Total dollars awarded to DBE prime contractors (Line 8C)	\$0	\$0
B.	Total dollars awarded to DBE subcontractors (Line 9C)	\$0	\$0
C.	Total dollars awarded to DBEs (A+B)		\$0
D.	Total prime contractor dollars awarded (Line 8A)	\$0	\$0
E.	Annual percentage awarded to DBEs (C3/D3)		\$0

From October 1, 2016 through March 31, 2017, LADOT exceeded its DBE goal of 18.7% with 65.7% DBE attainment. In this period, three contracts totaling \$171,334 in federal funds were awarded to the Transit Pavilion project. The DBE award was \$112,538 total in federal funds – \$110,906 to a prime contract (concrete) and \$1,632 to a subcontract (trucking).

## Disparity Studies

While LADOT has not commissioned a disparity study, Caltrans and the Los Angeles County Metropolitan Transportation Authority (Metro) have relevant disparity studies. Caltrans conducted a Disparity Study in 2016 and Metro conducted a Disparity Study in 2017 to inform their respective implementation of the Federal Disadvantaged Business Enterprise (DBE) Program.<sup>6,7</sup>

### *Disparities in the Ability of DBEs to Get Financing, Bonding, and Insurance*

Metro and Caltrans disparity studies found that minority- and women-owned businesses in Los Angeles County and California, respectively, do not have the same access to financing, bonding, and insurance as non-Hispanic white men and businesses owned by non-Hispanic white men. Barriers to obtaining financing, bonding, and insurance might limit opportunities for minorities and women to successfully form and operate businesses in the Los Angeles County and California contracting marketplace. Any barriers would also place those businesses at a disadvantage in competing for Caltrans and Metro federally funded prime contracts and subcontracts. Both studies found that disparities in the ability of DBEs to get financing, bonding, and insurance supports an upward step-2 adjustment to their respective base figures.

### *Data on Employment, Self-Employment Education and Training, and Union Apprenticeship Programs*

Metro and Caltrans disparity studies found that there are barriers that certain minority groups and women face related to human capital, financial capital, business ownership, and business success in the contracting industries of the Metro study area and California, respectively. Such barriers may decrease the availability of minority- and women-owned businesses to obtain and perform the FTA-funded contracts that Metro awards and the FHWA-funded contracts that Caltrans and subrecipient local agencies award. Based on these findings, the disparity studies support an upward step-2 adjustment to their respective base figures.

Metro's 2017 Disparity Study found that based on information related to business ownership alone, Metro might consider adjusting the base figure of 27.0% upward to 31.9%. Caltrans' 2016 Disparity Study found that based on information related to business ownership alone, Caltrans might consider adjusting the base figure of 17.6% upward to 23%. To arrive at these adjustments, the consultant simulated business ownership rates if minority- and women-owned businesses owned businesses at the

<sup>6</sup> Caltrans. 2016 Disparity Study. Prepared by BBC Research & Consulting. 28 April 2017. <http://www.dot.ca.gov/obeo/docs/2016DisparityStudyReport.pdf>

<sup>7</sup> LA Metro. 2017 Disparity Study. Prepared by BBC Research & Consulting. 19 Jan 2018. [http://media.metro.net/about\\_us/disparity\\_study/images/2017\\_metro\\_disparity\\_study.pdf](http://media.metro.net/about_us/disparity_study/images/2017_metro_disparity_study.pdf)

same rate as non-Hispanic white men who share similar race- and gender-neutral personal characteristics. This was done using a probit regression analysis then calculating a business ownership disparity index. As of June 2018, neither Metro nor Caltrans adopted these adjustments into their overall DBE goal.

#### *No Adjustment of Base Figure at this Time*

LADOT acknowledges that 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. Minority- and women-owned businesses experience barriers that place these businesses at a disadvantage for competing for federal contracting opportunities through these agencies. However, the disparity studies acknowledge that much of the information examined in considering a step-2 adjustment was not easily quantifiable.

LADOT concludes that an adjustment to the base figure to account for the continuing effects of past discrimination conducted by LADOT at this time may be cursory. 49 CFR Part 26 states that there must be a rational relationship between the data used to make the adjustment and the actual numerical adjustment made. Thus, LADOT has not adjusted its FFY 2019-2021 base figure for its overall DBE goal.

#### **Estimated Race-Neutral and Race-Conscious Participation**

LADOT will meet the maximum feasible portion of its overall DBE goal by using race-neutral means. Race-neutral DBE participation is deemed to have occurred 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, outreaching to/for DBEs, distributing DBE directories to prime contractors, and strengthening required small business strategies. Race-conscious means are to be used only when the goal cannot be met through race-neutral methods.

#### **Race-Neutral and Race-Conscious Split FFY 2019-2021**

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.<sup>8</sup> 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:

Determine the Relative RN Attainment by dividing RN Attainment (in the past triennial period) by the Overall DBE Achievement (Table E1; see breakdown in Table E2).

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

$$\$110,906 / \$142,533 = 77.81\%$$

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

$$\text{Absolute RN Attainment} = \text{Relative RN Attainment} \times \text{Proposed Goal}$$

$$77.81\% \times 30.83\% = 23.99\%$$

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

$$\text{RC Split} = \text{Proposed Goal} - \text{Absolute RN Attainment}$$

$$30.83\% - 23.99\% = 6.84\%$$

*Table E: Inputs for Calculating Race-Neutral and Race-Conscious Splits*

*E1. Summary*

Item	Amount
Overall DBE Achievement by dollar amount FFY 2016-2018:	\$142,533
Race-Neutral Attainment by dollar amount FFY 2016-2018:	\$110,906
Proposed Goal for FFY 2019-2021	30.83%

<sup>8</sup> FTA. Grantee DBE Goal-Setting and Consultation Webinar. May 2018.

*E2. DBE Achievement, Race-Neutral Achievement, and Total Awards by Semi-Annual Reporting Period for Past Three Years*

Report due date	Overall DBE achievement (on awards & commitments)	Race-neutral achievement (on awards & commitments)	Total awards
June 2018	\$0	\$0	\$0
Dec 2017	\$0	\$0	\$0
June 2017	\$112,538	\$110,906	\$171,334
Dec 2016	\$29,995	\$0	\$19,465,740
June 2016	\$0	\$0	\$0
Dec 2015	\$0	\$0	\$0
<b>TOTALS</b>	<b>\$142,533</b>	<b>\$110,906</b>	<b>\$19,637,074</b>

**LADOT will meet the maximum feasible portion of its overall DBE goal by using race-neutral means. When this is not possible, LADOT has determined that 23.99% is expected to be achieved through race-neutral methods and 6.84% is expected to be achieved through race-conscious methods.**

## CONSULTATION AND PUBLICATION

LADOT is required to engage in consultation with stakeholders in establishing its overall goal. This includes consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and efforts to establish a level playing field for the participation of DBEs. This also includes a published notice announcing the proposed overall goal before submission on August 1. This section provides information about consultation and publication completed by LADOT.

### Stakeholder Consultation

LADOT conducted outreach to notify stakeholders about the DBE triennial goal and the Public Information Session:

- Reached 1,700 businesses through BAVN
- Reached 450+ individuals and businesses from UCP database
- Attended and/or made announcements at small business events
  - Los Angeles World Airports Exhibit and Business Matchmaking, 6/14/2018

- Metro Transportation Business Advisory Council, 7/5/2018
- Provided information on the LADOT website and through social media

LADOT consulted with the following divisions, peer agencies and business associations:

- Aida Douglas, Regulatory Compliance and Civil Rights Officer, Long Beach Transit
- Leslie Scott, Transit Center Project Manager, Redondo Beach
- Joyce Rooney, Transit Operations & Transportation Facilities Manager, Redondo Beach
- Melanie Torres, Procurement Services Division, Los Angeles World Airports
- Kelly Markham, Small Business Liaison, District 7, Caltrans
- Moises Cisneros, Transportation Business Advisory Council, Metro; advisor, Latino Chamber of Commerce
- Schenae Rourk, Transportation Business Advisory Council, Metro; National Association of Women Business Owners – Los Angeles
- Olga Mireya Lopez, Diversity and Economic Opportunity Department, Metro
- Robert C. Guzman, American Association of Latino Engineers and Scientists
- Janet Kwan, Bureau of Street Lighting, City of Los Angeles
- Luis Rivera, Mayor's Office of Economic Development, City of Los Angeles

LADOT consulted with more than 10 business stakeholders at the public meeting, on the phone, and during in-person meeting at LADOT.

Feedback from stakeholder consultation is detailed in the following *Feedback from Consultation* section.

### **Published Notice**

LADOT published information to the LADOT Transit homepage on June 25, 2018 announcing its proposed overall goal and requesting feedback. The website included:

- DBE goal
- DBE goal methodology narrative
- Letter to stakeholders
- Public information session details
- One-page notice of the goal
- Invitation to comment through attending the public meeting, via phone, or in-person meeting until July 27, 2018

The revised goal methodology narrative is available on the website:

- LADOT Transit homepage: <https://www.ladottransit.com/>
- LADOT Transit DBE webpage: <https://www.ladottransit.com/dbe/>

### **Public Information Session and 30-Day Comment Period (Discretionary)**

LADOT held a public informational session on the DBE Goal for FY 2019-2021 on July 11, 2018 from 3:30 – 4:30 PM at 100 S. Main Street, Room 01.040C.

More than 10 individuals attended the session. The session consisted of 1) an introduction by the LADOT Transit Grants Manager, 2) DBE goal and methodology presentation, 3) announcements from the Mayor's Office of Economic Development, and 4) question and comment period with the Head of Specialized Transit and Grants and other staff from LADOT Transit.

### Questions and Comments

Below are questions and comments that were noted during the session:

- What has been the uptake on getting comments and or feedback on the DBE program?
- The DBE goal appears low. Is that the maximum limit LADOT can provide?
- A goal is established and disparity studies are conducted, but DBEs are still not getting contracts. What is LADOT doing to encourage more small business engagement?
- Sometimes the NAICs code does not capture all small businesses such as office supplies.
- Surprised that zero projects were awarded to small businesses in previous years.
- Re-strategize and work with prime contractors
- Why doesn't LADOT have a large database like LA Metro? Or rather, why doesn't LADOT and LA Metro have an integrated database and or information?
- The information is available and am surprised small businesses are not at these events.
- Need better outreach to inform small businesses.
- Primes need to be vetted by the procurement arm of these projects.
- Metro does not break out the contract to include small sub-consultants; condition of proposal for being incomplete.
- Methodology to break down the NAICs code further?
- Ensure that it's inclusive when you re-evaluate the methodology.
- Make LADOT's outreach material can be livelier, so that businesses want to attend a meeting on the DBE goal as well as to encourage transit ridership.

- Need to target the primes and create mechanisms to ensure that they are contracting with DBEs. Elected officials, staff, etc. all change but the one thing that stays constant are the primes.

### **Feedback from Consultation**

The following points detail feedback that have been received via phone or in-person meeting:

- Consult stakeholders before publishing the goal as required by FTA.
- One agency has a 20% DBE goal. The goal was lower but the agency had several revisions per the FTA to arrive at a higher goal. Several meeting attendees (6/19/18) commented that 20% is a high goal.
- One agency had a recent DBE goal of 6.37%. LADOT reviewed four letters that the agency mailed to minority business associations to request feedback on the goal, for which the agency did not receive any responses.
- One agency has a DBE goal of 12.5% and a recommended step 2 adjustment to 17.6%. They had 10 people attend a recent public session to comment on the goal. Outreach through contacts found on DBE database.
- Use: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx> in addition to California Unified Certification Program.
- One association is hosting trainings with goal to certify 150 businesses as DBEs this year.
- What is different about the contracting process with LADOT and that of bigger agencies that is a positive to DBEs?
- Consider forming a business advisory council.
- Attend the Metro Transportation Business Advisory Council monthly meeting. The council informed Metro's DBE disparity study.
- LADOT's DBE goal is low. Consider increasing the goal based on Metro's disparity study. Too low of a DBE might get you sued.
- One business said that they would consider hiring a DBE subcontractor to help LADOT meet its DBE goals.

### **Conclusions**

Most comments that LADOT received offered insight about barriers to implementing the DBE goal and building a more robust DBE program. There appears to be opportunity to strengthen the DBE program. In the process of establishing and consulting on the DBE goal, it is highlighted that the functions of establishing the DBE goal and fulfilling compliance duties operate separately from contracting and facilitating that the DBE goal is met. The complexity and span of coordinating various procurement and compliance

efforts was evident. Additionally, assisting companies with DBE certification, bond assistance, and meeting the buyer are programs that peer agencies are engaged in that LADOT may consider.

## **ATTACHMENTS**

1. DBE Worksheets
2. Public Notice
3. Letter to Stakeholders
4. Notification via BAVN
5. LADOT Transit homepage
6. LADOT DBE goal website
7. LADOT social media: Facebook and Instagram
8. Public Info Session Presentation
9. Public Info Session Sign-in Sheet
10. Written comments from stakeholders



**Public Notice**  
**Disadvantaged Business Enterprise (DBE) Program**  
**Proposed Goal FFY 2019-2021**

In accordance with requirements of the U.S. Department of Transportation as set forth in 49 C.F.R. Part 26, the City of Los Angeles Department of Transportation (LADOT) hereby notifies the public of its proposed Disadvantaged Business Enterprise (DBE) triennial overall goal of **11.40%** on U.S. DOT-assisted contracts. **8.87%** will be achieved through race-neutral methods and **2.53%** will be achieved through race-conscious methods. The overall goal is for a three-year period from Federal Fiscal Years (FFY) 2019-2021 beginning October 1, 2018 and ending September 30, 2021.

***Public Information Session***

A public information session on the goal and methodology will be held:

July 11, 2018, 3:30 – 4:30 PM  
100 S. Main St., Room 01.040C  
Los Angeles CA 90012

***Request for Public Comment on Proposed DBE Goal***

The proposed DBE goal and methodology is available for review on the website: <https://www.ladottransit.com/dbe/>. If you would like to have a physical copy mailed to you, please contact us at the phone number or email below.

**LADOT staff is available for an in-person meeting or phone call to respond to inquiries and receive comments on the DBE goal. Please reach Jennifer Ly, LADOT at 213.928.9771 or [jennifer.x.ly@lacity.org](mailto:jennifer.x.ly@lacity.org).**

For those unable to provide verbal or written comments through one of the means above, written comments may be sent to LADOT:

LADOT Transit Services  
Attn: Specialized Transit & Grants  
100 S. Main Street, 10<sup>th</sup> floor  
Los Angeles CA 90012

LADOT will consider all comments received by **July 27, 2018** before submitting its goal due to the Federal Transit Administration on August 1, 2018.

**CITY OF LOS ANGELES**  
CALIFORNIA

**Seleta J. Reynolds**  
GENERAL MANAGER



**ERIC GARCETTI**  
MAYOR

**DEPARTMENT OF TRANSPORTATION**

100 South Main Street, 10th Floor  
Los Angeles, California 90012  
(213) 972-8470  
FAX (213) 972-8410

June 28, 2018

**SUBJECT: CITY OF LOS ANGELES DEPARTMENT OF TRANSPORTATION (LADOT) DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL FOR FEDERAL FISCAL YEARS 2019 – 2021**

Dear Stakeholders,

I am writing to notify and welcome stakeholder input on LADOT's Disadvantaged Business Enterprise (DBE) goal for Federal Fiscal Year (FFY) 2019-2021. The City of Los Angeles Department of Transportation (LADOT) has established a DBE program in accordance with the U.S. Department of Transportation (DOT), 49 Code of Federal Regulations (CFR), Part 26. The triennial goal is established to help ensure that DBEs have an equal opportunity to participate in LADOT's DOT-assisted contracts.

LADOT's proposed DBE overall goal is **11.40%** for DOT-assisted contracts. The overall goal is for a three-year period from October 1, 2018 through September 30, 2021. **8.87%** will be achieved through race-neutral methods and **2.53%** will be achieved through race-conscious methods. The overall goal is expressed as a percentage of all DOT-assisted funds that LADOT will expend in applicable DOT-assisted contracts in the triennial goal period. The DBE goal and methodology for FFY 2019-2021 are available:

<https://www.ladottransit.com/dbe/>

LADOT will host a public information session on the goal and methodology on July 11, 2018, 3:30 - 4:30 PM at 100 S. Main St, Room 01.040C, Los Angeles CA 90012.

LADOT staff is available for an in-person meeting or phone call to respond to inquiries and receive comments on the DBE goal. Please reach Jennifer Ly, LADOT at 213.928.9771 or [jennifer.x.ly@lacity.org](mailto:jennifer.x.ly@lacity.org).

For those unable to provide verbal or written comments through one of the means above, written comments may be sent to LADOT. Written comments on this goal can be mailed to:

LADOT Transit Services  
Attn: Specialized Transit & Grants  
100 S. Main Street, 10th floor  
Los Angeles CA 90012

LADOT will consider all comments received by July 27, 2018 before submitting its goal due to the Federal Transit Administration on August 1, 2018.



LADOT will continue to solicit feedback on the DBE goal and program on an ongoing basis.

Best Regards,

A handwritten signature in blue ink that reads "Mariana S. Valdivia". The signature is written in a cursive, flowing style.

Mariana S. Valdivia  
Grants Manager, LADOT



Jennifer Ly &lt;jennifer.x.ly@lacity.org&gt;

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## LADOT DBE Goal and Public Info Session on 7/11/18

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**Business Assistance Virtual Network** <ita.bavn@lacity.org>  
Reply-To: Business Assistance Virtual Network <ita.bavn@lacity.org>  
To: LABAVNOPPORTUNITIES@listserv.lacity.org

Mon, Jul 9, 2018 at 2:11 PM

Hello interested contractor,

LADOT welcomes your input on LADOT's Disadvantaged Business Enterprise (DBE) goal for FFY 2019-2021. The DBE goal and methodology are available: <https://www.ladottransit.com/dbe/>

### PUBLIC INFORMATION SESSION

We invite you to join us for a public information session on the goal and methodology on July 11, 2018, 3:30 PM at 100 S. Main St, Room 01.040C, Los Angeles CA 90012.

Please [RSVP](#) to help us plan accordingly. I am also available for an in-person meeting or phone call on the DBE goal and methodology.

Thank you,  
Jennifer

**Jennifer Ly**  
Transportation Planning Associate II  
213.928.9771



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**DBE Letter to Stakeholders 062818.pdf**  
149K



Search

Disadvantaged  
Business Enterprise  
(DBE) Goal 2019-2021

LADOT REQUESTS YOUR FEEDBACK

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ACCESSIBILITY

MOVING FORWARD...  
TOGETHER

TRANSIT SERVICE ANALYSIS UPDATE

[Privacy Policy](#)

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[Accessibility](#)

back

DASH

home

- Beachwood Canyon

Boyle Heights/East LA

Chesterfield Square

Crenshaw

Downtown

El Sereno/City Terrace

Fairfax

Highland Park/Eagle Rock

Hollywood

Hollywood/Wilshire (Larchmont Shuttle)

King-East

Leimert/Slauson

Lincoln Heights/Chinatown

Los Feliz

Midtown

Northridge/Reseda

Observatory

Panorama City/Van Nuys

Pico Union/Echo Park

San Pedro

Southeast

Pueblo del Rio

Van Nuys/Studio City

Vermont/Main

Watts

Wilmington

Wilshire Center/Koreatown

DASH System Map

back

COMMUTER  
EXPRESS

home

- 409 to Civic Center

419 to Downtown

423 to Downtown

431 to Financial District

437 to Financial District

438 to Financial District

448 to Financial District

142

422

534

549

573

574

Union Station/Bunker Hill Shuttle

Commuter Express System Map



## Disadvantaged Business Enterprise (DBE) Goal for Federal Fiscal Years 2019 – 2021

The City of Los Angeles Department of Transportation (LADOT) has established a Disadvantaged Business Enterprise (DBE) program in accordance with the U.S. Department of Transportation (DOT), 49 Code of Federal Regulations (CFR), Part 26. The triennial goal is established to help ensure that DBEs have an equal opportunity to participate in LADOT's DOT-assisted contracts.

LADOT's proposed DBE overall goal is 11.40% for DOT-assisted contracts. The overall goal is for a three-year period from October 1, 2018 (Federal Fiscal Year 2019) through September 30, 2021 (Federal Fiscal Year 2021). 8.87% will be achieved through race-neutral methods and 2.53% will be achieved through race-conscious methods. The overall goal is expressed as a percentage of all FTA-assisted funds that LADOT will expend in applicable FTA-assisted contracts in the triennial goal period.

- [DBE Goal FFY 2019–2021 Methodology](#)
- [Public Notice](#)

### Public Information Session

A public information session on the goal and methodology will be held:

July 11, 2018, 3:30 - 4:30 PM  
100 S. Main St, Room 01.040C  
Los Angeles CA 90012

### Public Comment

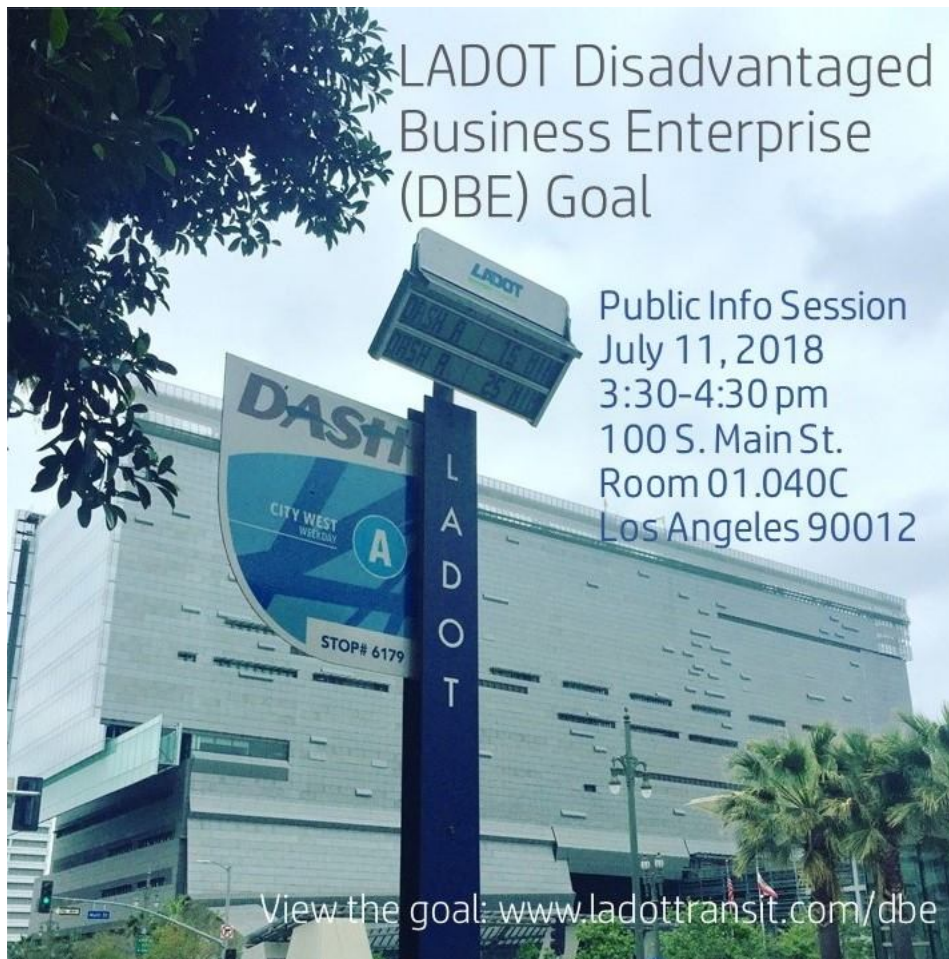
LADOT staff is available for an in-person meeting or phone call to respond to inquiries and receive comments on the DBE goal. Please reach Jennifer Ly, LADOT at 213.928.9771 or [jennifer.x.ly@lacity.org](mailto:jennifer.x.ly@lacity.org).

For those unable to provide verbal or written comments through one of the means above, written comments may be sent to LADOT. Written comments on this goal can be mailed to:

LADOT Transit Services  
Attn: Specialized Transit & Grants  
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Los Angeles CA 90012

LADOT will consider all comments received by July 27, 2018 before submitting its goal due to the Federal Transit Administration on August 1, 2018.

LADOT will continue to solicit feedback on the DBE goal and program on an ongoing basis.

**LADOT Transit**

Like This Page · Yesterday ·

We want your feedback! LADOT requests input from stakeholders on our Disadvantaged Business Enterprise (DBE) Goal for 2019-2021. Join us at a Public Information Session on July 11 at 3:30 PM! To learn more about the goal and to RSVP for the Information Session, visit [www.ladottransit.com/dbe](http://www.ladottransit.com/dbe). We hope to see you there!

LADOT Official Mayor Eric Garcetti  
#ladottransit #ladot #dbegoal

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Joe Pallon likes this.

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**ladottransit** We want your feedback! LADOT requests input from stakeholders on our Disadvantaged Business Enterprise (DBE) Goal for 2019-2021. Join us at a Public Information Session on July 11th at 3:30 PM! To learn more about the goal and to RSVP for the Information Session, visit [www.ladottransit.com/dbe](http://www.ladottransit.com/dbe). We hope to see you there! #ladottransit #ladot #dbegoal

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## ATTACHMENT 8

## Disadvantaged Business Enterprise (DBE) Goal FFY 2019-2021

Jennifer Ly, LADOT  
[jennifer.x.ly@lacity.org](mailto:jennifer.x.ly@lacity.org)  
213.928.9771



July 11, 2018



## Introduction

- Comply with 49 CFR Part 26 "Participation by Disadvantaged Business Enterprises (DBE) in Department of Transportation Programs"
  - Recipients of US DOT grant funds must establish a DBE program, set a DBE goal, and report on DBE attainment for DOT-assisted contracts
- Effective October 1, 2018 – September 30, 2021 (FFY 2019-2021)
- Consult stakeholders on the DBE goal and methodology

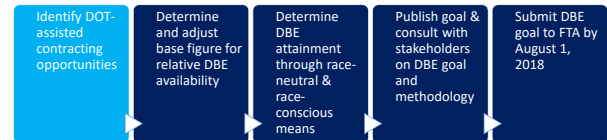


## Proposed DBE Goal

- DBE Goal: 11.40%
- Total DOT-assisted amount: \$960,744
- Number DOT-assisted projects: 2
  - Project I (Solar Bus Signs): \$418,404
  - Project II (Central Ave): \$542,340
- Race-neutral: 8.87%, Race-conscious: 2.53%
- San Fernando Valley Bike Path: \$17 M ←



## DBE Goal and Methodology



Effective October 1, 2018 – September 30, 2021 (FFY 2019-2021)



## DOT-Assisted Contracting Opportunities

- Solar Real-Time Bus Arrival Signs: \$418,404
- Central Ave. Public Transit Improvement/Street Light Project: \$542,340



## Solar Real-Time Bus Arrival Signs

- \$418,404
- FTA 5307 1% Associated Transit Improvement (ATI) grant funding
- 170 solar-powered, real-time bus arrival information signs
- Select bus stops along DASH routes (five neighborhoods in Central LA)
- Aims to enhance DASH performance and provide equitable and affordable access to information, transit service, and advanced technologies



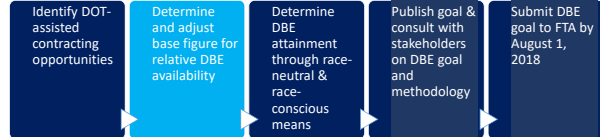


## Central Ave. Public Transit Improvement/Street Light Project

- \$542,340
- FTA 5309 funds
- Washington Blvd/Walnut St to 58<sup>th</sup>/Slauson
- Install 11 street light bracket arms and 23 decorative street lights for bus stops



## DBE Goal and Methodology



Effective October 1, 2018 – September 30, 2021 (FFY 2019-2021)



## Base Figure of Relative DBE Availability

- California Unified Certification Program (UCP) database (2018)
- U.S. Census County Business Patterns (2016)

$$\text{Base Figure} = \frac{\text{Ready, Willing, and Able DBEs}}{\text{All Ready, Willing, and Able Firms}}$$



## Solar Bus Signs

Project Title & Subcontracting Opportunities (DOT MAND)	Total Project Cost	DOT Funding %	DOT Amount	Weight Estimated % of Project Total of Cost	Estimated % of DOT % of Total Project Cost	CUCP # DBE Firms Available June 2018	2016 US Census # of DBE & Non DBE Firms	Range of Market	% of relative DBE availability	Dollars to DBEs based on relative availability
SOLAR SIGNS - FTA 5307 1%	\$507,404	70%	\$418,404	100%	\$418,404			California		\$30,294
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing #234220						4	174		2.30%	
Other Communications Equipment Manufacturing #234220						7	63		11.11%	
Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing #334311						1	106		0.94%	
Sign manufacturing #339950						22	595		3.70%	
All other Support Activities for Transportation #489999						17	87		25.37%	
All Other Business Support Services #581400						55	435		11.98%	
LINE SUB-TOTAL				100%	\$418,404	106	1,464		7.24%	\$30,294

## Central Ave. Bus Signs

Project Title & Subcontracting Opportunities (DOT MAND)	Total Project Cost	DOT Funding %	DOT Amount	Weight Estimated % of Project Total of Cost	Estimated % of DOT % of Total Project Cost	CUCP # DBE Firms Available June 2018	2016 US Census # of DBE & Non DBE Firms	Range of Market	% of relative DBE availability	Dollars to DBEs based on relative availability
CENTRAL AVE STREET LIGHTING	\$542,340	100%	\$542,340							
Construction Highway, Street, and Bridge Construction #237110				80%	\$433,872	72	80	LA County	90.00%	\$45,882
Electrical Contractors and Other Wiring Installation Contractors #236210						135	1,888		7.16%	
Concrete Structural Steel and Precast Concrete Contractors #238120				9%	\$48,811	81	106	LA County	22.59%	\$28,085
Electrical Supply Electrical apparatus and equipment, wiring supplies, and related equipment merchant wholesalers #423510				11%	\$59,657	80	650	LA County	3.28%	\$5,436
LINE SUB-TOTAL		100%		100%	\$542,340	328	2,728		12.62%	\$79,403

## Proposed DBE Goal

$$\text{Proposed DBE goal} = \frac{\text{Total of all weighted costs}}{\text{Total DOT-assisted amount}}$$

$$\$109,522 / \$960,744 = 11.40\%$$



## Adjusting the Base Figure

- Past participation
- Evidence from disparity studies
- Statistical disparities related to financing, bonding, and insurance
- Data on employment, self-employment, education and training, and union apprenticeship programs
- Other relevant data



## Past Participation

- No adjustments made for past participation due to incongruous projects
- Past projects:
  - FFY 2016-2018: \$23,055,745
    - Streetscapes Glassell Park Transit Pavilion: \$190,000
    - LADOT Bus Maintenance Facility and CNG Fueling Facility: \$22,865,745
  - FFY 2013-2015: \$18,015,553
    - California State LA Bus Turnaround: \$350,033
    - Chinatown Blossom Plaza Mixed-Use Development Project: \$4,580,250
    - LADOT Bus Maintenance Facility and CNG Fueling Facility: \$13,085,270



## Past Participation

Period	Attainment	DBE Goal
FFY 2018	Total dollars awarded: \$0 Percentage awarded to DBEs: 0%	18.7%
FFY 2017	Total dollars awarded: \$171,334 Percentage awarded to DBEs: 65.7%	18.7%
FFY 2016	Total dollars awarded: \$19,465,745 Percentage awarded to DBEs: 0%	18.7%
FFY 2015	Total dollars awarded: \$0 Percentage awarded to DBEs: 0%	20.0%

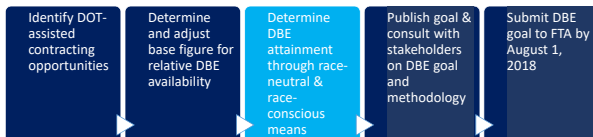


## Relevant Disparity Studies

- Metro (2017) and Caltrans (2016) Disparity Studies found that:
  - Minority- and women-owned businesses in Los Angeles County and California do not have the same access to financing, bonding, and insurance as non-Hispanic white men and businesses owned by non-Hispanic white men
  - Certain minority groups and women face barriers related to human capital, financial capital, business ownership, and business success in Metro study area and California
- LADOT did not adjust the base figure.



## DBE Goal and Methodology



Effective October 1, 2018 – September 30, 2021 (FFY 2019-2021)

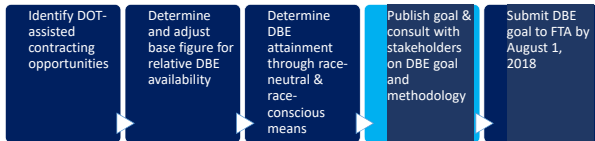


## Race-Neutral (RN) and Race-Conscious (RC) Participation

- Relative RN Attainment = RN Attainment / Overall DBE Achievement  
 $\$110,906 / \$142,533 = 77.81\%$
- Absolute RN Attainment = Relative RN Attainment x Proposed Goal  
 $77.81\% \times 11.40\% = 8.87\%$
- RC Split = Proposed Goal – Absolute RN Attainment  
 $11.40\% - 8.87\% = 2.53\%$
- Race-neutral: 8.87%, Race-conscious: 2.53%



## DBE Goal and Methodology



Effective October 1, 2018 – September 30, 2021 (FFY 2019-2021)



## Publish Goal & Consult with Stakeholders

- Submit DBE goal to FTA on August 1, 2018
- Submit any DBE goal revisions to FTA as needed and post to <https://www.ladottransit.com/dbe/>
- Submit semi-annual DBE reports on DOT-assisted contracts
- Conduct DBE consultation and outreach on an ongoing basis

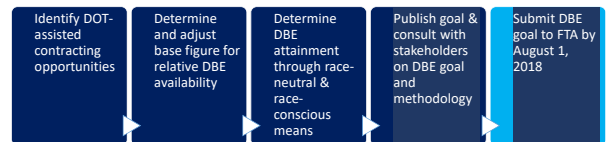


## Consult with Stakeholders

- Posted to website on 6/27 [www.ladottransit.com/dbe](http://www.ladottransit.com/dbe) for public comment
- Distributed to LADOT social media
- Distributed goal and invite to public meeting to:
  - 1,700+ DBEs on BAVN
  - 440+ DBEs from UCP database
  - 20+ industry contacts
- Consulted with peer agencies
- Attended local business events
- Considering comments on DBE goal before August 1 submission



## DBE Goal and Methodology



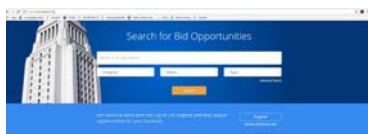
Effective October 1, 2018 – September 30, 2021 (FFY 2019-2021)



## Doing Business with the City of Los Angeles

- Los Angeles Business Assistance Virtual Network (LABAVN)

[www.labavn.org](http://www.labavn.org)



## Questions

- Is there anything else LADOT can consider in its DBE methodology (Existing: UCP, Census County Business Patterns, geographical market)?
- Do you have any other comments on the DBE goal?
- Other questions?

