



48 By '28 and Reciprocity Progress Update

Finance, Budget, Audit Committee

February 14, 2024

Executive Management Committee

February 15, 2024



Metro

48 BY '28 - BACKGROUND

- In May 2022, the Metro Board adopted the 48 by '28 8-point plan of eight new initiatives aimed at achieving a 48% aspirational target of small business participation in Metro funded projects.
- In July 2023, the Metro Board passed Motion 24 requesting progress updates on:
 - a) implementing the initiatives laid out in the May 2022 “48 by '28 Plan” to increase small and disadvantaged business participation in Metro contracts.
 - b) recommendations included in the September 2022 Office of the Inspector General (OIG) survey of small business enterprise certification programs.
 - c) developing an annual, fiscal year-end report on the agency’s progress toward reaching the 48% target by 2028.

48 BY '28 - UPDATE

- Metro has commenced action on all eight (8) Initiatives in the Plan:
 - The 15-Day Pay Initiative was launched on January 16, 2024.
 - Significant tasks associated with the coordination efforts with the LA Area Chamber of Commerce OneLA Collaborative and advertising Metro's Outreach efforts on the City of Los Angeles' RAMP Portal have been completed.
 - Metro staff engaged local jurisdictions, through surveys, to determine how many agencies have an SBE Program, their use of Local Return funds, and how Metro can assist with outreach to the small business community.
 - The Contract Financing Assistance Program (CFAP) was launched in September 2023.

48 BY '28 - UPDATE

- Metro has been supportive of efforts by the U.S. Department of Transportation to enhance their disadvantaged business enterprises outreach.
- Metro awaits issuance of the final rule on the proposed DBE Program rule change to increase the Personal Net Worth (PNW) limit from USDOT.
- Metro initiated a review of BART's SBE certification program and verification process and will also reconnect with the City and County of Los Angeles' to ascertain new interest to harmonize SBE programs.
- Metro will continue to review and evaluate other similarly vetted certification programs for possible reciprocity.

YEAR-END PROGRESS TOWARD 48 X '28 TARGET

Metro's fiscal year-end report is summarized below:

- In FY23, \$56.8M or 35.41% of non-federally funded contract awards were awarded to SBEs across all Metro small business programs, demonstrating overall progress toward reaching the 48% aspirational target.
 - In FY24, staff will develop a reporting tool to facilitate reporting from the local jurisdictions. While Metro cannot mandate participation, staff will continue to collaborate, provide technical assistance and share ways to stand up SBE programs to increase equity and opportunities to SBEs regionally.
- **Next Steps:** Staff will continue to implement and launch the ongoing Initiatives of the Plan.