



STAFF REPORT

DATE: 05/21/2025

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

2025-204

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

APPROVE THE UPDATED CITY OF CORONA TRANSIT SERVICE DISADVANTAGED BUSINESS ENTERPRISE PROGRAM AND AUTHORIZE THE CITY MANAGER TO SIGN THE DISADVANTAGED BUSINESS ENTERPRISE PROGRAM OBJECTIVE AND POLICY STATEMENT

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve the updated Disadvantaged Business Enterprise (DBE) Program and authorize the City Manager to sign the DBE Program Objective and Policy Statement. The DBE Program has been revised and updated in compliance with the Code of Federal Regulations (CFR), Title 49, Part 26 - Participation by DBE. It must be approved and adopted by the City Council and submitted to the Federal Regional Civil Rights Office by June 1, 2025.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the updated Disadvantaged Business Enterprise Program.
- b. Authorize the City Manager, or his designee, to sign the updated Disadvantaged Business Enterprise Program Objective and Policy Statement.

BACKGROUND & HISTORY:

As a recipient of United States Department of Transportation (USDOT) Federal Transit Administration (FTA) funds, the City must comply with all federal regulations. Pursuant to the Code of Federal Regulations (CFR), Title 49, Part 26 - Participation by DBE, all public agencies receiving financial assistance from the USDOT-FTA, and who anticipate awarding \$670,000 or more in FTA-assisted contracts, must have an approved DBE Program and establish a three-year overall DBE Goal for potential contracting opportunities. The City of Corona receives federal assistance for the provision of public transit services and must comply with the regulations. The goal is developed and submitted to FTA every three years to maintain eligibility to receive federal financial assistance. The purpose of establishing a DBE participation goal is to promote and increase participation in federally assisted contracts by small, socially, and economically disadvantaged business enterprises and to create a level playing field in which DBEs can compete fairly. While the goal is not due until August 2026, the DBE program must be updated pursuant to the DBE final rule (April 9, 2024, 89 FR 24898).

ANALYSIS:

The City Council approved the current DBE Program and the 2024-2026 DBE goal on October 18, 2023. While the DBE goal is valid through September 30, 2026, the DBE program must be updated to comply with the DBE final rule (April 9, 2024, 89 FR 24898). The final rule constitutes a significant change to the DBE program, requiring recipients to submit an updated DBE program plan that conforms to the rule, with a deadline to submit by June 1, 2025. One of the most significant changes includes moving to the following two-tiered system:

- Tier I recipients are those recipients that will award prime contracts exceeding a cumulative total value of \$670,000 in FTA funds in a federal fiscal year, excluding transit vehicle purchases.
- Tier II recipients are those recipients that will award prime contracts with a cumulative total value of \$670,000 or less in FTA funds in a federal fiscal year, excluding transit vehicle purchases.

The City of Corona Transit Service (CCTS) falls within Tier I and will, therefore, continue to be required to submit a DBE Program and goal. While the DBE program does not expire, it must be updated to reflect the changes included in the Final rule. Exhibit 3 provides a summary of the changes pursuant to the Final Rule, and those changes are reflected in the Redline version (Exhibit 1).

FINANCIAL IMPACT:

There is no direct financial impact. However, approval of the CCTS Disadvantaged Business Enterprise (DBE) Program is needed to continue eligibility for federal assistance to support current and future capital projects and operating costs.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if

the activity is covered by the common-sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely approves the Disadvantaged Business Enterprise (DBE) Program, and there is no possibility that approving this project will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: SUDESH PAUL, TRANSIT PROGRAM MANAGER

REVIEWED BY: SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

ATTACHMENTS:

1. Exhibit 1 - Updated Disadvantaged Business Enterprise Program - Redline Version
2. Exhibit 2 - Updated Disadvantaged Business Enterprise Program - Clean Version
3. Exhibit 3 - DBE Final Rule Summary Table