



**Finance, Administration and Oversight Committee**

**Action Item III-B**

**May 8, 2008**

**FFY 2009 Annual Disadvantaged Business  
Enterprise Goal**

**Washington Metropolitan Area Transportation Authority  
Board Action/Information Summary**

Action  
 Information

MEAD Number:

Resolution:  
 Yes  No

**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 Program (DBE) Goal for Federal Fiscal Year 2009. 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, under 49 CFR, Part 26, requires all recipients of federal funds to establish an annual goal for Disadvantaged Business Enterprise (DBE) participation on federally funded contracts. WMATA will be informing the public of the proposed goal of 25% by holding a public comment period from May 30 through July 14, 2008. There will be a public meeting on July 14, 2008. The U.S. Department of Transportation has adopted a formula to calculate the annual goal. Staff utilized the formula and asked the U.S. Department of Transportation to review the formula and methodology prior to preparation of the proposed 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**

That the Board of Directors approve the 45-day period for public comment on the proposed FFY 2009 DBE Goal of 25%.



# FFY 2009 Annual Disadvantaged Business Enterprise Goal

*Presented to the Board of Directors:*

**The Finance, Administration and Oversight  
Committee**





# Purpose

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To seek committee approval, as required by the Federal Transit Administration, to initiate a 45-day public comment period on the FFY 2009 annual DBE goal.

The proposed FFY 2009 Disadvantaged Business Enterprise Goal is 25%.



# Benefit/Costs

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**The benefit: We will be in compliance with the required 45-day public comment period as mandated in 49 CFR Part 26.45.**

**The Costs: Minimal costs of advertisement.**



# DBE Goal and Achievements

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	FFY - 06	FFY - 07	FFY – 08
Goal	<b>16%</b>	<b>16%</b>	<b>25%</b>
Achievement	<b>18.5%</b>	<b>25.9%</b>	<b>26.4%</b>
Contract Awards to DBEs	\$29,741,050	\$10,547,446	\$15,054,915*
Percentage Over/Under	<b>2.5%</b>	<b>9.9%</b>	<b>1.4%*</b>

WMATA has 442 DBEs certified in our on-line directory.

\*Preliminary numbers. We are currently tracking to this percentage; the FFY does not end until September 30, 2008.



# Appendix A - Annual DBE Goal

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## **Who must submit an annual DBE goal?**

Any DOT recipient of federal funds per 49 CFR Part 26.

## **Why must we submit an annual DBE goal?**

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

**Federal grant funding subjected to DBE regulations anticipated for FFY 09: \$253 million.**

**The annual DBE Goal is due to FTA on August 1, 2008.**



## Appendix A - Methodology

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- **Formula Provided by U.S. Department of Transportation**

**Numerator** = Ready, Willing and Able DBEs (Supplied by 2002 U.S. Census Data).

**Denominator** = Ready, Willing and Able Firms (Supplied by 2002 U.S. Census Data).

$$\text{Base Figure} = \frac{\text{U.S. Census DBEs}}{\text{U.S. Census Vendors}}$$





## Appendix A - The FTA Goal Formula Process

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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

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**FFY – 08**

Goal - **25%**

Race Neutral - 2%

Race Conscious - 23%

**FFY – 09**

Goal - **25%**

Race Neutral – 4.7%

Race Conscious – 20.3%

More DBE vendors are winning WMATA contracts as prime contractors, which is why the Race Neutral percentage has increased.

The ultimate goal of the program is to move to a Race Neutral environment.



# Appendix A – 2007/08 DBE Outreach

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- 1/07 - Prince George's County Office of Central Services, Business Expo
- 3/07 - Congressman Albert R. Wynn, 12th Annual Procurement & Business Expo.
- 4/07 - 6th Annual City of Baltimore, Procurement and Outreach Fair
- 4/07 - Prince George's County Chamber of Commerce, Annual Spring Membership Drive
- 4/07 - 17th Annual OSDBU Procurement Conference
- 4/07 - Minority Enterprise Executive Council, 6th Annual Minority Entrepreneurs Conference
- 5/07 - Virginia Minority Supplier Development Council, Business Opportunity Fair
- 5/07 - MD/DC Minority Supplier Development Council, Business Procurement Conference
- 7/07 - WMATA Summer Procurement Conference
- 9/07 - Minority Business Development Agency
- 10/07 - WMATA, Howard University and Pro Bono law clinic, Small Business Workshop Series
- 11/07 - Veteran's Procurement Fair
- 1/08 - WMATA IT Procurement Fair
- **5/16/08 - DC-DOT, COMTO, WMATA Construction Procurement Fair**