Agency Priority Goal | Action Plan | FY 2022 – Q1

Equity
Goal Leaders:

Shelby Scales
Director
Office of Small and Disadvantaged Business Utilization (OSDBU)

Philip McNamara
Assistant Secretary for Administration
Office of the Assistant Secretary for Administration (OST-M)
Goal Overview

Goal statement

*Increase wealth creation opportunities for underserved communities.* By September 30, 2023, DOT commits to raise the small disadvantaged business utilization contract award dollars from 18.2 percent in FY 2021 to 20.5 percent. In doing so, DOT aims to increase wealth creation opportunities for underserved communities through direct procurement mechanisms.
Problem to Be Solved

DOT is committed to pursuing a comprehensive approach to advancing equity for all. DOT is taking actions in four focus areas – wealth creation, power of community, interventions, and expanding access. This APG is focused on wealth creation focus area by removing barriers to wealth creation opportunities for underserved communities through increased USDOT contracts.

- Government-wide, less than 10 percent of Federal agencies’ total eligible contracting dollars typically go to small disadvantaged businesses, a category under Federal law for which Black-owned, Latino-owned, and other minority-owned businesses are presumed to qualify.
- Women own roughly 20 percent of all small businesses, economy-wide, and less than 5 percent of Federal contracting dollars go to women-owned small businesses.
- Increasing the amount of Federal spending reaching underserved businesses not only helps more Americans realize their entrepreneurial dreams, but also narrows persistent wealth disparities.
- Barriers that may hinder the inclusion of small disadvantaged businesses in Federal contracting must be removed.

What Success Looks Like

- Achieving success with this APG would mean an increase in new small and disadvantaged businesses securing contracts with DOT.
- Accomplishing this goal would help members of underserved communities build capital, expand their business networks, and attain new skills and experience through increased DOT contracts.
## Goal Target

<table>
<thead>
<tr>
<th>By…</th>
<th>We will…</th>
<th>Name of indicator</th>
<th>Target value</th>
<th>Starting value*</th>
<th>Current value</th>
<th>Update cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/30/23</td>
<td>USDOT direct contract dollars to small disadvantaged businesses (OSDBU)</td>
<td>20.5%</td>
<td>18.2%</td>
<td>19.46%**</td>
<td>Quarterly</td>
<td></td>
</tr>
</tbody>
</table>

*As of October 1, 2021.
**As of December 31, 2021.
Goal Team

**Pete Buttigieg**
DOT Secretary

- **Shelby Scales**, Director, Office of Small and Disadvantaged Business Utilization (OSDBU)
- **Philip McNamara**, Assistant Secretary, Administration (OST-M)

**Senior Leads**
- **Leo San Roman**
  Manager, Procurement Assistance Division (OSDBU)
- **Marc Pentino**
  Associate Director, DBE Programs Division (DOCR)
- **Gibran Mills**
  Procurement Analyst, Acquisition Policy Oversight/Business Strategy Division (OSPE)
- **Marvin Poindexter**
  Director, Acquisition Policy (FAA)
Goal Strategies

- The DOT Office of Small and Disadvantaged Business Utilization (OSDBU) will work with program offices to enhance procurement forecasting tools and assist with vendor outreach and engagement.

- The Office of the Assistant Secretary for Administration (OST-M) will develop the appropriate language for incorporation into DOT Executives’ 2022 performance plans regarding focused leadership and commitment to increase small business participation in DOT contracts. OST-M will also facilitate and support efforts to communicate Administration priorities and small business training topics to the DOT acquisition workforce and provide procurement subject matter expertise in developing the DOT Procurement Equity dashboard. Additionally, OST-M will lead all strategic conversations and procurement oversight with DOT acquisition stakeholder groups.

- The Federal Aviation Administration (FAA) will add an economically disadvantaged women-owned business set aside category to the Acquisition Management System (AMS).

- DOT will hold strategic conversations with internal stakeholders to target opportunities in the acquisition planning phases (as well as through the procurement forecasting activity) to highlight contracting opportunities and increase small disadvantaged and minority-owned business participation. These strategic conversations will be conducted through forums including, but not limited to, the Acquisition Strategy Review Boards (ASRB), Strategic Acquisition Council (SAC), Acquisition Planning Working Group (APWG), and Procurement Management Reviews (PMR).
• DOT will target outreach to increase small disadvantaged and minority-owned business participation. DOT Operating Administrations will issue a request for information to invite vendors to one-on-one meetings to discuss how we can create more contracting opportunities for small disadvantaged businesses, remove barriers to participation in our acquisitions, and expand partnerships with organizations focused on minority business enterprises.

• DOT will develop a dashboard to track minority-owned business participation on DOT direct contracts, including contracts awarded to women-owned small businesses by race. The dashboard will display information to help DOT leadership and acquisition practitioners make data-informed decisions as we implement a variety of procurement-related activities.
Key Indicators (SDB Contract Awards)

USDOT Direct Contract Dollars to Small Disadvantaged Businesses (OSDBU)

Small Disadvantaged Business Contract Awards

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.45%</td>
<td>20.39%</td>
<td>19.31%</td>
<td>18.20%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Percentage of Contract Dollars Toward SDBs
- Target
# Key Milestones

<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Change from last quarter</th>
<th>Owner</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connections Marketplace Program</td>
<td>September 30, 2022</td>
<td>On-Track</td>
<td></td>
<td>Office of Small and Disadvantaged Business Utilization (OSDBU)</td>
<td>This is a new initiative, and we do not foresee any issues that might impact completion of this activity. As of date, we are on track to kick off the Connections Marketplace in February 2022.</td>
</tr>
<tr>
<td>Enhance DOT procurement forecast capabilities</td>
<td>September 30, 2022</td>
<td>On-Track</td>
<td></td>
<td>OSDBU</td>
<td>Implementation team does not foresee any issues with completing this activity. FAA staff will be trained in Q2 and expect to start transition of FAA forecasted opportunities in Q3 and Q4.</td>
</tr>
<tr>
<td>Inclusion of small business goals in Senior Executives performance plans</td>
<td>September 30, 2022</td>
<td>Complete</td>
<td></td>
<td>OST-M</td>
<td>This task has been completed. DOT’s Office of Human Resources had developed language for incorporation into DOT Executives’ 2022 performance plans regarding focused leadership and commitment to increase small business participation in DOT contracts.</td>
</tr>
<tr>
<td>Small Business Summits</td>
<td>June 30, 2023</td>
<td>On-Track</td>
<td></td>
<td>OSDBU</td>
<td>OSDBU staff has started planning of the first virtual session that will be hosted in Q3. Future sessions will be in a hybrid environment, i.e., both virtual and in-person.</td>
</tr>
</tbody>
</table>
Connections Marketplace: OSDBU kicked off its Connections Marketplace (CMP) series with three sessions in February 2022. These sessions included a Buyer Side Chat session featuring Federal Railroad Administration contract opportunities; a Federal contracting Proposal Writing session in collaboration with the Virginia Procurement Technical Assistance Center (PTAC), and a “Meet the Mentors” session that provided an overview of the DOT contracting process, introduced DOT’s small business advocates, and explained how to find contract opportunities. OSDBU will continue to host monthly CMP sessions to engage with small and minority businesses, Operating Administrations, prime contractors, stakeholders, and industry.

Enhance DOT procurement forecast capabilities: OSDBU, in collaboration with the Office of the Chief Information Officer (OCIO) and FAA, will start transitioning FAA procurement forecast opportunities into DOT’s forecast by July 2022, consolidating all DOT forecast transactions into one system. Bipartisan Infrastructure Law (BIL) related opportunities will be included in the forecast no later than June 30th. OSDBU is also in the process of adding data sets to DOT’s procurement forecast to enhance system capabilities.

Inclusion of small business goals in Senior Executives performance plans: In October 2021, the FAA’s Office of Human Resources included small disadvantaged business goals in FAA’s Senior Executives performance plans. In February 2022, the Departmental Office of Human Resources issued guidance to OST and Operating Administrations to include small business goals in Senior Executive Service Performance Plans.
Small Business Summits: OSDBU will be hosting a series of Small Business Transportation Contracting Symposiums in collaboration with OSDBU’s Small Business Transportation Resource Centers to provide information on upcoming BIL-funded projects. In addition to these sessions, OSDBU will highlight technical assistance providers, and connect small businesses with State recipients and Prime contractors to hear project specific opportunities through matchmaking sessions. OSDBU and Small Business Transportation Resource Centers (SBTRCs) are partnering with local stakeholders, State recipients, local technical assistance providers, and industry experts. The first session will be on May 18th, hosted by the West Central SBTRC.
Data accuracy & reliability

Scope: The President has set a policy of using Federal contract spending to support small businesses and advance equity. In Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government (the Executive Order), the President directed agencies to ensure that Federal contracting and procurement opportunities be made more readily available to all eligible vendors and to remove barriers faced by underserved individuals and communities.

In his June 2021 speech commemorating the centennial of the Tulsa Race Massacre, the President charged every agency to assess available tools to increase opportunities for small businesses and traditionally underserved entrepreneurs to compete for Federal contracts. He set a goal of increasing the share of contracts awarded to SDBs to 15 percent by 2025.

Closing racial gaps in wages, housing credit, lending opportunities, and access to higher education would amount to an additional $5 trillion in gross domestic product in the American economy over the next 5 years. The Federal Government’s goal in advancing equity is to provide everyone with the opportunity to reach their full potential. Consistent with this priority, each agency must assess whether, and to what extent, its programs and policies perpetuate systemic barriers to opportunities and benefits for people of color and other underserved groups. Such assessments will better equip agencies to develop policies and programs that deliver resources and benefits equitably to all.

Sources: Contract Action Report (CAR) reported in the Federal Procurement Data System (FPDS).
**Statistical Issues:** CARs are manually completed by contracting offices and are subject to data entry issues. The responsibility for the completion and accuracy of the individual CAR resides with the contracting officer who awarded the contract action. CARs in a draft or error status in FPDS are not considered complete. The CAR must be confirmed for accuracy by the contracting officer prior to release of the contract award. The CAR must then be completed in FPDS within three business days after contract award. The Senior Procurement Executive in coordination with the head of the contracting activity is responsible for developing and monitoring a process to ensure timely and accurate reporting of contractual actions to FPDS.

**Completeness:** Many Federal datasets are not disaggregated by race, ethnicity, gender, disability, income, veteran status, or other key demographic variables. Lack of data impedes efforts to measure and advance equity.

**Reliability:** DOT has developed a dashboard to track minority-owned business participation in DOT direct contracts, including contracts awarded to women-owned small businesses by race. These data sets for the dashboard include acquisition, procurement, and contracting data available through USASpending, FPDS, and related sources. The dashboard will display information to help DOT leadership and acquisition practitioners make data-informed decisions as DOT implements a variety of Procurement-related EO activities.

DOT will continue to engage with the Office of the Chief Information Officer (OCIO) and other systems experts in examining and improving processes to enhance procurement forecasting tools. The tools will identify industries where minority-owned businesses are achieving success in securing DOT contracts and where their participation may be lower than expected.
Additional Information

**Contributing Programs**
Organizations:
- Office of Senior Procurement Executive
- U.S Small Business Administration
- Minority Business Development Agency
- Federal Aviation Administration, Office of Small Business Programs

**Stakeholder / Congressional Consultations**
Our office has increased communication and engagement with national stakeholders, including chambers of commerce, trade associations, State and local governments, and other Federal agencies to enhance our outreach activities in support of the small business community. Also, FAA has issued a public request for information to improve small disadvantaged business access to contracting opportunities.