

San Francisco Bay Area Rapid Transit District



Triennial DBE Goal for FFY17-FFY19 for the Federal Transit Administration



Prepared by the
BART Office of Civil Rights
July 1, 2016

BART's Triennial DBE Goal for FFY17-FFY19

Per 49 CFR 26.45, BART sets an overall triennial DBE goal every three years. BART's DBE attainment each year is judged against the overall goal by the FTA. This document presents BART's proposed triennial DBE goal for FFY17-19 as well as the methodology used to establish that goal. There were 7 steps involved in establishing the triennial goal.

1. Projecting BART's contracts to be funded by the FTA from FFY17-FFY19
2. Establishing the type of spending (Construction, Procurement, A&E) of each projected contract
3. Defining BART's market area
4. Availability of DBEs in BART's market area within each type of spending
5. Calculation of BART's base figure DBE goal (Step 1)
6. Step 2: Adjusted Triennial DBE goal based on DBE attainment in past 3 years
7. Race Neutral and Race Conscious Components of the Overall DBE Goal

1. Projecting BART's contracts to be funded by the FTA from FFY17-FFY19

BART's Planning, Development and Construction (PD&C) Department and Maintenance and Engineering (M&E) Department were asked to project their FTA funded contracts for the next three years. The two departments provided the following list.

Project Name or Description	Estimated Amount	FTA Amount	Procurement Type	Department
15TC000 Water Intrusion at Aerial Stations	\$5M to \$7M	4,800,000	Construction	M&E
15CQ-001 Track Joint Removal (Holland Welder)	Approx. \$2M	1,600,000	Construction	M&E
15CQ-001 At-Grade Interlocking Replacements	Approx \$10M	8,000,000	80% Construction / 20% Procurement	M&E
15EK-120A San Leandro Substation Replacement	\$3.5M	2,800,000	60% Construction / 40% Procurement	M&E
New substations (2 ea up to 5 ea @ \$4M/ea)	\$8M to \$20M	11,200,000	60% Construction / 40% Procurement	M&E
20CE-001 Yard Switch Machine Replacements	\$4M to \$8M	4,800,000	Procurement	M&E
20LT000 Station MUX Replacements	\$3M to \$5M	3,200,000	Procurement	M&E
SFOx Train Control Room Logic Equip Replacement	\$2M to \$4M	2,400,000	Procurement	M&E
Replace Mainline Switch Machine Power and Control Cables	Approx \$2M	1,600,000	Procurement	M&E
#10 Turnout Speed Reduction	Approx \$1M	800,000	Procurement	M&E
Remote Prohibits/Remote Speed Restrictions	Approx \$1M	800,000	Procurement	M&E
Migrate A50 MUX Track Circuits to A60 Control Zone	Under \$1M	640,000	Procurement	M&E
Station Platform Antenna Replacement	Approx \$200k	160,000	Procurement	M&E
Addition of Two Wayside Signals at C57 Interlocking	Approx \$100k	80,000	Procurement	M&E
School Street Equipment Replacement	Approx \$100k	80,000	Procurement	M&E
Destination Sign System (DSS) Replacement	\$5M to \$7M	4,800,000	30% Construction / 70% Procurement	M&E
Trunked Radio	\$30M	24,000,000	20% Construction / 80% Procurement	M&E
On Call General Engineering Consultants	\$120,000,000	\$40,000,000	Engineering	PD&C
On Call Construction Management Consultants	\$90,000,000	\$30,000,000	Engineering	PD&C
Hayward Maintenance Complex: Central Warehouse	\$25,000,000	\$2,500,000	Construction	PD&C

Project Name or Description	Estimated Amount	FTA Amount	Procurement Type	Department
Hayward Maintenance Complex: Maintenance & Engineering Shop	\$66,000,000	\$6,600,000	Construction	PD&C
Hayward Maintenance Complex: Vehicle Overhaul & Heavy Repair	\$136,000,000	\$13,600,000	Construction	PD&C
Train Control Modernization Program	\$5,000,000,000	\$100,000,000	Procurement	PD&C
15NA-110, BART ADA Pilot Projects, Hearing Loop	300,000	240,000	Construction	PD&C
47BS-152A, Accessibility Improvements at Various BART Stations	1,000,000	800,000	Construction	PD&C
15NP-110, BART Elevator Area LED Lighting Improvements	300,000	240,000	Construction	PD&C
15NE-XXX, PA System Improvements	1,000,000	800,000	Construction	PD&C
15NU-XXX, Accessibility Improvement Program – Phase 1	8,000,000	6,400,000	Construction	PD&C

In the case of the M&E projected contracts, M&E provided the estimated contract amount and OCR multiplied that amount by 80% to estimate the FTA amount. PD&C provided both the estimated contract amounts and the FTA amounts.

2. Establishing the spending type of each projected contract

BART did not divide its construction activities into 6-digit NAICS codes, instead categorizing spending activities into 2-digit NAICS or Construction, Procurement (from either Manufacturers or Wholesalers), and Engineering (Engineering and Construction Management). This was done because the bidders lists, the source for the availability measure, are categorized in that way and not be scopes of work which could be assigned a 6-digit NAICS industry code. Trucking was considered part of Construction since it is defined that way in BART’s contract compliance process. Some of the M&E contracts involve both Construction and Procurement. M&E and PD&C personnel categorized projects as either Construction, Procurement (or both), or Engineering.

3. Defining BART’s market area

BART’s market area for construction has traditionally been its 4-county service area: Alameda, Contra Costa, San Francisco, and San Mateo counties, which contained the substantial majority of BART bidders. The market area has been slowly expanding. When looking at prime and subcontractor bidders from 2011 to 2014 – the years of BART’s in-process disparity study – 69% are from the 4-county service area, below the threshold of 70%. This led the Disparity Study team, Miller3, to look at a broader market area for construction: the traditional 9-county Bay Area region. For this report BART followed the lead of Miller3, augmenting five additional counties, in order to be well above the 70% threshold. Santa Clara especially makes sense since BART service is expanding to Santa Clara County in partnership with VTA in the next few years. 86% of BART bidders on construction contracts are from the 9 counties. More impressively, 91% of DBE bids (M/WBEs on non-federal contracts) are from the 9-county area.

Market Area for Construction

BART’s Market Area for Construction Contracts	Percent of Construction Bidders (Prime and Subcontractor)	Percent of DBE or MWBE Bidders
Alameda	35%	38%
Contra Costa	10%	6%
San Francisco	17%	26%
San Mateo	6%	5%
Santa Clara	8%	11%
Marin	2%	1%
Sonoma	3%	1%
Solano	4%	3%
Napa	1%	0%
Total	86%	91%

For other types of procurement for this process, BART is also utilizing the market area as defined by the in-process Disparity Study. For Architecture and Engineering this is the Metropolitan Statistical Area (MSA): BART’s original four-county service area: Alameda, Contra Costa, San Francisco, and San Mateo counties, plus Marin County. For Professional Services (non-engineering) and Other Services the market areas are the state of California. For Procurements, the market area is national (US).

4. Availability of DBEs in BART’s market area within each type of spending

The FTA lists five options for determining DBE availability:

- DBE Directories and Census Bureau data
- Bidders list
- Use data from a disparity study
- Use the goal of another DOT recipient
- Alternative methods

BART utilized a combination of the 2nd and 3rd options; bidders lists compiled by Miller3 for the Disparity Study. For this Triennial Goal report, availability is defined as the ratio of the number of ready, willing, and able (RWA) Disadvantaged Business Enterprises (DBEs), i.e. bidders on BART projects, for a particular type of spending and the number of all RWA firms, i.e. bidders on BART projects, for the same type of spending. DBEs are certified by one of several public agencies in California, with a centralized list called the California Unified Certification Program (CUCP), maintained by CALTRANS.

DBE Availability by Category of Spending

Area of Spending	Market Area	DBE Availability
Construction	9-county Bay Area	17.02%
Procurement	National	6.32%
Architecture and Engineering	5-county MSA	32.45%

5. Calculation of BART’s base figure overall DBE goal (Step 1)

The overall DBE goal – called Step 1 by the FTA – is found by finding the dollar amount of work for each type of spending and multiplying this by the availability of DBEs for each type of spending. This creates partial coefficients which are added to obtain a weighted average (the Step 1 goal).

Type of Spending	Amount of Work (FTA)	Percent of All Work	DBE Availability	Partial (Percent of Work x Availability)
Construction	58,620,000	21.5%	17.02%	.0366
Procurement	144,320,000	52.9%	6.32%	.0334
Engineering (CM/GEC)	70,000,000	25.6%	32.45%	.0832
TOTAL	272,940,000			15.32%

The Step 1 DBE goal for BART is 15.32% for the FFY17-19 period.

6. Step 2: Adjusted DBE goal based on DBE attainment in past three years

Step 2 makes adjustments to the Step 1 goal. The primary adjustment is to take into account the level of DBE attainment over the past three years, using a median which eliminates extremes, whether high or low.

The nature of Procurements and A&E does not change substantially from year to year, so past DBE attainment is a good predictor for future DBE attainment within those types of spending. The nature of FTA-funded construction spending for FFY 2017-19 is expected to be sufficiently similar to that of FFY2014-16 in order to utilize the DBE attainment from FFY2014-16 to make this Step 2 adjustment.

BART determined its DBE attainment for the past three fiscal years based on the uniform reports submitted to FTA:

Reporting Period	DBE Attainment
FFY14	33.40%
FFY15	17.82%
Semi-annual 1, FFY16	20.08%

The median of 3 items is calculated by taking the middle of the three. This results in a median of 20.08%.

The Step 2 adjustment is obtained by averaging the step 1 goal, 15.32%, with the median of past attainment, 20.08%. This results in an initial Step 2 DBE goal of 17.70%. BART prefers to have an integer Triennial Goal, so the initial Step 2 goal was rounded to 18%.

BART FFY17-19 Proposed Triennial DBE Goal	18%
---	-----

Per FTA guidelines, further adjustments could be made based on public comments.

7. Race Neutral and Race Conscious Components of the Overall DBE Goal

It is important to determine the race neutral and race conscious portions of the goal. It is incumbent upon BART to attain as much of the goal by race neutral means as possible.

The methodology for obtaining the race neutral portion of the goal is to find the DBE attainment by race neutral means over the past three years and to adjust this number to the overall DBE goal.

Race-Neutral DBE Attainment

Reporting Period	Total FTA Contracts	Race-Neutral DBE Attainment	Race-Neutral Percentage
FFY14-FFY16 (semi-annual 1)	\$148,343,510	\$22,774,327	15.4%

The race neutral percentage of 15.4% is adjusted for the scopes of work expected for the FFY17-19 period. The primary means of race-neutral attainment for BART is in Architecture and Engineering. For the FFY17-19 period, more Procurements and less A&E are expected, compared to FFY14-16, thus the need to adjust the race neutral goal lower. The adjustment is:

Step 2 Triennial DBE goal / Median DBE Attainment past 3 years

Or, = 18% / 20.08%

= 89.64%%

For the FFY17-19 period BART proposes a Race Neutral goal of 15.4% x 89.64% or 13.76%. The Race Conscious goal is Triennial DBE Goal – Race Conscious Goal, 18% - 13.76% or 4.24%

Race-Neutral Goal	13.76%
Race-Conscious Goal	4.24%