



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION 9
Arizona, California,
Hawaii, Nevada, Guam,
American Samoa, and the
Northern Mariana Islands

90 7th Street, Suite 15-300
San Francisco, CA 94103

September 16, 2022

Bradley Saran
North County Transit District
810 MISSION AVE
OCEANSIDE, CA 92054

Re: 2023-2025 Triennial DBE Goal Submission, Recipient ID: 1690

Dear Bradley Saran,

The Federal Transit Administration (FTA) has received and reviewed North County Transit District's Disadvantaged Business Enterprise (DBE) triennial goal setting methodology for Federal Fiscal Years (FFY) 2023-2025. This DBE goal will be effective October 1, 2022 through September 30, 2025. This submission is required by the Department of Transportation DBE regulations found at 49 C.F.R. Part 26. Your proposed overall goal is 11.33%, with a proposed race-conscious/race-neutral split of 5.18% RC / 6.15% RN.

Our review considered all elements required by the Department of Transportation regulations found at 49 C.F.R. § 26.45, including the descriptions of the evidence and methods used to calculate, adjust and establish the overall goal. The review assessment attached to this letter identifies the specific areas reviewed, any concerns, and relevant reviewer comments. You must address and correct any identified concerns to assure you are implementing the goal in accordance with the regulations. Your goal status is now *Concur*, and your next triennial goal is due to FTA on August 1, 2025. FTA will verify corrections have been made and implemented at the next oversight opportunity.

You are expected to make a good faith effort to meet your goal each year during the three-year period for which it is in effect. You must document your DBE attainment on FTA-funded contracts and purchases by submitting a semi-annual report via TrAMS on June 1 and December 1 of each year. If you fall short of your overall DBE goal in any given year, you must develop a shortfall analysis and corrective action plan following the guidance in 49 C.F.R. § 26.47(c). Transit vehicles must be purchased from a DBE-certified transit vehicle manufacturer (TVM) and reported to FTA within 30 days of purchase. The current list of DBE-certified TVMs and the online reporting tool can be found on the DBE portion of FTA's website at www.transit.dot.gov. Finally, any mid-cycle adjustment to your goal to reflect changed circumstances must be submitted to FTA.

FTA is committed to providing technical assistance to help correct your DBE goal and to implement your program consistent with the regulations and guidance. In order to preserve paper, we are issuing this letter electronically via email and it is attached to your profile in

TrAMS. Please do not hesitate to contact me directly at 415-734-9475 or at karin.vosgueritchian@dot.gov if you have any questions.

Sincerely,

Karin Vosgueritchian/s/
Civil Rights Officer, Region 9

cc: Ray Tellis, FTA Region 9, Regional Administrator
Monica McCallum, FTA Civil Rights, Director of Regional Operations

DBE Goal Review Assessment:

Items below identified as “YES” are included in the DBE goal, and no changes are needed. Items identified as “NO” were not included or were insufficient and must be corrected. Carefully address all insufficient items, as indicated in this review letter, to ensure you are implementing a goal in accordance with the regulations.

Overall Goal Methodology and Submission

1. Does the overall goal reflect the percentage of DBE participation you expect to have on FTA-funded contracts in the upcoming three years (excludes transit vehicles purchases)?
Yes
2. The overall goal, as stated in the submission is: *11.33%*
3. Is there a description of how much of the goal you anticipate meeting using race/gender conscious (RC) measures (i.e. contract-specific DBE goals), versus race/gender neutral (RN) measures? *Yes*
4. The RC portion of the goal, as stated in the submission, is: *5.18%*.
5. The RN portion of the goal, as stated in the submission, is: *6.15%*.
6. Is there a sufficient description of the consultation with minority, women’s and general contractor groups? *Yes*
7. Does the methodology summarize the comments received during consultation with the public and what changes, if any, were made to the goal as a result? *Yes*
8. Was the proposed overall goal posted on your official agency website before the August 1st submission date? *Yes*
9. Does the methodology include your data sources and the assumptions and calculations used to establish the overall goal? *Yes*

Step 1 – Developing the Base Figure

10. Is there a description of the FTA-funded projects or contracts you project for the next three years? *Yes*
11. Are larger projects broken down or described to evaluate possible sub-contracting opportunities? *Yes*
12. If applicable, are all of the prime and sub-contracting opportunities included for sub-recipients? *N/A - grantee does not have sub-recipients*
13. Did you “show your work” when calculating the percentage of DBE availability as compared to all available firms? *Yes*
14. FTA identified that the following strategies were used to narrowly tailor this goal:
The most refined data (such as 6-digit NAICS) is used to focus the goal on firms that are most likely to bid on contracts as either a prime contractor or sub-contractor,

Contracting opportunities are associated with the correct and appropriate NAICS codes,

NAICS codes or projects or contracts are associated with the amount of anticipated FTA funds,

DBE Goal Review Assessment (continued):

The number of ready willing and able DBEs is included for each NAICS code or project or contract,

The number of all firms (DBE and non-DBE) is included for each NAICS code or project or contract,

The data source(s) used to find the number of available DBE and non-DBE firms is relevant and verifiable,

The local market area (the area where a substantial majority of the contractors you do business with are) is described,

Weighting was used to ensure the Step 1 Base Figure is as accurate as possible

15. Does the data, evidence, and methodology presented clearly describe and verify how you arrived at the Step 1 Base Figure? *Yes*

Step 2 – Adjusting the Base Figure

16. Is the Step 1 Base Figure adjusted? *Yes*

17. Was past participation used to adjust the goal? *Yes*

18. The following was considered when adjusting the goal with Past participation:

Past participation does not represent years where DBE participation on contracts was unfairly high or unfairly low,

Upcoming contracting opportunities are the same as - or substantially similar to - the recent past,

Used the historical median (not average) to measure past participation,

The historical median of past participation is averaged with the Step 1 Base Figure to arrive at the adjusted goal

19. Does the methodology suggest that all available evidence was considered to determine what, if any, adjustments to the Base Figure were needed? *Yes*

20. The evidence considered in Step 2 was:

Comments or feedback from public demonstrates the interactive consultation with contracting organizations and institutions,

Recent disparity studies conducted in the market area

21. Does the goal appear to be narrowly tailored? *Yes*

DBE Goal Review Assessment (continued):

Calculating the Race and Gender-Neutral Projection for the Goal, Which Determines the Portion of the Goal that Can Be Achieved Through Race-Neutral Measures (i.e. contracts with no DBE goals.)

22. Did you calculate the portion of the goal you project to meet using only RN means of facilitating DBE participation? *Yes*
23. FTA verified the following elements were included when projecting the RC and RN participation:
The amount by which the goals were exceeded in the past (using the median of at least 3 years of data is most accurate)
24. Does the evidence presented suggest you can meet the RN portion of your goal without the use of contract specific DBE goals? *Yes*

FTA Reviewer Comments:

Thank you for your submission.

Also, please visit the FTA Civil Rights webpage for more information:

<https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/civil-rightsada>

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM PROPOSED THREE-YEAR OVERALL GOAL & METHODOLOGY SUBMISSION TO FTA FOR FEDERAL FISCAL YEARS 2023 THROUGH 2025 August 2022

Introduction

North County Transit District (NCTD) hereby submits its three-year overall Disadvantaged Business Enterprise (DBE) goal for federal fiscal years (FFYs) 2023 through 2025 to the Federal Transit Administration (FTA) pursuant to [49 CFR Part 26, section 26.45](#).

Based on the results of the 2022 Disparity Study by Keen Independent Research (Keen Independent), NCTD proposes a 11.33% DBE goal for FFYs 2023 through 2025 for FTA-funded contracts, 6.15 percentage points projected to be accomplished through race-neutral means (outreach, training and other neutral efforts) and the remaining 5.18 percentage points projected to be accomplished through race- and gender-conscious means (DBE contract goals).

Step 1. Determining a Base Figure — Pursuant to 49 CFR Section 26.45(c)

NCTD began the process of determining its overall DBE goal by establishing a base figure. Consistent with USDOT regulations and guidance, NCTD developed availability data as part of a disparity study for FTA-funded contracts conducted by Keen Independent as part of NCTD’s 2022 Disparity Study.

Projections of FTA-funded Contracts. NCTD compiled information about FTA-funded contracting opportunities anticipated for FFY2023 through FFY2025. Figure 1 shows the spending by NAICS code projected for these three federal fiscal years. Note that there are subcategories of work within a single NAICS code when necessary. (The subcategories are shown under “type of work.”)

The right-hand column of Figure 1 shows the percentage of FTA-funded contract dollars projected for each type of work. Most of the future FTA-funded spending is related to railroad and railway roadbed construction.

Figure 1. NCTD FTA-funded future contract opportunities, FFY2023–FFY2025

NAICS	NAICS description	Type of work	FTA-funded	
			Dollars (\$1,000s)	Percent
237990	Other heavy and civil engineering construction	Railroad and railway roadbed construction	\$ 8,304	59.65 %
236220	Commercial and institutional building construction	Public building construction	1,472	10.57
541330	Engineering services	Other engineering	1,325	9.52
238210	Electrical contractors and other wiring installation contractors	Railroad signaling work	1,200	8.62
541330	Engineering services	Railroad engineering	850	6.11
561730	Landscaping services	Landscaping services	330	2.37
541990	All other professional, scientific, and technical services (primary)	Other professional services	200	1.44
517312	Wireless telecommunications carriers (except satellite)	Other other services	156	1.12
335999	All other electrical equipment and component manufacturing	Other goods	85	0.61
Total			\$ 13,922	100.00 %

Source: NCTD future expenditures projections.

DBE availability. The 2022 Disparity Study provided data about availability of DBEs and total firms to perform the types of work in Figure 1. The following summarizes how this information was developed.

Based on analysis of FTA-funded contracts by Keen Independent from January 1, 2016, through December 30, 2020, Keen Independent determined that San Diego and Orange counties should be selected as the relevant geographic market area for the availability analysis.

- About 84% of NCTD FTA-funded contract dollars from 2016 through 2020 went to firms located in San Diego and Orange counties.
- Therefore, the availability analysis examined firms with locations in San Diego and Orange counties.

Keen Independent also examined the types of work involved in FTA-funded contracts from 2016 through 2020. There were 16 types of work that accounted for 85% of FTA-funded contract dollars. The availability analysis focuses on firms performing these 16 types of work.

Keen Independent developed a database of businesses available for NCTD work (DBEs and non-DBEs) by contacting thousands of firms with locations in San Diego and Orange counties to ask about their availability for specific types of NCTD contracts. The firms contacted for the database came from the following sources:

- Companies that had previously identified themselves to NCTD as interested in learning about future work; and
- Businesses that Dun & Bradstreet (D&B) identified in certain transportation contracting-related subindustries in San Diego and Orange counties (D&B’s Hoover’s business establishment database). D&B’s Hoover’s database is accepted as the most comprehensive and complete source of business listings in the nation.

Keen Independent successfully contacted 6,176 businesses in San Diego and Orange counties. After consolidating duplicate responses and removing companies that are no longer in business, not-for-profit organizations, unable to perform transportation-related work, not located in San Diego County or Orange County, or uninterested in discussing availability for NCTD work, the final database contained 416 businesses, of which 39 (about 9.4%) were DBEs, as shown in Figure 2. (Each firm in the final availability database expressed qualifications and interest in NCTD work.)

The 2022 Disparity Study report explains the survey methodology in detail.

Figure 2. Availability “head count” of businesses included in the 2022 Disparity Study

	Number of firms	Percent of firms
DBEs	39	9.4 %
Non-DBEs	377	90.6
Total	416	100.0 %

Source: Keen Independent Research 2022 Disparity Study.

Relative availability of DBEs. Keen Independent identified the number of DBEs and total firms available for each of the NAICS codes shown in Figure 1. (Firms could indicate qualifications for more than one type of work.) Figure 3 provides these results.

- The first column of data in Figure 3 presents the numbers of DBEs in the final availability survey database.
- After dividing the number of DBEs by total firms (column 2 of data), Figure 3 indicates the percentage of firms in each subindustry that are DBEs (column 3 of the data).

Figure 3. Number of DBEs and total businesses in the availability analysis, by NAICS

NAICS	NAICS description	DBE firms	Total firms	Percentage of firms that are DBEs
237990	Other heavy and civil engineering construction	7	34	20.59 %
236220	Commercial and institutional building construction	12	134	8.96
541330	Engineering services - other engineering	16	149	10.74
238210	Electrical contractors and other wiring installation contractors	1	16	6.25
541330	Engineering services -railroad engineering	6	30	20.00
561730	Landscaping services	1	28	3.57
541990	All other professional, scientific, and technical services (primary)	6	34	17.65
517312	Wireless telecommunications carriers (except satellite)	1	23	4.35
335999	All other electrical equipment and component manufacturing	4	22	18.18

Source: Keen Independent Research 2022 Disparity Study.

Dollar-Weighted Availability. To calculate a base figure for the overall DBE goal, Keen Independent dollar-weighted the availability results for each NAICS code shown in Figure 3. This approach is consistent with USDOT’s “Wherever possible, use weighting” instructions concerning Step 1 calculations in “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program.”

Weights for each NAICS code reflect the percentage of total dollars of FTA-funded contracts in that NAICS code (from Figure 1).

- The first column of data in Figure 4 shows those weights.
- The second column of data in Figure 4 shows the share of total firms in each NAICS code that are DBEs.
- Multiplying these two numbers together produces the dollar-weighted values in the third column of data in Figure 4.

Base Figure. Keen Independent summed the weighted availability values for all NAICS codes studied (third column of data in Figure 4). This sum, 16.51%, is the base figure for NCTD’s DBE goal for FTA-funded contracts.

Dollar-weighted availability is more precise than a simple “head count” of businesses because it considers the specific type of work performed and the total dollars of spending for firms with those specializations.

Figure 4. Dollar weighted availability estimates for DBEs for NCTD FTA-funded contracts, FFY2023- FFY2025

NAICS	NAICS description	Percent of FTA-funded contract dollars	Percentage of firms that are DBEs	Weighted availability
237990	Other heavy and civil engineering construction	59.65 %	20.59 %	12.28 %
236220	Commercial and institutional building construction	10.57	8.96	0.95
541330	Engineering services - other engineering	9.52	10.74	1.02
238210	Electrical contractors and other wiring installation contractors	8.62	6.25	0.54
541330	Engineering services - railroad engineering	6.11	20.00	1.22
561730	Landscaping services	2.37	3.57	0.08
541990	All other professional, scientific, and technical services (primary)	1.44	17.65	0.25
517312	Wireless telecommunications carriers (except satellite)	1.12	4.35	0.05
335999	All other electrical equipment and component manufacturing	0.61	18.18	0.11
	Total	100.00 %		16.51 %

Source: NCTD future expenditure projections and results from Keen Independent Research 2022 Disparity Study.

Step 2. Determining if an Adjustment is Needed — 49 CFR Section 26.45(d)

Per the Federal DBE Program, NCTD considered potential step 2 adjustments to the base figure as part of determining its overall annual DBE goal for FTA-funded contracts. Federal regulations outline factors that an agency must consider when assessing whether to make any step 2 adjustments to its base figure:

1. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years;
2. Information related to employment, self-employment, education, training and unions;
3. Any disparities in the ability of DBEs to get financing, bonding and insurance; and
4. Other relevant factors.¹

Taking into account relevant information from the 2022 Disparity Study, NCTD considered each of the factors listed above in determining whether or not to adjust the base figure.

¹ 49 CFR Section 26.45.

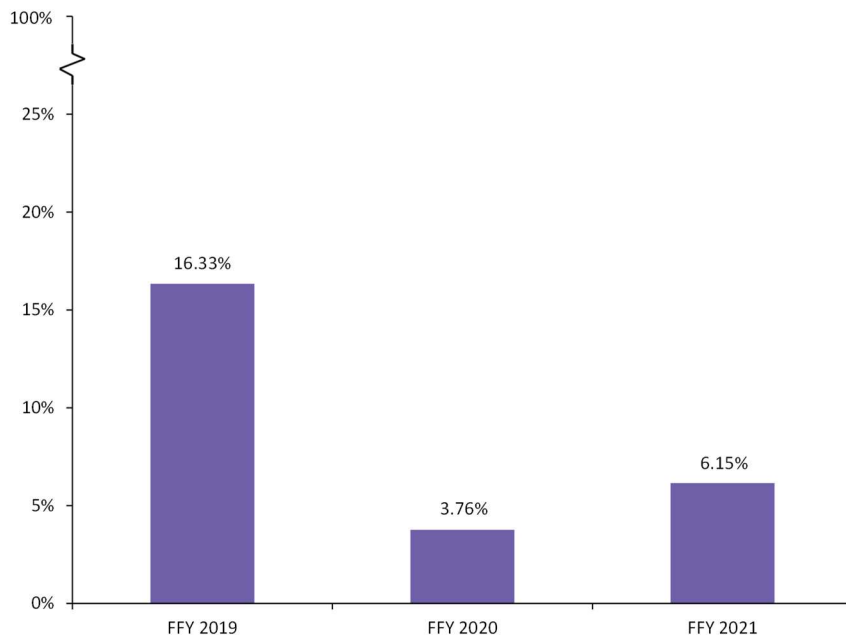
1. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years. USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation on their USDOT-funded contracts in recent years (the percentage of contract dollars going to DBEs).

Based on commitments/award data from NCTD Uniform Reports of DBE Awards or Commitments and Payments reported to FTA, the median DBE participation from FFY2019 through FFY2021 was 6.15%. This value suggests a possible downward step 2 adjustment based on this factor. These results are presented in Figure 5.

The study team also calculated median DBE participation based on payments data from NCTD Uniform Reports (median past DBE participation for FFY2019 through FFY2021 of 22.58%).

The potential step 2 adjustment is calculated based on commitments/award data as these results may be more indicative of actual DBE utilization for these contracts.

Figure 5. DBE participation on FTA-funded contracts based on NCTD Uniform Reports, FFY2019–FFY2021



Note: The DBE achievement was higher in FFY2019 due to three prime contracts to DBEs during the period.

Source: NCTD Uniform Reports of DBE Award or Commitments and Payments.

2. Information related to employment, self-employment, education, training and unions. The 2022 Disparity Study Summary Report discusses information about conditions in the Orange County and San Diego County transportation contracting industry for minorities, women and MBE/WBEs. Detailed quantitative analyses of marketplace conditions in San Diego and Orange counties are presented in Appendices E through H. Keen Independent’s analyses indicate that there are barriers that certain minority groups and women face related to entry and advancement and business ownership in the San Diego and Orange counties area construction, professional services, goods and other services industries.

In the 2022 Disparity Study, the study team used regression analyses to investigate whether race, ethnicity and gender affected rates of business ownership among workers in the San Diego and Orange counties area study industries. The regression analyses allowed the study team to examine those effects while statistically controlling for various personal characteristics including education and age (Appendix F of the report provides detailed results of the business ownership regression analyses).²

- Those analyses revealed that African Americans, Asian-Pacific Americans, Hispanic Americans, Native Americans and white women working in the local construction industry were less likely than nonminorities and white men to own construction businesses, even after accounting for various race- and gender-neutral personal characteristics. Each of these disparities was statistically significant.
- In addition, there were disparities in business ownership rates for Asian-Pacific Americans and Subcontinent Asian Americans working in the San Diego and Orange counties professional services industry.

Keen Independent analyzed the impact that barriers in business ownership would have on the base figure if these groups owned businesses at the same rate as similarly situated nonminorities and white men. This type of inquiry is sometimes referred to as a “but for” analysis because it estimates the availability of DBEs *but for* the effects of race and gender discrimination.

As the explanation of these calculations is somewhat complex, NCTD provides Figure 6 on the next page to document how the upward adjustment was determined. A detailed explanation of each portion of the calculation follows the figure.

Figure 6 calculates the impact on overall DBE availability, resulting in a possible upward adjustment of the base figure to 21.65%. The analysis included the same NCTD future contract opportunities that the study team analyzed to determine the base figure. Calculations are explained on the following page.

²The study team examined U.S. Census data on business ownership rates using methods similar to analyses examined in court cases involving state departments of transportation in California, Illinois, and Minnesota.

Figure 6. Potential step 2 adjustment considering disparities in the rates of business ownership

Current DBEs	a. Weighted DBE Availability	b. Disparity index for business ownership	c. Availability after initial adjustment*	d. Availability after scaling to 100%	e. Components of overall DBE availability**
Construction					
African American	2.53 %	61	4.14 %	3.88 %	
Asian-Pacific American	4.75	81	5.86	5.49	
Hispanic American	7.86	66	11.91	11.15	
Native American	0.00	66	0.00	0.00	
Other minorities	2.33	n/a	2.33	2.18	
White women	0.00	45	0.00	0.00	
Minorities and women	17.46 %	n/a	24.24 %	22.70 %	17.90 %
All other businesses	82.54	n/a	82.54	77.30	
Total firms	100.00 %	n/a	106.78 %	100.00 %	
Professional services					
Asian-Pacific American	5.13 %	65	7.89 %	7.34 %	
Subcontinent Asian American	2.81	37	7.60	7.07	
Other minorities	5.32	n/a	5.32	4.95	
White women	1.37	n/a	1.37	1.27	
Minorities and women	14.63 %	n/a	22.18 %	20.63 %	3.52 %
All other businesses	85.37	n/a	85.37	79.37	
Total firms	100.00 %	n/a	107.55 %	100.00 %	
Goods					
Minorities	18.18 %	n/a	18.18 %	18.18 %	
White women	0.00	n/a	0.00	0.00	
Minorities and women	18.18 %	n/a	18.18 %	18.18 %	0.11 %
All other businesses	81.82	n/a	81.82	81.82	
Total firms	100.00 %	n/a	100.00 %	100.00 %	
Other services					
Hispanic American	2.43 %	124	1.96 %	1.96 %	
Other minorities	1.40	n/a	1.40	1.40	
White women	0.00	n/a	0.00	0.00	
Minorities and women	3.82 %	n/a	3.35 %	3.37 %	0.12 %
All other businesses	96.18	n/a	96.18	96.63	
Total firms	100.00 %	n/a	99.53 %	100.00 %	
Total for DBEs	16.51 %	n/a	n/a		21.65 %
Difference from base figure					5.14 %

Note: Numbers may not add to 100.00% due to rounding.
 * Initial adjustment is calculated as current availability divided by the disparity index for business ownership.
 ** Components of the goal were calculated as the value after adjustment and scaling to 100 percent, multiplied by the percentage of total FTA-funded contract dollars in each industry (construction = 78.8%, professional services = 17.1%, goods = 0.6% and other services 3.5%).

Source: Keen Independent Research based on FTA-funded contracts for January 2016 through December 2020, and statistical analysis of U.S. Census Bureau American Community Survey data.

The study team completed these “but for” analyses for each industry and then weighted the results based on the proportion of projected FTA-funded contract dollars for FFY2023–FFY2025 (i.e., a 78.8% weight for construction, 17.1% weight for professional services, 0.6% for goods and 3.5% for other services). The rows and columns of Figure 6 present the following information from Keen Independent’s “but for” analyses:

1. Current availability. Column (a) presents the current weighted availability of DBEs by group for construction, professional services, goods and other services. Each row presents the percentage availability by group. The current combined availability of DBEs for projected NCTD FTA-funded contracts for FFY2023 through FFY2025 is 16.51 percent, as shown in bottom row of column (a).
2. Disparity indices for business ownership. As presented in Appendix F, African Americans, Asian-Pacific Americans, Hispanic Americans, Native Americans and white women working in the construction industry were less likely to own construction firms than similarly situated nonminorities and white men. These differences were statistically significant for each of those groups.

Keen Independent calculated simulated business ownership rates if those groups owned businesses at the same rate as nonminorities and white males who share similar personal characteristics. The study team then calculated a business ownership disparity index for each group by dividing the observed business ownership rate by the benchmark business ownership rate and then multiplying the result by 100.

Column (b) of Figure 6 presents disparity indices related to business ownership for the different racial/ethnic and gender groups. For example, as shown in column (b), African Americans own construction businesses at 61 percent of the rate that would be expected based on the simulated business ownership rates of white males who share similar personal characteristics. Appendix F explains how the study team calculated the disparity indices.

3. Availability after initial adjustment. Column (c) presents availability estimates for MBEs and WBEs by industry after initially adjusting for statistically significant disparities in business ownership rates. The study team calculated those estimates by dividing the current availability in column (a) by the disparity index for business ownership in column (b) and then multiplying by 100.
4. Availability after scaling to 100%. Column (d) shows adjusted availability estimates that were re-scaled so that the sum of the availability estimates equals 100 percent for each industry. The study team re-scaled the adjusted availability estimates by taking each group’s adjusted availability estimate in column (c) and dividing it by the sum of availability estimates shown under “Total firms” in column (c) — and multiplying by 100. For example, the re-scaled availability estimate for African Americans shown for construction was calculated in the following way: $(4.14\% \div 106.78\%) \times 100 = 3.88\%$.
5. Components of overall DBE goal with upward adjustment. Column (e) of Figure 6 shows the component of the total base figure attributed to the adjusted DBE availability for each industry. The study team calculated each component by taking the total availability estimate shown in column (d) for each industry and multiplying it by the proportion of projected FTA-funded contract dollars from FFY2023 through FFY2025 in each industry (i.e., 78.8% for construction, 17.1% for professional services, 0.6% for goods and 3.5% for other services).

For example, the study team used the 22.70 percent shown for DBE availability for construction firms in column (d) and multiplied it by 78.8 percent for a result of 17.90 percent. A similar weighting of DBE availability for professional services produced a value of 3.52 percent, 0.11 percent for goods and 0.12 percent for other services. The values in column (e) were then summed to equal the overall base figure adjusted for barriers in business ownership, which is 21.65 percent as shown in the bottom of column (e).

Finally, Keen Independent calculated the difference between the “but for” DBE availability (21.65%) and the current availability (16.51%) to calculate the potential upward adjustment. This difference, and potential upward adjustment, is 5.14 percentage points (21.65% - 16.51% = 5.14%).

3. Any disparities in the ability of DBEs to get financing, bonding and insurance. Analysis of access to financing and bonding revealed quantitative and qualitative evidence of disadvantages for minorities, women and MBE/WBEs.

- Any barriers to obtaining financing and bonding might affect opportunities for minorities and women to successfully form and operate construction and professional services businesses in the San Diego and Orange counties area marketplace.
- Any barriers that MBE/WBEs face in obtaining financing and bonding would also place those businesses at a disadvantage in obtaining NCTD construction and professional services contracts and subcontracts.

Note that financing and bonding are closely linked, as discussed in Appendix J.

The information about financing, bonding and insurance supports an upward step 2 adjustment in NCTD’s overall annual goal for DBE participation in FTA-funded contracts.

4. Other factors. The Federal DBE Program suggests that federal aid recipients also examine “other factors” when determining whether to make any step 2 adjustments to their base figure.³

Among the “other factors” examined in this study was the success of MBE/WBEs relative to majority-owned businesses in the San Diego and Orange counties area marketplace. There is quantitative and qualitative evidence that certain groups of MBE/WBEs are less successful than majority-owned firms, and face greater barriers in the marketplace, even after considering neutral factors.

There is no straightforward way to project the number of MBE/WBEs available for NCTD work but for the effects of these other factors.

Summary of approaches for making step 2 adjustments. Quantification of potential downward or upward step 2 adjustments is summarized below.

1. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years. Analysis of this factor might indicate a downward step 2 adjustment if NCTD

³ 49 CFR Section 26.45.

analyzed its estimates of past DBE participation for recent years (based on commitments/awards), the median DBE participation on FTA-funded contracts was 6.15 percent (from Figure 5).

The difference between the 16.51 percent base figure and 6.15 percent DBE participation is 10.36 percentage points (16.51% - 6.15% = 10.36%). One-half of this difference is a downward adjustment of 5.18 percentage points (10.36% ÷ 2 = 5.18%). The goal would then be calculated as follows: 16.51% - 5.18% = 11.33%. (These calculations are presented in Figure 7).

2. Information related to employment, self-employment, education, training, and unions. The study team was not able to quantify all of the information regarding barriers to entry for MBE/WBEs. Quantification of the business ownership factor indicates an upward step 2 adjustment of 5.14 percentage points to reflect the “but for” analyses of business ownership rates. If NCTD made this adjustment, the overall DBE goal for FTA-funded contracts would be 21.65 percent (16.51% + 5.14% = 21.65%). Figure 7 summarizes these calculations.

Figure 7. Potential step 2 adjustments to overall DBE goal for FTA-funded contracts, FFY2023–FFY2025

Step 2 adjustment component	Value	Explanation
Lower adjustment of overall DBE goal for current capacity		
Base figure	16.51 %	From base figure analysis
Evidence of current capacity	<u>6.15</u>	Past DBE participation
Difference	10.36 %	
	÷ <u>2</u>	Reduce by one-half
Adjustment	5.18 %	Downward adjustment for current capacity
Base figure	16.51 %	From base figure analysis
Adjustment for current capacity	- <u>5.18</u>	Downward step 2 adjustment
Overall DBE goal	11.33 %	Lower range of DBE goal
Upward adjustment of overall DBE goal for business ownership		
Base figure	16.51 %	From base figure analysis
Adjustment for "but for" factors	+ <u>5.14</u>	"But for" step 2 adjustment for business ownership
Overall DBE goal	21.65 %	Upward adjustment of DBE goal for business ownership

Note: Numbers may not add to totals due to rounding.

Source: Keen Independent Research analysis.

3. Any disparities in the ability of DBEs to get financing, bonding and insurance. Analysis of financing, bonding and insurance indicates that an upward adjustment is appropriate. However, the impact of these factors on availability could not be quantified in the 2022 Disparity Study.

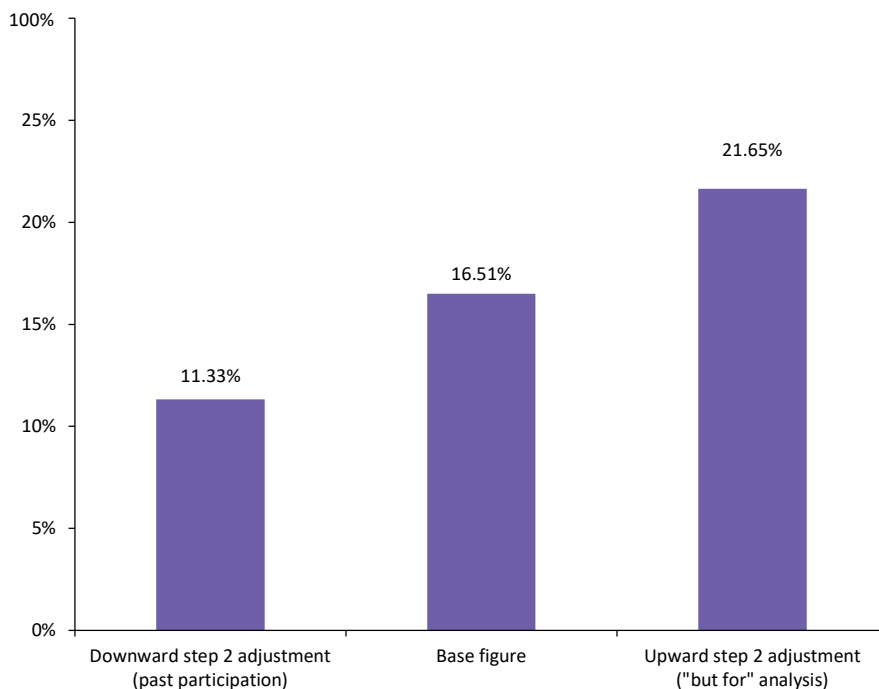
4. Other factors. Although the impact of the barriers to success of MBE/WBEs could not be specifically quantified in the 2022 Disparity Study, the evidence supports an upward adjustment.

Summary. NCTD considered whether or not to make a step 2 adjustment when determining its overall DBE goal.

- Adjustment for past DBE participation. If NCTD makes a downward step 2 adjustment reflecting current capacity to perform work, its overall DBE goal for FTA-funded contracts would be 11.33%.
- Adjustment for disparity in business ownership. If NCTD instead makes an upward adjustment based on estimated MBE/WBE availability but for the effects of race- and gender-based discrimination, its DBE goal would be 21.65%.

Figure 8 presents a summary of potential step 2 adjustments which NCTD considered.

Figure 8. Summary of potential step 2 adjustments to NCTD overall DBE goal for FTA-funded contracts



Source: Keen Independent Research using 2020 Disparity Study results.

Adjustments Summary. For FTA-funded contracts from FFY2023 through FFY2025, NCTD proposes utilizing a downward step 2 adjustment, based on past DBE participation, that produces an overall DBE goal of 11.33%, which is considerable higher than its overall DBE goal of 4.20% for recent years.

Race-/Gender-Neutral and Race-/Gender-Conscious Split — 49 CFR Section 26.51(c)

To comply with the Federal DBE Program, NCTD must meet the maximum feasible portion of its overall DBE goal using race- and gender-neutral measures.⁴ Race- and gender-neutral measures are initiatives that encourage the participation of all businesses, or all small businesses, and are not specifically limited to MBE/WBEs or DBEs. NCTD has considered whether it can meet its overall DBE goal solely through neutral means or whether race- and gender-conscious measures — such as DBE contract goals — are also needed. As part of doing so, NCTD has projected the portion of its overall DBE goals that it expects to meet (a) through race- and gender-neutral means, and (b) through race- and gender-conscious programs (if any). During the previous goal period NCTD operated an entirely race-neutral DBE program for its FTA-funded contracts.

USDOT offers guidance concerning how transportation agencies should project the portions of their overall DBE goals that will be met through race- and gender-neutral, and race- and gender-conscious measures, including the following:

- USDOT Questions and Answers about 49 CFR Part 26 addresses factors for federal aid recipients to consider when projecting the portion of their overall DBE goals that they will meet through race- and gender-neutral means.⁵
- USDOT “Tips for Goal-Setting” also suggests factors for federal aid recipients to consider when making such projections.⁶

Based on 49 CFR Part 26 and the resources above, NCTD considered the following questions:

1. Is there evidence of discrimination within the local transportation contracting marketplace for any racial, ethnic or gender groups?
2. What has been the agency’s past experience in meeting its overall DBE goal?
3. What has DBE participation been when NCTD has not applied DBE contract goals?⁷
4. What is the extent and effectiveness of race- and gender-neutral measures that NCTD currently has in place and will put in place for the next fiscal year?

The balance of this section is organized around each of those general areas of questions.

⁴ 49 CFR Section 26.51.

⁵ See <http://www.dotcr.ost.dot.gov/Documents/Dbe/49CFRPART26.doc>

⁶ 49 CFR Section 26.51.

⁷ USDOT guidance suggests evaluating (a) certain DBE participation as prime contractors if the DBE contract goals did not affect utilization, (b) DBE participation as prime contractors and subcontractors for agency contracts without DBE goals, and (c) overall utilization for other state, local or private contracting where contract goals are not used.

1. Is there evidence of discrimination within the local transportation contracting marketplace for any racial, ethnic or gender groups? The 2022 Disparity Study provides conditions in the local marketplace to address this question. Quantitative and qualitative information is summarized below.

Marketplace conditions. As discussed in the 2022 Disparity Study, there was quantitative evidence of disparities in outcomes in Orange County and San Diego County marketplace for minority- and woman-owned firms in general and for certain MBE/WBE groups concerning the above issues.

Qualitative information indicated some evidence that discrimination may have been a factor in these outcomes (see Qualitative Analysis section of the 2022 Disparity Study).

Results of the disparity analysis for FTA-funded contracts. The 2022 Disparity Study examines disparities in NCTD contracting. Utilization of certain MBE groups and minority-owned businesses in general on NCTD contracts was substantially below what might be expected from the availability analysis.

For the most recent two years studied (Jan. 2019 through Dec. 2020), there were also substantial disparities for Subcontinent Asian American- and white woman-owned firms in NCTD contracts (see 2022 Disparity Study).

Summary. NCTD reviewed the information about marketplace conditions and the disparity analyses for its contracts presented in the 2022 Disparity Study, as well as other information it may have, when considering the extent to which it can meet its overall DBE goal through neutral measures. The combined information from the marketplace analyses and the disparity analyses for NCTD contracts indicates disparities in outcomes for African American-, Asian-Pacific American-, Hispanic American and Native American-owned firms. There is also some evidence of disparities for Subcontinent Asian American- and white woman-owned businesses.

2. What has been the agency’s past experience in meeting its overall DBE goal? Figure 9 shows the results of NCTD’S reported DBE participation based on DBE commitments/awards and on payments on FTA-funded contracts.

As shown, NCTD fell short of its overall DBE goals in one of the three fiscal years when participation was measured based on commitments. DBE participation based on payments was higher than the goal for FFY2019, FFY2020 and FFY2021.

In FFY2019, a large prime contract was awarded to a DBE firm for railroad engineering work.

Figure 9. Overall DBE goal and reported DBE participation on FTA-funded contracts, FFY2019–FFY2021

Federal fiscal year	DBE goal	DBE		Difference from DBE goal	
		commitments/awards	DBE payments	Awards	Payments
2019	4.59	16.33	20.60	11.74	16.01
2020	4.20	3.76	43.82	-0.44	39.62
2021	4.20	6.15	22.58	1.95	18.38

Source: NCTD Uniform Reports of DBE Awards or Commitments and Payments.

3. What has been DBE participation as prime contractors? Keen Independent analyzed DBE participation based on NCTD’s FTA-funded prime contract dollars. From 2016 through 2020, DBEs received 12.6 percent of these prime contract dollars.

4. What is the extent and effectiveness of race- and gender-neutral measures that the agency could have in place for the next fiscal year? When determining the extent to which it could meet its overall DBE goal through the use of neutral measures, NCTD reviewed the race- and gender-neutral measures that it and other organizations have in place, and those it has planned or could consider for future implementation.

Keen Independent’s analysis of neutral remedies in the 2022 Disparity Study indicates that NCTD has already implemented an extensive set of neutral measures.

At this time, it is unclear whether any additional neutral measures would increase race-neutral participation of DBEs in NCTD’s FTA-funded contracts.

For the following reasons, NCTD proposes a race-neutral projection of 6.15 percentage points for its overall DBE goal for FFY2023 through FFY2025:

- The median DBE participation through race-neutral means was 6.15 percent based on NCTD’s reports for FFY2019 through FFY2021 (presented earlier in this appendix); and
- NCTD neutral initiatives are already considerable and will continue to expand.

The second column of numbers in Figure 10 provides projections using an overall DBE goal of 11.33 percent and a 6.15 percentage point race-neutral projection for FFY2023 through FFY2025. The race-conscious portion of the goal is 5.18 percentage points.

Figure 10. Race-neutral projections for FTA-funded contracts

Component of overall DBE goal	FFY 2020– FFY 2022	FFY 2023– FFY 2025
Overall goal	4.20 %	11.33 %
Neutral projection	- <u>4.20</u>	- <u>6.15</u>
Race-conscious projection	0.00 %	5.18 %

Source: Keen Independent Research 2020 Disparity Study.

Public Participation — 49 CFR Section 26.45(g)

NCTD published its DBE Goal and Methodology and the draft 2022 Disparity Study report for public consultation and comment in May 2022 before submitting final versions of these documents to FTA. The public comment period for the draft report and proposed overall DBE goal remained open through June 17, 2022.

Draft FTA DBE Goal-Setting Methodology

NCTD published the Draft FTA DBE Goal-Setting Methodology for FFY2023 – FFY2025 at <https://gonctd.com/about-nctd/business-with-nctd/> (see Attachment A) on May 13, 2022.

NCTD was able to receive public comments via email to Bradley Saran, NCTD Disadvantaged Business Enterprises Liaison Officer at DisparityStudy@nctd.org.

The proposed DBE Goal and Methodology was also available for public inspection until June 17th at the following locations:

- Front Desk (810 Mission Ave. Oceanside)
Monday through Friday from 8:00 a.m. to 4:00 p.m.
- Oceanside Transit Center and Escondido Transit Center – Customer Services
Monday through Friday from 7:00 a.m. to 7:00 p.m.
- Vista Transit Center Transit Center – Customer Services
Monday through Friday from 8:00 a.m. to 5:00 p.m.

Consultation Process

NCTD also reached out directly to minority, women, and community business organizations to obtain comments on the DBE Goal Methodology, invite them to participate in the virtual workshops on the draft disparity study report and the proposed DBE goal, and give them the opportunity for an in-person meeting. Each organization was contacted by email (see Attachment B).

Of those contacted, Small Business Development Center provided a comment that is summarized below:

Although there are many firms that are certified as DBE; most of those firms are not viable firms. Most of them do not have the past performance, the financial capabilities, or the minimum requirements to be eligible for many of the projects. In addition, DBE firms (as with many small business firms) do not respond to requests in a timely manner.

Many agencies will implore a DBE requirement of their prime contractors or have those primes demonstrate that they have done what is considered “reasonable” to meet those requirements, i.e., the good faith effort. Those primes are rarely held accountable for their outreach or commitment to the firms they actually list on their DBE Subcontracting plan.

11.33 percent is an ambitious goal. Unless NCTD is willing to unbundle projects, monitor prime contractors, and provide technical assistance to the DBE firms; I do not think the 11.33 percent goal is achievable.

Virtual Workshops

NCTD held three virtual workshops concerning the draft disparity study report and the proposed DBE goal on the following days and times:

- Friday, May 20 at 2:00 pm PDT;
- Monday, May 23 at 11:30 am PDT; and
- Monday, May 23 at 6:00 pm PDT.

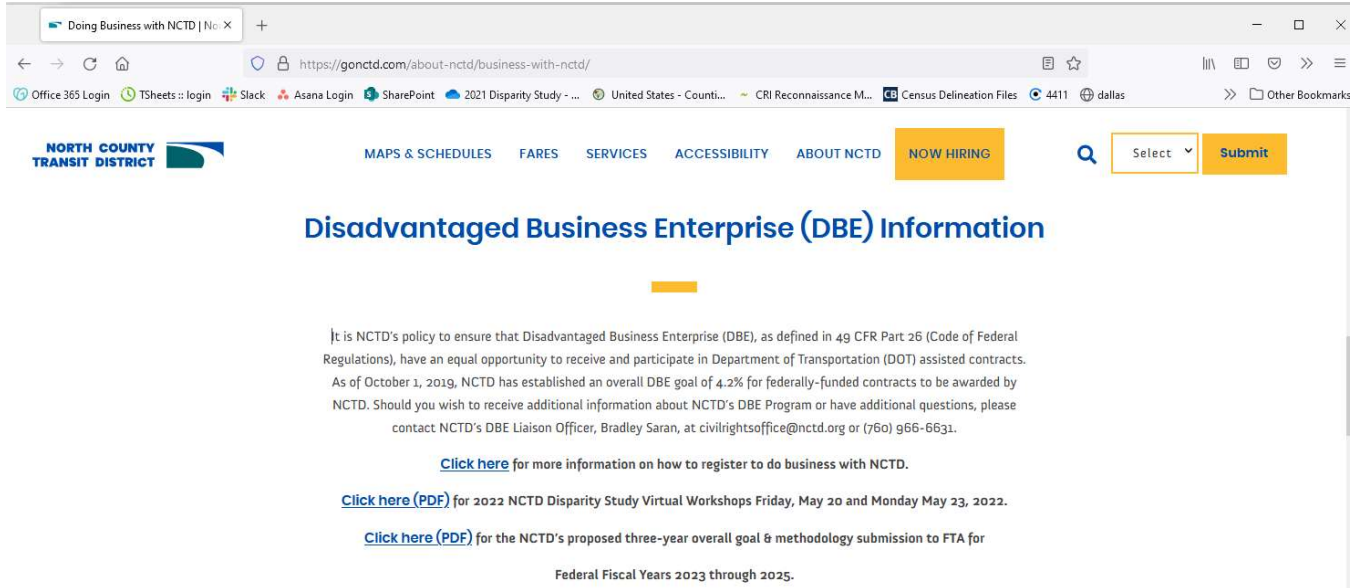
The disparity study report was available at <https://keenindependent.com/2021nctddisparitystudy/>. The public was able to submit feedback and provide written comments:

- a. During the virtual workshops;
- b. Online at the above web address;
- c. By calling the study telephone hotline at (442) 222-8142;
- d. Via email at NCTDDisparityStudy@keenindependent.com; and
- e. By regular mail sent to Annette Humm Keen, Principal Keen Independent Research, 701 N. 1st St., 2nd Floor, Phoenix, AZ 85004.

The public was encouraged to comment on the size of the proposed overall DBE goals, the methodology used to develop the goals, the results of the 2022 Disparity Study, as well as suggestions on how to improve contracting opportunities for DBEs and other small businesses, including what NCTD and the industry could do to enhance support of the Federal DBE Program (see Attachment C).

Comments received during the virtual workshops and through other communications were reviewed and incorporated into the 2022 Disparity Study final report. NCTD also considered this additional information before formally submitting its proposed overall DBE goal calculation to FTA.

Appendix A. Web notification



The screenshot shows a web browser window with the URL <https://gonctd.com/about-nctd/business-with-nctd/>. The page header includes the North County Transit District logo and navigation links: MAPS & SCHEDULES, FARES, SERVICES, ACCESSIBILITY, ABOUT NCTD, and NOW HIRING. A search bar with a dropdown menu and a Submit button is also present.

Disadvantaged Business Enterprise (DBE) Information

It is NCTD's policy to ensure that Disadvantaged Business Enterprise (DBE), as defined in 49 CFR Part 26 (Code of Federal Regulations), have an equal opportunity to receive and participate in Department of Transportation (DOT) assisted contracts. As of October 1, 2019, NCTD has established an overall DBE goal of 4.2% for federally-funded contracts to be awarded by NCTD. Should you wish to receive additional information about NCTD's DBE Program or have additional questions, please contact NCTD's DBE Liaison Officer, Bradley Saran, at civilrightsoffice@nctd.org or (760) 966-6631.

[Click here](#) for more information on how to register to do business with NCTD.

[Click here \(PDF\)](#) for 2022 NCTD Disparity Study Virtual Workshops Friday, May 20 and Monday May 23, 2022.

[Click here \(PDF\)](#) for the NCTD's proposed three-year overall goal & methodology submission to FTA for Federal Fiscal Years 2023 through 2025.

Appendix B. List of minority/trade organizations

Minority/trade organizations	Outreach effort
Associated General Contractors of America (AGC) San Diego Chapter Phone: 858-558-7444 Email: info@agcsd.org	6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email
American Indian Chamber of Commerce of California Tracy Stanhoff, President Phone: 714-898-6364 Email: tracy@adproweb.com	6/6/22 NCTD initial email 6/9/22 NCTD spoke with Tracy Stanhoff Tracy stated she received NCTD'S email from 6/6/2022 and would review 6/13/22 NCTD sent follow-up email
American Institute of Architects - San Diego Leigh Eisen, EVP & CEO Phone: 619-232-0109 Email: connect@aiasandiego.org	6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email
American Subcontractors Association of San Diego Nancy Grimes, Executive Director Phone: 619-825-9552 Email: nancy@sandiegoasa.org	6/6/22 NCTD initial email 6/9/22 NCTD spoke with Nancy Grimes, who stated that she will be reviewing the proposed DBE Goals and providing feedback, if any, by 6/17/2022
Asian Business Association (ABA) Jason Paguio, President and CEO Phone: 858-277-2822 Email: jason@abasd.org	6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email
Black Contractors Association of San Diego Phone: 619-263-9791 Email: nationalbca@aol.com	6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email
National Association of Minority Contractors, Southern California Sharon Coleman, President Phone: 323-296-8005 Email: scoleman@coleman.com	6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email

Appendix B. List of minority/trade organizations (cont.)

Minority/trade organizations	Outreach effort
<p>Pacific Southwest Minority Supplier Development Council Patricia Crenshaw, President and CEO Phone: 602-495-9950 Email: info@pswmsdc.org</p>	<p>6/6/22 NCTD initial email 6/9/22 NCTD called, unable to leave v/m because voicemail box was full 6/13/22 NCTD sent follow-up email</p>
<p>San Diego Contracting Opportunities Center Mike Sabellico, Interim Regional Director Phone: 616-216-6671 Email: msabellico@swccd.edu</p>	<p>6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD v/m from secretary and returned call and left v/m 6/13/22 NCTD sent follow-up email</p>
<p>San Diego County Hispanic Chamber of Commerce Ricardo Villa, President Phone: 858-268-0790 Email: info@sdchcc.org</p>	<p>6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email</p>
<p>San Diego Minority Construction Coalition Enrique Velez, Chair of the San Diego Minority Construction Coalition Phone: 619-481-7624 Email: evelez@sdminorityconstruction.org</p>	<p>6/6/22 NCTD initial email 6/9/22 NCTD called, unable to leave v/m because voicemail box was not setup 6/13/22 NCTD sent follow-up email</p>
<p>San Diego Supplier Development Council Ronald Garnett, President and CEO Phone: 858-537-2281 Email: council.info@supplierdiversitysd.org</p>	<p>6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email</p>
<p>Small Business Development Center (SBDC) North San Diego and Imperial Regional Network Mr. Sudershan Shanuak, President Phone: 760-795-8740 Email: sshaunak@miracosta.edu</p>	<p>6/6/22 NCTD initial email 6/10/22 NCTD met wit SBDC representative</p>
<p>Women's Construction Coalition (WCC) Phone: 619-778-4826 Email: info@wccsd.org</p>	<p>6/6/22 NCTD initial email 6/9/22 NCTD called and left voice mail 6/13/22 NCTD sent follow-up email</p>

Appendix C. Virtual workshop presentation

North County Transit District 2022 Disparity Study



Presented by:
 Annette Humm Keen, Principal
 David Keen, Principal
 Blanca Monter, Senior Consultant

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hummkeen@keenindependent.com
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Virtual Workshops, May 2022

Joined by:
 Yen Tu
 Yen C. Tu Consulting

Ed Salcedo
 GCAP Services

Susana Villegas
 SVPR Communications



Topics

- Why conduct a disparity study
- Information collected from NCTD
- Definition of market area
- Quantitative evidence for marketplace
- Qualitative evidence for marketplace
- Federal requirements for overall DBE goal
- Availability analysis
- Setting overall goal
- MBE/WBE and DBE utilization
- Disparity analysis
- Proposed DBE goal for FFY2023 -FFY2025
- Recommendations
- Public comment period



Why conduct a disparity study

- NCTD must implement the Federal DBE Program
- Disparity study provides information to help NCTD:
 - Set overall goal for DBE participation on FTA -funded contracts
 - Consider whether NCTD can achieve overall DBE goal solely through neutral means
 - If NCTD needs to continue DBE contract goals, assess the specific race/ethnic/gender groups eligible for that program component
- USDOT instructed agencies to conduct disparity studies after 2005 Ninth Circuit decision in *Western States Paving v. Washington State DOT*
- Also, outside review of NCTD practices and other policies is useful

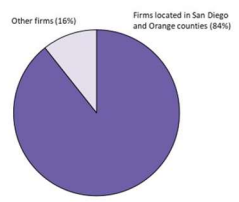


Information collected from NCTD

- NCTD FTA-funded contracts and subcontracts from January 2016 through December 2020
 - Awards, including funding source, amount, type of work
 - Information about prime contractors
 - Information about subcontractors
- Lists of firms interested in NCTD work



Definition of market area — where contract dollars spent

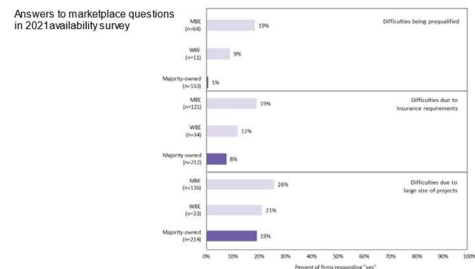


Quantitative evidence of disparities in marketplace

- Limited entry of women and certain minority groups into San Diego and Orange County construction and professional services industries
- Disparities in:
 - Business ownership rates for certain groups in construction and professional services
 - Home ownership and home mortgages for minorities
 - Access to capital
 - Access to bonding
 - Business revenue
 - Access to information about opportunities



Quantitative evidence of disparities in marketplace



Qualitative evidence of barriers in marketplace — capital

- Access to capital is always an issue. Representative of a WBE specialty services firm
- Banks didn't want to work with me, because I didn't have the lending [history] they were looking for, with redlining and all of the other pieces that go along with systemic racism. Owner of a DBE specialty services firm
- [It's] been an issue for me recently, with a couple of projects that we bid on — government projects. You had to have a bid bond. One of them was of a million dollars. This doesn't happen overnight. Co-owner of an MBE/WBE/DBE construction-related firm



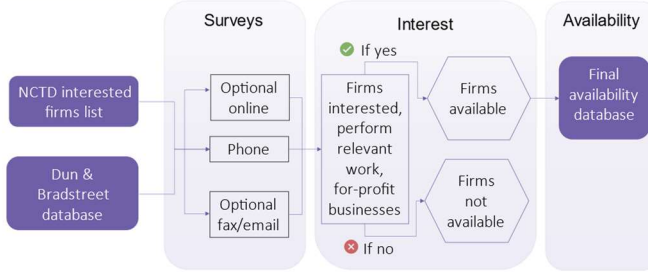
Appendix C. Virtual workshop presentation (cont.)

Federal requirements for overall DBE goal (49 CFR 26)

- Determine base figure
- Consider step 2 adjustments
- Project portion of goal to be met through neutral means
- Ensure that program operation is narrowly tailored



Availability analysis — data sources and process



Availability analysis — headcount results

Race/ethnicity and gender	Number of firms	Percent of firms	Race/ethnicity and gender	Number of firms	Percent of firms
All available firms (certified and non-certified)			Certified DBEs		
African American-owned	25	6.01 %	African American-owned	5	1.20 %
Asian-Pacific American-owned	26	6.25	Asian-Pacific American-owned	11	2.64
Subcontinent Asian American-owned	12	2.88	Subcontinent Asian American-owned	6	1.44
Hispanic American-owned	68	16.35	Hispanic American-owned	10	2.40
Native American-owned	6	1.44	Native American-owned	1	0.24
Total MBE	137	32.93 %	Total MBE	33	7.93 %
WBE (white woman-owned)	40	9.62	WBE (white woman-owned)	6	1.44
Total MBE/WBE	177	42.55 %	Total DBE-certified	39	9.38 %
Majority-owned firms	239	57.45	Non-DBE	377	90.63
Total	416	100.00 %	Total	416	100.00 %



Availability analysis — MBE/WBE dollar-weighted availability

Race/ethnicity and gender	Dollar-weighted availability
African American-owned	4.01 %
Asian-Pacific American-owned	11.61
Subcontinent Asian American-owned	0.74
Hispanic American-owned	13.04
Native American-owned	1.14
Total MBE	30.55 %
WBE (white woman-owned)	6.12
Total MBE/WBE	36.67 %
Majority-owned firms	63.33
Total	100.00 %



Setting overall goal — projections of FTA-funded contracts FFY2023–FFY2025

NAICS	NAICS description	Type of work	FTA funded	
			Dollars (\$1,000s)	Percent
237990	Other heavy and civil engineering construction	Railroad and railway roadbed construction	\$ 8,304	59.65 %
236220	Commercial and institutional building construction	Public building construction	1,472	10.57
541330	Engineering services	Other engineering	1,325	9.52
238210	Electrical contractors and other wiring installation contractors	Railroad signaling work	1,200	8.62
541330	Engineering services	Railroad engineering	850	6.11
561730	Landscaping services	Landscaping services	330	2.37
541990	All other professional, scientific, and technical services (primary)	Other professional services	200	1.44
517312	Wireless telecommunications carriers (except satellite)	Other other services	156	1.12
335999	All other electrical equipment and component manufacturing	Other goods	85	0.61
Total			\$ 13,922	100.00 %



Setting overall goal — relative availability of DBEs

NAICS	NAICS description	DBE Firms	Total Firms	Percentage of firms that are DBEs
237990	Other heavy and civil engineering construction	7	34	20.59 %
236220	Commercial and institutional building construction	12	134	8.96
541330	Engineering services	16	149	10.74
238210	Electrical contractors and other wiring installation contractors	1	16	6.25
541330	Engineering services	6	30	20.00
561730	Landscaping services	1	28	3.57
541990	All other professional, scientific, and technical services (primary)	6	34	17.65
517312	Wireless telecommunications carriers (except satellite)	1	23	4.35
335999	All other electrical equipment and component manufacturing	4	22	18.18

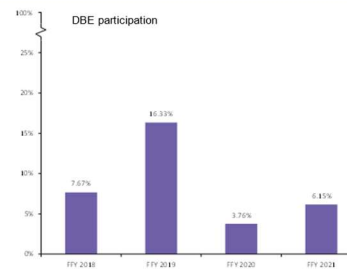


Setting overall goal — DBE dollar-weighted availability

NAICS	NAICS description	Percent of FTA-funded contract dollars	Percentage of firms that are DBEs	Weighted availability
237990	Other heavy and civil engineering construction	59.65 %	20.59 %	12.28 %
236220	Commercial and institutional building construction	10.57	8.96	0.95
541330	Engineering services	9.52	10.74	1.02
238210	Electrical contractors and other wiring installation contractors	8.62	6.25	0.54
541330	Engineering services	6.11	20.00	1.22
561730	Landscaping services	2.37	3.57	0.08
541990	All other professional, scientific, and technical services (primary)	1.44	17.65	0.25
517312	Wireless telecommunications carriers (except satellite)	1.12	4.35	0.05
335999	All other electrical equipment and component manufacturing	0.61	18.18	0.11
Total		100.00 %		16.51 %



Setting overall goal — consideration of a step 2 adjustment



Appendix C. Virtual workshop presentation (cont.)

Setting overall goal — consideration of a step 2 adjustment

Step 2 adjustment component	Value	Explanation
Lower adjustment of overall DBE goal for current capacity		
Base figure	16.51 %	From base figure analysis
Evidence of current capacity	6.15	Past DBE participation
Difference	10.36 %	
	- 2	Reduce by one-half
Adjustment	5.18 %	Downward adjustment for current capacity
Base figure	16.51 %	From base figure analysis
Adjustment for current capacity	- 5.18	Downward step 2 adjustment
Overall DBE goal	11.33 %	Lower range of DBE goal
Upward adjustment of overall DBE goal for business ownership		
Base figure	16.51 %	From base figure analysis
Adjustment for "but for" factors	+ 5.14	"But for" step 2 adjustment for business ownership
Overall DBE goal	21.65 %	Upper range of DBE goal

Setting overall goal — analysis of neutral projections

Component of overall DBE goal	FFY 2023–FFY 2025			
	FFY 2020–FFY 2022	Downward adjustment - current capacity	Base figure	Upward adjustment - business ownership
Overall goal	4.20 %	11.33 %	16.51 %	21.65 %
Neutral projection	- 4.20	- 6.15	- 6.15	- 6.15
Race-conscious projection	0.00 %	5.18 %	10.36 %	15.50 %

MBE/WBE and DBE utilization

Business ownership (certified and non-certified firms)			Certified DBEs			
	Number of procurements*	Percent of dollars		Number of procurements*	Percent of dollars	
African American-owned	3	47	0.04 %	1	2	0.00 %
Asian-Pacific American-owned	15	3,450	3.15	10	3,318	3.03
Subcontinent Asian American-owned	9	3,827	3.50	2	3,589	3.26
Hispanic American-owned	27	4,797	4.38	19	2,594	2.37
Native American-owned	1	21	0.02	1	21	0.02
Total MBE	55	\$ 12,142	11.10 %	33	\$ 9,504	8.69 %
WBE (white woman-owned)	31	6,727	6.15	14	4,835	4.42
Total MBE/WBE	86	\$ 18,869	17.24 %	47	\$ 14,339	13.10 %
Total majority-owned	245	90,553	82.76	284	95,083	85.90
Total	331	\$ 109,422	100.00 %	331	\$ 109,422	100.00 %

* Includes prime contracts and subcontracts

Disparity analysis for FTA-funded contracts — 2016–2020

	Utilization	Availability	Disparity index
African American-owned	0.04 %	4.01 %	1
Asian-Pacific American-owned	3.15	11.61	27
Subcontinent Asian American-owned	3.50	0.74	200+
Hispanic American-owned	4.38	13.04	34
Native American-owned	0.02	1.14	2
Total MBE	11.10 %	30.55 %	36
WBE (white woman-owned)	6.15	6.12	100
Total MBE/WBE	17.24 %	36.67 %	47
Majority-owned	82.76	63.33	131
Total	100.00 %	100.00 %	

Disparity analysis for FTA-funded contracts — 2016–2018

	Utilization	Availability	Disparity index
African American-owned	0.06 %	4.32 %	1
Asian-Pacific American-owned	1.79	11.10	16
Subcontinent Asian American-owned	5.03	0.75	200+
Hispanic American-owned	4.03	13.63	30
Native American-owned	0.03	1.56	2
Total MBE	10.94 %	31.36 %	35
WBE (white woman-owned)	7.79	7.33	106
Total MBE/WBE	18.73 %	38.69 %	48
Majority-owned	81.27	61.31	133
Total	100.00 %	100.00 %	

Disparity analysis FTA-funded contracts — 2019–2020

	Utilization	Availability	Disparity index
African American-owned	0.01 %	3.37 %	0
Asian-Pacific American-owned	5.92	12.66	47
Subcontinent Asian American-owned	0.39	0.74	53
Hispanic American-owned	5.10	11.84	43
Native American-owned	0.00	0.00	0
Total MBE	11.42 %	28.61 %	40
WBE (white woman-owned)	2.81	3.66	77
Total MBE/WBE	14.24 %	32.27 %	44
Majority-owned	85.76	67.73	127
Total	100.00 %	100.00 %	

FTA proposed goal for FFY2023–FFY2025

- 11.33% overall annual DBE goal for FTA -funded contracts for three years starting October 1, 2022
- Project to achieve overall goal through:
 - Neutral means (6.15%)
 - Race- and gender-conscious means (5.18%)
- NCTD proposes to include all DBE groups as eligible to meet contract goals on FTA -funded contracts

Recommendations

- Additional race - and gender -neutral efforts
 - Unbundling contracts
 - Providing additional information about bidding opportunities
 - Additional outreach
 - Bonding
 - Additional use of informal or simplified bidding
 - Tracking of DBE participation for its FTA and non -federally funded contracts
- Potential implementation of DBE contract goals

Appendix C. Virtual workshop presentation (cont.)

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Public comment period

- Three virtual public workshops in May 2022
- Telephone hotline (442) 222 -814
- <https://keenindependent.com/2021nctddisparitystudy/>
- NCTDDisparityStudy@keenindependent.com
- Annette Humm Keen, Principal
Keen Independent Research
701 N. 1st Street, Phoenix AZ 85004
- Public comment period closes June 17, 2022

