



San Diego Metropolitan Transit System

Federal Transit Administration (FTA)

Overall Disadvantaged Business Enterprise (DBE)

Goal-Setting Methodology

Federal Fiscal Years (FFY) 2025-2027

Submitted in fulfillment of:
Title 49 Code of Federal Regulations Part 26

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DBE GOAL METHODOLOGY

I. INTRODUCTION

The San Diego Metropolitan Transit System (MTS) herein sets forth its Overall Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed goal-setting methodology for the three-year Federal Fiscal Year (FFY) goal period of 2025-2027 (October 1, 2024 through September 30, 2027), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs.” The purpose of the DBE goal-setting process is to level the playing field to allow DBEs to compete fairly for DOT-assisted contracts; however, the program must be narrowly tailored in accordance with applicable law.

II. BACKGROUND

MTS is a recipient of DOT, Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, MTS signed an assurance that it will comply with FTA DBE requirements. In accordance with Title 49 CFR Part 26 provisions: Participation by DBEs in USDOT Programs, MTS is required to develop and submit an overall Triennial DBE Goal for its FTA-assisted projects.

MTS herein presents its Overall DBE Goal Methodology for FFY 2025-2027.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2025-2027

Market Area

The Federal DBE Program requires agencies to implement the DBE Program based on information from the relevant geographic market area—the area in which the agency spends the substantial majority of its contracting dollars. The MTS local market for contracts consists of a geographic area that is:

- where a large majority of contracting dollars is expended, and
- where a substantial number of contractors and subcontractors are located and available to submit bids, quotes, or proposals.

The MTS bidder’s list was reviewed and the previously recognized a market area of San Diego county was confirmed.

Anticipated Projects

MTS has 66 FTA-assisted projects that are anticipated to be awarded during the triennial period and which were considered in preparing this goal methodology. These projects, the estimated amount to be awarded during the triennial period, and their federal share are listed in Table 1.

TABLE 1
(amounts subject to rounding differences)

PROJECT NAME/DESCRIPTION	EST. TOTAL PROJECT COST ¹	EST. FTA \$ SHARE ²	EST. FTA % ³
115Re Head Hardened Steel Rail	\$754,615	\$603,692	80%
50- and 80-Gallon Parts Cleaner Services	\$48,360	\$38,688	80%
Air Pollution Control District (APCD) and Underground Storage Tank (UST) Annual Inspections- Bus Facilities	\$8,798	\$7,039	80%
Blue and Green Line public announcement System - construction	\$312,500	\$250,000	80%
Blue and Green Line variable messaging signs - construction	\$220,000	\$176,000	80%
Blue and Green Line variable messaging signs - equipment	\$1,160,000	\$928,000	80%
Building and Facilities Related Minor Repair Services	\$1,860,264	\$1,488,211	80%
Bus Engine In-Frame Overhaul	\$4,755,920	\$3,804,736	80%
Bus Repair Parts (inventory excluded)	\$939,987	\$751,990	80%
Civil Related Minor Repair Services	\$4,221,444	\$3,377,155	80%
Clarifier Waste Services / 1000Lb Carbon Canister Services	\$408,091	\$326,473	80%
Crane Inspections & As-Needed Repair Services- Trolley	\$96,509	\$77,207	80%
Crane Preparation for Test	\$41,038	\$32,831	80%
Cylinder Rental and Gas Refill Services - Transit & Trolley	\$47,063	\$37,650	80%
Elevator and Escalator Maintenance & Repair Services	\$3,412,565	\$2,730,052	80%
Emergency Beehive Removal - Facilities and Maintenance of Way (MOW)	\$8,606	\$6,885	80%
Fire Alarm Monitoring Services	\$632,942	\$506,353	80%
Fire and Safety Monitoring & Maintenance at San Diego State University (SDSU)	\$305,259	\$244,207	80%
Fire Extinguisher Maintenance Services	\$193,379	\$154,703	80%
Fixed Route Bus Services	\$201,408,652	\$23,967,630	12%
Fleet and Ancillary Equipment Inspections, Maintenance and Repair Services- Trolley	\$476,151	\$380,921	80%
Generator Maintenance and Service- Bus Facilities	\$52,052	\$41,642	80%
Grade Crossing Replacement - construction	\$3,525,000	\$2,820,000	80%
Hi-Rail Vacuum Services	\$77,626	\$62,100	80%
Homeless Encampment Cleanup Services	\$351,423	\$281,138	80%
Interior Bus Cleaning Services	\$2,073,139	\$1,658,512	80%
Light Rail Vehicle (LRV) Accident and Vandalism Repair Services	\$13,696,854	\$10,957,483	80%
LRV Brake Overhaul	\$6,941,345	\$5,553,076	80%
LRV Lifts Maintenance Services	\$135,200	\$108,160	80%
LRV On Board Vehicle Surveillance System (OBVSS) Services	\$216,457	\$173,165	80%

¹ The total estimated cost of each project.
² The estimated FTA dollar share for each project.
³ The estimated FTA percentage share for each project.

PROJECT NAME/DESCRIPTION	EST. TOTAL PROJECT COST ¹	EST. FTA \$ SHARE ²	EST. FTA % ³
LRV Repair Parts (inventory excluded)	\$306,201	\$244,961	80%
Minibus & Americans with Disabilities Act (ADA) Complementary Paratransit Fixed Route Services	\$77,756,485	\$13,218,602	17%
On-Call Electrical Repair Services	\$84,804	\$67,843	80%
On-Call Heating, Ventilation and Air Conditioning (HVAC) Preventative Maintenance Services	\$301,977	\$241,582	80%
On-Call Plumbing Repair Services	\$186,441	\$149,153	80%
On-track speed wing equipment replacement - equipment	\$750,000	\$600,000	80%
Orange & Green Line Elevator Modernization - construction	\$1,500,000	\$1,200,000	80%
Paint Booth Modernization - construction	\$1,000,000	\$800,000	80%
Paint Gun Cleaning Services	\$43,246	\$34,597	80%
Pest Control Services	\$248,560	\$198,848	80%
Portable Toilet Services	\$345,640	\$276,512	80%
Power Washing Services- Bus Facilities	\$38,840	\$31,072	80%
Radio Communications Maintenance Support Services	\$596,770	\$477,416	80%
Rail Car Training	\$47,840	\$38,272	80%
Rail Maintenance Including Rail Grinding Services	\$3,215,616	\$2,572,492	80%
Rail Ties	\$840,000	\$672,000	80%
Rail Welding Services	\$456,490	\$365,192	80%
Railroad Related Minor Repair Services	\$893,283	\$714,626	80%
Security for Revenue Department	\$240,383	\$192,306	80%
Shop Tool Calibration Services	\$61,661	\$49,328	80%
Shop Tools / Supplies (inventory excluded)	\$583,368	\$466,694	80%
Special Trackwork Replacement - 9th & C crossover - construction	\$750,000	\$600,000	80%
Special Trackwork Replacement - a yard turnouts, newton crossover, imperial transit center diamonds - construction	\$5,175,000	\$4,140,000	80%
Special Trackwork Replacement - BL 119# crossover - design	\$200,000	\$160,000	80%
Special Trackwork Replacement - broadway wye - equipment	\$2,000,000	\$1,600,000	80%
substation replacement - design	\$2,271,598	\$1,817,278	80%
substation replacement - equipment	\$5,000,000	\$4,000,000	80%
Tire Repairs- Facilities, Wayside and Track	\$53,712	\$42,969	80%
Towing Services	\$297,440	\$237,952	80%
Track Repair Parts (inventory excluded)	\$374,280	\$299,424	80%
Trash Disposal, Green Waste & Recycling Services	\$603,174	\$482,539	80%
Trash Receptacles	\$809,120	\$647,296	80%
Ultrasonic Rail Testing Services	\$719,264	\$575,411	80%
Uniform, Shop Materials Rentals	\$815,240	\$652,192	80%
Weed Abatement Services	\$406,411	\$325,129	80%
Wheel Lathe Maintenance Services	\$273,889	\$219,111	80%
Total	\$357,627,970	\$99,956,499	28%

Subrecipients

MTS does not reallocate any FTA funds to a subrecipient.

Categories of Work

MTS reviewed each project anticipated to be awarded in the triennial period and determined the applicable categories of work applicable for each project using North American Industry Classification System (NAICS) codes. The corresponding dollar values for each NAICS code for each project were summarized for purposes of weighting the categories of work based on the staff estimates. Table 2 provides a summary of the categories of work with estimated dollars for each.

TABLE 2
(amounts subject to rounding differences)

PROJECT NAME	NAICS CODE ⁴	NAICS TITLE ⁵	EST. FTA \$ NAICS ⁶
115Re Head Hardened Steel Rail	331110	Iron and steel mills and ferroalloy manufacturing	\$603,692
50- and 80-Gallon Parts Cleaner Services	561790	Other services to buildings and dwellings	\$38,688
APCD) and UST Annual Inspections- Bus Facilities	541990	All other professional, scientific, and technical services	\$7,039
Blue and Green Line public announcement System - construction	238210	Electrical contractors and other wiring installation contractors	\$250,000
Blue and Green Line variable messaging signs - construction	238210	Electrical contractors and other wiring installation contractors	\$176,000
Blue and Green Line variable messaging signs - equipment	811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	\$928,000
Building and Facilities Related Minor Repair Services	236220	Commercial and institutional building construction	\$1,488,211
Bus Engine In-Frame Overhaul	811111	General automotive repair	\$3,804,736
Bus Repair Parts (inventory excluded)	811111	General automotive repair	\$751,990
Civil Related Minor Repair Services	237990	Other heavy and civil engineering construction	\$3,377,155
Clarifier Waste Services / 1000Lb Carbon Canister Services	488210	Support Activities for Rail Transportation	\$326,473
Crane Inspections & As-Needed Repair Services- Trolley	488210	Support Activities for Rail Transportation	\$77,207
Crane Preparation for Test	611519	Other technical and trade schools	\$32,831
Cylinder Rental and Gas Refill Services - Transit & Trolley	424720	Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals)	\$37,650
Elevator and Escalator Maintenance & Repair Services	238290	Other building equipment contractors	\$2,730,052
Emergency Beehive Removal - Facilities and MOW	561710	Exterminating and pest control services	\$6,885

⁴ The category of work (NAICS code) for each project.

⁵ The category of work (NAICS) title.

⁶ The estimated FTA dollar share for each NAICS code.

PROJECT NAME	NAICS CODE ⁴	NAICS TITLE ⁵	EST. FTA \$ NAICS ⁶
Fire Alarm Monitoring Services	561621	Security systems services (except locksmiths)	\$506,353
Fire and Safety Monitoring & Maintenance at SDSU	561621	Security systems services (except locksmiths)	\$244,207
Fire Extinguisher Maintenance Services	238220	Plumbing, heating, and air-conditioning contractors	\$154,703
Fixed Route Bus Services	485113	Bus and other motor vehicle transit systems	\$23,967,630
Fleet and Ancillary Equipment Inspections, Maintenance and Repair Services- Trolley	488210	Support Activities for Rail Transportation	\$380,921
Generator Maintenance and Service- Bus Facilities	238290	Other building equipment contractors	\$41,642
Grade Crossing Replacement - construction	237990	Other heavy and civil engineering construction	\$2,820,000
Hi-Rail Vacuum Services	488210	Support Activities for Rail Transportation	\$62,100
Homeless Encampment Cleanup Services	488490	Other support activities for road transportation	\$281,138
Interior Bus Cleaning Services	561720	Janitorial services	\$1,658,512
LRV Accident and Vandalism Repair Services	488210	Support Activities for Rail Transportation	\$10,957,483
LRV Brake Overhaul	336510	Railroad Rolling Stock Manufacturing	\$5,553,076
LRV Lifts Maintenance Services	488210	Support Activities for Rail Transportation	\$108,160
LRV OBVSS Services	238210	Electrical contractors and other wiring installation contractors	\$173,165
LRV Repair Parts (inventory excluded)	488210	Support Activities for Rail Transportation	\$244,961
Minibus & ADA Complementary Paratransit Fixed Route Services	485991	Special needs transportation	\$13,218,602
On-Call Electrical Repair Services	238210	Electrical contractors and other wiring installation contractors	\$67,843
On-Call HVAC Preventative Maintenance Services	238220	Plumbing, heating, and air-conditioning contractors	\$241,582
On-Call Plumbing Repair Services	238220	Plumbing, heating, and air-conditioning contractors	\$149,153
On-track speed wing equipment replacement - equipment	811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	\$600,000
Orange & Green Line Elevator Modernization - construction	238290	Other building equipment contractors	\$1,200,000
Paint Booth Modernization - construction	236220	Commercial and institutional building construction	\$800,000
Paint Gun Cleaning Services	811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	\$34,597
Pest Control Services	561710	Exterminating and pest control services	\$198,848
Portable Toilet Services	562991	Septic tank and related services	\$276,512
Power Washing Services- Bus Facilities	561790	Other services to buildings and dwellings	\$31,072
Radio Communications Maintenance Support Services	238210	Electrical contractors and other wiring installation contractors	\$477,416
Rail Car Training	488210	Support Activities for Rail Transportation	\$38,272



PROJECT NAME	NAICS CODE ⁴	NAICS TITLE ⁵	EST. FTA \$ NAICS ⁶
Rail Maintenance Including Rail Grinding Services	488210	Support Activities for Rail Transportation	\$2,572,492
Rail Ties	423990	Other miscellaneous durable goods merchant wholesalers	\$672,000
Rail Welding Services	488210	Support Activities for Rail Transportation	\$365,192
Railroad Related Minor Repair Services	237990	Other heavy and civil engineering construction	\$714,626
Security for Revenue Department	561612	Security guards and patrol services	\$192,306
Shop Tool Calibration Services	811219	Other electronic and precision equipment repair and maintenance	\$49,328
Shop Tools / Supplies (inventory excluded)	423710	Hardware merchant wholesalers	\$466,694
Special Trackwork Replacement - 9th & C crossover - construction	237990	Other heavy and civil engineering construction	\$600,000
Special Trackwork Replacement - a yard turnouts, newton crossover, imperial transit center diamonds - construction	237990	Other heavy and civil engineering construction	\$4,140,000
Special Trackwork Replacement - BL 119# crossover - design	237990	Other heavy and civil engineering construction	\$160,000
Special Trackwork Replacement - Broadway wye - equipment	237990	Other heavy and civil engineering construction	\$1,600,000
Substation replacement - design	541330	Engineering services	\$1,817,278
Substation replacement - equipment	811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	\$4,000,000
Tire Repairs- Facilities, Wayside and Track	423130	Tire and tube merchant wholesalers	\$42,969
Towing Services	488410	Motor vehicle towing	\$237,952
Track Repair Parts (inventory excluded)	488210	Support Activities for Rail Transportation	\$299,424
Trash Disposal, Green Waste & Recycling Services	562111	Solid waste collection	\$482,539
Trash Receptacles	423850	Service establishment equipment and supplies merchant wholesalers	\$647,296
Ultrasonic Rail Testing Services	488210	Support Activities for Rail Transportation	\$575,411
Uniform, Shop Materials Rentals	812320	Drycleaning and laundry services (except coin-operated)	\$652,192
Weed Abatement Services	561730	Landscaping services	\$325,129
Wheel Lathe Maintenance Services	811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	\$219,111
Total			\$99,956,499

Table 3 is a summary of each NAICS code and the total dollar values for each NAICS code based on the projects listed in Table 2.

TABLE 3: NAICS Code Summary
 (amounts subject to rounding differences)

NAICS Code	Category of Work	NAICS Dollars ⁷	NAICS Weight ⁸
236220	Commercial and institutional building construction	\$2,288,211	2.29%
237990	Other heavy and civil engineering construction	\$13,411,782	13.42%
238210	Electrical contractors and other wiring installation contractors	\$1,144,424	1.14%
238220	Plumbing, heating, and air-conditioning contractors	\$545,437	0.55%
238290	Other building equipment contractors	\$3,971,694	3.97%
331110	Iron and steel mills and ferroalloy manufacturing	\$603,692	0.60%
336510	Railroad rolling stock manufacturing	\$5,553,076	5.56%
423130	Tire and tube merchant wholesalers	\$42,969	0.04%
423710	Hardware merchant wholesalers	\$466,694	0.47%
423850	Service establishment equipment and supplies merchant wholesalers	\$647,296	0.65%
423990	Other miscellaneous durable goods merchant wholesalers	\$672,000	0.67%
424720	Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals)	\$37,650	0.04%
485113	Bus and other motor vehicle transit systems	\$23,967,630	23.98%
485991	Special needs transportation	\$13,218,602	13.22%
488210	Support activities for rail transportation	\$16,008,097	16.02%
488410	Motor vehicle towing	\$237,952	0.24%
488490	Other support activities for road transportation	\$281,138	0.28%
541330	Engineering services	\$1,817,278	1.82%
541990	All other professional, scientific, and technical services	\$7,039	0.01%
561612	Security guards and patrol services	\$192,306	0.19%
561621	Security systems services (except locksmiths)	\$750,561	0.75%
561710	Exterminating and pest control services	\$205,733	0.21%
561720	Janitorial services	\$1,658,512	1.66%
561730	Landscaping services	\$325,129	0.33%
561790	Other services to buildings and dwellings	\$69,760	0.07%
562111	Solid waste collection	\$482,539	0.48%
562991	Septic tank and related services	\$276,512	0.28%
611519	Other technical and trade schools	\$32,831	0.03%
811111	General automotive repair	\$4,556,726	4.56%
811219	Other electronic and precision equipment repair and maintenance	\$49,328	0.05%
811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	\$5,781,708	5.78%
812320	Drycleaning and laundry services (except coin-operated)	\$652,192	0.65%
	Total	\$99,956,499	100.00%

⁷ The total dollars for each category of work (NAICS) that are summed from the values in Table 2.

⁸ The percentage of dollars for each category of work (NAICS) for all projects anticipated to be awarded.

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)⁹

To establish the Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid or propose on MTS FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, MTS followed the prescribed federal methodology to determine relative availability. This was accomplished by assessing the *California Unified Certification Program (CUCP) DBE Database of Certified Firms* and the *2021 U.S. Census Bureau County Business Patterns Database* within the market area for each of the categories of work defined in Table 2.

$$\text{Base Figure} = \sum \frac{(\text{Number of Ready, Willing and Able DBEs})}{(\text{Number of All Ready, Willing and Able Firms})} \times \text{Estimated NAICS \%}$$

⇒ For the numerator: CUCP DBE Database of Certified Firms

⇒ For the denominator: 2021 U.S. Census Bureau’s Business Patterns Database

In accordance with the formula listed above, the Base Figure is derived by:

- dividing the number of ready, willing, and able DBE firms identified for each NAICS work category by the number of all firms identified within the market area for each corresponding work category (*relative availability*),
- weighting the relative availability for each work category by the corresponding work category weight from Table 2 (*NAICS %*) to determine the Weighted Ratio for each NAICS work category, and
- adding the weighted ratio figures together.

A concerted effort was made to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

The relative availability of DBEs is calculated in Table 4 below.

TABLE 4: DBE Relative Availability
(amounts subject to rounding differences)

NAICS Code	Category of Work	DBEs ¹⁰	ALL Firms ¹¹	Rel. Aval. ¹²
236220	Commercial and institutional building construction	19	429	4.43%
237990	Other heavy and civil engineering construction	18	30	60.00%
238210	Electrical contractors and other wiring installation contractors	17	835	2.04%
238220	Plumbing, heating, and air-conditioning contractors	9	1001	0.90%
238290	Other building equipment contractors	2	59	3.39%
331110	Iron and steel mills and ferroalloy manufacturing	0	5	0.00%
336510	Railroad rolling stock manufacturing	0	0	0.00%

⁹ 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

¹⁰ The number of DBEs in the market area for each NAICS code from the CUCP DBE Database.

¹¹ The number of all firms (DBE and non-DBE) in the market area for each NAICS code from the 2021 U.S. Census Bureau County Business Patterns Database.

¹² The number of DBEs divided by the number of all firms.

NAICS Code	Category of Work	DBEs ¹⁰	ALL Firms ¹¹	Rel. Aval. ¹²
423130	Tire and tube merchant wholesalers	0	8	0.00%
423710	Hardware merchant wholesalers	1	58	1.72%
423850	Service establishment equipment and supplies merchant wholesalers	1	49	2.04%
423990	Other miscellaneous durable goods merchant wholesalers	10	124	8.06%
424720	Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals)	1	40	2.50%
485113	Bus and other motor vehicle transit systems	0	3	0.00%
485991	Special needs transportation	1	35	2.86%
488210	Support activities for rail transportation	0	0	0.00%
488410	Motor vehicle towing	0	103	0.00%
488490	Other support activities for road transportation	4	52	7.69%
541330	Engineering services	47	1165	4.03%
541990	All other professional, scientific, and technical services	14	277	5.05%
561612	Security guards and patrol services	2	122	1.64%
561621	Security systems services (except locksmiths)	1	54	1.85%
561710	Exterminating and pest control services	0	178	0.00%
561720	Janitorial services	11	671	1.64%
561730	Landscaping services	7	941	0.74%
561790	Other services to buildings and dwellings	4	255	1.57%
562111	Solid waste collection	2	56	3.57%
562991	Septic tank and related services	0	24	0.00%
611519	Other technical and trade schools	1	71	1.41%
811111	General automotive repair	3	821	0.37%
811219	Other electronic and precision equipment repair and maintenance	0	46	0.00%
811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	0	116	0.00%
812320	Drycleaning and laundry services (except coin-operated)	0	182	0.00%
	Total	175	7810	2.24%

The relative availability of DBEs from Table 4 is 2.24%. However, to make the Base Figure more accurate, MTS used weighting to take into account the amount of work that is available for each category of work (NAICS).

The weighted relative availability of DBEs is calculated in Table 5 below.

TABLE 5: DBE Weighted Relative Availability
(amounts subject to rounding differences)

NAICS Code	Category of Work	NAICS Weight ¹³	Rel. Aval. ¹⁴	Weighted Ratio ¹⁵
236220	Commercial and institutional building construction	2.29%	4.43%	0.10%
237990	Other heavy and civil engineering construction	13.42%	60.00%	8.05%
238210	Electrical contractors and other wiring installation contractors	1.14%	2.04%	0.02%
238220	Plumbing, heating, and air-conditioning contractors	0.55%	0.90%	0.00%
238290	Other building equipment contractors	3.97%	3.39%	0.13%
331110	Iron and steel mills and ferroalloy manufacturing	0.60%	0.00%	0.00%
336510	Railroad rolling stock manufacturing	5.56%	0.00%	0.00%
423130	Tire and tube merchant wholesalers	0.04%	0.00%	0.00%
423710	Hardware merchant wholesalers	0.47%	1.72%	0.01%
423850	Service establishment equipment and supplies merchant wholesalers	0.65%	2.04%	0.01%
423990	Other miscellaneous durable goods merchant wholesalers	0.67%	8.06%	0.05%
424720	Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals)	0.04%	2.50%	0.00%
485113	Bus and other motor vehicle transit systems	23.98%	0.00%	0.00%
485991	Special needs transportation	13.22%	2.86%	0.38%
488210	Support activities for rail transportation	16.02%	0.00%	0.00%
488410	Motor vehicle towing	0.24%	0.00%	0.00%
488490	Other support activities for road transportation	0.28%	7.69%	0.02%
541330	Engineering services	1.82%	4.03%	0.07%
541990	All other professional, scientific, and technical services	0.01%	5.05%	0.00%
561612	Security guards and patrol services	0.19%	1.64%	0.00%
561621	Security systems services (except locksmiths)	0.75%	1.85%	0.01%
561710	Exterminating and pest control services	0.21%	0.00%	0.00%
561720	Janitorial services	1.66%	1.64%	0.03%
561730	Landscaping services	0.33%	0.74%	0.00%
561790	Other services to buildings and dwellings	0.07%	1.57%	0.00%
562111	Solid waste collection	0.48%	3.57%	0.02%
562991	Septic tank and related services	0.28%	0.00%	0.00%
611519	Other technical and trade schools	0.03%	1.41%	0.00%
811111	General automotive repair	4.56%	0.37%	0.02%
811219	Other electronic and precision equipment repair and maintenance	0.05%	0.00%	0.00%
811310	Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	5.78%	0.00%	0.00%
812320	Drycleaning and laundry services (except coin-operated)	0.65%	0.00%	0.00%
Step 1 Base Figure (i.e., Sum of Weighted Ratios for all Work Categories)				8.95%

¹³ From Table 2

¹⁴ From Table 4

¹⁵ The NAICS weight multiplied by the relative availability.

The Step 1 base figure is the sum of the weighted ratios for each NAICS code, as shown in Table 5.

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, MTS reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45: Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included past DBE goal attainments and other evidence, as follows:

A. Past DBE Goal Attainments

Historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform on MTS projects. The projects anticipated to be awarded during the triennial period are substantially similar to those awarded in the recent past. MTS does not believe there were any abnormally high or abnormally low past FFY. Every semi-annual reporting period, MTS awards FTA-assisted contracts that consist of varying dollar amounts, varying term periods, use of varying procurement selection methods and depending on the subject matter of the contract, a varying number of DBE firms ready, willing, and able to perform those types of services. These multiple factors have consistently resulted in a range of DBE attainment rates in any given semi-annual reporting period, as seen in Table 6.

For instance, in FFY 2023 MTS awarded one (1) large, multi-year janitorial contract to a DBE. This resulted in a large amount of DBE participation in that FFY. Since 2007, MTS has awarded multi-year janitorial services to a DBE firm using only race-neutral outreach measures. As a result, every three (3) to five (5) years, MTS sees a high DBE attainment from these janitorial contracts. Achieving a high DBE attainment in FFY 2023 was not abnormal when reviewing previous triennial periods (e.g., See FFY 2019 DBE attainment in Table 6). Thus, MTS found no past FFY to be an outlier and thus no FFY was excluded.

MTS calculated past DBE participation attainments for the five (5) FFYs, for which DBE attainment data is available. Table 6 below reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on FTA-assisted contracts.

TABLE 6: Past Participation
(amounts subject to rounding differences)

FEDERAL FISCAL YEAR (FFY)	FTA DBE GOAL % ¹⁶	FTA DBE % ATTAINMENT ¹⁷
2019	2.90%	23.22%
2020	2.90%	0.16%
2021	2.90%	0.05%
2022	6.30%	2.21%
2023	6.30%	37.19%
Median DBE Attainment Within the Last 5 FFYs		2.21%

¹⁶ The FTA DBE Goal percentage for each Federal Fiscal Year.

¹⁷ The percentage of DBE attainment on the FTA share from the DBE Semi-Annual Uniform reports that were submitted to FTA.

The median participation for the past five (5) FFYs is lower than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on past DBE goal attainments has been made. The adjustment is calculated by averaging the Base Figure with the median DBE Past Attainment, as shown below.

TABLE 7: ADJUSTED BASE FIGURE

Base Figure (A)	8.95%
Median DBE Attainment (B)	2.21%
Adjusted Base Figure [(A+B)/2]	5.6%

Disparity Study

MTS reviewed and evaluated the 2019 San Diego Association of Governments (SANDAG) Disparity Study, the 2022 California Department of Transportation (Caltrans) Disparity Study, the 2022 North County Transit District (NCTD) Disparity Study, and the 2023 LA Metro Disparity Study as part of this goal setting process. MTS picked these due to their proximity to MTS’s market area as a component of its larger analysis and their focus on public transportation projects. MTS has declined to apply the results of the SANDAG and Caltrans disparity studies to the triennial goal methodology since the nature of procurements covered under those studies include significantly different projects from the projects anticipated for MTS during this triennial period. SANDAG and Caltrans include a substantial number of construction projects in their analysis while MTS uses a small amount (approximately 10%) of FTA funds for Capital Improvement Program construction projects. MTS has declined to apply the results of NCTD’s Disparity Study since its market area reviewed both San Diego County and Orange County market areas into one data set, without differentiating the data between the regions. Since MTS’s market area is San Diego County, MTS could not appropriately identify the San Diego County data. MTS also declined to apply the results of the LA Metro study as the geographic region covered is significantly different that the MTS market area. For this reason, MTS will not be making an adjustment to the base figure using evidence from the other disparity studies.

MTS uses a strictly race-neutral DBE program since the *Western States Paving v. Washington State Department of Transportation (Westerns States)* decision. If MTS fails to reach its goal for two (2) complete FFYs, MTS will re-evaluate its DBE program to determine whether contract goals are necessary to achieve the overall goal. If after re-evaluation MTS believes a race-conscious program is necessary, as required by *Western States*, MTS will gather evidence to determine if discrimination in the transportation contracting industry is present. MTS will make a determination at that time what type of evidence gathering is appropriate, based on DOT regulations and case law.

Other Available Evidence

In accordance with DOT DBE regulations, if available, MTS must consider evidence from related fields that affect the opportunity for DBEs to form, grow, and compete which include, but not limited to: statistical disparities in the ability of DBEs to get financing, bonding and insurance required to participate in MTS’s DBE Program; and data on employment, self-employment, education, training, and union apprenticeship programs to the extent related to the opportunities for DBEs to perform in MTS’s DBE Program. No such evidence was found. Therefore, no adjustment to MTS’s Step One Base Figure based on other evidence was made.

V. PROPOSED OVERALL DBE GOAL

Since the Ninth Circuit Court of Appeals decision regarding *Western States*, MTS has set race neutral goals. MTS will periodically re-evaluate its DBE Program to determine whether contract goals are necessary to achieve the overall goal. If after re-evaluation MTS believes a race-conscious program is necessary, as required by *Western States*, MTS will gather evidence to determine if discrimination in the transportation contracting industry is present. MTS will make a determination at that time what type of evidence gathering is appropriate, based on DOT regulations and case law.

The Proposed Overall DBE Goal for FFY 2025-2027 for MTS FTA-assisted contracts is 5.6%¹⁸.

MTS will continue to have race-neutral DBE program for FFY 2025-2027. MTS has been able to achieve moderate DBE participation by using only race-neutral methods and will continue to use the existing race-neutral measures as listed below and will consider new measures in order to achieve even greater participation over the triennial period. MTS will carefully monitor participation during the course of the goal period. At the conclusion of each year during the goal period, MTS will re-evaluate the effectiveness of the race-neutral methods and determine if it is necessary to institute a race-conscious portion and contract specific goals. If, in the future, as a result of this re-evaluation, MTS decides to implement race-conscious means, MTS will submit a revised DBE Goal methodology for FTA review and approval.

MTS intends to use race-neutral methods, as shown below, to meet the overall DBE goal of 5.6% for FFY 2025-2027 in accordance with Title 49 CFR Part 26.51.

TABLE 8: RACE-CONSCIOUS & RACE-NEUTRAL PROJECTIONS

DBE Adjusted Base Figure	5.6%
Race-Conscious Component	0.0%
Race-Neutral Component	5.6%

VI. RACE-NEUTRAL IMPLEMENTATION MEASURES

The DOT regulations require that race-neutral methods be used to the maximum extent feasible to reach the DBE overall goal. MTS is currently implementing a number of race- and gender-neutral remedies to outreach and promote the participation of DBEs and small businesses in the MTS FTA-assisted contracting program. MTS plans to continue or implement the following race-neutral measures for FFY 2025-2027 and will continue to explore other options for consideration based on success in meeting overall DBE goals based on these efforts. MTS will:

- MTS will hold and/or participate in conferences, such as those that include a networking component to promote teaming opportunities between prospective prime contractors and the DBE and Small Business contracting community. MTS will also actively promote the Small Business conferences, programs, and support services offered by other agencies that have established DBE and Small Business Programs.
- MTS will provide assistance in overcoming limitations such as inability to obtain bonding or financing. Specifically, MTS will, through its website, refer the DBE and Small Business

¹⁸ Rounded to a tenth of a percent, per FTA guidance.

contracting community to the U.S. Small Business Administration Bonding Assistance Program and San Diego Small Business Development Center.

- MTS will solicit DBEs and other small business participation by carrying out information and on specific contract opportunities. Specifically, MTS will: ensure the inclusion of DBEs and other small businesses are notified on MTS solicitations and/or MTS's e-procurement web-based vendor list; make available to prime contractor information on how to view a listing of potential DBE and other small business subcontractors; and provide contracting information in languages other than English, where appropriate and upon request.
- MTS will advise its contracting community of the benefits of becoming DBE certified, the eligibility requirements to become certified as a DBE, and the online directory of certified DBEs, found at the CUCP website: <https://californiaucp.dbesystem.com/>
- Encourage DBE and other small business contracting community to register and receive solicitation notices through MTS's e-procurement website: <https://pbsystem.planetbids.com/portal/14771/portal-home>.

Fostering Small Business Participation¹⁹

In addition to the race/gender-neutral measures that are aimed to increase small business participation, MTS has implemented several strategies to foster small business participation in its contracting process. These include the following:

- MTS will advise past and current MTS contractors of the benefits of becoming SB certified and the eligibility requirements to become certified as a SB.
- MTS will advise the contracting community of the online directory of certified SBs, found at the California Department of General Services (DGS) website: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>.
- MTS will aim to advertise more of its small purchase procurements on MTS's e-procurement site to better outreach to the small business community of potential MTS contracting opportunities, rather than just requesting three quotes.

¹⁹ See Title 49 CFR Part 26 Section 26.39 "Fostering Small Business Participation."