



SFMTA

Municipal Transportation Agency

**Disadvantaged Business Enterprise
Availability, Utilization & Disparity Study**

Study Results, Findings and Recommendations

SFMTA Board of Directors

April 19, 2016

Purpose of the Disparity Study

- Determine if substantial disparities exist in SFMTA's utilization of Disadvantaged Business Enterprises (DBEs) in federally assisted contracts funded by the Federal Transit Administration (FTA)
- Identify appropriate race-neutral and/or race-conscious measures for the SFMTA's DBE program
- Make recommendations to SFMTA for administering its DBE program

Scope of the Disparity Study

- Federal Fiscal Years 2009 through the third quarter of Federal Fiscal Year 2015
- Covered 656 FTA-funded transportation-related construction, professional services, and other goods/services prime contracts and subcontracts

Study Approach

- Market Area Analysis
- Availability Analysis
- Utilization Analysis
- Disparity Analysis
- Economic Analysis
- Anecdotal Analysis
- Policy Analysis

Key Findings

- Discrimination in the marketplace
- SFMTA has made good faith race/gender neutral efforts to remedy the effects of discrimination, with varying degrees of success
- Woman-Owned Business Enterprises (WBEs) are substantially underutilized on SFMTA FTA-funded contracts
- Race-neutral measures have not assisted Black American construction contractors to participate fully and equitably in SFMTA federally assisted construction contracts
- Race-neutral methods employed by SFMTA are effective in assisting some groups (e.g., Asian Pacific Americans and Hispanic Americans)

Recommendations

- Implement a Woman-Owned Business Enterprise element (to include businesses owned by women of all races and ethnicities) to SFMTA's DBE program for construction, professional services and goods and other services contracts
- Implement the DBE program with an element designed to mitigate the discriminatory practices and their effects on Black American construction contractors
- Implement a small contract element within SFMTA's Small Business Enterprise Program that is focused on small construction contracts under \$5 million, and on small professional services prime contracts under \$1 million

Recommendations

- Continue implementing SFMTA's race- and gender-neutral Small Business Enterprise Program (SBE) for all federally funded contracts, including SBE set-asides
- Seek a DBE program waiver from the FTA pursuant to federal regulations for implementing the programmatic recommendations.

Stakeholder Concerns

- Identification of market area
- Number of minority owned businesses in marketplace
- Disparity results, particularly for Black American-owned construction and professional services firms
- Effects of excluding certain groups from the Study recommendations
- Timeline for implementation of recommendations

Next Steps

- SFMTA Board Adoption of Disparity Study
- Approval of FTA Waiver Application (49 CFR Part 26, Section 26.15)
 - U.S. Department of Transportation allows SFMTA to apply for a program waiver of certain requirements of the DBE program
 - Public hearing required and comments gathered
- Submission of waiver application to FTA for approval
- Revision of SFMTA DBE Program if approved