

## Appendix C

# DISADVANTAGED BUSINESS ENTERPRISE (DBE) AND SMALL BUSINESS ENTERPRISE (SBE) PROGRAMS

VTA has adopted a Disadvantaged Business Enterprise (DBE) Program as required by current United States Department of Transportation (DOT) regulations to ensure the maximum opportunity for DBEs to compete for VTA contracts. VTA's current overall annual goal is 17%.

The following list of actions is a brief description of VTA's DBE and SBE Program process:

- a) Publish the proposed Federal Transit Administration (FTA) DBE overall annual goal for public inspection and comment;
- b) Publish the proposed Federal Highway Administration (FHWA) DBE overall annual goal for public inspection and comment;
- c) If no public comments are received that require changes to the proposed goals, authorize the General Manager to formally adopt the DBE goals;
- d) Authorize the General Manager to submit the respective DBE overall annual goals to FTA and FHWA upon Board approval; and
- e) Adopt the proposed Small Business Enterprise (SBE) overall annual goal.

The proposed FY 2003 - 2004 DBE overall annual goals for FTA and FHWA contracts was 17%, which was based upon an assessment of the FTA and FHWA-assisted expenditures for VTA contracts projected for this fiscal year, a review of U.S. Census and other data sources concerning the availability of DBEs in the industries and geographical markets relevant to VTA's contracting activity, and consideration of VTA's historical utilization of DBEs, among other factors. For FY 2002 - 2003, the FTA overall annual DBE goal was 18% and VTA achieved 16.6% DBE participation in FTA-assisted contracts.

The FTA and FHWA DBE goals are narrowly tailored in compliance with Federal regulations and are determined based on a comprehensive analysis of U.S. DOT-assisted budgeted contracts and the relative availability of DBEs from previous years. This includes an assessment of regional and statewide databases of certified DBEs, U.S. Census data business patterns, VTA actual DBE results, VTA's 1994 DBE Program disparity study with other regional transit systems, and public comments requested and received at two public hearings as part of the development of these goals.

The proposed 17% SBE goal complies with California Proposition 209, the so-called 1996 California Civil Rights Initiative, and VTA's SBE Program. Proposition 209 prohibits the State, local governments, districts, public universities, colleges and schools, and other governmental instrumentalities from discriminating against or giving preferential treatment to any individual group in public employment, public education, or public contracting on the basis of race, sex, color, ethnicity, or national origin. The 17% SBE goal is a race-neutral goal.

The proposed SBE overall annual goal of 17% is based upon VTA's assessment of locally-funded contracting activity for the previous years and the projected availability of ready, willing and able SBEs to participate in budgeted contracts. The 17% SBE goal was developed to ensure that local small businesses have an equitable opportunity to compete for VTA contracts funded locally.