



Metro

**DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM
FEDERAL FISCAL YEAR 2010 OVERALL GOAL & METHODOLOGY**

EXECUTIVE SUMMARY:

The Los Angeles County Metropolitan Transportation Authority (Metro) is recommending a 8% Disadvantaged Business Enterprise (DBE) overall goal for its Federal Transit Administration (FTA)--assisted contracts for Federal Fiscal Year 2010 (FFY10).

The overall goal was developed in compliance with the US Department of Transportation (DOT) DBE Program federal regulation 49 Code of Federal regulation CFR) part 26. The overall goal is based on the total dollar amount of FTA-assisted contracts Metro projects to be awarded in the fiscal year. The goal identifies the relative availability of DBEs based on evidence of ready, willing and able DBEs in relationship to all comparable businesses which are known to be available to compete for Metro's federally- assisted contracts.

GOAL SETTING METHODOLOGY SECTION 26.45

Metro established its overall goal based on demonstrative evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on Metro FTA-assisted contracts. In FFY08, Metro anticipates awarding \$100 million in FTA dollars with potential DBE opportunities. Metro followed the two-step goal setting methodology prescribed in 49CFR26.45.

The first step was to develop a base figure for the relative availability of DBEs. The relative availability of DBEs is the total number of ready, willing and able DBE firms divided by the total number of all firms for the types of contracts Metro anticipates awarding within its geographic procurement market. The second step required an examination of all evidence available in the market area to determine what adjustment to the base figure is needed, if any, to arrive at an overall goal.

A. Step One- Base Figure-Section 26.45(c)

The first step in this process is to determine the base figure for the relative availability of DBEs.

- 1. Method Selected -** To establish the base figure, Metro utilized the first recommended procedure referenced in 49 CFR 26.45(c) (1) which is to use DBE Directories and Census Bureau Data for relative availability of DBE firms and all businesses.

a) Geographic Procurement Market:

An analysis of Metro's geographic market area revealed that Metro solicits participation from five (6) counties, including Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego. The geographic procurement market was used for both the numerator (DBEs) and denominator (all businesses) within the area from which Metro draws the substantial majority of its contract competition.

b) DBE Availability:

Metro conducted an analysis to determine the number of certified DBEs that were available to participate as contractors and subcontractors in the projected contracting opportunities. The data source used for establishing availability of ready, willing and able DBE firms was derived from the California Unified Certification Program (CUCP) database of certified firms. The certified firms identified as available to perform work in various North American Industry Classification System (NAICS) work categories were matched with Metro subcontracting opportunities. The total number of certified available DBE firms, firms totaling 1,471 as shown in Attachment #1 was used in the goal setting formula used to calculate the base figure.

c) Total Business Availability:

Metro conducted a similar analysis to determine availability of all businesses within the same geographic market area. The U.S. Census Bureau 2007 County Business Pattern (CBP) was used to determine availability of all businesses within the NAICS categories in which Metro contracts. The denominator of 34,573 used to arrive at the base figure, shown in Attachment #1, represents the total number of businesses available in the market area.

2. **Description of Calculation Performed** - To calculate the base figure, Metro divided the number of DBEs by the number of all businesses within Metro's geographic market and weighted it against the total projected FTA-assisted funds Metro expects to expend in each respective work category. Based on this calculation (as shown in Attachment #1), Metro derived at a baseline figure of 4.60%. This figure was rounded upward, resulting in a 5% base figure.

B. Step Two Adjustments- Section 26.45(d)

1. **Adjusted Base Figure** – Metro adjusted its base figure by reviewing the median past DBE overall goal attainment over the last four years. This resulted in a calculated average of 7.25%. This average capacity was added to the 5% base figure, and divided by two, resulting in an upward adjustment

to the base figure by 2.75% or 7.75%. The base figure was rounded to the nearest percent resulting in 8% as the adjusted overall goal for FY10.

2. **Overall Goal** - Based on the data and analysis conducted, Metro recommends an 8% overall goal for DBE participation.

RACE AND GENDER- NEUTRAL AND CONSCIOUS MEASURES SECTION 26.51

Metro will achieve its recommended overall goal of 8% for FFY10 by solely using race-and gender neutral (race-neutral) means.

In accordance with 49 CFR 26.35(f) (3), we are required to breakout the portion of our overall goal that we project to meet through race-neutral and race-conscious means. Effective October 1, 2006, the use of race-conscious was suspended because of the federal 9th Circuit Court decision, and subsequent guidance from FTA, affecting new evidentiary standards affected recipients must now meet to support the use of race-conscious goals. The current method to achieve our FY10 overall goal will be through the use of race-neutral means, pending the completion of Metro's Southern California Regional Disparity Study.

Race-neutral DBE participation includes, but is not necessarily limited to, the following: when a DBE wins a prime contract through customary competitive procurement procedures; DBE participation is awarded through a subcontract on a prime contract that does not carry a DBE goal; DBE participation on a prime contract that exceeds a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

Metro currently uses the following race-neutral means to increase DBE participation, but is not limited to: 1) providing a look ahead of upcoming procurement opportunities; 2) providing assistance in overcoming limitations such as inability to obtain bonding or financing; 3) providing technical assistance; 4) carrying out information and communication of programs on contracting procedures and specific contract opportunities; 5) ensuring distribution of Metro Certified Directory available on the Internet; 6) assisting DBEs and other small businesses to develop their capacity to utilize emerging technology and conduct business through electronic media; and 7) organizing and participating in small business outreach events.

MetroDisparity Study

The Metro draft Disparity Study is currently posted on Metro's website at metro.net/disparitystudy. Metro conducted a public comment period beginning September 25, 2009 through November 10, 2009 by 5:00pm. The public was able to submit comments online via email to: dacomment@metro.net or by US mail to Metro, Diversity & Economic Opportunity Department, Attn: DS Public Comment, One Gateway Plaza 99-13-2, Los Angeles, CA 90012.

Contractors, vendors and industry associations were invited to share personal experiences and other information relevant to the future implementation of the Federal Disadvantaged

Business Enterprise (DBE) Programs implemented by the above agencies. This may have included whether or not there is evidence of discrimination affecting the transportation contracting industry; starting and expanding businesses; obtaining financing; insurance and bonding; obtaining work with the above agencies and other local establishments; subcontracting opportunities and the need for any assistance programs. Comments/testimony will become part of the public record for the disparity study.

A final disparity study report is targeted for completion in December 2009. The results of the Disparity Study will be considered by Metro in determining if an amended FFY2010 Overall DBE Goal will be required.

PUBLIC PARTICIPATION SECTION 26.45G

The regulation, 49 CFR Section 26.45(g) requires that Metro provide for public participation when establishing its overall goal:

A. Consultation

Metro invites public participation and input from certified DBE firms and individuals who will provide general comments concerning the DBE goal methodology and race-neutral measures.

B. Published Notice

Metro published a public notice announcing the proposed overall goal and methodology in minority and women focused media and general newspaper. The FY10 annual goal and methodology was made available for inspection during normal business hours at Metro Headquarters for a period of 30 days, beginning on October 26, 2009. The public was also informed that Metro will accept public comments on the proposed goal for 45 days from the date of the notice. The overall goal was advertised from October 26 – 29, 2009 in the LA Times, Daily News, LA Opinion, Eastern Group Publications, Rafu Shimpo, Chinese Daily, LA Watts Times, Small Business Exchange and the APTA Passenger Transport.

The period for public comment begun on October 26, 2009 and will end on December 10, 2009. Overall Goal public comments can be submitted to:

Metro Headquarters
Diversity & Economic Opportunity Department (DEOD)
Attn: DBE Liaison Officer, Mail Stop: 99-13-2
One Gateway Plaza, Los Angeles, CA 90012
Fax: (213) 922-7660

At the end of the public comment period, a report analyzing all public comments will be prepared for the DBE Liaison Officer to review and to determine if any amendment to the goal is warranted. In this case, Metro will submit an amended FY2010 overall goal methodology to FTA for approval.

Los Angeles County Metropolitan Transportation Authority
Attachment 1 – FFY2010 Methodology for Calculating FTA Annual DBE Goal

Goal Methodology

Work Category	Description of Work	NAICS	Projected FTA \$ with contracting opportunities in each category	Weighted % of FTA Funding by Work Category
A	Professional Services	NAICS 54	\$ 32,927,675	33.00%
B	Construction	NAICS 23	\$ 50,171,079	50.27%
C	Materials/Supplies	NAICS 42	\$ 16,695,177	16.73%
Total			\$ 99,793,931	100%

Base Figure = Number of Ready, Willing, and Able DBEs (NAICS)

Number of All Ready, Willing, and Able Firms (CBP)

$$\text{Base Figure} = \frac{(33.00\%)\text{ DBEs in A}}{\text{Firms in A}} + \frac{(50.27\%)\text{ DBEs in B}}{\text{Firms in B}} + \frac{(16.73\%)\text{ DBEs in C}}{\text{Firms in C}}$$

$$\text{Base Figure} = \frac{(33.00\%)\ 1,100}{13,679} + \frac{(50.27\%)\ 301}{10,735} + \frac{(16.73\%)\ 70}{2,159}$$

$$\text{Base Figure} = (.3300)(.0804) + (.5027)(.0280) + (.1673)(.0324)$$

$$\text{Base Figure} = .0265 + .0141 + .0054 = .0460$$

$$\text{Base Figure} = .0460 \times 100 = 4.60$$

$$\text{Base Figure} = 5\%^*$$

Annual Goal Components

$$\text{Annual Goal} = \text{Base Figure} + \text{Adjusted Figure}$$

$$\text{Annual Goal} = 5\% + 2.75\% = 7.75\% = 8\%^*$$

Race Conscious = 0% DBE participation achieved through contract-specific goals

Race Neutral = 8% DBE participation achieved through race-neutral measures

LEGEND	
CBP	2007 County Business Pattern (Census)
DBE	Disadvantaged Business Enterprise
NAICS	North American Industry Classification System

* Rounded to the nearest percent.





Metro

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
PROPOSED DISADVANTAGED BUSINESS ENTERPRISE OVERALL GOAL**

This announcement will serve as notice of the Los Angeles County Metropolitan Transportation Authority's (Metro) proposed Disadvantaged Business Enterprise (DBE) Overall Goal of 8% for Federal Transit Administration (FTA) – assisted contracts for Federal Fiscal Year 2010 (FFY10). Metro will achieve its proposed overall goal using race-neutral measures. The overall goal is expressed as a percentage of FTA funds Metro projects to expend in the upcoming year. The annual goal methodology used is in accordance with the U.S. Department of Transportation (DOT) DBE Program Final Rule, 49 Code of Federal Regulation, Part 26. The annual goal is established to achieve a “level playing field” for DBEs to participate in Metro’s FTA-assisted contracting opportunities.

Metro’s FFY10 DBE FTA overall goal and methodology will be made available during regular business hours of 8:00 am – 4:00 pm Monday through Friday for public review for 30 days from October 26, 2009 through November 25, 2009. The public may review and provide comments on the FTA overall goal for 45 days. Public comments will be accepted at the address listed below starting October 26, 2009 and ending December 10, 2009.

Metro Headquarters
Diversity & Economic Opportunity Department (DEOD)
Attn: DBE Liaison Officer, Mail Stop: 99-13-2
One Gateway Plaza, Los Angeles, CA 90012

DEOD Hotline: (213) 922-2600 - Fax: (213) 922-7660



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(2015.5 C.C.P.)

**STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES**

I am a citizen of the United States and a resident of the County aforementioned; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of

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E.L.A. BROOKLYN BELVEDERE COMET AND

WYVERNWOOD CHRONICLE,

newspapers of general circulation, printed and published **THURSDAYS** in the County of Los Angeles, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under the

date of **JUNE 21, 1966,**

CASE NUMBER 884861;

that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

OCTOBER 29,

all in the year **2009.**

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at **LOS ANGELES, California,**
this **29th** day of **OCTOBER, 2009.**

Bamdez
Signature

This space is for the County Clerk's Filing Stamp

**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

Proof of Publication of

**Proposed Disadvantaged Business Enterprise
Overall Goal**



Metro

**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
PROPOSED DISADVANTAGED
BUSINESS ENTERPRISE OVERALL GOAL**

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