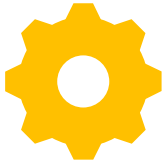


# **MBTA FY22 Supplier Diversity Report for Federal & Non-Federal Funds**



**Presentation to MBTA Board of Directors PWDC Subcommittee  
February 9, 2023**

# Executive Summary



We are pleased to issue the inaugural report featuring the combined Federal & Non-Federal Funds Supplier Diversity Spend for the MBTA covering Fiscal Year 2022 produced via a collaboration between many colleagues from various departments, including Procurement, Capital, Office of Diversity & Civil Rights (ODCR), and Diversity Equity & Inclusion (DEI).



This report is part of a collection of new initiatives and programs on supplier diversity that the MBTA has recently unveiled, which follow the best practices established by the Massachusetts executive branch.



Many thanks to the Board of Directors and executive leaders of the MBTA for their support and sponsorship of this important effort to continue to make the MBTA a more diverse, inclusive and equitable agency in all its programs and policies, including supplier diversity.



Aggregating the Federal and Non-Federal Supplier Diversity components to produce a combined report allows the MBTA to:

- Measure and understand our total impact, engagement and performance with diverse businesses.
- Assess and share the opportunities, strengths and challenges of our supplier diversity programs.
- Leverage the federal and non-federal initiatives to grow our total impact with diverse businesses.



# Results & Methodology



For FY22, we report that the MBTA spent \$188.8M, which is an increase from our 3-year baseline benchmark of \$119.4M of the spend opportunities. FY22 spending was done with a collection of diverse firms including 49 MBEs, 120 WBEs, and 169 DBEs.



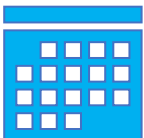
This report formulates a 3-year look back to establish an average as a recent performance benchmark baseline from the combination of FY19, FY20 and FY21. This 3-year look back baseline allows us to compare the FY22 performance to our previous 3-year average. In FY23 we will compare our performance to FY22.



This report covers supplier diversity spend via prime or sub-prime opportunities in goods & services and in design & construction for federal and non-federal funded purchasing, procurements and contracting for the MBTA.



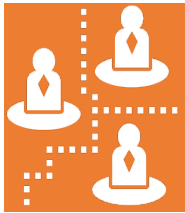
Results are an aggregate of the MBTA's supplier diversity spend with diverse businesses defined as Disadvantaged Business Enterprises (DBE), Minority owned (MBEs), Women owned (WBEs), LGBTQ owned (LGBTQBEs), Veteran owned (VETBEs) and Disability owned (DOBEs).



This report includes federal spending with Disadvantaged Business Enterprises; however this report does not supersede or determine the federal program components as that is dictated by the Federal Transportation Administration (FTA).

# FY21-23 Non-Federal Funds Supplier Diversity Program Goals

*As presented to FMCB Board in 2021 and to the current PWDC Board Subcommittee in early 2022*



Our primary goal of the state-funded supplier diversity program is to introduce and ramp up the supplier diversity program for Goods & Services (in Procurements) and Design & Construction (in Capital Programs) for state funded non-federal operating and capital spend:

- Q3-Q4 FY21 assessments, planning and readiness + Board approval
- FY2022 program introduction and ramp-up
- FY2023 expansions and supporting for sustained growth

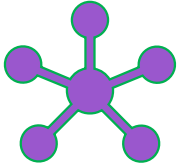


Our second goal is to introduce and increase the weight afforded to RFP diversity plans as key components of the evaluation criteria, as is permitted by law and informed by best practices on state supplier diversity:

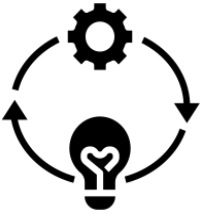
- 25% diversity plans criteria weight afforded to RFPs in selection process starting in FY2022
- Plan and implement a small business program for Goods & Services and Design & Construction



# Look Ahead



Best practices in Supplier Diversity require constant innovation and engagement with diverse and non-diverse firms. That's why we are motivated by the recent traction and upside of the non-federal and federal supplier diversity programming underway at the MBTA.



We also acknowledge that while we are proud of the variety of new programming, including the inaugural supplier diversity report, we are determined to continue to grow year-over-year, steward the newly launched initiatives and expedite the scope and reach of the program.



A few items stand out for our path forward:

- Continuing to receive support from Executive Leadership and Board of Directors
- Leveraging synergies across the state and federal programs, initiatives and efforts
- Strengthening compliance, monitoring and tracking of performance, with ODCR leading the way
- Investing in more outreach and engagement efforts and programming targeting diverse firms
- Developing more opportunities for diverse firms to win sub-prime and prime contracts
- Rolling out a multi-year Disparity Study for Goods & Services and Design & Construction
- Learning from the executive branch supplier diversity best practices and innovations
- Joining our reporting with the executive branch's Office of Supplier Diversity annual report

# MBTA Aggregate Diversity Spend Scorecard FY22 (Includes Federal & Non-Federal Funding)



MBTA  
Total Spend\*  
(FY22)  
(Includes Federal & Non-Federal Funding)

**\$2,110.2M**

Diversity Spend Rate  
(FY22)

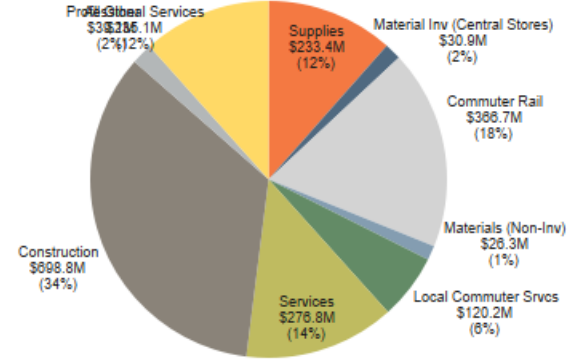
**8.9%**

- FY22 MBTA annual spend with Diverse Vendors against all other Capital & Operational spend resulted in a 8.9% diversity spend rate.

## MBTA FY22 Diversity Spend

	Benchmark (FY19-21)	FY22
Diversity Spend Opportunity	\$2,027.3M	\$2,110.2M
Diversity Spend (Primes)	\$28.6M	\$32.7M
Diversity Spend (Subs)	\$90.9M	\$156.1M
<b>Total Diversity Spend</b>	<b>\$119.4M</b>	<b>\$188.8M</b>
Diversity %	5.7%	8.9%

## MBTA Federal & Non-Federal Spend FY22



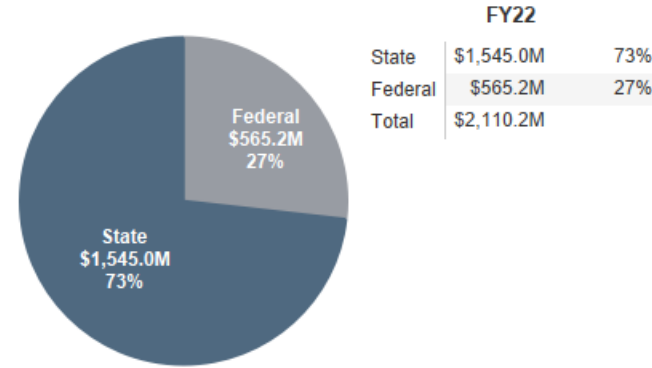
## Spend Benchmark (MBTA Spend)

	FY22
All Other	\$16.7M
Commuter Rail	\$419.3M
Construction	\$804.0M
Local Commuter Svcs	\$115.4M
Material Inv (Central Stores)	\$26.5M
Materials (Non-Inv)	\$37.7M
Professional Services	\$268.0M
Services	\$297.4M
Supplies	\$125.2M
<b>Annual Avg \$</b>	<b>\$2,110.2M</b>

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

	FY22	FY22
Opportunity Spend \$	\$2,110.2M	\$102.7M
WBE Spend	\$94.14M	139
WBE %	4.5%	
WBE Vendor Count	120	
DBE Spend	\$119.0M	\$86.1M
DBE %	5.6%	95
DBE Vendor Count	169	
MBE Spend	\$60.7M	\$188.8M
MBE %	2.9%	234
MBE Vendor Count	49	
MBE/WBE Spend	\$38.9M	
MBE/WBE %	1.8%	
MBE/WBE Vendor Count	50	
VBE Spend	\$3.5M	
VBE %	0.2%	
VBE Vendor Count	6	
SDVOBE Spend	\$0.3M	
SDVOBE %	0.0%	
SDVOBE Vendor Count	3	
LGBTBE Spend	\$0.0M	
LGBTBE %	0.0%	
LGBTBE Vendor Count	0	
DOBE Spend	\$0.00M	
DOBE %	0.0%	
DOBE Vendor Count	0	

## MBTA Non-Federal vs Federal Spend



## MBTA Vendor Count

	FY22
All Other	1,434
Diverse Vendors	86%
	234
	14%
<b>FY22</b>	<b>249</b>
Diverse Subs	76%
Diverse Primes	31%

### Business Enterprise (BE) Categories:

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

\* Total Spend excludes certain categories such as financial services, employee wages, utilities and settlements.

\*\* 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.)

# MBTA Aggregate Diversity Spend Scorecard FY22 (Federal Only)



MBTA  
Total Spend\*  
(FY22)  
(Federal Only)  
**\$565.2M**

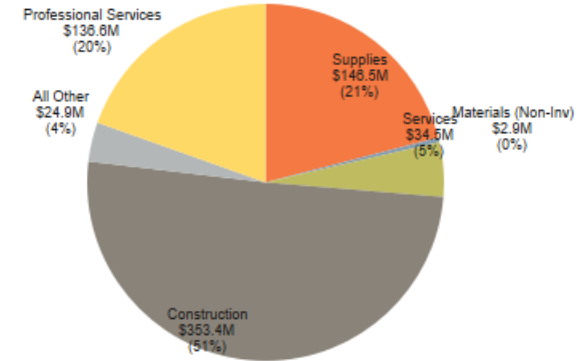
Diversity Spend Rate  
(FY22)  
**19.1%**

• FY22 MBTA annual spend with Diverse Vendors against all other Capital & Operational spend resulted in a 19.1% diversity spend rate.

## MBTA FY22 Diversity Spend

	Benchmark (FY19-21)	FY22
Diversity Spend Opportunity	\$698.7M	<b>\$565.2M</b>
Diversity Spend (Primes)	\$6.0M	<b>\$6.4M</b>
Diversity Spend (Subs)	\$60.7M	<b>\$101.3M</b>
Total Diversity Spend	\$66.6M	<b>\$107.7M</b>
Diversity %	9.3%	<b>19.1%</b>

## MBTA Federal & Non-Federal Spend FY22



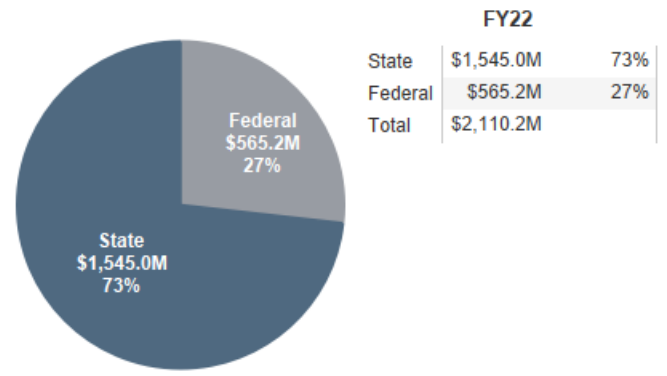
## Spend Benchmark (MBTA Spend)

	FY22
All Other	<b>\$9.8M</b>
Construction	<b>\$356.9M</b>
Materials (Non-Inv)	<b>\$0.8M</b>
Professional Services	<b>\$123.1M</b>
Services	<b>\$36.8M</b>
Supplies	<b>\$37.8M</b>
<b>Annual Avg \$</b>	<b>\$565.2M</b>

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

	FY22	FY22
Opportunity Spend \$	<b>\$565.2M</b>	
WBE Spend	<b>\$55.35M</b>	Multi-Cert <b>\$61.8M</b>
WBE %	9.8%	92
WBE Vendor Count	65	Single Cert <b>\$46.0M</b>
DBE Spend	<b>\$73.8M</b>	42
DBE %	13.1%	Grand Total <b>\$107.7M</b>
DBE Vendor Count	109	134
MBE Spend	<b>\$28.4M</b>	
MBE %	5.0%	
MBE Vendor Count	42	
MBE/WBE Spend	<b>\$28.8M</b>	
MBE/WBE %	5.1%	
MBE/WBE Vendor Count	43	
VBE Spend	<b>\$3.2M</b>	
VBE %	0.6%	
VBE Vendor Count	3	
SDVOBE Spend	<b>\$0.0M</b>	
SDVOBE %	0.0%	
SDVOBE Vendor Count	1	
LGBTBE Spend	<b>\$0.0M</b>	
LGBTBE %	0.0%	
LGBTBE Vendor Count	0	
DOBE Spend	<b>\$0.00M</b>	
DOBE %	0.0%	
DOBE Vendor Count	0	

## MBTA Non-Federal vs Federal Spend



## MBTA Vendor Count

	FY22
All Other	174
Diverse Vendors	56%
	134
	44%
<b>FY22</b>	<b>138</b>
Diverse Subs	93%
Diverse Primes	

### Business Enterprise (BE) Categories:

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

\* Total Spend excludes certain categories such as financial services, employee wages, utilities and settlements.

\*\* 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.)

# MBTA Aggregate Diversity Spend Scorecard FY22 (Non-Federal Only)



MBTA  
Total Spend\*  
(FY22)  
(State Only)

**\$1,545.0M**

Diversity Spend Rate  
(FY22)

**5.2%**

• FY22 MBTA annual spend with Diverse Vendors against all other Capital & Operational spend resulted in a 5.2% diversity spend rate.

## MBTA FY22 Diversity Spend

	Benchmark (FY19-21)	FY22
Diversity Spend Opportunity	\$1,328.6M	<b>\$1,545.0M</b>
Diversity Spend (Primes)	\$22.6M	<b>\$26.3M</b>
Diversity Spend (Subs)	\$30.2M	<b>\$54.7M</b>
Total Diversity Spend	\$52.8M	<b>\$81.1M</b>
Diversity %	3.9%	<b>5.2%</b>

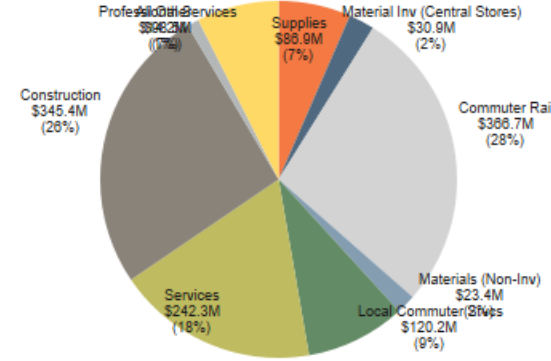
## MBTA Vendor Diversity Operational Spend By Certification \*\*

	FY22	FY22
Opportunity Spend \$	<b>\$1,545.0M</b>	
WBE Spend	<b>\$38.79M</b>	Multi-Cert <b>\$41.0M</b>
WBE %	2.5%	89
WBE Vendor Count	91	Single Cert <b>\$40.1M</b>
DBE Spend	<b>\$45.1M</b>	70
DBE %	2.9%	Grand Total <b>\$81.1M</b>
DBE Vendor Count	107	159
MBE Spend	<b>\$32.3M</b>	
MBE %	2.1%	
MBE Vendor Count	25	
MBE/WBE Spend	<b>\$10.1M</b>	
MBE/WBE %	0.7%	
MBE/WBE Vendor Count	25	
VBE Spend	<b>\$0.3M</b>	
VBE %	0.0%	
VBE Vendor Count	3	
SDVOBE Spend	<b>\$0.3M</b>	
SDVOBE %	0.0%	
SDVOBE Vendor Count	2	
LGBTBE Spend	<b>\$0.0M</b>	
LGBTBE %	0.0%	
LGBTBE Vendor Count	0	
DOBE Spend	<b>\$0.00M</b>	
DOBE %	0.0%	
DOBE Vendor Count	0	

\* Total Spend excludes certain categories such as financial services, employee wages, utilities and settlements.

\*\* 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.)

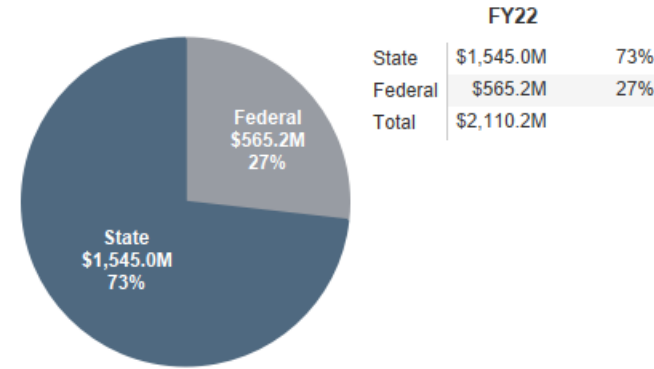
## MBTA Federal & Non-Federal Spend FY22



Spend Benchmark  
(MBTA Spend)

	FY22
All Other	<b>\$6.8M</b>
Commuter Rail	<b>\$419.3M</b>
Construction	<b>\$447.1M</b>
Local Commuter Svcs	<b>\$115.4M</b>
Material Inv (Central Stores)	<b>\$26.5M</b>
Materials (Non-Inv)	<b>\$36.9M</b>
Professional Services	<b>\$144.9M</b>
Services	<b>\$260.6M</b>
Supplies	<b>\$87.4M</b>
Annual Avg \$	<b>\$1,545.0M</b>

## MBTA Non-Federal vs Federal Spend



### Business Enterprise (BE) Categories:

DBE: Disadvantaged Business Enterprise  
LBGT: Lesbian, Gay, Bisexual, Transgender  
SDVOBE: Service-Disabled Veteran owned

MBE: Minority owned  
VBE: Veteran owned  
WBE: Women owned

DOBE: Disability-owned

## MBTA Vendor Count

	FY22
All Other	1,372
Diverse Vendors	90%
	159
	10%
	<b>FY22</b>
	172
Diverse Subs	64%
Diverse Primes	44%





Thank You!

Questions & Comments