



# **Massachusetts Bay Transportation Authority**

## DEI State Funds Supplier Diversity Program Update

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Board of Directors  
PW&D Subcommittee  
February 2022

# AGENDA

Open -

Goods & Services -

Design & Construction -

Close -

Jabes Rojas

Jeff Cook

Maysoon Tawfik

Jabes Rojas



# Vision & Purpose

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- Increasing supplier diversity within our ecosystem of contractors, suppliers and vendors doing business with the MBTA is part of our growing commitment to DEI internally and externally with our personnel, procurements and policies.
- We aim to more intentionally and increasingly attract and integrate diverse suppliers, contractors and vendors into our supply chain of goods & services as well for design & construction.
- As such, the MBTA is launching an expanded comprehensive supplier diversity program for state funded procurements and capital projects to pair alongside our longstanding DBE federal funded program.
- This initiative will start to ramp up in FY22, utilizing best practices for supplier diversity and leverage the recently unveiled innovations and expansions from the State Executive Branch and quasi-public state agencies.



# State Funds Supplier Diversity Program Outline

“Our roadmap since May 2021”

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Introduce and ramp up the supplier diversity program for Goods & Services (in Procurements) and Design & Construction (in Capital Programs) for state funded operating and capital spend:

- Q3-Q4 FY21 assessments, planning and readiness + Board approval
- FY22 program introduction and ramp-up
- FY23 expansions and supporting for sustained growth

Introduce and increase the weight afforded to RFP diversity plans as key components of the evaluation criteria as permitted by law and informed by best practices on state supplier diversity:

- 25% diversity plans criteria weight afforded to RFPs in selection process starting in FY22
- Plan and develop a small business program for Goods & Services and Design & Construction



# Strategy and Operational Governance

## Steering Committee

### Co-Chairs

- CDO Julian Tynes and DEI AGM Jabes Rojas

### Members

- CCO Jay Neider
- CPO Jeff Cook
- CLC Kevin Scanlon
- CPO Deputy Arlyn Zuniga
- ODCR Deputy Darnell Williams
- CCO Deputy Maysoon Tawfik

## Executive Sponsors

### General Manager and Chief of Administration

- Updated quarterly

### DEI Executive Council

- Updated twice per year

### MBTA's Board of Directors or Subcommittee

- Updated twice per year

# Goods & Services



# Goods & Services Supplier Diversity Program

FY21-FY22

## Operational Program

- Creating **dedicated procurement group** for outreach and monitoring/reporting and compliance.
- Establish **MBTA baseline data** to measure performance and path forward.
- Understanding of **Diversity Spend Opportunities**.
- **Identifying DEI companies** with MBTA procurement spend categories by partnering and using information from DEI Office, ODCR, and State SDO Office.
- **Implementing outreach process** to have DEI companies sign up on MBTA bid platforms .
- Developing process and infrastructure to track and report on **Direct “Prime” and Indirect “Sub-Contractor” DEI participation**
- Prepared **internal policies and program details for Buyers/SEs and stakeholders**.
- Expanding the encouragement of **joint ventures or partnership** on appropriate procurements.

## Technical Program

- Establish **25% evaluation criteria for large procurements** mirroring State’s Supplier Diversity program.
  - Develop **information required** to be provided within RFP submission **with focus on MA spend**.
  - **Implement requirement for RFP procurements that are state funded of \$250K+ use 25% DEI criteria**.
  - **Create and provide guidance** for Selection Committee to review DEI criteria for scoring purposes.
- **Plan and Develop a Small Business Purchase Program** under \$250k or other similar initiative based on baseline data established.



Procurement Dept  
Avg Spend (FY19-21)  
(Excludes Federal Funding)  
**\$1,159.7M**

Avg DEI  
Spend Rate  
**5.1%**

• 3 Year look back at the Procurement Department's annual spend with Diverse Vendors (DEI) against all other spend (excluding Legal Settlements \$28.9M) results in an average 5.1% diversity spend rate.

• Prime/Subcontractors: DEI spend only includes payments to Primes and contractual programs with ABM/TMM cleaning, Keolis, and CRRC MA contracts (\$33.5M Avg to DEI subcontractors). Working on method to capture other amounts pledged to other DEI Subcontractors at award.

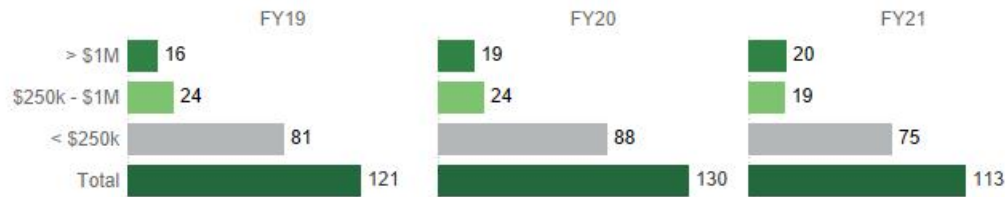
**Procurement Dept FY19-21 State Funded Diversity Spend**

	FY19	FY20	FY21	3 Yr Avg (FY19-21)
Total Spend	\$1,007.2M	\$1,238.5M	\$1,233.5M	<b>\$1,159.7M</b>
DEI Spend (Primes)	\$19.3M	\$28.6M	\$35.8M	<b>\$27.9M</b>
DEI Spend (Subs)	\$32.4M	\$31.5M	\$36.6M	<b>\$33.5M</b>
Total Diversity Spend	\$51.6M	\$60.0M	\$72.3M	<b>\$61.3M</b>
Diversity %	5.0%	4.7%	5.7%	<b>5.1%</b>

**Procurement Dept Annual Vendor Count (Count of Vendors with payments)**

	FY19	FY20	FY21	3 Yr Avg (FY19-21)
All Other	1,454	1,514	1,373	<b>1,447</b>
	92%	92%	92%	<b>93%</b>
DEI Vendor	121	130	113	<b>121</b>
	8%	8%	8%	<b>7%</b>

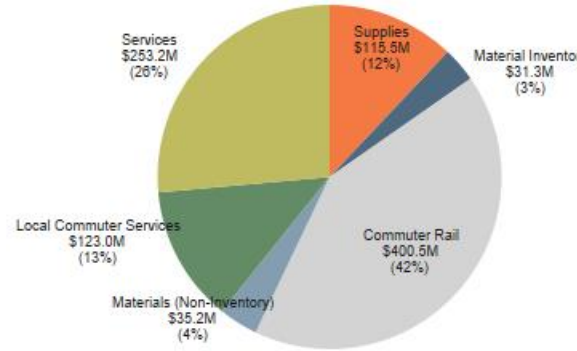
**Procurement Dept Diverse Vendor Count by Spend Category**



**Business Enterprise (BE) Categories:**

DBE: Disadvantaged  
LBGT: Lesbian, Gay, Bisexual, Transgender  
SDVOBE: Service-Disabled Veteran owned  
MBE: Minority owned  
VBE: Veteran owned  
WBE: Women owned

**Diversity Spend Opportunity (Avg FY19-21)**



**Spend Opportunity (83% of Annual Spend)**

	Annual Avg
Commuter Rail	\$400.5M
Local Commuter Services	\$123.0M
Material Inventory	\$31.3M
Materials (Non-Inventory)	\$35.2M
Services	\$253.2M
Supplies	\$115.5M
<b>Annual Avg \$</b>	<b>\$958.7M</b>

**Excluded from Opportunity (17% of Annual Spend)**

	Annual Avg
Bldg Rental	\$4.5M
Debt/Lease Srvc	\$3.9M
Employee Benefits	\$0.4M
Financial Svcs	\$1.7M
Insurance	\$5.3M
Land Acquisition	\$5.3M
Payroll Taxes	\$13.2M
Pension	\$120.9M
Revenue Exp	\$1.8M
Utilities	\$44.0M
<b>Annual Avg \$</b>	<b>\$201.0M</b>

**MBTA Vendor Diversity Operational Spend By Certification \***

Spend Data as of: 27-Jan-22

	FY19	FY20	FY21
Annual Spend \$	\$1,007.2M	\$1,238.5M	\$1,233.5M
WBE Spend	\$18.0M	\$23.5M	\$27.5M
WBE %	1.8%	1.9%	2.2%
DBE Spend	\$18.3M	\$22.0M	\$25.9M
DBE %	1.8%	1.8%	2.1%
MBE Spend	\$14.5M	\$13.2M	\$16.2M
MBE %	1.4%	1.1%	1.3%
MBE/WBE Spend	\$0.6M	\$1.1M	\$2.4M
MBE/WBE %	0.1%	0.1%	0.2%
VBE Spend	\$0.2M	\$0.4M	\$0.4M
VBE %	0.0%	0.0%	0.0%
SDVOBE Spend	\$0.0M	\$0.0M	\$0.0M
SDVOBE %	0.0%	0.0%	0.0%
LGBTBE Spend	\$0.0M	\$0.0M	\$0.0M
LGBTBE %	0.0%	0.0%	0.0%

\* Note: Vendors with multiple certifications will be counted in each category they are certified in. (i.e. a Minority, Veteran owned would count in both.)



# Design & Construction



# Role – Chief Capital Programs Strategy & Innovation

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- New role that includes MBTA Capital Programs compliance support (in partnership with ODCR) for:
  - DBE Program – federally funded projects
  - SBE in Construction Program – state funded project
  - DEI Program – state funded projects
- Compliance support consists of :
  - Assisting ODCR with data collection and analysis for the capital programs tab of the semi-annual Uniform report submission to the FTA
  - Supporting ODCR and Project Managers with DBE Program Monitoring and DBE Technical Advising
  - Setup of SBE/DEI Programs including outreach and program monitoring
- Staffing currently provided by consultant Armand Resource Group, Inc. with a 3-year plan to transition to internal staffing



# Capital Programs

## Professional Services - DEI Update

### PROCESS OVERVIEW

- ❖ All Professional Services selections follow the Brooks Act which requires a 2 Step Qualifications-based selection process including a Request for Qualifications and a Request for Proposals.
- ❖ The RFQ and RFP include evaluation criteria with points assigned to each criteria.
- ❖ For federal federally funded contracts, Capital Programs has a formal DBE program in place. ODCR sets a DBE Goal for each contract and firms responding to the RFQ need to provide a DBE commitment in their Statement of Qualifications. To the extent that the commitment is less than the DBE Goal, the firm must demonstrate best efforts. ODCR sits on every selection committee and reviews DBE commitments, as part of the AAEO Pass/Fail process.
- ❖ For state funded contracts, Capital Programs has recently implemented a DEI program. Since the MBTA does not have a disparity study, unlike the DBE Program, we are not able to include a DEI goal in our Professional Services contracts. Therefore, we are including DEI Evaluation Criteria worth 25 points in the RFQ and additional DEI Evaluation Criteria in the RFP worth 10 points plus.
- ❖ Contracts with DEI Criteria:
  - RLOL PMCM @ \$66M – HDR selected w/20% DEI commitment – Contract Award at February BOD
  - SW Corridor Design @ \$7.5M – selection process underway
  - Red Blue Connector Design @ \$15M – selection process underway



# Capital Programs

## Professional Services – DEI Update

### DEI EVALUATION CRITERIA IN RFQ/PUBLIC NOTICE (25 Points)

- 1) Demonstrate your **firm's commitment to advancing diversity, equity and inclusion within your organization** by providing a copy of your firm's DEI Policy and a brief but detailed description of your DEI strategies and initiatives including but not limited to dedicated resources – both fiscal and human capital, and your approach to benchmarking and identifying gaps as well as opportunities to prioritize to advance the success of your organizations DEI readiness. (10 points)
- 2) Demonstrate your **firm's commitment to advancing diversity, equity and inclusion with your business partners** by providing (I) a brief summary of how your firm has partnered with the following types of business enterprises over the last 2 years including Disadvantaged (DBE), Lesbian, Gay, Bisexual, Transgender (LGBT), Services – Disabled Veteran owned (SDVOBE), Minority owned (MBE), Veteran owned (VBE) or Women owned (WBE) and (II) a brief but detailed summary of how your firm is providing opportunities for such firms on the Project Team and how you plan to use such firms to effectively deliver services to the MBTA. (10 points)
- 3) Demonstrate your **firm's commitment to advancing diversity, equity and inclusion beyond your organization** by describing all actions your firm is taking to proactively contribute to advancing DEI in the Architectural, Engineering and Construction (AEC) Industry and beyond. (5 points)

### DEI EVALUATION CRITERIA IN RFP/PUBLIC NOTICE (10 Points PLUS)

Provide a clear list of all DEI firms included on the Project team and copies of certifications, as appropriate. Describe your approach to utilizing the DEI firms in a meaningful way throughout the duration of the contract.

**PLUS** Other Evaluation Criteria including Management Approach and Technical Approach include sub criteria related to DEI without specific points assigned.



# Small Business Enterprise Program for Construction

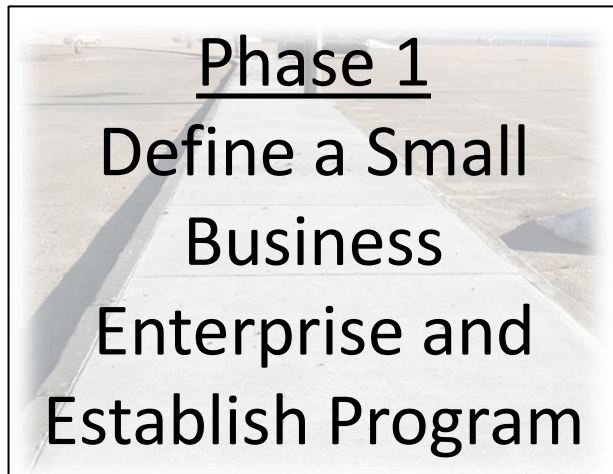
## Primary Goal:

Create and sustain opportunities for Small Businesses to participate in capital construction projects at the MBTA by:

- Reduce barriers to entry;
- Establishing minimum participation goals.

## Secondary Goal:

Stimulate the Massachusetts economy by providing sustained revenue opportunities to local small businesses.



Phase 1  
Define a Small  
Business  
Enterprise and  
Establish Program



Phase 2  
Implement Small  
Business  
Utilization Goals  
in Contracts



Phase 3  
Initiate Small  
Business Prime  
Contract  
Program



# Outreach & Engagement

## **Program Engagement**

- Prime Contractor, Subcontractor, and Engineering Association Dialogue & Feedback
- Peer Agency Review

## **Contractor Training**

- Informational Sessions to Current and Interested Small Businesses and Contractors
- Pre-Qualification Training Sessions
- Construction Bid Process Training Sessions
- Construction Contract Administration Training Sessions
- Recorded Web Content & Documentation

## **Ongoing Industry Outreach**

- Web Content & Marketing Plan
- Capital Programs Newsletter
- Promotional Sessions at Industry Events
- Social Media Campaign
- Proactive Outreach to New Small Businesses



# Thank You!

# Questions & Comments

