

PUBLIC NOTICE
TRANSBAY JOINT POWERS AUTHORITY

Notice is hereby given that the Transbay Joint Powers Authority (TJPA) has established a draft Anticipated Disadvantaged Business Enterprise (DBE) Participation Level (ADPL), applicable to contracting opportunities scheduled to be awarded during the period of October 1, 2016 through September 30, 2019. The TJPA's proposed ADPL is 0% and is race-neutral. The ADPL was developed in accordance with the U.S. Department of Transportation's DBE Final Rule (49 CFR Part 26) and is attached hereto, or available for inspection through June 13, 2016, at the TJPA, 201 Mission Street, Suite 2100, San Francisco, California, 94105, during regular business hours, 8 a.m. to 5 p.m. Monday through Friday.

Comments will be accepted until June 13, 2016, and can be sent to the TJPA, Attn: DBE/SBE Liaison Officer, at the address above.

FFY2017-19
DRAFT
ANTICIPATED DBE PARTICIPATION LEVEL (ADPL) METHODOLOGY

The methodology to calculate an agency's DBE participation target is a two-step process described in 49 CFR Part 26. Step One of the methodology establishes a base figure for the anticipated new federally-funded contracts to be awarded during federal fiscal years 2016-17 through 2018-19 (FFY2017-19). As part of this program, the TJPA must establish a triennial target for DBE participation in all new contracts that are planned to be funded with Federal Transit Administration (FTA) funds, so this calculation has been done for contracts expected to be awarded between October 1, 2016 and September 30, 2019.

The base figure is derived from the relative availability of DBEs that are ready, willing, and able to participate on these anticipated contracts. Step Two relies on the agency's knowledge of its contracting markets and previous history of DBE participation to determine if an adjustment to the base figure is needed. The calculation using the two-step methodology results in an FTA ADPL of 0% for FFY2017-19 for the TJPA. This methodology, rationale and calculations are outlined below.

Step One Process: Census Bureau Data and DBE Directory

The initial step in developing an ADPL is to determine the market area for consultants who have demonstrated an interest or are anticipated to participate in TJPA contracts. The counties in the TJPA's market area consist of the nine (9) Bay Area counties:

- Alameda County
- Contra Costa County
- Marin County
- Napa County
- San Francisco County
- San Mateo County
- Santa Clara County
- Solano County
- Sonoma County

The Transbay Transit Center will be a multi-modal transportation station serving the San Francisco Bay Area Region, which is made up of the nine counties above. It will be a hub for the transit systems from the surrounding counties that already bring thousands of workers into San Francisco daily. The Metropolitan Transportation Commission—the state designated regional transportation agency—defines its transportation planning and financing area as the nine-county Bay Area, and California Department of Transportation (Caltrans) District 4 is also made up of the nine-county Bay Area. MTC and Caltrans are funders of the Transbay Transit Center project, and the nine counties are represented in some fashion on the TJPA Board, each with an expectation of project benefits including work on the project during the design and construction phases. The nine-county San Francisco Bay Area is the most appropriate market area for TJPA to use in its goal-setting methodology.

Secondly, the work categories must be determined for the anticipated contracts. TJPA's FTA funds are largely expended, and no new contracts are currently anticipated to be funded with the remaining funds; remaining funds will likely be spent on administrative costs over the remainder of the project such as salaries, benefits, insurance, office rent, and office supplies and equipment. Purchasing office supplies can be considered a contracting opportunity, and staff anticipates potentially spending up to an estimated \$60,000 on office supplies through the remainder of the project, based on historical spending.

The ratio of DBE firms to non-DBE firms must then be calculated by dividing the number of certified DBE firms ready, willing and able to work in the TJPA's market area by the total number of firms found in the same market area according to the US Census database.

Finally, the Step One Base Figure results from multiplying the DBE ratios for each work category by the estimated dollar amount for that category, and dividing the sum of those numbers by the total dollar amount estimated to be awarded.

$$\text{Step One Base Figure} = \frac{\text{Sum of (DBE Ratio*Individual Contract amount)}}{\text{Total Contract Amount}} = 0\%$$

The Step One Base Figure, weighted by type of work to be performed, is 0%.

This calculation is shown in Attachments 2 and 2.1. While there are a handful of office supply companies certified as DBEs in Southern California, there currently are none in Northern California according to the California Unified Certification Program (CUCP) database, which is updated daily with certification information from certifying agencies statewide. TJPA staff notes, however, that it purchases most of its office supplies and equipment from a local firm, Give Something Back, based in Oakland, with a mission of improving the quality of life in the communities it serves. Give Something Back has donated an average of \$250,000 in profits to local non-profit organizations over its 24 years in business.

Step Two Process: Adjustment to the Base Figure

The purpose of the Step Two analysis is to determine if an upward or downward adjustment to the base ADPL is justified, based on relevant evidence available to TJPA. The TJPA's DBE participation history assists in determining whether an adjustment to the Step One Base Figure is warranted.

TJPA has analyzed contracts that fall into the NAICS work category of office supplies. As noted above, there are no DBEs available in the market area in this category, and TJPA's past participation level is 0% for this category.

The past participation levels would typically be applied to adjust the base figure by category, by looking at the median percentage of past participation. However, with no DBEs available in this category, no adjustment to the base figure is necessary. Therefore, the overall ADPL is 0%.

Small Business Enterprise Goal Calculation

TJPA will continue to seek SBE participation to the maximum extent possible on contracts, regardless of funding source, and consequently has also calculated a programwide SBE target for

agency reference of 14.3% of \$11.3 million in planned contract awards. The same methodology is used to calculate the SBE goal.

The Step One base figure was derived from reviewing the relative availability of SBEs for the upcoming contract opportunities. TJPA staff reviewed the databases for the certifications accepted under TJPA's SBE Program: the California Unified Certification Program (DBE), California Department of General Services (S/DVBE), and the Contract Management Division of the Office of the City Administrator (formerly SF HRC) (L/M/W-SBE). The availability percentages are multiplied by the estimated dollar amount for that category, and the sum of those numbers is divided by the total dollar amount estimated to be awarded.

$$\text{Step One Base Figure} = \frac{\text{Sum of (SBE Ratio*Individual Contract Amount)}}{\text{Total Contract Amount}} = 13.1\%$$

Step Two relies on the agency's knowledge of its contracting markets and previous history of SBE participation to determine what adjustment to the base figure is needed. This step also considers that there is duplication amongst the databases as firms may hold more than one type of certification, and "apples-to-apples" comparison across the databases is difficult as the California Department of General Services does not use NAICS codes to categorize businesses but instead utilizes key words.

Where there is previous participation by SBEs, the median percentage from that past participation is averaged with the Step One Base Figure for that particular contracting category. That results in an adjusted availability percentage that is included in the calculation. TJPA anticipates contracting for various services through the Master Lessee related to operating the Transit Center, and has thus made an adjustment based on past SBE participation on the contract for operating the Temporary Terminal.

$$\text{Step Two SBE Target} = \frac{\text{Sum of (Adjusted SBE Ratio*Individual Contract Amount)}}{\text{Total Contract Amount}} = 14.3\%$$

The overall SBE goal is therefore 14.3%. These calculations are shown in Attachments 2.2 through 2.4.

ATTACHMENT 2
FFY 2016-17 Through FFY 2018-19
Anticipated Federally Funded Contracts

FY 2017-19 Federally Funded Awards	NAICS	NAICS Description	A Contract Amt.	B DBE Avail.	C Step 1 DBE (A*B)	D Adjusted Avail.	E Step 2 DBE (A*D)
Administrative Support	424120	Office Supplies	\$ 60,000	0.00%	\$ -	n/a	\$ -
Total			\$ 60,000		\$ -		\$ -

Step 1 DBE Base Figure

$$\frac{\$ -}{\$ 60,000} = 0.00\%$$

Step 2 DBE Adjusted Figure

$$\frac{\$ -}{\$ 60,000} = 0.00\%$$

**ATTACHMENT 2.1
FFY 2017-19 DBE Availability Weighted Calculations
(FTA Funded Contracts)**

DBE Totals by County and Activity

Counties ^(1,2)	424120	424130
	Stationery & Office Supplies	Industrial & Personal Service Paper Merchants
Alameda (510)	0	0
Contra Costa (925)	0	0
Napa, Solano, Sonoma (707)	0	0
San Francisco/Marin (415)	0	0
San Mateo (650)	0	0
Santa Clara (408)	0	0
Totals	0	0

NAICS Totals by County and Activity

Counties ^(1,3)	424120	424130
	Stationery & Office Supplies	Industrial & Personal Service Paper Merchants
Alameda (510)	24	39
Contra Costa (925)	5	13
Napa, Solano, Sonoma (707)	14	14
San Francisco/Marin (415)	16	12
San Mateo (650)	21	11
Santa Clara (408)	19	22
Totals	99	111

Calculation of Step 1 Base Figure

NAICS Code and Description	424120 Stationery & Office Supplies	424130 Industrial & Personal Service Paper Merchants
DBE Totals for All Counties	0	0
NAICS Totals for All Counties	99	111
DBE Totals/NAICS Totals	0.00%	0.00%
Total Dollar Amount	\$60,000	
DBE Participation Amount	\$0	

FY 2017-19 DBE Step One Base Figure 0.0%

Calculation of Step 2 Adjusted Figure

Past DBE Participation	0%
Adjusted Availability ⁽⁴⁾	n/a
DBE Participation Amount	\$0

FY 2017-19 DBE Step Two Adjusted Figure 0.0%

(1) Nine Bay Area Counties are Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma.

(2) Source of DBE Query Data: <http://www.dot.ca.gov/ucp/GetLicenseForm.do>

(3) NAICS data is from the U.S. Census Bureau's 2014 County Business Patterns.

(4) Adjusted Availability, if applicable, would be the average of the Step One Base Figure and the Past DBE Participation.

**ATTACHMENT 2.2
FFY 2016-17 Through FFY 2018-19
All Anticipated Contracts**

FY 2017-19 All Contracts	NAICS	NAICS Description	A Contract Amt.	B DBE Avail.	C Step 1 DBE (A*B)	D Adjusted Avail.	E Step 2 DBE (A*D)
Building Maintenance (Master Lessee)	561210	Facilities Support Services	\$ 1,600,000	19.61%	\$ 313,725		\$ 313,725
Grounds Services (Master Lessee)	561730	Landscaping Services	\$ 775,000	3.52%	\$ 27,263		\$ 27,263
Janitorial Services (Master Lessee)	561720	Janitorial Services	\$ 1,825,000	5.04%	\$ 91,957		\$ 91,957
IT Services (Master Lessee)	541513	Computer Facilities Management Services	\$ 820,000	31.58%	\$ 258,947		\$ 258,947
Transit Center Security Services	561612	Security Guards and Patrol Services	\$ 6,250,000	12.63%	\$ 789,474		\$ 789,474
Administrative Support (Office Supplies)	424120	Office Supplies	\$ 60,000	0.00%	\$ -		\$ -
Total			\$11,330,000		\$ 1,481,367		\$1,481,367

Step 1 DBE Base Figure

$$\frac{\$ 1,481,367}{\$ 11,330,000} = 13.07\%$$

Step 2 DBE Adjusted Figure

$$\frac{\$ 1,481,367}{\$ 11,330,000} = 13.07\%$$

ATTACHMENT 2.3
FFY 2017-19 SBE Availability Weighted Calculations
(All Contracts)

SBE Totals by County and Activity

	<u>561210</u>	<u>561730</u>	<u>561720</u>	<u>541513</u>	<u>561612</u>	<u>424120</u>	<u>424130</u>
Counties ^(1,2)	Facilities Support Services	Landscaping Services	Janitorial Services	IT Services	Security Guards and Patrol Services	Office Supplies	Industrial & Personal Service Paper Merchants
Alameda (510)	9	13	23	20	9	0	0
Contra Costa (925)	0	14	7	15	3	0	0
Napa, Solano, Sonoma (707)	3	18	8	3	6	0	0
San Francisco/Marin (415)	6	5	9	13	11	0	0
San Mateo (650)	0	8	4	5	0	0	0
Santa Clara (408)	2	10	14	22	7	0	0
Totals	20	68	65	78	36	0	0

NAICS Totals by County and Activity

	<u>561210</u>	<u>561730</u>	<u>561720</u>	<u>541513</u>	<u>561612</u>	<u>424120</u>	<u>424130</u>
Counties ^(1,3)	Facilities Support Services	Landscaping Services	Janitorial Services	IT Services	Security Guards and Patrol Services	Office Supplies	Industrial & Personal Service Paper Merchants
Alameda (510)	21	250	215	54	62	63	39
Contra Costa (925)	11	302	170	30	24	18	13
Napa, Solano, Sonoma (707)	6	387	172	16	27	28	14
San Francisco/Marin (415)	18	227	200	54	65	28	12
San Mateo (650)	9	279	179	22	33	32	11
Santa Clara (408)	26	411	334	71	74	41	22
Totals	91	1856	1270	247	285	210	111

ATTACHMENT 2.3
FFY 2017-19 SBE Availability Weighted Calculations
(All Contracts)

Calculation of Step 1 Base Figure							
NAICS Code and Description	<u>561210</u>	<u>561730</u>	<u>561720</u>	<u>541513</u>	<u>561612</u>	<u>424120</u>	<u>424130</u>
	Facilities Support Services	Landscaping Services	Janitorial Services	IT Services	Security Guards and Patrol Services	Office Supplies	Industrial & Personal Service Paper Merchants
SBE Totals for All Counties	20	68	65	78	36	0	0
NAICS Totals for All Counties	102	1933	1290	247	285	99	111
SBE Totals/NAICS Totals	19.61%	3.52%	5.04%	31.58%	12.63%	0.00%	0.00%
Total Dollar Amount	\$1,600,000	\$775,000	\$1,825,000	\$820,000	\$6,250,000	\$60,000	
SBE Participation Amount	\$313,725	\$27,263	\$91,957	\$258,947	\$789,474	\$0	\$0
FY 2017-19 DBE Step One Base Figure					\$1,481,367 / \$11,330,000 = 13.1%		

Calculation of Step 2 Adjusted Figure							
Past SBE Participation		13.2%		0%	0%	0%	0%
Adjusted Availability ⁽⁴⁾		13.1%		-	-	-	-
SBE Participation Amount	\$209,838	\$101,640	\$239,347	\$258,947	\$789,474	\$0	\$0
FY 2017-19 DBE Step Two Adjusted Figure					\$1,599,246 / \$11,330,000 = 14.3%		

(1) Nine Bay Area Counties are Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma.

(2) Source of DBE Query Data: <http://www.dot.ca.gov/ucp/GetLicenseForm.do>

(3) NAICS data is from the U.S. Census Bureau's 2014 County Business Patterns.

(4) Adjusted Availability is the average of the Step One Base Figure and the Past DBE Participation.

ATTACHMENT 2.4
Past DBE and SBE Participation on Similar TJPA Contracts

Temp Terminal Facility Management SBE Participation History

Not FTA-funded; not included in calculation of DBE target

	Total	non-SBE	SBE	non-SBE %	SBE %
FY 2014-15	991,475.87	842,408.57	149,067.30	85.0%	15.0%
FY 2013-14	1,059,974.06	940,460.32	119,513.74	88.7%	11.3%
Total	2,051,449.93	1,782,868.89	268,581.04		
Median Past Participation				86.8%	13.2%