

Disadvantaged Business Enterprise (DBE) Program

Office of Diversity and Civil Rights (ODCR)
August 8, 2024

Federal Authorization for DBE Program

Authorization

- In 1983, US Congress enacted the first Disadvantaged Business Enterprise (DBE) Program.
- On January 6, 2015, the DBE Program was reauthorized by Congress, providing Federal funds for “Fixing America’s Surface Transportation” (FAST Act).

Existence of Discrimination

- Congress has found that “discrimination and related barriers continue to pose significant obstacles for minority- and women-owned businesses in federally assisted surface transportation market across the United States.”
- Congress has ruled that the continuing barriers...merit the continuation of the DBE program.

What is the DBE Program?

Description

- Federal program requirements are detailed in 49 CFR Part 26.
- DBE businesses are owned by socially and economically disadvantaged individuals.
- Eligibility: a firm must be a small business with 51% owned and controlled by socially and economically disadvantaged individuals.
- Not a quota program; DBE goals based on good faith efforts.

Objectives

- Remedy discrimination in contracting.
- Create a level playing field for fair competition.
- Help DBE firms to eventually compete outside the DBE program.

Methodology of Goals & Goal Performance

MBTA thru ODCR with approval and guidance from the FTA formulates DBE goal

- DBE goals are established for a 3 federal fiscal year (FFY) period.
- The goals are mandatory for FTA-funded projects and procurement awards.
- The goals are attained by measuring the prime and sub-prime availability of ready, willing, and able DBEs in the region for the specific type of projects and procurement expected by the agency.

MBTA DBE goals performance

Previous reporting period:

- The MBTA DBE goal for FFYs 2021–2023 was 20%. 2nd reporting period of FFY23 was 13.69%. FFY23 overall achievement was 18%.

Current reporting period:

- The MBTA DBE goal for FFYs 2024–2026 is 22%. FFY24 10/1/23–3/31/24 achievement was 10.55%.

MBTA Reporting Components

The MBTA thru ODCR submits semi-annual reports to the FTA with the following components:

- Title: “Uniform Report on DBE Awards & Payments”
- The two annual federal fiscal year (FFY) reporting periods:
 1. from October – March
 2. from April – September
- Reports include prime awards and sub-prime awards, commitments and payments made during each reporting period and FFY.

Awards/Commitments Made During Reporting Period

(1st Reporting Period: October 2023 – March 2024)

| | Total Dollars (\$) | Total Number (#) | Total \$ to DBEs | Total # of DBEs | Total \$ to DBEs/Race Conscious | Total # of DBEs/Race Conscious | Total \$ to DBEs/Race Neutral | Total # of DBEs/Race Neutral | % Total \$ to DBEs |
|---------------------------------|--------------------|------------------|------------------|-----------------|---------------------------------|--------------------------------|-------------------------------|------------------------------|--------------------|
| Prime Contracts Awarded | \$161,722,925 | 100 | \$833,183 | 5 | \$0 | 0 | \$833,183 | 5 | 0.52% |
| Sub-Contracts Awarded/Committed | \$22,334,405 | 117 | \$16,227,688 | 76 | \$14,273,614 | 71 | \$1,954,074 | 5 | 10.03% |
| TOTAL | | | \$17,060,871 | 81 | \$14,273,614 | 71 | \$2,787,257 | 10 | 10.55% |

Awards/Commitments Made During Reporting Period

(1st Reporting Period: October 2023 – March 2024)

- The MBTA's DBE triennial goal of 22% was developed in mid-2023 and based on expected projects and awards in FFYs 2024 – 2026. The DBE goal attainment for October – March of FFY24 was 10.55%.
- Shortfall largely due to the MBTA's prioritization of Track Improvement Program (TIP) projects that required specialized work and were not expected when the MBTA developed its triennial goal.
- The MBTA is in the process of re-evaluating the project pipeline for FFYs 2025 and 2026 to determine if an updated DBE goal for the next two FFYs should be submitted and is actively engaged with the FTA on this development.

DBE Award Demographics

(1st Reporting Period: October 2023 – March 2024)

| | Total \$ to DBE – Women | Total \$ to DBE – Men | Total \$ to DBE | Total # to DBE – Women | Total # to DBE – Men | Total # to DBE |
|---------------------------------|-------------------------------|--------------------------|--------------------|------------------------------|-------------------------|----------------|
| Black American | \$0 | \$1,123,600 | \$1,123,600 | 0 | 7 | 7 |
| Hispanic American | \$442,797 | \$322,081 | \$764,878 | 3 | 3 | 6 |
| Native American | \$0 | \$0 | \$0 | 0 | 0 | 0 |
| Asian-Pacific American | \$899,873 | \$568,215 | \$1,468,088 | 8 | 8 | 16 |
| Subcontinent Asian Americans | \$0 | \$1,898,644 | \$1,898,644 | 0 | 7 | 7 |
| Non-Minority | \$11,625,661 | \$180,000 | \$11,805,661 | 44 | 1 | 45 |
| TOTAL | \$12,968,331 | \$4,092,540 | \$17,060,871 | 55 | 26 | 81 |

Payments Made During Reporting Period

(1st Reporting Period: October 2023 – March 2024)

Actual Payments for Contracts Open and Not Completed this Reporting Period

| | Total # of Ongoing Contracts | Total \$ Paid | Total # of Contracts w/ DBEs | Total \$ to DBEs | Total # of DBE Firms Paid | % of Total \$ to DBEs |
|--------------|-------------------------------------|----------------------|-------------------------------------|-------------------------|----------------------------------|------------------------------|
| Total | 138 | \$125,513,051 | 101 | \$23,675,941 | 92 | 18.86% |

Actual Payments for Contracts Closed and Completed Completed this Reporting Period

| | # of Prime Contracts Completed | Total \$ Value of Prime Contracts Completed | Participation Needed to Meet DBE Goal | Total DBE Participation | % of Total \$ to DBEs |
|--------------|---------------------------------------|--|--|--------------------------------|------------------------------|
| Total | 46 | \$84,081,790 | - | \$16,575,131 | 19.71% |

QUESTIONS?

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