

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 11/10/2021

**Staff Report No. 21-524**

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

### BRIEFING ITEM

#### **RECOMMENDED ACTION(S):**

Consider receiving the Disadvantaged Business Enterprise (DBE) Semi-Annual Payment Report for the period of April 1, 2021 through September 30, 2021.

#### **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, 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 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, reported semi-annually for periods October-thru-March, and April-thru-September. This is the 2nd required report for FFY2020-2021.

During this reporting period, the District did not achieve its 10% DBE participation goal. District awards and commitments during this period resulted in no federal dollars going to DBE firms. This was solely due to the issuance of several small dollar purchase orders, execution of task orders on existing contracts, and a single contract award which included a ten percent Small Business Enterprise (SBE) goal because DBE goals are not currently authorized on contracts.

As a result of missing the DBE goal for this period and achieving only 3.62% for the current federal fiscal year (October 1, 2020 through September 30, 2021), staff must submit a shortfall analysis to the FTA with an explanation of why the goal was missed and proposed actions and steps being taken to prevent future missed

goals.

Prime Contract Award Dollars	\$1,224,852
DBE Prime Awards and Subcontract Commitments	\$0
DBE Participation (%)	0.0%

In addition to new DBE commitments, the FTA looks at ongoing utilization of DBE firms. Currently, there are 10 ongoing contracts and subcontracts awarded prior to the current reporting period resulting in a continued 17.9% DBE utilization, as indicated in the table below:

Total Federal Dollars Paid	Total Payments to DBEs	DBE Percentage
\$2,699,962	\$484,100	17.9%

Although DBE firms have performed on non-federally funded projects during this report 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 have engaged in online outreach efforts that entail video conferencing webinars and modified "meet the primes" events. 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. The Board requested updates on the District's progress with these newly adopted goals and it was recommended that the updates be added to this report. Beginning with the next six-month update in May 2022, this section will include an update on the District's SBE and SLBE utilization.

#### ***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 is working on a 2022 Disadvantaged and Small Business Program Plan that outlines planned outreach efforts as well as other strategies to improve contracting with small, disadvantaged, local, women-owned, and minority-owned businesses. Again, beginning with the next six-month update in May 2022, this section will include an update on the District's outreach efforts and engagements with the small business community.

#### **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 21-396 Small Local Business Contracting Goals  
Staff Report 21-225 Disadvantaged Business Enterprise (DBE) Semi-Annual Payment Report  
Staff Report 19-199 Disadvantaged Business Enterprise Goal for Fiscal Years 2020-2022  
Board Policy 460 Disadvantaged Business Enterprise Policy

**ATTACHMENTS:**

None

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**Approved/Reviewed by:**

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