

**Metro**Los Angeles County  
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Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**EXECUTIVE MANAGEMENT COMMITTEE  
JANUARY 16, 2014****SUBJECT: DISABLED VETERAN'S BUSINESS ENTERPRISE (DVBE)  
CONTRACTING AND PROCUREMENT PROGRAM****ACTION: RECEIVE AND FILE****RECOMMENDATION**

Receive and file this status report on implementation of a Disabled Veterans Business Enterprise contracting and procurement program.

**ISSUE**

At the October meeting the Board passed a motion requesting Metro to develop a DVBE contracting procurement program with a report back to the January Executive Management Committee meeting.

**DISCUSSION**

Metro recognizes the sacrifices made by our military personnel who valiantly serve to protect our nation. As noted in the Motion, Metro has been proactive in reaching out to the Veteran community through various outreach efforts, primarily related to hiring initiatives, but now needs to expand our outreach to include entrepreneurial initiatives for disabled veterans through development and implementation of a small business component.

**Findings**

Motion Part 1 - As directed, staff surveyed other agencies and jurisdictions to determine the presence and success of DVBE programs. The research conducted thus far can be summarized in the following table:

Agency	Goal	Preference Program	Success Rate	Comments	Date Started
State of CA (incl. Caltrans)	3% overall agency goal	Y	Varies but overall the State has exceeded the 3% goal for the last 2 fiscal years	Non-federal; primarily IFBs; incentive is sliding scale	1989
City of Los Angeles	3% mandatory on every contract	N	Too new	Non-federal; IFBs and RFPs; good faith efforts	1/12/2012
County of Los Angeles	3% on all contracts	Y	Too New	Non-federal; 8% incentive; RFPs and IFBs for goods and services	12/1/2013
Metropolitan Water District (MWD)	3% overall	Y	<1%	Non-federal RFPs	2006

The LA Unified School District, Bay Area Rapid Transit (BART), and Orange County Transportation Authority (OCTA) were also contacted, and do not currently have any DVBE participation goals or programs.

Motion Part 2 – Staff found that all agencies with a DVBE program utilize the State of California’s DVBE certification process – administered through the Department of General Services (DGS).

Motion Part 3 – Metro can provide additional incentive or preference points to proposers who include LA County DVBE firms in their proposals for all locally funded RFPs.

### Considerations

*Applicability:* The DVBE program is not recognized as a federally approved business contracting program and so is not applicable to any federally funded contracts. Additionally, legislation currently prohibits use of the DVBE program on procurements awarded through a competitive bid (IFB) process. To set a reasonable target for Metro, analysis is required to determine the volume and dollar value of locally-funded RFPs. During the initial research, staff found that the County of Los Angeles’ program was in development for approximately one year before implementation.

*Availability of DVBE Firms:* As part of our research, staff conducted an analysis of the availability of DVBE firms currently certified in the State, utilizing the DGS’s DVBE database. Currently, there are approximately 1,400 certified DVBEs in the State of CA. Further, in examining all zip codes within Los Angeles County, less than 150 firms were located within the county. Further analysis is required to determine the specialty of these firms to ensure they are notified when appropriate procurements are advertised.

*Outreach:* The implementation of a DVBE Program will require an outreach component. Outreach is essential to a successful program. Elements may include partnering with state and local DVBE chapters, targeted outreach to DVBE firms, participation in our "How to Do Business with Metro" workshops, and workshops on getting certified through DGS. While conducting research, staff spoke with the Disabled Veterans Business California Alliance who assisted with the development of the very successful State of California program. Further discussions with these and other DVBE program supporters will provide Metro with important resources as we develop our DVBE program implementation.

Though staff will develop a specific program for DVBEs, our outreach will also target Veteran small business owners, since many may qualify for our Small Business Enterprise (SBE) program.

**NEXT STEPS**

In concert with County Counsel, Procurement, and applicable departments, staff will return to the Board with a recommended program for Board adoption within the next 6 months.

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