



REVISED

FFY2025-2027 OVERALL DBE GOAL AND GOAL METHODOLOGY

Executive Management Committee

Item #20

RECOMMENDATIONS/BACKGROUND

- A. APPROVE proposed 31% Overall Disadvantaged Business Enterprise (DBE) goal for Federal Fiscal Years (FFY) 2025 – 2027 for contracts funded, in whole or in part, with Federal Transit Administration (FTA) funds, and
 - B. RECEIVE and FILE an update on the new modernized DBE Program certification and implementation requirements.
-
- Metro is required to implement the DBE program and every three years, establish an overall goal for DBE participation, in accordance with 49 Code of Federal Regulations (CFR) Section 26.21).
 - Effective May 9, 2024, USDOT issued its final ruling modernizing the DBE program rules to provide greater clarity and flexibility and enhance the ability of DBEs to compete on a level playing field for federally funded contracting opportunities.

SETTING OVERALL DBE GOAL

BASE FIGURE

- Information from Disparity Study
- Availability analysis
- Potential DBEs

STEP 2 ADJUSTMENT

- Current DBE capacity
- Marketplace barriers
- Other relevant factors



Metro

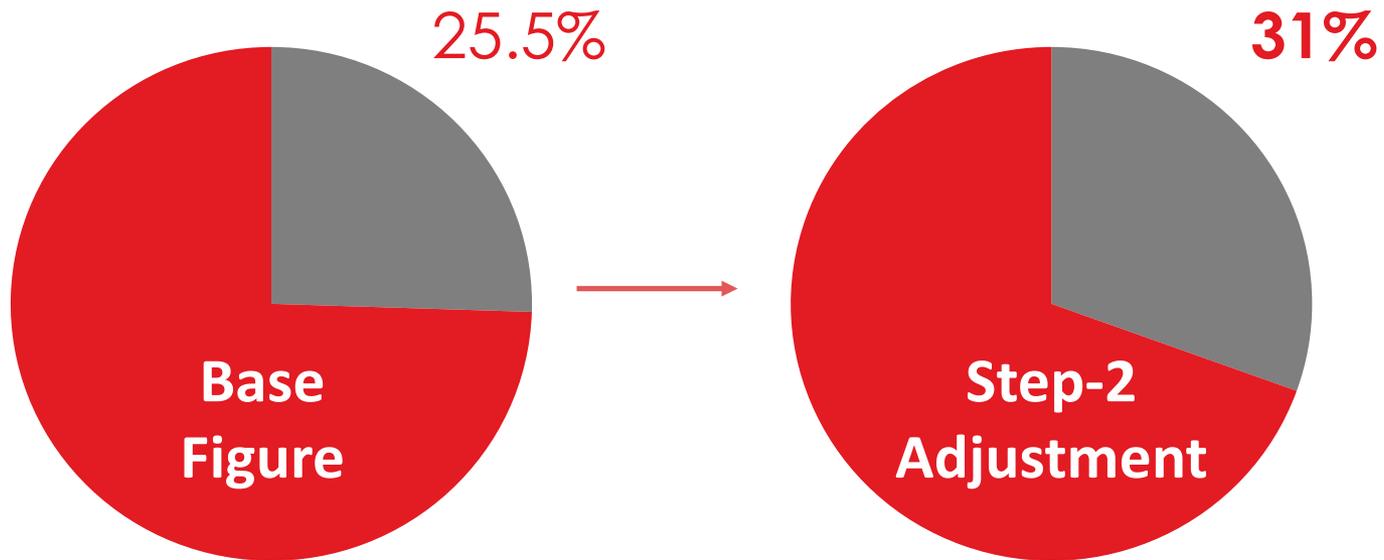
CALCULATING THE BASE FIGURE

Base figure is calculated using a dollar-weighted calculation by industry based on contracts expected for Metro during the next three Federal Fiscal Years

a. Potential DBEs	Availability Percentage			e. Weighted Average
	b. Construction	c. Professional Services	Non-professional services and goods	
Asian Pacific American-owned	16.8 %	8.3 %	0.2 %	16.0 %
Black American-owned	2.8	13.5	0.2	2.7
Hispanic American-owned	3.7	21.1	1.4	3.6
Subcontinent Asian American-owned				
Native American-owned	0.1	0.0	0.0	0.1
Hispanic American-owned				
Subcontinent Asian American-owned	1.2	11.5	0.5	1.2
Native American-owned				
White woman-owned	2.0	10.3	0.3	2.0
Total potential DBEs	26.6 %	64.8 %	2.6 %	25.5 %
Industry weight	95.2 %	0.05 %	4.8 %	

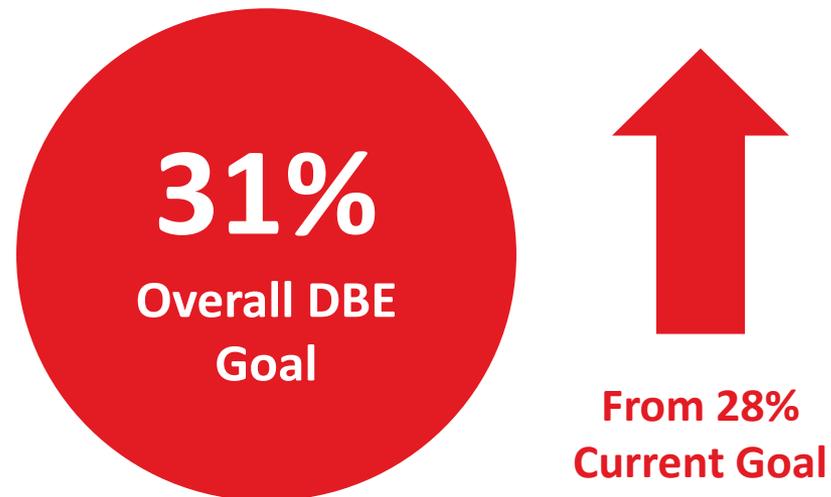
CALCULATING THE GOAL

Projected availability if minorities and women owned businesses at same rate as similarly situated white men—supports upward adjustment to base figure



CALCULATING THE GOAL

Given marketplace barriers, Metro determined that it was appropriate to adjust the base figure upward.



RACE-/GENDER-CONSCIOUS MEASURES

Substantial Disparities*

- Asian-Pacific American-owned businesses
- Black American-owned businesses
- Hispanic American-owned businesses
- Native American-owned businesses
- Subcontinent Asian American-owned businesses**
- White women-owned businesses

Next Steps:

- Upon Board Approval:
 - Submit proposed goal to FTA BY August 1, 2024
 - Overall DBE goal effective October 1, 2024

*Based on disparity analysis

**Subcontinent Asian Americans are persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka



Metro

2024 DBE PROGRAM UPDATES

Key changes that modernized the DBE Program and improved certification include:

- Streamlined the DBE certification and eligibility process, including expediting the inter-state certification process to less burdensome procedures.
- Adjusted the personal net worth (PNW) cap for inflation for small business owners from \$1.32M to \$2.047M, excluding retirement assets from the calculation. The DOT will make future adjustments to the PNW cap every three years.
- Formalized guidance establishing successful COVID-19 flexibilities such as virtual on-site visits, to conserve certification and firm resources.
- Modernized the rules for counting forty percent participation of DBE material suppliers by creating a new distributor category to address drop-shipped goods.
- Expanded reporting requirements to gain greater knowledge of DBE characteristics, bidding/solicitation practices and utilization and overall program impact.
- Clarified and reinforced how to count DBE participation after decertification or other loss of eligibility.
- Strengthened monitoring and prompt payment requirements.

The program changes were effective May 9, 2024, on Metro FTA and FHWA-funded contracts. Metro's SBE Program mirrors the DBE program and will be modified to align with the program changes by July 30, 2024.



Thank you

