



Finance, Administration and Oversight Committee

Action Item III-C

May 14, 2009

**Approve Public Comment on Federal Fiscal Year
2010 Annual Disadvantaged Business
Enterprise Goal**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100353	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

FY2010 Annual DBE Program Goal

PURPOSE:

The purpose of this action is to seek approval of the 45-day period for public comment regarding the proposed Annual Disadvantaged Business Enterprise (DBE) program goal for Federal Fiscal Year 2010. This is in compliance with the Federal Transit Administration (FTA) regulations for federally-funded recipients, which require a public comment period prior to final adoption of the annual goal.

DESCRIPTION:

The U.S. Department of Transportation (USDOT), under 49 CFR, Part 26, requires all recipients of federal funds to establish an annual goal for DBE participation on federally-funded contracts. Metro will be informing the public of the proposed goal of 25% by holding a public comment period from May 28 to July 13, 2009. There will be a public meeting on June 30, 2009. Staff used guidelines developed by the USDOT to calculate the annual goal. The empirical data was generated from the 2002 U.S. Census data on businesses.

FUNDING IMPACT:

The FTA requires an annual DBE goal as part of the certifications and assurances necessary to receive grant funding.

RECOMMENDATION:

Approval of the 45-day period for public comment on the proposed federal FY 2010 DBE Goal of 25%.



FY 2010 Annual Disadvantaged Business Enterprise Program Goal

Presented to the Board of Directors:

The Finance, Administration and Oversight Committee

May 14, 2009





Purpose

- **Seeking approval to initiate a 45-day public comment period on the proposed 2010 Disadvantaged Business Enterprise (DBE) goal**
- **Public comment is required by the Federal Transit Administration**



Metro's DBE team with Gerald Francis at the DBE Regional Procurement Expo, March 11, 2009, Arlington, VA: (from left) Korey Gray, Tammy Paige-Sterling, Necola Shaw, Jorge Nevares and Aaron Leathers



Federal Requirements

- **Under Federal Regulation (49 CFR26) recipients of federal transportation funds must submit an annual DBE Goal by August 1**
- **FTA requires DBE goal as part of annual certifications and assurances necessary to receive grant funding**





Proposed Goal

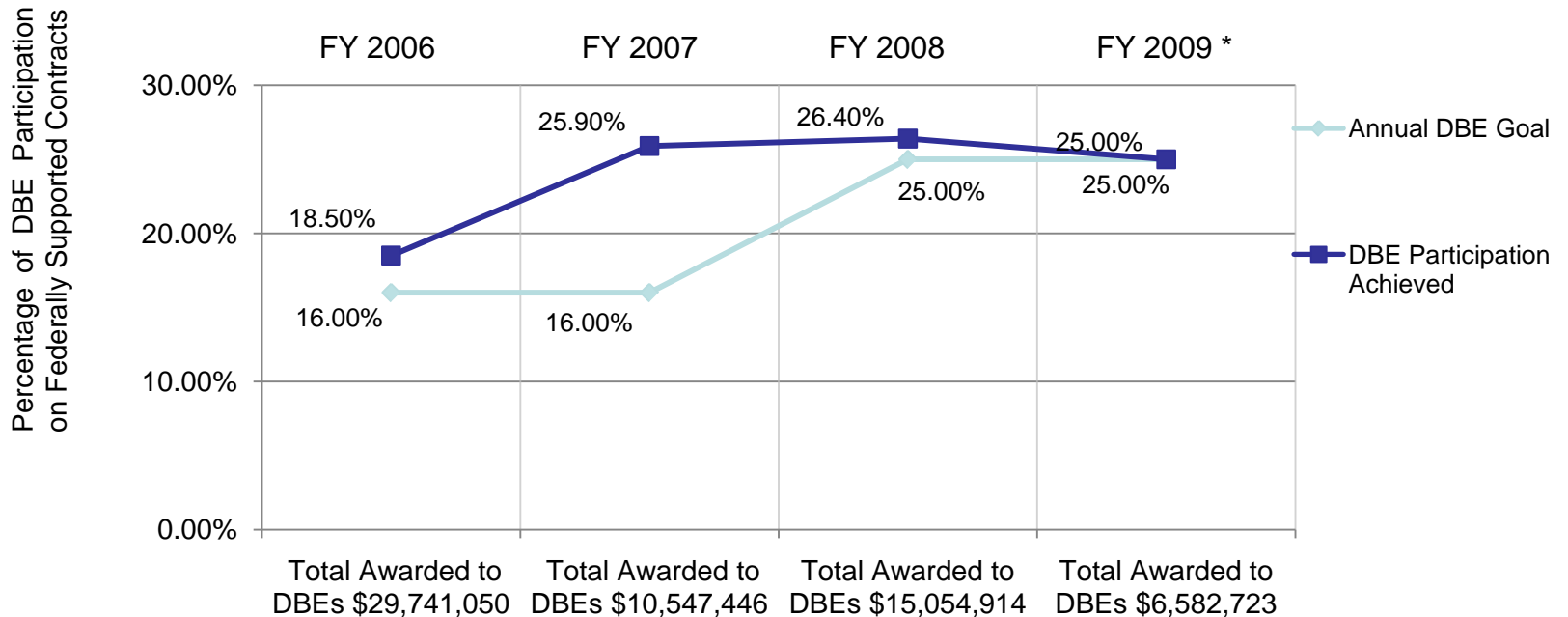
Proposed 2010 DBE Goal is 25% of the anticipated federally-supported contracts awarded by Metro in FY 2010

- **19% of Goal to Be Achieved by setting project-specific goals for DBEs**
- **6% of Goal to be Achieved through other means, including:**
 - **Encouraging the use of DBEs on Metro projects, without the use of project-specific goals**
 - **Supporting efforts to assist DBEs to become prime contractors on Metro Projects**
 - **Continued participation in various business development and outreach programs geared towards enhancing the capacity of Metro DBEs to participate in Metro contracts**



History of Metro's DBE Goals and Achievements

Analysis of DBE Participation Goals versus Achieved
FY 2006 through FY 2009



Notes:

*Figures expressed for FY09 reflect the anticipated DBE Procurements. Data on actual achievement will not be available until the end of the fiscal year.

Also, DBE goals for contracts funded by the American Recovery and Reinvestment Act are excluded here and are calculated separately. Those calculations are also reported to FTA.



Next Steps

- **Staff will seek public comment beginning May 28, 2009 and ending on July 13, 2009, including receiving testimony at a public meeting on June 30, 2009**
- **Staff will return to the Board on July 16, 2009 for approval of the DBE annual goal**



Recommendation

Authorize the 45-day public comment period on the proposed 2010 annual DBE goal as required by FTA



Appendix A - Methodology

Appendix A - The FTA Goal Formula Process

Step 1 – Calculate the Base Figure

Step 2 – Adjust Base Figure (Historical attainment)

Step 3 – Calculate Race Conscious/Race Neutral Percentage

Race Conscious = A specific DBE goal is assigned to a contract

Race Neutral = No DBE goal is assigned to a contract



Appendix A - The FTA Goal Formula Findings

FFY - 09

Goal - 25%

Race Neutral - 5%

Race Conscious - 20%

FFY - 10

Goal - 25%

Race Neutral - 6%

Race Conscious - 19%

The ultimate goal of the program is to move to a Race Neutral environment. Metro has been able to increase its Race Neutral Goal because:

- 1) Metro continues to exceed its overall annual goal; and
- 2) More DBE vendors are winning Metro contracts as prime contractors



Appendix A - DBE Goal and Achievements

Metro has exceeded the DBE goal in recent years

	FY06	FY07	FY08	FY09*
Annual DBE Goal	16.00%	16.00%	25.00%	25.00%*
Total Federally-Supported Contracts Awarded during FFY	\$ 160,762,432.43	\$ 40,723,729.73	\$ 57,026,189.39	\$30,037,881*
Total DBE Contracts Awarded during FFY	\$ 29,741,050.00	\$ 10,547,446.00	\$ 15,054,914.00	\$7,509,470*
DBE Percent Achieved	18.50%	25.90%	26.40%	25%*
DBE Percent Exceeded	2.50%	9.90%	1.40%	0%

- The figures depicted above are based on the number and value of the actual contracts awarded for the FFY, and not based on the total grant received for that particular fiscal year.

**Preliminary numbers. Figures expressed reflect anticipated contracts awarded in FY2009. Actual achievement will not be available until the end of Metro's fiscal year.*



Appendix B – FY 2009 DBE Outreach

October 2008

- “2008 Annual Ward 8 Economic Development Summit” (Washington, DC)

November 2008

- Metropolitan Washington Airports Authority “18th Annual Business Opportunity Seminar” (Washington, DC)
- Laborers’ International Union of North America & Metro Construction Opportunities Forum (Washington, DC)
- Prince George’s Chamber of Commerce – 2008 Showcase (Upper Marlboro, MD)
- Alliance Small Business Procurement Fair (Baltimore, MD)

December 2008

- Howard University-Small Business Development Center Awards Ceremony (Washington, DC)

January 2009

- McPherson Square Business Council (Washington, DC)

February 2009

- African American Black Caucus Ceremony (Washington, DC)

March 2009

- “2009 Regional Procurement Expo” (Arlington, VA)
- Prince George’s County-4th Annual Small Business Initiative Program (Upper Marlboro, MD)
- MBE Night in Annapolis, MD (Annapolis, MD)
- “How To Conference for Small, Minority and Disadvantaged Businesses” (Bowie, MD)

April 2009

- “19th Annual Office of Small Disadvantaged Business Utilization Conference” (Chantilly, VA)
- “Professional Women In Construction Conference “ (Washington, DC)

May 2009

- “Light Up Washington Small Business Trade Show” (Washington, DC)
- Dulles Corridor Metrorail Project Contractor Outreach (Washington, DC)

With the Dulles Corridor Metrorail Project, we expect to participate in more DBE outreach in Virginia in FY10.