

EPA Triennial DBE Goal

Proposed for FFYs 2024-2026

Ashanti Payne

September 2023



Environment Protection Agency (EPA) DBE Program

DBE Program Objective

- Federal program to create a level playing field for Disadvantaged Business Enterprises (DBE) and ensure nondiscrimination in the award of contracts (40 CFR 33)
- In 2019, the Environmental Protection Agency (EPA) suspended requirement to set a 3-year goal
- Despite the suspension, the Council continues to set a goal that promotes greater inclusion and identification of DBE firms in the region



Overall DBE Program Goal

- Overall goal represents the anticipated DBE participation over a three-year period
- Set every three years, provisions of the overall goal apply to each year
- Overall goal is not a quota

Meeting the overall goal

- The maximum feasible portion of your overall goal should be met using race-neutral means of DBE participation.
- Race-Neutral DBE participation includes when a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a project that does not carry a DBE contract goal or is awarded a subcontract on a project with a goal, but the DBE participation was not needed to meet the goal.

Contract Goals



- Contract (project specific) goals are established to meet any portion of the overall goal expected to not be met using race-neutral means.
- A contract goal represents the anticipated DBE participation for a specific project.
- A project specific DBE goal will rarely be the same value as the overall three-year goal.

Triennial DBE goal for Federal Fiscal Years (FFYs) 2021-2023

- Current Triennial DBE goal is 11%
- Goal achievement is based on payments made to DBE firms on existing contracts
- Achievement of current goal
 - 2021 – 10.58%
 - 2022 – 16.70%
 - 2023 – TBD (annual report due in October 2023)

2024-2026 Proposed EPA DBE Goal



- Proposed EPA goal of 11.9%
 - Race-Conscious 5.4%
 - Race-Neutral 6.5%

How was the proposed goal determined?

Methodology

- Determine availability rates in well-defined geographic market area
- Produce any adjustments to the base DBE goal
- Propose maximum portion of the goal that can be achieved through race-neutral means

Proposed Goal Breakdown

Table 1. Proposed Metropolitan Council EPA DBE Goals FY 2024–2026

Type	Base Goals without Adjustment		Goals Adjusted for Discrimination	
	(1) 5 Availability Methods ^a	(2) 3 Availability Methods ^b	(3) 5 Availability Methods ^a	(4) 3 Availability Methods ^b
Base Goal	21.3%	9.9%	21.3%	9.9%
<i>Discrimination Gap for Adjustment</i>	0.00%	0.00%	19.9%	19.9%
Adjusted Goal	21.3%	9.9%	25.6%	11.9%
Race-Neutral (RN) Goal	11.7%	5.4%	14.0%	6.5%
Race-Conscious (RC) Goal	9.6%	4.5%	11.6%	5.4%

^a Bidders List, Vendors List, DBE Method, Dun & Bradstreet, American Business Survey

^b DBE Method, Dun & Bradstreet, American Business Survey

For Comparison



- Base goal utilizing Dr. Myers and Roy Wilkins Center for Human Relations and Social Justice Analytical methods is 11.9%
- Base goal using previous methodology completed by OEEO is 13.92%

Next Steps

- Dr. Myers and Ashanti present goal to Management Committee on September 13th
- Dr. Myers presents goal to EAC on September 19th
- Goal brought back to management committee and full council meeting on October 25th for approval

Questions?

Megan Solberg – Small Business Unit Manager, OEEO

Megan.Solberg@metc.state.mn.us

651-602-1406