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FFY 2023-2025  
Disadvantaged Business  
Enterprise (DBE) Goal



## FFY 2023-2025 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 7.7 percent for the three year Federal Fiscal Year (FFY) period, from October 1, 2022 through September 30, 2025. 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 5. 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 in the local market area for the forecasted contracts listed in Table 1:

- District of Columbia DOT certifications listed in the [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 that 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



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determined by querying the *Reference Solutions* database of U.S. businesses. The *Reference Solutions* database is published by Data Axle, and was formerly known as the *ReferenceUSA* database, which was previously 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 1,466 DBE firms in the local market area that provide information technology services (NAICS Code 541512), and there are 3,910 total such firms in the local market area. This corresponds to a relative availability of 37.49 percent.

Table 2 on Page 5 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 18.66 percent by the Relative Availability of 37.49 percent gives a Weighted Availability of 7.00 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) = 7.65 percent.

### Step 2: Adjust Base Figure

The base figure is approximately consistent with historical WMSC DBE attainment.

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 unless a waiver has been granted. The WMSC is the SSOA that oversees WMATA. Consequently, vendors performing work for WMATA would not likely be eligible to perform work for the WMSC. The WMSC will continue to factor in this prohibition when adjusting future base figures; however, the anticipated procurements activities listed in are unlikely to be affected by this prohibition.

As a result of the two-step process described above, the WMSC is proposing a rounded, triennial DBE goal of 7.7 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.



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In 2019, at the outset of the prior triennial DBE goal, the WMSC engaged in aggressive outreach with the local DBE community. At that time, the WMSC has a new organization, and such outreach was conducted without regard to anticipated WMSC business needs during the forecast period. These activities did not generate much interest in the WMSC rather modest procurement program, nor did they result in any DBE attainment. All DBE attainment achieved during the prior goal period was the result on subsequent, targeted outreach conducted with regard top specific procurement requirements, some of which were not forecasted at the outset of the period.

The WMSC understands the requirements pertaining to consultation and outreach, and the WMSC is committed these important activities. Although some procurement activities listed in Table 1 will commence early in the forecast period, most will not take place until the second or third year of the period. Consequently, rather than conduct general consultation and outreach activities as was done previously, the WMSC plans to conduct targeted and timely consultation and outreach with regard to specific procurement opportunities. Such activities will involve relevant segments of the DBE community to ensure awareness of WMSC upcoming, specific procurement opportunities, and the WMSC will also ensure that any non-DBE firms that are interested in WMSC procurement opportunities understand and are committed to any DBE goals associated with such requirements.

Finally, the technical work and staffing needs of the WMSC is continually changing in response to the safety profile of the WMATA Metrorail system; and, continuing pandemic recovery, as well as expected new FTA regulatory requirements for SSOAs, will likely drive additional change. Consequently, it is impossible to forecast some portion of the WMSC's procurement needs during upcoming fiscal years. As requirements arise for procurement, the WMSC will carefully consider the extent to which these requirements can be met by DBE firms and

will conduct aggressive consultation and outreach to maximize the DBE attainment for any such awards.

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](http://www.WMSC.gov)). 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 September 20, 2022. 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 2023-2025**

NAICS Code	Description of Work	Expected Value	Relative Weight
541110	Legal services	\$950,000	59.10%
541211	Accounting, audit, and procurement services	\$245,000	15.24%
541512	IT services and development	\$300,000	18.66%
541612	Human resource services	\$112,500	7.00%
<b>Total:</b>		<b>\$1,607,500</b>	<b>100.00%</b>

Note: The WMSC fiscal year begins on July 1.

**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
541110	Legal services	45	58945	0.08%	59.10%	0.05%
541211	Accounting, audit, and procurement services	119	6403	1.86%	15.24%	0.28%
541512	IT services and development	1466	3910	37.49%	18.66%	7.00%
541612	Human resource services	395	8443	4.68%	7.00%	0.33%
<b>Totals and Overall Figures:</b>		<b>2025</b>	<b>77701</b>	<b>2.61%</b>	<b>100.00%</b>	<b>7.65%</b>