



Peninsula Corridor Electrification Project DBE Project Goal

Caltrain Board Meeting
December 4, 2014
Agenda Item #9



Conversation with FTA

- Described the Electrification project and asked for FTA reaction and input
- FTA supports establishing a DBE project goal on large contracts
- JPB must provide notice of the DBE goal prior to issuing the RFP
- JPB oversight and Design-Builder accountability
- Establish DBE goal using Federal Goal Setting Methodology

Conversation with FTA (continued)

- Expects JPB will use its DBE Disparity Study to establish a goal
- Recommends JPB have a capable reporting software program due to intense scrutiny and reporting requirements
- FTA will closely monitor DBE program performance on the project
- Submit DBE project goal for review by FTA (reviews and concurs on methodology)

DBE Goal Setting Methodology

- It is a two-step process:
 - Develop a base figure to determine the relative availability of ready, willing, and able DBEs relative to all businesses ready, willing and able to participate on DOT-assisted contracts using NAICS codes
 - Examine all other evidence available to determine what, if any, adjustment to the base figure is merited (disparity studies and public input)

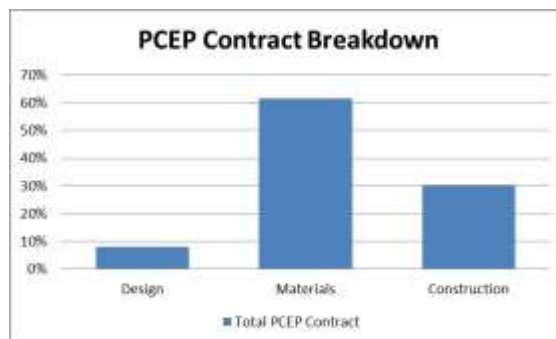
DBE Goal Setting Methodology

- Design-Build procurement meant we had to estimate scopes of work w/o design
- Forty-five percent of work to be performed by the Design-Build team
- Determine the weight of each type of work by NAICS code & determine the relative availability of DBEs by NAICS code
- Adjust base figure using disparity study (no past participation info used due to lack of similar past contracting opportunities)

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Goal Setting: Step One

Determining services required for PCEP

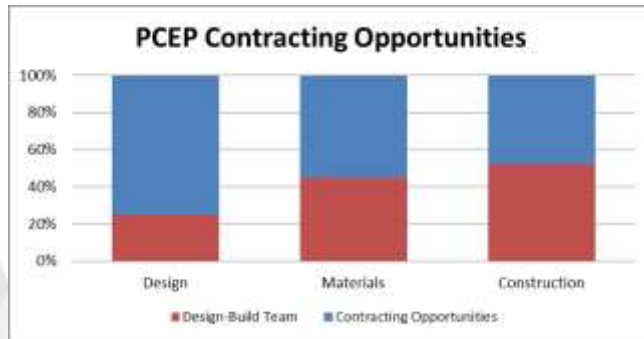


8% Design, 62% Materials and 30% Construction

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Goal Setting: Step One (continued)

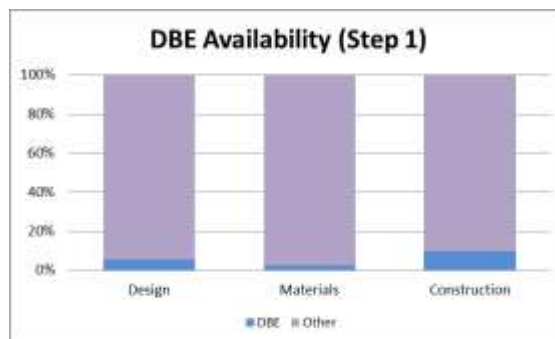
Determining contracting opportunities



Design-Build team must self perform at least 45% of the total contract value

Goal Setting: Step One (continued)

Certified DBEs



6% Design, 3% Materials and 10% Construction

Goal Setting: Step Two

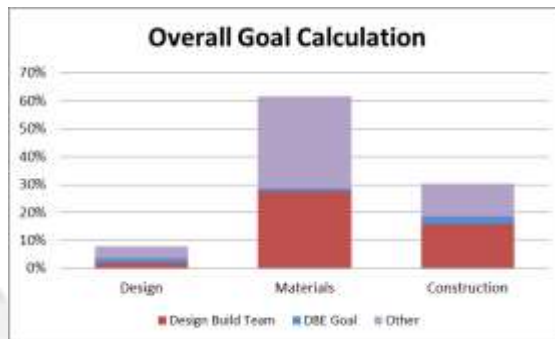
Disparity Study data



28% Design, no Disparity Study data for Materials, 19% Construction

Goal Setting: Project Goal

5.2% of the total contract value



28% of Design, 3% of Materials and 19% of Construction that the Design-Build team can subcontract

Procurement Process

- Announced DBE requirements at Industry Day Event
- JPB sponsored DBE outreach events & Proposer outreach events
- Proposers evaluated on procedures in Design-Builder's Work Plan to achieve DBE participation during entire contract
- Key elements include hiring DBE staff, DBE monitoring & reporting to JPB, good faith efforts

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Procurement Process (continued)

- Project Labor Agreement will include DBE program elements
- The selected builder for the Electric Multiple Units will have their own Transit Vehicle Manufacturer DBE program approved by the FTA
- Manufacturers must follow the same methodology for establishing goals as the JPB.

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JPB Monitoring and Oversight

- Monthly progress meetings with the Design-Builder
- Review reports on DBE activity
- Identify areas of underutilization
- Require good-faith efforts from the Design-Builder
- Prepare FTA reports as required
- Use of race-conscious goal setting on subcontracts

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Challenges

- The DBE goal is expressed as a percentage of the total estimated value of the project, yet the actual value of the goal only represents the opportunities for subcontracting under the Design-Builder (55% of the work can be subcontracted)
- There is little civil and structural work on this project (e.g., excavation, cement work)
- Low availability of DBEs certified for the scopes of work on this type of project

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Challenges (continued)

- Scopes of Work could change through the design process
- If circumstances change that will impact the proposed goal, staff will analyze the impact, report to the Board and submit a request to the FTA for approval of an adjustment to the DBE project goal

Questions?