

**OREGON DEPARTMENT OF TRANSPORTATION  
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM  
PROPOSED THREE-YEAR OVERALL GOAL & METHODOLOGY SUBMISSION  
TO FHWA FOR FEDERAL FISCAL YEARS 2026 THROUGH 2028**

July 2025

## **Introduction**

The Oregon Department of Transportation (ODOT) hereby submits its three-year overall Disadvantaged Business Enterprise (DBE) goal for federal fiscal years (FFYs) 2026 through 2028 to the Federal Highway Administration (FHWA) pursuant to [49 CFR Part 26, section 26.45](#).

Based on the results of the 2025 Disparity Study Update and the 2022 Disparity Study (also provided to FHWA), ODOT proposes an 18.90 percent DBE goal for FFYs 2026 through 2028 for FHWA-funded contracts; 12.08 percentage points of which is projected to be accomplished through race- and gender-conscious means (DBE contract goals). ODOT projects that the remaining 6.82 percentage points will be accomplished through race-neutral means (ODOT outreach, training and program efforts).

## **Step 1. Determining a Base Figure — Pursuant to 49 CFR Section 26.45(c)**

ODOT began the process of determining its overall DBE goal by establishing a base figure. Consistent with USDOT regulations and guidance, ODOT established the base figure from a DBE availability analysis conducted by Keen Independent Research (Keen Independent) as part of the 2025 Disparity Study Update. Keen Independent also prepared the ODOT 2016 Disparity Study, 2019 Disparity Study Update and 2022 Disparity Study. ODOT based its previous three-year goals for FHWA-funded contracts on these studies.

The availability analysis determined the percentage of ODOT FHWA-funded contract dollars that might go to current and potential DBEs (defined on page 2) given the availability of firms for the types, sizes and locations of FHWA-funded prime contracts and subcontracts. Keen Independent performed this analysis by identifying firms available for each contract and subcontract, calculating the share of those firms that were DBEs, and then dollar-weighting the availability results for each contract to determine overall weighted availability of DBEs.

This availability analysis was performed for FHWA-funded contracts and subcontracts awarded from October 2021 through September 2024. These were the three most recent completed federal fiscal years at the initiation of the 2025 Disparity Study Update. There were 501 ODOT- and local agency-awarded contracts and 3,008 associated subcontracts that were FHWA-funded during this time period. Contract dollars totaled about \$2.0 billion.

The types, sizes and locations of FHWA-funded contracts and subcontracts from October 2021 through September 2024 are similar to the work ODOT anticipates for FHWA-funded contracts for FFY 2026 through FFY 2028. Therefore, an availability analysis for those three fiscal years of FHWA-funded contracts provides a reasonable projection of the percentage of FHWA-funded contract dollars that might go to available DBEs for FFY 2026 through FFY 2028.

As presented on page 15 of the 2025 Disparity Study Update Summary Report, one might expect current and potential DBEs to receive 22.46 percent of ODOT FHWA-funded transportation contract dollars based on analysis of FHWA-funded contracts from October 2021 through September 2024 and current availability of firms to perform that work.

ODOT considered possible options for a database of available firms (DBEs and non-DBEs) to use when examining availability for individual prime contracts and subcontracts from October 2021 through September 2024.

- Based on analysis of FHWA-funded contracts for October 2021 through September 2024, Keen Independent determined that Oregon, along with two counties in Washington (Clark and Skamania) should be selected as the relevant geographic market area for the Disparity Study Update.

About 94 percent of ODOT and local agency FHWA-funded contract dollars from October 2021 through September 2024 went to firms with locations in Oregon or those two Washington counties.

Therefore, the availability analysis examined firms with locations in Oregon or Clark or Skamania counties in Washington. (The geographic market area for the availability analysis is identical to the 2016, 2019 and 2022 studies.)

Keen Independent also examined the types of work involved in FHWA-funded contracts from October 2021 through September 2024. There were 31 types of work that accounted for about 98 percent of FHWA-funded contract dollars. The availability analysis focuses on firms performing these 31 types of work.

**DBE Availability.** As briefly set out below and explained in detail in the Summary Report and Appendix C of the 2025 Disparity Study Update, Keen Independent compiled a master availability database and calculated the relative availability of current and potential DBEs on a dollar-weighted basis. This analysis produced an availability figure of 22.46 percent for ODOT’s FHWA-funded transportation contracts.

Availability is expressed as the percentage of the associated contracting dollars that one might expect DBEs to receive based on various factors including the type of work involved, the location of the work and the size of the contract or subcontract. In the base figure analysis, firms considered as DBEs were those businesses that were DBE-certified or were minority- and woman-owned firms that appeared that they could be DBE-certified based on revenue criteria described in federal regulations including 49 CFR Section 26.65.

Master Availability Database. Keen Independent developed a master availability database (current and potential DBEs and non-DBEs) by contacting thousands of firms to collect information about availability for ODOT contracts. The firms contacted for the database came from the following sources:

- Companies that had previously identified themselves to ODOT or two other public entities as interested in learning about future work by being prequalified for certain types of work or by being on bidding lists. (The two other entities participating in the Portland metropolitan area portion of the availability survey were the Port of Portland and Prosper Portland. Both provided names of businesses that went into the list of firms to be contacted in the survey.)
- Businesses that Dun & Bradstreet (D&B) identified in certain transportation contracting-related subindustries in Oregon (D&B’s Hoover’s business establishment database). D&B’s Hoover’s database is accepted as the most comprehensive and complete source of business listings in the nation.

Keen Independent completed surveys with 8,809 Oregon businesses. After consolidating duplicate responses and removing companies that were (a) no longer in business, (b) not-for-profit, (c) not qualified and interested or otherwise unable to perform public entity work, (d) not located in Oregon or the two Washington counties, or (e) uninterested in discussing availability for ODOT or other public entity work, the final database contains 2,718 businesses, of which 766 (about 28%) were minority- or woman-owned (MBE or WBE). (See Figure 1 on the following page.) Figure 1 also compares these results with those from the 2016 Disparity Study, 2019 Disparity Study Update and 2022 Disparity Study.

1. Number of businesses included in the availability database, 2025

	2025 Study		2022 Study	2019 Study	2016 Study
	Number of firms	Percent of firms	Percent of firms	Percent of firms	Percent of firms
African American-owned	87	3.20 %	4.42 %	1.67 %	2.32 %
Asian-Pacific American-owned	64	2.35	1.80	1.93	1.65
Subcontinent Asian American-owned	18	0.66	0.69	0.88	0.92
Hispanic American-owned	157	5.78	4.01	3.78	3.48
Native American-owned	35	1.29	2.62	2.37	2.14
<b>Total MBE</b>	<b>361</b>	<b>13.28 %</b>	<b>13.54 %</b>	<b>10.63 %</b>	<b>10.49 %</b>
WBE (white woman-owned)	405	14.90	15.61	16.87	16.72
<b>Total MBE/WBE</b>	<b>766</b>	<b>28.18 %</b>	<b>29.14 %</b>	<b>27.50 %</b>	<b>27.21 %</b>
Majority-owned	1,952	71.82	70.86	72.50	72.79
<b>Total</b>	<b>2,718</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>

Note: Percentages may not add to totals due to rounding.

Source: Keen Independent Research 2025 Disparity Study Update Report  
(Summary Report — Availability section, page 10).

**Head Count DBE Availability.** The 28 percent figure represents a simple “head count” of MBE and WBE firms and is only the initial stage of calculating the DBE availability base figure. The availability calculation is further refined by both dollar-weighting and by not counting as a potential DBE those MBE or WBE firms that appear to be ineligible to become DBE-certified.

**Dollar-Weighted Availability.** “Head count” data were further analyzed to produce “dollar-weighted” availability estimates, which represent the percentage of ODOT transportation contracting dollars that DBEs might be expected to receive based on their availability for specific types, sizes and locations of ODOT FHWA-funded prime contracts and subcontracts. This approach to calculating availability was a bottom-up, contract-by-contract process of “matching” available firms to specific prime contracts and subcontracts based on the types, sizes and locations of work they do. In other words, Keen Independent performed an availability analysis for each of the 3,509 FHWA-funded prime contracts and subcontracts during the study period and then summarized results.

This approach to availability is much more precise than a simple “head count” of businesses because it considers the following factors:

1. **Type of Work.** USDOT suggests calculating availability based on businesses’ abilities to perform specific types of work and gives the following example in Part II F of “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program”:

*For instance, if 90% of your contract dollars will be spent on heavy construction and 10% on trucking, you should weight your calculation of the relative availability of firms by the same percentages.<sup>1</sup>*

<sup>1</sup> USDOT. *Tips for Goal-Setting in the Federal Disadvantaged Enterprise (DBE) Program* as updated December 22, 2014  
<http://www.dot.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

Type of work was taken into account by examining 31 different subindustries related to transportation as part of estimating availability for ODOT and local agency work.<sup>2</sup>

2. Qualifications and Interest in Transportation-Related Prime Contract and Subcontract Work. Information was collected on whether businesses are qualified and interested in working as prime contractors, subcontractors, or both on public agency work, in addition to the consideration of several other factors related to prime contracts and subcontracts (e.g., contract types, sizes and locations):

- Only businesses that reported being qualified for and interested in working as prime contractors were counted as available for prime contracts.
- Only businesses that reported being qualified for and interested in working as subcontractors were counted as available for subcontracts .
- Firms that reported being qualified for and interested in working as both prime contractors and subcontractors were counted as available for both prime contracts and subcontracts.

3. Size of Prime Contracts and Subcontracts. Also considered was the size, in terms of dollar value, of the prime contracts and subcontracts that a business bid on or received in the ten years prior to the survey (i.e., “bid capacity”) when determining whether to count that business as available for a specific prime contract or subcontract. Bid capacity considered any contracts or subcontracts that the firm had bid or provided quotes, including in the private sector.

This approach is consistent with many court decisions that have found relative capacity measures to be important to measuring availability (e.g., *Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation, et al.*;<sup>3</sup> *Western States Paving Company v. Washington State DOT*;<sup>4</sup> *Rothe Development Corp. v. U.S. Department of Defense*;<sup>5</sup> and *Engineering Contractors Association of S. Fla. Inc. vs. Metro Dade County*<sup>6</sup>).

4. Geographic Location of the Work. This was determined by using the location where work was performed for ODOT and local agency contracts (Portland/Hood River, Northwest, Southwest, Central and Eastern). Only firms reporting that they were able to work in a region were counted as available for contracts in that region.
5. Dollar-Weighted Results. Relative availability was determined on a contract-by-contract basis and then dollar-weighted to determine overall DBE availability for FHWA-funded contracts. For each prime contract and subcontract, Keen Independent calculated (a) the number of DBEs available for that type, size and location of work, (b) the total number of firms available for that work, and (c) the percentage DBE availability for that prime contract or subcontract, calculated by dividing (a) by (b).

The factor used to dollar-weight the availability results for each of the 3,509 prime contracts and

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<sup>2</sup> The subindustries considered included: architecture and engineering; general road construction and widening; bridge and elevated highway construction; concrete flatwork (including sidewalk, curb and gutter); excavation, site prep, grading and drainage; electrical work including lighting and signals; asphalt, concrete or other paving; temporary traffic control; installation of guardrails, fencing or signs; fence or guardrail materials; structural steel work; concrete repair; striping or pavement marking; landscaping and related work including erosion control; steel; asphalt, concrete and other paving materials; surveying and mapping; pavement surface treatment (such as sealing); transportation planning; painting for road or bridge projects; pavement milling; wrecking and demolition; materials testing; trucking and hauling; drilling and foundations; environmental consulting; construction remediation and clean-up; other heavy and civil engineering construction; custom computer programming services; aggregate materials supply and marketing, communications and outreach.

<sup>3</sup> *Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation, et al.*, 713 F. 3d 1187, 2013 WL 1607239 (9th Cir. April 16, 2013).

<sup>4</sup> *Western States Paving Co. v. Washington State DOT*, 407 F.3d 983 (9th Cir. 2005), cert. denied, 546 U.S. 1170 (2006).

<sup>5</sup> *Rothe Development Corp. v. U.S. Department of Defense*, 545 F.3d 1023 (Fed. Cir. 2008).

<sup>6</sup> *Engineering Contractors Association of S. Fla. Inc. vs. Metro Dade County*, 943 F. Supp. 1546 (S.D. Fla. 1996).

subcontracts was calculated by dividing the dollars for that prime contract/subcontract by \$2.0 billion (the total FHWA-funded contract dollars examined). Small prime contracts or subcontracts received small weights and the largest contracts received the highest weights. For example, availability results for a \$20 million prime contract would receive a weight of 1% ( $\$20 \text{ million} \div \$2 \text{ billion} = 1.0\%$ ). Thus, the results of relatively large contract elements contributed more to overall availability estimates than those of relatively small contract elements. Once weighted, the DBE availability percentage results for each prime contract and subcontract were added to develop the overall availability figure. This approach is consistent with USDOT's "Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program," which suggests a dollar-weighted approach to calculating availability.

Figure 2 below provides an example of the contract-by-contract dollar-weighted availability calculation. Availability calculations were first done for minority- and woman-owned firms and then refined to show results for current and potential DBEs.

## 2. Example of an availability calculation for an ODOT subcontract

One of the subcontracts examined was for temporary traffic control (\$15,000) on a 2022 FHWA-funded contract in Portland. To determine the number of MBE/WBEs and majority-owned firms available for that subcontract, the study team identified businesses in the availability database that:

- a. Were in business in 2022;
- b. Indicated that they performed temporary traffic control work;
- c. Reported ability to perform work in Portland region;
- d. Indicated qualifications and interest in such subcontracts; and
- e. Reported bidding on work of similar or greater size in the past ten years in Oregon.

There were 62 businesses in the availability database that met those criteria. Of those businesses, 21 were MBE/WBEs. Therefore, MBE/WBE availability for the subcontract was 34 percent (i.e.,  $21/62 = 33.9\%$ ).

The contract weight was  $\$15,000 \div \$2.0 \text{ billion} = 0.00075\%$  (equal to its share of total contract dollars). Keen Independent made this calculation for each prime contract and subcontract.

Source: Keen Independent Research 2025 Disparity Study Update Report (Summary Report — Availability section, page 11).

**Summing the Dollar-Weighted Availability.** Keen Independent performed the calculations shown in Figure 2 for 3,509 FHWA-funded prime contracts and subcontracts for the study period. When Keen Independent summed the results for all contracts, overall dollar-weighted MBE/WBE availability for FHWA-funded contracts was 22.91%.

Keen Independent used the approach described above to estimate the availability of current and potential DBEs for FHWA-funded prime contracts and subcontracts that ODOT and local agencies awarded during the study period.

Figure 3 below presents overall dollar-weighted availability by MBE/WBE group for ODOT FHWA-funded contracts. Keen Independent’s availability analysis for ODOT and local agency FHWA-funded contracts indicates that MBE/WBEs might be expected to receive about 23 percent of these contract dollars, somewhat less than the “headcount” availability in Figure 1. Among minority- and woman-owned businesses, dollar-weighted availability was highest for white woman-owned companies (12.95%).

### 3. Dollar-weighted MBE/WBE availability for ODOT FHWA -funded contracts, FFY 2022–FFY 2024

	FHWA
African American-owned	1.32 %
Asian-Pacific American-owned	0.83
Subcontinent Asian American-owned	0.12
Hispanic American-owned	1.01
Native American-owned	6.68
Total MBE	9.96 %
WBE (white woman-owned)	12.95
<b>Total MBE/WBE</b>	<b>22.91 %</b>
Majority-owned	77.09
<b>Total</b>	<b>100.00 %</b>

Note: Percentages may not add to totals due to rounding.

Source: Keen Independent Research 2025 Disparity Study Update Report (Summary Report — Availability section, page 12).

**Potential and Certified DBE Availability Adjustments.** To determine the DBE base figure, which focuses on availability of currently certified DBEs and firms that could be certified as DBEs, Keen Independent refined the 22.91 percent dollar-weighted availability figure by not counting any MBE or WBE firms as potential DBEs that appear to be ineligible for certification. The following groups of MBE/WBEs did not count as potential DBEs when calculating the base figure:

- Firms that, in recent years, graduated from the DBE Program or had applied for DBE certification in Oregon and had been denied (based on information supplied by ODOT and information from the USDOT Decertified, Denials and DBE Appeals Decisions website);
- Businesses in the availability interviews reported having average annual revenue over three years that exceeded the revenue limits for DBE certification for their subindustry; and

- Firms in the availability survey database that were ineligible for work based on their inclusion on the Oregon Bureau of Labor and Industries (BOLI) List of Contractors Ineligible to Receive Public Works Contracts (as of April 2025).<sup>7</sup>

After subtracting the availability of these three categories of MBE/WBEs, the dollar-weighted availability for current and potential DBEs is 22.47 percent, or 0.45 percentage points lower than total MBE/WBE availability. This information is shown in Figure 4. (Note that the base figure would be 8.38 percent if only currently certified firms were counted as DBEs.)

#### 4. Overall dollar-weighted availability estimates for DBEs for ODOT FHWA-funded contracts, October 2021–September 2024

Calculation of base figure from past contracts	Availability
Total MBE/WBE	22.91 %
Less firms that graduated from the DBE program or denied DBE certification in recent years or exceed revenue threshold	0.45
Subtotal	22.47 %
Plus white male-owned firms	-
<b>Current and potential DBEs</b>	<b>22.47 %</b>
Current DBEs only	8.38 %

Note: Percentages may not add to totals due to rounding.

Source: Keen Independent Research 2025 Disparity Study Update Report  
(Summary Report — Overall DBE Goal and Projections of Neutral Participation, page 15).

**Base Figure.** The base figure representing potential and certified DBEs available for ODOT’s FHWA-funded contracts is 22.47 percent. Figure 5 below compares overall dollar-weighted availability estimates for those contracts (right-hand column) with the same analysis for FHWA-funded contracts in the 2016 Disparity Study, 2019 Disparity Study Update and 2022 Disparity Study.

#### 5. Comparison of overall dollar-weighted availability estimates for DBEs for ODOT FHWA-Funded contracts

	2025 Study	2022 Study	2019 Study	2016 Study
FHWA	22.47 %	23.43 %	15.37 %	15.84 %

Source: Keen Independent Research 2016 ODOT Disparity Study Report;  
Keen Independent Research 2019 ODOT Disparity Study Update Report;  
Keen Independent Research 2022 Disparity Study Report;  
Keen Independent Research 2025 Disparity Study Update Report  
(Summary Report — Overall FHWA DBE Goal and Projections of Neutral Participation, page 15).

<sup>7</sup> No firms from the availability survey were on the BOLI list.

## Step 2. Consideration of Possible Adjustments — 49 CFR Section 26.45(d)

In accordance with DBE Program regulations, after the base figure was calculated, ODOT considered available evidence to determine whether or not the figure should be adjusted higher or lower than the base figure (a “step 2 adjustment”). The regulations indicate that an agency must consider the following:

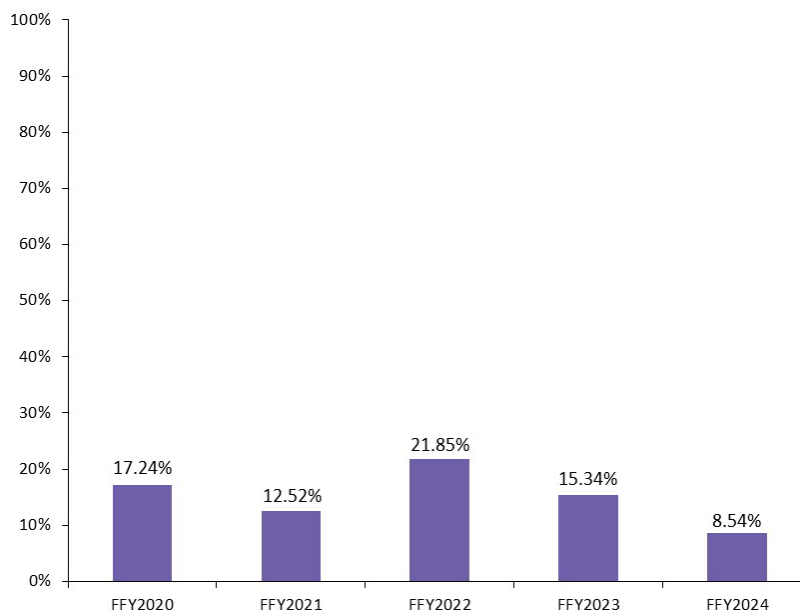
1. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years;
2. Information related to employment, self-employment, education, training and unions;
3. Any disparities in the ability of DBEs to get financing, bonding and insurance; and
4. Other relevant factors.<sup>8</sup>

Considering relevant information from the 2022 Disparity Study Report and Appendices as well as the 2025 Disparity Study Update, ODOT reviewed each of the factors listed above in determining whether or not to adjust the base figure.

**1. Current Capacity of DBEs to Perform Work, as Measured by the Volume of Work DBEs have Performed in Recent Years.** USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation on their USDOT-funded contracts in recent years (i.e., the percentage of contract dollars going to DBEs).

DBE Participation Based on ODOT Uniform Reports to FHWA. Based on awards and commitments data from ODOT Uniform Reports of DBE Awards or Commitments and Payments reported to the FHWA, the median DBE participation from FFY 2020 through FFY 2024 was 15.34 percent. This value suggests a possible downward step 2 adjustment based on this factor. These results are presented in Figure 6.

6. DBE participation on FHWA-funded contracts based on ODOT Uniform Reports to FHWA, FFY 2020–FFY 2024



Source: ODOT Uniform Reports of DBE Award or Commitments and Payments.

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<sup>8</sup> 49 CFR Section 26.45.



DBE Participation Based on Keen Independent Utilization Analysis for FHWA-Funded Contracts. Based on Keen Independent analysis of DBEs on contracts during the study period, the DBE participation from FFY2021 through FFY2024 was 9.8 percent (not a median), below the 15.34 percent median calculated from the Uniform Reports.

**2. Information Related to Employment, Self-Employment, Education, Training and Unions.** The 2022 Disparity Study reviewed information about conditions in the Oregon transportation contracting industry for minorities, women and MBE/WBEs. The Summary Report reviews overall results, supported by detailed quantitative analyses of marketplace conditions in Oregon found in Appendices E through H. Keen Independent’s analyses indicated barriers that certain minority groups and women face related to entry and advancement and business ownership in the Oregon construction, professional services and goods industries. Such barriers may affect the availability of MBE/WBEs to obtain and perform ODOT and local agency transportation contracts.

It may not be possible to quantify the cumulative effect that barriers in employment, education and training may have had in depressing the availability of minority- and woman-owned firms in the Oregon transportation contracting industry. However, the effects of barriers in business ownership can be quantified, as explained below.

In the 2022 Disparity Study, the study team used regression analyses to investigate whether race, ethnicity and gender affected rates of business ownership among workers in the Oregon construction, professional services, goods and other services industries. The regression analyses allowed the study team to examine those effects while statistically controlling for various personal characteristics including education and age (Appendix F of the 2022 Disparity Study report provides detailed results of the business ownership regression analyses).<sup>9</sup>

- Those analyses revealed that African Americans, Hispanic Americans and white women working in construction were less likely than non-minorities and white men to own construction businesses, even after accounting for various gender-neutral personal characteristics. Each of these disparities was statistically significant.
- In addition, there was a statistically significant disparity in firm ownership for Subcontinent Asian Americans in the Oregon professional services industry.
- Asian Americans were found to be less likely to own businesses in the goods industry than non-minorities.

Keen Independent analyzed the impact that barriers in business ownership would have on the base figure if African Americans, Asian Americans, Hispanic Americans, and white women owned businesses at the same rate as similarly situated non-minorities and white men. This type of inquiry is sometimes referred to as a “but for” analysis because it estimates the availability of MBE/WBEs *but for* the effects of race- and gender-based discrimination.

As the explanation of these calculations are somewhat complex, ODOT provides Figure 7 to document how the upward adjustment was determined. A detailed explanation of each portion of the calculation follows the figure.

Figure 7 calculates the impact on overall MBE/WBE availability, resulting in a possible upward adjustment of the base figure to 27.23 percent. The analysis included the same contracts that the study team analyzed to determine the base figure (i.e., FHWA-funded transportation prime contracts and subcontracts that ODOT and local agencies awarded from October 2021 through September 2024). Calculations are explained below.

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<sup>9</sup> The study team examined U.S. Census data on business ownership rates using methods similar to analyses examined in court cases involving state departments of transportation in California, Illinois, and Minnesota.

7. Potential step 2 adjustment to ODOT's overall DBE goal for FHWA-funded contracts considering disparities in the rates of business ownership

Current and potential DBEs	a. Weighted DBE availability	b. Disparity index for business ownership	c. Availability after initial adjustment*	d. Availability after scaling to 100%	e. Components of overall DBE availability**
<b>Construction</b>					
African American	0.96 %	37	2.59 %	2.39 %	
Hispanic American	0.98	66	1.49	1.38	
Other minorities	8.49	n/a	8.49	7.84	
White women	<u>11.39</u>	65	<u>17.52</u>	<u>16.18</u>	
Minorities and women	21.82 %	n/a	30.09 %	27.79 %	23.55 %
All other businesses	<u>78.18</u>	n/a	<u>78.18</u>	<u>72.21</u>	
<b>Total firms</b>	<b>100.00 %</b>	n/a	<b>108.27 %</b>	<b>100.00 %</b>	
<b>Professional services</b>					
Subcontinent Asian American	0.21 %	28	0.75 %	0.78 %	
Other minorities	4.41	n/a	4.41	4.59	
White women	<u>19.64</u>	129	<u>15.22</u>	<u>15.84</u>	
Minorities and women	24.26 %	n/a	20.38 %	21.21 %	2.08 %
All other businesses	<u>75.74</u>	n/a	<u>75.74</u>	<u>78.79</u>	
<b>Total firms</b>	<b>100.00 %</b>	n/a	<b>96.12 %</b>	<b>100.00 %</b>	
<b>Goods</b>					
Asian American	0.62 %	0	0.62	0.62	
Other minorities	6.97	n/a	6.97 %	6.97 %	
White women	<u>20.53</u>	n/a	<u>20.53</u>	<u>20.53</u>	
Minorities and women	28.12 %	n/a	28.12 %	28.12 %	0.91 %
All other businesses	<u>71.88</u>	n/a	<u>71.88</u>	<u>71.88</u>	
<b>Total firms</b>	<b>100.00 %</b>	n/a	<b>100.00 %</b>	<b>100.00 %</b>	
<b>Other services</b>					
Minorities	13.22 %	n/a	13.22 %	13.22 %	
White women	<u>17.82</u>	n/a	<u>17.82</u>	<u>17.82</u>	
Minorities and women	31.04 %	n/a	31.04 %	31.04 %	0.69 %
All other businesses	<u>68.96</u>	n/a	<u>68.96</u>	<u>68.96</u>	
<b>Total firms</b>	<b>100.00 %</b>	n/a	<b>100.00 %</b>	<b>100.00 %</b>	
<b>Total for DBEs</b>	<b>22.47 %</b>	n/a	n/a		<b>27.23 %</b>
<b>Difference from base figure</b>					<b>4.76 %</b>

Note: Numbers may not add to 100.00% due to rounding.

\* Initial adjustment is calculated as current availability divided by the disparity index for business ownership.

\*\* Components of the goal were calculated as the value after adjustment and scaling to 100%, multiplied by the percentage of total FHWA funded contract dollars in each industry (construction = 84.7%, professional services = 9.8%, goods = 3.2%, other services = 2.2%).

Source: Keen Independent Research 2025 Disparity Study Update (Appendix D, page 4).

The study team completed “but for” analyses for construction, engineering and other contracts and then weighted results based on the proportion of FHWA-funded contract dollars that ODOT awarded in each industry for FFY 2022–FFY 2024 (i.e., an 84.7% weight for construction, 9.8% weight for professional services, 3.2% weight for goods and 2.2% for other services). Figure D-1 calculates the impact on overall DBE availability, resulting in a possible upward adjustment of the base figure to 27.23 percent.

1. Current Availability. Column (a) presents the current and potential availability of DBEs by group for construction, and engineering and other services. Each row presents the percentage availability by group. The current and potential combined availability of DBEs for ODOT FHWA-funded transportation contracts for October 2021 through September 2024 is 22.47 percent, as shown in bottom row of column (a).
2. Disparity Indices for Business Ownership. As presented in Appendix F of the 2022 Disparity Study report, African Americans, Hispanic Americans and white women were less likely to own construction firms than similarly situated non-minorities and white men. This difference was statistically significant for each of those groups.

Keen Independent calculated simulated business ownership rates if those groups owned businesses at the same rate as non-minorities and white males who share similar personal characteristics. The study team then calculated a business ownership disparity index for each group by dividing the observed business ownership rate by the benchmark business ownership rate and then multiplying the result by 100.

Column (b) of Figure D-1 presents disparity indices related to business ownership for the different racial/ethnic and gender groups. For example, as shown in column (b), African Americans own construction businesses at a rate of 37 percent of what would be expected based on the simulated business ownership rates of white males who share similar personal characteristics. The 2022 Disparity Study, Appendix F, explains how the study team calculated the disparity indices.

Availability after Initial Adjustment. Column (c) presents availability estimates for MBEs and WBEs by industry after initially adjusting for statistically significant disparities in business ownership rates. The study team calculated those estimates by dividing the current availability in column (a) by the disparity index for business ownership in column (b) and then multiplying by 100.

Please note that Keen Independent did not adjust weighted availability for Asian Americans in the goods industry, since the disparity index was 0 percent.

3. Availability after Scaling to 100%. Column (d) shows adjusted availability estimates that were re-scaled so that the sum of the availability estimates equals 100 percent for each industry. The study team re-scaled the adjusted availability estimates by taking each group’s adjusted availability estimate in column (c) and dividing it by the sum of availability estimates shown under “Total firms” in column (c) — and multiplying by 100. For example, the re-scaled availability estimate for African Americans shown for construction was calculated in the following way:  $(2.59\% \div 108.27\%) \times 100 = 2.39\%$ .
4. Components of Overall DBE Goal with Upward Adjustment. Column (e) of Figure D-1 shows the component of the total base figure attributed to the adjusted DBE availability for each industry. The study team calculated each component by taking the total availability estimate shown in column (d) for each industry and multiplying it by the proportion of total FHWA-funded contract dollars in each industry (i.e., 84.7% weight for construction, 9.8% weight for professional services, 3.2% weight for goods and 2.2% for other services). For example, the study team used the 27.79 percent shown for current and potential DBEs availability for construction firms in column (d) and multiplied it by 84.7 percent for a result of 23.55 percent.

A similar weighting of current and potential DBE availability for professional services produced a value of 2.08 percent for engineering and other services.

The values in column (e) were then summed to equal the overall base figure adjusted for barriers in business ownership, which is 27.23 percent as shown in the bottom of column (e).

Finally, Keen Independent calculated the difference between the “but for” current and potential DBE availability (27.23%) and the current and potential availability (22.47%) to calculate the potential upward adjustment. This difference, and potential upward adjustment, is 4.76 percentage points (27.23% - 22.47% = 4.76%).

**3. Any Disparities in the Ability of DBEs to Secure Financing, Bonding and Insurance.** Analysis of access to financing and bonding revealed quantitative and qualitative evidence of disadvantages for minorities, women and MBE/WBEs.

- Any barriers to obtaining financing and bonding might affect opportunities for minorities and women to successfully form and operate transportation-related businesses in the Oregon marketplace.
- Any barriers that MBE/WBEs face in obtaining financing and bonding would also place those businesses at a disadvantage in obtaining ODOT and local agency transportation-related prime contracts and subcontracts.

Note that financing and bonding are closely linked, as discussed in Summary Report — Qualitative Information about marketplace conditions section and Appendix J of the 2022 Disparity Study.

There was also evidence in the 2022 Disparity Study that some firms cannot bid on certain public sector projects because they cannot afford the levels of insurance required by the agency. This barrier appears to affect small businesses, which might disproportionately impact minority- and woman-owned firms. Additionally, MBEs and WBEs were somewhat more likely to report that insurance requirements on contracts were a barrier to bidding.

The information about financing, bonding and insurance supports an upward step 2 adjustment in ODOT’s overall annual goal for DBE participation in FHWA-funded contracts.

**4. Other Factors.** The Federal DBE Program suggests that federal aid recipients also examine “other factors” when determining whether to make any step 2 adjustments to their base figure.<sup>10</sup>

Among the “other factors” ODOT examined was the information in the 2022 Disparity Study about the comparative success of MBE/WBEs and majority-owned businesses in the Oregon marketplace. There was quantitative evidence that certain groups of MBE/WBEs are less successful than majority-owned firms, and face greater barriers in the marketplace, even after considering neutral factors. There was also qualitative evidence of barriers to the success of minority- and woman-owned businesses. Some of this qualitative information suggests that discrimination on the basis of race, ethnicity and gender affected minority- and woman-owned firms in the Oregon transportation contracting industry.

There is no straightforward way to project the number of MBE/WBEs available for ODOT work but for the effects of these other factors.

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<sup>10</sup> 49 CFR Section 26.45.

**Summary of Approaches for Making Step 2 Adjustments.** Quantification of potential downward or upward step 2 adjustments is summarized below.

1. Current Capacity of DBEs to Perform Work, as Measured by the Volume of Work DBEs have Performed in Recent Years. Analysis of this factor might indicate a downward step 2 adjustment based on ODOT estimates of past DBE participation (based on awards and commitments) — for recent years, the median DBE participation on FHWA-funded contracts was 15.34 percent (from Figure 6).

USDOT “Tips for Goal-Setting” suggests taking one-half of the difference between the base figure and evidence of current capacity as one approach to calculate the step 2 adjustment for that factor.

The difference between the 22.47 percent base figure and 15.34 percent DBE participation is 7.13 percentage points ( $22.47\% - 15.34\% = 7.13\%$ ). One-half of this difference is a downward adjustment of 3.56 percentage points ( $7.13\% \div 2 = 3.56\%$ ). The goal would then be calculated as follows:  $22.47\% - 3.56\% = 18.90\%$ . (These calculations are presented in Figure 8.)

2. Information Related to Employment, Self-Employment, Education, Training and Unions. The study team was not able to quantify all of the information regarding barriers to entry for MBE/WBEs. Quantification of the business ownership factor indicates an upward step 2 adjustment of 4.76 percentage points to reflect the “but-for” analyses of business ownership rates presented in Figure 7. If ODOT made this adjustment, the overall DBE goal for FHWA-funded contracts would be 27.23 percent ( $22.47\% + 4.76\% = 27.23\%$ ). Figure 8 summarizes these calculations.

#### 8. Potential Step 2 Adjustments to ODOT’s Overall DBE Goal for FHWA-Funded Contracts, FFY 2026–FFY 2028

Step 2 adjustment component	Value	Explanation
<b>Lower adjustment of overall DBE goal for current capacity</b>		
Base figure	22.47 %	From base figure analysis
Evidence of current capacity	- 15.34	Past DBE participation
Difference	7.13 %	
	$\div$ 2	Reduce by one-half
Adjustment	3.56 %	Downward adjustment for current capacity
Base figure	22.47 %	From base figure analysis
Adjustment for current capacity	- 3.56	Downward step 2 adjustment
<b>Overall DBE goal</b>	<b>18.90 %</b>	Lower range of DBE goal
<b>Upward adjustment of overall DBE goal for business ownership</b>		
Base figure	22.47 %	From base figure analysis
Adjustment for "but for" factors	+ 4.76	"But for" step 2 adjustment for business ownership
<b>Overall DBE goal</b>	<b>27.23 %</b>	Upward adjustment of DBE goal for business ownership

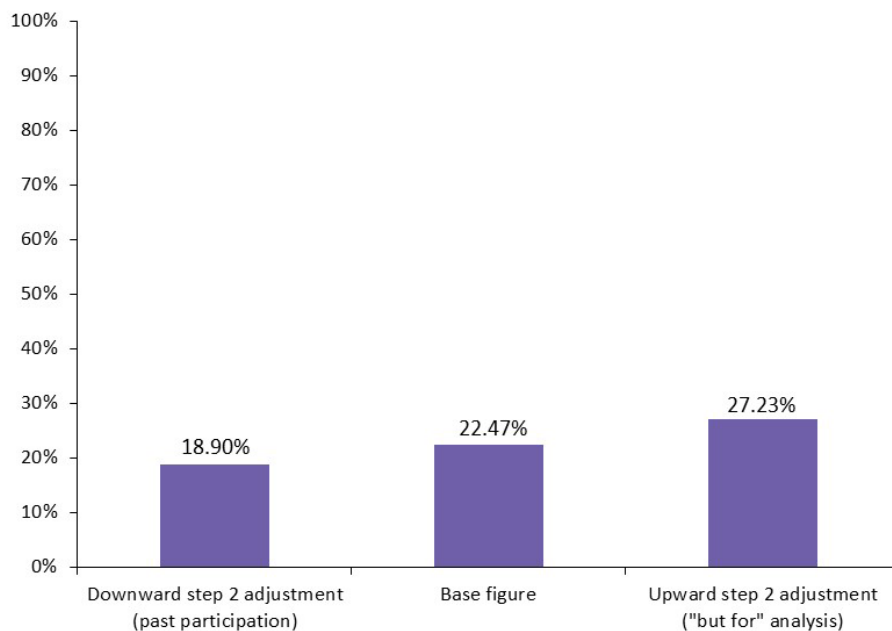
Source: Keen Independent Research 2025 Disparity Study Update  
(Summary Report – Overall DBE goal and projections of neutral participation, page 17).

3. Any Disparities in the Ability of DBEs to Secure Financing, Bonding and Insurance. Analysis of financing, bonding and insurance indicates that an upward adjustment is appropriate. However, impact of these factors on availability could not be quantified in the 2022 Disparity Study.

4. Other Factors. Impact of the barriers to success of MBE/WBEs in Oregon could not be quantified in the 2022 Disparity Study. However, evidence supports an upward adjustment.

Summary. ODOT considered whether to make a downward, upward or no step 2 adjustment when determining its overall DBE goal. If ODOT were to make a downward step 2 adjustment reflecting current capacity to perform work, its overall DBE goal for FHWA-funded contracts would be 18.90 percent. If ODOT decided to not make a downward adjustment and to make an upward adjustment that reflects analyses of business ownership rates, its overall DBE goal would be 27.23 percent. Figure 9 summarizes the potential adjustments described in this document.

9. Potential Step 2 adjustments to ODOT's overall DBE goal for FHWA-funded contracts



Source: Keen Independent Research 2022 Disparity Study (Summary Report – Overall DBE goal and projections of neutral participation, page 71).

**Adjustments Summary.** For FHWA-funded contracts from FFY 2026 through FFY 2028, ODOT proposes utilizing the base figure, for an overall DBE goal of 18.90 percent. ODOT proposes using the base figure as it reflects the current availability of current and potential DBEs to perform future ODOT and local agency FHWA-funded contracts.

The downward adjustment takes into consideration the demonstrated capacity of DBEs to perform ODOT FHWA-funded contracts (15.34% using data available at the time of this goal document). ODOT also considered the fact that to achieve a goal of 18.90%, it must still successfully recruit additional eligible minority- and woman-owned businesses to participate in the DBE Program and support them as they pursue ODOT work opportunities. (This is because each goal calculation counts as DBEs those firms that are currently certified as DBEs *and* non-certified firms that appear they could be DBE-certified if they chose to pursue certification.) For ODOT, these two considerations outweigh the reasons for making an upward adjustment that would reflect disparities in rates of business ownership.

## Race-/Gender-Neutral and Race-/Gender-Conscious Split — 49 CFR Section 26.51(c)

To comply with the Federal DBE Program, ODOT must meet the maximum feasible portion of its overall DBE goal using race- and gender-neutral measures.<sup>11</sup> Race- and gender-neutral measures are initiatives that encourage the participation of all businesses, or all small businesses, and are not specifically limited to MBE/WBEs or DBEs. ODOT has considered whether it can meet its overall DBE goal solely through neutral means or whether race- and gender-conscious measures — such as DBE contract goals — are also needed. As part of doing so, ODOT has projected the portion of its overall DBE goal that it expects to meet (a) through race- and gender-neutral means, and (b) through race- and gender-conscious programs (if any).

USDOT offers guidance concerning how transportation agencies should project the portions of their overall DBE goals that will be met through race- and gender-neutral, and race- and gender-conscious measures, including the following:

- USDOT Questions and Answers about 49 CFR Part 26 addresses factors for federal aid recipients to consider when projecting the portion of their overall DBE goals that they will meet through race- and gender-neutral means.<sup>12</sup>
- USDOT “Tips for Goal-Setting” also suggests factors for federal aid recipients to consider when making such projections.<sup>13</sup>
- An FHWA template for how it considers approving DBE goal and methodology submissions includes a section on projecting the percentage of overall DBE goals to be met through neutral and conscious means. An excerpt from that template is provided in Figure 10.

### 10. Excerpt from Explanation of Approval of [State] DBE Goal Setting Process for FY [Year]

You must also explain the basis for the State’s race-neutral/race-conscious division and why it is the State’s best estimate of the maximum amount of participation that can be achieved through race-neutral means. There are a variety of types of information that can be relied upon when determining a recipient’s race-neutral/race-conscious division. Appropriate information should give a sound analysis of the recipient’s market, the race-neutral measures it employs and information on contracting in the recipient’s contracting area. Information that could be relied on includes: the extent of participation of DBEs in the recipient’s contracts that do not have contract goals; past prime contractors’ achievements; excess DBE achievements over past goals; how many DBE primes have participated in the state’s programs in the past; or information about state, local or private contracting in similar areas that do not use contracting goals and how many minority and women’s businesses participate in programs without goals.

Source:

FHWA, Explanation for Approval of [State] DBE Program Goal Setting Process for FY [Year].

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<sup>11</sup> 49 CFR Section 26.51.

<sup>12</sup> See <http://www.dotcr.ost.dot.gov/Documents/Dbc/49CFRPART26.doc>

<sup>13</sup> 49 CFR Section 26.51.

Based on 49 CFR Part 26 and the resources above, ODOT considered the following questions:

1. Is there evidence of discrimination within the local transportation contracting marketplace for any racial, ethnic or gender groups?
2. What has been the agency's past experience in meeting its overall DBE goal?
3. What has DBE participation been when ODOT did not use DBE contract goals (or other race- or gender-conscious measures)?<sup>14</sup>
4. What is the extent and effectiveness of race- and gender-neutral measures that ODOT currently has in place and will put in place for the next fiscal year?

The balance of this section is organized around each of those general areas of questions.

**1. Is There Evidence of Discrimination within the Local Transportation Contracting Marketplace for any Racial, Ethnic or Gender Groups?** The 2022 Disparity Study considered conditions in the local marketplace to address this question. Quantitative and qualitative information is summarized below.

Marketplace Conditions. As discussed in Summary Report — Quantitative analysis of marketplace conditions and Qualitative analysis of marketplace conditions sections of the 2022 Disparity Study, Keen Independent examined conditions in the Oregon marketplace, including:

- Entry and advancement;
- Business ownership;
- Access to capital, bonding and insurance; and
- Success of businesses.

There was quantitative evidence of disparities in outcomes for minority- and woman-owned firms in general and for certain MBE/WBE groups concerning the above issues. Qualitative information indicated some evidence that discrimination may have been a factor in these outcomes.

Results of the Disparity Analysis for FHWA-Funded Contracts. The 2022 Disparity Study report compared the utilization and availability of minority- and woman-owned firms on ODOT's FHWA-funded contracts without DBE goals.

Utilization of minority- and woman-owned businesses in FHWA-funded contracts without goals was substantially below what might be expected from the availability analysis. This was true for each DBE group.

When examining state-funded contracts, there was a substantial disparity for MBEs overall and for white woman-owned firms. State-funded contracts also did not have DBE contract goals.

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<sup>14</sup> USDOT guidance suggests evaluating (a) certain DBE participation as prime contractors if the DBE contract goals did not affect utilization, (b) DBE participation as prime contractors and subcontractors for agency contracts without DBE goals, and (c) overall utilization for other state, local or private contracting where contract goals are not used.



Summary. ODOT reviewed the information about marketplace conditions presented in the Summary Report and Appendices E through J of the 2022 Disparity Study, as well as other information it has, when considering the extent to which it can meet its overall DBE goal through neutral measures. The combined information from the marketplace analyses and the disparity analyses indicated evidence of disparate outcomes for each group of businesses included as DBEs in the Federal DBE Program African American-, Asian-Pacific American-, Hispanic American-, Subcontinent Asian American-, Native American- and woman-owned firms.

**2. What has been the Agency’s Past Experience in Meeting its Overall DBE Goal?** Figure 13 summarizes ODOT’s reported DBE participation based on DBE commitments/awards to DBEs for FHWA-funded contracts. As shown, reported DBE participation based on DBE commitments/awards on FHWA-funded contracts was lower than the overall DBE goal in FFY 2021, FFY 2023, and FFY 2024. In the other two fiscal years (FFY 2020 and FFY 2022), DBE participation exceeded the overall DBE goal.

11. ODOT overall DBE goal and reported DBE participation on FHWA-funded contracts, FFY 2020 through FFY 2024

Federal fiscal year	DBE goal	DBE commitments/ awards	Difference from DBE goal
2020	15.37 %	17.24 %	1.87 %
2021	15.37	12.52	-2.85
2022	15.37	21.85	6.48
2023	23.43	15.34	-8.09
2024	23.43	8.54	-14.89

Source: ODOT Uniform Reports of DBE Awards/Commitments and Payments.

**3. What has DBE Participation been when ODOT has not applied DBE Contract Goals (or other Race- or Gender-Conscious Measures)?** Keen Independent examined three sources of information to assess race-neutral DBE participation:

- ODOT-reported race-neutral DBE participation on FHWA-funded contracts for the most recent years;
- Keen Independent estimates of DBE participation on FHWA- and state-funded contracts for which no DBE contract goals applied; and
- Information concerning DBE participation as prime contractors on FHWA-funded contracts.

The following discussion examines these three sets of participation figures.

Race-Neutral DBE Participation in Recent ODOT Uniform Reports. Per USDOT instructions, ODOT counts as “neutral” participation any prime contracts, as well as subcontracts, going to DBEs beyond what was needed to meet DBE contract goals set for a project or that were otherwise awarded in a race-neutral manner.

ODOT’s Uniform Reports of DBE Awards/Commitments and Payments submitted to FHWA for the five most recent federal fiscal years indicate median race-neutral participation of 6.82 percent. Figure 12 presents these results.

12. ODOT-Reported Race-Neutral and Race-Conscious DBE Participation on FHWA-Funded Contracts for FFY 2020 through FFY 2024

Federal fiscal year	DBE goal	DBE commitments/ awards	Difference from DBE goal
2020	15.37 %	17.24 %	1.87 %
2021	15.37	12.52	-2.85
2022	15.37	21.85	6.48
2023	23.43	15.34	-8.09
2024	23.43	8.54	-14.89

Source: ODOT Uniform Reports of DBE Awards/Commitments and Payments.

DBE Participation on Contracts Without DBE Contract Goals. Keen Independent also analyzed DBE participation on ODOT's FHWA-funded contracts without DBE contract goals. As reported in the 2025 Disparity Study Update report, ODOT achieved 5.5 percent DBE participation on these contracts from October 2021 through September 2024.

DBE Participation as Prime Contractors. Keen Independent also analyzed DBE participation based on FHWA-funded prime contract dollars. From October 2021 through September 2024, the DBE participation on prime contracts was about 1.8 percent for FHWA-funded contracts.

**4. What is the Extent and Effectiveness of Race- and Gender-Neutral Measures that ODOT Currently has in Place and Will Put in Place for the Next Fiscal Year?** When determining the extent to which it could meet its overall DBE goal through the use of neutral measures, ODOT reviewed the race- and gender-neutral measures that it and other organizations currently have in place, and those it has planned or could consider for future implementation.

ODOT has implemented an extensive set of neutral measures (see, for example, Keen Independent's analysis of neutral remedies in the 2022 Disparity Study). ODOT will be implementing additional efforts, including working with non-certified firms to become certified as DBEs. At this time, it is uncertain whether these additional neutral measures will substantially increase race-neutral participation of DBEs in ODOT's FHWA-funded contracts.

**Proposed Projection of the Portion of the Overall DBE Goal to be Achieved through Neutral Means.**

ODOT considered whether it can achieve 100 percent of its overall DBE goal through neutral means or whether race-conscious programs are still needed. ODOT considered the information in the 2025 Disparity Study Update, the 2022 Disparity Study, the 2019 Disparity Study Update, the 2016 Disparity Study and other sources when reaching its decision on any use of race- and gender-conscious programs (such as DBE contract goals). If ODOT implements its proposed overall DBE goal for FHWA-funded contracts of 18.90 percent, the evidence presented in this report indicates that ODOT might not meet its DBE goal solely through neutral means.

- There is information indicating disparities in outcomes for minority- and woman-owned firms, supported by some qualitative evidence of discrimination within the local transportation contracting marketplace, as presented in the 2022 Disparity Study.
- For the past five federal fiscal years, ODOT's reported race-neutral participation has been 6.82 percent (FFY 2020); 5.73 percent (FFY 2021); 10.30 percent (FFY 2022); 7.74 percent (FFY 2023) and 1.19 percent (FFY 2024). Each of these figures for race-neutral participation is well below a future overall DBE goal in the range of 18.90 percent.

- ODOT has extensive neutral measures in place, and there are many small business assistance programs offered by other institutions throughout the state. Any additional measures ODOT might be able to immediately institute would probably have only a small impact in comparison with what already exists. It is unlikely that ODOT could increase its neutral participation of DBEs to reach an overall DBE goal of 18.90 percent solely through additional neutral measures.

For the following reasons, ODOT proposes a race-neutral projection of 6.82 percentage points for its overall DBE goal for FFY 2026 through FFY 2028.

- The median race-neutral portion of ODOT's DBE participation was 6.82 percent based on ODOT's reports for FFY 2020 through FFY 2024 (presented earlier in this document).
- ODOT neutral initiatives are already considerable and will continue to expand.
- Keen Independent's analysis of DBE participation on FHWA-funded contracts without contract goals indicated 5.5 percent race-neutral DBE utilization, which is below the proposed DBE goal.

ODOT projected a 6.10 percentage point neutral and 17.33 percentage point race-conscious split when it prepared its overall DBE goal of 23.43 percent for FFY 2023 through FFY 2025 after the 2022 Disparity Study. The first column Figure 13 presents these recent projections.

The second column of numbers in Figure 13 presents projections using an overall DBE goal of 18.90 percent and a 6.82 percentage point race-neutral projection for FFY 2026 through FFY 2028. The race-conscious portion of the goal is 12.08 percentage points.

#### 13. ODOT Overall DBE Goal and Projections of Race-Neutral Participation for FHWA-Funded Contracts for FFY 2026 through FFY 2028

Component of overall DBE goal	FFY2023–FFY2025	FFY2026–FFY2028
Overall goal	23.43 %	18.90 %
Neutral projection	- <u>6.10</u>	- <u>6.82</u>
Race-conscious projection	17.33 %	12.08 %

Source: Keen Independent Research 2025 Disparity Study Update  
(Summary Report — Overall DBE goal and projections of neutral participation, page 23).

## Public Participation — 49 CFR Section 26.45(g)

As it did with the 2016 Disparity Study, 2019 Disparity Study Update and the 2022 Disparity Study, ODOT published its DBE Goal and Methodology and the draft 2025 Disparity Study Update report for public comment before submitting final versions of these documents to FHWA. The public comment period for the draft report and proposed overall DBE goal for FHWA-funded contracts was open from June 4, 2025, through July 4, 2025.

Keen Independent and ODOT met with the ODOT DBE Advisory Committee in January and May 2025 to discuss study updates. ODOT also contacted industry associations and local public agencies through an email blast to inform them of the study results and obtain comments on the 2025 Disparity Study Update and proposed DBE goals. Organizations included:

- National Association of Minority Contractors;
- Professional Business Development Group;
- Oregon Association of Minority Entrepreneurs;
- Business Diversity Institute;
- Latino Business Alliance;
- TriMet;
- Small Business Transportation Center;
- Prosper Portland;
- North Marion Business Service Alliance;
- APEX Accelerator;
- CCD Business Development Corporation;
- Livelihood NW;
- Business Impact NW; and
- Best HQ.

ODOT also held two virtual public meetings and solicited comments from industry associations, local public agencies, DBE and non-DBE contractors and consultants, and others concerning the 2025 Disparity Study Update and ODOT's proposed DBE goal. Public meetings were as follows:

- Monday, June 23, 2025, from 12:00 to 1:00 pm;
- Thursday, June 26, 2025, from 4:00 to 5:00 pm.

The public was encouraged to comment on the size of the proposed overall FHWA DBE goal, the methodology used to develop the goal, the results of the 2025 Disparity Study Update, as well as suggestions on how ODOT and the industry could enhance support for the Federal DBE Program.

Information was available at <https://www.keenindependent.com/studies/odot2025disparitystudyupdate>. In addition, the public was able to submit feedback and provide written comments through the following means:

- During the public meetings, and
- Via email at [ocrprograms@odot.oregon.gov](mailto:ocrprograms@odot.oregon.gov)

Following the release of the draft report and proposed overall DBE goal, 91 attendees participated in the virtual public meetings. During the public meetings, 20 comments or questions were received from individuals on behalf of themselves or their organizations. These comments received during the virtual public meetings were reviewed and summarized on the attachment that follows (see next page of this FHWA DBE goal document).

Keen Independent and ODOT then prepared final documents for USDOT concerning ODOT's proposed overall DBE goal for FHWA-funded contracts. This process follows the approach for the 2016 Disparity Study and 2022 Disparity Study that Keen Independent prepared for ODOT.

## Attachment — Input Received During the Public Comment Period

After releasing the draft Disparity Study Update report and proposed overall DBE goals, Keen Independent and ODOT solicited comments on these documents from businesses, trade associations and public entity representatives as well as other interested parties. Comments were received via email from June 4, 2025, through July 4, 2025. ODOT also held two virtual public meetings on June 23 and June 26, 2025, to explain study results and solicit comments.

During the virtual public meetings, 20 comments and questions were received from individuals on behalf of themselves or their organizations. Keen Independent provides examples of the range of comments below.

**Legal challenges to the DBE Program.** Some public meeting participants voiced concerns that the DBE Program may face current or future legal challenges. Comments included the following:

- “I thought the DBE program was going away based on the court ruling.”
- “Consider compliance requirements in light of executive orders or have a plan.”

In the public meetings, the study team responded by outlining the major court cases that might affect the DBE Program and noted that has been no USDOT instructions to ODOT to change how it operates the Program.

**Questions about the goal development outreach process.** During the public meetings, some business representatives commented on the DBE goal public participation process. One representative of an African American-owned firm commented, “I’ve never been contacted [about this study] and have done some work as a subcontractor [for ODOT].” Another participant remarked that the DBE goal should be developed in consultation with DBEs and asked if those businesses were involved in identifying the proposed DBE goal. Keen Independent and ODOT described the study process for meeting participants, explaining how DBEs and other businesses were able to participate throughout the process. The team also mentioned that interested parties could provide comments through the study website and email through July 4, 2025.

**Concern that the proposed DBE goal figure is too low.** A public meeting participant expressed concern that the goal is not high enough to effectively encourage DBE participation. The participant asked, “If you’re lowering the DBE number, how is ODOT going to incentivize businesses to use DBE firms and companies to eventually bring this number back up?”

ODOT considered each of these comments prior to submitting this proposed overall DBE goal.