

Overall Disadvantaged Business Enterprise Triennial Goal for the Federal Transit Administration

Capital Metropolitan
Transportation Agency

Federal Fiscal Years 2026-2028

I. Summary

The Capital Metropolitan Transportation Authority (“CapMetro”), a public transportation provider located in Austin, Texas, submits this report on its Disadvantaged Business Enterprise (“DBE”) triennial goal and the methods used to calculate it, to the United States Department of Transportation’s (“USDOT” or “DOT”) Federal Transit Administration (“FTA”) for review in accordance with §26.45 of Title 49 C.F.R. Part 26 (“Part 26”) and USDOT guidance.¹ Since CapMetro anticipates awarding prime contracts that equal or exceed the cumulative amount of \$250,000.00 in the forthcoming Federal Fiscal Years (“FFYs”), it must establish an overall triennial DBE goal for FTA-assisted contracts.² This submission covers FFYs 2026-2028 and establishes an overall DBE goal of 25.5%. CapMetro plans to achieve 10.5% of its goal using race-neutral measures and 15.0% of its goal using race-conscious measures.

CapMetro’s goal methodology follows Part 26’s two step goal setting process:

1. Establishing the base figure for the relative availability of DBEs to perform the work intended to be let within the local marketplace.
2. Adjusting the base figure as a result of available data.

CapMetro commissioned an Availability Study (“Study”) in 2022 from Colette Holt & Associates (“CHA”), a firm comprised of legal counsel and highly qualified social science research professionals, economists, and statistical analysts, attached as Exhibit A. As detailed below, CHA determined the base figure of availability and provided the most refined and best data relevant to determine whether to adjust the base figure. The data and results are discussed below.

For this goal submission, CapMetro used data provided in the Availability Study performed by CHA. Under §26.45(c) of Part 26, an FTA recipient may use a “percentage figure derived from data in a valid, applicable disparity study” to establish its base figure under Step One. The Study analyzed CapMetro’s FTA funded contracts.³ The highly detailed unweighted availability estimate serves as the starting point for setting narrowly tailored contract goals that reflect the percentage of available DBEs as a percentage of the total pool of available firms. The Study finds that minorities and women continue to suffer discriminatory barriers to full and fair access to, and participation in, contracts and associated subcontracts in CapMetro’s market area.

CapMetro anticipates that the types, sizes, and locations of FTA funded contracts that it expects to award in the future will be similar to the FTA funded contracts that it awarded during the disparity study period. It therefore is relying on the availability results of the Study.⁴

II. Step One Base Figure

Step One calls for the calculation of a base figure reflecting the relative availability of DBEs in CapMetro’s local marketplace to perform the work intended to be awarded. This entails determining the percentage of DBEs, including potential DBEs, represented among all firms (DBEs and non-DBEs), that are ready, willing, and able to compete for CapMetro’s FTA-assisted contracts.

The Study analyzed CapMetro FTA funded contracts for October 1, 2016, through June 30, 2021. The Study determined the agency’s geographic market area to be the three primary counties of the

¹ United States Department of Transportation, “Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program”, <https://www.transportation.gov/mission/civil-rights/disadvantaged-business-enterprise/dbe-goal-setting>.

² 49 C.F.R. §26.45.

³ The Availability Study was conducted in conformance with the *Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program*, Transportation Research Board of the National Academy of Sciences, NCHRP Report, Issue No. 644, 2010, 50-51 (*National Disparity Study Guidelines*).

⁴ The *DOT Tips* require that CapMetro use the most refined and transparent data available in its marketplace and filter out businesses that are not relevant to calculations. The CHA Study contains refined quantitative and qualitative data analyzed by social science research professionals.

Austin metropolitan area: Travis, Hays, and Williamson. The agency utilized 32 NAICS codes in this geographic market.

The Study next estimated the availability of DBEs in CapMetro's market area. CHA applied the "custom census" approach, with refinements, to estimating availability. The overall, weighted DBE availability was determined to be 27.7%. Therefore, CapMetro is using 27.7% as the step one base figure for its overall DBE goal.

Since the United States Congress has already determined that discrimination operates in the market for federally funded transportation-related contracts,⁵ local governments not subject to the jurisdiction of the Ninth Circuit Court of Appeals do not perform a disparity analysis on USDOT funded contracts. Under Part 26, all that is required is an availability analysis.⁶

III. Step Two Adjustments to the Step One Base Figure

Once the base figure has been calculated, CapMetro must examine all of the evidence available in its jurisdiction to determine if an adjustment is necessary to reflect the level of DBE participation expected absent the effects of discrimination. DOT recipients are not required to make this adjustment. However, they are required to explain why an adjustment was not made.

Included among the types of evidence that must be considered are the current capacity of DBEs to perform work on CapMetro's federally assisted contracts, as measured by the volume of work DBEs performed in recent years, and evidence from disparity studies conducted anywhere within CapMetro's jurisdiction, to the extent not already accounted for in the base figure. If available, CapMetro also must consider available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, including statistical disparities in the ability of DBEs to obtain the financing, bonding and insurance required to participate in the USDOT DBE Program, and data on employment, self-employment, education, training, and union apprenticeship programs, to the extent relevant to the opportunities for DBEs to perform in the Program. Part 26, §26.45(d)(3), and the *DOT Tips* caution that any adjustment to the base figure to account for the continuing effects of past discrimination or the effects of an ongoing DBE program must be based on "demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought."

A. CapMetro's Past DBE Utilization

As part of its step two analysis, CapMetro considered the current capacity of DBEs to perform work on its FTA-assisted projects, as measured by the amount of work performed by certified DBEs on FTA funded contracts over the past five years.

FFY	DBE Goal Achieved
2020	18.7%
2021	25.4%
2022	23.3%
2023	14.8%
2024	29.5%

⁵ As noted in the preamble to the 1999 rule (Part 26) which remains in effect (subject to updates and corrective amendments), Congress examined a record that included a range of studies, factual material, and extensive evidence of federal transportation discrimination and statistical disparity between the availability of woman-owned and minority-owned businesses in federal transportation contracting.

⁶See

https://www.transportation.gov/sites/dot.gov/files/docs/Western_States_Paving_Company_Case_Questions_and_Answers.pdf.

The CapMetro median past DBE participation for FFY 2020 through 2024 is 23.25%.

B. Evidence from Local Disparity Studies

The only relevant disparity study performed since CapMetro's last triennial goal submission was conducted by CHA for the City of Austin in 2022. CHA determined the availability of minority- and woman-owned business enterprises ("M/WBEs") to be 14.4% for contracts funded by the City of Austin. The Study presented quantitative and qualitative data concerning the experiences of M/WBEs in obtaining City contracts and associated subcontracts, as well as evidence of disparities in opportunities throughout the wider City of Austin economy.

While relevant and probative to whether CapMetro needs to continue to employ race-conscious measures to meet its DBE goal, as well as the types of supportive services and other approaches to level the playing field CapMetro might consider, there is no methodology to apply the results of another study to adjust CapMetro's Step One base figure.

C. Step Two Base Figure Final Adjustment

Following the *DOT Tips*, CapMetro combined the Step One base figure of 27.7% with its median past DBE participation of 23.3%, for an average of 25.5%. CapMetro therefore proposes a triennial DBE goal of 25.5% for its FTA funded contracts.

IV. Race-Neutral Achievement on CapMetro's FTA Funded Contracts

Under §26.51(a), CapMetro must meet the maximum feasible portion of its overall FTA goal by using race-neutral ("RN") measures to facilitate DBE participation.⁷ The race-neutral attainment for the past five FFYs is presented in the following table to project the amount of RN participation it expects to achieve in the upcoming three FFYs. As suggested in the *DOT Tips*, CapMetro used the median race-neutral achievement of 10.5% as its measure. CapMetro will establish race-conscious measures and contract goals to meet the balance of the overall goal.⁸

Fiscal Year	Race-Neutral Achievement	Race-Conscious Achievement	Overall DBE Participation
2020	9.76%	8.96%	18.72%
2021	10.88%	14.47%	25.35%
2022	10.54%	12.71%	23.25%
2023	5.74%	9.05%	14.78%
2024	19.89%	9.58%	29.47%

CapMetro also considered the amount by which its past goals were exceeded, as well as any history of its inability to achieve the triennial goal, in determining the race-neutral and race-conscious proportion consistent with the *DOT Tips*. Specifically, the DOT recommends increasing the race-conscious portion of the annual goal to account for the proportion of previous years' goals that were

⁷Race-neutral measures benefit DBEs and other small businesses. Section 26.51(b) provides a non-exhaustive list of race-neutral means which include, but are not limited to, providing assistance in overcoming limitations such as the inability to obtain bonding or financing; providing technical assistance and other services; implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial capability for DBEs and other small businesses; ensuring distribution of the statewide DBE directory through print and electronic means to the widest, feasible universe of potential prime contractors; and establishing a program to assist new, start-up firms.

⁸49 C.F.R. §26.51(d).

not met or increasing the race-neutral portion to account for exceeding goals.⁹ Given that the agency exceeded its goals for some years but fell short for others, CapMetro does not propose any further adjustment.

V. Race-Neutral Measures Implemented by CapMetro

CapMetro encourages the fullest achievable race-neutral DBE participation and avails itself of an array of outreach, training, and assistance through its DBE Program. CapMetro's DBE Program initiates community outreach programs through agency sponsored workshops, meeting presentations, direct contact and participation in events and meetings that enhance utilization of DBEs and increase the visibility of its DBE program. CapMetro works closely with small business chambers and organizations to disseminate information about CapMetro procurement opportunities.

The CapMetro DBE Program and the Procurement department coordinate efforts to unbundle contracts to allow for small businesses to competitively compete on procurement opportunities.

CapMetro hosts one-on-one consultation with CapMetro staff to provide technical assistance with understanding cooperative purchasing agreements, locating currently active contracts, understanding CapMetro contracts, and other business-related information. In partnership with University of Texas at Austin's IC² Institute, it provides technical assistance and training through the Small Business Development Program. Local experts guide small businesses on securing government contracts, leveraging resources, preparing bids, using AI tools, networking, meeting bond requirements, and improving financing strategies.

CapMetro also develops new programs and maintains public relations with businesses and other agencies to increase participation with DBE businesses. The agency provides outreach and technical assistance efforts that are key to enhancing opportunities for small businesses. CapMetro's Business Center web site is used for outreach and upcoming events are posted on the website for easy access.

CapMetro's DBE staff collaborates with the City of Austin's Small & Minority Resources Department, Travis County's Small Business Program Department, as well as the Texas Department of Transportation's Disadvantaged Business Enterprise and Small Business Enterprise Section to pool resources and conduct outreach and training.

During the 2023 to 2025 calendar years, CapMetro participated in a variety of programs and events to assist DBEs:

- Annual Small Business Connection Conferences
- Economic Growth Business Incubator Celebrating Success/Panel/Workshops
- Greater Austin Asian Chamber of Commerce International Summits
- Annual Hispanic Heritage Month Celebrations
- University of Texas IC² Program
- Black Professional Alliance Network Meet & Greets
- Minority Certification Bootcamp
- City of Austin Business Information Sessions
- Bexar County Conference for Small, Minority, Women and Veteran Business Owners
- Texas Association of Mexican American Chambers of Commerce Hispanic Leadership and Business Summit
- Young Hispanic Professional Association of Austin professional development event
- Transit Industry Day
- National Conference of Minority Transportation Officials Austin Professional Development Training
- Austin Chamber of Commerce Mobility Summit

⁹DOT Tips: IV. Calculating the Race/Gender-Neutral and Race/Gender-Conscious Split; A. Consider the Amount by Which You Exceeded Your Goals in the Past. & F. Consider Past History of Inability to Achieve Goals.
<https://www.transportation.gov/sites/dot.gov/files/2020-01/docr-20130625-002tipsforgoal-settingindbeprogram20141106.pdf>

- Texas Facilities Commission Vendor Conference
- Diversity and Inclusion Drives Innovation's Champions of Change Awards
- Travis County Purchasing Vendor Conference
- Diversity Ethnic Chamber Alliance Small Business Opportunity Summit
- Austin Together: Mobility Austin Engage Series
- Austin HUB Procurement Consortium events

VI. Public Participation: Review and Comment

In accordance with 49 C.F.R. §26.45(f), CapMetro has published a notice April 21, 2025, announcing the proposed overall triennial goal for FFYs 2026 through 2028 on its web site. The proposed overall goal and methodology is available for inspection for 30 days following the date of CapMetro's notice. Public comments will be accepted by Capital Metro until May 20, 2025, at DBE@capmetro.org.

In its notice, CapMetro announced a virtual public consultation meeting for its Triennial Goal Submission of its DBE program goal. CapMetro staff and its consultant, CHA, will conduct a virtual face-to-face consultation on May 6, 2025. CHA will perform outreach to impacted stakeholders at prescribed time intervals to maximize attendance and to encourage submission of written comments. This meeting is intended to provide the opportunity for public consultation with minority, woman, and general contractor advocacy groups, community organizations, public officials, and all other interested parties. Participants will be able to contribute meaningful information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and CapMetro's efforts to establish a level playing field for the participation of DBEs. CapMetro also designated a contact person if individuals have specific questions related to the goal submission. The CapMetro meeting will conform and build upon the goal setting consulting process outlined in CapMetro's approved DBE program document.

VII. Final Adjusted DBE Goal

The proposed DBE Goal for FFYs 2026-2028 is 25.5%. CapMetro projects it will meet 15.0% of this goal through race-conscious contract goals and 10.5% through race-neutral measures.

DBE participation for FTA funded projects will be evaluated annually to determine whether market conditions warrant adjustments to the overall DBE goal and/or individual race-neutral and race-conscious components.