Public Participation Meeting

3-Year Disadvantaged Business Enterprise (DBE) Goal for Federal Fiscal Years 2027-2029

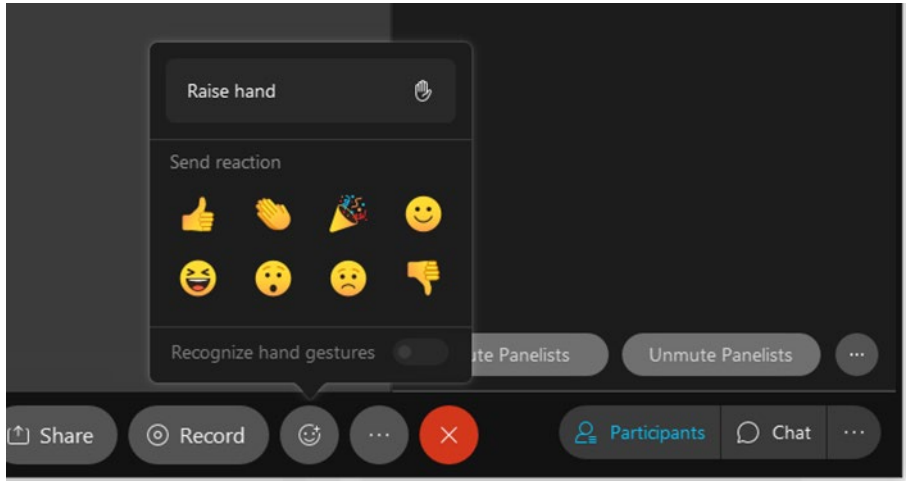
Thursday, October 29, 2026

1:00 p.m. – 1:30 p.m.

Joan Jeffries, Purchasing Manager
Ryan MacDonell, Parts and Materials Manager
Tanya Gilliam, Purchasing Agent
Ian Berry, Purchasing Assistant
Jane Strang, Buyer

Welcome to Santa Cruz METRO's Public Participation Meeting!

Please raise hand (reaction feature) if you'd like to speak.



This meeting is being recorded.

AGENDA

- Overview and Background of DBE Program
- DBE Goal-Setting Process
- METRO's Proposed 3-Year DBE Goal
- METRO's Upcoming Contracting Opportunities
- Open Forum (Questions and Comments)

U.S. DOT DBE PROGRAM – 49 CODE OF FEDERAL REGULATIONS (C.F.R.) PART 26

U.S. Department of Transportation
Federal Highway Administration

OPERATING ADMINISTRATIONS

Federal Highway Administration

Federal Transit Administration

Federal Aviation Administration

DBE Program Background

CIVIL RIGHTS ACT OF 1964

Create a level playing field and foster Equal Opportunity in DOT-assisted contracts

1983 — 1st DBE Statutory Provision
At least 10% of Funds are to be expended with DBEs

1987 — Reauthorized & Amended DBE Statutory Provision
Added Women; Established a single DBE goal

1999 — Introduced Part 26
DBE Plan; Unified Certification Programs

2003 — Introduced NAICS Codes (replaced SIC)
Implemented a MOU with SBA

2009 — Size Limit/gross revenue adjusted for inflation
$20.41M adjusted to $22.41M

2011 — Added SBE Element & Other Program Improvements
Expedited Interstate Certification; Increased PNW $750K to $1.32M; Updated certification requirements

2014 — Amended DBE Program for Improvements
Uniform Certification Application & Reporting Forms; Suspension under certain circumstances; Goal Setting, GFE, TVMs, & Counting for Trucking; Adjusted gross Receipts: $22.41M to $23.98M

2021 — Part 26 Statutory Gross Receipts Cap Adjusted
$23.98M adjusted to $26.29M

2022 — Part 26 Statutory Gross Receipts Cap Adjusted
$26.29M adjusted to $28.48M

Recent Updates

- Federal regulations changed under the USDOT's Interim Final Rule (IFR), issued on October 3, 2025.
- The IFR removed the race- and sex-based presumptions of disadvantage for the DBE program, and required Unified Certification Programs (UCPs) to reevaluate all currently certified firms.
- Applicants were required to submit a personal narrative and financial documentation to demonstrate actual, individualized social and economic disadvantage.
- DBE contract goals were temporarily suspended while the reevaluation process was underway.
- UCPs in California have now completed this recertification process.

Recipient Role

DBE Regulations: 49 C.F.R. Part 26

State and Local Transportation Agencies (Recipients/Grantees) receive funds from operating administrations directly or as a subrecipient.

Goal Setting Process
49 C.F.R. Part 26 §26.45

- Identify the projects to be expended with FTA funds (Transit Vehicle Manufacturers (TVMs) not included)
- Determine Relevant Geographic Market Area
- Gather the data to develop the Step One Base Figure

Base Figure represents the relative availability of DBEs in relevant Geographic Market Area (GMA) (§26.45(c))

$$\frac{\text{\# of ready, willing, and able DBEs}}{\text{\# of all firms ready, willing, and able (including DBEs and non-DBEs)}} = \text{Step One Base Figure \%}$$

Goal Setting Process Continued

- Identify your data sources / Weighting by Work Category

  Sources for data: *UCP and Census Bureau; Bidders List; Disparity Study; Goal of another DOT Recipients; Alternative Methods

  * Most commonly used

- Review external evidence/adjustments – Step Two

  Examine all available evidence and determine what adjustments, if any, are necessary. Adjustments are not mandatory.

  - **<u>Types of Evidence</u>**
    - Capacity of DBEs to perform work
    - Evidence from disparity studies
    - Barriers to DBEs to form, grow and compete (financing, bonding, & insurance)
    - Past DBE participation
    - Input from interested parties
    - Other data at the recipient's discretion

Goal Setting Process Continued

- Project DBE-Neutral/DBE-Conscious Split
- Notify the public – advertise proposed goal on website and/or publications
- Consult with outside stakeholders – Public Participation meetings
- Submit the DBE Goal Methodology document to the Federal Transit Administration
- Link to METRO's Overall DBE Goal and Goal-Setting Methodology document (also available on METRO's website): METRO FFY27-29 DBE Goal & Methodology.pdf

METRO's Proposed 3-Year DBE Goal

- Santa Cruz METRO anticipates receiving approximately $1,545,054 in federal funding from October 1, 2026 through September 30, 2029. METRO does not have FTA sub-recipients, nor does it pass-through FTA funds to other agencies; therefore, sub-recipient contracting opportunities do not exist and are not included in the goal calculation.
- Santa Cruz METRO anticipates using all of its available federal funds to purchase rolling stock (buses). Transit vehicle purchases are not subject to the DBE goal-setting process, as transit vehicle manufacturers (TVMs) are required to have their own DBE programs approved by the FTA.
- With no additional federally-funded contracting opportunities available for this 3-year period, METRO's proposed DBE goal for FFY27-FFY29 is 0%.
- While DBE opportunities for federally-funded projects during this triennial period are not anticipated, Santa Cruz METRO will continue to seek small and disadvantaged business participation on contracts, regardless of funding source. Santa Cruz METRO will also periodically evaluate its triennial DBE goal to determine whether mid-course adjustments will be necessary.

Contracting Opportunities

Project	Estimated Budget	Schedule
IFB 26-10 Watsonville METRO Redevelopment and Affordable Housing Project (Prequalified bidders only)	$84,000,000	Q1 2027
RFQ: On-Call Planning, Architectural/Engineering and Construction Management Bench	TBD	Q1 2027
On-Call Construction Manager – Watsonville METRO Project (from bench)	$500,000	Q1 2027
On-Call Construction Manager – METRO Rapid Corridor Project (from bench)	$700,000	Q1 2028
RFP: METRO Public Bike Hub Operations and Maintenance	$640,000	Q3 2027
RFP: METRO Rapid Bus Transit Signal Prioritization	$1,500,000 - $3,200,000	Q4 2027
IFB: METRO Rapid Bus Corridor Improvements – General Contractor	$18,000,000	Q1 2028
RFP: CAD/AVL System Replacement	$1,632,000	Q1 2028

Link to "Doing Business with Santa Cruz METRO" webpage:
https://scmetro.org/organization/doing-business/

Business Outreach Committee (BOC)

The BOC is a consortium of Bay Area transit and transportation agencies whose goal is to assist small and disadvantaged companies in doing business with Bay Area Transportation Agencies.

Additional contracting opportunities can be found in the BOC's quarterly newsletters.

To find out more, visit the BOC webpage:
https://www.goldengate.org/district/doing-business/business-outreach-committee/

Questions?