

Introduction and Summary

This document presents the methodology used by CATS to develop its Overall Disadvantaged Business Enterprise (DBE) Goal for the Federal Fiscal Years (FFYs) 2026 through 2028. The three-year DBE goal was developed according to the methodology prescribed by Title 49, Part 26 of the Code of Federal Regulations (CFR), specifically 49 CFR Part §26.45.

The prescribed methodology requires a two-step process in which a weighted base figure is calculated according to the federally funded contracting opportunities that are anticipated over the next three federal fiscal years (i.e., October 1, 2025, through September 30, 2028).

Over the next three federal fiscal years, CATS anticipate awarding \$8,918,761 in federal funds in prime contracts. These prime contracting opportunities are distributed among numerous separate North American Industrial Classification System (NAICS) codes.

The following are the results of the methodology for CATS' DBE goals for FFY 2026 through FFY 2028.

Overall Goal which is Race-Neutral: 10%.

The details of the two-step process are described in the following sections of this report.

DBE Goal Methodology

The required methodology for calculating a DBE goal is a two-step process, as illustrated in Exhibit 1.

Step 1 – Calculation of Weighted Base Figure. This includes the following activities:

- (1) Identify the federally funded projects anticipated to be awarded for the three-year goal period, and the federal funding allocation amounts for each project.
- (2) Determine the number of ready, willing, and able DBE firms in the recipient's market area certified by the State Unified Certification Program (UCP) doing work in each category (determined by North American Industrial Classification System [NAICS]) of anticipated contracting opportunities.
- (3) Determine the number of all (DBE and non-DBE) firms doing work in the same NAICS categories within the recipient's market area (e.g., using U.S. Census County Business Patterns database).
- (4) Divide (2) by (3) into each NAICS category and multiply by the percentage of anticipated contract dollars in federal projects for the same category.
- (5) Total the individual percentages for each NAICS category to arrive at the "Weighted Base Figure."

Step 2 – Adjusting the Weighted Base Figure. This includes the following activities:

- (6) Consideration of past DBE goal attainment in each category of anticipated contract opportunities.

(7) Consideration of DBE representation as bidders, or proposers for federally assisted contracts during the prior three-year period.

(8) Consideration of the results from any disparity studies in the recipient's market areas that may inform the decision to adjust the Weighted Base Figure.

(9) Consider any other relevant evidence that might have a material effect on the availability of DBEs in the recipient's market area. It is in Step 2 that CATS could adjust the weighted base figure and determine whether to divide the overall goal into a race-neutral portion versus a race-conscious portion.

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Based on CATS' DBE goal attainment over the last five federal fiscal years (i.e., FFY 2021 through FFY 2025), it was determined that adjusting CATS over DBE goal either upward, or downward is not warranted. Based on the number of federal contracting opportunities for which there are subcontracting opportunities, it was determined that CATS' overall goal of 10% will be race-neutral for CATS' federal contracting opportunities over the next three years.

A detailed explanation of how this goal was achieved can be provided by contacting the CATS DBE Liaison Officer.