



City Council Agenda Item

City Council Meeting Date: August 5, 2025

TO: Dean Albro, City Manager

FROM: Joshua Leard, P.E., Civil Engineering Associate III
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SUBJECT: Adoption of Resolution No. 6767(25) Approving and Authorizing Execution of Revised Disadvantaged Business Enterprise Implementation Agreement

Recommendation:

Staff recommends the City Council adopt Resolution No. 6767(25) approving, and authorizing the City Manager to execute, the revised Disadvantaged Business Enterprise Implementation Agreement (attached).

Background:

As a subrecipient of United States Department of Transportation (USDOT) funding, the City is required to comply with and enforce certain nondiscrimination requirements in the award and administration of USDOT assisted contracts and procurements. One such requirement is the administration of a Disadvantaged Business Enterprise (DBE) program in accordance with applicable federal requirements. When the USDOT funding is administered by the California Department of Transportation (Caltrans), then Caltrans also requires the City comply with the documents and procedures Caltrans prescribes.

According to 49 Code of Federal Regulations (CFR) § 26.5, a DBE Program is designed to assist small businesses, which are at least 51% owned and controlled by socially and economically disadvantaged individuals. These individuals must be citizens of the United States and have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identity as a member of a group and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond the individual's control.

49 CFR § 26.5 defines such individuals as:

- “1. Any individual who a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis. An individual must demonstrate that he or she has held himself or herself out, as a member of a designated group if you require it.

2. Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:
 - i. 'Black Americans,' which includes persons having origins in any of the Black racial groups of Africa;
 - ii. 'Hispanic Americans,' which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
 - iii. 'Native Americans,' which includes persons who are enrolled members of a federally or State recognized Indian tribe, Alaska Natives, or Native Hawaiians;
 - iv. 'Asian-Pacific Americans,' which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), Republic of the Northern Mariana Islands, Samoa, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong;
 - v. 'Subcontinent Asian Americans,' which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives, Nepal or Sri Lanka;
 - vi. Women;
 - vii. Any additional groups whose members are designated as socially and economically disadvantaged by the United States Small Business Administration (SBA), at such time as the SBA designation becomes effective."

Discussion:

The City has continually adopted and administered DBE programs in accordance with federal and state requirements in order to perform infrastructure projects utilizing federal funds. The City last adopted a previous version of a DBE implementation agreement with Caltrans on May 19, 2009. For the City to continue to be eligible to receive USDOT funding as a subrecipient to Caltrans, the City must adopt and execute a new "California Department of Transportation (Caltrans) Disadvantaged Business Enterprise (DBE) Implementation Agreement," for which Caltrans also uses the abbreviated title "Exhibit 9-A."¹ The new agreement required by Caltrans includes updates consistent with federal and state law, and updates in Caltrans' policy of administering its DBE program and USDOT funding to subrecipients.

¹ The agreement is attached to Resolution No. 6767(25) as Exhibit A.

Fiscal Impact:

There is no fiscal impact for executing the required agreement. However, not executing it could result in loss of federal funding for projects that would otherwise qualify.

Conclusion:

As adequate funding for public projects is difficult to secure, the Public Works Department recommends the City maintain its eligibility for USDOT funding administered through Caltrans by fulfilling the necessary requirements, including but not limited to the execution of the DBE Implementation Agreement.

Respectfully submitted,

Joshua Leard, P.E., Civil Engineering Associate III

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Craig Dierling, P.E., Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachment: Resolution No. 6767(25)