

**Capital Metro  
Disadvantaged Business Enterprise Triennial Goal  
for  
Federal Transit Administration Funded Contracts  
Federal Fiscal Years 2023-2025**

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# Public Consultation Agenda

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- Objectives and regulatory requirements of the DBE Program
- Cap Metro's proposed DBE triennial goal for its FTA funded contracts
  - Step One base figure of DBE availability
  - Consideration of Step Two adjustment
  - Estimation of DBE participation to be achieved through race-neutral and race-conscious measures
- Answer questions and solicit written comments

# Public Consultation Requirement

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- 49 C.F.R. §26.45(g)(1) requires direct, interactive public consultation about Cap Metro's proposed DBE Program Triennial Goal for FTA funded contracts
- Information solicited
  - Availability of disadvantaged and non-disadvantaged businesses
  - Any ongoing effects of discrimination in Cap Metro's contracting environment
  - Efforts to level playing field for participation of DBEs

# DBE Program Requirements

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- DBE Program's primary objectives
  - Ensure nondiscrimination on FTA assisted contracts
  - Create a level playing field for socially and economically disadvantaged firms to compete for FTA assisted contracts
- Cap Metro's responsibilities
  - Establish a triennial goal for FTA assisted contracts and submit it for review and approval to the FTA
    - Follow two-step goal-setting process
    - Develop an overall goal that reflects the level of participation it would expect absent discrimination in the relevant market area

# Cap Metro's Proposed Overall Goal

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- Proposed overall goal is 22.5% for FFYs 2023-2025
  - 10.0% to be achieved through race-neutral (“RN”) and 12.5% through race-conscious (“RC”) measures
    - RC measures are focused specifically on assisting only DBEs
    - RN measures can be used to assist all small businesses, not just DBEs
    - “Race” includes gender

# Cap Metro's Goal Setting Methodology

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- Two Step Process

- Step One:

- Cap Metro must calculate the DBE availability for its federally assisted contracts

- Base Figure = Ready, willing and able DBEs  
All firms ready, willing and able  
(including DBEs and non-DBEs)

- Step Two:

Examine all relevant evidence for consideration of a possible adjustment to the base figure to reflect “effects of the DBE program and the level of participation that would be expected but for discrimination”

# Step One: Base Figure Calculation

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- 49 C.F.R. §26.45(c) allows recipients to use a valid disparity study
- Cap Metro's 2022 DBE Availability Study
  - FTA funded contracts for October 1, 2016, through June 30, 2021
  - Geographic market is Travis, Hays, and Williamson Counties
  - 32 NAICS codes in this geographic market
  - Overall, weighted DBE availability was 27.5%

# Step Two: Adjustments to Base Figure Calculations

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- Examine all types of demonstrable evidence
  - Current capacity as measured by median volume of work performed by DBEs in recent years
  - Other agencies' disparity studies
  - Statistical data from related fields such as financing, bonding and insurance
  - Relevant data on employment, self-employment, education, training and union membership



# Step Two: Adjustments to Base Figure Calculations

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- Current DBE capacity to perform work on FTA assisted projects for the past five years
  - DBE participation FFY 2017: 9%
  - DBE participation FFY 2018: 21%
  - DBE participation FFY 2019: 15%
  - DBE participation FFY 2020: 17%
  - DBE participation FFY 2021: 25%
- Median DBE participation for FFY 2017-2021 was 17%

# Step Two: Final Adjustment to Base Figure Calculations

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- Adjustment calculation:
  - Step One base figure: 27.5%
  - Median past DBE participation: 17%
  - Average = 22.5%
- Proposed triennial DBE goal for FTA funded contracts is 22.5%

# Race-Neutral and Race-Conscious Projection

- Cap Metro must meet the maximum feasible portion of its overall goal using RN measures
- To calculate the use of RN measures to achieve its overall goal, Cap Metro used the median RN achievement of 14.0%

Fiscal Year	Overall DBE Utilization	RN Utilization	RC Utilization
2017	9%	1%	8%
2018	21%	14%	7%
2019	15%	10%	5%
2020	10%	7%	17%
2021	25%	11%	14%

# Race-Neutral and Race-Conscious Projection

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- Other factors considered:
  - Amount by which past goals were exceeded
  - Past history of Cap Metro's inability to achieve the triennial goal
- Based on this analysis, Cap Metro plans to achieve its goal using 10.0% race-neutral measures and a remainder of 12.5% using race-conscious measures

# Race-Neutral Measures

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- Agency sponsored events and workshops
- SBE Program
  - Requires prime contractors to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work
- Cap Metro's Business Center website
- Collaboration with City of Austin and TxDOT

# Public Participation: Review & Comment

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- Published Notice
  - The proposed overall goal and methodology are available on Cap Metro's website at [www.capmetro.org](http://www.capmetro.org)
  - Public comment period extends to July 31, 2022. Please email comments to [DBEgoalFY2023-2025@capmetro.org](mailto:DBEgoalFY2023-2025@capmetro.org)
- Cap Metro will provide a summary to FTA of any comments received, and a summary of any changes made, based upon those comments



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