

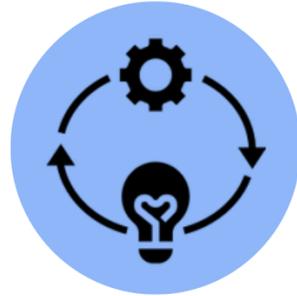


2nd Annual MBTA Supplier Diversity Report

Payments & Awards for Federal & Non-Federal Funds

January 2024

CONTEXT



The 2nd Annual MBTA Supplier Diversity Report is part of a collection of new supplier diversity initiatives and programs recently unveiled by the MBTA, which follow best practices established in the government, nonprofit and corporate sectors.



The report showcases the performance of the MBTA with certified diverse businesses receiving payments or awards as primes or sub-primes from federal and non-federal funds within goods & services and design & construction for our operating and capital funds.



Certified diverse businesses and enterprises are defined as:

- Minority owned (MBEs)
- LGBT owned (LGBTBEs)
- Disability owned (DOBEs)
- Women owned (WBEs)
- Veteran owned (VBEs)
- Disadvantaged Business Enterprises (DBE)

PURPOSE



Best practices in Supplier Diversity require constant innovation and engagement with diverse and non-diverse companies.



By producing an aggregate MBTA annual report focusing on payments and awards for the agency's total federal and non-federal supplier diversity components, the agency can better:

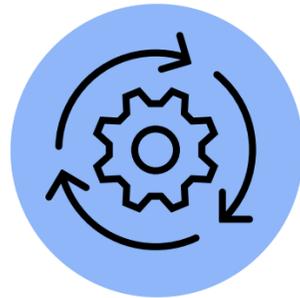
- **Measure our total impact and performance with diverse businesses.**
- **Understand opportunities, strengths and challenges of the supplier diversity programs.**
- **Leverage synergies on federal and non-federal programs to grow results with diverse businesses.**



The two key sections of this report focus on:

- **FY23 Payments made to diverse businesses from 7/1/22 to 6/30/23 is our second annual exercise and provides a comparison to our FY22 inaugural baseline report.**
- **FYTD24 Awards introduces a new analysis from 7/1/23 to 12/31/23 on contracts awarded to diverse businesses and will be shared as a full year in the FY24 Supplier Diversity Report.**

METHODOLOGY



Production of this report is led by the DEI team via an integrated collaboration between various departments, including Procurement, Capital, ODCR, OPMI, Legal and Finance.



The Payments & Awards sections of the report together are a synergetic and important tandem to better measure and understand the supplier diversity progress of the MBTA.

- Awards are defined as base executed contracts, purchase orders and task orders. This section serves as a leading indicator of the MBTA's supplier diversity program.**
- Payments are defined as direct payments issued to businesses. This section serves as a lagging indicator of the MBTA's supplier diversity program as many of our contracts are multi-year.**



The 2nd Annual Supplier Diversity Report includes awards & payments with funding from the Federal Transit Authority (FTA) which carry specific DBE goals. This report does not supersede or determine the program components set by the FTA for the DBE program.

KEY RESULTS



In FY23, the MBTA paid a total of \$198.1M or 9.4% to 252 certified diverse companies from an overall total of \$2.1B in payments issued for all companies during this period.

FY23 grew by ~\$10M from FY22 when \$188.8M or 8.9% was paid to 234 diverse companies.

- A. FY23 \$67.9M paid to 105 MBEs increasing from FY22 of \$60.7M to 49 MBEs.**
- B. FY23 \$128.6M paid to 166 WBEs increasing from FY22 of \$94.1 to 120 WBEs.**
- C. FY23 \$169.2M paid to 178 DBEs increasing from FY22 of \$119M to 169 DBEs.**
- D. FY23 \$7.6M paid to 11 LGBTQ, Disability and Veterans businesses increasing from FY22 of \$3.8M paid to 9 businesses with these certifications.**



For FY24TD, the MBTA awarded a total of \$57.8M or 11% to 91 diverse companies from an overall total of \$526.5M in awards issued for all companies from July 1 to December 31, 2023.

- A. 38 MBEs were awarded \$26M**
- A. 57 WBEs were awarded \$25M**
- A. 69 DBEs were awarded \$39M**

MBTA Diversity Payment Scorecard FY23 (Includes Federal & Non-Federal Funding)



MBTA
Total Payments
(FY23)

\$2,114.0M

Diversity Payment Rate %
(FY23)

9.4%

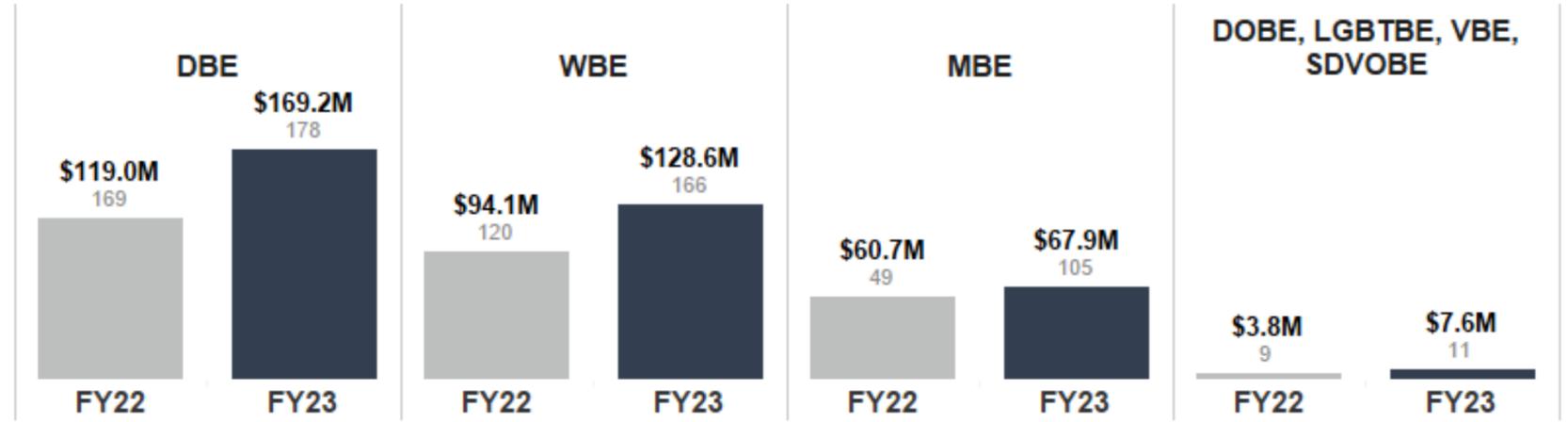
Diversity Payment Rate \$
(FY23)

\$198.1M

MBTA FY23 Diversity Payments

	FY22	FY23
Total Payments	\$2,110.2M	\$2,114.0M
Diversity Payments (Primes)	\$32.7M	\$30.4M
Diverse Prime Vendor Count	73	84
Diversity Payments (Subs)	\$156.1M	\$167.8M
Diverse Sub Vendor Count	178	192
Total Diversity Payments	\$188.8M	\$198.1M
Diversity %	8.9%	9.4%

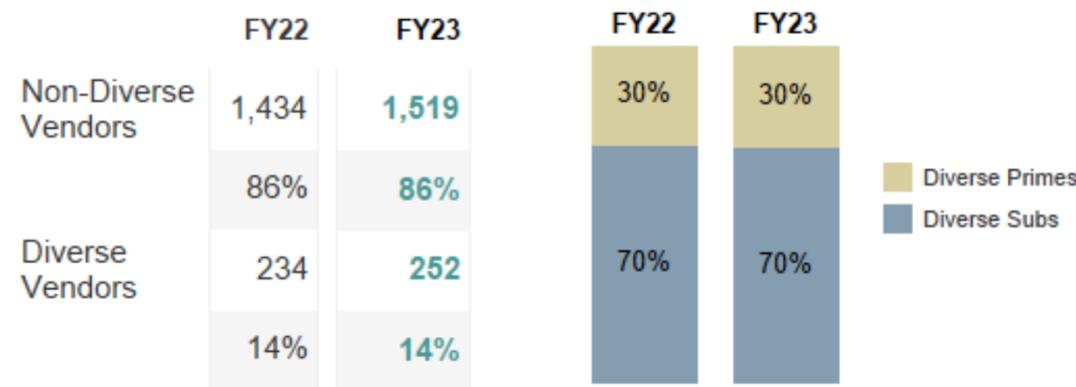
MBTA Vendor Diversity Payments By Certification **



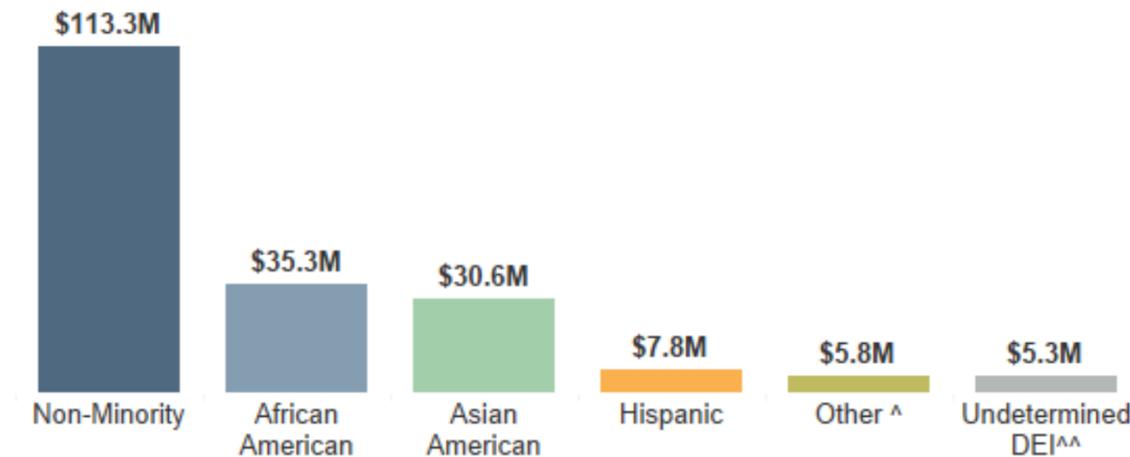
Business Enterprise (BE) Categories:

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

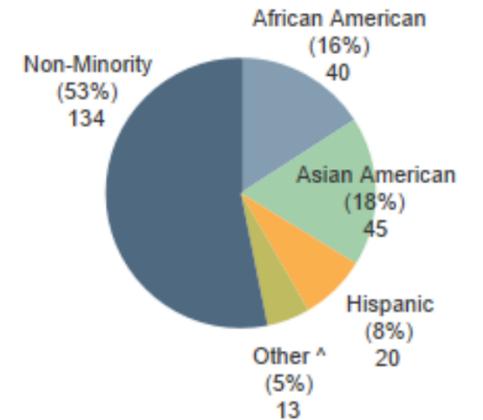
MBTA Active Vendor Count



MBTA FY23 Payments by Race/Ethnicity



Vendor Count



* Total Payments exclude certain categories such as financial services, employee wages, utilities and settlements. Payments include Capital and Operational Funds.

** 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.)

^ "Other" includes Native American, Portuguese, and Non-Specified by SDO-recognized third-party certified organization.

^^ "Undetermined DEI" refers to diverse commitments made to unidentified diverse firms at the time of award for non-FTA funded awards, Statewide contracts (SWC), and Transit Vehicle Manufacturer (TVM) contracts where the DBE Goal is set annually by the FTA.

MBTA Diversity Awards FYTD24 (Includes Federal & Non-Federal Funding)

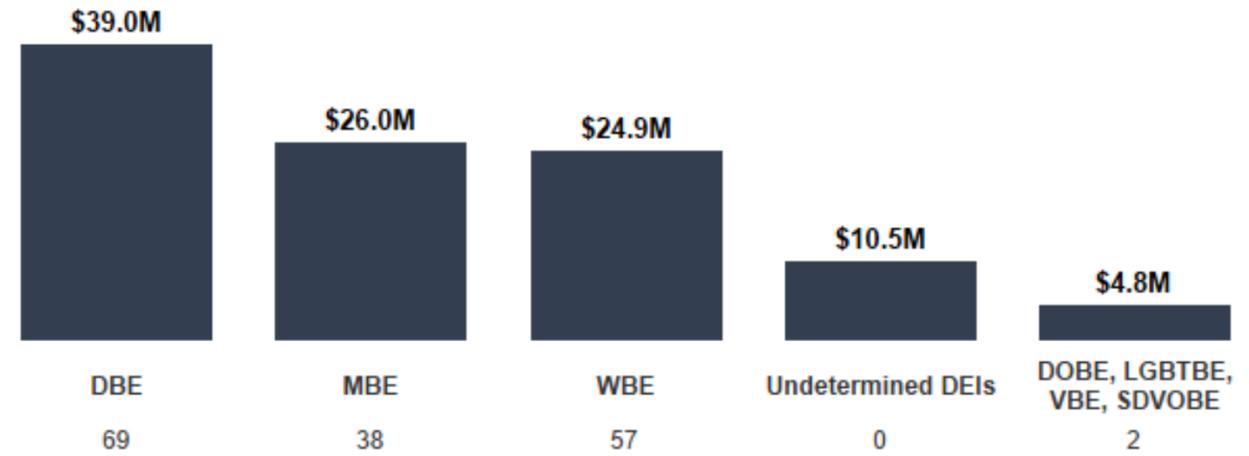


MBTA Total Awards *	Diversity Award %	Diversity Award \$	Number of Awards **
\$526.5M	11.0%	\$57.8M	5,404

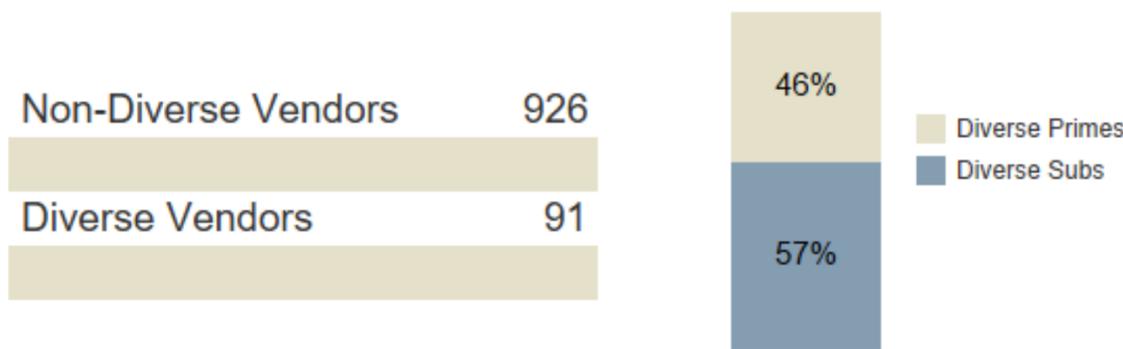
MBTA FYTD24 Awards

Total Awards	\$526.5M
Diversity Awards (Primes)	\$23.1M
Diverse Prime Vendor Count	42
Diversity Awards (Subs)	\$34.7M
Diverse Sub Vendor Count	52
Total Diversity Awards	\$57.8M
Diversity %	11.0%

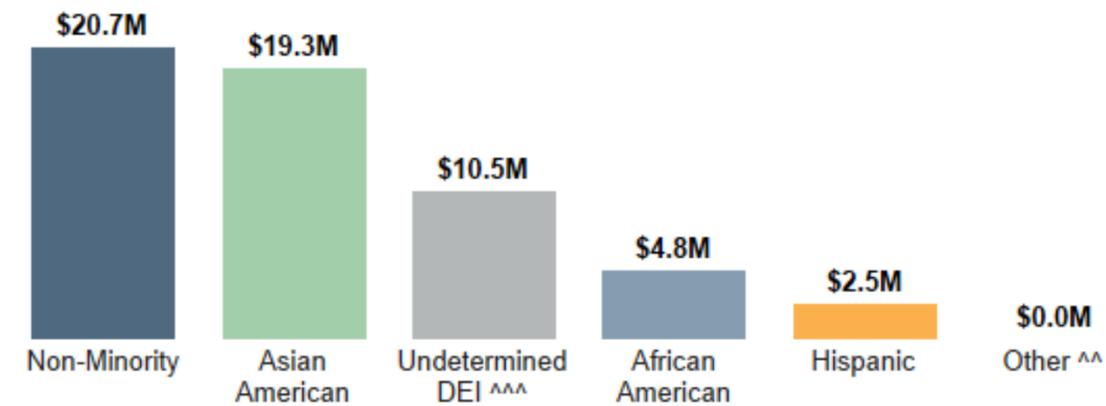
MBTA Awards and Vendor Count by Certification



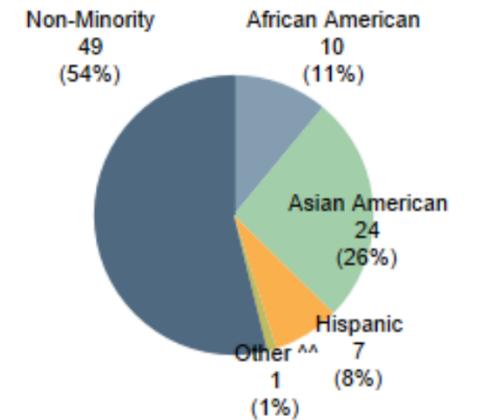
MBTA Awards Vendor Count



MBTA Awards Amounts by Race/Ethnicity ^



Vendor Count



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

** Number of awards includes Contracts, POs and Task Orders

^ Note: Vendors with multiple certifications will be counted in each category they are certified in (i.e., a Women owned, Disadvantaged Business Enterprise would count in both.)

^^ "Other" includes Native American, Portuguese, and Non-Specified by SDO-recognized third-party certified organization.

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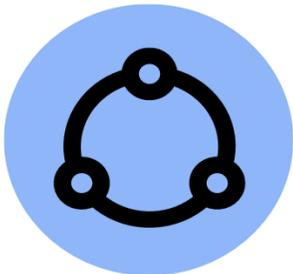
CONCLUSION & LOOK AHEAD



We are determined to continue to steward and grow the newly launched initiatives started in 2021 that continue to-date. Sharing our trends transparently with leadership, Board of Directors and key stakeholders in an important part of our commitment to supplier diversity.

That's why we are motivated and pleased by the recent year-over-year supplier diversity programming traction and embrace that there are some areas for improvements.

Several key elements for our path forward stand out.



- Continue to receive support from Executive Leadership and Board of Directors**
- Leverage synergies across the state and federal programs, initiatives and efforts**
- Strengthen compliance, monitoring and tracking of performance**
- Improve on outreach and engagement efforts targeting diverse firms for opportunities**
- Develop more opportunities for diverse firms to win prime & sub-prime contracts**
- Grow the small business program in total dollars and direct opportunities marketed**
- Join our quasi-public peers in reporting with the executive branch's annual report in March**



**THANK YOU
& DISCUSSION**

