

STAFF REPORT

SUBJECT: Disadvantaged Business Enterprise (DBE) 3-Year Goal Establishment (2018-2020)

FROM: Tamara Edwards, Disadvantaged Business Enterprise Liaison Officer

DATE: July 10, 2017

Action Requested

Review and approve LAVTA's updated 3-year Disadvantaged Business Enterprise (DBE) goal for Federal Fiscal Year 2018-2020 Funding.

Background

Pursuant to 49 CFR Part 26, LAVTA is required to submit an overall DBE goal when it anticipates awarding at least \$250,000 in FTA funded prime contracts in a Federal fiscal year, excluding transit vehicle purchases.

Discussion

The overall goal spanning the next three federal fiscal years of funding is 3%, and may be adjusted annually based upon differing circumstances. Establishing an overall DBE goal is a multi-step process and the methodology used is consistent with 49 CFR Part 26.

Determining a Base Figure

According to LAVTA's DBE policy, the agency may determine a base figure for the relative availability of DBEs on any project by using one of the following methods (method may vary by project):

1. *DBE Directories and Census Bureau Data.* Determine the number of ready willing and able DBEs in our market from the regional directory. Using the Census Bureau's County Business Pattern data base, determine the number of all ready, willing and able businesses in our market that perform work in the same NAICS codes. Divide the number of DBEs by the number of all businesses to derive a base figure for the relative availability of DBEs in our market.
2. *A bidders list.* Determine the number of DBEs that have bid or quoted on our DOT-assisted prime contracts or subcontracts in the previous year. Determine the number of all businesses that have bid or quoted on prime or subcontracts in the same time period. Divide the number of DBE bidders and quoters by the number for all businesses to derive a base figure for the relative availability of DBEs in the market.
3. *Use of a goal of another DOT recipient.* If another DOT recipient in the same or substantially similar market has set an overall goal in compliance with this rule, we may use that goal as a base figure for our goal.

4. *Alternative methods.* A methodology not stated in the rule that provides a goal that is rationally related to the relative availability of DBEs in our market.

The recommended three year goal for FY 2018-2020 was determined using method number 1 above. The goal has been published for public comment for the required 30 days, without any public comments received. Additional federal dollars may become available during this three year period and as new information becomes available, the overall DBE goal may have to be revised accordingly on an annual basis.

Recommendation

Staff recommends the Board adopt the three year DBE goal of 3% for Federal Fiscal Years 2018-2020.

Approved: _____