

REPORT TO SHASTA COUNTY RTPA

SUBJECT	MEETING DATE	ITEM NUMBER
Consider Adoption of the Disadvantaged Business Enterprises (DBE) Program for the Shasta County Regional Transportation Planning Agency (RTPA)	10/23/01	3-6

RECOMMENDATION

It is recommended the Agency:

1. Adopt Resolution No. 01-06 approving the Disadvantaged Business Enterprise (DBE) Program for the Shasta County Regional Transportation Planning Agency (RTPA), and
2. Direct RTPA staff to prepare reports and documentation as needed to comply with state and federal requirements.

SUMMARY

Local agencies, including the RTPA, are required to adopt a DBE Program to receive federal funds. The adoption process includes a "Notice of Overall Goals" and a 45-day public comment period. The new program includes the latest state and federal requirements and must be adopted to receive federal funds for the current year.

DISCUSSION

In order to receive federal funds for planning, capital acquisition, engineering and construction costs for transportation projects, local agencies are required to adopt annual goals and programs to encourage DBE participation in federally funded contracts. Prior to adoption by local agencies and acceptance by Caltrans, local agencies are required to complete a Public Participation Process. The process includes a 45-day public comment period. During the 45-day review period no comments were received.

RTPA Goal Methodology

To establish Shasta County Regional Transportation Agency's Base Figure of the relative availability of DBEs in relation to all comparable firms available for Shasta County's contracting program. Shasta County Regional Transportation Agency has elected to utilize the Caltrans DBE Directory of Certified Firms (filtered to represent only DBE firms within Shasta County's relevant market area) for calculating the numerator and the Shasta Builders' Exchange (SBE) Summer 2001 Membership Directory (filtered to represent contractors which may perform professional services) within the same geographical market area to calculate the denominator, as follows:

For the numerator: Caltrans' DBE Directory of Firms in Shasta County

For the denominator: Shasta Builder's Exchange Directory of Firms in Shasta County

To derive at the relative availability of DBEs, the number of DBEs available in Caltrans' DBE directory was divided by the number of all comparable Shasta Builder's Exchange firms available. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing, and Able DBEs}}{\text{Number of Ready, Willing, and Able Firms}} = \text{BASE FIGURE}$$

The Base Figure resulting from this calculation is as follows:

$$\text{Base Figure} = \frac{\text{DBEs}}{\text{SBEs}} * 100 = \frac{1}{19} * 100 = 5.26\%$$

The base figure is then adjusted using projected volumes of work DBEs are expected to perform, utilizing goals approved by other agencies and using the Census Bureau Business pattern database. The result of this adjustment is to raise the goal from 5.26% to 8.00%.

The proposed DBE goal for the Regional Transportation Planning Agency is 8 percent. This means that when the Agency contracts for professional services such as traffic model upgrades and air quality modeling activities, the contract would include DBE contractors that would do at least 8 percent of the work.

Staff is recommending that the Agency adopt the DBE program that includes the methodology and goal setting rationale. The DBE program adoption process is an annual process. This year's process is the same as last year's except for an optional public hearing which was held last year, because the DBE requirements were new and the RTPA wanted to maximize public input opportunities. A public hearing is not required for this process.

ALTERNATIVES

The Agency could choose to not to adopt the DBE program. This is not recommended because the Agency would become ineligible to receive federal funds.

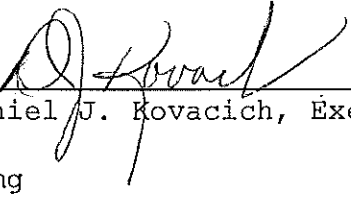
OTHER AGENCY INVOLVEMENT

This project was supported by the TAC at their October 9 meeting. Caltrans also has an over site role for this process.

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FINANCING

The adoption of an overall annual goal is required to receive federal funding for planning, capital acquisition, engineering and construction costs for transportation projects. Federal funds will be withheld from agencies who have not completed this process in accordance with the guidelines set forth by Caltrans and federal agencies.



Daniel J. Kovacich, Executive Officer
/jmg

Enclosure: Resolution No. 01-06
 DBE Public Notice
 Letter from Caltrans
 DBE Program

RESOLUTION NO. 01-06

ADOPTING A DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM
FOR THE SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY
AS IT PERTAINS TO THE FEDERAL HIGHWAY ADMINISTRATION FUNDING,
AND SETTING AN OVERALL GOAL AND METHODOLOGY FOR FEDERAL FISCAL
YEAR 2001/02 OF EIGHT PERCENT (8%)

WHEREAS, as a condition of receiving federal funds, local agencies are required to adopt a program for the inclusion of those firms qualifying as a Disadvantaged Business Enterprise (DBE); and

WHEREAS, federal regulations require that an annual goal and methodology be established and actively pursued to ensure that DBE firms are not excluded from the competitive bidding process; and

WHEREAS, DBE requirements are set forth in Title 49, Part 26, of the Code of Federal Regulations; and

WHEREAS, the U.S. Department of Transportation has entrusted Caltrans with local agency oversight responsibility for DBE implementation.

NOW, THEREFORE, BE IT RESOLVED that the Shasta County Regional Transportation Planning Agency, as it pertains to Federal Highway Administration Funding, the attached Caltrans approved Disadvantaged Business Enterprise (DBE) Program and Annual Overall Goal and Methodology of 8% for Federal fiscal year 2001/02 is hereby adopted, ensuring a good faith effort to meet the established goal and ensure participation by small business concerns owned and controlled by socially and economically disadvantaged individuals.

DULY PASSED AND ADOPTED this 23th day of October 2001, by the Shasta County Regional Transportation Planning Agency.

Norma Connick, Chair
Shasta County Regional
Transportation Planning Agency

PUBLIC NOTICE

SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY AND CITY OF ANDERSON

NOTICE IS HEREBY GIVEN, that the Shasta County Regional Transportation Planning Agency (RTPA) and the City of Anderson have established an Overall Annual Disadvantaged Business Enterprise Goal, applicable to contracting opportunities scheduled to be awarded during the period of October 1, 2001 through September 30, 2002. The Shasta County RTPA and its member agencies proposed Overall Annual Goal and its rationale were developed in response to U.S. Department of Transportation's New Disadvantaged Business Enterprise Program Final Rule (49 CFR Part 26) and are available for inspection for thirty (30) days following the date of this Notice, from 8:00 a.m. to 5:00 p.m., Pacific Standard Time, Monday through Friday at our principal place of business located at:

Shasta County RTPA
1855 Placer Street
Redding, CA 96001
www.scrtpa.org

City of Anderson
Department of Public Works
1887 Howard Street
Anderson, CA 96007
www.ci.anderson.ca.us

Comments will be accepted on the Goal for forty-five (45) days from the date of this Notice. Comments can be forwarded to Shasta County RTPA at the above stated address or to the District Local Assistance Engineer at the California Department of Transportation, Caltrans District 2, P.O. Box 496073, Redding, CA 96049-6073.

Dated at Redding , California, this 6th day of September 2001. Daniel J. Kovacich, Executive Director, Shasta County Regional Transportation Planning Agency.

STATE OF CALIFORNIA-BUSINESS, TRANSPORTATION AND HOUSING AGENCY

GRAY DAVIS, Governor

DEPARTMENT OF TRANSPORTATION

District 2

Office of Local Assistance

1657 Riverside Drive (96001)

P.O. Box 498073

Redding, CA 96049-6073

TTD: (530) 225-2019 Phone (530) 225-3484 FAX (530) 225-3020



August 14, 2001

Mr. Daniel Kovacich
Shasta County Regional Transportation Planning Agency
1855 Placer Street
Redding, Ca 96001

Attention: Mr. Bill Ramsdell

Dear Mr. Kovacich:

Approval of Draft DBE and Goal for the Federal Fiscal Year 2001/ 2002

We have reviewed the Agency's Draft DBE Goal for the Federal Fiscal Year 2001/ 2002 and believe your draft submittal is adequate for the Agency to proceed to the Public Participation Period. See Section 26.45, Exhibit 9-A, in the Local Assistance Procedures Manual for advertising requirements.

During this time, the Agency is required to keep this draft goal available to the public for 30 days. At the end of this 30-day review and comment period, an additional 15 days are required to receive public comments. This means that the total review and comment period is 45 days long. Once all comments have been addressed, please return the Revised Draft Program and Goal to my office for final review and approval prior to adoption by the Agency.

Also, when the Revised Draft is returned, please include the Agency's public notice proof of publication for the 45-day public review and comment period.

The Local Assistance Procedures Manual has been updated to reflect the new DBE requirements. The date on the LPP 01-04 Manual Update is March 15, 2001. Shown below is a good web site on the DBE requirements.

<http://osdbuweb.dot.gov/business/dbe/tips.html>

If I can be of assistance to you please call me at (530) 225-3484.

Sincerely,

JOHN G PEDERSEN, P.E.
District Local Assistance Engineer

DRAFT Shasta County Regional Transportation Planning Agency (RTPA)

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

I Definition of Terms

The terms used in this program have the meanings defined in 49 CFR §26.5.

II Objectives /Policy Statement (§§26.1, 26.23)

The Shasta County Regional Transportation Planning Agency (RTPA) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The Shasta County RTPA has received Federal financial assistance from the DOT, and as a condition of receiving this assistance, the Shasta County RTPA will sign an assurance that it will comply with 49 CFR Part 26.

It is the policy of the Shasta County RTPA to ensure that DBEs, as defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

- To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
- To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
- To help remove barriers to the participation of DBEs in DOT-assisted contracts; and
- To assist the development of firms that can compete successfully in the market place outside the DBE Program.

The Senior Planner has been delegated as the DBE Liaison Officer. In that capacity, the Senior Planner is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the Shasta County RTPA in its financial assistance agreements with the California Department of Transportation (Caltrans).

The Shasta County RTPA staff has disseminated this policy statement to the Shasta County Regional Transportation Planning Agency and all the components of our organization. We have distributed this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts by publishing this statement in general circulation, minority-focused and trade association publications.

III Nondiscrimination (§26.7)

The Shasta County RTPA will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, the Shasta County RTPA will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

IV DBE Program Updates (§26.21)

The Shasta County RTPA will continue to carry out this program until the Shasta County RTPA has established a new goal setting methodology or until significant changes to this DBE Program are adopted. Shasta County RTPA will provide to Caltrans a proposed overall goal and goal setting methodology and other program updates by June 1 of every year.

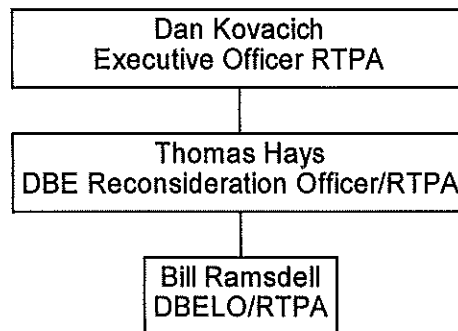
V Quotas (§26.43)

The Shasta County RTPA will not use quotas or set asides in any way in the administration of this DBE program.

VI DBE Liaison Officer (DBELO) (§26.45)

The Shasta County RTPA has designated the following individual as the DBE Liaison Officer: Bill Ramsdell, 1855 Placer Street, Redding, California 96001, 530/245-6821, bramsdell@co.shasta.ca.us.

In that capacity, Bill Ramsdell is responsible for implementing all aspects of the DBE program and ensuring that the Shasta County RTPA complies with all provisions of 49 CFR Part 26. This is available on the Internet at osdbuweb.dot.gov/main.cfm. Thomas Hays has direct, independent access to the RTPA Executive Officer concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found below.



The DBELO is responsible for developing, implementing and monitoring the DBE program, in coordination with other appropriate officials. Duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Works with all departments to set overall annual goals.
4. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
5. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals) and monitors results.
6. Analyzes Shasta County RTPA's progress toward goal attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advises the CEO/governing body on DBE matters and achievement.
9. Chairs the DBE Advisory Committee.
10. Participates with the legal counsel and project director to determine contractor compliance with good faith efforts.
11. Provides DBEs with information and assistance in preparing bids, obtaining bonding and insurance.
12. Plans and participates in DBE training seminars.
13. Provides outreach to DBEs and community organizations to advise them of opportunities.

VII Federal Financial Assistance Agreement Assurance (§26.13)

Shasta County RTPA will sign the following assurance, applicable to all FHWA-assisted contracts and their administration as part of the program supplement agreement for each project:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE Program or the requirements of 49 CFR part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE Program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

VIII DBE Financial Institutions

It is the policy of the Shasta County RTPA to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contracts to make use of these institutions.

Information on the availability of such institutions can be obtained from the DBE Liaison Officer. The Caltrans Disadvantaged Business Enterprise Program may offer assistance to the DBE Liaison Officer.

IX Directory (§26.31)

Shasta County RTPA will refer interested persons to the DBE directory available from the Caltrans' Disadvantaged Business Enterprise Program website at www.dot.ca.gov/hq/bep.

X Overconcentration (§26.33)

Shasta County RTPA has not identified any types of work in DOT-assisted contracts that have an overconcentration of DBE participation. If in the future Shasta County RTPA identifies the need to address overconcentration, measures for addressing overconcentration will be submitted to the DLAE for approval.

XI Business Development Programs (§26.35)

Shasta County RTPA does not have a business development or mentor-protégé program. If the Shasta County RTPA identifies the need for such a program in the future, the rationale for adopting such a program and a comprehensive description of it will be submitted to the DLAE for approval.

XII Required Contract Clauses (§§26.13, 26.29)

Contract Assurance

Shasta County RTPA ensures that the following clause is placed in every DOT-assisted contract and subcontract:

The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as recipient deems appropriate.

Prompt Payment

Shasta County RTPA ensures that the following clauses or equivalent will be included in each DOT-assisted prime contract:

Satisfactory Performance

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 10 days from the receipt of each payment the prime contractor receives from Shasta County RTPA. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Shasta County RTPA. This clause applies to both DBE and non-DBE subcontractors

Release of Retainage

The prime contractor agrees further to release retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Shasta County RTPA. This clause applies to both DBE and non-DBE subcontractors.

XIII Monitoring and Enforcement Mechanisms (§26.37)

The Shasta County RTPA will assign a Resident Engineer (RE) or Contract Manager to monitor and track actual DBE participation through contractor and subcontractor reports of payments in accordance with the following:

After Contract Award

After the contract award the Shasta County RTPA will review the award documents for the portion of items each DBE and first tier subcontractor will be performing and the dollar value of that work. With these documents the RE/Contract Manager will be able to determine the work to be performed by the DBEs or subcontractors listed.

Preconstruction Conference

A preconstruction conference will be scheduled between the RE and the contractor or their representative to discuss the work each DBE subcontractor will perform.

Before work can begin on a subcontract, the local agency will require the contractor to submit a completed "Subcontracting Request," Exhibit 16-B of the LAPM or equivalent. When the RE receives the completed form it will be checked for agreement of the first tier subcontractors and DBEs. The RE will not approve the request when it identifies someone other than the DBE or first tier subcontractor listed in the previously completed "Local Agency Bidder DBE Information," Exhibit 15-G. The "Subcontracting Request" will not be approved until any discrepancies are resolved. If an issue cannot be resolved at that time, or there is some other concern, the RE will require the contractor to eliminate the subcontractor in question before signing the subcontracting request. A change in the DBE or first tier subcontractor may be addressed during a substitution process at a later date.

Suppliers, vendors, or manufacturers listed on the "Local Agency Bidder DBE Information" will be compared to those listed in the completed Exhibit 16-I of the LAPM or equivalent. Differences must be resolved by either making corrections or requesting a substitution.

Substitutions will be subject to the Subletting and Subcontracting Fair Practices Act (FPA). Local agencies will require contractors to adhere to the provisions within Subletting and Subcontracting Fair Practices Act (State Law) Sections 4100-4144. FPA requires the contractor to list all subcontractors in excess of one half of one percent (0.5%) of the contractor's total bid or \$10,000, whichever is greater. The statute is designed to prevent bid shopping by contractors. The FPA explains that a contractor may not substitute a subcontractor listed in the original bid except with the approval of the awarding authority.

The RE will give the contractor a blank Exhibit 17-F, "Final Report Utilization of Disadvantaged Business Enterprises, First Tier Subcontractors" and will explain to them that the document will be required at the end of the project, for which payment can be withheld, in conformance with the contract.

Construction Contract Monitoring

The RE will ensure that the RE's staff (inspectors) know what items of work each DBE is responsible for performing. Inspectors will notify the RE immediately of apparent violations.

When a firm other than the listed DBE subcontractor is found performing the work, the RE will notify the contractor of the apparent discrepancy and potential loss of payment. Based on the contractor's response, the RE will take appropriate action: The DBE Liaison Officer will perform a preliminary investigation to identify any potential issues related to the DBE subcontractor performing a commercially useful function.

Any substantive issues will be forwarded to the Caltrans Disadvantaged Business Enterprise Program. If the contractor fails to adequately explain why there is a discrepancy, payment for the work will be withheld and a letter will be sent to the contractor referencing the applicable specification violation and the required withholding of payment.

If the contract requires the submittal of a monthly truck document, the contractor will be required to submit documentation to the RE showing the owner's name; California Highway Patrol CA number; and the DBE certification number of the owner of the truck for each truck used during that month for which DBE participation will be claimed. The trucks will be listed by California Highway Patrol CA number in the daily diary or on a separate piece of paper for documentation. The numbers are checked by inspectors regularly to confirm compliance.

Providing evidence of DBE payment is the responsibility of the contractor.

Substitution

When a DBE substitution is requested, the RE/Contract Manager will request a letter from the contractor explaining why substitution is needed. The RE/Contract Manager must review the letter to be sure names and addresses are shown, dollar values are included, and reason for the request is explained. If the RE/Contract Manager agrees to the substitution, the RE/Contract Manager will notify, in writing, the DBE subcontractor regarding the proposed substitution and procedure for written objection from the DBE subcontractor in accordance with the Subletting and Subcontracting Fair Practices Act. If the contractor is not meeting the contract goal with this substitution, the contractor must provide the required good faith effort to the RE/Contract Manager for local agency consideration.

If there is any doubt in the RE/Contract Manager's mind regarding the requested substitution, the RE/Contract Manager may contact the DLAE for assistance and direction.

Record Keeping and Final Report Utilization of Disadvantaged Business Enterprises

The contractor shall maintain records showing the name and address of each first-tier subcontractor. The records shall also show:

1. The name and business address, regardless of tier, of every DBE subcontractor, DBE vendor of materials and DBE trucking company.
2. The date of payment and the total dollar figure paid to each of the firms.
3. The DBE prime contractor shall also show the date of work performed by their own forces along with the corresponding dollar value of the work claimed toward DBE goals.

When a contract has been completed the contractor will provide a summary of the records stated above. The DBE utilization information will be documented on Exhibit 17-F and will be submitted to the DLAE attached to the Report of Expenditures. The RE will compare the completed Exhibit 17-F to the contractor's completed Exhibit 15-G and, if applicable, to the completed Exhibit 16-B. The DBEs shown on the completed Exhibit 17-F should be the same as those originally listed unless an authorized substitution was allowed, or the contractor used more DBEs and they were added. The dollar amount should reflect any changes made in planned work done by the DBE. The contractor will be required to explain in writing why the names of the subcontractors, the work items or dollar figures are different from what was originally shown on the completed Exhibit 15-G when:

There have been no changes made by the RE.

The contractor has not provided a sufficient explanation in the comments section of the completed Exhibit 17-F.

The explanation will be attached to the completed Exhibit 17-F for submittal. The RE will file this in the project records.

The local agency's Liaison Officer will keep track of the DBE certification status on the Internet at www.dot.ca.gov/hq/bep and keep the RE informed of changes that affect the contract. The RE will require the contractor to act in accordance with existing contractual commitments regardless of decertification.

The DLAE will use the PS&E checklist to monitor the Shasta County RTPA's commitment to require bidders list information to be submitted to the Shasta County RTPA from the awarded prime and subcontractors as a means to develop a bidders list. This monitoring will only take place if the bidders list information is required to be submitted as stipulated in the special provisions.

Shasta County RTPA will bring to the attention of the DOT through the DLAE any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in §26.109. Shasta County RTPA also will consider similar action under our own legal authorities, including responsibility determinations in future contracts.

XIV Overall Goals (§26.45)

Amount of Goal

Shasta County RTPA's overall goal for the Federal fiscal year FY 2001/2002 is the following: 8% of the Federal financial assistance in FHWA-assisted contracts. This overall goal is broken down into 7% race-conscious and 1% race-neutral components.

Department of Transportation (DOT)-Assisted Contracting Program for FFY 2001/02

The following represents Shasta County Regional Transportation Agency projected FHWA funded contracts and expenditures by work category and corresponding North American Industry Classification for FFY 2001/02:

Work Category	NAIC Category	Estimated \$ Value	% Federal Funding
Traffic Consultants/Engineers	54133	40,000	88.5
Civil Engineering	54133	29,000	88.5
Planners	92512	40,000	88.5
Environmental Engineers	54169	30,000	88.5
Advertising- Newspaper Public	54189	5,000	88.5
Notices Total		144,000	88.5

XV Goal Methodology

Step 1: Determination of a Base Figure

To establish Shasta County Regional Transportation Agency's Base Figure of the relative availability of DBEs in relation to all comparable firms available for Shasta County's FFY 2001/02 DOT-assisted contracting program, Shasta County Regional Transportation Agency has elected to utilize the Caltrans DBE Directory of Certified Firms (filtered to represent only DBE firms within Shasta County's relevant market area) for calculating the numerator and the Shasta Builders' Exchange (SBE) Summer 2001 Membership Directory (filtered to represent contractors which may perform professional services) within the same geographical market area to calculate the denominator, as follows:

For the numerator: Caltrans' DBE Directory of Firms in Shasta County

For the denominator: Shasta Builder's Exchange Directory of Firms in Shasta County

To derive at the relative availability of DBEs, the number of DBEs available in Caltrans' DBE directory was divided by the number of all comparable Shasta Builder's Exchange firms available. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing, and Able DBEs}}{\text{Number of Ready, Willing, and Able Firms}} = \text{BASE FIGURE}$$

The Base Figure resulting from this calculation is as follows:

$$\begin{array}{rcl} \text{Base Figure} & = & \frac{\text{DBEs}}{\text{SBEs}} * 100 = \\ & & \frac{1}{19} * 100 = \\ & & 5.26\% \end{array}$$

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, Shasta County Regional Transportation Agency reviewed and assessed other known relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the Base Figure to Shasta County's marketplace. Factors considered in determining Shasta County Regional Transportation Agency's DBE participation that can be expected, absent discrimination, included the following:

A. Current Capacity of DBEs Measured by Forecasted Attainments

The volume of work that DBEs are expected to perform in Shasta County Regional Transportation Agency's DOT-assisted contracting program for Fiscal Year 2001/2002 is as follows:

Work Category	Estimated \$ Paid to Contractors	Estimated \$ Paid to DBE Firms	DBE Goal Attainment
Environmental Engineers/Planners	144,000	11,500	8%

B. Utilizing Goals Approved by Another Agency

The federal government has established goals for minority and female participation expressed in percentage terms for a contractors aggregate workforce in each trade on all construction work. The established goals are as follows:

<u>Classification</u>	<u>Goal</u>	<u>Area</u>
Minority	6.8%	Redding Economic Area
Female	6.9%	Nationwide

C. Census Bureau Business pattern Database (CBP)

The Base Figure was recalculated utilizing CBP data for professional service contractors in Shasta County as the denominator and Caltrans DBE Directory professional service contractor firms as the numerator. A Base Figure calculated by this method yields a Base Figure of 8% utilizing all contractor firms doing business and classified as NAIC Category 54133 in Shasta County.

D. Resultant Goal Adjustment

The impact of these factors resulted in an upward adjustment of the Base Figure from 5.26% to 8% for DBE participation in Shasta County Regional Transportation Agency's DOT-assisted contracts projected to be expended in FY 2001/02.

XVI Utilization of Race-neutral and Race-conscious Methods

Of the overall annual 8% goal (8% = 100%) for DBE participation, Shasta County Regional Transportation Agency projects meeting 12.5% of the goal utilizing race-neutral methods, including making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; and providing technical assistance, and other support services to facilitate consideration of DBEs and other small businesses. The remaining 87.5% of the goal is anticipated to be accomplished through race-conscious measures, which includes establishing contract specific goals on contracts with subcontracting possibilities, when needed, to meet Shasta County Regional Transportation Agency overall annual DBE goal.

XVII Public Participation in Setting Overall Annual DBE Goals

In conformance with Public Participation Regulatory Requirements of 49 CFR Part 26.45 and Caltrans Local Assistance Procedures Manual (LAPM)-Chapter 9, this goal analysis will be reviewed with minority, women, local business chambers, community organizations, and other U.S. DOT recipients. These entities are knowledgeable about the availability of disadvantaged and non-disadvantaged businesses and the effects of discrimination on contracting opportunities for DBEs within Shasta County's marketplace.

Additionally, Shasta County Regional Transportation Agency will publish a Public Notice in general circulation media, announcing Shasta County's proposed overall annual goals for the FY 2001/02 contracts assisted by DOT. Such Notice will inform the public that the proposed goals and their rationale were available for inspection at Shasta County during normal business hours for 30 days following the date of the Public Notice and, that Shasta County and FHWA will accept comments on the goals for 45 days from the date of the Public Notice. The required public participation provisions will be fully satisfied prior to submitting Shasta County Regional Transportation Agency's DBE Program and Overall Annual DBE Goal for Final Review and Approval.

XVIII Contract Goals (§26.51)

Shasta County RTPA will use contract goals to meet any portion of the overall goal Shasta County RTPA

does not project being able to meet by the use of race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through the use of race-neutral means.

Contract goals will be established only on those DOT-assisted contracts that have subcontracting possibilities. Contract goals need not be established on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work). The contract work items will be compared with eligible DBE contractors willing to work on the project. A determination will also be made to decide which items are likely to be performed by the prime contractor and which ones are likely to be performed by the subcontractor(s). The goal will then be incorporated into the contract documents. Contract goals will be expressed as a percentage of the total amount of a DOT-assisted contract.

XIX Transit Vehicle Manufacturers (§26.49)

If DOT-assisted contracts will include transit vehicle procurements, Shasta County RTPA will require each transit vehicle manufacturer, as a condition of being authorized to bid or propose on transit vehicle procurements, to certify that it has complied with the requirements of 49 CFR Part 26, Section 49. Shasta County RTPA will direct the transit vehicle manufacturer to the subject requirements located on the Internet at <http://osdbuweb.dot.gov/programs/dbe/dbe.htm>.

XX Good Faith Efforts (§26.53)

Information to be Submitted

Shasta County RTPA treats bidders'/offerors' compliance with good faith effort requirements as a matter of responsiveness. A responsive proposal is meeting all the requirements of the advertisement and solicitation.

Each solicitation for which a contract goal has been established will require the bidders'/offerors to submit the following information to 1855 Placer Street, Redding, California, no later than 4:00 p.m. on or before the third day, not including Saturdays, Sundays and legal holidays, following bid opening:

1. The names and addresses of known DBE firms that will participate in the contract;
2. A description of the work that each DBE will perform;
3. The dollar amount of the participation of each DBE firm participation
4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;
5. Written and signed confirmation from the DBE that it is participating in the contract as provided in the prime contractor's commitment; and
6. If the contract goal is not met, evidence of good faith efforts.

Demonstration of Good Faith Efforts

The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts. Examples of good faith efforts are found in Appendix A to part 26 which is attached.

The following personnel are responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive: Assistant Director of Public Works, Project Design and Administration Division Supervising Engineer, and Plans and Programs Division Senior Planner.

Shasta County RTPA will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before a commitment to the performance of the contract by the bidder/offeror is made.

Administrative Reconsideration

Within 10 days of being informed by Shasta County RTPA that it is not responsive because it has not documented sufficient good faith efforts, a bidder/offeror may request administrative reconsideration. Bidder/offerors should make this request in writing to the following reconsideration official: Thomas Hays, Senior Planner, Shasta County RTPA, 1855 Placer Street, Redding, California, 530/225-5112, wramsdell@co.shasta.ca.us. The reconsideration official will not have played any role in the original determination that the bidder/offeror did not make or document sufficient good faith efforts.

As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The Shasta County RTPA will send the bidder/offeror a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to Caltrans, FHWA or the DOT.

Good Faith Efforts when a DBE is Replaced on a Contract

Shasta County RTPA will require a contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. The prime contractor is required to notify the RE immediately of the DBE's inability or unwillingness to perform and provide reasonable documentation.

In this situation, the prime contractor will be required to obtain Shasta County RTPA prior approval of the substitute DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts. If the contractor fails or refuses to comply in the time specified, Shasta County RTPA contracting office will issue an order stopping all or part of payment/work until satisfactory action has been taken. If the contractor still fails to comply, the contracting officer may issue a termination for default proceeding.

XXI Counting DBE Participation (§26.55)

Shasta County RTPA will count DBE participation toward overall and contract goals as provided in the contract specifications for the prime contractor, subcontractor, joint venture partner with prime or subcontractor, or vendor of material or supplies. See the Caltrans' Sample Boiler Plate Contract Documents previously mentioned. Also, refer to XIII. "After Contract Award."

XXII Certification (§26.83(a))

Shasta County RTPA ensures that only DBE firms currently certified on the Caltrans' directory will participate as DBEs in our program.

XXIII Information Collection and Reporting

Bidders List

The Shasta County RTPA will create and maintain a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on its DOT-assisted contracts. The bidders list will include the name, address, DBE/non-DBE status, age, and annual gross receipts of firms.

Monitoring Payments to DBEs

Prime contractors are required to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the Shasta County RTPA, Caltrans, FHWA, or DOT. This reporting requirement also extends to any certified DBE subcontractor.

Payments to DBE subcontractors will be reviewed by the Shasta County RTPA to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

Reporting to Caltrans

Shasta County RTPA - Final utilization of DBE participation will be reported to the DLAE using Exhibit 17-F of the Caltrans' LAPM.

Confidentiality

Shasta County RTPA will safeguard from disclosure to third parties information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local laws.

Daniel J. Kovacich
Executive Officer
Shasta County RTPA

Date: _____

This Disadvantaged Business Enterprises Program is accepted by:

[Signature of DLAE]

Date: _____

APPENDIX A TO PART 26 – GUIDANCE CONCERNING GOOD FAITH EFFORTS

I. When, as a recipient, you establish a contract goal on a DOT-assisted contract, a bidder must, in order to be responsible and/or responsive, make good faith efforts to meet the goal. The bidder can meet this requirement in either of two ways. First, the bidder can meet the goal, documenting commitments for participation by DBE firms sufficient for this purpose. Second, even if it doesn't meet the goal, the bidder can document adequate good faith efforts. This means that the bidder must show that it took all necessary and reasonable steps to achieve a DBE goal or other requirement of this part which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if they were not fully successful.

II. In any situation in which you have established a contract goal, part 26 requires you to use the good faith efforts mechanism of this part. As a recipient, it is up to you to make a fair and reasonable judgment whether a bidder that did not meet the goal made adequate good faith efforts. It is important for you to consider the quality, quantity, and intensity of the different kinds of efforts that the bidder has made. The efforts employed by the bidder should be those that one could reasonably expect a bidder to take if the bidder were actively and aggressively trying to obtain DBE participation sufficient to meet the DBE contract goal. Mere pro forma efforts are not good faith efforts to meet the DBE contract requirements. We emphasize, however, that your determination concerning the sufficiency of the firm's good faith efforts is a judgment call: meeting quantitative formulas is not required.

III. The Department also strongly cautions you against requiring that a bidder meet a contract goal (i.e., obtain a specified amount of DBE participation) in order to be awarded a contract, even though the bidder makes an adequate good faith efforts showing. This rule specifically prohibits you from ignoring bona fide good faith efforts.

IV. The following is a list of types of actions which you should consider as part of the bidder's good faith efforts to obtain DBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

A. Soliciting through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capability to perform the work of the contract. The bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.

B. Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.

C. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.

D. (1) Negotiating in good faith with interested DBEs. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and

telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.

(2) A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.

E. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.

F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor.

G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.

H. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

- 140 In determining whether a bidder has made good faith efforts, you may take into account the performance of other bidders in meeting the contract. For example, when the apparent successful bidder fails to meet the contract goal, but others meet it, you may reasonably raise the question of whether, with additional reasonable efforts, the apparent successful bidder could have met the goal. If the apparent successful bidder fails to meet the goal, but meets or exceeds the average DBE participation obtained by other bidders, you may view this, in conjunction with other factors, as evidence of the apparent successful bidder having made good faith efforts.

APPENDIX B
TO BE USED FOR DESIGN-BUILD CONTRACTS

The following are hereby incorporated into the Agency's Disadvantaged Business Enterprise (DBE) Program:

II Objectives /Policy Statement (§§26.1, 26.23)

At the end of the first paragraph, add the following:

The Shasta County RTPA recognizes that certain modifications are necessary to adapt the program for use in connection with design-build contracts, and has therefore established certain procedures applicable to design-build DBE contracts under the DBE Program. Public Contract Code Section 4109 requires subcontractors to be identified by the prime contractor for the subletting or subcontracting of any portion of the work in excess of one-half of 1 percent of the prime contractor's total bid. Exceptions are only in the cases of public emergency or necessity, and then only after a finding reduced to writing as a public record of the awarding authority setting forth the facts constituting the emergency or necessity. The written public record of the awarding authority/Agency as to either emergency or necessity is attached hereto (See Appendix C for sample).

XIII Monitoring and Enforcement Mechanisms (§26.37)

At the end of the first paragraph below "After Contract Award", add the following paragraph:

After Design-Build Contract Award

As described in the Section entitled "GOOD FAITH EFFORTS" below, each proposer for an Agency design-build contract will be required to submit a DBE Performance Plan as part of a responsive proposal. Following award of a design-build contract and during both the design and construction portions of the project, the design-build contractor will be required to submit documentation, in the form of progress reports described below, to show that the design-build contractor is meeting the contract goal for the project, or if the goal is not being met, the design-build contractor must submit satisfactory evidence that it has made good faith efforts, in accordance with that Section, to meet the goal. Evidence of good faith efforts, as described in 49 CFR Part 26 Section 26.5349 and Appendix A, will be monitored by the Agency throughout the duration of the design-build project.

At the end of the first paragraph below "Preconstruction Conference", add the following sentence:

The contractor will promptly provide the Agency with the information required by the form entitled "Local Agency DBE Information" upon selection of any DBE or other subcontractor not previously identified by the design-build contractor. During the course of the contract, differences must be explained and resolved by either making corrections or requesting a substitution.

At the end of the fourth paragraph below "Construction Contract Monitoring", add the following paragraph:

The contractor will provide DBE Progress Reports to the Agency with each invoice and will provide an annual report on or before August 1 of each year of the design-build contract. Each report must also include a narrative summary stating whether the contractor is on target with respect to the DBE goal

set forth in the design-build contract, whether the goal has been exceeded (stating the amount of the excess), or whether the contractor is behind target (stating the amount of the deficit).

XVII Good Faith Efforts (§26.53)

At the end of the third paragraph below "Information to be Submitted", add the following items:

7. A DBE Performance Plan containing a detailed description of the design-build contractor's planned methodology for achieving the DBE goal stated in the contract, including a description of the good faith efforts the design-build contractor intends to undertake to achieve that goal.

8. A design-build proposal must also include an affidavit that the proposer will either attain the DBE goals for the design-build contract or will exercise good faith efforts to do so.

At the end of the first paragraph below "Demonstration of Good Faith Efforts", add the following sentence:

If it is a design-build contract, each contractor proposing will be required to submit a DBE Performance Plan as part of a responsive proposal and good faith efforts.

[Signature of Local Agency Recipient's Chief Executive Officer]

Date: _____

This Disadvantaged Business Enterprise Program for design-build contracts is accepted by:

[Signature of DLAE]

Date: _____

APPENDIX C

RESOLUTION OF THE SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY
REGARDING NECESSITY
OR EMERGENCY FOR SUBSEQUENT SUBCONTRACTOR
IDENTIFICATION AND SELECTION FOR DESIGN-BUILD CONTRACTS

(REQUIRED BY PUBLIC CONTRACT CODE SECTION 4109
ENTITLED "Public Emergency Grounds For Change")

- A. EXPLANATION OF PUBLIC NECESSITY OR EMERGENCY:
- B. FACTS CONSTITUTING THE PUBLIC NECESSITY OR EMERGENCY:
- C. FINDINGS:
- D. RESOLUTION FOR SUBSEQUENT IDENTIFICATION OF SUBCONTRACTORS:
- E. ADOPTION OF PROCEDURE TO BE USED BY DESIGN-BUILD CONTRACTOR FOR
SUBSEQUENT IDENTIFICATION OF SUBCONTRACTORS:
- F. CERTIFICATE OF SECRETARY

1. MOTION MADE AND DATE

2. VOTING RESULTS

3. SIGNATURES:

(a) (Secretary)

(b) (Chairperson)