

FFY 2022-25
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 2022-23 through 2024-25 (FFY2022-25). 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, 2022 and September 30, 2025.

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 17% for FFY2022-25 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 and contractors 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 Salesforce Transit Center is a multi-modal transportation hub serving the San Francisco Bay Area Region, which is made up of the nine counties above. It serves as a hub for the transit systems from the surrounding counties, bringing thousands of workers into San Francisco daily. The Metropolitan Transportation Commission (MTC) — 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 Program, 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. In the period between October 1, 2022 and September 30, 2025, the TJPA anticipates receiving FTA funds to advance design and construction of several components of the Downtown Rail Extension project. All the federally funded contracts anticipated to be awarded in the period fall under the Heavy and Civil Engineering Construction subsector. To further refine the list of potential DBE firms, the TJPA considered the Highway, Street and Bridge Construction classification, which includes establishments primarily engaged in the construction of streets and roads, as well as the Other Heavy and Civil Engineering Construction classification, which includes establishments engaged in railroad, subway, and tunnel construction.

To identify DBE firms ready, willing and able to work in the TJPA's market area, the TJPA used California's United Certification Program database of DBE certified vendors.ⁱ The ratio of DBE firms to non-DBE firms was calculated by dividing the number of certified DBE firms 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.

$$\text{Step One Base Figure} = \frac{\text{Sum of (DBE Ratio*Individual Contract amount)}}{\text{Total Contract Amount}} = 22\%$$

The Step One Base Figure, weighted by type of work to be performed, is 22%.

This calculation is shown in Attachments 2 and 2.1.

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 established a DBE program in 2006 and has been tracking awards and payments to DBE firms since the start of the program. As shown in attachment 2.2, DBE participation has changed over time as the award and payments for the design and construction of the Salesforce Transit Center progressed. Between FFY 2007-08 and FFY 2015-16 the TJPA had a median ADPL of 14.8% and a median award to DBE firms of 12%. This period included significant design engineering and construction contracts, similar to the contracts anticipated to be awarded in the FFY 2022-25 period. Given that past participation is one of the most reliable factors to adjust the base figure, the TJPA is using the median DBE attainment for FFY 2007-08 and FFY 2015-16 to adjust its draft ADPL for FFY 2022-25 to 17%.

ⁱ <https://californiaucp.dbesystem.com/>, visited on May 30, 2022

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 program-wide SBE target for agency reference of 20.5%. 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 California's Small Business certification program databaseⁱⁱ. 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.

$$\text{Step One Base Figure} = \frac{\text{Sum of (SBE Ratio*Individual Contract Amount)}}{\text{Total Contract Amount}} = 25.7\%$$

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 acknowledges 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. This results in an adjusted availability percentage that is included in the calculation. TJPA anticipates contracting for various services in the next several years and has thus made an adjustment based on past SBE participation of existing contracts for work categories that are anticipated.

$$\text{Step Two SBE Target} = \frac{\text{Sum of (Adjusted SBE Ratio*Individual Contract Amount)}}{\text{Total Contract Amount}} = 20.5\%$$

The overall SBE goal is therefore 20.5%. These calculations are shown in Attachments 2.3 through 2.5.

ⁱⁱ <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>, visited on May 30, 2022

**ATTACHMENT 2
FFY 2022-23 Through FFY 2024-25
Anticipated Federally Funded Contracts**

FY 2023-25 Anticipated Federally Funded Awards	NAICS	NAICS Description	A	B	C	D	E
			Contract Amt.	DBE Avail.	Step 1 DBE (A*B)	Adjusted Avail.	Step 2 DBE (A*D)
Downtown Extension Main Civil Package - Design & Construction	237310	Highway, Street, and Bridge Construction	\$ 2,354,385,000	22.6%	\$531,635,323	17.3%	\$407,080,761
	237990	Other Heavy and Civil Engineering Construction					
Downtown Extension Core Systems & Trackwork - Design & Construction	237990	Other Heavy and Civil Engineering Construction	\$ 402,325,000	37.5%	\$150,871,875	24.8%	\$99,575,438
Downtown Extension Advance Works - Design & Construction	237310	Highway, Street, and Bridge Construction	\$ 37,620,000	6.6%	\$2,476,552	9.3%	\$3,495,476
	238910	Site Preparation Contractor					
Downtown Extension PMPC / CM	237310	Highway, Street, and Bridge Construction	\$ 402,857,000	4.4%	\$17,777,650	8.2%	\$33,060,245
	237990	Other Heavy and Civil Engineering Construction					
	541330	Engineering Services					
Total			\$ 3,197,187,000		\$702,761,399		\$ 543,211,919

$$\frac{\text{Step 1 DBE Base Figure}}{\$ 3,197,187,000} = 22.0\%$$

\$702,761,398.96

$$\frac{\text{Step 2 DBE Adjusted Figure}}{\$ 3,197,187,000} = 17.0\%$$

\$543,211,919.48

ATTACHMENT 2.1
DBE Availability Weighted Calculations
(FFY 2022-23 through FFY 2024-25 Anticipated Federally Funded Contracts)

DBE Totals by County and Activity				
	541330	237310	237990	238910
Counties ^(1,2)	Engineering Services	Highway, Street, and Bridge Construction	Other Heavy and Civil Engineering Construction	Site Preparation Contractors
Alameda	15	6	1	0
Contra Costa	8	5	5	4
Napa	0	0	0	0
Marin	1	0	0	0
San Francisco	27	6	13	5
San Mateo	0	0	0	0
Santa Clara	13	9	2	4
Solano	1	0	0	0
Sonoma	1	2	0	1
Totals	66	28	21	14

NAICS Totals by County and Activity				
	541330	237310	237990	238910
Counties ^(1,3)	Engineering Services	Highway, Street, and Bridge Construction	Other Heavy and Civil Engineering Construction	Site Preparation Contractors
Alameda	508	35	10	87
Contra Costa	363	28	9	81
Napa	85	5	5	18
Marin	29	7	6	25
San Francisco	375	17	5	25
San Mateo	146	11	0	37
Santa Clara	711	21	9	75
Solano	45	12	7	19
Sonoma	127	25	5	110
Totals	2389	161	56	477

DBE Availability by Activity				
NAICS Code and Description	541330	237310	237990	238910
	Engineering Services	Highway, Street, and Bridge Construction	Other Heavy and Civil Engineering Construction	Site Preparation Contractors
DBE Totals for All Counties	66	28	21	14
NAICS Totals for All Counties	2389	161	56	477
DBE Totals/NAICS Totals	2.8%	17.4%	37.5%	2.9%

Calculation of Step 1 Base Figure				
Anticipated Contracts	Civil Package	Core Systems and Trackwork	PMPC/CM	Advance Work
NAICS Codes	237310 237990	237990	237310 237990 541330	237310 238910
NAICS Description	Highway, Street, and Bridge Construction & Other Heavy and Civil Engineering Construction	Other Heavy and Civil Engineering Construction	Highway, Street, and Bridge Construction & Other Heavy and Civil Engineering Construction & Engineering Services	Highway, Street, and Bridge Construction & Site Preparation Contractors
DBE Totals for All Counties	49	21	115	42
NAICS Totals for All Counties	217	56	2606	638
DBE Totals/NAICS Totals	22.6%	37.5%	4.4%	6.6%
Total Dollar Amount	\$ 2,354,385,000	\$ 402,325,000	\$ 402,857,000	\$ 37,620,000
DBE Participation Amount	\$ 531,635,322.58	\$ 150,871,875.00	\$ 17,777,649.65	\$ 2,476,551.72
FY 2022-25 DBE Weighted Step One Base Figure	22.0%			

Calculation of Step 2 Adjusted Figure				
Past DBE Participation ⁽⁴⁾	12.0%	12.0%	12.0%	12.0%
Adjusted Availability ⁽⁵⁾	17.3%	24.8%	8.2%	9.3%
DBE Participation Amount	\$407,080,761	\$99,575,438	\$33,060,245	\$3,495,476
FY 2023-25 DBE Wighted Step Two Adjusted Figure	17.0%			

(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: <https://californiaucp.dbesystem.com/>

(3) NAICS data is from the U.S. Census Bureau's 2020 County Business Patterns

(4) Median DBE Participation for FFY 2007-08 through FFY 2015-16 on similar TJPA contracts

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

ATTACHMENT 2.2
Past DBE Participation on Similar TJPA Contracts

DBE Participation History			
	ADPL	% Awarded to DBE Firms	% Payments to DBE Firms
FFY 2007-08	15.1%	12.0%	17.2%
FFY 2008-09	29.2%	25.4%	13.8%
FFY 2009-10	25.4%	19.8%	9.9%
FFY 2010-11	8.3%	14.4%	3.5%
FFY 2011-12	8.3%	17.4%	4.0%
FFY 2012-13	8.3%	5.8%	5.2%
FFY 2013-14	14.8%	5.3%	8.4%
FFY 2014-15	14.8%	2.0%	6.9%
FFY 2015-16	14.8%	1.0%	9.4%
FFY 2016-17	0.0%	6.3%	6.9%
FFY 2017-18	0.0%	2.8%	9.5%
FFY 2018-19	0.0%	8.7%	5.8%
FFY 2019-20	0.0%	3.7%	2.2%
FFY 2020-21	0.0%	0.5%	0.7%
FFY 2021-22	0.0%	1.4%	3.3%
Median Past Participation FFY 2007-08 through FFY 2015-16		12.0%	8.4%

* Source: TJPA DBE Participation Log

**ATTACHMENT 2.3
FFY 2022-23 Through FFY 2024-25
All Anticipated Contracts**

FFY 2023-25 All Contracts	NAICS	NAICS Description	A	B	C	D	E
			Contract Amt.	SBE Avail.	Step 1 SBE (A*B)	Adjusted Avail.	Step 2 SBE (A*D)
Legal Bench	541110	Offices of Lawyers	\$ 12,000,000	0.61%	\$ 73,006	7.60%	\$ 912,503
Information Technology	541513	Computer Facilities Management Services	\$ 100,000	5.26%	\$ 5,260	5.26%	\$ 5,260
Legislative Services	541820	Public Relations Agencies	\$ 1,750,000	28.98%	\$ 507,166	14.49%	\$ 253,583
Auditor	541211	Offices of Certified Public Accountants	\$ 300,000	0.49%	\$ 1,457	50.24%	\$ 150,729
Financial Consultants	541611	General Management Consulting Services	\$ 4,750,000	0.71%	\$ 33,549	45.30%	\$ 2,151,900
Physical Integrated Management/Security Technology Service System Maintenance	541690	Other Scientific and Technical Consulting Service	\$ 1,050,000	2.50%	\$ 26,250	1.25%	\$ 13,125
Transit Center Security Services	561612	Security Guards and Patrol Services	\$ 15,500,000	4.76%	\$ 738,095	3.38%	\$ 524,048
Project Management Information System Replacement	511210	Software Publishers	\$ 560,000	1.58%	\$ 8,833	11.24%	\$ 62,936
Emergency Responder Radio Communication Maintenance	517410	Satellite Communications	\$ 60,000	6.98%	\$ 4,186	6.98%	\$ 4,186
Landscape	541320	Landscape Architectural Services	\$ 920,000	9.25%	\$ 85,125	4.63%	\$ 42,562
Communications	541430	Graphic Design Services	\$ 1,200,000	13.80%	\$ 165,657	27.00%	\$ 324,028
Recruitment	541612	Human Resources Consulting Services	\$ 50,000	7.98%	\$ 3,989	3.99%	\$ 1,995
Fire Life Safety Sprinkler Testing Maintenance Service (FLSSTMS)	238220	Plumbing, Heating, and Air-Conditioning Contractors	\$ 500,000	0.95%	\$ 4,755	0.48%	\$ 2,377
Downtown Extension Main Civil Package - Design & Construction	237310 237990 238910	Highway, Street, and Bridge Construction Other Heavy and Civil Engineering Construction Site Preparation Contractor	\$ 2,354,385,000	28.24%	\$ 664,927,176	21.37%	\$ 503,156,500
Downtown Extension Core Systems & Trackwork - Design & Construction	237310 237990 238910	Highway, Street, and Bridge Construction Other Heavy and Civil Engineering Construction Site Preparation Contractor	\$ 402,325,000	28.24%	\$ 113,624,928	21.37%	\$ 85,981,026
Downtown Extension Advance Works - Design & Construction	237310 237990 238910	Highway, Street, and Bridge Construction Other Heavy and Civil Engineering Construction Site Preparation Contractor	\$ 37,620,000	28.24%	\$ 10,624,669	21.37%	\$ 8,039,784
Downtown Extension Project Management / Project Controls / Construction Management	237310 237990 541330	Highway, Street, and Bridge Construction Other Heavy and Civil Engineering Construction Engineering Services	\$ 402,857,000	10.44%	\$ 42,048,006	15.07%	\$ 60,705,418

Total \$ 3,235,927,000 \$ 832,882,106 \$662,331,960

Step 1 SBE Base Figure

$$\frac{\$ \quad 832,882,106}{\$ \quad 3,235,927,000} = 25.7\%$$

Step 2 SBE Adjusted Figure

$$\frac{\$ \quad 662,331,960}{\$ \quad 3,235,927,000} = 20.5\%$$

**ATTACHMENT 2.4
FFY 2022-25 SBE Availability Weighted Calculations
(All Contracts)**

SBE Totals by County and Activity															
Counties ^(1,2)	Auditor Services	Legal Services	IT Services	Security Guards and Patrol Services	Project Management / Project Controls / Construction Management	Construction	Landscape Services	Fire Life Safety Sprinkler Testing Maintenance Service (FLSSTMS)	Recruitment Services	Communication Services	Public Relations & Legislative Services	Financial Consulting Services	Physical Security System Maintenance (PSSM)	Program / Project Management Information System (PMIS)	Emergency Responder Radio Communication System Maintenance Service
Alameda (510)	2	8	48	2	70	43	12	4	16	22	39	8	6	6	15
Contra Costa (925)	0	5	30	2	59	36	1	3	6	12	10	2	7	6	16
Napa, Solano, Sonoma (707)	0	3	21	7	22	32	3	6	4	6	5	0	6	3	7
San Francisco/Marin (415)	1	4	25	2	77	49	6	3	4	26	21	8	4	4	11
San Mateo (650)	2	4	5	0	7	11	2	1	3	7	6	3	0	2	3
Santa Clara (408)	2	3	51	3	37	25	2	2	12	9	10	3	4	9	26
Totals	7	27	180	16	272	196	26	19	45	82	91	24	27	30	78

NAICS Totals by County and Activity															
Counties ^(1,3)	Auditor Services	Legal Services	IT Services	Security Guards and Patrol Services	Project Management / Project Controls / Construction Management	Construction	Landscape Services	Fire Life Safety Sprinkler Testing Maintenance Service (FLSSTMS)	Recruitment Services	Communication Services	Public Relations & Legislative Services	Financial Consulting Services	Physical Security System Maintenance (PSSM)	Program / Project Management Information System (PMIS)	Emergency Responder Radio Communication System Maintenance Service
Alameda (510)	207	731	815	74	553	132	58	360	81	128	39	635	211	222	224
Contra Costa (925)	226	519	327	62	400	118	40	305	81	43	19	411	149	89	152
Napa, Solano, Sonoma (707)	162	398	132	38	316	206	35	408	26	45	17	243	100	30	106
San Francisco/Marin (415)	331	1500	619	62	439	85	100	262	206	249	187	980	278	693	282
San Mateo (650)	144	368	295	29	157	48	14	225	57	32	17	404	116	242	116
Santa Clara (408)	371	922	1234	71	741	105	34	438	113	97	35	725	226	626	238
Totals	1441	4438	3422	336	2606	694	281	1998	564	594	314	3398	1080	1902	1118

Calculation of Step 1 Base Figure															
	Auditor Services	Legal Services	IT Services	Security Guards and Patrol Services	Project Management / Project Controls / Construction Management	Construction	Landscape Services	Fire Life Safety Sprinkler Testing Maintenance Service (FLSSTMS)	Recruitment Services	Communication Services	Public Relations & Legislative Services	Financial Consulting Services	Physical Security System Maintenance (PSSM)	Program / Project Management Information System (PMIS)	Emergency Responder Radio Communication System Maintenance Service
SBE Totals for All Counties	7	27	180	16	272	196	26	19	45	82	91	24	27	30	78
NAICS Totals for All Counties	1441	4438	3422	336	2606	694	281	1998	564	594	314	3398	1080	1902	1118
SBE Totals/NAICS Totals	0.5%	0.6%	5.3%	4.8%	10.4%	28.2%	9.3%	1.0%	8.0%	13.8%	29.0%	0.7%	2.5%	1.6%	7.0%
Total Dollar Amount	\$300,000	\$12,000,000	\$100,000	\$15,500,000	\$402,857,000	\$2,794,330,000	\$920,000	\$500,000	\$50,000	\$1,200,000	\$1,750,000	\$4,750,000	\$1,050,000	\$560,000	\$60,000
SBE Participation Amount	\$1,457	\$73,006	\$5,260	\$738,095	\$42,048,006	\$789,176,772	\$85,125	\$4,755	\$3,989	\$165,657	\$507,166	\$33,549	\$26,250	\$8,833	\$4,186
FY 2023-25 SBE Step One Base Figure	\$832,882,106 / \$3,235,927,000 = 25.7%														

Calculation of Step 2 Adjusted Figure															
	Auditor Services	Legal Services	IT Services	Security Guards and Patrol Services	Project Management / Project Controls / Construction Management	Construction	Landscape Services	Fire Life Safety Sprinkler Testing Maintenance Service (FLSSTMS)	Recruitment Services	Communication Services	Public Relations & Legislative Services	Financial Consulting Services	Physical Security System Maintenance (PSSM)	Program / Project Management Information System (PMIS)	Emergency Responder Radio Communication System Maintenance Service
Past SBE Participation	100.0%	14.6%	24.5%	2.0%	19.7%	14.5%	0.0%	0.0%	0.0%	40.2%	0.0%	89.9%	0.0%	20.9%	N/A
Adjusted Availability ⁽⁴⁾	50.2%	7.6%	14.9%	3.4%	15.1%	21.4%	4.6%	0.5%	4.0%	27.0%	14.5%	45.3%	1.3%	11.2%	7.0%
SBE Participation Amount	\$1,457	\$912,503	\$5,260	\$738,095	\$60,705,418	\$597,177,311	\$42,562	\$2,377	\$3,989	\$324,028	\$507,166	\$2,151,900	\$26,250	\$62,936	\$4,186
FY 2023-25 SBE Step Two Adjusted Figure	\$663,708,054 / \$3,235,927,000 = 20.5%														

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

(2) Source of SBE Query Data: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx?psNewWin=true>

(3) NAICS data is from the U.S. Census Bureau's 2020 County Business Patterns.

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

ATTACHMENT 2.5
Past SBE Participation on Similar TJPA Contracts

FFY 2019-22 SBE Past Participation by Work Anticipated*					
	Total	non-SBE	SBE	non-SBE %	SBE %
Auditor Services	\$ 91,057	\$ -	\$ 91,057	0.0%	100.0%
Legal Services	\$ 8,047,899	\$ 6,872,906	\$ 1,174,993	85.4%	14.6%
IT Services	\$ 1,452,522	\$ 1,096,654	\$ 355,868	75.5%	24.5%
Security Guards and Patrol Services	\$ 9,062,083	\$ 8,880,841	\$ 181,242	98.0%	2.0%
PMPC & Engineering Services	\$ 17,012,200	\$ 13,660,796	\$ 3,351,403	80.3%	19.7%
Landscape Services	\$ 422,230	\$ 422,230	\$ -	100.0%	0.0%
Fire Life Safety Sprinkler Testing Maintenance Service (FLSSTMS)	\$ 150,930	\$ 150,930	\$ -	100.0%	0.0%
Recruitment Services	\$ 88,934	\$ 88,934	\$ -	100.0%	0.0%
Communication Services	\$ 366,465	\$ 219,146	\$ 147,319	59.8%	40.2%
Financial Consulting Services	\$ 1,749,148	\$ 176,664	\$ 1,572,484	10.1%	89.9%
Physical Security System Maintenance Services (PSSM)	\$ 628,897	\$ 628,897	\$ -	100.0%	0.0%
Program / Project Management Information System (PMIS)	\$ 211,875	\$ 167,593	\$ 44,282	79.1%	20.9%

* Source: TJPA DBE Participation Log