

RESOLUTION NO. 04-59

A RESOLUTION OF THE RIDGECREST CITY COUNCIL ADOPTING THE 2004-05 OVERALL DISADVANTAGED BUSINESS ENTERPRISES PROGRAM GOAL OF ELEVEN PERCENT (11%) AND THE PROGRAM UPDATES, AND AUTHORIZING THE CITY MANAGER TO TRANSMIT THE REQUIRED DOCUMENTS TO THE CALIFORNIA DEPARTMENT OF TRANSPORTATION.

WHEREAS, that certain document entitled City of Ridgecrest Disadvantaged Business Enterprises (DBE) Program was approved on July 20, 2001, as the policy of the City of Ridgecrest to utilize DBEs in all aspects of contracting to the maximum extent feasible in connection with program activities funded wholly or in part by the U.S. Department of Transportation Federal Aid Funds; and

WHEREAS, the DBE policy must be reviewed and updated by City Council annually; and

WHEREAS, using the methodology set forth by the California Department of Transportation (Caltrans), the City Engineer calculated the overall DBE goal to be 11% for Federal Fiscal Year 2004-2005, from October 1, 2004 to September 30, 2005; and

WHEREAS, the overall DBE goal has been published in local publications and no comments have been received to date; and

WHEREAS, the City has updated its DBE Program with the revisions noted in attached Exhibit 9B entitled "Annual Overall Goal Information" with respect to provisions for prompt payment to subcontractors.

NOW, THEREFORE, the City Council of the City of Ridgecrest does hereby adopt the 2004-2005 Overall Disadvantaged Business Enterprises (DBE) Goal of eleven percent (11%) and the DBE Program updates, and authorizes the City Manager to transmit the required documents to the California Department of Transportation.

APPROVED AND ADOPTED this 6th day of October 2004, by the following vote:

AYES: May Carter, Council Members Holloway, Martin, Morgan, and Clark

NOES: None

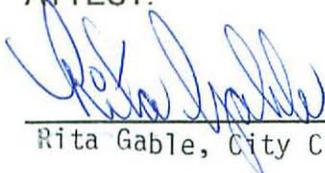
ABSENT: None

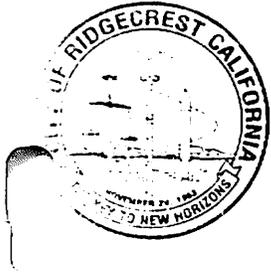
ABSTAIN: None



Ronald H. Carter, Mayor

ATTEST:


Rita Gable, City Clerk



CITY OF RIDGECREST

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**ANNUAL OVERALL GOAL INFORMATION
EXHIBIT 9-B**

TO: CALTRANS DISTRICT 09
District Local Assistance Engineer

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 City of Ridgecrest submits our annual overall goal information (and any needed updates of our DBE program) for your review and comment. We have established an annual overall DBE goal of 11% for the Federal Fiscal Year 2004 / 2005, beginning on October 1, 2004 and ending on September 30, 2005.

Methodology

See attached sheet entitled "City of Ridgecrest Disadvantaged Business Enterprise Goal Methodology 2004-05."

Breakout of Estimated Race-Neutral and Race-Conscious Participation

The overall goal of 11% is broken down into 2% race-neutral and 9% race-conscious.

DBE Program Updates

The portions of Section XII "Required Contract Clauses" of the DBE Program entitled "Prompt Payment", "Satisfactory Performance" and "Release of Retainage" shall be replaced by the following language per Local Programs Procedures (LPP 04-05):

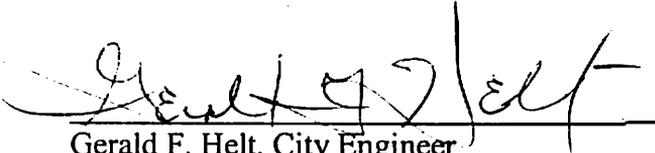
"Prompt Payment to Subcontractors

A prime contractor or subcontractor shall pay a subcontractor not later than 10 days of receipt of each progress payment in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10 days is applicable unless, a longer period is agreed to in writing. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions and other remedies of that section. Federal regulation (49 CFR 26.29) requires that any delay or postponement of payment over 30 days of receipt of each payment may take place only for good cause and with the agency's prior written approval. These requirements shall not be construed to limit of impair any contractual, administrative, or judicial remedies otherwise, available to the prime contractor

or subcontractor in the event of a dispute involving late payment, or nonpayment by the prime contractor, deficient subcontract performance, or noncompliance by a subcontractor. This provision applies to both DBE and non-DBE prime contractors and subcontractors.

Prompt Payment of Funds Withheld to Subcontractors

The agency shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the agency of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from a subcontractor within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the agency. Federal regulation (49 CFR 26.29) requires that any delay or postponement of payment over 30 days may take place only for good cause and with the agency's prior written approval. Any violation of this provision shall subject the violating prime contractor or subcontractor to the penalties, sanctions and other remedies specified in Section 7108.5 of the California Business and Professions Code. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor or subcontractor in the event of a dispute involving late payment, or nonpayment by the prime contractor, deficient subcontract performance, or noncompliance by a subcontractor. This provision applies to both DBE and non-DBE prime contractors and subcontractors."



Gerald F. Helt, City Engineer
DBE Liaison Officer

8-16-04
Date

**CITY OF RIDGECREST
DISADVANTAGED BUSINESS ENTERPRISE GOAL METHODOLOGY 2004-05**

The estimated Federal-Aid funds amount is : \$ 583,053.00

Step 1:

We used two methodologies to calculate a base goal in Step 1.

Information from Caltrans Bidders List for Kern County

A	B	C	D	E	F	G
WORK CATEGORY	ESTIMATED COST OF THE WORK (Federal \$)	PERCENT OF TOTAL COST (B / \$583,053)	NUMBER OF DBE's IN WORK CATEGORY IN MARKET AREA	NUMBER OF CONTRACTORS IN WORK CATEGORY IN MARKET AREA	PERCENT DBE's IN WORK CATEGORY IN MARKET AREA (D / E)	BASE-FIGURE (Percent-weighted by Work Cost) (C*F)
Asphalt Concrete	\$ 319,273.06	54.76%	10	54	18.52%	10.14%
Concrete Curb & Sidewalk	\$ 150,052.24	25.74%	5	49	10.20%	2.63%
Paint (Striping)	\$ 52,539.50	9.01%	0	3	0.00%	0.00%
Engineering and Construction Management	\$ 61,188.20	10.49%	10	35	28.57%	3.00%
Total Federal Cost	\$ 583,053.00				Total Base Figure	15.77%

Information from the Census Bureau's Business Patterns for Kern County and the Caltrans DBE List

A	B	C	D	E	F	G
WORK CATEGORY	ESTIMATED COST OF THE WORK (Federal \$)	PERCENT OF TOTAL COST (B / \$583,053)	NUMBER OF DBE's IN WORK CATEGORY IN MARKET AREA	NUMBER OF CONTRACTORS IN WORK CATEGORY IN MARKET AREA	PERCENT DBE's IN WORK CATEGORY IN MARKET AREA (D / E)	BASE-FIGURE (Percent-weighted by Work Cost) (C*F)
Street Construction (incl. asphalt, concrete and striping)	\$ 521,864.80	89.51%	13	109	11.93%	10.67%
Engineering and Construction Management	\$ 61,188.20	10.49%	10	117	8.55%	0.90%
Total Federal Cost	\$ 583,053.00				Total Base Figure	11.57%

Step 1:

We used two methodologies to calculate a base goal in Step 1.

In the first method, we used the Bidders List distributed by Caltrans, for the Kern County area. The base goal is 15.77%

In the second method, we used the Census Bureau data with NAICS codes, and the Caltrans DBE directory. The base goal is 11.57%.

Step 2:

We made the first adjustment by averaging the two base goals: $(15.77\% + 11.57\%) / 2 = 13.67\%$.

We performed a second adjustment to consider the City's FY 2003-04 goal of 9%.

An average of the two years yields: $(13.67\% + 9\%) / 2 = 11.34\%$, rounded down to 11%.

After appropriate adjustments, the City proposes an overall DBE goal for FY 2004-05 of 11%.

The Overall Goal of 11% is proposed as 2% race-neutral goal and 9% race-conscious goal.

City of Ridgecrest
 Project Breakdown for DBE Update 2004-05

	Street (Asphalt Concrete)	Concrete Curb & Sidewalk	Striping	Engineering Construction Mgmt.	Federal-Aid Total
S. Mahan St. Paving (CMAQ)	\$ 173,127.00	\$ 57,709.00	\$ 28,854.50	\$ 28,854.50	\$ 288,545.00
Graaf St. Paving (CMAQ)	\$ 104,640.60	\$ 34,880.20	\$ 17,440.10	\$ 17,440.10	\$ 174,401.00
Reeves St. Paving (CMAQ)	\$ 37,469.40	\$ 12,489.80	\$ 6,244.90	\$ 6,244.90	\$ 62,449.00
Burroughs High School Sidewalk (SR2S)	\$ 4,036.06	\$ 44,973.24	\$ -	\$ 8,648.70	\$ 57,658.00
Subtotals	\$ 319,273.06	\$ 150,052.24	\$ 52,539.50	\$ 61,188.20	\$ 583,053.00

Asphalt, Concrete & Striping Subtotal: \$521,864.80

Caltrans Bidder's List - Kern County

	# DBEs	# Contractors	% DBEs
Asphalt Concrete	10	54	19%
Concrete Curb & Sidewalk	5	49	10%
Painting (Striping)	0	3	0%
Design Consultant & Construction Mgmt.	10	35	29%

Census Bureau - County Business Patterns

	2002 NAICS	# DBEs	# Contractors	% DBEs
Street Construction (Incl. Asphalt, Concrete and Striping)	23731	13	109	12%
Engineering Services (Engineering Design & Construction Mgmt.)	54133	10	117	9%