

# Memorandum

**To:** DISTRICT DIRECTORS  
DEPUTY DIRECTORS  
DIVISION CHIEFS

**Date:** December 4, 2024

**From:** DAVID DELUZ  
Deputy Director  
Office of Civil Rights  
Headquarters

**Subject:** **DBE GOAL FOR FISCAL YEAR 2025 TO 2027**

Enclosed is the California Department of Transportation's (Caltrans) Disadvantaged Business Enterprise (DBE) Overall Annual Goal and Methodology for Federal Fiscal Years (FFYs) 2025-2027.

Every three years, Caltrans submits its overall DBE Goal and Methodology to the Federal Highway Administration (FHWA), pursuant to 49 Code of Federal Regulation Part 26.45 for federal-aid highway projects.

Caltrans proposes a new DBE triennial goal of **21.35** percent for FFYs 2025-2027, which now applies to its FHWA-funded contracts beginning December 2, 2024. As a result, please ensure that all future DBE goal considerations are based on the new goal, and references to the prior goal of 22.23 percent are removed from all documents and specifications.

If you have any questions regarding the DBE Program, the Caltrans 2024 Disparity Study, or the Caltrans Overall DBE Goal and Methodology Report, contact Edwin Bragado, at <edwin.bragado@dot.ca.gov> or visit <[www.dot.ca.gov/programs/civil-rights/disparity-study](http://www.dot.ca.gov/programs/civil-rights/disparity-study)>.

  
David Deluz (Dec 4, 2024 14:02 PST)

12/04/2024

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Date

Attachment  
Caltrans FHWA Overall DBE Goal and Methodology Proposal FFY 2025-2027

**PROPOSED OVERALL DBE GOAL FOR FHWA-FUNDED WORK, 2025 – 2027**

In accordance with 49 Code of Federal Regulations (CFR) Part 26, the United States Department of Transportation’s (USDOT’s) “Tips for Goal-Setting,” and other official USDOT guidance, the California Department of Transportation (Caltrans) proposes a new three-year overall DBE goal for the Federal Highway Administration (FHWA)-funded projects it anticipates awarding in federal fiscal years (FFYs) 2025 through 2027. To determine its new overall DBE goal, Caltrans followed the two-step goal-setting methodology set forth in 49 CFR Section 26.45. Based on a disparity study that BBC Research & Consulting (BBC) completed in December 2024 (referred to herein as the 2024 Caltrans Disparity Study) as well as on other relevant information, Caltrans proposes an overall DBE goal for FFYs 2025 through 2027 of **21.35 percent**.

**A. Determining a Base Figure – 49 CFR Section 26.45(c)**

Caltrans began the process of determining its new overall DBE goal by establishing a *base figure* for the goal. Consistent with USDOT guidance, Caltrans relied on information from a *custom census* availability analysis BBC conducted as part of the 2024 Caltrans Disparity Study to establish a base figure. For the purpose of doing so, the availability analysis was limited to the degree to which *potential DBEs*—person of color (POC)- and woman-owned businesses currently DBE-certified or that appear they could be DBE-certified based on revenue requirements described in 49 CFR Part 26.65—are *ready, willing, and able* to perform work on the FHWA-funded projects Caltrans awarded between January 1, 2020 through December, 31, 2023 (i.e., the *study period*).<sup>1, 2</sup>

To help Caltrans determine the base figure, BBC examined 30,488 FHWA-funded prime contracts and subcontracts (referred to collectively *contract elements*), which accounted for approximately \$15.3 billion worth of work Caltrans awarded during the study period. Figure 1 presents the work types associated with those contract elements along with the total dollar volume associated with each type.

**Figure 1.**  
**FHWA-funded contract elements included in the availability analysis**

Source:  
2024 Caltrans Disparity Study.

| Contract Type         | Number of Contract Elements | Dollars             |
|-----------------------|-----------------------------|---------------------|
| Construction          | 26,557                      | \$12,447,304        |
| Professional services | 3,931                       | \$2,831,906         |
| <b>Total</b>          | <b>30,488</b>               | <b>\$15,279,210</b> |

For each contract element, BBC determined the *subindustry* that best represented the type of work involved based on information about the vendors’ primary lines of work. Figure 2 presents the specific work types and dollars associated with the relevant prime contracts and subcontracts Caltrans awarded during the study period. A key assumption of the availability analysis is that the work Caltrans awarded during the study period is representative of the work it will award in the future. Caltrans reviewed the contract elements included in the availability analysis and upcoming contracting opportunities and

<sup>1</sup> Consistent with USDOT guidance, Caltrans considers any contract or procurement with at least \$1 of FHWA funding as an *FHWA-funded project* and includes the total value of the projects in its pool of total FHWA-funded contracting dollars.

<sup>2</sup> “Woman-owned businesses” refers to white woman-owned businesses. Information and results for businesses owned by women of color are included along with those of businesses owned by men of color according to their corresponding racial/ethnic groups.

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determined that the mix of the types and sizes of FHWA-funded projects it anticipates awarding in FFYs 2025 through 2027 will be similar to those of the FHWA-funded projects BBC included in the availability analysis.

**Figure 2.**  
**Caltrans contract and procurement dollars by subindustry**

Note:  
Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source:  
2024 Caltrans Disparity Study.

| Subindustry                                    | Dollars             |
|--|---------------------|
| <b>Construction</b>                            |                     |
| Highway, street, and bridge construction       | \$7,489,269         |
| Excavation, drilling, wrecking, and demolition | \$1,104,840         |
| Electrical work                                | \$789,486           |
| Concrete work                                  | \$755,081           |
| Fencing, guardrails, barriers, and signs       | \$566,364           |
| Painting, striping, and marking                | \$264,735           |
| Traffic control and safety                     | \$256,579           |
| Water, sewer, and utility lines                | \$241,910           |
| Landscaping services                           | \$218,318           |
| Concrete, asphalt, sand, and gravel products   | \$206,182           |
| Rebar and reinforcing steel                    | \$156,715           |
| Building construction                          | \$151,012           |
| Other construction services                    | \$106,267           |
| Trucking, hauling, and storage                 | \$76,711            |
| Other construction materials                   | \$63,833            |
| <b>Total construction</b>                      | <b>\$12,447,304</b> |
| <b>Professional Services</b>                   |                     |
| Engineering                                    | \$1,765,791         |
| Construction management                        | \$423,250           |
| Environmental services                         | \$290,931           |
| Transportation planning services               | \$130,441           |
| Testing and inspection                         | \$72,843            |
| Surveying and mapmaking                        | \$68,239            |
| Architectural and design services              | \$66,738            |
| Other professional services                    | \$13,673            |
| <b>Total professional services</b>             | <b>\$2,831,906</b>  |
| <b>GRAND TOTAL</b>                             | <b>\$15,279,210</b> |

**1. Methodology for the availability analysis.** The availability analysis focused on the specific subindustries related to the types of FHWA-funded projects Caltrans awarded during the study period, as shown in Figure 2. BBC used various data sources to compile a *phone book* of businesses that perform work relevant to those subindustries and have locations in Caltrans’ *relevant geographic market area (RGMA)*, which BBC identified as the entire state of California. The firm then attempted to conduct *availability surveys* with each business included in the phone book and developed an *availability database* of potentially available businesses based on information from businesses that participated in the survey.

**a. Overview of availability surveys.** BBC began the availability survey process by collecting information from Dun & Bradstreet (D&B) Marketplace listings about all the businesses listed under 8-digit work specialization codes (as developed by D&B) that were most relevant to the subindustries that account for the vast majority of Caltrans’ and subrecipient local agencies’ FHWA-funded work and that had a location in the RGMA.

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**b. Information collected in availability surveys.** The BBC study team conducted surveys with the owners or managers of the identified businesses to collect detailed information about each business, including:

- Status as a private business (as opposed to a public agency or nonprofit organization);
- Status as a subsidiary or branch of another company;
- Primary lines of work;
- Interest in performing work for Caltrans or other California government agencies;
- Interest in performing work as a prime contractor or as a subcontractor;
- Largest prime contract or subcontract the business is able to perform (to assess the *relative capacity* of each business);
- Regions in California where the firm can perform work;
- Company size in terms of revenues and number of employees; and
- Race and gender of the business' owner(s).

**c. Potentially available businesses.** BBC considered businesses to be potentially available for Caltrans' FHWA-funded prime contracts or subcontracts if they reported possessing *all* the following characteristics, regardless of the race or gender of business owners:

- a. Being a private sector business (as opposed to a nonprofit organization);
- b. Having performed work relevant to Caltrans' FHWA-funded projects;
- c. Being an operational business;
- d. Being interested in work for Caltrans or other California government agencies; and
- e. Having the ability to work in the RGMA.

BBC also considered the largest contract each business is able to perform and the different regions of California where the business is able to perform work to determine if the business was potentially available for specific projects Caltrans awarded during the study period.

**2. Steps to calculating availability.** Only a subset of businesses was considered potentially available for any particular FHWA-funded project Caltrans awarded during the study period based on a match between the characteristics of each business and the characteristics of each relevant contract element. BBC took the following steps to calculate business availability for each contract element:

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1. BBC identified businesses in the availability database that reported they:
  - Are interested in performing related work in that particular role (i.e., prime contract or subcontract) for that specific type of work for Caltrans or other California government agencies;
  - Can serve customers in the location where the work took place; and
  - Are able to perform work of that size.
2. BBC then counted the number of potential DBEs (by the race and gender of business owners) relative to all businesses in the availability database that met the above criteria.
3. BBC translated the numeric availability of potential DBEs for the contract element into percentage availability.

BBC repeated those steps for each FHWA-funded contract element Caltrans awarded during the study period. The firm then multiplied percentage availability for each contract element by the dollars associated with it, added results across all contract elements, and divided by the total dollars for all contract elements. The result was a dollar-weighted estimate of the overall availability of potential DBEs for the USDOT-funded work Caltrans awarded during the study period as well as a separate availability estimate for each relevant racial/ethnic and gender group. Figure 3 presents detailed information about the base figure of Caltrans' overall DBE goal, based on the above calculations:

- Column (a) presents the groups of potential DBEs BBC considered in the base figure analysis;
- Column (b) presents the dollar-weighted availability percentage of each group for FHWA-funded *professional services* contract elements;
- Column (c) presents the dollar-weighted availability percentage of each group for FHWA-funded *construction* contract elements; and
- Column (d) presents the dollar-weighted availability percentage of each group for *all* relevant FHWA-funded contract elements considered together.

As presented at the bottom of column (d), the availability analysis indicates that potential DBEs are available for 27.7 percent of Caltrans' FHWA-funded prime contracts and subcontracts. Thus, Caltrans considers **27.7 percent as its base figure** for its next overall DBE goal. As presented in the last row of Figure 3, the overall base figure reflects an industry dollar weight of 81.5 percent for construction projects and 18.5 percent for professional services projects based on the volume of dollars of FHWA-funded projects Caltrans awarded during the study period.

## **B. Determining if an Adjustment is Needed – 49 CFR Section 26.45(d)**

After establishing the base figure, Caltrans considered relevant information to determine whether any adjustment was needed to the base figure to ensure that its overall DBE goal was as precise as possible. In considering an adjustment to the base figure, Caltrans evaluated information about:

- Capacity of DBEs to perform work on FHWA-funded projects based on past DBE participation;
- Any barriers in the ability of DBEs to get financing, bonding, and insurance;
- Information related to employment, self-employment, education, training, and unions; and
- Other relevant data.

**Figure 3.**  
**Availability estimates for potential DBEs for USDOT-funded projects**

| (a)<br>Potential DBEs       | Availability Percentage      |                     |                         |
|-----------------------------|------------------------------|---------------------|-------------------------|
|                             | (b)<br>Professional services | (c)<br>Construction | (d)<br>Weighted average |
| Asian Pacific American      | 13.4 %                       | 3.4 %               | 5.3 %                   |
| Black American              | 4.3 %                        | 2.4 %               | 2.8 %                   |
| Hispanic American           | 8.3 %                        | 11.9 %              | 11.2 %                  |
| Native American             | 0.4 %                        | 0.5 %               | 0.5 %                   |
| Subcontinent Asian American | 3.2 %                        | 1.7 %               | 2.0 %                   |
| Non-Hispanic White woman    | 8.2 %                        | 5.5 %               | 6.0 %                   |
| <b>Total potential DBEs</b> | <b>37.8 %</b>                | <b>25.4 %</b>       | <b>27.7 %</b>           |
| <b>Industry weight</b>      | <b>18.5 %</b>                | <b>81.5 %</b>       |                         |

Note: Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source: 2024 Caltrans Disparity Study.

**1. Capacity of DBEs to perform work on FHWA-funded projects based on past DBE participation.** USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation in their FHWA-funded projects in recent years. Based on utilization analysis results—which are based on both time of award commitments and paid to date information where available—from the 2024 Caltrans Disparity Study, Caltrans awarded 15.0 percent of all FHWA-funded contracting dollars to certified DBEs between January 1, 2020 and December 31, 2023 (see Appendix E, Figure E-10 of the disparity study report). That information supports a downward adjustment to Caltrans’ base figure. If Caltrans were to use the approach USDOT suggests, the overall goal would be the average of the 27.7 percent base figure and the 15.0 percent figure for past DBE participation, yielding a potential overall DBE goal of 21.35 percent.

**2. Information related to employment, self-employment, education, training, and unions.** BBC’s analyses of conditions in the California marketplace indicate that there are barriers that certain POC groups and women face related to human capital, financial capital, and business ownership in the RGMA. Such barriers may decrease the availability of POC- and woman-owned businesses to perform the FHWA-funded projects Caltrans awards (see Chapters 3 and 4 and Appendix D of the disparity study report). For example:

*The Hispanic American woman owner of a professional services company stated, "In school, it was 50% women in my class and 50% men, and so I really did not think there was a gender bias at all. Since then, I think I'm the only, maybe one other one is doing it, [woman who] is still doing architecture. And what tends to happen is I think that there's this intimidation that happens in the real world, especially when you're doing stuff that's getting built. ... In the construction world, there is so much intimidation for women, and they kind of cower out of it and then they end up in interior design."*

*The South Asian/Middle Eastern American woman owner of an SBE- and DBE-certified professional services company stated, "I left the private consulting firm because the CFO of the firm would come into my office and start talking about political issues that relate to the*

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*countries of origin of my ethnic background. ... And it inhibits you from moving up in that system. It inhibits you from feeling comfortable ... you're definitely not included."*

*The Hispanic American owner of a construction business stated, "When I started as a concrete subcontractor, the reason I ended up getting my general builder's license, I had to do it as a necessity. I would go up to the existing contractors, general builders, and I wasn't part of the good ol' boys club, so they wouldn't even give me the time of day. ... I'm not part of the good ol' boys club. I understood that after several times it happened."*

BBC also used regression analyses to investigate whether race or gender is related to rates of business ownership among workers in relevant California industries. The regression analyses allowed BBC to examine those relationships while statistically controlling for various other personal characteristics of workers, including education and age. The analyses revealed that Black Americans and Hispanic Americans are significantly less likely than non-Hispanic White Americans and women are significantly less likely than men to own construction businesses after accounting for other personal characteristics. In addition, Asian Pacific Americans, Black Americans, and Subcontinent Asian Americans are significantly less likely than non-Hispanic White Americans to own businesses in the local professional services industry after accounting for other personal characteristics.

Based on information related to employment, self-employment, education, training, and unions, Caltrans could consider adjusting its base figure upward.

**3. Any disparities in the ability of DBEs to get financing, bonding, and insurance.** BBC's analysis of access to financing, bonding, and insurance also revealed quantitative and qualitative evidence that POCs, women, and POC- and woman-owned businesses in the region do not have the same access to those business elements as non-Hispanic White men and businesses owned by non-Hispanic White men (for details, see Chapters 3 and 4 and Appendix D of the disparity study report). For example:

*The Palestinian American owner of an SBE-certified construction business stated, "I do have horrible experiences since I started [my] business. I applied for a line of credit four times. ... If you're a person of color applying for a loan, they need the information of your unborn child. But if you are a White person, then it's like, 'Yeah, you're okay,' then just like the process is much easier."*

*The Hispanic American co-owner of a Hispanic American-owned, DBE-certified construction company stated, "More often than not, we have been denied [for loans]. So the only way we have ever been able to obtain a line of credit ... is going through these very obscure lending companies that have ridiculous terms and interest rates and payments. ... So, unless you go to one of those that will lend money to anybody because their terms are so ridiculous, you're not going to get a loan from a reputable financial institution."*

*The Hispanic American owner of a construction business stated, "There's a lot of companies that say, 'Oh, yeah, we will mainly deal with disadvantaged business,' et cetera, et cetera. But at the end of the day, they give you a higher interest rate. So, it's like, are you really doing the service, or are you still just gouging us?"*

Any barriers to obtaining financing, bonding, and insurance might limit opportunities for POCs and women to successfully form and operate businesses in the RGMA and would also place POC- and

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woman-owned businesses at a disadvantage in competing for Caltrans' FHWA-funded projects. Thus, information from the disparity study about financing, bonding, and insurance also supports an upward adjustment to Caltrans' base figure.

**4. Other relevant data.** USDOT suggests that federal fund recipients also examine "other factors" when determining whether to adjust their base figures.<sup>3</sup>

**a. Success of businesses.** There is quantitative and qualitative evidence that certain groups of POC- and woman-owned businesses are less successful than businesses owned by non-Hispanic White men and face greater barriers in the marketplace, even after accounting for various business characteristics (see Chapters 3 and 4 and Appendix D of the disparity study report). Some of the qualitative evidence explicitly indicates that discrimination based on race and gender adversely affects the success of POC- and woman-owned businesses in the RGMA (Chapters 3 and 4 and Appendix D). For example:

*The Hispanic American owner of a construction company stated, "I asked [an associate to come work for me]. ... He was Caucasian. And I said, 'And I want you to do two things for me. One, I want you to go, I want to introduce you to the clients and stuff and new people that are looking for business from [us]. I would like you to go with me to those meetings and I would like you to go to bid openings with me.' So when I started doing that, I had what I needed to get in the door. ... And that's what it took, believe it or not, to have a Caucasian to go knock on the door and they would open. Because when I tried to do it as a Hispanic, I couldn't even get close. Could not even get close to the door."*

*The Asian Pacific American representative of an SBE- and DBE-certified professional services company stated, "If you are certified, then there's kind of a stigma like, well, you know, they may be too small to handle the job."*

*The Black American owner of an ACDBE- and MBE-certified construction company stated, "They keep using the same people over and over again. And if you're Black, stand back. If you're brown, hang around. If you're White, you are all right. That's just the way it works."*

Thus, information about business success also supports an upward adjustment to Caltrans' base figure.

**b. Evidence from disparity studies conducted within the jurisdiction.** USDOT suggests that federal fund recipients also examine evidence from disparity studies conducted within their jurisdictions when determining whether to adjust their base figures.

**5. Adjustment.** Caltrans has considered myriad information relevant to a potential adjustment to the base figure and has decided to adjust its base figure downward for the following reasons:

- Information about marketplace conditions supports an upward adjustment, but most of that information is not easily quantifiable.

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<sup>3</sup> 49 CFR Section 26.45.

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- Information about Caltrans' DBE participation in recent years supports a downward adjustment. In addition, some DBEs working on Caltrans projects do not have capacity to take on additional work and fewer businesses are bidding on projects with DBE goals.
- Caltrans believes it is important to set a realistic goal that accounts for conditions in the marketplace and the realities of contracting for construction and professional services work. Based on those considerations, the agency believes a realistic overall DBE goal would be greater than the past participation of DBEs in its relevant projects but less than its base figure.

Therefore, to account for the current capacity of DBEs to perform on Caltrans' FHWA-funded work, the agency took the average of the 27.7 percent base figure and the 15.0 percent past DBE participation based on the 2024 Caltrans Disparity Study, yielding a **new overall DBE goal of 21.35 percent for FFYs 2025, 2026, and 2027.**

### **C. Race-/Gender-Neutral and Race/Gender-Conscious Split – 49 CFR Section 26.51 (c)**

In accordance with federal regulations and USDOT guidance, Caltrans will attempt to meet the maximum feasible portion of its proposed 21.35 percent overall DBE goal through using race- and gender-neutral measures. Caltrans uses a broad range of such measures, which are summarized in Figure 4, to encourage the participation of all small businesses—including DBEs—in its FHWA-funded projects and plans on continuing to use those measures in the future.

Using Caltrans' Uniform Reports of DBE Awards/Commitments from past five years, Caltrans calculated the median of the proportion of their goal met by neutral measures as 4.04 percent (4.04% median by past neutral participation: FFY 2019–3.97%, FFY 2020–4.90%, FFY 2021–2.58%, FFY 2022–4.29%, FFY 2023–4.04%). Based on that information, Caltrans projects that it will achieve **4.04 percent** of its proposed DBE goal through using race- and gender-neutral measures. The agency projects it will meet the remainder of its proposed DBE goal—**17.31 percent**—through using race- and gender-conscious measures (i.e., DBE contract goals).

### **D. Public Participation – 49 CFR Section 26.45(g)**

Public participation is a key component of Caltrans' process for setting its overall DBE goal. The agency made information about the proposed goal available to the public on its website and had a 30-day comment period from November 1, 2024 through November 30, 2024. In addition, Caltrans consulted with business organizations regarding the proposed goal on November 7, 12, and 19, 2024. During the public comment period, BBC received three comments via email, 46 comments from public meeting registrations, and hundreds of comments and questions from the approximately 453 attendees at the six public meetings held on November 7, 12, and 19, 2024. From these data, three key themes emerged.

**1. Regional considerations for contract-specific goals.** Many respondents expressed frustration with DBE goals that fail to account for local DBE availability or project-specific conditions. Non-regionally specific contract goals often require contractors to source DBEs from distant locations, increasing costs and creating logistical challenges. These issues are particularly acute in rural or less diverse areas, where fewer certified DBEs are available to meet project needs. Comments on this topic include:

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*A participant in a public meeting stated, "Goals should be different for every district. Even though we have a set goal, I know we cannot have 100 different goals for so many different agencies, we are talking about in total almost 600 agencies in districts, so we are not going to be able to do that, but if we get more authority as the coordinators for every district, since we are familiar with our agencies, we can help them more."*

*A participant in a public meeting stated, "What is being done to account for the struggle rural counties are having with the higher DBE goals due to the 100% work factor and DBEs not actually willing to come to rural counties?"*

*A participant in a public meeting stated, "DBE goals and requirements should be established based upon regional goals rather than statewide. It would make establishing goals for contractors and consultant agreements much easier and provide a more realistic and obtainable goal."*

**2. Challenges with good faith efforts (GFEs).** Participants highlighted significant concerns about the GFE process. Contractors often struggle to understand or meet unclear GFE requirements. This lack of clarity leads to bid protests, project delays, and frustration among both contractors and agencies attempting to ensure compliance. Thoughts on this topic include:

*A participant in a public meeting stated, "Timing of reviews, resubmittals, etc., are not certain and can delay project advertisement and award, if there is a dispute over DBE, GFE, between OCR/Local Agency/Contractor, and may lead to bid protests, which then also delay construction."*

*A participant in a public meeting stated, "It just keeps going down further and further and it gets more subjective as you go down. And there's obviously the timeframe of like, 'Well, this project needs to get out and get awarded,' and so sometimes we can miss a construction season if we delay."*

*A participant in a public meeting stated, "GFE evaluation is somewhat subjective, and contractors are quite good at fulfilling the necessary GFE requirements, but not following through with DBEs to meet or exceed goals. This takes [the] Local Agency time to evaluate to the greatest certainty, and with OCR review of GFE, delays awarding of contracts."*

**3. Improving outreach and participation for DBEs.** Several participants highlighted significant gaps in outreach efforts and participation opportunities for DBEs in the procurement process. Pre-bid meetings and networking opportunities often fail to connect DBEs with prime contractors or decision-makers, limiting their ability to compete effectively. Participants suggested better mechanisms for identifying and matching DBEs with procurement needs and improving the accessibility of information about available contracts. Enhanced outreach and adjustments to the DBE database were proposed as ways to ensure that small businesses can participate meaningfully in projects. Participant comments included:

*A participant in a public meeting stated, "All of the pre-bid outreach meetings we have attended are mandatory for primes, and participation by DBEs is typically very low or non-existent. Primes are basically only networking with each other."*

*A participant in a public meeting stated, "Would Caltrans/local DBE certifiers adjust anything in the DBE database to reflect where DBEs are willing to go for work or their capacities?"*

*A participant in a public meeting stated, "Is there a way of just identifying those particular vendors that offer a particular product and be able to just use a procurement card or a P card, rather than*

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*have to go through all of that certification, being that we're already certified through the state of California and Department of General Services? How do we streamline that process?"*

**Figure 4.**  
**Caltrans race- and gender-neutral measures**

| Race- and gender-neutral measures   |
|---|
| Publicizes information regarding Caltrans' contracting opportunities online and in print newspapers, trade journals, and other publications to increase awareness of opportunities for small businesses to participate on Caltrans' contracts.                        |
| Facilitates Statewide Small Business Council meetings—and regional council meetings, where applicable—to enlist the participation of small businesses and business assistance organizations to identify and remove systemic barriers to small business participation. |
| Hosts District Procurement Fairs to create opportunities for small businesses to meet Caltrans' buyers and contract managers and learn about solicitation processes and requirements.   |
| Makes at least one District Small Business Liaisons available in each Caltrans district office to serve as a point of contact for small business-related concerns, including how to do business with Caltrans.  |
| Hosts contract-specific outreach events for small businesses to provide information about a project's scope, schedule, and budget; review the solicitation process; answer questions; and provide a forum for networking.   |
| Publishes "look ahead" reports online for upcoming construction and architecture and engineering contracts to assist small businesses in planning for potential opportunities.  |
| Makes a series of informational handouts and brochures available to assist small businesses in navigating Caltrans' contracting and procurement opportunities.  |
| Enforces prompt payment laws and requirements applicable to prime contractors and subcontractors, including small businesses.   |
| Collaborates with construction and professional services industry organizations to increase small business participation in Caltrans' contracts.  |
| Provides easily accessible contracting information on Caltrans' public website.   |
| Explores opportunities to break larger contracts into smaller contracts.  |
| Maintains online business resource centers—such as Caltrans' Contractor's Corner—that consolidate contracting information and resources for the benefit of prospective bidders and proposers, including small businesses.   |
| Maintains flowcharts of Caltrans' advertising, bid opening, award, and approval processes on Caltrans' website to help small businesses navigate potential contracting opportunities.   |
| Provides training to Caltrans' contract managers and buyers regarding opportunities for maximizing the participation of small businesses in agency contracts and procurements.  |
| Develops and delivers training for small businesses regarding how to do business with Caltrans.   |
| Hosts pre-bid meetings and pre-proposal conferences to communicate contract-specific requirements and milestones to prospective bidders, including small businesses, as well as introduce small businesses to prime contractors.                                      |
| Offers the Calmentor program—a mentoring program for small architectural and engineering firms—to encourage partnerships between small businesses and established prime contractors for capacity-building purposes.   |
| Provides an "opt-in" feature on Caltrans' Division of Engineering Services-Office Engineer website to allow small businesses to express their interest in working on particular projects and advertise the services they offer.                                       |
| Spreads project advertising and bid openings throughout the year to prevent overloading prime contractors and subcontractors, including small businesses.   |
| Maintains a general resource mailbox for small business-related concerns—smallbusinessadvocate@dot.ca.gov—that small businesses can use to ask questions, seek assistance, or request training.   |
| Establishes relationships with financial institutions, surety companies, and insurance companies to provide information and resources for small businesses interested in working on Caltrans' contracts.  |
| Continues to maintain Caltrans' Bidder's List.  |

Source: Caltrans.

# Caltrans Goal Memorandum to Directors

Final Audit Report

2024-12-04

|                 |   |
|-----------------|---|
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