



Memorandum

DATE: March 11, 2011

TO: Finance and Administration Committee

FROM: Patricia Reavey, Director of Finance
Liz Brazil, Contracts Administrator

SUBJECT: **Approval of the ACCMA Small Business Enterprise (SBE) and Local Business Enterprise (LBE) Fiscal Year-to-Date Reports and Disadvantaged Business Enterprise (DBE) Quarterly Report for the Period of October 1 through December 31, 2010**

Recommendation

It is recommended that the Commission approve the attached ACCMA SBE and LBE fiscal year-to-date (YTD) reports and DBE Quarterly Report for the period ended December 31, 2010.

Summary

SBE and LBE Reports (July 1, 2010 through December 31, 2010)

There were a total of thirteen (13) contracts awarded by the ACCMA. Of these contracts, approximately 81% of the amount awarded or \$7.7 million went to Local Business Enterprises (LBE) and 26% of the amount awarded or \$2.4 million went to Small Business Enterprises (SBE). In aggregate, the LBE goal of 70% and the SBE goal of 15% for Professional Services contracts were exceeded. No construction contracts were awarded for this period. (See Attachment A)

DBE Quarterly Report (October 1, 2010 through December 31, 2010)

One contract was awarded for this period with a contract-specific Underutilized Disadvantaged Business Enterprise (UDBE) goal of 3.43%. The contract met and exceeded the contract-special goal with 7.96% participation of UDBEs. No construction contracts were awarded for this period. (See Attachment A)

Overall Professional Services Contracts (Inception through December 31, 2010)

There are approximately 50 active professional contracts worth \$81 million that were awarded by ACCMA funded with local, state and/or federal funds. Overall, approximately 88% of the amount awarded or \$72 million went to LBEs and approximately 18% of the amount awarded or \$15 million went to SBEs.

Background

LBE and SBE Program:

The ACCMA recognizes the challenges that small and local business enterprises may encounter when competing against larger more established businesses. One of ACCMA's concerns is the under

utilization of small and local business enterprises in ACCMA contracts. In an effort to encourage and promote participation of small and local business enterprises and to ensure that a fair proportion of the contracts are placed with these enterprises, ACCMA adopted a Small Business Enterprise Policy (“SBE”) and Local Business Enterprise Policy (“LBE”) for projects funded with local dollars. In 2006, the CMA Board approved a SBE and LBE policy pursuant to these policies for the procurement of professional services and construction. That policy set goals of 70% for LBE, 15% for SBE.

Summary of Results for Professional Contracts for the Current Reporting Period:

As shown in Table 1, the LBE goal of 70% and the SBE goal of 15% were exceeded for the active professional contracts, including active contracts that are state and/or federally funded where the goals are not applicable because of state and/or federal mandated requirements.

TABLE 1 – Contracts Awarded with Local Funds LBE/SBE Contracts: Goals = 70% for LBE; 15% for SBE						
Contract Funding Type	Number of Contracts	Payments from July 1, 2010 through December 31, 2010				
		Total Contract Amount	Amount Awarded to LBE	LBE %	Amount Awarded to SBE	SBE
Local	3	\$1,187,515	\$1,007,515	84%	\$68,000	0%
State / Federal	10	\$8,289,071	\$6,652,188	80%	\$2,354,076	28%
Total	13	\$9,476,586	\$7,659,703	81%	\$2,422,076	26%

Summary of Results for Active Professional Services Contracts:

ACCMA has historically met or exceeded adopted goals for LBE and SBE contract participation due to our aggressive interagency outreach and the assistance from other local agencies such as ACTIA and the County of Alameda. As shown in Table 2, the LBE goal of 70% and the SBE goal of 15% were exceeded for all active professional contracts, including contracts that are state and/or federally funded where the goals are not applicable because of state and/or federal mandated requirements.

TABLE 2 – Active Professional Services Contracts LBE/SBE Contracts: Goals = 70% for LBE; 15% for SBE							
Contract Funding Type	Number of Contracts	Payments from Start Date through December 31, 2010					
		Total Contract Amount	Total Payment Amount	Amount Awarded to LBE Firms	LBE %	Amount Awarded to SBE Firms	SBE
Local	26	\$23,555,491	\$22,036,857	\$22,542,758	95%	\$2,340,994	9%
State / Federal	24	\$57,721,390	\$50,045,089	\$49,110,062	85%	\$12,519,659	21%
Total	50	\$81,276,881	\$72,081,946	\$71,652,820	88%	\$14,860,653	18%

DBE Program:

Caltrans adopted a race conscious program based on the Federal Highway Administration’s (“FHWA”) approval of the 2009 Disadvantaged Business Enterprise (DBE) “Annual Overall Goal”. The FHWA approval requires implementation of the new DBE Program that includes a race conscious component. As part of the implementation of this race conscious program, local agencies

must change to a race conscious DBE program to maintain federal funding eligibility. ACCMA Board adopted a DBE Participation Program on May 28, 2009, in compliance with the DBE regulations issued by the Department of Transportation (49 Code of Federal Regulations Part 26).

Caltrans and FHWA provides oversight relative to DBE Program compliance and goal attainment reporting as part of the project administration and monitoring to ensure there is equal participation of the DBE groups specified in 49 CFR 26.5. ACCMA calculates the contract-specific UDBE goal as required and audited by Caltrans and FHWA. A UDBE firm is one that meets the definition of DBE and is a member of one of the following groups: Black American, Asian-Pacific American, Native American and Women.

Summary of Results for Contracts with DBE goals for FFY 2010/2011:

As shown in Table 3 of this report, the DBE percentage of 7.96% exceeded the contract-specific UDBE goal of 3.43%.

TABLE 3 – Contracts with State / Federal Funding Contract Specific Goal = 3.43%				
Contract Funding Type	Number of Contracts	Contract Award from October 1, 2009 through December 31, 2010		
		Total Contract Amount	Amount Awarded to DBE	DBE %
State / Federal	1	\$1,599,894	\$127,306	7.96%
Total	1	\$1,599,894	\$127,306	7.96%

Outreach Activities Update

In our outreach and procurement efforts, ACCMA will continue to partner with agencies such as Caltrans (CalMentor Program), County of Alameda Business Outreach Bureau (“BOB”), East Bay Interagency Alliance (“EBIA”), Small Business Administration and the Bay Area Business Outreach Committee (“BOC”). The BOC consists of 14 agencies such as AC Transit, BART, CCTA, GGBHTD, MTC, SamTrans, SFMTA, TJPA, VTA, WETA and WESTCAT.

Next Steps

As part of various mandated funding requirements, ACCMA will continue to support the following areas: 1) participate in workshops and outreach events, targeting minority, women, local, small and disadvantage business participation, 2) publish all contracting opportunities on the website, 3) hold pre-bid meetings, 4) assist with bonding and insurance, when necessary, 5) develop a database for mass emailing notices of procurements, 6) ensure compliance to prompt payment specifications, and 7) continue to build partnerships with other transportation agencies to increase participation of small, local and disadvantaged business enterprises.

Fiscal Impact

Approval of this Report has no fiscal impact.

Attachment (Please refer to meeting packet)

Attachment A - SBE and LBE Reports – Period of July 1, 2010 through December 31, 2010 and DBE Report – Period of October 1, 2010 through December 31, 2010

