

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM FOR VIA METROPOLITAN TRANSIT PROPOSED THREE-YEAR OVERALL DBE GOAL & METHODOLOGY SUBMISSION TO FTA FOR FEDERAL FISCAL YEARS 2026 THROUGH 2028 AUGUST 2025

Introduction

VIA Metropolitan Transit (VIA) submits its three-year overall Disadvantaged Business Enterprise (DBE) goal for VIA federal fiscal years (FFYs) 2026 through 2028 to the Federal Transit Administration (FTA) pursuant to 49 CFR Part 26, Section 26.45. The current DBE goal for VIA FTA-funded contracts (FFY 2023 through FFY 2025) is 14.52%. VIA projects that 5.40 percentage points of its current overall DBE goal is to be accomplished through neutral means, with the remainder, 9.12 percentage points, through race- and gender-conscious means.

Based on analysis of anticipated VIA FTA-funded contracts and results of VIA's 2023 Disparity Study provided to FTA, VIA proposes an overall DBE goal of 16.83% for FFY 2026 through FFY 2028 for VIA's FTA-funded contracts; 13.47 percentage points of which is projected to be accomplished through race- and gender-neutral means. VIA projects that the remaining 3.36 percentage points of the overall DBE goal will be accomplished through race- and gender-conscious means (DBE contract goals).

Step 1. Determining a Base Figure — Pursuant to 49 CFR Section 26.45(c)

VIA began the process of determining its overall DBE goal by establishing a base figure. Following regulations and USDOT guidance, VIA used availability data developed as part of the VIA 2023 Disparity Study, which was conducted by Keen Independent Research (Keen Independent).

Projections of FTA-funded contracts. VIA identified FTA-funded contracting opportunities for FFY 2026 through FFY 2028 from its planning data. Keen Independent assigned a NAICS code to project components and refined VIA's initial estimates of expected spending for FTA-funded commercial building construction projects. Figure 1 shows the projected distribution of dollars, by type of work, for future VIA FTA-funded contracts. Keen Independent calculated relative DBE availability for each type of work using the two methods described below.

Overview of DBE availability calculations. Data about the availability of DBEs and total firms to perform the types of work shown in Figure 1 came from the VIA 2023 Disparity Study conducted by Keen Independent (the "2023 Study") as well as Census data and DBE certification directory data. VIA's 2023 Study examined locally funded contracts, with types of work examined in the 2023 Study including most but not all types of work projected for FFY 2026–FFY 2028 for contracts that would use FTA funds.

To calculate DBE availability for types of work not included in the 2023 Study, Keen Independent identified the number of firms performing a certain type of work (by NAICS code) reported in County Business Patterns (CBP) and determined the number of DBEs available to perform each type of work using DBE certification directory data from the Texas Unified Certification Program (TUCP).¹ Only firms with a location in the Greater San Antonio area (defined below) were examined, as explained below.

¹ The Texas Unified Certification Program, DBE Directory. Retrieved from:

1. VIA FTA-funded future contract opportunities, FFY 2026–FFY 2028

NAICS code	Type of work	Dollars (\$1,000s)	Percent
Projected types of work included in the 2023 Study			
236220	Commercial and institutional building construction	\$ 279,134	35.50 %
541330	Architecture and engineering	123,271	15.68
237310	Highway, street and bridge construction	54,672	6.95
238210	Electrical work	37,014	4.71
238110	Concrete work	25,240	3.21
238220	Plumbing and HVAC	19,083	2.43
541613	Public relations and marketing	18,395	2.34
238910	Site prep	15,716	2.00
423120	Motor vehicle parts and accessories	13,251	1.69
238310	Drywall and insulation	7,951	1.01
423320	Construction materials	6,396	0.81
561612	Security guard services	3,374	0.43
238160	Roofing	3,180	0.40
238140	Masonry	3,124	0.40
541110	Legal services	2,113	0.27
561320	Employment and temporary staffing services	693	0.09
811114	Specialized auto repair	422	0.05
812331	Uniforms and other apparel	398	0.05
561621	Security systems services	300	0.04
Subtotal		\$ 613,729	78.04 %
Other projected types of work			
237110	Water and sewer line construction	\$ 78,914	10.03
541611	Administrative management	33,854	4.30
485991	Special needs transportation services	23,293	2.96
423850	Service establishment equipment (including fare boxes)	13,439	1.71
423830	Industrial machinery and equipment	7,285	0.93
562910	Remediation services	3,930	0.50
561730	Landscaping services	3,124	0.40
541370	Surveying and mapping services	2,113	0.27
541320	Landscape architectural services	1,695	0.22
238990	All other specialty trade contractors	1,535	0.20
238120	Structural steel and precast concrete contractors	1,111	0.14
561110	Office administrative services	931	0.12
561720	Janitorial services	556	0.07
541690	Other scientific and technical consulting services	251	0.03
238330	Flooring contractors	163	0.02
238130	Framing contractors	128	0.02
238290	Other building equipment contractors	115	0.01
238390	Other building finishing contractors	115	0.01
238350	Finish carpentry contractors	66	0.01
532120	Truck and utility trailer renting and leasing	27	0.00
532490	Other commercial and industrial machinery rental	21	0.00
Total		\$ 786,394	100.00 %

Source: Keen Independent analysis of VIA projected FTA-funded expenditures, FFY2026–2028.

Keen Independent focused its availability estimates on the types of work projected to be involved in VIA’s FTA-funded projected contracts from FFY 2026 through FFY 2028 (see Figure 1, above).

Relevant geographic market area. Based on analysis of FTA-funded contracts for October 2020 through September 2024, Keen Independent defined the relevant geographic market area (GMA) for the availability analysis as the San Antonio-New Braunfels, TX Metropolitan Statistical Area (“Greater San Antonio area”).² About 91% of FTA-funded contract dollars from October 2020 through September 2024 went to firms with a location in the Greater San Antonio area. Therefore, the availability analysis examined firms with locations in this area.

Database of available firms. In the 2023 Study, Keen Independent developed an availability database of DBEs and non-DBEs through a survey of thousands of firms in the Greater San Antonio area that collected information about firm interest and qualifications to perform work for VIA. The list of firms Keen Independent included in this survey came from the following sources:

- Companies that had previously identified themselves as interested in learning about future work with VIA; and
- Businesses that Dun & Bradstreet (D&B) identified in certain subindustries in the Greater San Antonio area in D&B’s Hoover’s business establishment database. (D&B’s Hoover’s database is accepted as the most comprehensive and complete source of business listings in the nation.)

The VIA 2023 Disparity Study report provides more information about this initial list of firms to be contacted in the availability survey. (See Appendix C of the 2023 Study.)

Keen Independent applied screening measures to consolidate duplicate responses and remove companies that were no longer in business, not-for-profit, unable to perform work related to VIA’s locally funded procurements, not located in the Greater San Antonio area or not interested in discussing availability for VIA contracts. The final availability database contained 659 businesses, each of which expressed qualifications and interest in relevant VIA work. Of those firms, 42 (6.37%) were DBEs, as shown in Figure 2. Appendix C of the 2023 Study explains the survey methodology in additional detail.

To calculate DBE availability for types of work not included in the 2023 Study, Keen Independent identified the number of firms performing a certain type of work (by NAICS code) reported in County Business Patterns (CBP) data and determined the number of DBEs available to perform each type of work using DBE certification directory data from the Texas Unified Certification Program (TUCP).³

2. DBEs and other businesses included in the 2023 availability database

Certification status	Number of firms	Share of firms
DBEs	42	6.37 %
Other businesses	617	93.63
Total	659	100.00 %

Source: Keen Independent Research, VIA Metropolitan Transit 2023 Disparity Study.

² The San Antonio-New Braunfels, TX Metro Statistical Area includes Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson counties.

³ The Texas Unified Certification Program, DBE Directory. Retrieved from: <https://txdot.txdotcms.com/FrontEnd/searchcertifieddirectory.asp?TN=txdot>

Relative availability of DBEs by type of work. Keen Independent identified the number of DBEs and total firms available for each of the types of work shown in Figure 1. Figure 3 provides these results. The relative DBE availability for each type of work is calculated by dividing the number of DBEs identified as available to perform that work by the total number of businesses in the market area available to perform that type of work.

Projected types of work included in the 2023 Study. DBE availability in the top half of Figure 3 was calculated using firms (certified as DBEs) indicating qualifications and interest in VIA work in the availability survey for the 2023 Study. The total number of firms for each type of work was also determined from the availability survey (all firms indicating qualifications and interest in that specific type of VIA work). Each available business is counted more than once for calculations in Figure 3 when they indicated qualifications to perform more than one type of work relevant to VIA contracts.

Other projected types of work. As not all types of work anticipated in future VIA projects were included in the availability survey, Keen Independent calculated DBE availability for these types of work using external data sources. Keen Independent estimated the total number of firms performing each type of work in the Greater San Antonio area using County Business Patterns data.⁴ The number of DBEs available for each type of work was determined using Texas Unified Certification Program data. Keen Independent only included companies in the Greater San Antonio area.

DBE availability was zero for some types of work and was as high as 71% for certain types of relevant VIA work. (See Figure 3.)

⁴ County Business Patterns Dataset, 2022. Retrieved from <https://www.census.gov/data/datasets/2022/econ/cbp/2022-cbp.html>.

3. Number of DBEs and total businesses Included in the availability analysis for selected types of work

NAICS code	Type of work	DBE firms	Total firms	Share of firms that are DBEs
Projected types of work included in the 2023 Study				
236220	Commercial and institutional building construction	11	180	6.11 %
541330	Architecture and engineering	16	90	17.78
237310	Highway, street and bridge construction	4	35	11.43
238210	Electrical work	1	103	0.97
238110	Concrete work	5	96	5.21
238220	Plumbing and HVAC	4	130	3.08
541613	Public relations and marketing	3	53	5.66
238910	Site prep	7	87	8.05
423120	Motor vehicle parts and accessories	0	17	0.00
238310	Drywall and insulation	2	63	3.17
423320	Construction materials	0	8	0.00
561612	Security guard services	1	13	7.69
238160	Roofing	2	56	3.57
238140	Masonry	5	66	7.58
541110	Legal services	0	18	0.00
561320	Employment and temporary staffing services	0	5	0.00
811114	Specialized auto repair	0	76	0.00
812331	Uniforms and other apparel	0	12	0.00
561621	Security systems services	3	25	12.00
Other projected types of work				
237110	Water and sewer line construction	24	97	24.74
541611	Administrative management	84	609	13.79
485991	Special needs transportation services	3	12	25.00
423850	Service establishment equipment (including fare boxes)	3	31	9.68
423830	Industrial machinery and equipment	1	178	0.56
562910	Remediation services	15	21	71.43
561730	Landscaping services	39	476	8.19
541370	Surveying and mapping services	17	42	40.48
541320	Landscape architectural services	6	29	20.69
238990	All other specialty trade contractors	61	246	24.80
238120	Structural steel and precast concrete contractors	18	28	64.29
561110	Office administrative services	13	363	3.58
561720	Janitorial services	42	356	11.80
541690	Other scientific and technical consulting services	22	185	11.89
238330	Flooring contractors	14	75	18.67
238130	Framing contractors	15	44	34.09
238290	Other building equipment contractors	4	56	7.14
238390	Other building finishing contractors	9	46	19.57
238350	Finish carpentry contractors	12	113	10.62
532120	Truck and utility trailer renting and leasing	0	42	0.00
532490	Other commercial and industrial machinery rental	3	86	3.49

Note: Firms in the availability data sources expressing qualifications for more than one type of work were counted for each type.

Source: Keen Independent Research, VIA 2023 Disparity Study; TUCP DBE Directory (June 2025); and County Business Pattern Data (2022).

Dollar-weighted availability. To calculate a base figure for the overall DBE goal, Keen Independent dollar-weighted the availability results for each type of work shown in Figure 3. This approach is consistent with USDOT’s “Wherever possible, use weighting” instructions concerning Step 1 calculations in “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program.” Dollar-weighting is presented in Figure 4 on the following page and calculations are as follows.

- The first column of data in Figure 4 presents the percentage of total dollars of projected FTA-funded contracts in that type of work. It is labeled “Percent of FTA-funded contract dollars” and adds to 100%.
- The second column of data in Figure 4 shows the share of total firms in each subindustry that are DBEs. The results pertain to the relative DBE availability for that type of work. This column of data is not meant to add to 100%
- Keen Independent multiplied results in the first two columns of data to produce the dollar-weighted availability of DBEs (third column of data). Summing the values this column of data results in the preliminary DBE availability benchmark, or “base figure.”

Base figure. Keen Independent summed the weighted availability values for all types of work projected for the FFY 2026–FFY 2028 period. This sum (11.15%) is the base figure for VIA’s DBE goal for future FTA-funded contracts. Figure 4, on the next page, shows this result.

Dollar-weighted availability is more precise than a simple “head count” of businesses because it considers the specific type of work performed and the total dollars of spending for firms with those specializations.

4. Dollar-weighted availability estimates for DBEs for VIA FTA-funded future contracts, FFY 2026–FFY 2028

NAICS code	Type of work	Share of FTA-funded contract dollars	Percentage of firms that are DBEs	Weighted availability
Projected types of work included in the 2023 Study				
236220	Commercial and institutional building construction	35.50 %	6.11 %	2.17 %
541330	Architecture and engineering	15.68	17.78	2.79
237310	Highway, street and bridge construction	6.95	11.43	0.79
238210	Electrical work	4.71	0.97	0.05
238110	Concrete work	3.21	5.21	0.17
238220	Plumbing and HVAC	2.43	3.08	0.07
541613	Public relations and marketing	2.34	5.66	0.13
238910	Site prep	2.00	8.05	0.16
423120	Motor vehicle parts and accessories	1.69	0.00	0.00
238310	Drywall and insulation	1.01	3.17	0.03
423320	Construction materials	0.81	0.00	0.00
561612	Security guard services	0.43	7.69	0.03
238160	Roofing	0.40	3.57	0.01
238140	Masonry	0.40	7.58	0.03
541110	Legal services	0.27	0.00	0.00
561320	Employment and temporary staffing services	0.09	0.00	0.00
811114	Specialized auto repair	0.05	0.00	0.00
812331	Uniforms and other apparel	0.05	0.00	0.00
561621	Security systems services	0.04	12.00	0.00
Other projected types of work				
237110	Water and sewer line construction	10.03 %	24.74 %	2.48 %
541611	Administrative management	4.30	13.79	0.59
485991	Special needs transportation services	2.96	25.00	0.74
423850	Service establishment equipment (including fare boxes)	1.71	9.68	0.17
423830	Industrial machinery and equipment	0.93	0.56	0.01
562910	Remediation services	0.50	71.43	0.36
561730	Landscaping services	0.40	8.19	0.03
541370	Surveying and mapping services	0.27	40.48	0.11
541320	Landscape architectural services	0.22	20.69	0.04
238990	All other specialty trade contractors	0.20	24.80	0.05
238120	Structural steel and precast concrete contractors	0.14	64.29	0.09
561110	Office administrative services	0.12	3.58	0.00
561720	Janitorial services	0.07	11.80	0.01
541690	Other scientific and technical consulting services	0.03	11.89	0.00
238330	Flooring contractors	0.02	18.67	0.00
238130	Framing contractors	0.02	34.09	0.01
238290	Other building equipment contractors	0.01	7.14	0.00
238390	Other building finishing contractors	0.01	19.57	0.00
238350	Finish carpentry contractors	0.01	10.62	0.00
532120	Truck and utility trailer renting and leasing	0.00	0.00	0.00
532490	Other commercial and industrial machinery rental	0.00	3.49	0.00
Total	Total	100.00 %		11.15 %

Source: VIA FTA future expenditure projections; results from VIA 2023 Disparity Study; TUCP DBE Directory (June 2025); and CBP (2022).

Step 2. Determining if an Adjustment is Needed — 49 CFR Section 26.45(d)

Per the Federal DBE Program, VIA considered potential step 2 adjustments to the base figure as part of determining its overall annual DBE goal for FTA-funded contracts. Federal regulations outline factors that an agency must consider when assessing whether to make any step 2 adjustments to its base figure:

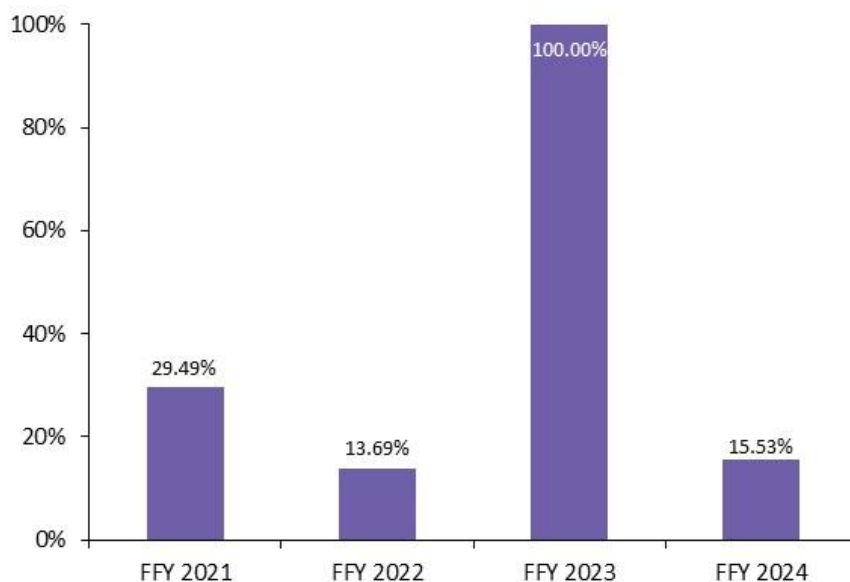
- A. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years;
- B. Information related to employment, self-employment, education, training and unions;
- C. Any disparities in the ability of DBEs to get financing, bonding and insurance; and
- D. Other relevant factors.⁵

Taking into account relevant information from the 2023 Study, VIA considered each of the factors listed above in determining whether to adjust the base figure.

A. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years. USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation on their USDOT-funded contracts in recent years (the percentage of contract dollars going to DBEs). USDOT further suggests examining median DBE participation for several years as a measure of current capacity.

Figure 5 below shows DBE participation based on commitments and awards from VIA Uniform Reports of DBE Awards or Commitments and Payments that VIA submitted to FTA. Using the most recent four fiscal years, the median DBE participation from FFY 2021 through FFY 2024 is 22.51%. This level of DBE utilization suggests a possible upward step 2 adjustment, as it is higher than the 11.15% base figure. (The median for these four fiscal years was used in part due to the unusual participation reported for FFY 2023, which was based on a small number of contracts and subcontracts.)

5. DBE participation on FTA-funded contracts based on commitments and awards in VIA Uniform Reports to FTA



Source: VIA FTA Uniform Reports of DBE Award or Commitments and Payments, FFY 2021–FFY 2024.

⁵ 49 CFR Section 26.45.

B. Information related to employment, self-employment, education, training and unions. The VIA 2023 Disparity Study reviews information about conditions in the Greater San Antonio area transportation contracting industry for people of color and women in the workforce as well as minority- and woman-owned business enterprises (MBE/WBEs). Detailed quantitative analyses of marketplace conditions in the Greater San Antonio area are presented in Appendices E through H of that report.

Keen Independent's analyses indicate barriers that certain minority groups and women face related to entry and advancement and business ownership in the Greater San Antonio area construction, professional services, goods and other services industries. Such barriers may affect the availability of MBE/WBEs to obtain and perform VIA contracts and subcontracts.

Fully quantifying the cumulative effect that barriers in employment, education and training may have had in depressing the availability of minority- and woman-owned firms in the Greater San Antonio area transportation contracting industry may not be possible. However, the effects of certain barriers in business ownership can be quantified, as explained below.

In the 2023 Study, Keen Independent used regression analyses to investigate whether race and gender affected rates of business ownership among workers in the Greater San Antonio metro area construction, professional services, goods and other services industries. The regression analyses allowed the study team to examine those effects while statistically controlling for various personal characteristics including age and age.⁶ (Appendix F of the 2023 Study provides detailed results of the business ownership regression analyses.)

- Those analyses revealed that African Americans and white women working in the construction industry were less likely than white men to own a construction business, even after accounting for various race- and gender-neutral personal characteristics. This disparity in rates of business ownership was statistically significant for these groups.
- Hispanic Americans and white women working in the goods industry were found to be less likely to own businesses than white men. These differences were each statistically significant.
- There was a substantial and statistically significant disparity in firm ownership for Asian Americans and Native Americans (combined) working in the other services industry.

Keen Independent analyzed the impact that statistically significant differences in business ownership rates would have on the base figure if African Americans, Asian-Pacific Americans, Subcontinent Asian Americans, Hispanic Americans, Native Americans and white women working in these industries owned businesses at the same rate as similarly situated white men. This type of inquiry is sometimes referred to as a "but for" analysis because it estimates the availability of MBE/WBEs but for the effects of race- and gender-based discrimination.

DBE availability would be higher if adjusting for a disparity in business ownership rates for white women in the construction industry. For example, the 2023 Study indicates that the ownership rate for white women in the construction industry was 25% lower than the ownership rate for similarly situated white men. This provides evidence in support of an upward adjustment from the base figure.

⁶ The study team examined U.S. Census data on business ownership rates using methods similar to analyses examined in court cases involving state departments of transportation in California, Illinois, and Minnesota.

C. Any disparities in the ability of DBEs to get financing, bonding and insurance. Analysis of access to financing and bonding in VIA's 2023 Disparity Study revealed quantitative and qualitative evidence of disadvantages for minorities, women and MBE/WBEs.

- Any barriers to obtaining financing and bonding might affect opportunities for people of color and women to successfully form and operate construction and engineering businesses in the Greater San Antonio area.
- Any barriers that MBE/WBEs face in obtaining financing and bonding would also place those businesses at a disadvantage in obtaining VIA construction and engineering prime contracts and subcontracts.

Note that financing and bonding are closely linked, as discussed in the Summary Report and Appendix J of the 2023 Study.

The 2023 Study provides additional evidence that some firms cannot bid on certain public sector projects because they cannot afford the levels of insurance required by public agencies. This barrier appears to affect small businesses, which might disproportionately impact minority- and woman-owned firms. MBEs and WBEs were seven times more likely than majority-owned businesses to report that insurance requirements on contracts were a barrier to bidding. (See Appendix H of the 2023 Study.)

The information about financing, bonding and insurance supports an upward step 2 adjustment in VIA's overall annual goal for DBE participation in FTA-funded contracts.

D. Other factors. The Federal DBE Program suggests that federal aid recipients also examine "other factors" when determining whether to make any step 2 adjustments to their base figure.⁷

Among the "other factors" examined in this study was the success of MBE/WBEs relative to majority-owned businesses in the Greater San Antonio marketplace. There is quantitative and qualitative evidence that certain groups of MBE/WBEs are less successful than majority-owned firms and face greater barriers in the marketplace, even after considering neutral factors.

There is no straightforward way to project the number of MBE/WBEs available for VIA work but for the effects of these other factors.

Summary of approaches for making step 2 adjustments. Quantification of potential step 2 adjustments is summarized below.

A. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years. Analysis of this factor might indicate an upward step 2 adjustment if VIA analyzed its estimates of past DBE participation (based on commitments/awards) — for recent years, the median DBE participation on FTA-funded contracts based on DBE awards was 22.51% (from Figure 5).

USDOT "Tips for Goal-Setting" suggests taking one-half of the difference between the base figure and evidence of current capacity as one approach to calculate the step 2 adjustment for that factor. Keen Independent calculated the median past participation following the USDOT "Tips for Goal-Setting."

The difference between 22.51% DBE participation and 11.15% base figure is 11.36 percentage points ($22.51\% - 11.15\% = 11.36\%$). One-half of this difference rounds up to an upward adjustment of 5.75 percentage points ($11.36\% \div 2 = 5.68\%$). The DBE goal with this upward adjustment would then be calculated as follows: $11.15\% + 5.68\% = 16.83\%$. These calculations are presented in Figure 6.

⁷ 49 CFR Section 26.45.

6. Potential step 2 adjustments to VIA's overall DBE goal for FTA-funded contracts, FFY 2026–FFY 2028

Step 2 adjustment component	Value	Explanation
Potential upward adjustment of overall DBE goal for current capacity		
Evidence of current capacity	22.51 %	Past DBE participation
Base figure	- 11.15	From base figure analysis
Difference	11.36 %	
	÷ 2	Reduce by one-half
Adjustment	5.68 %	Adjustment for current capacity
Base figure	11.15 %	From base figure analysis
Adjustment for current capacity	+ 5.68	Step 2 adjustment
Overall DBE goal	16.83 %	

Note: Percentage may not add totals due to rounding.

Source: VIA FTA-funded future expenditure projections and results from Keen Independent Research 2023 Disparity Study.

B. Information related to employment, self-employment, education, training and unions. The study team was not able to quantify all of the information regarding barriers to entry for MBE/WBEs. Analysis of business ownership rates support an upward adjustment presented in Figure 6.

C. Any disparities in the ability of DBEs to secure financing, bonding and insurance. Analysis of financing, bonding and insurance indicates that an upward adjustment might be appropriate. While the full impact of these factors on availability could not be quantified in the 2023 Study, available evidence supports an upward adjustment.

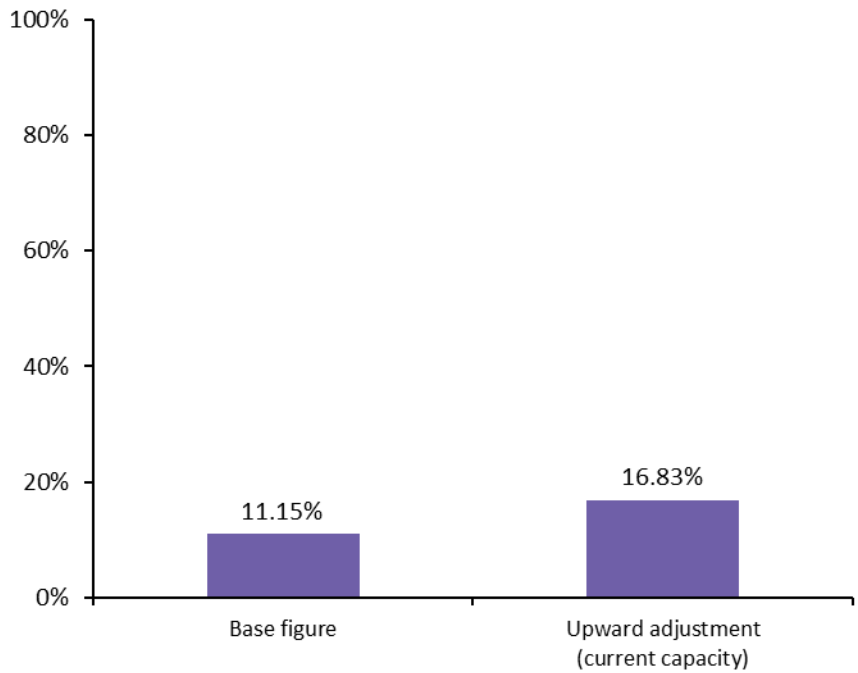
D. Other factors. The full impacts of barriers to success for MBE/WBEs in the Greater San Antonio metro area could not be quantified in the 2023 Study. However, evidence supports an upward adjustment.

Summary of Adjustments

VIA considered whether to make a step 2 adjustment when determining its overall DBE goal. If VIA makes an upward step 2 adjustment reflecting current capacity to perform work, its overall DBE goal for FTA-funded contracts would be 16.83%.

Figure 7 presents a summary of potential step 2 adjustment which VIA considered.

7. Potential Step 2 adjustments to VIA’s overall DBE goal for FTA-funded contracts, FFY 2026–FFY 2028



Source: Keen Independent Research analysis of VIA projected FTA-funded expenditures, FFY 2026–FFY 2028.

Race-/Gender-Neutral and Race-/Gender-Conscious Split — 49 CFR Section 26.51(c)

To comply with the Federal DBE Program, VIA must meet the maximum feasible portion of its overall DBE goal using race- and gender-neutral measures.⁸ Race- and gender-neutral measures are initiatives that encourage the participation of all businesses, or all small businesses, and are not specifically limited to MBE/WBEs or DBEs. VIA has considered whether it can meet its overall DBE goal solely through neutral means or whether race- and gender-conscious measures — such as DBE contract goals — are also needed. VIA has projected the portion of its overall DBE goals that it expects to meet (a) through race- and gender-neutral means, and (b) through race- and gender-conscious programs (if any).

USDOT offers guidance concerning how transportation agencies should project the portions of their overall DBE goals that will be met through race- and gender-neutral and race- and gender-conscious measures, including:

- USDOT Questions and Answers about 49 CFR Part 26 addresses factors for federal aid recipients to consider when projecting the portion of their overall DBE goals that they will meet through race- and gender-neutral means.⁹
- USDOT “Tips for Goal-Setting” also suggests factors for federal aid recipients to consider when making such projections.¹⁰

Based on 49 CFR Part 26 and the resources above, VIA considered the following questions:

- Is there evidence of discrimination within the local transportation contracting marketplace for any racial, ethnic or gender groups?
- What has been the agency’s past experience in meeting its overall DBE goal?
- What level of DBE participation has VIA reached when not applying DBE contract goals (or other race-conscious remedies)?¹¹
- What is the extent and effectiveness of race- and gender-neutral measures that VIA currently has in place and will put in place for the next fiscal year?

The balance of this section is organized around each of those general areas of questions.

⁸ 49 CFR Section 26.51.

⁹ See <https://www.transportation.gov/sites/dot.gov/files/2020-01/docr-20180425-001part26qa.pdf>

¹⁰ 49 CFR Section 26.51.

¹¹ USDOT guidance suggests evaluating (a) certain DBE participation as prime contractors if the DBE contract goals did not affect utilization, (b) DBE participation as prime contractors and subcontractors for agency contracts without DBE goals, and (c) overall utilization for other state, local or private contracting where contract goals are not used.

Is there evidence of discrimination within the local transportation contracting marketplace for any racial, ethnic or gender groups? The VIA 2023 Disparity Study considered conditions in the local marketplace to address this question.

Marketplace conditions. As discussed in Summary Report — Information about marketplace conditions in VIA’s 2023 Disparity Study, Keen Independent examined conditions in the Greater San Antonio area, including:

- Entry and advancement;
- Business ownership;
- Access to capital, bonding and insurance; and
- Success of businesses.

There was quantitative evidence of disparities in outcomes for minority- and woman-owned firms in general and for certain MBE/WBE groups concerning the above issues. Qualitative information indicated some evidence that discrimination may have been a factor in these outcomes.

Results of the disparity analysis for locally funded contracts in the 2023 Study. In the Disparity Analysis section of the 2023 Study’s Summary Report, Keen Independent examined utilization and availability of minority- and woman-owned firms in VIA’s locally funded contracts. Utilization was substantially below availability for minority- and woman-owned businesses overall.

Summary. There is substantial evidence that there is not a level playing for minority- and woman-owned firms overall in the Greater San Antonio area. These disparities were substantial for minority and women when subcontract participation goals did not apply.

What has been the agency’s past experience in meeting its overall DBE goal? Figure 8 shows results of VIA’s Uniform Reports DBE Commitments/Awards and Payments to FTA for the most recent four fiscal years for which results have been reported. As shown, reported DBE participation based on DBE commitments/awards on FTA-funded contracts was higher than the overall DBE goal in FFY 2021, FFY 2023 and FFY 2024, but not FFY 2022.

When examining DBE payments on completed projects, VIA exceeded its overall 18.73% DBE goals in fiscal years 2021 and 2022, as well as its overall 14.52% DBE goals in fiscal years 2023 and 2024.¹² (See Figure 8.)

8. VIA overall DBE goal and reported DBE participation on FTA-funded contracts, FFY 2021 through FFY 2024

Federal fiscal year	DBE goal	DBE awards/ commitments	DBE payments	Difference from DBE goal	
				Awards	Payments
2021	18.73 %	29.49 %	54.34 %	10.76 %	35.61 %
2022	18.73	13.69	53.75	-5.04	35.02
2023	14.52	100.00	17.11	85.48	2.59
2024	14.52	15.53	100.00	1.01	85.48

Source: VIA FTA Uniform Reports of DBE Awards/Commitments and Payments.

¹² DBE awards and payments of 100% in a fiscal year were due to a small number of awards in contracts and subcontracts for those years. There were just four contracts and subcontracts awarded in FFY 2023 for a total of \$634,105 (about 8% of dollars awarded during the FFY 2021 through FFY 2024 period). Each of these contracts and subcontracts were awarded to DBEs. Just one contract and one subcontract were completed in FFY 2024 (for a total of \$534,737, or about 13% of payments on completed projects between FFY 2021 and FFY 2024.)

What level of DBE participation has VIA reached when not applying DBE contract goals (or other race-conscious remedies)? The study team examined three sources of information to assess race-neutral DBE participation:

- MBE/WBE participation on locally funded contracts from VIA’s 2023 Disparity Study;
- VIA-reported race-neutral participation on FTA-funded contracts for the most recent years;
- Information concerning DBE participation as prime contractors on FTA-funded contracts.

The following discussion examines these two sets of participation figures.

MBE/WBE participation on locally funded contracts. The 2023 Disparity Study examined the utilization and availability of MBE/WBEs and other businesses on VIA’s locally funded contracts.

Overall, MBE/WBEs obtained 36.71% of locally funded VIA contract dollars for the FFY 2018–FFY 2022 study period. MBE/WBE utilization was lower on locally funded contracts without SBE contract goals (30.07%) relative to contracts with SBE goals (46.05%). The DBE participation on locally funded contracts during this same period was 34.91% (24.85% on contracts without SBE goals and 49.09% on contracts with SBE goals).

DBE participation as prime contractors. Keen Independent examined DBE participation as prime contractors on FTA-funded contracts. From October 2020 through September 2024, the DBE participation on prime contracts was 1.01% for VIA’s FTA-funded contracts.

Race-neutral DBE participation in recent VIA Uniform Reports. Per USDOT instructions, “neutral” participation includes any prime contracts going to DBEs as well as subcontract dollars going to DBEs that surpass contract goals set for a project (or that were otherwise awarded in a race-neutral manner).

Median race-neutral participation was 13.47% between FFY 2021 and FFY 2024 according to the four years of data in VIA’s Uniform Reports of DBE Awards/Commitments and Payments submitted to FTA for the most recent federal fiscal years. Figure 9 presents these results.

9. VIA-reported race-neutral and race-conscious participation on VIA FTA-funded contracts, FFY 2021–FFY 2024

Federal fiscal year	DBE commitments/award		
	Total	Race-conscious	Race-neutral
2021	29.49 %	9.89 %	19.60 %
2022	13.69	12.10	1.59
2023	100.00	0.00	100.00
2024	15.53	8.18	7.34

Source: VIA FTA Uniform Reports of DBE Awards/Commitments and Payments.

What is the extent and effectiveness of race- and gender-neutral measures that VIA currently has in place and will put in place for the upcoming fiscal years? When determining the extent to which it could meet its overall DBE goal through the use of neutral measures, VIA must review the race- and gender-neutral measures that it and other organizations have in place, and those it has planned or could consider for future implementation.

VIA has implemented an extensive set of neutral measures (see, for example, Keen Independent’s analysis of neutral remedies in the 2023 Disparity Study). VIA will be implementing additional efforts, including working with non-certified firms to become certified as DBEs (note the difference between MBE/WBE utilization and DBE utilization above). At this time, it is uncertain whether these additional neutral measures will substantially increase race-neutral participation of DBEs in VIA’s FTA-funded contracts.

Proposed projection of the portion of the overall DBE goal to be achieved through neutral means.

VIA considered whether it can achieve 100% of its overall DBE goal through neutral means or whether race-conscious programs are still needed. VIA considered the information in the 2023 Study and other sources when reaching its decision on any use of race- and gender-conscious programs (such as DBE contract goals). If VIA implements its proposed overall DBE goal for FTA-funded contracts of 16.83%, the evidence presented in this report indicates that VIA might not meet its overall DBE goal solely through neutral means.

- There is information indicating disparities in outcomes for minority- and woman-owned firms, supported by some qualitative evidence of discrimination within the local transportation contracting marketplace, as presented in the 2023 Study.
- For FFY 2021– FFY 2024, VIA’s median race-neutral participation has been 13.47%.
- VIA has extensive neutral measures in place, and there are many small business assistance programs offered by other institutions throughout the Greater San Antonio area. Any additional measures VIA might be able to immediately institute would likely have a relatively small impact relative to existing efforts.

VIA projected a 5.40 percentage point neutral and 14.52 percentage point race-conscious split when it prepared its overall DBE goal for FFY 2023 through FFY 2025 after the 2023 Disparity Study. (See Figure 10.)

The base figure column in Figure 10 presents projections using an overall DBE goal of 16.83% and a 13.47 percentage point race-neutral projection for FFY 2026 through FFY 2028, using the median race-neutral achievement reported in VIA’s FTA Uniform Reports (FFY 2021–FFY 2024). The remaining portion of the overall goal to be achieved through race- and gender-conscious means is 3.30 percentage points.

10. VIA overall DBE goal and projections of race-neutral participation for FTA-funded contracts, FFY 2026–FFY 2028

Component of overall DBE goal	FFY2023–FFY2025	FFY2026-FFY2028	
		Base figure	Upward adjustment - current capacity
Overall goal	14.52 %	11.15 %	16.83 %
Neutral projection	- 5.40	- 11.15	- 13.47
Race-conscious projection	9.12 %	0.00 %	3.36 %

Source: VIA FTA Uniform Reports of DBE Awards/Commitments and Payments.

Public Participation — 49 CFR Section 26.45(g)

VIA published its DBE Goal and Methodology for public comment before submitting final versions of these documents to FTA. The public comment period for the draft report and proposed overall DBE goal for FTA-funded contracts will be from August 6, 2025, through September 5, 2025.

VIA Metropolitan Transit's (VIA) Office of Small Business Enterprise (OSBE) is pleased to announce that we are holding two virtual meetings. At these meetings, OSBE will present the proposed 2025 Triennial Goal and solicit public feedback. Public meeting dates:

- Wednesday, August 20, 2025, from 11:00am to Noon (CDT);
- Friday, August 22, 2025, from 11:00am to Noon (CDT).

Information about the public meetings is available at:

<https://www.keenindependent.com/studies/via2025>

In addition, the public was able to submit feedback and provide written comments through the following means:

- During the public meetings
- By email at OSBE@viainfo.net

VIA will review comments concerning the proposed FTA DBE goals.