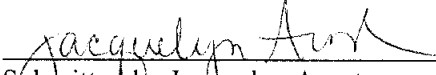


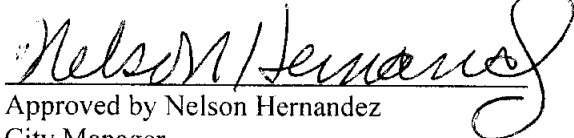


City of Carson Report to Mayor and City Council

September 16, 2014
New Business Discussion

SUBJECT: CONSIDERATION TO EXPLORE ESTABLISHING A DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL AND OUTREACH PROGRAM FOR THE CITY OF CARSON (ADMINISTRATIVE SERVICES)


Submitted by Jacquelyn Acosta
Director of Administrative Services


Approved by Nelson Hernandez
City Manager

I. SUMMARY

At the request of Councilman Robles and Councilwoman Davis-Holmes, the City staff is researching the viability and requirements of establishing a Disadvantaged Business Enterprise (DBE) Program. The DBE Program is used to diversify projects where federal funds are utilized. The Department of Transportation mandates that a certain percentage of small businesses, disadvantaged businesses and minority/women-owned businesses get a share of the business opportunities afforded to every state in the nation. Some entities go beyond this minimum, but most adhere to the standard set by Caltrans. Participation in this Program helps Caltrans meet its participatory goal for the program, which promotes diversity but keeps the state of California in line to receive federally-assigned dollars for various federally-funded projects. By institutionalizing the DBE requirements currently in place for transportation to all CIP and Public Works projects, the DBE program will foster and promote local minority contractors participation and procurement of contracts, to provide fairness and more business opportunities for DBE companies.

II. RECOMMENDATION

TAKE the following actions:

1. AUTHORIZE the Purchasing Manager and staff to pursue the exploration of the benefits of enacting this concept in the City of Carson;
2. AUTHORIZE staff to process a Request for Proposal (RFP) to identify the best technical solution for this program.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

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IV. BACKGROUND

The U.S. Department of Transportation (USDOT), through its operating administrations which include the Federal Highway Administration (FHA), the Federal Aviation Administration (FAA) and the Federal Transit Administration (FTA), distributes in excess of \$20 billion annually throughout the nation to help finance thousands of projects across the country. Although a major portion of the funds are allocated for highway construction, funds are also provided to local public transit authorities, for mass transit projects. The USDOT DBE Program provides a vehicle for increasing the participation by disadvantaged businesses in these procurements.

The USDOT requires that a Unified Certification Program (UCP), governed by 49 CFR, Part 26, be put into practice by each state. The purpose of the UCP is to provide “one-stop shopping” of certification services to socially and economically disadvantaged individuals. Caltrans is the statewide agency.

The main objectives of the DBE Program are: 1) To ensure that small DBE firms can compete fairly for federally-funded transportation-related projects; 2) To ensure that only eligible firms participate as a DBE firm, and; 3) To assist DBE firms in competing outside of the DBE Program.

A DBE is a for-profit small business concern that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged. In order for small disadvantaged firms, including those owned by minorities and women, to participate as a DBE in USDOT-assisted contracts, they must apply for and receive certification as a DBE. For the state of California, DBE certification is performed by the certifying agencies of the California Unified Certification Program (CUCP). There are six economic, social and business requirements for DBE certification and companies must meet all six to qualify.

The objective of the program is to ensure nondiscrimination in the award and administration of federally-funded contracts in Caltrans highway, transit, and airport financial assistance programs; to create a level playing field on which DBEs can compete fairly for federally-funded contracts. DBE program goals serve as inspirational targets and may not be used as rigid quotas. When contractors provide proof they have made “good faith” efforts to meet the goal of finding women and minority workers or subcontractors, yet fall short, the requirement can be waived on satisfaction that all tests of good faith effort requirements are met by contractors.

Companies receive certain benefits with DBE certification, such as: being recognized by 800 local agencies in California, other states and private companies; expanded opportunities to participate in federally-funded projects; becoming

accessible to prime contractors needing to fulfill DBE participation goal requirements; listings in the official directories such as the CUCP database used by prime contractors; increased opportunities to network at events such as procurement fairs and pre-bids; being eligible for mentor-protégé opportunities such as Caltrans' Cal Mentor programs; and no fees to apply.

Of all the South Bay cities and those cities nearby, only El Segundo, Lawndale, Manhattan Beach and the City of Carson are currently not participating in a DBE program. There are several businesses, service providers, utility companies, universities, and municipalities participating in the program statewide.

In addition to expanding the DBE Program, staff is requesting authorization to release an RFP to solicit for an eProcurement solution relative to goods and services required by the City. An eProcurement system would facilitate the vendor search process, including DBE vendors, and would enable vendors to see available business opportunities with the City.

V. FISCAL IMPACT

Negligible; potential tax revenue increases with local businesses getting more contracting and sub-contracting participatory opportunities and company growth potential. Participation in the program aids the state in meeting its participatory goals that continue the influx of federal USDOT funds to the state; funds to which the City of Carson will receive some direct benefit.

VI. EXHIBITS

1. Unified Certification Program (UCP) DBE Program Information (pgs. 5 – 6)
2. Roster of Certifying Agencies (pgs. 7 – 8)

Prepared by: Ruth Rodriguez, Purchasing Manager and
Paul H. Scott, TSE Administrative Assistant

TO: Rev07-02-2014

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council	
Date_____	Action_____

Unified Certification Program

For individuals with Limited English Proficiency and sensory disabilities, this information is available in various languages, Braille, large print, on audio-cassette, or computer disk. To obtain a copy in one of these alternate formats, please call or write to the California Department of Transportation, Office of Business & Economic Opportunity - MS #79, 1823 14th Street, Sacramento, CA 95814, (916) 324-1700, FAX (916) 324-1949.

California Unified Certification Program (UCP)

GENERAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM INFORMATION

The U.S. Department of Transportation (DOT), through its operating administrations which include Federal Highway Administration, the Federal Aviation Administration and the Federal Transit Administration, distributes in excess of \$20 billion annually throughout the nation to help finance thousands of projects across the country. Although a major portion of the funds is allocated for highway construction, funds are also provided to local public transit authorities, including the District, for mass transit projects. The DOT DBE Program provides a vehicle for increasing the participation by disadvantaged businesses in these procurements.

The main objectives of the DBE Program are:

- * To ensure that small DBE firms can compete fairly for federally funded transportation-related projects.
- * To ensure that only eligible firms participate as a DBE firm.
- * To assist DBE firms in competing outside of the DBE Program.

In order for small disadvantaged firms, including those owned by minorities and women, to participate as a DBE in DOT-assisted contracts, they must apply for and receive certification as a DBE. For the state of California, DBE certification is performed by the certifying agencies of the California Unified Certification Program (CUCP).

For additional information about the DBE Program, please visit the U.S. D.O.T., Office of Small and Disadvantaged Business Utilization.

General Criteria for Certification as a DBE

1. The firm must be an existing for-profit "Small Business Concern", as defined pursuant to Section 3 of the Small Business Act and Small Business Administration (SBA) regulations implementing it (13 CFR Part 121). Further, the average annual gross receipts for the firm (including its affiliates) over the previous three fiscal years shall not exceed the cap of \$22.41 million, as adjusted for inflation by the U.S. Secretary of Transportation.
2. The firm must be at least 51% owned by one or more socially and economically disadvantaged individuals. In the case of a corporation, such individuals must own at least 51% of each class of voting stock outstanding and 51% of the aggregate of all stock outstanding. In the case of a partnership, socially and economically disadvantaged individuals must own 51% of each class of partnership interest. In the case of a limited liability company, socially and economically disadvantaged individuals must own at least 51% of each class of member interest.
3. The firm's ownership by socially and economically disadvantaged individuals must be real, substantial and continuing, going beyond pro forma ownership of the firm.
4. The firm must be an independent business, and one or more of the socially and economically disadvantaged individuals who own it must control its management and daily operations.
5. The firm must be owned and controlled by individuals, each of whose personal net worth does not exceed \$1,320,000, excluding an individual's ownership interest in the applicant firm and the individual's equity in his or her personal, primary residence. "Personal Net Worth" means the net values of the assets of an individual remaining after total liabilities are deducted. A "Personal Net Worth Statement" is included in the DBE Certification application.

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

1. Any individual found to be socially and economically disadvantaged, on a case-by-case basis, by a certifying agency of the CUCP, pursuant to standards of the U.S. D.O.T. in 49 CFR Part 26, Subpart D-Certification Standards.

2. Any individual in the following groups, members of which are reputably presumed to be socially and economically disadvantaged:

1. "Black Americans" which includes persons having origins in any of the Black racial groups of Africa;

2. "Hispanic Americans" which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

3. "Native Americans" which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

4. "Asian-Pacific Americans" which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U. S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;

5. "Subcontinent Asian Americans" which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;

6. Women; and

7. Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

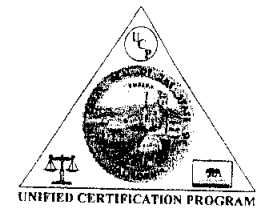
If your company satisfies all the above criteria, you may be interested in applying for **DBE certification** status.

[Click here for the current list of Certifying Agencies](#)

<http://www.dot.ca.gov/hq/bep/ucp.htm>



CALIFORNIA UNIFIED CERTIFICATION PROGRAM (CUCP)



Roster of Certifying Agencies

Note: If you received this information on hard copy, the California Unified Certification Program Application Package is available on the website at http://www.dot.ca.gov/hq/bep/business_forms.htm.

If the firm has its principal place of business in another state and is currently certified in that state, please contact the California Department of Transportation in the Northern Cluster.

Southern Cluster

Area	Counties	Certifying Agencies
Riverside, Imperial & San Diego (RIS)	Imperial Riverside San Diego	<p><u>SUBMIT APPLICATION PACKAGE TO:</u></p> <ul style="list-style-type: none"> ➤ CITY OF LOS ANGELES ➤ LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY <p style="text-align: center;"><u>OR</u></p> <ul style="list-style-type: none"> ➤ CALIFORNIA DEPARTMENT OF TRANSPORTATION <p style="text-align: center;">SEE CONTACT INFORMATION BELOW.</p>
Los Angeles Area	Kern Los Angeles Orange San Bernardino San Luis Obispo Santa Barbara Ventura	<div style="display: flex; justify-content: space-between;"> <div> <p>CITY OF LOS ANGELES Bureau of Contract Admin. Centralized Certification Section 1149 S. Broadway, Ste 300 Los Angeles, CA 90015 Phone: (213) 847-2684 Fax: (213) 847-2777 http://bca.lacity.org</p> </div> <div> <p>LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) Diversity and Economic Opportunity Department One Gateway Plaza, MS 99-13-5 Los Angeles, CA 90012 Phone: (213) 922-2600 Fax: (213) 922-7660 www.metro.net</p> </div> </div>

* List of agencies subject to change

EXHIBIT NO. 02

Roster
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Undated 2/2010

Northern Cluster

Area	Counties	Certifying Agencies	
Bay Area/ Central Valley	Alameda	S.F. BAY AREA RAPID TRANSIT DISTRICT (BART)	SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY (SFMTA)
	Amador	Office of Civil Rights	Contract Compliance Office
	Calaveras	300 Lakeside Drive	1 S. Van Ness Avenue, 6th Floor
	Contra Costa	18 th Floor	San Francisco, CA 94103
	Fresno	Oakland, CA 94612	Phone: (415) 701-4436
	Kings	Phone: (510) 464-6195	Fax: (415) 701-4347
	Madera	Fax: (510) 464-7587	www.sfmuni.com
	Marin	www.bart.gov	SAN MATEO COUNTY TRANSIT DISTRICT (SAMTRANS)/ PENINSULA CORRIDOR JOINT POWERS BOARD (CALTRAIN)
	Mariposa	CITY OF FRESNO	DBE Office
	Merced	DBE Program	1250 San Carlos Avenue
	Monterey	2101 G Street, Building A	San Carlos, CA 94070
	Napa	Fresno, CA 93706	Phone: (650) 508-7939
	San Benito	Phone: (559) 621-1153	Fax: (650) 508-7738
	San Francisco	Fax: (559) 488-1069	www.samtrans.com
	San Joaquin	www.fresno.gov	
	San Mateo	SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)	
	Santa Clara	Office of Small &	
	Santa Cruz	Disadvantaged Businesses	
	Solano	3331 North First Street, Bldg. A	
	Sonoma	San Jose, CA 95134-1906	
	Stanislaus	Phone: (408) 321-5962	
	Tulare	Fax: (408) 955-9729	
	Tuolumne	www.vta.org	
		CENTRAL CONTRA COSTA TRANSIT AUTHORITY (CCCTA)	
		Office of Civil Rights	
		2477 Arnold Industrial Way	
		Concord, CA 94520-5327	
		Phone: (925) 676-1976	
		Fax: (925) 686-2630	
		www.cccta.org	
Northern California	Alpine	CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)	YOLO COUNTY TRANSPORTATION DISTRICT (YOLOBUS)
	Butte	Office of Business and Economic	DBE Programs
	Colusa	Opportunity MS 79	350 Industrial Way
	Del Norte	1823 - 14 th Street	Woodland, CA 95776
	El Dorado	Sacramento, CA 95814	Phone: (530) 661-0816
	Glenn	Phone: (916) 324-1700 or	Fax: (530) 661-1732
	Humboldt	(866) 810-6346	www.yolobus.com
	Inyo	Fax: (916) 324-1862	
	Lake	www.dot.ca.gov	
	Lassen		
	Mendocino		
	Modoc		
	Mono		
	Nevada		
	Placer		
	Plumas		
	Sacramento		
	Shasta		
	Sierra		
	Siskiyou		
	Sutter		
	Tehama		
	Trinity		
	Yolo		
	Yuba		

* List of agencies subject to change

