

---

# TRANSBAY JOINT POWERS AUTHORITY

Board Policy No. 010

Category: Financial Matters

---

## DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM PLAN

<b>Table of Contents</b>	<b>Page</b>
I. Objectives/Policy Statement	1
II. Definitions of Terms	2
III. Nondiscrimination	3
IV. Federal Financial Assistance Agreement Assurance	3
V. Required Contract Clauses	3
VI. DBE Program Updates	5
VII. DBE Liaison Officer (DBELO)	5
VIII. Information Collection and Reporting	6
IX. DBE Financial Institutions	7
X. Directory	7
XI. Over-concentration	7
XII. Business Development Programs	7
XIII. Monitoring	7
XIV. Fostering Small Business Participation	8
XV. Quotas	8
XVI. Triennial Anticipated DBE Participation Level	8
XVII. Transit Vehicle Manufacturers	9
XVIII. Counting DBE Participation	10
XIX. Certification	13
Appendix A Fiscal Year Anticipated DBE Participation Level and Methodology	

## **Transbay Joint Powers Authority Disadvantaged Business Enterprise (DBE) Program Plan**

### **I. Objectives / Policy Statement (§§26.1, 26.23)**

The Transbay Joint Powers Authority (TJPA) has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. Section numbers referenced in section titles refer to specific sections of 49 CFR Part 26 (e.g., this Section 1 of the TJPA DBE Program Plan addresses 49 CFR Part 26.1 and 26.23). The TJPA receives Federal financial assistance from the DOT, and as a condition of receiving this assistance, the TJPA annually certifies that it will comply with 49 CFR Part 26.

It is the policy of the TJPA to ensure that DBEs, as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also the TJPA's policy:

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

The Chief Financial Officer (CFO) has been designated the DBE Liaison Officer (DBELO). In that capacity, the CFO 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 TJPA in its financial assistance agreements with its funders including DOT.

At the time of Program adoption in 2006 and upon significant revisions in 2012, the DBELO disseminated this policy statement to the Transbay Joint Powers Authority Board of Directors for review and approval. The TJPA also disseminates the Program Plan upon revision to members of TJPA's organization (staff and management consultants) at a regular staff meeting and via email. The TJPA makes the Program Plan available to DBE and non-DBE business communities that perform work for it on DOT-assisted contracts by publishing an announcement of availability of revisions to the Plan in general circulation, minority-focused, and trade association publications such as the San Francisco Chronicle, San Francisco Examiner, El Mensajero, Small Business Exchange, San Francisco Bay

View, La Oferta Review, Thoi Bao, Philippine News, and China Press. The Program Plan is available on the TJPA website, [www.transbaycenter.org](http://www.transbaycenter.org) > Doing Business with the TJPA, and notice of its availability is sent to over 100 Bay Area Chambers of Commerce. A list of the chambers is maintained by the DBELO.

## **II. Definitions of Terms (§26.5)**

The following terms used in this Program have meanings as defined in 49 CFR Part 26:

*A. Disadvantaged Business Enterprise (DBE) is a for-profit small business concern:*

- (1) That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and
- (2) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

*B. Socially and Economically Disadvantaged Individual is any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is:*

- (1) Any individual who a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis.
- (2) Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:
  - (i) “Black Americans,” which includes persons having origins in any of the Black racial groups of Africa;
  - (ii) “Hispanic Americans,” which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
  - (iii) “Native Americans,” which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
  - (iv) “Asian-Pacific Americans,” which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;
  - (v) “Subcontinent Asian Americans,” which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;

(vi) Women;

(vii) Any additional groups whose members are designated as socially and economically disadvantaged by the Small Business Administration (SBA), at such time as the SBA designation becomes effective.

### **III. Nondiscrimination (§26.7)**

The TJPA 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 TJPA will not, directly or through contractual or other arrangements, use criteria or methods of administration whose purpose is to defeat or substantially impair accomplishment of the objectives of the DBE Program with respect to individuals of a particular race, color, sex, or national origin.

### **IV. Federal Financial Assistance Agreement Assurance (§26.13)**

The TJPA will sign the following assurance, applicable to all DOT-assisted contracts and their administration as part of the Program Supplement Agreement for each project:

The TJPA 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 TJPA 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 TJPA'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 TJPA 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.).

### **V. Required Contract Clauses (§§26.13, 26.29)**

#### **1. Contract Assurance**

The TJPA 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 the TJPA deems appropriate.

All TJPA contractors must place the above clause in any subcontract. Additionally, the contractor must provide TJPA a copy of each subcontract within 10 days of contractor receipt of a Notice To Proceed.

2. Prompt Payment

The TJPA ensures that the following clauses or equivalent will be included in each DOT-assisted prime contract:

Prompt Progress Payment to Subcontractors. A prime contractor or subcontractor shall pay a subcontractor not later than 10 days of receipt of each progress payment in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10 days is applicable unless, a longer period is agreed to in writing. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanction and other remedies of that section. Federal regulation (49 CFR 26.29) requires that any delay or postponement of payment over 30 days of receipt of each payment may take place only for good cause and with the TJPA's prior written approval. TJPA requires prime contractors or subcontractors to notify TJPA no later than 5 days after payment has been made. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise, available to the prime contractor or subcontractor in the event of a dispute involving late payment, or nonpayment by the prime contractor, deficient subcontract performance, or noncompliance by a subcontractor. This provision applies to both DBE and non-DBE prime contractors and subcontractors.

Prompt Payment of Withheld Funds to Subcontractors. If the TJPA requires retainage from the prime contractor and prompt and regular incremental acceptances of portions, as determined by the TJPA of the contract work and retainage is paid to the prime contractor based on these acceptances, then the prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the TJPA. Any delay or postponement of payment may take place only for good cause and with the TJPA's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5

of the California Business Professions Code. TJPA requires prime contractors or subcontractors to notify TJPA no later than 5 days after payment of retainage has been made. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise, available to the prime contractor or subcontractor in the event of a dispute involving late payment, or nonpayment by the contractor, or deficient subcontractor's performance, or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

**VI. DBE Program Updates (§26.21)**

The TJPA will continue to carry out this Program until the TJPA has established a new goal setting methodology or until significant changes to this DBE Program are adopted. The TJPA will provide to FTA a proposed Anticipated DBE Participation Level (ADPL) and methodology and other Program updates by August 1 triennially, or as required by FTA.

**VII. DBE Liaison Officer (DBELO) (§26.25)**

The TJPA has designated the following individual as the DBE Liaison Officer (DBELO):

Chief Financial Officer  
Transbay Joint Powers Authority  
201 Mission Street, Suite 2100  
San Francisco, CA 94105  
(415) 597-4620

In this capacity, the CFO is responsible for implementing all aspects of the DBE Program and ensuring that the TJPA complies with all provisions of Title 49 CFR Part 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs". This is available on the Internet at the website <http://osdbuweb.dot.gov/DBEProgram/index.cfm>. The CFO has direct, independent access to the TJPA Executive Director concerning DBE Program matters.

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

1. Gather and report statistical data and other information as required.
2. Review third-party contracts and purchase requisitions for compliance with this Program.
3. Ensure that bid notices and requests for proposals are available to DBEs in a timely manner.
4. Identify contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract-specific goals) and monitor results.

5. Analyze the TJPA's progress toward goal attainment and identify ways to improve progress.
6. Participate in pre-bid meetings.
7. Advise the TJPA Executive Director and Board of Directors on DBE matters and achievement.
8. Participate with legal counsel and project staff to determine contractor compliance with good faith efforts.
9. Provide DBEs with information and assistance in preparing bids and obtaining bonding and insurance.
10. Plan and participate in DBE training seminars.
11. Provide outreach to DBEs and community organizations to advise them of opportunities.

### **VIII. Information Collection and Reporting (§26.11)**

1. Bidders List

The TJPA 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. The TJPA has incorporated a "Bidders/Proposers Information Request Form" into its solicitation documents, requiring that bidders/proposers provide all requested information in their submissions.

2. Reporting to DOT

The TJPA will continue to report DBE participation and ADPL setting methods to FTA as directed. Statistical data will be maintained as prescribed on a semi-annual basis to provide reports to DOT agencies reflecting the DBE participation on the TJPA's federally-assisted procurement activities. These reports will provide DBE participation information on the TJPA's race-neutral contracts; race-conscious contracts; and the combined DBE participation on all federally-assisted procurement activities. The TJPA will report final DBE participation to DOT using data from "Final Expenditure Reports" collected from contractors at contract close.

3. Confidentiality

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

### **IX. DBE Financial Institutions (§26.27)**

It is the policy of the TJPA 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 on the Federal Reserve website at <http://www.federalreserve.gov/releases/mob/>. TJPA will consult the latest release of the list whenever it is seeking proposals for services from financial institutions, and will encourage TJPA vendors and contractors to do the same in its annual fiscal year billing deadline letter to vendors and contractors.

**X. Directory (§26.31)**

The TJPA will refer interested persons to the DBE directory available from the Caltrans Disadvantaged Business Enterprise Program website at [www.dot.ca.gov/hq/bep](http://www.dot.ca.gov/hq/bep).

**XI. Over-concentration (§26.33)**

TJPA will compare DBEs in certain types of work to non-DBEs in the same type of work on a regular basis when setting its Program DBE goal, in order to determine if an over-concentration is occurring. If an over-concentration is determined to exist, TJPA will submit this concern to DOT for concurrence. If concurrence is received, TJPA will further analyze the over-concentration and provide FTA with a proposal to address the over-concentration, which may include the use of incentives, technical assistance, business development programs, and/or other appropriate measures designed to assist DBEs in performing work outside of the specific field in which it has been determined that non-DBEs are unduly burdened.

**XII. Business Development Programs (§26.35)**

The TJPA does not have a business development or mentor-protégé program; however, see Section XIV regarding TJPA's Small Business Enterprise Program. If the TJPA identifies the need for a business development or mentor-protégé program in the future, the rationale for adopting such a program and a comprehensive description of it will be submitted to DOT.

**XIII. Monitoring (§§26.37, 26.55)**

1. Monitoring Actual DBE Participation (§§26.37, 26.55)

The DBELO shall monitor and track the actual DBE participation through contractor and subcontractor reports of payments. The DBELO will maintain a running tally of payments actually made to DBE firms and may require prime contractors and DBE subcontractors and suppliers to provide appropriate documentation to verify such payments.

The DBELO shall ensure that DBE participation is counted toward contract availability advisories on DOT-assisted contracts and the ADPL in accordance with the DBE Program. Credit toward overall or contract goals may only be given upon satisfactory evidence that payments were actually made to DBEs.

2. Monitoring Payments to DBEs (§26.37)

Prime contractors are required to maintain records and documents of payments to DBEs for three (3) years following the performance of the contract. These



records shall be made available for inspection upon request by any authorized representative of the TJPA or DOT. This reporting requirement also extends to any certified DBE subcontractor.

Payments to DBE subcontractors will be reviewed by the TJPA to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation. TJPA contract compliance staff works in cooperation with TJPA finance staff to monitor when payments are made (including payments of released retention), and ensures that a "Subcontractor Payment Declaration" form is received from the prime contractor within the appropriate timeline.

#### **XIV. Fostering Small Business Participation (§26.39)**

In 2009, the TJPA Board adopted the TJPA Small Business Enterprise (SBE) Program to facilitate participation by small business concerns. Steps the TJPA takes to eliminate obstacles to SBE participation include, but are not limited to, unbundling contracts, establishing race-neutral small business set-asides for contracts as appropriate, and placing enforceable contract goals on prime contracts for SBE participation.

In order to facilitate small business participation, TJPA will perform the following:

1. Review the scope of work and task list to determine if small business contracting opportunities exist.
2. Reduce the complexity and scope of large multiple-award contracts so that contracting opportunities encourage SBE participation as prime contractors.
3. Unbundle contracts by identifying work that is not significantly affected by schedule, delivery, price and operations.

TJPA accepts several types of small business certifications, and DBEs are counted as SBEs under the Program. See TJPA Board Policy No. 015 for more information.

#### **XV. Quotas (§26.43)**

The TJPA will not use quotas or set-asides in any way in the administration of this DBE Program.

#### **XVI. Triennial Anticipated DBE Participation Level (§26.45)**

1. Anticipated DBE Participation Level (ADPL)

The TJPA sets an overall target for DBE participation in all DOT-funded contracts by federal fiscal year. This Anticipated DBE Participation Level is submitted to FTA, and subsequently monitored and reported on, on a triennial basis beginning in federal fiscal year 2010-11. The next TJPA submission will be for federal fiscal year 2013-14 through 2015-16.

2. Methodology  
See Appendix A.

3. Process  
By June 1 triennially, the TJPA will submit to the TJPA Board its draft overall ADPL and methodology (the amount of the overall ADPL and the method to calculate the ADPL).

Once the TJPA Board has approved the draft overall ADPL for distribution, the TJPA will publish a notice of the proposed overall ADPL in newspapers such as the San Francisco Chronicle, San Francisco Examiner, El Mensajero, Small Business Exchange, San Francisco Bay View, La Oferta Review, Thoi Bao, Philippine News, and China Press, and on the TJPA website ([www.transbaycenter.org](http://www.transbaycenter.org) > Documents > Items for Public Comment). The notice will inform the public that the proposed ADPL and its rationale are available for inspection during normal business hours at the TJPA's principal office for 30 days following the date of the notice, and that comments will be accepted on the ADPL for 45 days following the date of the notice. The notice will include addresses to which comments may be sent and addresses (including offices and websites) where the proposal may be reviewed.

The draft goal is additionally publicized to the business community for input by sending notice to the Bay Area Chambers of Commerce and at the DBE Public Participation meeting hosted by the Business Outreach Committee (BOC), a working group of Bay Area transportation agencies dedicated to assisting small disadvantaged and local firms in doing business with the agencies, a group of which TJPA is a member. The draft goal is also sent to the following TJPA project stakeholders and funders for comment: Alameda-Contra Costa Transit District, CalTrain/SamTrans, Metropolitan Transportation Commission, San Francisco Municipal Transportation Agency, and San Francisco County Transportation Authority.

The TJPA will, on or before August 1 triennially, resubmit the final overall ADPL information to the TJPA Board for approval, along with a summary of information and any comments received during the public participation process and the TJPA's responses.

Following approval of the final overall ADPL by the TJPA Board, the TJPA will, on or before August 1 triennially, submit the final overall ADPL to DOT. The TJPA may begin using the approved ADPL on October 1, the beginning of the next federal fiscal year.

## **XVII. Transit Vehicle Manufacturers (§26.49)**

TJPA is not a transit operating agency and does not procure transit vehicles. If transit vehicles are procured in the future, the TJPA 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. The TJPA will direct the transit vehicle manufacturer to the subject requirements located on the Internet at <http://osdbuweb.dot.gov/DBEProgram/index.cfm>.

## **XVIII. Counting DBE Participation (§26.55)**

### **1. Contracting and Tracking DBE Participation (§ 26.55)**

Only the work actually performed by a DBE will be counted towards contract availability advisories and the ADPL. The cost of supplies and materials obtained by the DBE or equipment leased (except from the prime contractor or its affiliate) may also be counted.

Work that a DBE subcontracts to a non-DBE firm does not count toward the ADPL. Expenditures may only be counted if the DBE is performing a commercially useful function. A DBE should perform at least thirty percent (30%) of the total cost of its contract with its own work force.

If materials or supplies are obtained from a DBE manufacturer, 100 percent (100%) of the cost will be counted. If the materials and supplies are purchased from a DBE regular dealer, 60 percent (60%) of the cost will be counted.

DBE achievement will not be counted toward the ADPL until the DBE has been paid. Additionally, the DBELO will not count that portion of a DBE's participation that is achieved after the certification of the DBE has been removed during the performance of a contract, unless the certification is removed solely because the DBE has exceeded the size standards (i.e., "graduated" from the DBE Program).

### **2. Construction Contract Monitoring**

The TJPA will assign, or engage under a professional services contract, 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:

#### **A. After Contract Award**

After the contract award, the TJPA 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.

### B. Pre-construction Conference

A pre-construction conference will be scheduled between the RE/Contract Manager and the contractor or its representative to discuss the work each DBE subcontractor will perform.

Before work can begin on a subcontract, the TJPA will require the contractor, supplier, vendors, or manufacturers to submit a completed “Bidders/Proposers Information Request Form.” The RE/Contract Manager will ensure that the RE/Contract Manager’s staff (inspectors) knows what items of work each DBE is responsible for performing based on the “Bidders/Proposers Information Request Form.” Inspectors will notify the RE/Contract Manager immediately of apparent violations.

When a firm other than the listed DBE subcontractor is found performing the work, the RE/Contract Manager will notify the contractor of the apparent discrepancy and potential loss of payment. Based on the contractor’s response, the RE/Contract Manager will take appropriate action: The DBELO 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 FTA Civil Rights Office (CRO). 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.

Providing evidence of DBE payment is the responsibility of the contractor. The TJPA will require the contractor to submit a “Progress Payment Report” with every invoice, which summarized the actual amounts due to every DBE and non-DBE subcontractor for services performed in that period. The contractor will also be required to submit to the TJPA a “Subcontractor Payment Declaration” as proof of payment to DBE and non-DBE subcontractors.

### 3. 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 the reason for the request is explained. If the RE/Contract Manager agrees to the substitution, the RE/Contract Manager will notify the DBE subcontractor in writing 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 DBELO or the CRO for assistance and direction.

4. Record Keeping and Final Report

The contractor shall maintain records and prepare a "Final Expenditure Report" showing the name and address of each first-tier subcontractor. The "Final Expenditure Report" shall also show:

- a) The name and business address, regardless of tier, of every DBE subcontractor, DBE vendor of materials, and DBE trucking company; and
- b) The date of final payment and the total dollar figure paid to each of the firms.

The DBE prime contractor shall also show the date of work performed by its 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 the "Final Expenditure Report" and a summary of the records stated above. The RE/Contract Manager will compare the completed "Bidders/Proposers Information Request Form" to the contractor's completed "Final Expenditure Report." The DBEs shown on the completed records should be the same as those originally listed unless an authorized substitution was made or the contractor used additional DBEs. The dollar amount should reflect any changes made in planned work done by the DBEs. The contractor will be required to explain in writing why the names of the subcontractors, the work items, or the dollar figures are different from what was originally shown on the completed "Bidders/Proposers Information Request Form" when:

- a) There have been no changes made by the RE/Contract Manager; or
- b) The contractor has not provided a sufficient explanation in the comments section of the completed "Final Expenditure Report."

The explanation will be attached to the completed "Final Expenditure Report" for submittal. The RE/Contract Manager will file this in the project records.

The DBELO will keep track of the DBE certification status on the Internet at <http://www.dot.ca.gov/hq/bep> and keep the RE/Contract Manager informed of changes that affect the contract. The RE/Contract Manager will require the contractor to act in accordance with existing contractual commitments regardless of decertification.

## 5. Legal Remedies

The TJPA will bring to the attention of the DOT through the CRO any false, fraudulent, or dishonest conduct in connection with the Program, so that the DOT can take the steps provided in §26.109 (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). The TJPA also will consider similar action under its own legal authority, including:

- Termination of the contract for convenience
- Determination that the contractor is in default
- Determination of non-responsibility of the contractor.

On and after any event of default, the TJPA shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate the agreement or to seek specific performance of all or any part of the agreement. In addition, the TJPA shall have the right (but no obligation) to cure (or cause to be cured) on behalf of the Contractor any Event of Default; the Contractor shall pay to the TJPA on demand all costs and expenses incurred by the TJPA in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. The TJPA shall have the right to offset from any amounts due to Contractor under the relevant agreement or any other agreement between the TJPA and the Contractor all damages, losses, costs or expenses incurred by the TJPA as a result of such Event of Default and any liquidated damages due from the Contractor pursuant to the terms of the relevant agreement or any other agreement.

All remedies provided for in the agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

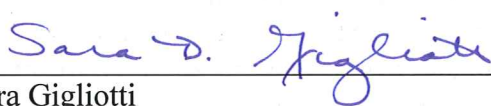
## **XIX. Certification (§26.83(a))**

The TJPA ensures that only DBE firms currently certified in the California Unified Certification Program (UCP) will participate as DBEs in the TJPA's DBE Program. The UCP directory can be found at the website: [http://www.dot.ca.gov/hq/bep/dbe\\_query.htm](http://www.dot.ca.gov/hq/bep/dbe_query.htm).

###

This Disadvantaged Business Enterprise Program Plan for the Transbay Joint Powers Authority is:

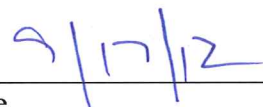
Recommended by:

  
\_\_\_\_\_  
Sara Gigliotti  
Chief Financial Officer/DBELO

  
\_\_\_\_\_  
Date

Approved by:

  
\_\_\_\_\_  
Maria Ayerdi-Kaplan  
Executive Director

  
\_\_\_\_\_  
Date

**APPENDIX A**  
**FY 2011-13**  
**REVISED 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 in the upcoming Federal Fiscal Year (October 1 – September 30). Per the new Rule issued in 2010, recipients of federal funding are now to submit overall goals for review every three years, so this calculation has been done for contracts expected to be awarded between October 1, 2010 and September 30, 2013. The calculation was originally performed in 2010 and resulted in an ADPL of 18.5%, but is being revised at the direction of FTA in the summer of 2012.

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 a revised ADPL of 8.3% for FY 2011-13 for the TJPA. This methodology is outlined below.

**Step One Process: Development of Base Figure**

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 TJPA's market area consists of the nine Bay Area counties:

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

The Transbay Transit Center will be a visionary multi-modal transportation station serving the San Francisco Bay Area Region. It will be a hub for the transit systems from the surrounding counties that already bring thousands of workers into San Francisco daily. The San Francisco Bay Area Region is made up of the following nine Bay Area counties: Alameda, Contra Costa, Marin, Napa, San Mateo, San Francisco, Santa Clara, Solano and Sonoma. 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. 58 percent of past and current TJPA vendors are from the Bay Area.

Second, the work categories must be determined for the anticipated contracts, and each work category is weighted according to its percentage of the total amount of the contracts planned for award. TJPA awarded or plans to award six federally-funded contracts in FYs 2011-13: Public Relations & Outreach, Independent Auditing Services, Outside Legal Services (two contracts), Supplemental EIR/EIS Preparation, and Financial & Grant Management. These activities were matched with their respective North American Industry Classification System (NAICS) codes, which are used to identify firms in the California Unified Certification Program (CUCP) DBE and U.S. Census Bureau's County Business Patterns databases.

Both databases are searched for the number of firms in the relevant NAICS code in the TJPA market area (see Attachment 2.1). The ratio of DBE firms to non-DBE firms is then calculated, by dividing the number of certified DBE firms ready, willing and able to work in the TJPA's market area, according to the CUCP database, by the total number of firms found in the same market area according to the U.S. Census database (see Attachment 2.1). This is performed for each county and each type of activity.

Finally, the Step One Base Figure results from multiplying the DBE ratios for each work category by the corresponding weights for each work category, and summing the results for each activity. The calculation of the Step One Base Figure is shown in Attachment 2.1.

**Step One Base Figure = SUM ((Weight \* Ratio) for each activity) = 2.84%.**

**The Step One Base Figure, weighted by type of work to be performed, is 2.8%.**

AWARDED OR PLANNED TO BE AWARDED – REVISED 2012 CALCULATION				
Award Date	FY 2011-13 Federally Funded Contracts	NAICS	Contract Amt.	% of Total
Feb 2013	Public Relations & Outreach	541820 - Public Relations Agencies	\$ 750,000	4.00%
Nov 2012	Supplemental EIR/EIS Preparation	541620 - Environmental Consulting Svcs	\$ 1,240,000	6.62%
Sep 2012	Outside Legal Services	541110 - Offices of Lawyers	\$ 8,000,000	42.69%
Jan 2011	Independent Auditing Services	541211 - Offices of CPAs	\$ 250,000	1.33%
Oct 2010	Outside Legal Services	541110 - Offices of Lawyers	\$ 5,000,000	26.68%
Oct 2010	Financial & Grant Management	541611 - Administrative Management & General Management Services	\$ 3,500,000	18.68%
		<b>Total</b>	<b>\$ 18,740,000</b>	<b>100.0%</b>

<b>AWARDED OR PLANNED TO BE AWARDED – REVISED 2012 CALCULATION</b>			
<b>FY 2011-13 Federally Funded Contracts</b>	<b>No. DBE Firms / No. Total Firms</b>	<b>% of Total</b>	<b>Weighted Average</b>
Public Relations & Outreach	32 / 264 = 12.12%	4.00%	0.49%
Supplemental EIR/EIS Preparation	60 / 341 = 17.6%	6.62%	1.16%
Outside Legal Services	6 / 4660 = 0.13%	42.69%	0.06%
Independent Auditing Services	7 / 1478 = .47%	1.33%	0.01%
Outside Legal Services	6 / 4660 = 0.13%	26.68%	0.03%
Financial & Grant Management	104 / 1775 = 5.86%	18.68%	1.09%
	<b>Total</b>	<b>100%</b>	<b>2.84%</b>

<b>PLANNED TO BE AWARDED – ORIGINAL 2010 CALCULATION</b>				
<b>Award Date</b>	<b>FY 2011-13 Federally Funded Contracts</b>	<b>NAICS</b>	<b>Contract Amt.</b>	<b>% of Total</b>
Feb 2013	Public Relations & Outreach	541820 - Public Relations Agencies	\$ 750,000	2.91%
2012-13	Bus Storage Construction	Various 23 series	\$ 17,300,000	67.05%
Sep 2012	Bus Storage Construction Mgmt	237990 - Other Heavy/Civil Engineering Construction	\$ 1,000,000	3.88%
Jan 2011	Independent Auditing Services	541211 - Offices of CPAs	\$ 250,000	0.97%
Oct 2010	Outside Legal Services	541110 - Offices of Lawyers	\$ 5,000,000	11.63%
Oct 2010	Financial & Grant Management	541611 - Administrative Management & General Management Services	\$ 3,500,000	13.57%
		<b>Total</b>	<b>\$ 25,800,000</b>	<b>100.0%</b>

<b>PLANNED TO BE AWARDED – ORIGINAL 2010 CALCULATION</b>			
<b>FY 2011-13 Federally Funded Contracts</b>	<b>No. DBE Firms / No. Total Firms</b>	<b>% of Total</b>	<b>Weighted Average</b>
Public Relations & Outreach	32 / 264 = 12.12%	2.91%	0.35%
Bus Storage Construction	Varying by NAICS	67.05%	18.93%
Bus Storage Construction Management	30 / 82 = 36.59%	3.88%	1.42%
Independent Auditing Services	7 / 1478 = .47%	0.97%	0.00%
Outside Legal Services	6 / 4660 = 0.13%	11.63%	0.01%
Financial & Grant Management	86 / 1775 = 4.85%	13.57%	0.66%
	<b>Total</b>	<b>100.0%</b>	<b>21.38%</b>

### **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 can assist in determining whether an adjustment to the Step One Base Figure is warranted.

Attachments 2.2 and 2.3 analyze those TJPA contracts that fall into the same NAICS work categories as those planned for award, and their DBE participation levels through March 2012.

The past participation levels can be applied to adjust the FY 2011-13 Base Figure by category, by calculating the average of the two figures. This calculation is applied to items where participation in historical contracts is reasonably comparable to expected participation in future contracts. The DBE percentages for the legal and auditing contracts are adjusted slightly downward as TJPA has had no DBE participation in these categories in the past and the scope of services is similar to those requested in prior solicitations. The financial consulting and public relations contract percentages are revised upwards, on the other hand, given similar scope of services requested and previous DBE participation of 61 percent and 18 percent respectively. The environmental services contract percentage was not adjusted as TJPA does not have a similar contract opportunity in the past. These adjustments result in a total adjusted percentage of 8.3 percent. Thus the revised DBE participation level is 8.3 percent.

**The overall ADPL, or the Step Two Adjusted Figure, is 8.3%.**

<b>AWARDED OR PLANNED TO BE AWARDED – REVISED 2012 CALCULATION</b>			
<b>Contract</b>	<b>Historical DBE Participation</b>	<b>Weighted Average (from above)</b>	<b>Adjusted DBE %</b>
Public Relations & Outreach	17.9%	0.49%	9.22%
Supplemental EIR/EIS Preparation	n/a	1.16%	1.16%
Outside Legal Services	0%	0.06%	0.03%
Independent Auditing Services	0%	0.01%	0.00%
Outside Legal Services	0%	0.03%	0.01%
Financial & Grant Management	60.6%	1.09%	30.87%
		<b>2.84%</b>	<b>8.3%</b>

<b>PLANNED TO BE AWARDED – ORIGINAL 2010 CALCULATION</b>			
<b>Contract</b>	<b>Historical DBE Participation</b>	<b>Weighted Average (from above)</b>	<b>Adjusted DBE %</b>
Public Relations & Outreach	20%	0.35%	10.18%
Bus Storage Construction	31%	18.93%	24.96%
Bus Storage Construction Mgmt	94%	1.42%	47.71%
Independent Auditing Services	0%	0.00%	0.00%
Outside Legal Services	0%	0.01%	0.01%
Financial & Grant Management	56%	0.66%	28.33%
		<b>21.38%</b>	<b>18.5%</b>

### **Conclusion**

**The Revised Anticipated Disadvantaged Business Enterprise (DBE) Participation Level (ADPL) for FY 2011-13 is 8.3%.**

**ATTACHMENT 2.1  
FY 2011-13 DBE Base Figure Calculation**

**DBE Totals by County and Activity**

<b>Counties</b> <sup>(1,2)</sup>	<u>541820</u> Public Relations Agencies	<u>541211</u> Offices of Certified Public Accountants	<u>541110</u> Offices of Lawyers	<u>541611</u> Administrative Management, General Management	<u>541620</u> Environmental Consulting Services
Alameda (510)	10	2	2	39	18
Contra Costa (925)	1	0	0	16	12
Napa, Solano, Sonoma (707)	0	0	0	12	9
San Francisco/Marin (415)	19	4	3	26	16
San Mateo (650)	0	0	0	1	2
Santa Clara (408)	2	1	1	10	3
<b>Totals</b>	<b>32</b>	<b>7</b>	<b>6</b>	<b>104</b>	<b>60</b>

**NAICS Totals by County and Activity**

<b>Counties</b> <sup>(1, 3)</sup>	<u>541820</u> Public Relations Agencies	<u>541211</u> Offices of Certified Public Accountants	<u>541110</u> Offices of Lawyers	<u>541611</u> Administrative Management, General Management	<u>541620</u> Environmental Consulting Services
Alameda (510)	20	224	752	289	85
Contra Costa (925)	17	226	520	240	74
Napa, Solano, Sonoma (707)	17	186	426	122	37
San Francisco/Marin (415)	130	156	1616	517	73
San Mateo (650)	26	325	341	210	12
Santa Clara (408)	54	361	1005	397	60
<b>Totals</b>	<b>264</b>	<b>1478</b>	<b>4660</b>	<b>1775</b>	<b>341</b>

**Calculation of Step 1 Base Figure**

<b>NAICS Code and Description</b>	<u>541820</u> Public Relations Agencies	<u>541211</u> Offices of Certified Public Accountants	<u>541110</u> Offices of Lawyers	<u>541611</u> Administrative Management, General Management	<u>541620</u> Environmental Consulting Services
DBE Totals for All Counties:	32	7	6	104	60
NAICS Totals for All Counties:	264	1478	4660	1775	341
DBE Totals/NAICS Totals:	12.12%	0.47%	0.13%	5.86%	17.60%
Weight Values:	4.00%	1.33%	69.37%	18.68%	6.62%
	0.49%	0.01%	0.09%	1.09%	1.16%

**FY 2011-13 DBE Step One Base Figure **2.84%****

(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/QuerySubmit.do>  
(3) NAICS data is from the U.S. Census Bureau's 2010 County Business Patterns.

**ATTACHMENT 2.2  
FY 2011-13 DBE Base Figure Adjustment Calculation**

**DBE Past Participation for Contracts by NAICS: FY 2004-05 to FY 2011-12 (through March 2012)**

<b>Contract</b>	<b>NAICS</b>	<b>TJPA DBE %</b>
Outside Legal Services	541110	0%
Independent Auditing Services	541211	0%
Financial Consulting Services	541611	60.6%
SEIS/EIR Preparation Services	541620	0%
Public Relations	541820	17.9%

**Adjustment of DBE Base Figure for FY 2011-13 Contracts**

<b>NAICS</b>	<b>Base Goal</b>	<b>TJPA DBE %</b>	<b>Adjusted DBE %</b>
541110 - Offices of Lawyers	0.09%	0.0%	0.04%
541211 - Offices of CPAs	0.01%	0.0%	0.00%
541611 - Administrative/Gen Mgmt	1.09%	60.6%	30.87%
541620 - Environmental Consulting Services	1.16%	n/a	1.16%
541820 - Public Relations Agencies	0.49%	17.9%	9.22%
<b>Total</b>	<b>2.84%</b>		<b>8.3%</b>

<b>FY 2011-13 Anticipated DBE Participation Level</b>	<b>8.3%</b>
---	-------------

ATTACHMENT 2.3  
Past DBE Participation on Similar TJPA Contracts

**Financial Consultant (NAICS 541611) DBE Participation History**

	<b>Total</b>	<b>non-DBE</b>	<b>DBE</b>
FY 2011-12	255,935.06	89,118.12	166,816.94
FY 2010-11	700,681.49	242,341.83	459,688.67
FY 2009-10	1,028,716.44	505,982.43	522,734.01
FY 2008-09	985,184.32	429,349.90	555,834.42
FY 2007-08	936,163.88	361,750.02	574,413.86
FY 2006-07	566,953.01	264,138.64	302,814.37
FY 2005-06	352,579.80	94,502.96	258,076.84
FY 2004-05	387,806.83	54,694.53	333,112.30
<b>Total</b>	<b>4,958,085.77</b>	<b>1,952,760.31</b>	<b>3,006,674.47</b>
		39.4%	60.6%

**Public Relations (NAICS 541820) DBE Participation History**

	<b>Total</b>	<b>non-DBE</b>	<b>DBE</b>
FY 2011-12	105,000.00	105,000.00	-
FY 2010-11	282,147.71	272,347.71	9,800.00
FY 2009-10	402,714.90	354,105.18	48,609.72
FY 2008-09	207,040.86	165,172.11	41,868.75
FY 2007-08	295,105.04	221,665.04	73,440.00
FY 2006-07	128,833.96	90,083.96	38,750.00
FY 2005-06	174,527.85	149,369.11	25,158.74
FY 2004-05	51,623.35	38,644.92	12,978.43
<b>Total</b>	<b>1,646,993.67</b>	<b>1,396,388.03</b>	<b>250,605.64</b>
		84.8%	17.9%