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FFY 2020-2022 Disadvantaged Business Enterprise (DBE) Goal



FFY 2020-2022 DBE Goal

Introduction

The Washington Metrorail Safety Commission (WMSC) is the designated State Safety Oversight Agency (SSOA) for the Washington Metropolitan Area Transit Authority (WMATA) Metrorail system. The WMSC is legally and financially independent of WMATA and it serves as the safety regulatory authority for the WMATA Metrorail system.

This document details the methodology used by the WMSC to establish its Disadvantaged Business Enterprise (DBE) overall goal for Federal Transit Administration (FTA) assisted contracts. The WMSC is required to establish such a goal because the WMSC receives federal funds from the FTA.

The WMSC established its goal in accordance with Title 49 Code of Federal Regulations (CFR) Part 26. As described below, the WMSC evaluated the anticipated contracting opportunities to be offered using FTA funds, the ready, willing and able DBEs to participate in such opportunities, and other relevant evidence to determine its overall goal.

The WMSC proposes a DBE goal of 4.3 percent for the three year Federal Fiscal Year (FFY) period, from October 1, 2019 through September 30, 2022. The WMSC expects to meet this goal using race-neutral measures exclusively.

Goal Methodology

The WMSC created a forecast of the types, value, and North American Industry Classification System (NAICS) codes for the FTA-assisted contracts that are likely to be awarded during the upcoming triennial period. This forecast appears in Table 1 on Page 6. This procurement forecast informed the goal-setting process.

The WMSC calculated the percentage of each anticipated contracting opportunity by

NAICS Code relative to the total estimated value of the forecasted contracting opportunities. This percentage is known as the Relative Weight, and it also appears in Table 1.

The process used by the WMSC to establish its overall DBE goals is a two-step process. The first step is to determine a base figure for the relative availability of DBEs to perform the forecasted work, and the second step is to adjust the base figure as described below.

Step 1: Determine Base Figure

To determine the base figure, the WMSC consulted the following Unified Certification Program (UCP) directories to determine the number and availability of certified DBEs for the forecasted contracts listed in Table 1:

- District of Columbia DOT [Metropolitan Washington Unified Certification Program \(MWUCP\) directory](#),
- Maryland DOT [Office of Minority Business Enterprise](#), and
- Virginia Department of [Small Business and Supplier Diversity](#).

As defined by the Department of Transportation's (DOT) goal setting tips, the local market area is the area in which the substantial majority of the contractors and subcontractors with which the WMSC do business and the area in which the WMSC spend the substantial majority of its contracting dollars. The WMSC determined the its local market area comprises the District of Columbia, the State of Maryland, and the Commonwealth of Virginia; consequently, the above-referenced UCP directories cover the WMSC's entire local market area.

The total number of firms from the local market area within each NAICS code was determined by querying the ReferenceUSA



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U.S. Businesses database. ReferenceUSA databases are provided by Infogroup, Inc.

The WMSC used the approach suggested in Title 49 CFR 26.45(c)(1) to calculate the relative availability of DBEs by dividing the number of DBE firms by the total number of firms.

For example, there are 1,475 DBE firms in the local market area that provide information technology services (NAICS Code 541512), and there are 5,094 total such firms in the local market area. This corresponds to a relative availability of 28.96 percent.

Table 2 on Page 7 lists the number of DBE firms, total number of firms, and the relative availability of DBEs for each NAICS Code.

Finally, the WMSC calculated the Weighted Availability of DBE firms for each NAICS Code by multiplying the Relative Weight by the Relative Availability.

For example, for information technology services (NAICS Code 541512), multiplying the Relative Weight of 12.07 percent by the Relative Availability of 28.96 percent gives a Weighted Availability of 3.49 percent.

The Weighted Availabilities for each NAICS code are also listed in Table 2. The Total Weighted Availability (Base Figure) is the total of the Weighted Availabilities. The Total Weighted Availability (Base Figure) = 8.01 percent.

Step 2: Adjust Base Figure

In the future, the WMSC will adjust its base figure based on factors such as actual DBE attainment from prior years and the capacity of DBEs to perform the forecasted work.

As a new organization, the WMSC has no actual DBE attainment experience draw upon for adjusting the base figure. The Metropolitan Washington Council of Governments (MWCOC)

has awarded some contracts in support of the WMSC, but the DBE provisions of those contracts have been under the management of the MWCOC.

It should be noted that there are restrictions that apply to work that is outsourced by an SSOA. Specifically, The conflict of interest provision found at Title 49 CFR 674.41(c) states that a contractor may not provide services to both an SSOA and a rail fixed guideway public transportation system under the oversight of that SSOA. The WMSC is the SSOA that oversees WMATA. Consequently, vendors performing work for WMATA would not be eligible to perform work for the WMSC. The WMSC will factor in future experience with this prohibition when adjusting the future base figures; however, it currently provides no basis for adjusting the base figure.

Finally, as the tables reflect, the WMSC anticipates awarding business in NAICS Code 541690. Specifically, the WMSC anticipates a recurring need for SSOA staffing support from consultants who have both rail transit and safety oversight expertise and experience. This is a highly specialized domain, and is, of course, subject to the conflict of interest restriction discussed above. The WMSC is aware of only three firms currently providing this service to SSOAs and another firm is working to begin providing SSOA support. Only one of these firms submitted a proposal in response to a Request for Proposals that was issued by the MWCOC for WMSC support. Because there are a limited number of firms providing the specialized type of support that SSOAs require, and because only one of them submitted a proposal during a prior competitive procurement, and because none of the firms known to be capable of providing SSOA support services are certified as DBEs by the USPs in the WMSC local market area, the WMSC believes that the Weighted Availability listed in Table 2 for NAICS Code 541690 is unrealistic. Accordingly, the WMSC has adjusted the 17.17 percent relative availability for this NAICS Code to zero. This results in an adjustment to the Base



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Figure and new goal of 4.28 percent. Table 3 on Page 7 reflects this adjustment, but is otherwise identical to Table 2.

As a result of the two-step process described above, the WMSC is proposing a rounded, triennial DBE goal of 4.3 percent.

Race-Neutral vs. Race-Conscious Participation

The WMSC intends to meet its overall goal of 4.3 percent entirely through race-neutral participation. The WMSC does not anticipate utilizing any race-conscious measures.

Consultation and Outreach

Title 49 CFR Part 45(g)(1) requires consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations that could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the WMSC's efforts to establish a level playing field for the participation of DBEs.

The consultation must include a documented, scheduled, direct, interactive exchange (e.g., a face-to-face meeting, video conference, teleconference) with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process.

Outreach to the Agencies in the Local Market Area

The WMSC meets this requirement through the services of the following agencies:

- District of Columbia DOT [Metropolitan Washington Unified Certification Program \(MWUCP\) directory](#),

- Maryland DOT [Office of Minority Business Enterprise](#), and
- Virginia Department of [Small Business and Supplier Diversity](#).

These agencies work to enhance growth opportunities for small and disadvantaged businesses through increased business opportunities and job creation. They work to promote contracting opportunities that increase fairness in the procurement process while advancing DBE and related initiatives.

These organizations provide information and assistance to companies that wish to become a certified DBE firm and they disseminate information about contracting opportunities.

Each of these agencies maintains a list of firms that they have been certified as DBEs.

On May 29, 2019, the WMSC's DBELO and CEO met with the Virginia Department of SBSD's Director of Certification and Transportation Business Development, to advise of the anticipated availability of FTA-assisted contracts and to share the WMSC's proposed DBE participation goal of 4.3 percent for FFYs 2020-2022. On May 29, 2019, the WMSC's DBELO and CEO held a similar meeting with the Director of the Office of Small and Minority Business Policy of the Maryland DOT Office of Minority Business Enterprise. And, on May 29, 2019, the WMSC's DBELO and CEO held a similar meeting with the SBE Program Manager of the District of Columbia DOT's MWUCP program.

Additionally, on May 22, 2019, the DBELO wrote to the following organizations to share with them our proposed DBE participation goal of 4.3 percent for FFY 2020-2022 and to advise them of the availability of FTA-assisted contracts with the WMSC:

- District of Columbia Chambers of Commerce
1133 21st Street, NW, Suite M200
Washington, DC 20036



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- Maryland Chambers of Commerce, 60 West Street #100, Annapolis, MD 21401
- Northern Virginia Chamber of Commerce 7900 Westpark Drive A550, Tysons, VA 22102
- Arlington Chamber of Commerce, 2009 14th Street North, Suite 100, Arlington, VA 22201
- Asian American Chamber of Commerce, 8300 Boone Boulevard Suite 450, Tysons Corner, VA 22182
- Central Virginia African American Chamber of Commerce, 6802 Paragon Place, Richmond, VA 23230
- Northern Virginia Black Chamber of Commerce, 8300 Boone Road, Suite 450, Tysons Corner, VA 22182
- Virginia Hispanic Chamber of Commerce, 10700 Midlothian Turnpike #200, Richmond, VA 23235
- Maryland Hispanic Chamber of Commerce, 11 West Mount Vernon Place Suite 304, Baltimore, MD 21201

The letter to each of the above organizations introduced the WMSC as a new organization, described the nature of federally-assisted contracts that the WMSC anticipates awarding, advised them of our goal of 4.3 percent, invited them to read our DBE Plan and DBE Goal documents on our website, and invited their comments and input on our goal and these documents. See Page 8 for a sample of one of these letters.

Title 49 CFR Part 45(g)(2) requires a posting a notice announcing the proposed overall goal on the WMSC's official website. The WMSC published a notice of its proposed goal prominently on its public website (www.WMSC.gov) on DATE. The WMSC CEO invited comments on the proposed goal during a public meeting of the Commissioners noticed and held in accordance with the Government in the Sunshine Act (5 U.S.C. § 552b) on May 14, 2019. The information on the WMSC's public website provided full instructions for the public to submit comments.



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Table 1: Anticipated federally-assisted contracts for WMSC Fiscal Years 2020-2022

NAICS Code	Description of Work	Expected Value	Relative Weight
531120	Office lease	\$286,131	7.67%
541110	Legal services	1,275,000	34.19%
541211	Accounting, audit, and procurement services	372,707	9.99%
541512	Information technology services	450,000	12.07%
541612	Human resource services	535,591	14.36%
541690	Technical rail SSOA staffing services	810,000	21.72%
Total:		\$3,729,429	100.00%

Note: The WMSC fiscal year begins on July 1.



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Table 2: Number of DBE firms and total number of firms in local market area, relative availability of DBEs, relative weight of forecasted contract opportunities, and weighted availability of DBEs, for each NAICS Code

NAICS Code	Description of work	No. of DBE firms	No. of all firms	Relative Availability	Relative Weight	Weighted Availability
531120	Office lease	17	3751	0.45%	7.67%	0.03%
541110	Legal services	123	49506	0.25%	34.19%	0.08%
541211	Accounting, audit, and procurement services	126	9012	1.40%	9.99%	0.14%
541512	Information technology services	1475	5094	28.96%	12.07%	3.49%
541612	Human resource services	334	9046	3.69%	14.36%	0.53%
541690	Technical rail SSOA staffing services	656	3821	17.17%	21.72%	3.73%
Totals and Overall Figures:		2731	80230	3.40%	100.00%	8.01%

Table 3: No. of DBE firms and total no. of firms in local market area, adjusted relative availability of DBEs, relative weight of forecasted contract opportunity, and adjusted weighted availability of DBEs, for each NAICS Code.

NAICS Code	Description of work	No. of DBE firms	No. of all firms	Relative Availability	Relative Weight	Weighted Availability
531120	Office lease	17	3751	0.45%	7.67%	0.03%
541110	Legal services	123	49506	0.25%	34.19%	0.08%
541211	Accounting, audit, and procurement services	126	9012	1.40%	9.99%	0.14%
541512	Information technology services	1475	5094	28.96%	12.07%	3.49%
541612	Human resource services	334	9046	3.69%	14.36%	0.53%
541690	Technical rail SSOA staffing services	656	3821	0.00%	21.72%	0.00%
Totals and Overall Figures:		2731	80230	3.40%	100.00%	4.28%



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May 22, 2019

District of Columbia Chamber of Commerce
1133 21st Street, NW
Suite M200
Washington, DC 20036
Attn: Margaret Singleton

Via Email

Dear Ms. Singleton:

The Washington Metrorail Safety Commission (WMSC) is the designated State Safety Oversight Agency (SSOA) for the Washington Metropolitan Area Transit Authority (WMATA) Metrorail System. The WMSC is a small agency that serves as the safety regulatory authority for the WMATA Metrorail system, and is legally and financially independent of WMATA.

As a recipient of federal funding, we are establishing our first triennial Disadvantaged Business Enterprise (DBE) goal for the three-year period from October 1, 2019 through September 2023. We are proposing a goal of 4.3 percent and the attached goal document provides the detailed methodology that we used to calculate this goal. Our DBE goal of 4.3 percent means that the WMSC expects certified DBE firms to participate in at least 4.3 percent of the value of our federally-assisted contract awards.

As explained in the attached goal document, the WMSC expects to award much of its federally-assisted contracts on professional services. These services will likely include, but are not limited to, accounting, auditing, IT support, and staffing services.

We invite your participation in our DBE outreach. We are genuinely interested in your feedback and our goal is to provide a level playing field for all DBE firms.

To inquire about possible DBE contracting opportunities with the WMSC, or to submit comments, please contact Andrea Hogan, our Disadvantaged Business Enterprise Liaison Officer, at 202-384-1520, by email at Ahogan@wmisc.gov, or by mail at 777 North Capitol Street, NE, Suite 402, Washington, DC 20002. For more information regarding the WMSC's DBE program, please visit our website at <http://www.wmisc.gov>.

We respectfully request receiving any comments you may have on our goal or methodology within 30 days of the date of this letter. Also, please feel free to offer any suggestions as to how best we can best provide outreach concerning our DBE program and opportunities in the future.

Sincerely,

Andrea Hogan
Disadvantaged Business Enterprise Liaison Officer
Washington Metrorail Safety Commission