



**ITEM ID:** 2023-337-0

**TRANSMITTAL DATE:** October 6, 2023

**MEETING DATE:** October 13, 2023

**TO:** Audit and Finance Committee

**FROM:** Arnold Hackett, Chief Financial Officer  
—

**SUBJECT:** Quarterly DBE/SBE Program Update

**Issue**

Staff provides an update on current Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) affairs.

**Recommendation**

Receive and file.

**Strategic Commitment**

This report aligns with the Strategic Business Plan commitments of:

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to delight them.
- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving. This commitment is met by sharing news, information and the Authority’s legislative priorities with elected officials.

**Background**

The Southern California Regional Rail Authority (Authority) is a recipient of U.S. Department of

Transportation (U.S. DOT) Federal Assistance funds through the Federal Transit Administration (FTA). As a condition of receiving such assistance, the Authority has developed a Disadvantaged Business Enterprise (DBE) Program in conformance with the Federal DBE Program and its regulations published under U.S. DOT 49 CFR Part 26. The Authority will continue carrying out this Program as long as it receives funds from U.S. DOT.

The Authority is committed to fulfilling the intent of the federal DBE Program and its regulations by ensuring that DBEs have equitable access to participate in all federally funded Authority contracting opportunities. In accordance with the U.S DOT's DBE Program, the goal of the Authority's DBE Program is to ensure that minority-owned, women-owned, and other disadvantaged small businesses can fairly compete for contracts and subcontracts financed in whole, or in part, with U.S. DOT funds.

In January 2011 the US DOT added 26.39 to 49 CFR Part 26 that requires recipients of U.S. DOT financial assistance to include an element in their contracting requirements to facilitate competition by small businesses. The Authority submitted its proposed Small Business Enterprise (SBE) provisions for FTA approval and received concurrence from the FTA on March 14, 2013. The Authority revised its SBE Program in 2015 and again in 2020 in response to the Authority's transition away from a strictly race-neutral DBE Program to a DBE Program inclusive of race-conscious DBE provisions.

## **Discussion**

The Authority's approved DBE Program has an overall DBE Participation Goal of 14%. Currently, the Authority is exceeding that goal, and has attained 15.7% DBE participation on its Federalized contracts. The Authority monitors all contracts that are Federally funded, these contracts include Construction, Professional Services and A&E contracts. Additionally, all contracts that are valued at \$25M or greater and have subcontracting opportunities are reviewed to include a Mentor Protege Program (MPP) component that aims to further develop our small business vendors, regardless of DBE or SBE certification status.

The Authority has employed its MPP components on seven high value contracts. Currently, five MPPs are in effect and support 16 DBE proteges that represent five of the Metrolink service areas. The remaining two are currently in the solicitation process and are expected to commence before the end of the calendar year.

The updated Small Business element has been further developed as a supplement to the Authority's existing DBE Program, to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime Contractors or subcontractors in direct response to regulatory requirements, 49 CFR Part 26.39, entitled "Fostering Small Business Participation" (Federal Register/Vol. 76. No. 19/ Friday, January 28, 2011/ Rules and Regulations).

The Authority's Small Business element also includes additional enhanced and targeted outreach measures, as follows:

- Small Business Prime Program focuses on the targeted outreach of small businesses who are equipped to compete and obtain contracts without having to participate as a

subcontract.

- Partnering with local Agencies within the Authority's market areas to reach SBEs.
- Creating face-to-face opportunities for SBEs to engage with Authority staff to familiarize themselves with Authority's bid/procurement process.
- Sharing upcoming contracting opportunities and tips to promote success within the Authority's contracting program.
- The Authority has broadened its outreach efforts to promote access and communication between Authority staff and small businesses. These steps have enabled the Authority to connect with qualified businesses who may have not otherwise looked at the Authority to market services and/or products.

Currently, Metrolink is partnering with more than 20 certified small business Prime Contractors; these are small businesses that are actively managing their own Metrolink contracts. These certified small businesses provide a variety of products and services that range from computer programming, trucking, grant writing, media production and signal engineers. Our Small Business Prime contracts are valued at more than \$36M. With upcoming procurements, we expect to increase the numbers of small business that we partner with.

### **Next Steps**

Staff will continue to report quarterly updates on the DBE and SBE Programs.

Prepared by: Lorraine E. Aldridge, Manager II, Program Management

Approved by: Arnold Hackett, Chief Financial Officer

### **Attachment(s)**

[Presentation - DBE SBE Program Update Sept 2023](#)