



# **OVERALL GOAL SETTING FOR THE CITY OF SAN LUIS OBISPO**

Recipient# 1670

Period FY 2023 – FY 2025

Public Review Draft: June 29, 2023

Final: TBD

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City of San Luis Obispo  
Department of Public Works, Mobility Services Division  
919 Palm Street  
San Luis Obispo, CA 93401  
Alex Fuchs, Mobility Services Business Manager

## GEOGRAPHIC OVERVIEW

The City of San Luis Obispo is located on the Central Coast between San Francisco and Los Angeles, in southern San Luis Obispo County. The population of San Luis Obispo is 47,545 (US Census 2021) with adjacent Cal Poly population which is 20,944. The City consists of 1,942 business firms (US Census 2017) with 259 minority firms (US Census 2017).



## PROGRAM OF PROJECTS (POP)

The procedures for the program of projects (POP) for FTA Section 5307 funds were established by the region's Metropolitan Planning Organization (MPO), San Luis Obispo Council of Governments (SLOCOG). Transit Operators work with SLOCOG to estimate the federal apportionment and programming capacity for each Urbanized Area (UZA) for the two-year funding cycle for the POP. Transit operators develop their project list based on the programming criteria. The project criteria includes the following: project purpose and need; expected benefits, including mobility, access, and greenhouse gas reductions; degree of improvement of transit availability; degree of improvement to transit system performance; cost-effectiveness of transit improvements; and leveraging other funds and balancing allocations. SLOCOG will convene a Technical Committee to review the projects and reach consensus on the final project list to include in the POP. The transit operators will review the project lists and receive input from their respective advisory bodies. SLOCOG will seek input from the proposed POP from its advisory bodies. Lastly, SLOCOG will publish public hearing notices at least three weeks from the SLOCOG board approval. Once the POP is approved, the POP is incorporated into the Federal Transportation Improvement Program (FTIP).

For the purpose of developing the overall base figure, the projects in the POP are the basis of establishing the City's overall goal. The goal setting considers projects that allow the opportunities for small businesses and Disadvantaged Business Enterprises to compete on an equal playing field. Transit Vehicle Manufacturers (TVM) are excluded from the goal-setting process because TVMs are required to independently submit their DBE plans directly to the Federal Transit Administration. For vehicle procurements using FTA funds, the City will use manufacturers that are approved by the FTA. The *List of Eligible TVMs* is available at the following website:

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

The City's goal setting includes the following grants:

<b>Federal Participation for City of San Luis Obispo: FY 2023, 2024, 2025</b>				
<b>Project</b>	<b>Total</b>	<b>Federal Match</b>	<b>Local Match</b>	<b>Include in Goal Setting</b>
Operating Assistance	\$9,447,653	\$6,646,969	\$2,800,684	Yes
Preventative Maintenance	\$756,860	\$649,814	\$107,046	Yes
Bus Replacement	<b>\$11,234,500</b>	<b>\$8,987,600</b>	<b>\$2,246,900</b>	<b>No</b>

Operating Assistance and Preventative Maintenance are the only projects subject to DBE Overall Goals.

### **CURRENT OPERATIONS AND MAINTENANCE CONTRACT**

Currently, the City contracts with Transdev, formerly First Transit, to perform operations and maintenance for the City's public transit service. The contract is a four-year base contract with three (3) one-year contract extension options. The contract was executed on June 16, 2016 and ended on June 30, 2020. On March 3, 2020, the City and Contractor entered into an Amendment to Agreement No. 3 to exercise the first of three possible extensions provisioned within the original contract.

On May 12, 2021, the City and Contractor entered into an Amendment to Agreement No. 4, to exercise the second of three possible extensions. On May 9, 2022, the City and Contractor entered into an Amendment No.5, City Council approved Amendment No. 5 which exercises the final option and extends the contract for one year, to June 30, 2024 (sole source). The scope of the contract includes drivers, dispatchers, road supervision, all operating support functions, maintenance, repairs, bus washing and other maintenance functions.

### **SUB-RECIPIENT COORDINATION**

The City of San Luis Obispo does not have sub-recipients.

### **STEP ONE-CALCULATING THE BASE FIGURE**

The first step to establishing the base figure is to identify the total number of firms that are ready, willing, and able to perform Operating Assistance and Preventative Maintenance.

**All Firms.** In March 2023, the City ran a report from the US Census to identify the total number of firms for the Urban Transit Systems. The City expanded the geographic area and market area to include the entire state because there were no firms available to perform the Operating Assistance and Preventative Maintenance in the geographic vicinity of the City of San Luis Obispo. Referring to Table 1, there are zero (0) firms

available to perform Operating Assistance and Preventative Maintenance within the state of California with the North American Industry Classification System (NAICS) Code for Urban Transit Systems.

Table 1		
Source	NAICS Code	Total Firms
US Census	4851	0

**DBE Firms.** Utilizing the State of California Unified Certification Program (CUCP), the City searched the CUCP to identify DBE firms with the NAICS Code of Urban Transit Systems. Table 2 illustrates the query criteria the City used to search for DBE firms in the state. Based on this criteria, the query found three (3) DBE firms. These firms provide consultation services with one providing fixed route services. With the one firm providing fixed route service in LA County **only**, it was determined these firms were not able to provide bus operation services and bus maintenance for SLO Transit.

Table 2	
Source	California UCP
County	Statewide
NAICS Categories	48 / 49
NAICS Codes	485111 485113 485119

**Base Figure.** Using the total firms and the DBE Firms the base figure is calculated below:

$$\frac{\text{Ready, Willing \& Able DBE Firms}}{\text{Total Firms}} = \text{Base Figure}$$

$$\frac{0 \text{ Ready, Willing \& Able DBE Firms}}{3 \text{ Total Firms}} = 0.0\%$$

**Weighting.** FTA recommends using weighting whenever possible to use the most refined figure possible. As an exercise, the City calculated the DBE Base Figure to compare the weighted ratio and non-weighted figure to determine if weighting improved the overall accuracy. Referring to the worksheet in Attachment A, weighting did not change the Base Figure. The Base Figure remained at 0.0%.

**STEP TWO-ADJUSTING THE BASE FIGURE**

The purpose of the analysis in the Step Two is to make a determination on relevant evidence available to the City if any adjustments to the Step One Base Figure are justified.

The City does not have any contracts that have the same NAICS work groups as those planned for award.

**Past Participation.** The historical actual goals for the past five years are presented in Figure 1. These percentages represent construction projects that used FTA funds and are not related to bus operations and maintenance. The historical median of the past DBE percentages is 1.7%. The average is 1.7%. Next, the historical median of past DBE participation of 1.7% is averaged with the Step One Base Figure of 0.0%:

2011	4.0%	Average	1.7%
2012	4.0%	Count	2
2013	4.0%	Step One Base Figure	0.0%
2014	1.7%	Median Historical	1.7%
2015	1.7%	Subtotal	1.7%
2016	1.7%		
2017	1.7%		
2018	0.0%		
2019	0.0%		
2020	0.0%		
2021	0.0%		
2022	0.0%		
2023	0%	Adjusted Base Figure	0.9%

OR

Historical Median DBE Percentage / 2 = Adjusted Base Figure

OR

$$1.7\% + 0.0\% = 1.7\% / 2 = 0.9\%$$

Based on this analysis, the Step One Base Figure is not adjusted because:

- Past DBE achievement is based on construction projects using FTA funds that are dissimilar to the bus operations and maintenance that is being analyzed.
- There are no DBEs ready, willing, and able in the market area to perform bus operations and maintenance.

**The City DBE goal is zero (0.0%) for TRIENNIAL PERIOD OF FY 2023 THROUGH FY 2025.**

**Evidence from Disparity Studies.** Disparity Studies are designed to investigate the existence of discrimination in contracting. There is no requirement to conduct a disparity study. However, the City contacted the following organizations to inquire if they have conducted a disparity study or have knowledge of a disparity study for the City’s local market area:

#	Organization	Disparity Study?	Relevance/Comment
1	Caltrans	Yes	Report from November 10, 2022
2	FTA, Compliance Reviews	No	
3	San Luis Obispo Council of Governments	No	
4	City of San Luis Obispo	No	
5	City Of Atascadero	No	
6	County of San Luis Obispo	No	

**Financial Institutions.** The City contacted the DBE financial institutions identified in the City's DBE Program. The results of the City's inquiry are presented in the table below:

#	Financial Institution	Called	City	Phone/Email	DBE/RESPONSE
	American Plus Bank	Yes	Arcadia	626.821.9188	Unable to provide.
	Evertrust Bank	Yes	Milpitas	866.985.0616	No Response
	Royal Business Bank	Yes	Los Angeles	213.627.9888 / cos@rbbusa.com	Unable to provide.
	Cathay Bank	Yes	San Francisco	800.922.8429	Unable to provide.
	Eastern International Bank	Yes	Los Angeles	213.687.7228	Refused to provide.

The City contacted the DBE firms identified to determine if they were ready, willing and able to perform the relevant NAICS Codes identified in the Step One analysis. Financial institutions that were contacted did not have clients in San Luis Obispo or they refused to disclose information due to confidentiality. As a result, there is no basis to adjust the Base Figure from this inquiry.

**Data on Employment, Self-Employment, Education and Training, and Union Apprenticeship Program.** There are no local minority associations in the City to identify any DBEs ready, willing, and able. The City did contact the following

firms/agencies to find any DBEs ready, willing, and able. The results of the City's inquiry are presented in the table below:

#	Firm / Agency	Phone / Email	Outcome
	Lisa Wise Consulting	(805) 595- 1345	Called Lisa Wise to discuss possible agencies ready, willing, and able. Left a voicemail.
	Precision Construction Services	(805) 995- 4195	Called Precision Construction to discuss possible agencies ready, willing, and able. Left a voicemail.
	Studio 2G LLP	(805) 594- 0771	Called Studio 2G LLP to discuss possible agencies ready, willing, and able. No agencies that could provide Transit operations and maintenance.
	Latino Outreach Council	Online Contact form	Sent a request to discuss DBE.

The City contacted the above agencies to determine if they were ready, willing and able to perform the relevant NAICS Codes identified in the Step One analysis. Based on the contact, the firms are not ready, willing, and able, and cannot be used to adjust the Base Figure.

**Other.** The City conducted a diligent effort to identify DBEs that are ready, willing and able.

### **RACE NEUTRAL AND RACE CONSCIOUS SPLIT**

Because the Base Figure is 0%, there is no Race Neutral and Race Conscious Split.

### **PUBLIC PARTICIPATION**

The City publishes its DBE Program and Goals as described in the Policy Statement section of this document and is in all solicitations for procurement contracts involving federal assistance via specific language in Request for Proposals (RFP) documents. The DBE Program and Goal are also featured on the City online website.

The City's outreach included the San Luis Obispo Chamber of Commerce, Latino Outreach Council, and Women's Network of SLO.

**Community Input.** In addition to the above agencies, the City invited the public to participate in the socially disadvantaged community workshop on July 5, 2023 to review

the goal setting process and analysis and provide the opportunity for residents and businesses to provide input. Refer to Attachment C for the meeting materials that were used for the public outreach effort.

**Public Participation Plan.** To encourage public participation in the development of this Goal Setting Document, the City will perform the following tasks:

#	Description	Date
1	Prepare Draft Overall Goal Setting Document FY 2023-2025	6/1/2023
2	Schedule an outreach meeting to educate the community of the goals, goal setting process.	6/15/2023
3	Post notice and Draft Overall Goal Setting Document on the City's website.	6/29/2023
4	Prepare and publish notices and press releases.	6/23/2023
5	Send flyers to Chamber of Commerce, Women's Network and Spanish speaking publications.	6/29/2023
6	Prepare meeting agenda, comment forms, and presentation.	6/30/2023
7	Host meeting.	7/5/2023
8	Collect and summarize comments.	7/27/2023
9	Identify findings.	7/27/2022
10	Upload in TrAMS a summary of outreach meeting.	7/31/2022

**Meeting Summary.** See Attachment C for Meeting Summary.

#### Attachments

- A Weighting Goals
- B Notice of Publication
- C Outreach Workshop



## ATTACHMENT A WEIGHTING OVERALL GOALS

Project	Total Funds	Federal	Local	Project Weight	# of Businesses		Relative Availability	Weighted Goal
		0.5 0.8	0.5 0.2		Total	DBE's		
<b>SLO Transit Operations<sup>1</sup></b>								
Purchased Transportation Contractor	\$ 9,447,653	\$6,646,969	\$2,800,684	0.91094	0	-	0.000	0%
		-	-	-		-	0.000	0.0%
		-	-	-	-	-	0.000	0%
		-	-	-			0.000	0%
Subtotal	\$ 9,447,653	\$6,646,969	\$2,800,684	0.91094				<b>0.0000%</b>
<b>Preventative Maintenance</b>								
Purchased Transportation Contractor	\$ 756,860	\$649,814	\$107,046	0.08905	0	-	0.000	0.0%
Subtotal	\$ 756,860	\$649,814	\$107,046	0.08905				<b>0.0%</b>
<b>TOTAL</b>								
Contingency		-	-	-	-	-		
ADJUSTED TOTAL	\$ 10,204,513	\$7,296,783	\$ 2,907,730	100%	0	-		
<b>DBE GOAL</b>								<b>0%</b>

<sup>1</sup>includes CARES Act funds, 100% operations.

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## ATTACHMENT B PUBLIC WORKSHOP MEETING MATERIALS

### **CITY OF SAN LUIS OBISPO DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

**SLO Transit is updating its Disadvantaged Business Enterprise (DBE) Program** to ensure a level playing field allowing all businesses to compete fairly and that the opportunity for full and fair participation for federally fund assisted contracts administered by SLO Transit is provided.

#### **PLEASE JOIN US!**

**Provide input at the San Luis Obispo Library Community Room**  
995 Palm Street, San Luis Obispo, CA 93401  
**Wednesday, July 5, 2023, 1:00 – 2:00 p.m.**  
**Wednesday, July 5, 2023, 5:00 – 6:00 p.m.**

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