



**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JULY 21, 2005**

SUBJECT: SMALL BUSINESS ENTERPRISE PROGRAM GOAL

ACTION: APPROVE SMALL BUSINESS ENTERPRISE PROGRAM GOAL

RECOMMENDATION

- A. Approve 15% Small Business Enterprise Program (SBE) Program Goal for Fiscal Year 2006 and Fiscal Year 2007.
- B. Approve Bi-Annual Small Business Enterprise (SBE) Program Goal Review beginning Fiscal Year 2007.

ISSUE

In July 2004, the Board approved the 15% SBE program goal for the participation of SBEs on Metro state and locally funded competitively negotiated procurements. This recommendation is to extend the current 15% SBE goal an additional two fiscal years and to perform a bi-annual goal review for SBE participation beginning Fiscal Year 2007.

POLICY IMPLICATIONS

In July 2004, the SBE program was updated to model the Disadvantaged Business Enterprise (DBE) program. The revisions incorporated federal guidelines which best fit the SBE Program's race and gender neutral eligibility requirements. Over the last two years, the SBE Program has continued to show incremental levels of SBE participation with the increase in the number of contracts funded with state and local funds. The proposed 15% SBE Program goal will provide a level playing field for SBEs to compete and participate on Metro competitively negotiated contracts.

OPTIONS

The Board has an option to not approve the recommended SBE Program goal. This option will adversely impact program administration and participation of SBEs. Therefore, staff does not recommend this option.

FINANCIAL IMPACT

There is no increased cost to Metro for implementing this action.

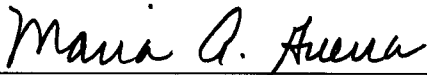
BACKGROUND

In April 1997, the MTA Board authorized staff to implement the SBE Program for non-federally funded negotiated contracts. The SBE Program was implemented as an alternative to the State and Local Minority and Women Business (M/WBE) Program as a result of the California Civil Rights Initiative (Proposition 209). Proposition 209 prohibits preferential treatment on the basis of race, sex, ethnicity, or national origin in the public contracting.

NEXT STEPS

The approved recommendations will be effective immediately.

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