

Victor Valley Transit Authority

PROPOSED OVERALL DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL FOR FEDERAL TRANSIT ADMINISTRATION (FTA) ASSISTED CONTRACTS (OCTOBER 1, 2024, THROUGH SEPTEMBER 30, 2027)

**BACKGROUND**

VVTA is a direct recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, VVTA must comply with the FTA's DBE Program: Implementations Modifications Final Rule to Title 49, Code of Federal Regulations (CFR) Part 26, effective November 3, 2014. The DBE Program is designed to enable small businesses owned and controlled by socially disadvantaged individuals to compete for federally funded contracts. The purpose of the DBE goal-setting process is to level the playing field so DBEs may compete fairly for USDOT assisted contracts, however the program must be narrowly tailored in accordance with applicable law.

VVTA identified a total of five (5) FTA-funded projects anticipated to be solicited during the FFY 2025-2027 triennial contracting period. The VVTA 2025-2027 FTA Goal Methodology includes the methodology and calculations used to develop the proposed triennial goal. The Overall Triennial DBE Goal for FTA-assisted project was established utilizing the federal two-step goal setting methodology. Step 1 included establishing a base figure utilizing quantifiable evidence of the relative availability of DBEs within specified industries corresponding to VVTA's FTA-assisted contracting opportunities anticipated to be awarded within the respective goal period. VVTA utilized the California Unified Certification Program (CUCP) Directory of Certified DBE firms and the 2022 United States Census Bureau County Business Patterns North American Industrial Classification System (NAICS) database within VVTA's market area (defined as San Bernardino, Riverside and Los Angeles Counties) for each of the categories of work.

Step 2 adjusts the Base Figure based upon review and assessment of other known evidence potentially impacting the relative availability of DBEs within the market area, in accordance with prescribed narrowly tailored provisions set forth under 49 CFR part 26.45: Step 2: DBE Goal adjustment guidelines.

The final Proposed Overall DBE Goal for FFY 2025-2027 for VVTA's FTA-assisted contracts is 5.83% based upon the federal share on race neutral measurements implemented by VVTA. Notice regarding the proposed DBE goal is being published in three (3) local newspapers of general circulation with an invitation to the public to review the goal, methodology and provide comments. Effective November 3, 2014, USDOT amended its DBE program to reduce the comment period from 45 days to 30 days. Public review of the documents must be performed at VVTA, during normal business hours, within 30 days of published notice to allow for receipt of comments. Comments are to be forwarded to the VVTA DBELO.

In response to race-neutral policy directives issued by the USDOT, VVTA utilizes a strictly race-neutral means. In a strictly race-neutral program, VVTA may not set numeric contract goals on any of its USDOT-assisted contracts for which DBE subcontracting possibilities exist. The application of race-neutral measures is in direct response to the Ninth Circuit U.S. Court of Appeals decision in *Western States Paving Co. v United States & Washington State Department of Transportation*, whereby the FTA issued a Notice (Guidance) for Public Transportation Providers (Docket No. FTA-2006-24063).

Based on the Guidance, each recipient was requested to do the following:

- If a recipient does not currently have sufficient evidence of discrimination of its effects, then the recipient would submit an all-race-neutral Overall DBE Goal.
- The recipient's submission shall include a statement concerning the absence of adequate evidence of discrimination and its effects and a description of plans to either conduct a disparity/availability study or other appropriate evidence gathering process to determine the existence of discrimination or its effects on the recipient's marketplace.
- An action plan describing the study and timeline for its completion should also be included.

VVTA is required to perform the appropriate evidence gathering process to determine the existence of discrimination and its effects on its respective marketplace to effectively respond to the Court's ruling and the USDOT's directive (Docket No. FTA-2006-24063; Supplemental Notice dated August 21, 2006). Staff determined it is not feasible for VVTA, nor is it required, to conduct its own independent disparity study.

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# **VICTOR VALLEY TRANSIT AUTHORITY**

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

for

FFY 2025 - FFY 2027

Goal Period

Submitted in fulfillment of:

Title 49 Code of Federal Regulations Part 26

**TABLE OF CONTENTS**

I. INTRODUCTION..... 3

II. BACKGROUND..... 3

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2025-2027..... 3

IV. GOAL METHODOLOGY ..... 4

*Step 1: Determination of a Base Figure (26.45)*..... 4

*Step 2: Adjusting the Base Figure* ..... 5

        A. Past DBE Goal Attainments..... 5

        B. Other Available Evidence .....6

V. PROPOSED OVERALL DBE GOAL..... 6

ATTACHMENT I ..... 9

ATTACHMENT II .....10

## DBE GOAL METHODOLOGY

### I. INTRODUCTION

VVTA 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 2025-2027 (October 1, 2025, through September 30, 2027), 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

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

VVTA herein presents its Overall DBE Goal Methodology for FFY 2025-2027.

### III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2025-2027

Table 1 represents VVTA’Ss FTA-assisted contracting program, which consists of projects considered in preparing this goal methodology. The projects, which include Construction, Professional Services and Materials/Supplies contracting opportunities, are anticipated to be awarded during the triennial period:

**Table 1**

PROJECT NAME	TOTAL ESTIMATED PROJECT COST	ESTIMATED FTA DOLLAR SHARE	ESTIMATED FTA % SHARE
Operating Assistance	\$122,915,911.80	\$61,457,955.90	50%
Hesperia Yard and Transit Center	\$1,800,000.00	\$1,440,000.00	80%
Garage Shop Equipment	\$300,000.00	\$240,000.00	80%
On-Board Vehicle Modems	110,000.00	\$88,000.00	80%
Security Services	\$1,266,256.51	\$633,128.26	50%

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

**Table 2:**

CATEGORY OF WORK	NAICS CODES	ESTIMATED FTA DOLLARS BY NAICS	ESTIMATED FTA % BY NAICS
Bus and Other Motor Vehicle Transit Systems	485113	\$61,457,955.90	96.24%
Commercial and Institutional Building Construction	236220	\$1,440,000.00	2.25%
Other Computer Related Services	541519	\$88,000.00	.14%
Industrial Machinery and Equipment Merchant	423830	\$240,000.00	.38%
Security Guards and Patrol Services	561612	\$633,128.26	.99%

#### IV. GOAL METHODOLOGY

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

To establish VVTA's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid or propose on VVTA's FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, VVTA 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 *2022 U.S. Census Bureau County Business Patterns Database* within VVTA'S market area (defined as San Bernardino County, Riverside County, and Los Angeles County) for each of the categories of work defined in Table 2.

VVTA's local market area consists of the geographic area in which a substantial majority of contracting dollars are expended and/or where the substantial majority of contractor and subcontractor bids or quotes are located.

In accordance with the formula below, the Base Figure is derived by dividing the number of ready, willing, and able DBE firms identified for each work category by the number of all firms identified for each corresponding work category (relative availability), weighting the relative availability for

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

each work category by the corresponding work category weight from Table 2 (weighted ratio), and adding the weighted ratio figures together.

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

⇒ For the numerator: CUCP DBE Database of Certified Firms

⇒ For the denominator: 2022 U.S. Census Bureau’s Business Patterns Database

A concerted effort was made to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all work category classifications, refer to Attachments I and II. The result of the Base Figure calculation is 2.58%, as shown in Table 3 as follows:

**Table 3**

CATEGORY OF WORK	DBES	ALL FIRMS	CATEGORY WEIGHT	WEIGHTED RATIO
Bus and Other Motor Vehicle Transit Systems	1	50	.0190	1.92%
Commercial and Institutional Building Construction	71	428	.0037	.37%
Other Computer Related Services	35	53	.0009	.09%
Industrial Machinery and Equipment Merchant Wholesale	3	287	.0000	0.00%
Security Guards and Patrol Services	31	243	.0020	.13%
<b>Base Figure (i.e., Sum of Weighted Ratios for all Work Categories)</b>	<b>141</b>	<b>1061</b>	<b>.0258</b>	<b>= 2.52%</b>

### *Step 2: Adjusting the Base Figure*

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

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

#### **A. Past DBE Goal Attainments**

As historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform, VVTA proceeded to calculate past DBE participation attainments for the three (3) federal fiscal years, for which DBE attainment data is available. The table below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on FTA-assisted contracts awarded by VVTA within the last three (3) federal fiscal years.

**Table 4**

<b>FEDERAL FISCAL YEAR (FFY)</b>	<b>FTA DBE GOAL ATTAINMENT %</b>
<b>2023/24</b>	5.16%
<b>2022/23</b>	14.08%
<b>2021/22</b>	5.83%
<b>Median DBE Attainment Within the Last Three (3) Years</b>	<b>5.83%</b>

\* Through 03/31/2024

All of the evidence available in the VVTA'S jurisdiction has been examined and the evidence does suggest that an adjustment to the base figure is necessary. In anticipation of meeting the goal as evidenced by the last three fiscal years, the adjustment is made to 5.83% as VVTA's DBE Goal for FY 2025-2027.

**B. VVTA Bidder's List**

VVTA will continue to capture Bidders List information for the identification and potential use in meeting future DBE goal determinations.

**C. Other Available Evidence**

VVTA is not aware of any current disparity studies within their jurisdiction and/or market area to consider in this step of the goal setting analysis.

**V. PROPOSED OVERALL DBE GOAL**

**The Final Proposed Overall DBE Goal for FFY 2025-2027 for VVTA'S FTA-assisted contracts is 5.83%.** The DBE Goal based on the federal share is a Race Neutral goal and VVTA 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, VVTA 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 VVTA DBE goal attainment data, which equals a 5.83% means for the past three years, demonstrates that VVTA is able to meet the DBE goal through race neutral means. VVTA intends to continue to use race-neutral methods to meet the overall DBE goal of 5.83% for FFY 2025-2027 in accordance with Title 49 CFR Part 26.51.



<b>RACE-CONSCIOUS &amp; RACE-NEUTRAL PROJECTIONS</b>	
<b>Race-Conscious Component</b>	<b>0.0%</b>
<b>Race-Neutral Component</b>	<b>5.83%</b>

**VI. RACE-NEUTRAL IMPLEMENTATION MEASURES**

VVTA is currently implementing a number of race- and gender-neutral remedies to outreach and promote the participation of DBEs and small businesses in VVTA’s FTA-assisted contracting program. VVTA plans to continue or implement the following race-neutral measures for FFY 2025-2027 and will continue to explore other options for consideration based on VVTA’s success in meeting its overall DBE goals based on these efforts:

- VVTA will continue to invite DBEs to participate in all of its solicitations directly emailing the vendors from the California UCP. VVTA will attend and participate in vendor fairs hosted by unrepresented groups and other public agencies.
- VVTA will unbundle solicitations, provide pre-bid/pre-proposal conferences to afford networking opportunities for primes and subcontractors. VVTA will promote and encourage teaming opportunities between prospective prime contractors and the DBE and Small Business contracting community. Arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation.
- Structure solicitations to remove barriers such as the 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).
- VVTA will solicit 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).
- 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, VVTA will actively promote the Small Business conferences, programs, and support services offered by other agencies that have established DBE and Small Business Programs. VVTA has created a “How to do Business with VVTA” video which has been posted to [vvtta.org/Procurement](https://vvtta.org/Procurement) web page. This video is linked here: <https://youtu.be/FhobBWi2nUk>.
- VVTA will advise its contracting community of the online directory of certified DBEs, found at the California Unified Certification Program website: [www.CaliforniaUCP.com](http://www.CaliforniaUCP.com). VVTA will also advise the contracting community of the available small businesses certified by the California Department of General Services (DGS) and found at the following: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>

- VVTA will advise the DBE and small business community to participate in Caltrans' related bidding/proposal opportunities at <http://www.dot.ca.gov/hq/esc/oe/>. VVTA will encourage DBEs and small businesses to seek the assistance and training through the U.S. Small Business Administration at [www.sba.gov](http://www.sba.gov).

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

VVTA has implemented several strategies to foster small business participation in its contracting process. These include the following:

- In multi-year design-build contracts or other large contracts (e.g., for “megaprojects”) requiring bidders on the prime contract to specify elements of the contract or specific subcontracts that are of a size that small businesses, including DBEs, can reasonably perform.
- On larger prime contracts requiring the prime contractor to consider subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.
- Identifying alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBEs, to compete for and perform prime contracts.
- Ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.

## **VII. PUBLIC PARTICIPATION AND FACILITATION**

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business associations, and community organizations within the VVTA market area will be consulted and provided an opportunity to review the triennial goal analysis and provide input. VVTA will prepare Outreach Consultation Letters advising the business community of the proposed DBE goal analysis and its availability for review and comment.

VVTA has issued a Public Notice in general circulation media and minority focused media publishing the VVTA Draft Proposed FTA Overall DBE Goal-Setting Methodology for FFY 2025-FFY 2027. The notice informs the public that the proposed goal and rationale are available for inspection at VVTA's principal office during normal business hours for 30 days following the date of the Public Notice, and that VVTA would accept comments on the goal analysis for 30 days from the date of the Public Notice. VVTA will consider all comments and input received as a part of this process and will assess its impact on the goal-setting methodology.

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

**ATTACHMENT I**

**VVTA  
FEDERAL TRANSIT ADMINISTRATION  
FEDERAL FISCAL YEAR 2025-2027**

**ESTABLISHMENT OF THE NUMERATOR:**

**# OF ESTABLISHED DBE FIRMS BY NAICS WORK CATEGORIES WITHIN THE MARKET AREA (SAN BERNARDINO, RIVERSIDE, AND LOS ANGELES COUNTIES) <sup>1</sup>**

<b>NAICS Code</b>	<b>CATEGORY OF WORK</b>	<b>San Bernardino, Riverside and Los Angeles # DBE Firms</b>
<b>485113</b>	Bus and Other Motor Vehicle Transit Systems	1
<b>236220</b>	Commercial and Institutional Building Construction	71
<b>541519</b>	Other Computer Related Services	35
<b>423830</b>	Industrial Machinery and Equipment Merchant Wholesalers	3
<b>561612</b>	Security Guards and Patrol Services	31
<b>TOTAL NUMBER OF ESTABLISHED DBE FIRMS:</b>		<b>141</b>

<sup>1</sup> **DATA SOURCE:** California UCP DBE Database of Certified Firms.

**ATTACHMENT II**

**VVTA  
FEDERAL TRANSIT ADMINISTRATION  
FEDERAL FISCAL YEAR 2025-2027**

**ESTABLISHMENT OF THE DENOMINATOR:**

**# OF ALL ESTABLISHED FIRMS (DBEs and Non-DBEs) BY NAICS WORK CATEGORIES  
WITHIN THE MARKET AREA (DEFINED AS SAN BERNARDINO, RIVERSIDE COUNTIES)<sup>1</sup>**

<b>NAICS Code</b>	<b>CATEGORY OF WORK</b>	<b>San Bernardino and Riverside Counties Total Number Established</b>
<b>485113</b>	Bus and Other Motor Vehicle Transit Systems	50
<b>236220</b>	Commercial and Institutional Building Construction	428
<b>541519</b>	Other Computer Related Services	53
<b>423830</b>	Industrial Machinery and Equipment Merchants	287
<b>561612</b>	Security Guards and Patrol Services	243
<b>TOTAL NUMBER OF ESTABLISHED DBE FIRMS:</b>		<b>1061</b>

<sup>1</sup> **DATA SOURCE:** 2022 U.S. Census Bureau: County Business Patterns, NAICS Work Category Codes.