



City of Montebello

Proposed DBE Goal-Setting Methodology

for the

Federal Fiscal Year 2022-2024 Goal Period

Submitted in fulfillment of:

*Section 1101 of the Transportation Equity Act for the 21st Century
and 49 Code of Federal Regulations Part 26*

and

Federal Register / Vol. 75, No. 22 [Docket No. OST-2010-0021]

* This analysis is prepared exclusively for the City of Montebello, it is non-transferable and is not to be duplicated

City of Montebello
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL DBE GOAL AND METHODOLOGY
FOR THE FEDERAL FISCAL YEAR (FFY) 2022-2024 GOAL PERIOD
(Covering the period of October 1, 2021 to September 30, 2024)

I. INTRODUCTION

City of Montebello herein sets forth its Proposed Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2022 through 2024, pursuant to Title 49, Code of Federal Regulations (CFR), Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Financial Assistance Programs”; and the Federal Transportation Administration (FTA) Master Agreement.

II. BACKGROUND

Effective March 3, 2010, the United States Department of Transportation (“DOT”) issued a final rule affecting the implementation and management of the Department’s Disadvantaged Business Enterprise (“DBE”) program. The final rule requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, the City of Montebello is still required to conduct an annual review to account for changes that may warrant an adjustment to the overall goal or make an adjustment based on changed circumstances (i.e. significant change in the legal standards governing the DBE program, new contracting opportunities presented by the availability of new or different grant opportunities, etc.) to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the three-year schedule, the City’s DBE goal and methodology submission is due to FTA on August 1, 2021 for proposed FTA-funded contracting activities for the three Federal Fiscal Years (FFY) 2022-2024.

The City of Montebello herein presents its Proposed Overall DBE Goal Methodology for FFY 2022/24 goal period which resulted in a 2 percent Overall DBE Goal.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2022/24

Table 1 represents the City of Montebello’s U.S. DOT-assisted (FTA) defined contracting program, which includes eleven (11) projects considered in preparing its **Proposed Overall DBE Goal-Setting Methodology**. The projects have viable subcontracting possibilities and corresponding availability of DBEs, a required criterion for Overall Goal consideration, and are anticipated to be awarded within the respective goal period:

Table 1

PROJECT	Total Estimated Cost (Federal Share)
Facility Surveillance Systems	\$300,000
Support Vehicles	\$181,224
Tire Lease-FY 2022	\$240,000

Tire Lease-FY 2023	\$240,000
Tire Lease-FY 2024	\$240,000
Associated Capital Maintenance (Spare parts)-FY 2022	\$400,000
Associated Capital Maintenance (Spare parts)-FY 2023	\$400,000
Associated Capital Maintenance (Spare parts)-FY 2024	\$400,000
Preventive Maintenance-FY 2022	\$1,665,500
Preventive Maintenance-FY 2023	\$1,665,500
Preventive Maintenance-FY 2024	\$1,665,500
TOTAL	\$7,397,724

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)¹

To establish the City of Montebello’s Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the City of Montebello’s FFY 2022/24 FTA-assisted contracting opportunities projected to be solicited during the respective goal period, the City of Montebello followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the *California Unified Certification Program (CUCP) Directory of Certified DBE Firms* and the *2019 U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made within the City of Montebello’s market area (defined as Los Angeles County and Orange County, Riverside and San Bernardino) and by specified industries and types of businesses identified in Table 2. The City of Montebello’s local market area represents where the substantial majority of the City of Montebello’s contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received.

The City of Montebello made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all work category classifications grouped, refer to *Table 2 below*:

Table 2

NAICS	NAICS Description	Percent of Project	Value
Facility Surveillance Systems			
238210	Electrical Contractors and Other Wiring Installation Contractors	25	75,000.00
238910	Site Preparation Contractors	15	45,000.00
238990	All Other Specialty Trade Contractors	10	30,000.00
423410	Photographic Equipment and Supplies Merchant Wholesalers	5	15,000.00

¹ 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

423690	Other Electronic Parts and Equipment Merchant Wholesalers	5	15,000.00
541330	Engineering Services	10	30,000.00
541380	Testing Laboratories	5	15,000.00
541512	Computer Systems Design Services	10	30,000.00
541611	Administrative Management and General Management Consulting Services	5	15,000.00
561621	Security Systems Services (except Locksmiths)	10	30,000.00
Total		100	300,000.00
Support Vehicle			
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	95	172,162.80
484220	Specialized Freight (except Used Goods) Trucking, Local	5	9,061.20
Total		100	181,224.00
Tire Lease - FY 22			
441320	Tire Dealers	50	120,000.00
423130	Tire and Tube Merchant Wholesalers	50	120,000.00
Total		100	240,000.00
Tire Lease - FY 23			
441320	Tire Dealers	50	120,000.00
423130	Tire and Tube Merchant Wholesalers	50	120,000.00
Total		100	240,000.00
Tire Lease - FY 24		\$240,000	
441320	Tire Dealers	50	120,000.00
423130	Tire and Tube Merchant Wholesalers	50	120,000.00
Total		100	240,000.00
Associated Capital Maintenance (Spare Parts) - RY 22			
441310	Automotive Parts and Accessories Stores	10	40,000.00
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	25	100,000.00
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	15	60,000.00

423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	50	200,000.00
Total		100	400,000.00
Associated Capital Maintenance (Spare Parts) - RY 23			
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	50	200,000.00
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	15	60,000.00
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	25	100,000.00
441310	Automotive Parts and Accessories Stores	10	40,000.00
Total		100	400,000.00
Associated Capital Maintenance (Spare Parts) - RY 24			
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	50	200,000.00
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	15	60,000.00
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	25	100,000.00
441310	Automotive Parts and Accessories Stores	10	40,000.00
Total		100	400,000.00
Preventive Maintenance-FY 22			
488490	Other Support Activities for Road Transportation	5	83,275.00
811111	General Automotive Repair	50	832,750.00
811112	Automotive Exhaust System Repair	5	83,275.00
811113	Automotive Transmission Repair	10	166,550.00
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	15	249,825.00
811121	Automotive Body, Paint, and Interior Repair and Maintenance	5	83,275.00
811198	All Other Automotive Repair and Maintenance	10	166,550.00

Total		100	1,665,500.00
Preventive Maintenance-FY 23			
488490	Other Support Activities for Road Transportation	5	83,275.00
811111	General Automotive Repair	50	832,750.00
811112	Automotive Exhaust System Repair	5	83,275.00
811113	Automotive Transmission Repair	10	166,550.00
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	15	249,825.00
811121	Automotive Body, Paint, and Interior Repair and Maintenance	5	83,275.00
811198	All Other Automotive Repair and Maintenance	10	166,550.00
Total		100	1,665,500.00
Preventive Maintenance-FY 24			
488490	Other Support Activities for Road Transportation	5	83,275.00
811111	General Automotive Repair	50	832,750.00
811112	Automotive Exhaust System Repair	5	83,275.00
811113	Automotive Transmission Repair	10	166,550.00
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	15	249,825.00
811121	Automotive Body, Paint, and Interior Repair and Maintenance	5	83,275.00
811198	All Other Automotive Repair and Maintenance	10	166,550.00
Total		100	1,665,500.00

To determine the relative availability of DBEs, the City of Montebello divided the numerator² representing the ratio of ready, willing and able DBE firms, by the denominator³ representing all firms (DBE and Non-DBEs) available in each work category. Application of this formula yielded the following baseline information:

- ⇒ **For the numerator:** *California UCP DBE Database of Certified Firms*
- ⇒ **For the denominator:** *2019 U.S. Census Bureau’s Business Pattern Database (CBP)*

$$\text{Number of Ready, Willing and Able DBEs} = \text{DBE Availability \%}$$

Numerator represents all DBE firms established within the City of Montebello’s market area.
 Denominator represents all comparable available established firms.

Number of All Available Firms
(including DBEs and Non-DBEs)

To determine the appropriate weighting percent by NAICS, the estimated dollar value by NAICS was divided by the total estimated federal dollars for FFY 2022/24. The weighting percent by NAICS was then multiplied by the DBE Availability % to determine the Base Figure % by NAICS, see below:

$$\text{Weighting} \quad \times \quad \text{DBE Availability \%} \quad = \quad \text{Base Figure \% by NAICS}$$

To determine the Step 1 Base Figure, the City of Montebello added together all Base Figure percentages by NAICS in Table 3 below, resulting in a Step 1 Base Figure of 3.17 percent.

Table 3

NAICS	Description	B: Value	C: Weight (B/A)	D: # of DBE's	E: # of All Items Census	F: DBE Availability (D/E)	Base Figure (F x C)
238210	Electrical Contractors and Other Wiring Installation Contractors	\$75,000.00	1.01%	163	3648	4.47%	0.05%
238910	Site Preparation Contractors	\$45,000.00	0.61%	140	846	16.55%	0.10%
238990	All Other Specialty Trade Contractors	\$30,000.00	0.41%	173	1277	13.55%	0.06%
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	\$172,162.80	2.33%	2	511	0.39%	0.01%
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	\$600,000.00	8.11%	10	1424	0.70%	0.06%
423130	Tire and Tube Merchant Wholesalers	\$360,000.00	4.87%	4	174	2.30%	0.11%
423410	Photographic Equipment and Supplies Merchant Wholesalers	\$15,000.00	0.20%	6	120	5.00%	0.01%
423690	Other Electronic Parts and Equipment Merchant Wholesalers	\$15,000.00	0.20%	20	1308	1.53%	0.00%
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	\$180,000.00	2.43%	31	243	12.76%	0.31%
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	\$300,000.00	4.06%	16	76	21.05%	0.85%
441310	Automotive Parts and Accessories Stores	\$120,000.00	1.62%	4	1439	0.28%	0.00%
441320	Tire Dealers	\$360,000.00	4.87%	4	953	0.42%	0.02%
484220	Specialized Freight (except Used Goods) Trucking, Local	\$9,061.20	0.12%	384	696	55.17%	0.07%
488490	Other Support Activities for Road Transportation	\$249,825.00	3.38%	38	166	22.89%	0.77%

541330	Engineering Services	\$30,000.00	0.41%	454	3254	13.95%	0.06%
541380	Testing Laboratories	\$15,000.00	0.20%	75	372	20.16%	0.04%
541512	Computer Systems Design Services	\$30,000.00	0.41%	293	2722	10.76%	0.04%
541611	Administrative Management and General Management Consulting Services	\$15,000.00	0.20%	839	4453	18.84%	0.04%
561621	Security Systems Services (except Locksmiths)	\$30,000.00	0.41%	20	379	5.28%	0.02%
811111	General Automotive Repair	\$2,498,250.00	33.77%	8	3950	0.20%	0.07%
811112	Automotive Exhaust System Repair	\$249,825.00	3.38%	0	93	0.00%	0.00%
811113	Automotive Transmission Repair	\$499,650.00	6.75%	2	275	0.73%	0.05%
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	\$749,475.00	10.13%	7	219	3.20%	0.32%
811121	Automotive Body, Paint, and Interior Repair and Maintenance	\$249,825.00	3.38%	9	1805	0.50%	0.02%
811198	All Other Automotive Repair and Maintenance	\$499,650.00	6.75%	6	433	1.39%	0.09%

A: Value of Anticipated Projects: \$7,397,724.00 **Base Figure:** 3.17%

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, the City of Montebello reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the City of Montebello’s market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included the City of Montebello’s Past DBE Goal Attainments, other Local Agencies’ *Disparity Studies within the City of Montebello’s market area and Other Evidence, as follows:*

A. Past DBE Goal Attainments

The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by the City of Montebello within the last three (3) Federal Fiscal Years:

Table 4

Year	Attainment
FFY 2018*	0%
FFY 2019	0%
FFY 2020	0%
Median of Past Awards = 0%, 0%, 0% = % Median Past Participation	

*FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.

The City of Montebello considered an adjustment to the Base Figure based on the median DBE participation on DOT-assisted contracts completed within the past three FFYs (2018/20). The median established for the past three years is higher than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on the City of Montebello’s past DBE goal participation has been made. As three years of DBE Participation data was reviewed and the years reviewed included projects with a similar variety in scope to the scopes projected for the 2022/24 period, the City of Montebello can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform in the 2022/24 overall goal period. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE Past participation, as shown below.

$$3.17\% \text{ Base Figure} + 0\% \text{ Median Past Participation} = 3.17\%$$
$$3/2 = 1.59\%$$

Adjusted Base Figure: 2% (Rounded to the nearest whole number)

The formula resulted in a downward adjustment to the Base Figure from 3.17 percent to 2 percent.

B. Evidence from Disparity Studies
Barriers to Entry: Employment, Self Employment, Education and Training, Business Ownership Rates and Access to Capital

The City of Montebello did not find it feasible to conduct an independent availability/disparity study; however, the City of Montebello identified two (2) disparity studies, inclusive market areas like the City of Montebello’s, to consider whether a Race-Conscious DBE Program should continue to be implemented. The 2 identified Disparity Studies were the Caltrans Disparity Study and The Los Angeles County Metropolitan Transportation Authority (Metro) Disparity Study.

The first Disparity Study considered was that of the California Department of Transportation (Caltrans), completed in 2016 due to the timeliness of the contracts reviewed. The Caltrans Disparity Study reviewed Construction and Engineering contracts state-wide between the years January 1, 2011 to December 31, 2014. As the Caltrans’ Disparity Study included thousands of contracts from areas outside of the City of Montebello’s market area as well as projects that had no relation to the scopes included in the upcoming goal period, the City of Montebello opted to not utilize this Disparity Study to apply an adjustment to their current race-neutral/race-conscious DBE application measures.

The second Disparity Study taken into consideration was Metro’s Disparity Study due to the similarities in market area and timeliness of the contracts reviewed. Where the Caltrans Study market area included the entire state of California, the Metro Study focused on Los Angeles County which is more aligned with the City of Montebello’s market area. The Metro Disparity Study was initiated in November 2016 and included a five-year study period (January 1, 2011 through December 31, 2015) to determine any differences between the participation of minority- and woman-owned businesses in relevant contracts and the availability of those businesses to perform that work (referred to as *disparities*). Disparity analysis results indicated that most racial/ethnic and gender groups showed disparities on contracts where race- and gender-

conscious measures were not in place during the study period. As a result, the Disparity Study recommended the use of contract DBE goals.

As Metro’s Disparity Study satisfies the legal standards established by the Ninth Circuit Court of Appeals in *Western States Paving Co., Inc. v. Washington State Department of Transportation*, and guidance from the U.S. Department of Transportation/Federal Transit Administration (FTA) concerning the implementation of race-conscious application, the City of Montebello has elected to utilize this study as a basis for continuing to implement the race-conscious component of their Overall DBE goal. The City of Montebello will ensure that the use of race-conscious goals is narrowly tailored and consistent with other relevant legal standards.

The City of Montebello will continue to review applicable Disparity Studies as they become available and apply the appropriate adjustments to their Race-neutral/Race-Conscious DBE goal application.

C. Other Evidence

The City of Montebello did not receive any other anecdotal evidence nor is aware of any other factors or adverse considerations that would have had a material effect on DBEs availability within the City of Montebello’s market place, or on DBEs ability to participate (meeting bonding, insurance and financial requirements) in the City of Montebello’s FTA-assisted contracting programs. Therefore, no goal adjustment was made in consideration of this factor. However, the City of Montebello will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in the City of Montebello’s FTA-assisted contracting programs.

PROPOSED OVERALL DBE GOAL:

The Overall DBE Goal for FFY 2022/24 goal period for the City of Montebello’s FTA-assisted contracts is 2%.

The proposed goal further serves to identify the relative availability of DBEs based on evidence of ready, willing, and able DBEs to all comparable firms, which are known to be available to compete for and perform on the City of Montebello’s FTA-assisted contracts. The proposed goal reflects a determination of the level of DBE participation, which would be expected absent the effects of discrimination.

V. RACE-NEUTRAL MEASURES

The Overall DBE Goal for FFY’s 2022/24 for the City of Montebello’s DOT-assisted contract is 2%. The City of Montebello will implement race conscious measures, coupled with race-neutral measures based on the results received from the Southern California Regional Disparity Study, the City of Montebello’s analysis of its past utilization data and an examination of similar market area Disparity Studies.

A. Consideration of the Amount by which City has Exceeded Goals in the Past

DOT has identified the amount a recipient has exceeded their overall goals in the past years as a useful tool in projecting the race/gender-neutral participation one can expect in future Federal Fiscal Years.

The following table reflects the demonstrated capacity of DBEs on FTA-assisted contracts completed by the City within the last three (3) Federal Fiscal Years:

Table 5

Overall DBE Goal by Period	Federal Fiscal Year	DBE Attainment	% Goal Exceeded
% 3	FFY 2018*	0%	0%
% 3	FFY 2019	0%	0%
% 3	FFY 2020	0%	0%
Median % Goals Exceeded by = 0%, 0% , 0% = 0%			
% Median Participation above			

*FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.

The City’s Historical Past Participation above the DBE goal produced a median of 0% DBE Participation (as illustrated in the table above). As the City’s historical DBE Participation did not exceed the DBE goal in any of the goal periods, it is not reasonable to conclude that the FFY 2022/24 goal can be met race-neutrally based on this factor.

B. Past Participation by DBE Prime Contractors

DOT has identified that the amount of past participation obtained through the use of DBE primes should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period.

Therefore, the City considered the amount of past DBE participation (based on awards) obtained through the use of DBE primes in FFYs 2018, 2019 and 2020 below:

Table 6

FFY	Total Dollar Value Awarded to DBE Primes	Reporting Period	Total Dollar Value of Awarded Contracts
2018**	\$ 0	10/1/17-03/31/18	\$ 245,374
	\$ 0	04/1/18-09/30/18	\$ 114,789
2019	\$ 0	10/1/18-03/31/19	\$ 131,070
	\$ 0	04/1/19-09/30/19	\$ 0
2020	\$ 0	10/1/19-03/31/20	\$ 1,178,275
	\$ 0	04/1/20-09/30/20	\$ 575,438
Total:	\$ 0		\$2,244,946
Total Dollar Value Awarded to DBE Primes (\$0) / Total Dollar Value Awarded (\$2,244,946) = 0%			0% RN DBE Subcontract Participation

*FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.

The City found that zero DBE participation during FFYs 2018 through 2020 was produced by the utilization of DBE primes. This value was developed by dividing the total dollars awarded to DBE Primes (\$0) by the total dollars awarded on all Primes contracts (\$2,244,946) within FFYs 2018 through 2020, as displayed in the table above. The City confirmed that the projects completed during FFYs 2018 through 2020 were similar to the types of projects being procured in the upcoming overall goal period, a required criterion for consideration in utilizing DBE prime participation to validate race-neutral application. As no DBE participation was achieved on like-projects during the attainment period reviewed the City

concluded that this rate of DBE participation would be an accurate reflection of DBE prime capacity in the primary types of work projected to be performed in the coming overall goal period.

C. Consider Past Participation by DBE Subcontractors on Contracts without Goals

DOT has identified that the amount of past participation obtained through the use of DBE subcontractors on contracts without DBE goals should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period. Therefore, the City considered the amount of past DBE subcontractor participation on contracts without DBE goals in FFYs 2018, 2019 and 2020 below:

Table 7

FFY	Total Dollar Value Awarded to DBE Subcontractors on RN Contracts	Reporting Period	Total Dollar Value of Awarded Contracts
2018*	\$ 0	10/1/17-03/31/18	\$ 245,374
	\$ 0	04/1/18-09/30/18	\$ 114,789
2019	\$ 0	10/1/18-03/31/19	\$ 131,070
	\$ 0	04/1/19-09/30/19	\$ 0
2020	\$ 0	10/1/19-03/31/20	\$ 1,178,275
	\$ 0	04/1/20-09/30/20	\$575,438
Total:	\$ 0		\$2,244,946
Total Dollar Value Awarded to DBE Subs (\$0) / Total Dollar Value Awarded on RN Contracts (\$2,244,946) = 0%			0% RN DBE Subcontract Participation

**FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.*

A DBE participation value of 0% was derived by the utilization of DBE subcontractors in the Race-Neutral (RN) periods above. The City does not have reasonable justification to assume that it can achieve the goal for FFYs 2022/4 through the use of DBE subcontractors based on DBE subcontractor’s capacity to perform race-neutrally in the 2018/20 goal periods.

D. Consider MBE/WBE/DBE Participation Pursuant to Race/Gender-Neutral State or Local Programs.

The City monitors Small Business participation but does not currently track MBE/WBE/DBE participation on Race/Gender-Neutral or Local Programs. The City will consider methods of tracking this information in the future for use in considering the proper race/gender-neutral application.

E. Past History of Inability to Achieve Goals

DOT has identified that a recipient’s past inability to meet their goals in the past years as a powerful indicator that the recipient may be justified in applying race-/gender-conscious measures to achieve their goals in future Federal Fiscal Years. The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by the City within the last three (3) Federal Fiscal Years:

Table 8

Overall DBE Goal by Period	FFY	DBE Attainment	% Below DBE Goal
3%	FFY 2018*	0%	3%

3%	FFY 2019	0%	3%
3%	FFY 2020	0%	3%

*FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021.

The City’s historical DBE participation produced a shortfall in the City’s ability to meet goals in Federal Fiscal Years 2018, 2019 and 2020, the City was also not able to achieve any race-neutral participation from DBE Primes or DBE subcontractors on like projects, the City added the three race-neutral percentages together and divided that number by three to find the average race-neutral participation.

As three years of DBE Participation data was reviewed for projects with similar scopes and values to the projects in the upcoming goal period, the City can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform race-neutrally in the 2022/24 overall goal period. The City has applied this to the proposed DBE Goal to project the necessary race-conscious/race-neutral breakout, as illustrated below:

$\begin{aligned} & \% \text{ Goals Exceeded in Past} = 0\% \\ & + \\ & \text{RN DBE Prime Participation} = 0\% \\ & + \\ & \text{RN DBE Subcontractor Participation} = 0\% \\ & = 0\% \\ & 0\% / 3 = 0\% \text{ (Average RN Participation)} \end{aligned}$ <p>DBE Goal: 2% RN Application 0% / RC Application 2%</p>

Consistent with the FTA guidance provided and the reasons delineated above the City has found it advisable to implement the race-neutral/race-conscious breakout illustrated above to meet the proposed Overall DBE Goal (2%) in accordance with 49 CFR Part 26.51.

F. Monitor DBE Participation to Determine Whether an Adjustment to the Use of Race/Gender-Conscious Measures is Necessary

The City will continue to monitor its DBE participation during the overall goal period to determine whether the application of the City’s race-neutral/race-conscious measures to meet the proposed Overall DBE Goal (2%) remains on target. The City will adjust the application of race/gender-neutral and race/gender-conscious measures, as necessary to ensure the City meets the maximum feasible portion the overall goal by using race/gender-neutral means of facilitating DBE participation.

VI. PUBLIC PARTICIPATION AND FACILITATION

As a part of the goal-setting public facilitation process, the City is required to solicit public comment, relative to the goal calculation and rationale. In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within the City of Montebello’s market area will be provided an opportunity to review the goal analysis. The City of Montebello prepared and issued Outreach Consultation Letters advising the aforementioned business community of the proposed DBE goals analysis and availability for review.

The City consults and will continue to consult with minority groups and organizations year round via event

attendance and facilitation to directly solicit the public in-person regarding input they have on DBE opportunities and any real and/or perceived barriers to DBE participation. Additionally, the City of Montebello published a Public Notice on their website, informing the public that the proposed goal and rationale are available for inspection on the City of Montebello's website.

Comments received from the City's on-going consultation were reviewed and considered in determining whether an adjustment to the 2% Overall Goal (RN Application 0% / RC Application 2%) was necessary. Comment review produced the conclusion that the substantial bulk of input received involved questions regarding procurement opportunities rather than numeric goal values or race-conscious/race-neutral breakouts, therefore an adjustment to the goal was not necessary.

PUBLIC NOTICE
The City of Montebello

NOTICE IS HEREBY GIVEN, that the City of Montebello, (herein referred to as “City”) has established a Proposed Overall Disadvantaged Business Enterprise (DBE) Goal of **2%** for Federal Fiscal Years (FFYs) 2022/2024. The City proposes to meet the goal through the use of race-neutral measures. The DBE goal is applicable to FTA-assisted contracts scheduled to be solicited and awarded during the period of October 1, 2021 through September 30, 2024.

The City’s Proposed Overall Goal and its rationale (developed in response to DOT’s Disadvantaged Business Enterprise Program Regulations published under Title 49 CFR Part 26) will be available for inspection and public review on the City’s website during the duration of the goal period.

The City’s Overall DBE Goal is also available for inspection and public review from 8:30 a.m. to 5:00 p.m., Pacific Standard Time, Monday through Friday at our administrative office located at:

City of Montebello
400 S. Taylor Avenue
Montebello, CA 90640

Comments may also be forwarded to the Regional Civil Rights Officer, U.S. Department of Transportation, Federal Transportation Administration, Region IX, 201 Mission Street, Suite 2210, San Francisco, California 94105-1800.

Upon request, materials can be provided in alternate languages, language translation can also be made available. The City is fully committed to fulfilling the spirit and intent of the U.S. DOT DBE Program set forth in Title 49 CFR Part 26. Your support of these efforts is greatly appreciated.

Sincerely,¹

Rohan Anderson
DBE Liaison Officer