



Administration Committee

Information Item III-A

December 1, 2016

**Disadvantaged Business Enterprise (DBE)
Goal Setting: Current vs. Future**

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:
201810

Resolution:
☐ Yes ☒ No

TITLE:

Disadvantaged Business Enterprise Goal Setting

PRESENTATION SUMMARY:

Brief the Board on the joint efforts to improve the Disadvantaged Business Enterprise (DBE) and Office of Procurement (PRMT) contract goal-setting procedure in the interest of ultimately increasing DBE participation.

PURPOSE:

With the creation of the Office of Fair Practice (FAIR), and the transfer of the DBE office from PRMT to FAIR, a partnership has been formed between FAIR and PRMT to more effectively establish a collaborative process to identify DBEs and assign applicable goals to Metro contracts. This presentation will inform the Board on these efforts.

DESCRIPTION:

Parts of the DBE/PRMT goal-setting procedure are currently performed independently by two different offices. The management team has had several meetings and by November 15, 2016, will establish a formal process where each federally funded contract will be reviewed for DBE viability, DBE prime contractor consideration, and whether segmentation is possible.

Key Highlights:

- A collaborative partnership between the Acting Chief of Fair Practice and the new Chief of Procurement (CPRO) has been established to increase DBE participation through a new goal setting approach to achieve a goal of 22%.
- As part of the new procedure, the DBE office will attend contract kick-off meetings to thoroughly understand the parameters of contracts. This early involvement will provide the DBE office the ability to scope the opportunities that may be available for DBEs to be both prime and subcontractors.
- The DBE office will actively work with PRMT to ascertain if a workable solution can be provided to segment large contracts for DBE participation.

Background and History:

Only federally funded projects are subject to DBE requirements. The primary qualifiers for a business to become a DBE are (1) must be 51% owned by a socially and economically disadvantaged individual with a personal net worth that does not exceed

1.32 million dollars, (2) must be identified as a small business with three (3) year annual gross receipts not to exceed \$22.41M, and (3) must be an independent business.

In March 2016, the General Manager/Chief Executive Officer (GM/CEO) created FAIR. Simultaneously, the DBE office was transferred from PRMT to FAIR. The process and procedure on how to identify viable DBEs and the assignment of DBE goals did not change. This method had both offices operating independently, with the DBE office not being involved until after the initial goal was proposed.

Upon the arrival of the new CPRO in late September, both senior leaders agreed that one of the most effective ways to increase DBE participation would be to change the goal setting process by involving FAIR in the actual contract award meetings. As a participant in the earliest stage of the contract process, FAIR would be better able to ensure ready, willing and able DBEs are considered for opportunities. The different approach will also allow an increased focus on identifying opportunities for DBEs to qualify as prime contractors, and to segment large contracts (where feasible) for DBE participation.

Discussion:

Building on these actions with our new leadership will positively transform our overall DBE/PRMT contract awarding process and revitalize the efforts of our employees to provide first-class service to our community, jurisdictional partners and Metro. In addition to the new contract award process, FAIR will enhance community outreach and education with current and future vendors to raise awareness about WMATA opportunities and increase the number of qualified DBEs through the following actions:

- FAIR and DBE manager will be more visible in the DBE community;
- Staff will participate in opportunity fairs, providing information on how to do business with Metro and how to become a DBE. This will assist in removing barriers;
- WMATA will advertise in newspapers and professional journals;
- Staff will network with local business groups to expand our pool of DBE vendors; and
- Annual contract opportunities will be posted on Metro's DBE website.

FUNDING IMPACT:

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Erick Wilkes/James Wynne
Project Department/Office:	FAIR/DBE

TIMELINE:

Previous Actions	
Anticipated actions after	Continue collaborative efforts between PRMT and FAIR to enhance the DBE program and work toward establishing attainable goals with DBE and Minority/Woman Business

presentation	Enterprise (M/WBE) firms.
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Purpose

- Review Disadvantaged Business Enterprise (DBE) program
- Discuss new DBE participation goal
- Describe process to engage more DBE firms





Background

- Only federally funded projects are subject to DBE requirements
- Currently, 17% of the one billion-dollar capital program is expended with DBE vendors
- Safe Track
 - 15 DBE opportunities
 - 8 DBE prime contractors



New DBE Program

- New goal of 22% submitted to FTA
- Expand pool of DBE vendors using jurisdictional-approved DBE firms
- Increase DBE participation as prime contractors
- Segment big procurements to create more DBE participation
- Remove barriers for DBE participation



Community Outreach

- DBE management visibility in DBE communities
- Opportunity Fairs with focus on becoming DBEs
- Expand vendor database to include more women and minority-owned businesses
- Advertising (business journal, newspaper)
- Place Metro annual contracting opportunities on Metro DBE website



New DBE Program

- Measure growth of DBE utilization as Prime Contractors
- Provide accurate adjustments to FTA
- Establish monthly internal recap meetings between the Offices of Procurement and Fair Practices