OREGON DEPARTMENT OF TRANSPORTATION
Intermodal Civil Rights
DRAFT Proposed DBE Goal and Methodology FFY 2027 – 2029
October 15, 2026

Summary

The Oregon Department of Transportation (ODOT) prepared this document, which describes the methodology for establishing a proposed Disadvantaged Business Enterprise (DBE) overall goal for Federal Transit Administration (FTA) assisted contracts. The goal and methodology establish a proposed overall DBE goal for FTA-assisted contracts that ODOT anticipates awarding during Federal Fiscal Years (FFYs) 2027, 2028, and 2029. The majority of these funds are distributed to subrecipient transit providers throughout Oregon.

The Certification Office for Business Inclusion and Diversity (COBID) completed the re-evaluation of Oregon's certified DBE businesses in accordance with the IFR. Consistent with new guidance, COBID reassessed DBE eligibility based on the new criteria specified by the IFR, applying revised federal standards to all previously certified businesses.

ODOT will submit this document to the US Department of Transportation's (USDOT) Federal Transit Administration (FTA) for review and approval pursuant to 49 Code of Federal Regulation (CFR) Part 26.45. The proposed goal will remain in effect until the next review cycle. ODOT will make a good faith effort to meet the goal each year relying on race-neutral methods. To ensure overall quality of the information and data used in the goal setting methodology, ODOT will continue to review and refine data collection process and analysis and to continue engagement with community-based organizations, transit providers, and the public.

Following federal regulations and FTA guidance, ODOT used a two-step DBE goalsetting methodology. In Step One, ODOT determined a statewide base figure of 3.88%. This relied on a projection of future FTA funding and assumptions about the types of contracting that will be available, largely through the contracting of sub recipient transit providers.

ODOT's Public Transportation Office receives, distributes, and oversees the use of federal funds received from the FTA. Most FTA funds distributed by ODOT are granted to transit providers in rural and small city areas of Oregon, however some capital funds are awarded to small and large urban transit agencies. These subrecipients of FTA funds then contract for goods and services creating indirect FTA-assisted contracting opportunities. This proposed

DBE Goal and methodology apply to all of these funds and ODOT collaborates with transit providers around the state on DBE participation.

PROPOSED DBE GOAL FOR FFY 2027-2029

For Federal Fiscal Years (FFYs) 2027-2029, ODOT proposes a 3.88% DBE Goal for FTA assisted projects. The overall goal is expected to be achieved through race-neutral methods. ODOT submits this goal and methodology to the FTA for review and approval pursuant to 49 Code of Federal Regulations (CFR) §26.45, for federally assisted transit contracts.

DBE Goal Setting Methodology

ODOT followed federal regulations and FTA guidance to establish its DBE goal for Federal Fiscal Years (FFY) 2027-2029. ODOT followed the two-step goal setting process specified in 49 CFR §26.45(c) of the DBE regulations:

- Step One describes the calculation of a base figure for the relative availability of DBEs.
- Step Two is the examination of all the evidence available to determine if an adjustment to the base figure is needed to arrive at the overall goal.

In Step One, ODOT established the base figure using information from the Oregon Business Development Department, Certification Office for Business Inclusion and Diversity (COBID) DBE Directory as well as from Census Bureau Data. In Step Two, ODOT reviews and considers available and relevant information and new evidence when determining any adjustment to the base figure. The base figure and the adjustment to the base figure are then used to determine the overall goal that will be met through race-neutral means.

Step 1: Determine the Base Figure

ODOT estimates awarding $33,556,240 in FTA financial assistance during the triennium. For the purpose of the triennial DBE goal, ODOT made assumptions on future FTA funding that will be received and awarded in contracts or contracts awarded by ODOT subrecipients. The triennium projection was calculated by looking at reports of awarded funds and disbursements during the Oregon Fiscal 2023-2025 Biennium. To adjust these figures to cover the upcoming triennium, the estimates were multiplied by 1.5. The triennium projection is summarized in

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Table 1.

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TABLE 1 TRIENNIUM FUNDING PROJECTION OF FTA FINANCIAL ASSISTANCE IN OREGON

FTA Funds Dispersed during Oregon 2023-2025 Biennium		Triennium Adjustment Factor		**Triennium Funding Projection**
Discretionary And Formula Grants to Subrecipients				
$ 22,370,827	x	1.5	=	**$ 33,556,240**

The triennium funding projection includes a breakdown of funding into categories that indicate the likely share of contracting opportunities that can be cross-referenced to U.S. Census, North American Industry Classification System (NAICS) codes. These funding categories are represented in Table 2.

TABLE 2 PROJECTED TRIENNIUM FUNDING BY CATEGORIES

Funding Categories	**3FFY Estimate**
Construction (Station, Storage Facility, Yards and Shops)	$ 1,046,696
Equipment (Shop and Miscellaneous Equipment)	$ 699,578
Hardware/Software (ADP Hardware and Software)	$ 375,134
Planning (Transit Systems Management / Operations)	$ 65,597
Preventive Maintenance	$ 9,478,460
Purchased Service (Contracted Services – 5310 only)	$ 20,826,855
Shelters/Signs (Route Signing, Furniture and Graphics)	$ 1,063,923
Total Estimated Funds	**$ 33,556,241**

Categorical summary of the three-year projected estimates in Table 2 is calculated based on ODOT's internal FTA and state transit fund source and provider distribution database.

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Aligning Potential Awards with NAICS Work Types

ODOT assigned NAICS codes with works types that were best associated with the categories of contracting identified in the projected triennium funding. Table 3 summarizes the assigned NAICS codes as cross referenced with codes used in previous DBE goal setting and the codes used by DBEs that have contracted with ODOT and subrecipients in recent reporting cycles.

TABLE 3 NAICS BY WORK CATEGORY

Contracting Categories	NAICS
Purchased Service – Special Needs	485991
Distribution/Logistics Consulting	541614
Preventive Maintenance	811198
Hardware/Software	541512
Facility Development	236220
Shelters (subset of Facility Development)	236220
Transportation Equipment	423860
Signage (wholesalers)	423990
Signage (manufacturing)	339950
Planning (logistics consulting)	541614
Planning (public relations)	541820

Based on these NAICS Codes, ODOT estimated funding for subrecipients during the triennium along with the related numbers of firms that could be ready, willing, and able to bid on these types of contracts. ODOT determined the State of Oregon is its market area for the purpose of calculating this overall goal. This was determined by reviewing previous contracts with certified and non-certified firms and from previous DBE goal setting.

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TABLE 4 TRIENNIUM GOAL BASE FIGURES

Contracting Categories	NAICS	All Firms[1]	DBE Certified[3]
Purchased Service – Special Needs	485991	112	0
Distribution/Logistics Consulting	541614	144	21
Preventive Maintenance	811198	26	0
Hardware/Software	541512	421	10
Facility Development	236220	533	13
Shelters (subset of Facility Development)	236220		-
Transportation Equipment	423860	25	0
Signage (wholesalers)	423990	101	4
Signage (manufacturing)	339950	428	0
Planning (logistics consulting)	541614	126	23
Planning (public relations)	541820	144	9
Total		2060	80

The COBID certification data was retrieved and current on October 7, 2026.

Sources: [1] U.S. Census Bureau, Economic Census, County Business Patterns (2023).
[2] State of Oregon, Certification Office for Business Inclusion and Diversity (2026)
[3]State of Oregon, Certification Office for Business Inclusion and Diversity (2026).

Estimating a DBE Baseline Goal

To set the baseline goal, the numerator was determined by relying on NAICS codes associated with categories of projected contracting opportunities. Certification information is maintained on an electronic database and updated frequently, the data used in this triennial DBE Goal was current as of October 2026. ODOT used data managed by Certification Office for Business Inclusion and Diversity (COBID) and determined that there are 80 DBE firms certified within the NAICS codes, this figure is the numerator in the step one DBE calculation.

Resulting Baseline Goal

ODOT divided the DBE COBID firms (80) by the total firms (2060) and resulted in a 3.88% baseline figure for its overall goal. This is illustrated in Table 5.

TABLE 5 ESTIMATING A BASELINE DBE GOAL

COBID Directory – Oregon DBE Firms		2023 Economic Census – All Firms (Table 4)		Baseline DBE Goal
80	/	**2,060**	=	**3.88%**

Step 2: Determining If An Adjustment Is Needed

ODOT determined an adjustment for past participation is appropriate. ODOT used the goal setting guidelines, "Tips for Goal-Setting in the DBE Program," from the USDOT Office of Small and Disadvantaged Business Utilization (OSDBU).

ODOT decided to make no adjustments to the Base Figure due to the fact that the DBE historical utilization data that would be used to evaluate adjustments would be based on DBE eligibility criteria that is no longer applicable due to the IFR.

ODOT therefore determines that adjustment of the base figure is not appropriate and submits an overall goal of 3.88%.

ODOT Office of Equity and Civil Rights staff continue to work to improve the accuracy reporting and goal setting for the FTA DBE program. In this process, it is apparent that there are opportunities for increased accuracy in reporting the number and type of anticipated subcontracting of grant awarded funds. Many ODOT subrecipients deliver services themselves and do not sub-contract grant funds, and refinements in estimating have been made to account for these.

Using other states' programs as examples, ODOT intends to continue to monitor information from future grant award and reporting processes and may request additional information from subrecipients via survey. Increased understanding of DBE opportunities will increase the accuracy of the triennial DBE Goal and provide more targeted outreach to DBE firms that could participate in transit-related contracting.

Race-Neutral Initiatives

Following guidance issued by the USDOT, its Federal Highway Administration and Federal Transit Administration as a result of the decision of the 9th US Circuit Court in the Western States Paving Co., Inc. v. Washington State Department of Transportation; the State of Oregon continues its race-neutral policy of not setting DBE goals for specific transit projects. All DBE participation will be achieved through race- and gender-neutral means.

Public Engagement

In accordance with 49 CFR § 26.45(g), ODOT must provide an opportunity for consultation and publication in establishing its overall DBE goal. It must make the goal setting methodology and rationale available for and seek input regarding the proposed goal from stakeholders.

ODOT will post the proposed goal plan on its website and send notice out to the DBEs that the Goal Plan is posted and available for comment. It also anticipates hosting a Webinar for

Contractors, DBEs, and other small businesses and potential DBEs to educate them on 1) the new goal setting criteria and 2) the methodology that was used to determine the proposed goal.

ODOT maintains ongoing engagement with the transit providers, and community, commerce, and professional organizations that are involved with public sector contracting. Throughout the year ODOT participates in meetings, marketplace events, tradeshows and conferences listed on the ODOT Office of Equity and Civil Rights Outreach Events calendar. The events are opportunities to share information and receive feedback on the DBE goal, on upcoming bidding opportunities, and to build relationships between contractors and transit providers.

Upcoming Projects

The USDOT Office of Small and Disadvantaged Business Utilization (OSDBU) guidance states: "Do not make adjustments based solely on changes in the amount of federal assistance you expect to receive." ODOT did not base goalsetting solely on changes in the amount of federal assistance that it expects to receive. ODOT evaluated information from upcoming projects as part of the process of setting its overall DBE goal in addition to the adjustments mentioned above.

SUMMARY AND GOAL DETERMINATION

Based on the above supporting evidence, ODOT proposes a DBE Goal of **3.88%** on FTA funded contracts during FFYs 2027, 2028, and 2029. We believe this takes into consideration the availability of ready, willing, and able firms compared to market conditions. If, at any time within the triennium, additional FTA financially-assisted projects in which DBEs can participate are funded, ODOT will reevaluate the triennium DBE goal.

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