

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 11/9/2022

Staff Report No. 22-587

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Disadvantaged Business Enterprise Semi-Annual Payment Report

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, 2022 through September 30, 2022.

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

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Internal and External Diversity, Equity, Inclusion and Accessibility Programs and Priorities

The Federal Transit Administration (FTA) has mandated that AC Transit, as a recipient of DOT-assisted funding, is required to 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. Supporting this requirement ensures that the District continues its commitment to diversity and equity in contracting and remains eligible to receive FTA funding.

BUDGETARY/FISCAL IMPACT:

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

BACKGROUND/RATIONALE:

The District's FTA Federal Fiscal Year (FFY) Triennial DBE Goal for FFY2020 - 2022 is 10% annually, then reported semi-annually for periods October through March, and April through September. This is the final 6-month report for the (FFY20-22) triennial period.

During this reporting period, the District did not meet its ten percent (10%) DBE participation goal. District awards and commitments during this reporting period resulted in \$0 in federal-assisted contracting dollars going to DBE firms. While the District processed several small dollar purchase orders utilizing federal funding, none included DBE participation.

Table 1: DBE Participation 4/1/2022 through 9/30/2022

Prime Contract Award Dollars	\$274,086
DBE Prime Awards and Subcontract Commitments	\$0
DBE Participation (%)	0%

For the triennial period of October 1, 2019 through September 30, 2022, the District achieved a combined DBE participation of 17.1%, exceeding the 10% adopted goal.

Table 2: DBE Participation for Triennial Period FFY2019 - FFY2022

	FFY2019-2020	FFY2020-2021	FFY2021-2022	Total
Contract Dollars	\$6,979,577	\$1,464,986	\$1,299,522	\$9,744,085
DBE Awards	\$1,441,187	\$52,964	\$176,000	\$1,670,151
DBE Participation	20.6%	3.6%	13.5%	17.1

In addition to new DBE awards and commitments, the FTA looks at ongoing payments to, and utilization of, DBE firms. During this same reporting period, there were four (4) ongoing contracts and subcontracts. However, there was no continued DBE utilization, as indicated in the table below:

Table 3: Ongoing Contracts with DBE Participation (4/1/2022 - 9/30/2022)

Total Federal Dollars Paid	Total Payments to DBEs	DBE Percentage
\$3,284,738	\$0	0%

Although DBE firms may have performed on non-federally funded projects during this reporting period, the FTA DBE utilization calculation is exclusively based upon federally funded 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. Since the onset of COVID-19 and related gathering restrictions, staff has engaged in online outreach efforts that entail video conferencing webinars and modified "meet the primes" events. As the region continues to emerge from remote and online engagement, staff continues to work with internal and external partners to focus on innovative solutions to conduct safe DBE and SBE outreach programs including specific opportunities on doing business with AC Transit.

Small Business and Small Local Business Utilization

At the September 8, 2021 meeting, the Board adopted a ten percent Small Business Enterprise (SBE) goal and a separate ten percent Small-Local Business Enterprise (SLBE) goal. An update on efforts to improve SBE and SLBE contracting opportunities will come before the Board in early 2023.

Disadvantaged Business and Small Business Outreach Efforts

In addition to regular updates on DBE, SBE, and SLBE utilization, the Board expressed an interest in small

business outreach efforts staff undertook in the course of achieving these goals. Staff has developed a set of strategies and tools to improve contracting to small, disadvantaged, local, women-owned, and minority-owned businesses. Again, updates on the District's outreach efforts and engagements with the small business community will come before the Board in early 2023.

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 22-014 Amendments to DBE Program

Staff Report 22-239 Disadvantaged Business Enterprise (DBE) Semi-Annual Payment Report

Staff Report 21-296 Small and Local Business Contracting Goals

Staff Report 19-199 Disadvantaged Business Enterprise (DBE) Goal for Fiscal Years 2020-2022

Board Policy 460 Disadvantaged Business Enterprise (DBE) Policy

ATTACHMENTS:

None

Prepared by:

Phillip J. L. Halley, Program Manager, Contracts Compliance

Approved/Reviewed by:

Jill A. Sprague, General Counsel/Chief Legal Officer

Lynette Little, Director of Civil Rights & Compliance