

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works		(2) MEETING DATE January 10, 2006		(3) CONTACT/PHONE Ray Uder, Disadvantaged Business Enterprise Liaison Officer (805) 781-5262	
(4) SUBJECT Submittal of the Disadvantaged Business Enterprise (DBE) Program for the Department of Public Works					
(5) SUMMARY OF REQUEST In conformance with Title 49 of the Code of Federal Regulations Part 26 (49CFR26), the Federal Government requires the County Department of Public Works to develop a Disadvantaged Business Enterprise (DBE) Program for the hiring of disadvantaged businesses as subcontractors for roadway and bridge projects using Federal funds. Submitted for your consideration is the proposed plan.					
(6) RECOMMENDED ACTION We recommend that the plan be approved, the Director of Public Works be authorized to sign and execute the plan for the County of San Luis Obispo, and that said plan be submitted to the California Department of Transportation.					
(7) FUNDING SOURCE(S) Road Fund		(8) CURRENT YEAR COST Approx. \$3,000		(9) ANNUAL COST Approx. \$3,000	
(10) BUDGETED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): California Department of Transportation (Caltrans)					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		
(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(16) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		

Reference: 06JAN10-C3

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(19) ADMINISTRATIVE OFFICE REVIEW	<p><i>OK Leslie Brown</i></p>	<p><i>B-18 (1/10/06)</i></p>
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SAN LUIS OBISPO COUNTY DEPARTMENT OF PUBLIC WORKS

Noel King, Director

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email address: pwd@co.slo.ca.us

TO: Board of Supervisors

FROM: Ray Uder, Disadvantaged Business Enterprise Liaison Officer *RU*

VIA: Glen L. Priddy, Deputy Director of Public Works - Engineering Services *GP*

DATE: January 10, 2006

SUBJECT: Submittal of the Disadvantaged Business Enterprise (DBE) Program for the Department of Public Works

Recommendation

We recommend that the plan be approved, the Director of Public Works be authorized to sign and execute the plan for the County of San Luis Obispo, and that said plan be submitted to the California Department of Transportation.

Discussion

The Federal Government, through the Federal Highway Administration, requires the County Department of Public Works to develop a Disadvantaged Business Enterprise (DBE) Program for the hiring of the disadvantaged businesses as subcontractors for roadway and bridge projects using Federal funds. Disadvantaged businesses are defined as those businesses where 51% of the small business (as defined by the United States Small Business Administration) is owned by one or more socially and economically disadvantaged individuals and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

The proposed plan follows a format submitted to the County by the California Department of Transportation (Caltrans), which administers Federal Highway Programs. Included in the County's specifications for roadway and bridge projects which utilizes Federal funds are requirements that provide for the hiring of disadvantaged businesses as subcontractors.

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Currently, Federal regulations require each local agency to establish their own DBE goal. One alternative for calculating the DBE percentage begins with maintenance of a database of all contractors and subcontractors that have bid on Public Works contracts in the last year. The Department of Public Works has kept such records and, after analyzing the results, arrived at a 9% DBE goal. The percentage establishes the goal that the prime contractor is obligated to try to obtain in subcontracting a portion of the total contract. The percentage is based on the dollar amount subcontracted to a disadvantaged business compared to the total bid amount.

Other Agency Involvement/Impact

The proposed program has been reviewed and tentatively approved by Caltrans.

Financial Considerations

The subject program is a requirement of obtaining Federal funding for eligible road and bridge projects. The County anticipates receiving about \$4.8 million this next year in Federal funds to pay for construction on eligible County roads and bridges. The current year cost to update and maintain the DBE Program is estimated to be \$3,000 and is included in the 2005-06 Road Fund budget.

Results

Approval of the recommended action will adopt the proposed DBE Program for 2005-06. This, in turn, will result in the County remaining eligible to receive Federal funds for eligible County road and bridge projects, helping to maintain the integrity of the County Road System. This action facilitates the Board's desired community-wide results of a well governed, safe, and prosperous community.

Attachment: DBE Program

File: CF 90.95.01 Caltrans/Disadvantaged Business Goals

Reference: 06JAN10-C-3

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October 21, 2005

Mike Giuliano, District Local Assistance Engineer
Caltrans Local Assistance, District 5
50 Higuera Street
San Luis Obispo, CA 93403-5415

ANNUAL OVERALL GOAL INFORMATION

The amount of overall goal, methodology, breakout of estimated race-neutral and race-conscious participation, and any DBE program updates are presented herein in accordance with Title 49 of the Code of Federal Regulations Part 26, and as described in the *Local Assistance Procedures Manual*.

The County of San Luis Obispo Public Works Department submits our annual overall goal information (and any needed updates of our DBE program) for your review and comment. We propose an Annual Overall DBE goal of 16.5 % for the Federal Fiscal Year 05/06, beginning on October 1, 2005 and ending on September 30, 2006.

Methodology

- Step 1 The County maintains a Bidders List:
- # DBEs that have quoted on DOT-assisted prime contracts or subcontracts in the previous year8
 - # All contractors or consultants that have bid on prime or subcontracts in the previous year60

BASE FIGURE: $8 / 60 = 13\%$

- Step 2 DBE Availability, as shown on bids received on Local Projects:
- # DBEs that have quoted on ALL contracts or subcontracts in the previous year12

$12 / 60 = 20\%$

To achieve an equitable adjustment, the percentage of the base figure was added to that of DBEs that have quoted on all contracts and subcontract and divided by 2.

$13\% + 20\% = 33\%$ $33\% / 2 = 16.5\%$

Overall Goal = 16.5%

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**County of San Luis Obispo Public Works Department
2005/06 DBE Goal (continued)**

Breakout of Estimated Race-Neutral and Race-Conscious Participation

Total Number of DBEs Retained for FY 2004-05: 9

Race-Neutral participation for FY 2004-05:

Total # DBEs retained on contracts not carrying DBE goals4

$4 / 9 = 45\%$

45% of 16.5% (Overall Goal) = 7%

Race-Neutral = 7%

Race-Conscious participation for FY 2004-05:

Total # DBEs retained on contracts carrying DBE goals5

$5 / 9 = 55\%$

55% of 16.5% (Overall Goal) = 9%

Race-Conscious = 9%

DBE Program Updates

New DBE Liaison Officer – Ray Uder

DOT- Assisted Contracting Program for Fiscal Year 2005-06

List of Projects is attached.

Work Category	NAICS	Federal Dollars FFY 2005/06	% of Federal Funding by Work Category
Construction (incl. Materials and Trucking)	23	\$4,848,000.00	100%
Consulting Services	54	\$0.00	0%
Totals:		\$4,848,000.00	100.00%

Ray Uder
Ray Uder, DBE Liaison Officer

12-16-05
Date

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