

**NORTH COUNTY  
TRANSIT DISTRICT**



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

**Federal Fiscal Years (FFY) 2020-2022  
Goal Period**

**August 1, 2019**

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

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## **I. INTRODUCTION**

The North County Transit District (NCTD) 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 2020-2022 (October 1, 2019 through September 30, 2022), 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**

NCTD is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, NCTD 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, NCTD is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects. Accordingly, NCTD hereby presents its Overall DBE Goal Methodology for FFY 2020-2022.

## **III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2020-2022**

### **Market Area**

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.

The NCTD local market for contracts consists of a geographic area that is:

- where a large majority of contracting dollars is expended, and
- where a substantial number of contractors and subcontractors are located and available to submit bids or quotes.

The NCTD bidder’s list was reviewed and analyzed to determine where NCTD spends the substantial majority of its contracting dollars. The previously established market area of Orange, Riverside, and San Diego county remains valid.

### **Anticipated Projects**

NCTD has twelve (12) FTA-assisted projects that are anticipated to be awarded during the triennial period and which were considered in preparing this goal methodology. These projects and their federal share are listed in Table 1.

- Column A lists the name of each project.
- Column B lists the total estimated cost of each project.
- Column C lists the estimated FTA dollar share for each project.
- Column D lists estimated FTA percentage share for each project.

**TABLE 1**

A Project Name and Description	B Total Estimated Project Cost	C Estimated FTA Dollar Share	D Estimated FTA % Share
<p><b>Payroll &amp; Employee Self-Service System</b> NCTD is obtaining a new integrated Payroll and Human Resources Management (HRM/HRMS) solution. This project includes related services such as, but not limited to, implementation, integration, training, development, maintenance, and support.</p>	\$255,502.00	\$204,402.00	80.0%
<p><b>Gas Methane Refurbishment East Division</b> This project is to modify the existing Gas/Methane Detection System and install a new system that will have the capability to monitor the maintenance workshop areas exposed to methane gas in compliance with Occupational Safety and Health Administration (OSHA) at NCTD's East Division Facility.</p>	\$855,000.00	\$684,000.00	80.0%
<p><b>Administrative IT Equipment Upgrades</b> This project will replace old, unsupported, or end-of-life technology equipment. The equipment may include monitors, thin clients, workstations, as well as various other components that may need to be replaced.</p>	\$51,000.00	\$40,800.00	80.0%
<p><b>Fare Revenue System</b> The San Diego Metropolitan Transit System (MTS) is undergoing a procurement of a new fare revenue system. NCTD will do a Sole Source Justification to procure the same system to keep the connection and maintain the regional system. This will include replacing or modifying all hardware, as well as a new backend system including software and servers.</p>	\$2,214,313.00	\$1,771,450.00	80.0%
<p><b>Server Upgrades</b> This project is to replace obsolete servers with new and higher performing servers. This effort is to ensure that applications and services such as Fleetwatch, Trapeze, Automatic Passenger Counting systems, JDE and others are delivered to users with minimal-to-no interruptions due to server hardware failure.</p>	\$142,000.00	\$113,600.00	80.0%
<p><b>Storage Upgrades</b> NCTD intends to purchase an additional hard drive expansion shelf and hard drives for the 3PAR storage system installed in the GAO Data Center to accommodate data growth for systems such as Laserfiche, JDE, Trapeze other Operations systems that support the District's processes.</p>	\$56,000.00	\$44,800.00	80.0%
<p><b>Windows Server Licenses</b> NCTD intends to purchase Windows Server Datacenter licenses to deploy the Windows Server 2019 Operating system in the District's virtual datacenter infrastructure.</p>	\$42,000.00	\$33,600.00	80.0%
<p><b>COF Building Netting</b> This project is for the installation of netting in the COASTER Operations Facility rafters to prevent an infestation of birds from roosting.</p>	\$125,000.00	\$100,000.00	80.0%

**TABLE 1**

A	B	C	D
Project Name and Description	Total Estimated Project Cost	Estimated FTA Dollar Share	Estimated FTA % Share
<b>Roof Assessment, Design, and Construction</b> This program will assess the condition of the existing roofs of all District buildings and structures, recommend maintenance/repair/replacement requirements for each roof, develop the required details, specifications, and construction estimate, and provide design support services during construction.	\$680,000.00	\$544,000.00	80.0%
<b>Concrete and Asphalt Pavement Repair Program</b> This program will identify the type of pavement damage, quantify it, prepare a scope of work and construction estimate, prepare construction documents, and hire a contractor to do the repair work.	\$300,000.00	\$240,000.00	80.0%
<b>East Division Masterplan Improvement Design</b> This project funds the facilities/infrastructure designs, based on Master Plans and PSRs, for modifications to the East Division Bus Maintenance Facility and Escondido Transit Center to support the transition from diesel and compressed natural gas fueled buses to electric buses and to improve overall functionality and efficiency for operations, maintenance, and customer support at these locations.	\$1,025,000.00	\$820,000.00	80.0%
<b>Driver Control Unit Upgrade</b> This project will replace NCTD's current stock of DCU and DCU2 farebox controllers. Project will supply stock for the 164 vehicles plus 36 spares and provide funding for expected back-office software upgrades.	\$500,000.00	\$400,000.00	80.0%
<b>Total</b>	<b>\$6,245,815.00</b>	<b>\$4,996,652.00</b>	<b>80.00%</b>

## Subrecipients

NCTD does not reallocate any FTA funds to subrecipients.

## Categories of Work

NCTD reviewed each project anticipated to be awarded in the triennial period and determined the applicable categories of work applicable for each project using North American Industry Classification System (NAICS) codes. The corresponding dollar values for each NAICS code for each project were summarized for purposes of weighting the categories of work based on the staff estimates. Table 2 provides a summary of the categories of work with estimated dollars for each.

- Column A lists the category of work (NAICS) code and title.
- Column B lists the estimated FTA dollar share for each NAICS code.
- Column C lists the estimated percentage of each NAICS code (the estimated FTA dollars for each NAICS code divided by the grand total of all estimated FTA dollars).

**TABLE 2**

A		B	C
NAICS Code	Category of Work	Estimated FTA Dollars by NAICS	Estimated FTA % by NAICS
221210	Natural gas distribution	\$684,000	13.7%
237310	Highway, street, and bridge construction	\$240,000	4.8%
238160	Roofing contractors	\$544,000	10.9%
332618	Other fabricated wire product manufacturing	\$100,000	2.0%
334111	Electronic computer manufacturing	\$113,600	2.3%
334613	Blank magnetic and optical recording media manufacturing	\$44,800	0.9%
423430	Computer and computer peripheral equipment and software merchant wholesalers	\$33,600	0.7%
423850	Service establishment equipment and supplies merchant wholesalers	\$400,000	8.0%
443142	Electronics stores	\$40,800	0.8%
518210	Data processing, hosting, and related services	\$204,402	4.1%
541330	Engineering services	\$820,000	16.4%
541511	Custom computer programming services	\$885,725	17.7%
541512	Computer systems design services	\$885,725	17.7%
<b>TOTAL</b>		<b>\$4,996,652</b>	<b>100.0%</b>

## IV. GOAL METHODOLOGY

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

To establish the NCTD Base Figure of the relative availability of DBEs relative to all comparable firms (DBE and Non-DBE) available to bid or submit proposals on NCTD FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, NCTD 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 the NCTD market area (defined as Orange, Riverside, and San Diego counties) for each of the categories of work defined in Table 2.

In accordance with the formula listed below, the Base Figure is derived by:

- Dividing the number of ready, willing and able DBE firms identified for each NAICS work category by the number of all firms identified within the NCTD market area 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.

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

⇒ For the numerator: CUCP DBE Database of Certified Firms

⇒ For the denominator: 2016 U.S. Census Bureau County Business Patterns Database

A concerted effort was made to ensure that the scope of businesses included in the numerator were as close as possible to the scope included in the denominator. The result of the Base Figure calculation is shown in Table 3.

- Column A lists the category of work (NAICS) code and title.
- Column B lists the estimated percentage of each NAICS code (the estimated FTA dollars for each NAICS code divided by the grand total of all estimated FTA dollars) from Table 2.
- Column C lists number of ready, willing and able DBEs in the NCTD market area for each NAICS code from the California Unified Certification Program (CUCP) DBE Database of Certified Firms.
- Column D lists number of all firms (DBE and non-DBE) in the NCTD market area for each NAICS code from the 2016 U.S. Census Bureau County Business Patterns Database.
- Column E lists the weighted ratio of the DBEs availability for each NAICS code (the number of DBEs divided by the number of all firms, multiplied by the estimated NAICS percentage).
- The weighted base figure is the sum of the weighted ratios of the DBEs availability for each NAICS code.

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<sup>1</sup> 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

**TABLE 3**

	A	B	C	D	E
NAICS Code	Category of Work	Estimated FTA % by NAICS	DBEs	All Firms	Weighted Ratio
221210	Natural gas distribution	13.7%	0	83	0.0%
237310	Highway, street, and bridge construction	4.8%	73	193	1.8%
238160	Roofing contractors	10.9%	6	481	0.1%
332618	Other fabricated wire product manufacturing	2.0%	0	15	0.0%
334111	Electronic computer manufacturing	2.3%	0	39	0.0%
334613	Blank magnetic and optical recording media manufacturing	0.9%	0	2	0.0%
423430	Computer and computer peripheral equipment and software merchant wholesalers	0.7%	6	450	0.0%
423850	Service establishment equipment and supplies merchant wholesalers	8.0%	4	108	0.3%
443142	Electronics stores	0.8%	1	904	0.0%
518210	Data processing, hosting, and related services	4.1%	19	473	0.2%
541330	Engineering services	16.4%	129	2546	0.8%
541511	Custom computer programming services	17.7%	52	2513	0.4%
541512	Computer systems design services	17.7%	65	1875	0.6%
<b>Weighted Base Figure</b>					<b>4.2%</b>

**B. Step 2: Adjusting the Base Figure**

Upon establishing the Base Figure, NCTD reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the market area, in accordance with prescribed narrow tailoring provisions as set forth under 49 CFR Part 26.45: Step 2, DBE Goal Adjustment Guidelines.

Evidence considered in making adjustments to the Base Figure included Past DBE Goal Attainments and Other Evidence, as follows:

**1) Past DBE Goal Attainments**

Historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform on NCTD projects. Table 4 shows the past DBE attainments for the previous three (3) Federal Fiscal Years.

**TABLE 4**

FEDERAL FISCAL YEAR (FFY)	FTA DBE GOAL ATTAINMENT %
2015/2016	6.7%
2016/2017	5.5%
2017/2018	9.1%

NCTD reviewed the types of projects that were awarded in past Federal Fiscal Years and compared them to anticipated projects for this upcoming triennial period. NCTD determined that the projects anticipated to be awarded during the triennial period are substantially dissimilar to those awarded in the recent past as shown in Table 5 below.

**TABLE 5**

<b>Category of Work</b>	<b>FFY 20-22</b>	<b>FFY 17-19</b>	<b>FFY 14-16</b>
<b>Computer Systems and Upgrades</b>	50%	4%	13%
<b>Construction</b>	30%	30%	50%
<b>Engineering</b>	15%	1%	0%
<b>Building Maintenance</b>	0%	10%	2%
<b>Rail Car Repair/Upgrade</b>	5%	55%	35%

No adjustment has been made to the Base Figure based on NCTD past DBE goal attainments.

## **2) Disparity Studies**

NCTD conducted a disparity study in April 2013, which looked at NCTD’s procurement history of minority- and women-owned firms for the five-year period between January 1, 2008 and December 31, 2012. For the past two years, NCTD has been able to exceed its Overall DBE Goal using strictly Race-Neutral measures, therefore, NCTD will continue to utilize Race-Neutral measures to meet its FFY 2020-2022 Overall DBE Goal.

In April 2019, NCTD formed a consortium with SANDAG to commission the 2019 SANDAG and NCTD Disparity Study. The disparity study final report is planned to be released in early 2020. Should the results of this Study have any material effect on NCTD’s Overall DBE Goal for FFY 2020-2022, NCTD will revise its Overall DBE Goal for FFYs 2020-2022 at that time.

## **3) Other Available Evidence**

NCTD is not in possession of other information that would have an impact on the DBE goal assessment and has not made an adjustment to the NCTD base figure due to the result of other transit goals.

# **V. PROPOSED OVERALL DBE GOAL**

NCTD operates a race-neutral DBE program. NCTD will evaluate its DBE program on a regular basis to determine whether contract goals should be considered to achieve the overall goal.

**The Proposed Overall DBE Goal for FFY 2020-2022 for NCTD FTA-assisted contracts is 4.2%.**

The DBE Goal based on the federal share is a Race Neutral goal and NCTD will implement race neutral measures to achieve this goal, as generally described in the following section. As a part of the prescribed goal-setting methodology, NCTD must project the percentage of its Proposed Overall DBE Goal that can be met utilizing race-neutral and race-conscious measures.

### Race-Conscious & Race-Neutral Projection

The United States Department of Transportation (USDOT) regulations require that race-neutral methods be used to the maximum extent feasible to reach the DBE overall goal listed below. NCTD will carefully monitor participation during the course of the goal period. At the conclusion of each year during the goal period, NCTD will re-evaluate the effectiveness of the race-neutral measures and determine if it is necessary to institute a race conscious portion and contract specific goals.

NCTD intends to continue to use race-neutral methods to meet the overall DBE goal of 4.2% for FFY 2020-2022 in accordance with Title 49 CFR Part 26.51.

<b>RACE-CONSCIOUS &amp; RACE NEUTRAL PROJECTIONS</b>	
<b>DBE Adjusted Base Figure</b>	<b>4.2%</b>
<b>Race-Neutral Component</b>	<b>4.2%</b>
<b>Race-Conscious Component</b>	<b>0.0%</b>

## VI. RACE-NEUTRAL IMPLEMENTATION MEASURES

NCTD implements the following race-neutral measures which are aimed at increasing DBE and other small business participation:

- Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation. NCTD also holds pre-bid meetings, which include a networking component to promote teaming opportunities between prospective prime contractors and the DBE and Small Business contracting community.
- Providing assistance in overcoming limitations such as inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBEs, and other small businesses, obtain bonding and financing). NCTD refers the DBE and Small Business contracting community to the SBA Bonding Assistance Program.
- Providing technical assistance in orienting small businesses to public contracting procedures, use of the Internet, and facilitating introductions to NCTD and other U.S. DOT recipients' contracting activities. NCTD also provides business development assistance and provides DBEs with information and assistance in preparing bids.
- Soliciting DBEs and other small businesses participation by 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 to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate).
- Actively promoting small business conferences, programs, and support services offered by other agencies that have established DBE and Small Business Programs as a supportive service to help develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses.
- Configuring large contracts into smaller contracts when feasible, which makes contracts more accessible to small business and does not impose significant additional cost, delay or risk to NCTD.

- Identifying components of the work which represents subcontracting opportunities and identifying the availability of DBE subcontractors to participate in proportion to total available subcontractors. Contractors are encouraged to consider subcontractors for components of the work for which there is a known supply of ready, willing, and able subcontractors, including DBE subcontractors, in preparing their bids.
- Planning and participating in DBE training seminars.
- Advising the contracting community of the online directory of certified DBEs, found at the California Unified Certification Program website: [www.dot.ca.gov/hq/bep](http://www.dot.ca.gov/hq/bep)
- Advising the contracting community of the available small businesses certified by the California Department of General Services (DGS) and found at the following website: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>
- Participating in outreach programs sponsored by the Small Business Development Center and the San Diego Public Agency Consortium that will benefit the DBE Program.

## **VII. Fostering Small Business Participation<sup>2</sup>**

NCTD has incorporated the following non-discriminatory small business element to its DBE Program in order to facilitate competition on DOT-assisted public works projects by small business concerns (both DBEs and non-DBE small businesses).

In addition, NCTD commits to the following:

- Configuring large contracts into smaller contracts, when feasible, which would make contracts more accessible to small businesses and would not impose significant additional cost, delay or risk to NCTD;
- Assisting in overcoming limitations in bonding and financing;
- Providing technical assistance in orienting small businesses to public contracting procedures, use of the Internet, and facilitating introductions to NCTD and other U.S. DOT recipients' contracting activities;
- Providing outreach and communications programs on contract procedures and contract opportunities to ensure the inclusion of small businesses;
- Providing business development assistance;

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<sup>2</sup> See Title 49 CFR Part 26 Section 26.39 "Fostering Small Business Participation."

## VIII. PUBLIC PARTICIPATION AND FACILITATION

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, small, and local business associations, and community organizations within the NCTD market area will be consulted and provided an opportunity to review the triennial goal analysis and provide input.

- NCTD will post a Public Notice to the NCTD website, [www.goNCTD.com](http://www.goNCTD.com), publishing the NCTD Draft Proposed FTA Overall DBE Goal and Methodology for FFY 2020-2022. The notice will inform the public that the proposed goal rationale is available for inspection at the Front Desk at 810 Mission Avenue, Oceanside, between the hours of 8:00 a.m. – 5:00 p.m. weekdays, and the Customer Service Offices at the transit centers in Oceanside and Escondido between the hours of 7:00 a.m. – 7:00 p.m. weekdays (8:00 a.m. – 5:00 p.m. holidays); and Vista between the hours of 8:00 a.m. – 5:00 p.m. weekdays (closed on holidays). Furthermore, the notice will inform the public that NCTD will accept comments on the goal and methodology for 30 days.
- The NCTD Draft Proposed FTA Overall DBE Goal and Methodology for FFY 2020-2022 will also be posted on NCTD's website, [www.goNCTD.com](http://www.goNCTD.com) at the following link for 30-days for public review and inspection.

NCTD will reach out to local minority, women, and community business organizations to provide them information on the NCTD DBE program and specifically the Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2020-2022. Each organization will be contacted and given an opportunity for one-on-one meeting or to participate in a webinar. NCTD will host a webinar online and in-person at 810 Mission Ave., Oceanside, CA, 92054 on June 27, 2019 from 10:00 a.m. to 11:00 a.m.

**ATTACHMENT 1: Website Notification**

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**ATTACHMENT 3: PowerPoint Presentation**

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