

# Disadvantaged Business Enterprise Program: Goal Setting Methodology

September 4, 2019

# What is a DBE?

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- Disadvantaged Business Enterprise (DBE) is defined within the Code of Federal Regulations.
- “Socially and Economically Disadvantaged”
  - Small Business with less than \$23.98 million in gross annual receipts.
  - Owners’ personal net worth under \$1.32 million.
  - Generally, owners are women or minorities.

# DBE Goal Setting

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- DBE goals are set for three federal fiscal years.
  - Current goal for FFY 2017-2019 is 0%.
  - DBE goals are set for federally funded contracting opportunities only.
  - DBE goals do not include contracting for Transit Vehicle Manufacturers.
- Goals should represent the availability of ready, willing, and able DBEs on projected federally funded contracting opportunities.

# DBE Goal-Setting Methodology

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- Methodology is prescribed by federal regulations.
- Collect data on anticipated contracts for the next three federal fiscal years.
- Identify work available to be subcontracted out.
- Identify the available DBEs to perform the work.

# Anticipated FTA-assisted Contracts FFY 2020-2022

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Paratransit Services - 3-yr. option	Service	\$4,200,000
Taxi Vouchers	Service	\$252,000
On-Call WDs-Environmental Planning	Professional Services	\$800,000

# Step 1 - Base Figure

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- Identify all businesses, including non-DBEs, available to perform the work.
- Identify the available DBEs to perform the work.

**EXAMPLE WORK TYPE AVAILABILITY:**

**Highway, Street, and Bridge Construction**

**Market Area Certified DBE Firms**

**= 10.95% DBE Availability**

**All Market Area Firms**

# Available DBEs in Three Counties

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Architecture	22
Engineering Consultants	50
Environmental Consulting	22

# Base Figure

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- Figures are weighted by % of FTA funding
- SamTrans' Base Figure is 1.15%



# Adjustments to Base Figure

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- **Public Comments**

- Events held April 2 in conjunction with other Bay Area Transportation Agencies.
- Public meeting held at SamTrans office on June 25, 2019.

- **Past DBE Participation**

- Annual DBE participation has varied from 1.2% to 7.4% over the past three years.
- SamTrans achieved 6.5% DBE participation from FFY 16-18.

# Adjustments to Base Figure (continued)

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- Disparity Study Findings:
  - Support a DBE Program using all race-neutral methods.
  - Anecdotal evidence indicates DBEs have problems in obtaining loans, bonding, and government contracts.
  - Proposed DBE overall goals is consistent with goals of neighboring bus districts (AC Transit 10%, Santa Cruz Metro 1.93%, County Connection 4.65%).

# Next Steps

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- 3% Proposed DBE Goal for Federal Fiscal Years 2020-2022.
- The DBE Goal has been posted to the public for comments.
- After public comment, the DBE Goal setting methodology will be presented at the September 2019 Board for approval.
- A final DBE goal and methodology explanation will be submitted to the FTA in September.

# Questions?

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