Disadvantaged Business Enterprise Program: Goal Setting Methodology
What is a DBE?

• 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

• 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

- 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

<table>
<thead>
<tr>
<th>Service</th>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paratransit Services - 3-yr. option</td>
<td>Service</td>
<td>$4,200,000</td>
</tr>
<tr>
<td>Taxi Vouchers</td>
<td>Service</td>
<td>$252,000</td>
</tr>
<tr>
<td>On-Call WDs-Environmental Planning</td>
<td>Professional Services</td>
<td>$800,000</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Service</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture</td>
<td>22</td>
</tr>
<tr>
<td>Engineering Consultants</td>
<td>50</td>
</tr>
<tr>
<td>Environmental Consulting</td>
<td>22</td>
</tr>
</tbody>
</table>
Base Figure

- Figures are weighted by % of FTA funding
- SamTrans’ Base Figure is 1.15%
Adjustments to Base Figure

• 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)

• 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

• 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?

• Hayden Lee – Acting Manager, Civil Rights Programs
• Kamal Hubbard – DBE Administrator

Contact: dbeinfo@samtrans.com
K. Hubbard (650) 508-7939