



# Disadvantaged Business Enterprise Program: Goal Setting Methodology

July 26, 2019

# DBE Goal Setting

- **DBE goals are set for three federal fiscal years.**
  - **Current goal for FFY 2017-2019 is 14%.**
  - **DBE goals are set for federally funded contracting opportunities only.**
  - **DBE goals do not include contracts for transit vehicle manufacturing.**
- **Goals should represent the availability of ready, willing, and able DBEs on projected federally funded contracting opportunities.**

# DBE Goal Setting Methodology

- **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 2020-22, Federal Share

Crossing imp.-Churchill	Construction	\$	800,000
Crossing imp.-7 Crossings	Construction	\$	800,000
Ticket Vending Machine-Maintenance	Maintenance	\$	432,000
Broadway/Burl. Grade Sep. Final Design	Professional Services	\$	12,000,000
Marin & Napoleon Bridges	Construction	\$	3,234,799
Guadalupe River Bridge Replacement	Construction	\$	9,801,600
Production Surfacing-TASI Work	Maintenance	\$	1,920,000
Grade Crossing Maint.-TASI Work	Construction	\$	273,600
ENSCO Geometry Car Svcs-TASI Work	Maintenance	\$	212,640
Holland Gage Restraint Meas.-TASI Work	Maintenance	\$	141,360
On-Call WDs-Transpo. Planning	Professional Services	\$	2,700,000
On-Call WDs-Env. Planning	Professional Services	\$	4,320,000
On-Call WDs-GECs	Professional Services	\$	11,040,000
On-Call WDs-CM	Professional Services	\$	12,000,000
Trackwork-Rail Grinding	Maintenance	\$	2,400,000
Equip. Purchase - Stabilizer, Tamper, Etc.	Procurement	\$	2,400,000

# Step 1 - Base Figure

- 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**

$$\frac{\text{Market Area Certified DBE Firms}}{\text{All Market Area Firms}} = 10.95\% \text{ DBE Availability}$$

# Available DBEs in Three Counties

Architecture	22
Engineering Consultants	50
Surveying & Mapping	6
Environmental Consulting	22
Public Relations Agencies	21
Other Scientific and Technical Consulting	30
Highway, street & bridge construction	25
Testing Laboratories	8
Building Inspection Svcs	6
Electrical Contractors and Other Wiring Installation Contractors	16
Site Preparation Contractors	12
All Other Specialty Trade Contractors	21
Poured Concrete Foundation and Structure Contractors	12
Structural Steel and Precast Concrete Contractors	6
Industrial Supplies Merchant Wholesalers	0
Custom Computer Programming Svcs	26

# Base Figure

- **Figures are weighted by % of FTA funding.**

**JPB's Base Figure is 4.35%**

## Step 2-Adjustments to Base Figure

- **Public comments**
  - Events held April 2<sup>nd</sup> in conjunction with other Bay Area transportation agencies.
  - Public meeting held at JPB offices on June 25, 2019.
- **Past DBE participation**
  - What has past participation been?
  - Consider specific work with no DBE participation.



# Adjustments to Base Figure (cont'd)

- **Disparity Studies – 2008, 2017, Others:**
  - **Anecdotal evidence of disparity,**
  - **Problems in obtaining loans, bonding, government contracts.**
- **More actual W/MBE Small businesses than certified DBEs.**
- **DBE overall goals of neighboring transit agencies (SFMTA 22%, BART 17%, VTA 20%).**

## Adjustments to Base Figure (cont'd)

- **Consider all available DBEs –**
  - **Over 5,000 certified DBEs in CUCP database.**
  - **Over 1,000 certified DBEs in Bay Area.**
- **Many small minority and women businesses are not certified.**
- **Amount or percentage of FTA assisted contract dollars that can reasonably go to DBEs.**

# Adjustments to Base Figure

**JPB Past Participation: Overall Goal 14%**

**FFY16 (YE 9/30/16) 9.7%**

**FFY17 (YE 9/30/17) 15.6%**

**FFY18 (YE 9/30/18) 7.0%**

**FFY 16 TO FFY 18 10.9%**

## **Race-Conscious and Race-Neutral**

- **Have not met overall DBE goal from FFY 2016-19.**
- **Can use additional race-conscious measures to meet overall goal.**
- **Includes contract goals, targeted outreach, certification.**

## Next Steps

- **13.5% Proposed DBE Goal for Federal Fiscal Years 2020-2022.**
- **7% race-conscious means; 6.5% race- neutral.**
- **The DBE Goal has been posted to the public for comments.**
- **DBE Goal will presented at the September, 2019 Board meeting for approval.**
- **A final DBE Goal will be submitted to the FTA in September.**

# Questions?

- **Hayden Lee – Acting Manager, Office of Civil Rights**
- **Kamal Hubbard – DBE Administrator**