

# Memorandum

**To:** TOM OSTROM  
Division Chief  
Division of Engineering Services

**Date:** June 28, 2021

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Division Chief  
Division of Local Assistance

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**From:** CATHRINA BARROS  
Office Chief  
Contract Evaluation Branch/Engineering Support Branch  
Office of Civil Rights

**Subject: FHWA DBE GOAL SETTING MID-YEAR ADJUSTMENT**

For Federal Fiscal Years (FFYs) 2019-2021, Caltrans submitted an overall Disadvantaged Business Enterprise (DBE) goal to the Federal Highway Administration (FHWA) pursuant to 49 CFR Part 26 Subpart C §26.45, for federal-aid highway projects. Caltrans current overall DBE goal is 17.6%.

As of May 31, 2021, Caltrans year to date commitment at award was 15.15% , short of the current overall DBE goal of 17.6%. 49 CFR Part 26 Subpart C §26.51(f)(2) states, "If you determine that you will fall short of your overall goal, then you must make appropriate modifications in your use of race-neutral and/or race-conscious measures to allow you to meet the overall goal."

DBE goal setting recommendations are reviewed and approved by the Engineering Support Branch in the Office of Civil Rights. The Caltrans 2016 DBE Program Plan, Part II - Section 1E, further discusses Caltrans goal setting methodology. It states, "DBE contract goals are calculated for each project based on subcontracting opportunities and DBE availability, and includes a

factor to account for an abundance of DBE firms."


The existing DBE goal setting methodology was reviewed, and previous DBE contract goal data was analyzed by district. The analysis considered the following data: the average overall DBE contract goal, the total number of contracts with a DBE goal, the number of Good Faith Effort (GFE) evaluations, and the number of certified DBE's. This data evaluation led to a proposal to modify the factor based on district.

As of June 1, 2021, the Engineering Support Branch started to increase the recommended DBE contract goals to optimize DBE subcontracting opportunities. These adjustments will increase the DBE contract goals between 0.5% and 1.5%. Additionally, contracts with higher dollar values will also be closely evaluated to optimize subcontracting opportunities.

The details of this goal methodology adjustment were shared with the divisions on May 27, 2021, during the monthly FHWA Goal Setting meeting. This memo serves as documentation of the goal methodology adjustment discussion.

If there any questions, please contact Cathrina Barros by e-mail at cbarros@dot.ca.gov or by phone at (916) 639-6383.

**APPROVED**

  
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DAVID DELUZ  
Deputy Director  
Office of Civil Rights

June 28, 2021  
Date

- c: Jill Sewell, Office Chief, DES – Office of Construction Contract Awards
- Kamal Sah, Office Chief, DLA – Office of Guidance and Oversight
- Esther Morris, Assistant Division Chief, DPAC – A & E Contracts
- Erin Thomson, Office Chief, DOTP – Office of Regional Planning