



# Disadvantaged Business Enterprise Program: Goal Setting Methodology

September 5, 2019  
JPB Board meeting  
Agenda Item#5 (g)

# 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**