

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 11/13/2024

**Staff Report No.** 24-525

**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** Disadvantaged Business Enterprise

### BRIEFING ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider receiving the Disadvantaged Business Enterprise (DBE) Semi-Annual Payment Report for the period of April 1, 2024, through September 30, 2024.

Staff Contact:  
Lynette Little, Director of Civil Rights & Compliance

**STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency  
Initiative - Financial Efficiency and Revenue Maximization

The Federal Transit Administration (FTA) has mandated that AC Transit, as a recipient of DOT-assisted funding, adopt and implement a DBE program. Inclusive in the implementation is the periodic reporting to the FTA on the success and challenges of meeting established triennial DBE goals. Compliance with this requirement ensures that the District remains eligible to receive FTA funding.

**BUDGETARY/FISCAL IMPACT:**

There is no budgetary or fiscal impact associated with this report.

**BACKGROUND/RATIONALE:**

On July 27, 2022, the Board adopted a 2% DBE goal for Federal Fiscal Years (FFY) 2023-2025. However, the FTA subsequently requested several follow-up consultation meetings which led to their recommendation that the District adopt a 24% DBE goal. On December 12, 2022, the Board adopted the FTA recommended 24% DBE goal for FFY 2023-2025.

The District's adopted FTA Triennial DBE Goal for FFY 2023-2025 is 24% annually and is reported in two semi-annually periods: October through March, and April through September. For the FFY 2023-2025 triennial period, this is the fourth report covering April 1, 2024, through September 30, 2024. There are two semi-annual reports remaining for the current triennial period.

During this reporting period, the District did not meet its 24% DBE participation goal. District awards and commitments during this reporting period resulted in \$241,133 or 12.5% (see Table 1) of federal-assisted contracting dollars being paid to DBE firms. The District awarded several contracts, purchase orders, and task orders that included three DBE prime contractors.

Table 1: Federally-Assisted Awards & Commitments (current reporting period)	
Prime Contract Award Dollars	\$1,931,481
DBE Prime Awards and Subcontract Commitn	\$241,133
DBE Participation (%)	12.5%

Combined with the first six-month reporting period (October 1, 2023 - March 31, 2024) the District achieved 10.2% DBE participation for the completed FFY 2024 (see Table 2), but fell short of the overall 24% goal. Therefore, the District must submit a shortfall analysis to the FTA with an explanation of 13.8% shortfall for this reporting period and any proposed actions and steps being taken to prevent missing DBE goals in future reporting periods. The shortfall analysis is due to the FTA on or before December 29, 2024.

Table 2: Federally-Assisted Awards & Commitments (Federal Fiscal Year 2023-2024)			
Federal Fiscal Year (FFY)	Oct 2023 - Mar 2024	Apr 2024 - Sept 2024	Total FFY 2023-2024
Prime Contract Award	\$435,327	\$1,931,481	\$2,366,808
DBE Prime Awards ar	\$0	\$241,133	\$241,133
DBE Participation (%)	0.0%	12.5%	10.2%

In addition to new DBE awards and commitments, the FTA looks at ongoing contract payments to DBE firms. During this same reporting period, ongoing contracts resulted in 6.1% DBE utilization, as indicated on Table 3.

Table 3: Payments on Federally-Assisted Contracts (current reporting period)		
Total Federal Dollars Paid	Total Payments to DBEs	DBE Percentage
\$910,028	\$55,531	6.1%

Although DBE firms may have performed on non-federally funded assisted projects during this reporting period, the FTA DBE utilization calculation is exclusively based upon federally funded assisted contract awards and commitments awarded during the specific semi-annual report period. District staff continually performs electronic monitoring of its prime contractors and their commitment to DBEs and Small Business Enterprises, including prompt payment requirements. Additionally, efforts to increase the use of DBEs have been bolstered by aligning procurement opportunities with Board Policy 460: Disadvantaged Business Enterprise (DBE) Policy, and Board Policy 466: Small and Small Local Business Enterprise Policy.

**ADVANTAGES/DISADVANTAGES:**

This report does not recommend a course of action with notable advantages or disadvantages.

**ALTERNATIVES ANALYSIS:**

As this report is informational, no alternatives were considered.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 22-241a

Staff Report 24-264

Board Policy 460 Disadvantaged Business Enterprise (DBE) Policy

**ATTACHMENTS:**

None

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