

County of El Dorado

Disadvantaged Business Enterprise (DBE) Program Methodology and Calculations Used to Determine Overall DBE Goal for Federal Highway Administration (FHWA) Funded Projects for Federal Fiscal Years 2012/2013 through 2014/2015

I. Executive Summary

The County of El Dorado (County), through its Department of Transportation (DOT) submits this Federal Fiscal Year (FFY) 2012 goal to the County of El Dorado Board of Supervisors pursuant to 49 Code of Federal Regulation (CFR) Section 26.45, for federally assisted highway contracts. The FFY 2012 Overall DBE Goal is a percentage of all federal-aid highway funds the County expects to expend in FHWA-assisted contracts in the forthcoming three fiscal years (FFY 2012/2013 through FFY 2014-2015). County proposes an Overall DBE Goal of **11% (rounded)** comprised of a Race-Conscious component of **5%** and a Race-Neutral component of **6%** with no Step Two adjustments.

II. Goal-Setting Methodology – Section 49 CFR 26.45

County followed a two-step process for setting its overall DBE goal:

- Step One determines the calculation of a base figure for the relative availability of DBEs.
- Step Two is the examination of all the evidence available to determine if an adjustment to the base figure is needed to arrive at the overall goal.

III. Step One - Determining the Base Figure Section 49 CFR 26.45 (c)

- A. First, determine the FHWA funded projects that El Dorado County anticipates awarding in the upcoming three (3) federal fiscal years (FFY). List these projects, including both construction and consultant contracts. Next, determine the various work types and amounts of work that will be involved, using the work categories and codes that can be found on the California Unified Certification Program (CUCP) website. For each Work Category, calculate the percentage (Weight) of the total contract work to be performed. Table 1 provides this information.

TABLE 1

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2012/2013 through 2014/2015	% of FHWA Funding by Work Category (Weight)
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)	Highway, Street, & Bridge Construction	237310	\$22,421,330	67.9%
Pleasant Valley Road at Oak Hill Road Intersection Improvements				
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment				
Rubicon Trail at Ellis Creek - Bridge Replacement				
Sawmill 2B Bike Path & Erosion Control Project				
Lake Tahoe Boulevard Enhancement Project				
Green Valley Road at Weber Creek - Bridge Replacement				
Sly Park Road at Clear Creek Crossing - Bridge Replacement				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2012/2013 through 2014/2015	% of FHWA Funding by Work Category (Weight)
Bucks Bar Road at the North Fork Cosumnes River - Bridge Rehabilitation				
EID Canal at Blair Road – Bridge Replacement				
EID Canal at Alder Road – Bridge Replacement				
Silver Fork Road at South Fork American River				
Hazel Valley Road at EID Canal Bridge				
Ice House Road at Jones Fork Silver Creek BPMP				
Sly Park Road at Clear Creek Crossing - Bridge Replacement	Water and Sewer Line and Related Structures Construction	237110	\$40,000	0.1%
Green Valley Road at Weber Creek - Bridge Replacement	Electrical Contractors	238210	\$75,000	0.2%
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2012/2013 through 2014/2015	% of FHWA Funding by Work Category (Weight)
Pleasant Valley Road at Oak Hill Road Intersection Improvements	General Freight Trucking, Local	484110	\$220,750	0.7%
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road South of Glenesk Lane Realignment				
Rubicon Trail at Ellis Creek - Bridge Replacement				
Sawmill 2B Bike Path & Erosion Control Project				
Lake Tahoe Boulevard Enhancement Project				
Green Valley Road at Weber Creek - Bridge Replacement				
Sly Park Road at Clear Creek Crossing - Bridge Replacement				
Bucks Bar Road at the North Fork Cosumnes River - Bridge Rehabilitation				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2012/2013 through 2014/2015	% of FHWA Funding by Work Category (Weight)
EID Canal at Blair Road – Bridge Replacement				
EID Canal at Alder Road – Bridge Replacement				
Silver Fork Road at South Fork American River				
Hazel Valley Road at EID Canal Bridge				
Ice House Road at Jones Fork Silver Creek BPMP				
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)				
Pleasant Valley Road at Oak Hill Road Intersection Improvements				
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2012/2013 through 2014/2015	% of FHWA Funding by Work Category (Weight)
Rubicon Trail at Ellis Creek - Bridge Replacement	Erosion Control	561730	\$436,110	1.3%
Sawmill 2B Bike Path & Erosion Control Project				
Lake Tahoe Boulevard Enhancement Project				
Sly Park Road at Clear Creek Crossing - Bridge Replacement				
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)	Traffic Control	238990	\$702,510	2.1%
Pleasant Valley Road at Oak Hill Road Intersection Improvements				
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment				
Sawmill 2B Bike Path & Erosion Control Project				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2012/2013 through 2014/2015	% of FHWA Funding by Work Category (Weight)
Lake Tahoe Boulevard Enhancement Project				
Green Valley Road at Weber Creek - Bridge Replacement				
Sly Park Road at Clear Creek Crossing - Bridge Replacement				
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)				
Pleasant Valley Road at Oak Hill Road Intersection Improvements				
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment	Construction Area Signs	423990	\$42,500	0.1%
Rubicon Trail at Ellis Creek - Bridge Replacement				
Green Valley Road at Weber Creek - Bridge Replacement				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2012/2013 through 2014/2015	% of FHWA Funding by Work Category (Weight)
Sly Park Road at Clear Creek Crossing - Bridge Replacement				
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)				
Pleasant Valley Road at Oak Hill Road Intersection Improvements				
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment				
Rubicon Trail at Ellis Creek - Bridge Replacement				
Green Valley Road at Weber Creek - Bridge Replacement				
Sly Park Road at Clear Creek Crossing - Bridge Replacement	Prepare Construction Storm Water Pollution Prevention Plan (SWPPP) & SWPPP Review	541620 & 541330	\$81,778	0.2%
Bucks Bar Road at the North Fork Cosumnes River - Bridge Rehabilitation				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2011/2012 through 2013/2014	% of FHWA Funding by Work Category (Weight)
EID Canal at Blair Road – Bridge Replacement				
EID Canal at Alder Road – Bridge Replacement				
Silver Fork Road at South Fork American River				
Hazel Valley Road at EID Canal Bridge				
Ice House Road at Jones Fork Silver Creek BPMP				
Northside School Class I Bike Path – Phase 2 (SR 49)				
Green Valley Road at Weber Creek - Bridge Replacement				
Sly Park Road at Clear Creek Crossing - Bridge Replacement				
Rubicon Trail at Ellis Creek - Bridge Replacement				
EID Canal at Blair Road – Bridge Replacement				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2011/2012 through 2013/2014	% of FHWA Funding by Work Category (Weight)
EID Canal at Alder Road – Bridge Replacement	Environmental Consulting Services	541620	\$3,848,000	11.7%
Hazel Valley Road at EID Canal Bridge				
Mosquito Road – Bridge Replacement				
Mt. Murphy Road at South Fork American River - Bridge Replacement				
Oak Hill Road at Squaw Hollow Creek - Bridge Replacement				
Hanks Exchange at Squaw Hollow Creek – Bridge Replacement				
Green Valley Road at Mound Springs Creek – Bridge Replacement				
Greenstone Road at State Creek – Bridge Replacement				
Clear Creek Road at Clear Creek (PM 1.82) – Bridge Replacement				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2011/2012 through 2013/2014	% of FHWA Funding by Work Category (Weight)
Clear Creek Road at Clear Creek (PM 0.25) – Bridge Replacement				
Mosquito Road – Bridge Replacement	Design – Roadway Bridge	541330	\$3,175,000	9.6%
Bucks Bar Road at the North Fork Cosumnes River - Bridge Rehabilitation				
EID Canal at Blair Road – Bridge Replacement				
Newtown Road at Weber Creek Bridge Replacement				
EID Canal at Alder Road – Bridge Replacement				
Silver Fork Road at South Fork American River				
Bassi Road at Granite Creek Bridge Replacement				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2011/2012 through 2013/2014	% of FHWA Funding by Work Category (Weight)
Mt. Murphy Road at South Fork American River - Bridge Replacement	Right of Way-Appraisal and Acquisition Services	531320 & 531390	\$1,282,500	3.9%
Oak Hill Road at Squaw Hollow Creek - Bridge Replacement				
Hanks Exchange at Squaw Hollow Creek – Bridge Replacement				
Green Valley Road at Mound Springs Creek – Bridge Replacement				
Greenstone Road at State Creek – Bridge Replacement				
Clear Creek Road at Clear Creek (PM 1.82) – Bridge Replacement				
Clear Creek Road at Clear Creek (PM 0.25) – Bridge Replacement				
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2011/2012 through 2013/2014	% of FHWA Funding by Work Category (Weight)
Pleasant Valley Road at Oak Hill Road Intersection Improvements	Construction Inspection	541330	\$293,984	0.9%
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment				
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)	Construction Administration	541330	\$361,600	1.1%
Pleasant Valley Road at Oak Hill Road Intersection Improvements				
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment				
Northside School Class I Bike Path – Phase 1 (SR 193) and Phase 2 (SR 49)				

Projects	Work Category	NAICS Code	Estimated Contracts FFY 2011/2012 through 2013/2014	% of FHWA Funding by Work Category (Weight)
Pleasant Valley Road at Oak Hill Road Intersection Improvements	Construction Engineering	541330	\$44,098	0.1%
Cold Springs Road at Mount Shasta Lane Realignment				
Salmon Falls Road at Glenesk Lane Realignment				
	TOTALS:		\$33,025,160	100%

B. In order to determine the Overall Goal base figure, first compute the Overall Goal formula for each Work Category:

$$\text{Overall Goal (per Work Category)} = \left[\sum \frac{\text{No. of DBEs in a Work Category}}{\text{No. of All Firms in same Work Category}} \times \text{Weight} \right] \times 100$$

Each Work Category Overall Goal is then multiplied by its percentage (Weight) of the total work to be performed. The resulting numbers are then added up to obtain the Overall Goal Base Figure:

FORMULA Overall Goal (Base Figure) =

$$\begin{aligned} & \left[+ \frac{\text{\# of DBEs in 237310}}{\text{\# of all firms in 237310}} \times 0.679 + \frac{\text{\# of DBEs in 237110}}{\text{\# of all firms in 237110}} \times 0.001 \right] \times 100 + + \\ & \left[+ \frac{\text{\# of DBEs in 238210}}{\text{\# of all firms in 238210}} \times 0.002 + \frac{\text{\# of DBEs in 484110}}{\text{\# of all firms in 484110}} \times 0.007 \right] \times 100 + \\ & \left[+ \frac{\text{\# of DBEs in 561730}}{\text{\# of all firms in 561730}} \times 0.013 + \frac{\text{\# of DBEs in 238990}}{\text{\# of all firms in 238990}} \times 0.021 \right] \times 100 + \\ & \left[+ \frac{\text{\# of DBEs in 423990}}{\text{\# of all firms in 423990}} \times 0.001 + \frac{\text{\# of DBEs in 541620,541330}}{\text{\# of all firms in 541620,541330}} \times 0.002 \right] \times 100 + \\ & \left[+ \frac{\text{\# of DBEs in 541620}}{\text{\# of all firms in 541620}} \times 0.117 + \frac{\text{\# of DBEs in 541330}}{\text{\# of all firms in 541330}} \times 0.096 \right] \times 100 + \\ & \left[+ \frac{\text{\# of DBEs in 531320,531390}}{\text{\# of all firms in 531320,531390}} \times 0.039 + \frac{\text{\# of DBEs in 541330}}{\text{\# of all firms in 541330}} \times 0.009 \right] \times 100 + \\ & \left[+ \frac{\text{\# of DBEs in 541330}}{\text{\# of all firms in 541330}} \times 0.011 + \frac{\text{\# of DBEs in 541330}}{\text{\# of all firms in 541330}} \times 0.001 \right] \times 100 \end{aligned}$$

To determine the number of DBE firms (for the *numerator* in the calculation):

1. For each NAICS Work Category listed above, determine total number of DBEs in El Dorado County's Market Area (see discussion below) that are willing to perform that type of work. To do this, use the CUCP website, which can be accessed by going to

http://www.dot.ca.gov/hq/bep/find_certified.htm

and clicking on the “Click here to Access the DBE Query Form” link.

2. On the resulting page, go to the “County” box and highlight all the counties in the agency’s Market Area.
3. Click on the appropriate 2-digit code in the “NAICS Categories” box. This will automatically bring up the more detailed 6-digit NAICS Work Category codes in a new box. Highlight the appropriate 6-digit code. As applicable, click on the appropriate “Work Category Code(s)” that apply to the NAICS Work Category. Finally, click the “Start Search-PDF Results” button at the bottom of the page. This will give the number of DBE firms available to do work in that NAICS Work Category, followed by a list of individual firms.
4. To narrow it down to County of El Dorado’s Market Area, print out the list and cross off any firms that are not located within the Market Area counties. This will result in a list of DBE firms that are in County of El Dorado’s Market Area. The number of firms remaining on the list becomes the numerator for that Work Category.
5. Repeat this process for each NAICS Work Category.

Market Areas:

The Market Areas for the NAICS Construction Categories were determined by using the bidders’ list containing all prime and subcontractors that bid on County of El Dorado Department of Transportation West Slope construction projects over the past five Federal Fiscal Years. The counties in which the majority of bidders were located were considered to be within the Market Area. Below are the following NAICS categories and the counties in which the bidders were located:

- 237310 and 237110 – Alameda, Contra Costa, El Dorado, Placer, Sacramento, San Joaquin, Santa Cruz, and Solano
- 238210 – Sacramento
- 238990 – Amador, Shasta, and Tulare
- 423990 – Placer and Solano
- 484110 – Solano
- 541330 – Sacramento
- 561730 – El Dorado and Placer

The Market Areas for the NAICS Consultant Categories were determined by compiling a list of all ongoing consultant contracts within the County of El Dorado Department of Transportation and sorting the list by type of service (e.g. Civil Engineering, Construction Management, Right of Way, and Environmental Consulting Services) and location. Below are the following NAICS categories and the counties in which the bidders were located:

- 531320 & 531390 – Placer and Sacramento
- 541330 (Design) – Placer and Sacramento
- 541620 & 541330 (SWPPP) – Contra Costa and Sacramento

- 541620 (Environmental)– Los Angeles, Sacramento, and Yolo

For the upcoming three FFYs the County’s Lake Tahoe Basin Unit anticipates receiving and expending FHWA funding. The Market Areas for the NAICS Construction Categories were determined by using the bidders’ list containing all prime and subcontractors that bid on County of El Dorado Department of Transportation construction projects in the South Lake Tahoe area. Below are the following NAICS categories and the counties in which the bidders were located:

- 237310 – Carson City, Douglas, El Dorado, Nevada, Placer, Sacramento, Shasta, and Washoe
- 238990 – Placer and Tulare
- 484110 – Assumes same market area as NAICS code 237310, since there is no bidder history
- 561730 – Placer and Washoe

To determine the total number of firms (for the denominator in the calculation):

1. For each NAICS Work Category, determine the total number of firms in County of El Dorado’s Market Area that are willing to perform that type of work. To do this, go to the following website:

<http://censtats.census.gov/cbpnaic/cbpnaic.shtml>

2. At the top of the page, select “California” and click on the “Go” button.

3. On the next page, use the drop-down menu to select one of the counties in County of El Dorado’s Market Area, and click the “Select” button. The “Industry Codes” listed are the same as the NAICS codes. For each 2-digit category that is being used, click on the “Detail” button. This will bring up a list of all of the 6-digit Work Category codes contained within that category.

4. For each 6-digit Work Category to be used, click the “Compare” button to get a county-by-county list of the total number of establishments. Add the numbers for each county in the Market Area to get the total number of firms for this type of work, which becomes the denominator for that Work Category.

5. Repeat this process for each Work Category.

After completing the above tasks, Table 2 results:

TABLE 2

NAICS Category	# of DBE Firms (Numerator)	Total # of Firms (Denominator)	% of total contract funding (Weight)
237310	32	220	67.9%
237110	2	168	0.1%
238210	1	245	0.2%
484110	11	161	0.7%
561730	2	401	1.3%
238990	4	139	2.1%
NAICS Category	# of DBE Firms (Numerator)	Total # of Firms (Denominator)	% of total contract funding (Weight)
423990	6	18	0.1%

541620 & 541330	4	742	0.2%
541620	21	317	11.7%
541330	6	415	9.6%
531320 & 531390	2	179	3.9%
541330	0	597	0.9%
541330	3	597	1.1%
541330	7	597	0.1%

Entering the values shown in Table 2 into the Formula Overall Goal (Base Figure) yields an **Overall Goal (Base Figure) of 10.96% (11% rounded)**.

C. Race-Conscious (RC) Portion of Overall Goal (Using UDBEs):

To obtain the RC Portion, use the same method shown above, except substitute UDBEs for DBEs in the formula.

To get the number of UDBE firms (UDBE firms = male-owned UDBE firms + all female-owned firms), eliminate all firms on the DBE lists from the CUCP database that are not designated as either female-owned or male-owned with the UDBE-designated ethnicities (Asian Pacific, Native American, African American).

Table 3 shows the number of UDBE firms, number of total firms, and Work Category Weights results.

TABLE 3

NAICS Category	# of UDBE Firms (Numerator)	Total # of Firms (Denominator)	% of total contract funding (Weight)
237310	14	220	67.9%
237110	2	168	0.1%
238210	1	245	0.2%
484110	6	161	0.7%
561730	2	401	1.3%
238990	2	139	2.1%
423990	1	18	0.1%
541620 & 541330	3	742	0.2%
541620	18	317	11.7%
541330	5	415	9.6%
531320 & 531390	2	179	3.9%
541330	0	597	0.9%
541330	1	597	1.1%
541330	6	597	0.1%

Inserting the Table values as appropriate in the formula

$$\text{RC Portion} = \left[\sum \frac{\text{No. of UDBEs in a Work Category}}{\text{No. of All Firms in same Work Category}} \times \text{Weight} \right] \times 100$$

Results in a **RC Portion = 5.22% (rounded to 5%)**.

D. Race-Neutral (RN) Portion of Overall Goal:

The Race-Neutral portion of the Overall Goal is the Overall Goal minus the Race-Conscious portion.

RN Portion = Overall Goal – RC Portion = 10.96 – 5.22 = 5.74% (rounded to 6%)

IV. Step Two - Adjusting the Base Figure – Section 49 CFR 26.45 (d)

I. According to the guidelines, Step 2 is to examine all of the evidence available in the jurisdiction to determine what adjustment, if any, is needed to the Base Figure to arrive at the overall goal. Factors to consider include:

- Past participation (the volume of work DBEs have performed in recent years) or other measure of demonstrated capacity;
- Evidence from disparity studies conducted anywhere within our jurisdiction, to the extent that it is not already accounted for in the base figure;
- Statistical disparities in the ability of DBEs to get financing, bonding, and insurance required to participate in our program; and
- Data on employment, self-employment, education, training and union apprenticeship programs, to the extent that these factors can be related to the opportunities for DBEs to perform in our program.

A. Adjustments Based on Past Participation

Table 4 contains the list of past FWHA-funded projects under the Race Conscious DBE Program, the level of Overall Goal and Race Conscious DBE participation/attainment, and the Overall and Race Conscious goals for the FFY.

TABLE 4

	Year	Project Name Type of Contract	OVERALL/RC % Attainment	OVERALL/RC Goal
1	09-10	Wentworth Springs at Gerle Creek – Bridge Replacement – On-call Geotechnical/Geological Engineering Services	12.2% / 10.7% Not all projects have been completed	18% / 6.6%
2	09-10	US Highway 50/Missouri Flat Road Interchange Improvements – 1B – Construction		
3	09-10	US Highway 50/Missouri Flat Road Interchange Improvements – 1B – Construction Support		
4	09-10	Mosquito Bridge Materials - Supplier		
5	09-10	Wentworth Springs at Gerle Creek - Bridge Replacement		
6	09-10	Ice House Road Bridges Maintenance - On-call Geotechnical/Geological Engineering Services		
7	09-10	Rubicon Trail at Ellis Creek Bridge Replacement Project - On-call Geotechnical/Geological Engineering Services		
8	09-10	Green Valley Road Bridge at Weber Creek Bridge Replacement - On-call Environmental Review Services		
9	09-10	Latrobe Road Asphalt Overlay - Construction		
10	09-10	Pioneer Trail Overlay – Construction		
11	09-10	Northside School Class 1 Bike Path, Phases 1 & 2 – Engineering Services		
12	09-10	Green Valley Road at Tennessee Creek – Bridge Replacement Project – Vegetation and Tree Removal		
13	09-10	Bucks Bar Bridge at N. Fork Cosumnes River Bridge Replacement Project – 3D Laser Scanning		

TABLE 4 (Continued)

	Year	Project Name Type of Contract	OVERALL/RC % Attainment	OVERALL/RC Goal
14	10-11	Green Valley Road at Tennessee Creek Bridge Replacement – On- call Geotechnical/Geological Engineering Services	Project #16 has been completed with an overall and RC attainment of 85% and a dollar value of \$5,150 No other projects have been completed	15% / 9%
15	10-11	Green Valley Road at Tennessee Creek Bridge Replacement - Construction		
16	10-11	Rubicon Trail at Ellis Creek Bridge Replacement Project – Environmental (Historic Resource Evaluation Report)		
17	10-11	Ice House Road Bridges Maintenance Project - Construction		
18	10-11	Sly Park Road @ Clear Creek Crossing Bridge Replacement - Appraisal		
19	10-11	Green Valley at Weber Creek Bridge Replacement Project – Environmental		
20	10-11	Green Valley at Weber Creek Bridge Replacement Project - Environmental		
21	10-11	Green Valley at Tennessee Creek Bridge Replacement Project - Environmental		
22	10-11	Northside School Class 1 Bike Path Project, Phase 1 – Waiver Valuations		

TABLE 4 (Continued)

	Year	Project Name Type of Contract	OVERALL/RC % Attainment	OVERALL/RC Goal
23	11-12	Hazel Valley Road Bridge at EID Canal - Environmental	No projects have been completed	15% / 7%
24	11-12	Green Valley Road at Weber Creek - Bridge Replacement – Appraisal		
25	11-12	Pleasant Valley Road at Oak Hill Intersection Improvements and Latrobe Road North of Ryan Ranch Road (milepost 7.0-7.35) - Appraisal		
26	11-12	New York Creek Trail (East) Project formerly SMUD Trail - Geological and Geotechnical		
27	11-12	Wentworth Springs at Gerle Creek -Bridge Replacement – Geological and Geotechnical		
28	11-12	Sly Park Road at Clear Creek Crossing- Bridge Replacement – Appraisal and Acquisition		
29	11-12	Green Valley at Weber Creek Bridge Replacement Project – Appraisal and Acquisition		
30	11-12	Blair Road at EID Canal Bridge Replacement; Alder Drive Road at EID Canal Bridge Replacement; Bassi Road at Granite Creek Bridge Replacement - Environmental		
31	11-12	US 50 HOV Lanes Phase 2A, Bass Lake Road Undercrossing to Cameron Park Drive - Construction		
32	11-12	Sawmill 2A Bike Path and Erosion Control Project - Construction		
33	11-12	Blair Road at EID Canal Bridge Replacement; Alder Drive Road at EID Canal Bridge Replacement; Bassi Road at Granite Creek Bridge Replacement - Environmental		
34	11-12	Northside School Class 1 Bike Path Project, Phase 1 & Phase 2 – Geotechnical and Geotechnical Construction Support		

Since the implementation of the Race Conscious DBE Program in May 2009, one federally-funded task order with total expenditures of \$6,086 has been completed. This FFY 2010-2011 project achieved an overall and RC attainment of 85% for a total of \$5,150. In FFY 2010-2011 the total estimated expenditures for projects with federal highway funds were approximately \$2,000,000. No other projects have been completed. Since not all projects have been completed final numbers on

the goals attained are not available. Therefore no adjustment to the goal for FFY 2012-2013 through 2014-2015 is recommended.

The following factors explain why the Overall Goal (11%) differs from the previous three FFY Overall Goals of 18% and 15%:

- The County's Lake Tahoe Basin Unit expects to expend FHWA funds and has been included in the calculations for the first time.
- Over the years more data on the Market Areas and Work Categories have been compiled, which allows breaking the work into more NAICS Work Categories.
- Caltrans CUCP website added more Work Code Categories, which allows a more narrow focus on the type of work than the NAICS Work Categories alone.
- Due to the economic conditions the number of DBEs, UDBEs, and total establishments has changed over the years.

B. Evidence Based Disparity Studies within County's Jurisdiction

The County is relying on the Caltrans 2007 Disparity Study and has not performed its own study. The results of the Caltrans Study, the use of race-conscious goals for the four underutilized DBE groups, have been incorporated into the County's base figure. Caltrans is in the process of conducting a second disparity study. Public hearings for this study will be held in May 2012 at various locations throughout the State.

C. Statistical disparities in the ability of DBEs to get financing, bonding, and insurance and Data on employment, self-employment, education, training and union apprenticeship programs

Appendix F of Caltrans 2007 Disparity Study examines in detail the numerous barriers to entry and expansion in the transportation industry. Highlights of the findings are¹:

- Employment.** Employment of African Americans in the construction industry is relatively low compared to other industries in California, even among entry-level jobs. The employment of women in construction as a whole is relatively low, and very few women in the construction trades are involved in transportation construction. Employment of Hispanic Americans in the construction industry is considerably higher than for all industries as a whole (37 percent in construction and 29 percent in all industries in California).
- Advancement.** There appears to be disparities in the advancement of Hispanic Americans to certain construction occupations and first-line supervisory positions. Compared to non-Hispanic whites (and men), relatively few African Americans, Hispanic Americans, and women working in construction are managers.
- Business Formation and Ownership.** BBC examined U.S. Census data on business ownership rates using similar methods to the information reviewed in the court cases involving the Illinois and Minnesota Departments of Transportation. African Americans, Hispanic Americans, Subcontinent Asian Americans, and women working in the California construction industry are less likely than non-Hispanic whites to own construction businesses. BBC, through regression analysis, identified statistically significant disparities after controlling for neutral factors (see Appendix H of the Study).

¹ 2009 Goal & Methodology (Amended) to Federal Highway Administration (FHWA). In Caltrans 2010 Goal and Methodology Submittal to FHWA, Caltrans notes that four months of data under a partial Race-Conscious Program is not sufficient time and data to amend its goal, methodology, or approach, since FHWA approved Caltrans 2009 goals and methodology in April 2009, and Caltrans submitted its 2010 goals and methodology in September 2010 - <http://www.dot.ca.gov/hq/bep/>. Caltrans goals and Methodology for 2011 have not been posted.

- If qualified members of these groups working in the construction industry owned businesses at the same rate as non-Hispanic whites (and men), then there would be about twice as many construction firms owned by African Americans, Hispanic Americans, Subcontinent Asian Americans, and women in California.
- **Rates of business closure.** BBC's analyses found that African American-owned firms in California, in general, are more likely to close than other firms (see Appendix F of the Study).
 - **Access to Capital.** Evidence reveals that minority-owned firms face disadvantages in accessing capital necessary to start and expand businesses.
 - **Business Capital from Home Equity.** Home equity is an important source of capital for business start-up and growth.
 - Fewer African Americans, Hispanic Americans, and Native Americans in California own homes than non-Hispanic whites, and those who do own homes tend to have lower home values.
 - African Americans, Asian-Pacific Americans, Hispanic Americans, and Native Americans applying for home mortgages are more likely than non-minorities to have their applications denied.
 - African American, Hispanic American, and Native American mortgage borrowers are more likely to have sub prime loans.
 - **Business Loans.** BBC also identified disparities in access to business loans for certain minority groups. African American, Asian-Pacific American, and Hispanic American-owned businesses have higher denial rates when applying for business loans, and when they receive loans they have smaller loan amounts. After accounting for certain neutral influences, firms owned by African Americans and Hispanic Americans remain significantly more likely to have their loans denied than other firms (see Appendix H of the Study). More African American and Hispanic American-owned firms that need credit do not apply for loans because they fear being denied the loan.
 - **Bonding.** Interviews with business owners and trade associations indicated difficulty obtaining bonding for small and new construction contractors in California. Problems in obtaining bonding were reported in interviews with minority/women-owned firms and non minority-owned firms (reported in Section VI and Appendix I of the Study). Minority/women-owned firms in the transportation contracting industry in California are more likely to be small businesses than majority-owned firms and, therefore, may be adversely affected by barriers in obtaining bonding.
 - **Insurance.** Similarly, some small business owners had problems obtaining insurance as required for Caltrans projects. These issues are further explored in Sections V through VIII and in Appendix I of the Study.

These factors are important and suggest an upward adjustment of the base figure. However given the Race Conscious Commitments made on projects over the past three FFYs, the County believes an upward adjustment would result in an unrealistic goal. Therefore the County has decided not to make any Step Two adjustments.

V. Public Participation – Section 49 CFR 26.45 (g)

Caltrans performs this activity for local agencies for FHWA-funded projects.

VI. Race-Conscious and Race Neutral Measures – Section 49 CFR 26.51

Race Conscious Measures

The Race-Conscious goal will be achieved by:

- Setting a DBE goal on individual contracts based upon the type of work included in each contract, opportunities for subcontracting, and on the availability of the four targeted groups capable of performing such work.

- Using Appendix A of 49 CFR 26, “Guidance Concerning Good Faith Efforts” to justify the award when the goal is not met.

Race Neutral Measures

- Arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses, participation (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);
- Through the Good Faith Effort requirements included in the County’s contracts, provide 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);
- Ensure compliance with prompt payment specifications by requiring prime contractors to include in their subcontracts language providing that prime contractors and subcontractors will use appropriate alternative dispute resolution mechanisms to resolve payment disputes, and by enforcing the provisions of Section 7108.5 of the Business and Professions Code;
- Track all DBE participation on federally-assisted contracts, including monitoring the Commercially Useful Function of DBEs;
- Host construction pre-bid meetings, encourage all businesses to attend, and facilitate networking among potential bidders;
- Maintain County website describing projects advertised for bids; and
- Unbundle large consultant contracts into smaller contracts.