

September 18, 2020

Committee on Transportation and Infrastructure
U.S House of Representatives
Washington DC 20515

RE: Mr. Sandy-Michael McDonald Hearing Testimony for the "Driving Equality: The U.S. Department of Transportation's Disadvantaged Business Enterprise Program"

Greetings Chairman DeFazio and Committee Members:

My name is Sandy-Michael E. McDonald and I am the Director of the Office of Economic and Small Business Development for Broward County, Florida. I also serve as the Disadvantaged Business Enterprise Liaison Officer (DBELO) and Airport Concession Disadvantaged Business Enterprise Liaison Officer (ACDBELO) for the administering of the DBE and ACDBE programs under 49 CFR Parts 26 & 23. As the DBELO/ACDBELO, it is my responsibility, and that of my office, to ensure that the objectives of the Disadvantaged Business Enterprise (DBE) and the Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs are adhered to. This includes certifying eligible applicants and confirming that program activities and projects are monitored and reported accurately. As this Committee on Transportation and Infrastructure convenes to hear testimony on the topic of "Driving Equality: The U.S. Department of Transportation's Disadvantaged Business Enterprise Program", I would like to share some of my thoughts, professional experiences, and observations of my daily role in driving equality and using the DBE program to do so.

Opening Statement

It was an excellent start in 1983 when the provision was made to authorize highway and federal financial assistance programs to allocate at least 10% of the funds to be spent with DBEs to ensure that minorities would have an opportunity to participate and compete. In 1987, as the program progressed, it included women during the reauthorization. The DBE program as we know it today, is one of the most significant tools for guaranteeing the participation of minority-owned and women-owned businesses in the federal procurement of goods and services in the arenas of Highway, Transit and Aviation. However, it also serves as a foundation for other federal procurement programs and contracting opportunities.

In Broward County alone, the DBE program accounts for 408 businesses; of which 210 are women-owned. Throughout the State of Florida there are over 4,043 certified DBEs documented. The significance of the number of DBEs in my county and state is only one important factor to consider. Equally as important, are the number of jobs these DBEs provide and account for throughout the state and country. The implications and impact on labor and economics of these combined factors are not singular, but exponential. As an office, we are excited about growing

the number of DBEs in the county, and throughout the state. We are even more excited about developing DBEs to participate successfully in the process, and then, preparing them to win contracts. That is the true value of the program.

Broward County believes the success of our DBEs comes from the additional assistance we are willing to offer in our program. All DBE program administrators are required to meet the eight objectives of the DBE Program under 49 CFR Part 26.1. However, the following specific objective: "To assist the development of firms that can compete successfully in the marketplace outside the DBE program", is the one we apply to grow our minority and women participation, and to grow our overall economy. We support this by preparing minority and women owned businesses to contract and provide services in all areas of government, private industry, national and international markets, as well as to produce more entrepreneurs and startup businesses.

Need of the Program - Then and Now

Broward County clearly understands the importance and the need for the DBE program since its inception to the present. Through the projects and procurement of our Aviation and Transit Departments, our DBEs are given the opportunity to not only participate as a subcontractor, but to also serve as Prime Contractors (Primes). Due to our unbundling and small business development, our DBEs can serve as Primes on contracts and offer additional opportunities to other DBEs as subcontractors. The DBE program in Broward County develops and directly affords our minority and women owned businesses the chance to perfect their craft, realize their growth, build capacity, and nurture relationships that carry them far beyond a single contract. Going through the process for our DBEs is invaluable. Whether they win or lose a specific bid, it still allows them to create relationships that lead to partnerships that have the potential to result in future contracting opportunities outside of the government. Providing this opportunity through DOT contracting for minority and women owned businesses goes far beyond the contract.

It is imperative that a DBE program achieves the following objectives:

- a) To ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs;
- b) To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- c) To ensure that the Department's DBE program is narrowly tailored in accordance with applicable law;
- d) To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs;
- e) To help remove barriers to the participation of DBEs in DOT-assisted contracts;
- f) To promote the use of DBEs in all types of Federally assisted contracts and procurement activities conducted by recipients.

- g) To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
- h) To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

It is these objectives that provide opportunities for DBEs, and are the standard that DBELOs, such as myself, govern ourselves and the program. These along with the principles of professionalism and personal compassion, commitment, interest in growing and sustaining minority and women owned businesses, and striving for a greater economy, is why my office and Broward County supports and takes seriously our role and responsibility.

We recognize that there is always room for improvement. We accept the challenges that arise as opportunities to expand on the original intent, and to continue the purpose of the program. Broward County uses the DBE program and county contracting funded by DOT to stabilize and grow our economy and workforce. Now, more than ever, due to the COVID-19 public health crisis, industries such as aviation and transit have been adversely impacted, and to a degree, completely shut down in some locations for 5 months or more. Broward is identifying opportunities through Master Plans and through previously dedicated funding sources, to continue projects that will put some of our DBEs back to work and assist in the rejuvenation of our economy. We also realize that for the DBEs we have certified over the years, a significant part of developing them is also making sure they have the necessary access to capital. DBEs must be able to not only win a contract, but also to execute the contract over time. They must be able to meet all their financial obligations as they await payment. Clearly, this is a priority for all small businesses, especially minority and women owned businesses. Broward County is committed to leveraging resources to assist our businesses in being prepared financially. Another key element of developing our DBEs is making sure they have examples of best practices and access to information sharing. We continue to grow in that area; this includes building Mentor-Protégé relationships, as well as business development workshops on topics and areas of need and demand.

Closing Remarks

I have seen the professional growth of DBEs over time. I have witnessed the evolution of business owners with an idea who started operations in small residential markets and then expanded to commercial markets and prepared themselves for government procurement. I have certified businesses who met all the eligibility criteria for DBE participation but were not familiar with government bidding or establishing professional relationships. I have worked with established DBE businesses who have used their talents and experiences to grow their business beyond my county and beyond my state to provide their services in multiple states.

The DBE program affords minority and women owned businesses the chance to start, develop, master their abilities, and grow beyond their initial footprint and the program. For these reasons, and many more, the DBE program needs to continue for an additional 37 years and beyond. While

my office and Broward County continues to find more ways to increase our DBE participation numbers, while focusing on the successful contracting awards to DBEs, we will also pay attention to the areas where there are opportunities to grow and embrace the challenges that could make this great program even better. We will continue to work to make sure that more than our county office and staff are aware of the success of the DBE program and its participants. The participants themselves and their businesses are the best way to tell the story, and to have a voice for recruitment of new DBEs. Existing DBEs are the best trainers to share what the best business practices are. Existing DBEs are the demonstrators of how to contribute to the economic vitality, success, and a growing economy. Broward County will continue to do its part to meet and exceed all the objectives of the 49CFR to maintain a successful DBE program. The success of our program and the impact it has on the local and state economy is an ideal example of the importance of the DBE program to drive equality in the field of transportation. Broward County exemplifies what DBEs, in partnership with government, working within a federal program that is committed to utilizing a target group, can produce.

Thank you for this opportunity to share my knowledge and experience with the DBE program. The impact the program has historically had on the economy, and the effect it continues to have should not be minimized. I am in full support of the continuation of the program in the interest of driving equality.

Respectfully submitted,

OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT



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