Welcome to

City of Austin
Small & Minority Business Resources
Disadvantaged Business Enterprise
Public Consultation
City of Austin
Disadvantaged Business Enterprise (DBE) Program
Fiscal Years 2018-2020

49 Code Federal Regulation (CFR), PART 26
AGENDA

Opening & Introductions

Purpose & Overview of COA’s DBE Program

Presentation of the Proposed DBE Goal

Q & A

Public Input & Comments
Who is this meeting for

• Minority contractors/consultants

• Women contractors/consultants

• General contractors/consultants

• Community organizations
  • Trade Associations
  • Service Providers

• Anyone who would like to provide input regarding City of Austin’s DBE Program
What is the purpose of this meeting

• Provide information about the City of Austin’s DBE Program

• Discuss requirements of the DBE Program

• Discuss DBE Goal Methodology

• Get input regarding the DBE Program
City of Austin DBE Program
What is the DBE Program

• The U.S. Department of Transportation's Disadvantaged Business Enterprise (DBE) program provides a vehicle for increasing the participation of women and minorities in state and local procurement.

• Federal Regulations require Departments of Aviation that receive USDOT financial assistance to establish a DBE Program and goals for the participation of DBE’s.

• Departments of Aviation are required to establish triennial DBE goals and review contracts throughout the year to establish project-specific DBE subcontracting goals.
Who participates in the DBE Program

Any City of Austin Department who is a recipient of federal grant funds

Federal Aviation Administration (FAA)
Federal Highway Administration (FHWA)
Federal Transportation Administration (FTA)

• Aviation (ABIA)

• Transportation
Program Areas

- Airport Concession Disadvantaged Business Enterprise (DBE)
- Disadvantaged Business Enterprise (DBE)
- Minority-Owned & Women-Owned Business Enterprises (MBE/WBE)
- Small Business Enterprise (SBE)
Components of the Business Enterprise (DBE) Program

- Certification
- Compliance
- Program Updates
- Goal Setting
- Reporting
Certification
DBE Certification Requirements

- 51 percent owned, managed and controlled by an economically and socially disadvantaged individual
- Must be U.S. citizen or Legally Admitted Resident
- Contributions, ownership, and daily management control clearly documented
- Presumed Groups: Asian-American; African-American; Native American; Hispanic; Women
- The primary economically disadvantaged owner(s) personal net worth not to exceed $1.32 million
- Firm must be organized as a for-profit business
- On-site visit required
DBE Certification

Texas Unified Certification Program (TUCP)

City of Houston (HOUSTON)
City of Austin-Hays, Travis, Williamson, Caldwell, Bastrop (AUSTIN)
Corpus Christi Regional Transportation Authority (CCRTA)
North Central Texas Regional Certification Agency (NCTRCA)
South Central Texas Regional Certification Agency (SCTRCA)
Texas Department of Transportation (TXDOT)
Compliance
Compliance Requirement

- City of Austin’s Small & Minority Resources Department monitors DBE participation on all prime and sub contracts

- Contractors identify DBE subcontractors they are intending to use to meet DBE contract goal

- Contractors submit monthly reports on DBE participation

- SMBR program designee verifies DBE subcontracts are in compliance with federal program requirements

- SMBR program designee identifies any corrective actions for compliance issues
DBE Proposed Program
The Overall Goal and the breakdown for specific Race Conscious and Race Neutral Goals (both of which include gender-conscious/neutral goals) is reported.

- The **Race Conscious** Goal is based on measures that provide benefits only for DBEs. The use of contract goals is a primary example of a race conscious measure.

- The **Race Neutral** Goal include measures for all firms while benefiting DBEs.
DBE Goal Calculation

It’s a Two Step Process!

• **Step 1** - Determine the base figure for the relative availability of DBEs. Availability refers to ready, willing and able (RWA) vendors.

\[
\text{Base figure} = \frac{\text{Ready, willing, and able DBEs in the market area}}{\text{All ready, willing and able vendors in the market area}}
\]

• **Step 2** - Examine available evidence to determine adjusting base figure.

Adjustments based on past participation and upcoming projects anticipating federal grant funds.
### Types of Work
Identified in upcoming projects
Apron Expansion Phase II & III; Airfield Electrical & Pavement Improvements

<table>
<thead>
<tr>
<th>Types of Work</th>
<th>Total All Vendors</th>
<th>Total DBE Vendors</th>
<th>DBE % by NAICS Calculation: Total DBE Vendors/Total Vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply &amp; Irrigation Systems (221310)</td>
<td>39</td>
<td>10</td>
<td>25.64%</td>
</tr>
<tr>
<td>Construction Management water &amp; sewer line (237110)</td>
<td>144</td>
<td>22</td>
<td>15.28%</td>
</tr>
<tr>
<td>Grading, highway, road, street &amp; bridge (237310)</td>
<td>134</td>
<td>4</td>
<td>2.99%</td>
</tr>
<tr>
<td>Electrical Contractor (238210)</td>
<td>1246</td>
<td>20</td>
<td>1.61%</td>
</tr>
<tr>
<td>Security &amp; Fire System Installation (238210)</td>
<td>22</td>
<td>5</td>
<td>22.73%</td>
</tr>
<tr>
<td>Lighting airport runway installation (238210)</td>
<td>22</td>
<td>1</td>
<td>4.55%</td>
</tr>
<tr>
<td>Demolition/Site preparation contractors (238910)</td>
<td>156</td>
<td>96</td>
<td>61.54%</td>
</tr>
<tr>
<td>Site (clearing)/Fencing installation contractors (238990)</td>
<td>177</td>
<td>9</td>
<td>5.08%</td>
</tr>
<tr>
<td>Liquefied petroleum gas distribution (221210)</td>
<td>19</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Landscaping Services (561730)</td>
<td>438</td>
<td>87</td>
<td>19.86%</td>
</tr>
<tr>
<td>Remediation: Hazardous Materials (Asbestos) Abatement Services (562910)</td>
<td>18</td>
<td>8</td>
<td>44.44%</td>
</tr>
<tr>
<td>All other Waste Management Services (562998)</td>
<td>24</td>
<td>10</td>
<td>41.67%</td>
</tr>
</tbody>
</table>

**Relative Availability of DBE Vendors to All Vendors**

| Relative Availability of DBE Vendors to All Vendors | 2395 | 266 | **11.11%** |

**STEP 1 Analysis Base Figure = 11.11%**
DBE Program 2018-2020 Goal Methodology Step 1 Analysis

Step 2: Examination of available evidence to determine adjusting base figure using past participation

City of Austin DBE Accomplishments for Fiscal Years 2014-2018

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Goal</th>
<th>Accomplishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>9.60%</td>
<td>12.30%</td>
</tr>
<tr>
<td>2015</td>
<td>9.60%</td>
<td>10.89%</td>
</tr>
<tr>
<td>2016</td>
<td>15.77%</td>
<td>15.40%</td>
</tr>
<tr>
<td>2017</td>
<td>15.77%</td>
<td>11.38%</td>
</tr>
<tr>
<td>2018</td>
<td>15.77%</td>
<td>11.90%</td>
</tr>
</tbody>
</table>

Based on the Past Participation, the median goal is **15.40%**
**DBE Program 2018-2020 Goal Methodology Step 1 Analysis**

Step 2: Examination of available evidence to determine adjusting base figure using upcoming projects anticipating grant funds

<table>
<thead>
<tr>
<th>Upcoming Projects</th>
<th>Trade Value</th>
<th>DBE Estimated Contract Value</th>
<th>Annual DBE Percentage</th>
<th>Adjust Based on Median</th>
<th>DBE Goal by Fiscal Year</th>
<th>Fiscal Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABIA Apron Expansion Phase II East Apron</td>
<td>$18,727,885</td>
<td>$2,097,153</td>
<td>11.20%</td>
<td>11.20% + 15.40% = 26.60%</td>
<td>13.30%</td>
<td>2017-2018</td>
</tr>
<tr>
<td>ABIA Apron Expansion Phase III West Apron</td>
<td>$22,842,960</td>
<td>$2,557,960</td>
<td>11.20%</td>
<td>11.20% + 15.40% = 26.60%</td>
<td>13.30%</td>
<td>2018-2019</td>
</tr>
<tr>
<td>ABIA Airfield Electrical &amp; Pavement Improvements</td>
<td>$7,872,950</td>
<td>$180,211</td>
<td>2.29%</td>
<td>2.29% + 15.40% = 17.69%</td>
<td>8.84%</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

**Total Trade Value**

$49,443,795

**Total DBE Value**

$4,835,323

Calculation: Total DBE Goal by Fiscal Year divided by Each Fiscal Year = Proposed DBE Goal

35.44% / 3 = **11.81%**
Based on the information and evidence currently available, City of Austin is proposing a Goal of 11.81%.

**WHAT WAS CONSIDERED?** Relative Availability and Adjustments to the goal.

- In determining the relative availability the City utilized:
  1.) TUCP Directory Information
  2.) Census Bureau Data

- In determining any adjustments the City considered:
  1.) Past Participation/Upcoming Projects
  2.) Public Consultation
Questions?

We Want Your Input

• To Obtain Information From You Regarding:
  • availability of disadvantaged and non-disadvantaged businesses
  • the effects of discrimination on contract opportunities
  • City’s efforts to provide information and opportunities to DBEs
Small and Minority Business Resources

DISADVANTAGED BUSINESS ENTERPRISE

The City of Austin’s Small & Minority Business Resources (SMBR) Department certifies qualifying small businesses that are owned, managed, and controlled by both socially and economically disadvantaged individuals as Disadvantaged Business Enterprises (DBEs) and/or Airport Concession Disadvantaged Business Enterprises (ACDBEs).

DBEs and ACDBEs are qualified for participation in federally funded Department of Transportation, airport, highway, and public transit contracting projects across the State of Texas in compliance with Code of Federal Regulations (49 CFR Part 26 and Part 23).

The City of Austin is one of six members of the Texas Unified Certification Program (TUCP).

General Eligibility Requirements

- Fifty-one percent owned, managed and controlled by an economically and socially disadvantaged individual (see prescribed groups below):
  - Asian-American
  - African-American
  - Native American
  - Hispanic or
  - Women
- Must be a small business as defined by the US Small Business Administration (SBA)
- Personal Net Worth limit of $1,500,000 for owners
- Firm must be organized as a for-profit business.
- For application forms, go here.

Reports

Part 26 – Federally-funded transportation, aviation, and highways
- Proposed Program Goals, 49 CFR Part 26; October 1, 2014 to September 30, 2015

Part 23 – Airport Concessions Disadvantaged Business Enterprise (ACDBE)
- Proposed Program Goals, 49 CFR Part 23
OPEN for PUBLIC COMMENTS

We will continue to accept Public Comments regarding the 2018-2020 until November 30, 2018, 5:00 p.m.

Email comments to: DBEPublicComments@austintexas.gov

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THANK YOU!