California Department of Transportation
Federal Highway Administration
Overall Disadvantaged Business Enterprise
Goal and Methodology
Federal Fiscal Years 2019-2021

Executive Summary

The California Department of Transportation (Caltrans) submits this overall Disadvantaged Business Enterprise (DBE) goal and methodology to the Federal Highway Administration (FHWA) pursuant to 49 Code of Federal Regulations (CFR) section 26.45, for federal-aid highway projects for Federal Fiscal Years (FFYs) 2019-2021. For FFYs 2019-2021, Caltrans will implement an overall DBE goal using a base figure of 17.6 percent without any "Step-2" adjustments.

Goal Setting Methodology – Section 26.45

Caltrans followed a two-step process for setting its overall DBE goal:

- Step 1 describes the calculation of a base figure for the relative availability of minority- and woman-owned firms.
- Step 2 is the examination of all the evidence available to determine if an adjustment to the base figure is needed to arrive at the overall goal.

Step 1: Base Figure – Section 26.45(c)

In order to establish the base figure, Caltrans commissioned an Availability and Disparity Study (Study) that was completed by BBC Research & Consulting (BBC) on June 30, 2016. The Study was amended in April 2017. The original Study counted a high dollar construction contract twice. The amended Study corrected the data and no additional clarifications were required.

The Study:

- Analyzed the use and availability of minority- and woman-owned firms in California public highway transportation construction and professional services contracts.
- Examined other quantitative analyses of marketplace conditions.
- Reviewed anecdotal information from in-depth interviews with 59 California business owners and 1 trade association.

Summary of the Base Figure Analysis

To examine availability, BBC used a custom-census approach that focused on work related to the types of public highway transportation construction and professional services prime contracts and subcontracts that Caltrans and subrecipients awarded during the study period (January 1, 2011, through December 31, 2014). BBC identified the types of work where the majority of contracting dollars are spent and determined that Caltrans' relevant geographic market area is the state of California. BBC developed the availability database through surveys of businesses, located in the relevant geographic market area, that perform work in highway transportation construction and professional services industries relevant to Caltrans contracting:

- A simple headcount indicated that *minority- and woman-owned firms account for 36.3 percent of firms potentially available for federally funded transportation construction and professional services work.* However, not all of those firms are available for every type and size of highway transportation construction or

professional services related work, so Caltrans did not use this figure to establish its base figure.

To provide a more accurate estimate of the availability of minority- and woman-owned firms for Caltrans contracting, BBC analyzed more than 21,667 highway transportation-related construction and professional services prime contracts and subcontracts awarded by Caltrans and subrecipients from 2011 through 2014. The Study determined that:

- *The dollar-weighted availability of minority- and woman-owned firms is 19.5 percent after considering the size, type of work, and locations of the federally assisted transportation construction and professional services contracts and subcontracts awarded during the study period.*

- *When examining the availability of firms that appear to be "potential DBEs," i.e., DBE certified or meet the US Department of Transportation (USDOT) DBE certification requirements, the dollar-weighted availability is 17.6 percent.*

Available Firms Surveyed for Public Highway Transportation Construction and Professional Services Work

To identify minority- and woman-owned firms available for public highway transportation construction and professional services work in California, BBC conducted a telephone survey of California businesses that perform public highway transportation construction and professional services work. BBC selected California as the relevant geographic market area for the availability analysis because 98 percent of all 2011 through 2014 transportation construction and professional services dollars were awarded to prime contractors and subcontractors went to firms with offices in California.

Firms contacted in the survey were those listed by Dun & Bradstreet as doing business most pertinent to Caltrans' highway construction and professional services prime contracts and subcontracts. BBC attempted to reach 30,973 business listings, which included 24,815 construction establishments, 6,038 professional services establishments, and 120 establishments whose primary line of work was outside relevant contracting areas and were, thus, not considered as part of the availability analysis. Of these listings, 4,584 were out of business or otherwise did not have valid phone numbers, leaving 26,349 business establishments with valid phone listings. BBC successfully contacted 13,394 of these firms or 51 percent of the establishments with valid phone listings. Of these business establishments, 7,302 (55 percent) completed availability surveys.

Of the 7,302 firms interviewed, 1,852 were for-profit firms reporting they performed relevant highway construction and professional services work; were qualified and interested in performing transportation-related work for Caltrans and/or local governments in the future; and had bid on or performed similar work in California in the recent past. These firms also identified the regions of California in which they could perform work. Of these firms in the California transportation construction and professional services industries, 673, or 36.3 percent, reported that they were minority- and woman-owned firms.

Weighted Relative Availability

In the base figure analysis, the Study weighted relative availability of minority- and woman-owned firms using a methodology that builds upon the guidance USDOT provided in *Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program*.[1] BBC examined type of work, size, contract role, and location of work involved in federally funded projects and the relative availability of minority-, woman-, and majority-owned firms to perform that work. The Study developed information for more than 21,667 contracts from 2011 through 2014, including contracts using FHWA funds administered through Caltrans that were awarded by local governments or others subrecipient agencies in California.

BBC determined that 17.6 percent of dollars on FHWA-funded contracts would be expected to go to potential DBEs--minority- and woman-owned businesses that are DBE-certified or appear that they could be DBE-certified based on ownership and annual revenue limits described in 13 CFR Part 121 and 49 CFR Part 26--if the types, sizes, contract roles, locations, future contracts, and subcontracts are similar to contracts awarded during the study period.

FFYs 2016-2018 FHWA-Assisted Contracts

Caltrans receives approximately $3 billion in federal-aid highway program assistance each FFY. Projects are expected to be similar to the highway transportation construction and professional services projects reviewed in the Study in terms of work type, size, and location. Examples of future construction projects include the widening and rehabilitating of roadways, repairing storm damage, replacing bridges, constructing high-occupancy vehicle lanes, installing and/or repairing median barriers, and converting two-lane to four-lane expressways. Examples of future professional services projects include architectural and engineering, archaeological, construction management, environmental research and mitigation, traffic studies, surveying, and inspection and testing.

Resulting Baseline Goal

Caltrans considers 17.6 percent as the base figure for its three-year annual overall DBE goal for FFYs 2019-2021.

Step 2 Adjustments – Section 26.45(d)

Caltrans examined a broad range of evidence in the Study when considering possible Step-2 adjustments to the base figure. The Study contained types of information for possible Step-2 adjustments that are outlined in the DBE Program, including:

- Current capacity of DBEs to perform work on FHWA-assisted contracts as measured by the volume of work DBEs have performed in recent years.
- Evidence from disparity studies conducted anywhere within your jurisdiction to the extent it is not already accounted for in your base figure.
- Statistical disparities in the ability of DBEs to obtain financing, bonding, and insurance.
- Data on employment, self-employment, education, training, and union apprenticeship programs.

[1] Tips for Goals Setting in the Disadvantaged Business Enterprise (DBE) Program, http://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise.

- Demonstrable evidence to account for the continuing effects of past discrimination.
- Other factors.

Current capacity of DBEs to perform work on FHWA-assisted contracts as measured by the volume of work DBEs have performed in recent years. Caltrans considered its past DBE participation over the last four years as reported to the FHWA in Caltrans' Uniform Reports of DBE Awards/Commitments and Payments submissions. The following table summarizes Caltrans' DBE attainment as reported for the last six federal fiscal years:

Federal Fiscal Year	Goal	DBE Attainment	Race-Neutral Portion
2017	12.5%	12.1%	4.2%
2016	12.5%	13.2%	4.1%
2015	12.5%	12.4%	6.6%
2014	12.5%	11.9%	3.4%

As outlined in the USDOT's, "Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program," if warranted, a Step-2 adjustment for past participation may be made by calculating a median past participation percentage. Based on DBE attainment data for the last four years, Caltrans could consider 15.0 percent as its potential overall DBE goal--the average of the 17.6 percent base figure and 12.3 percent past participation median value rounded to the nearest tenth percent.

Additionally, BBC's analyses suggest that barriers exist for certain minority groups and women to enter and move up in the transportation construction and professional services industries, which supports not making a downward Step-2 adjustments to the base figure.

Education. Many occupations require, at minimum, a high school education; and, professional services occupations require a minimum four-year college degree. In California, the lack of college education appears to be a barrier for Black Americans, Hispanic Americans, and Native Americans, which ultimately affects representation of these groups in the California professional services industry. Disparities in educational attainment for Black Americans, Hispanic Americans, and Native Americans appear at the high school level as these groups have substantially higher drop-out rates compared to non-Hispanic whites. This impacts college opportunities and enrollment into professional services-related programs. BBC's analyses of the California labor force during 2011-2014 indicates that Black American, Hispanic American, Native American, and other race minority workers are substantially less likely than non-Hispanic white workers to possess a four-year degree. As educational attainment is typically associated with increased income and wealth, barriers to education for these groups could negatively affect their business ownership and success. BBC's analyses also shows that a larger percentage of women than men in California possess four-year degrees.

Employment. Prior industry experience has been shown to be important for business ownership and success. However, due to the effects of discrimination, minorities and women are often unable to obtain relevant work experience and are often employed in industries with high numbers of minorities and women. Nationwide, data shows that incarceration rates are higher for minorities than non-Hispanic whites, which leads to difficulty in finding employment and slower wage growth.

BBC's analyses of the California labor force supports these findings. Industries with the lowest concentrations of minority workers included professional services. Employment of Black

Americans, Hispanic Americans, and women in the professional services industry is significantly lower than all industries as a whole. Employment of Black Americans in the construction industry is relatively low compared to other industries in California even within entry-level jobs. The employment of women in the California construction industry as a whole is relatively low, with the majority (94 percent) working in secretarial positions. Employment of Hispanic Americans in the California construction industry is considerably higher than all industries as a whole.

In addition, labor force data analyses shows low employment of women in the professional services industry in California that cannot be explained by overall levels of college education.

Advancement. In California and nationwide, non-Hispanic white men are more likely to work in management positions than minorities and women. Compared to non-Hispanic white males, there are significantly smaller percentages of Black Americans, Asian Pacific Americans, Hispanic Americans, Native Americans, and other race minorities working as managers in the California construction industry; and, in California's professional services industry, there are significantly smaller percentages of Asian Pacific Americans and Hispanic Americans working as managers. Women were also less likely than non-Hispanic white men to work as managers in California's professional services industry.

Business formation and ownership. Just as industry and management experience increase chances for business ownership success, having a family member who is self-employed is also a significant factor. A family-owned business could provide valuable hands-on experience as well as access to networking opportunities and knowledge of business practices and protocols. Nationwide, there are substantially fewer minorities with family-owned businesses; and, both minorities and women have less opportunity to participate in those businesses. This lack of experience makes it more difficult for minorities and women to form businesses and be successful.

BBC examined U.S. Census data on business ownership rates. Nationally, the rate of minority- and woman-owned businesses over the past 40 years has increased substantially; however, minorities and women still face barriers in forming and operating businesses. Black Americans, Hispanic Americans, and women are less likely to form businesses as compared to non-Hispanic white men, particularly in certain industries; those industries that require less--less human and financial capital --to be successful and already possess high concentrations of minorities and women.

BBC, through regression analyses, identified statistically significant disparities in business ownership rates in California after controlling for race- and gender-neutral factors, such as income, education, and familial status. After accounting for these factors, being Black American or Hispanic American was associated with a lower likelihood of owning a construction business compared to being a non-Hispanic white American male who shares the same personal characteristics. Similarly, non-Hispanic white women own construction businesses at about one-half the rate that would be expected based on non-Hispanic white men who share the same personal characteristics.

In the professional services industry in California, BBC's regression analyses show that Asian Pacific Americans, Black Americans, Hispanic Americans, and Subcontinent Asian Americans exhibited lower rates of business ownership compared to non-Hispanic white men who share the same personal characteristics. Similarly, non-Hispanic white women own professional services businesses at a rate that is 77 percent that of non-Hispanic white men who share the same personal characteristics.

BBC's regression analyses show that significant disparities exist in both construction and professional services business ownership for several groups even after accounting for race- and gender-neutral factors.

Business success. Nationally, Black Americans, Native Americans, Hispanic Americans, and women exhibit higher rates of moving from business ownership to unemployment than non-Hispanic whites and men. Minority- and woman-owned firms have also been shown to be less successful in terms of profits, closure rates, and business size.

Rates of business closure. BBC analyses found that Black American-, Asian American-, and Hispanic American-owned firms in California appeared to close at higher rates than non-Hispanic white-owned firms. Similarly, woman-owned firms in California appeared to close at higher rates than firms owned by men.

Business receipts. BBC examined business receipt data to determine whether minority- and woman-owned businesses in California earn as much as businesses owned by non-Hispanic whites or by men. In 2012, Black American-, Asian American-, Hispanic American-, American Indian and Alaskan Native-, and Native Hawaiian and Other Pacific Islander-owned firms in California showed lower average annual receipts than firms owned by non-Hispanic whites. Similarly, woman-owned business in California showed lower average annual business receipts than firms owned by men.

Business owner earnings. BBC analyzed earnings of business owners to determine whether minorities and women in California earn as much from their businesses as non-Hispanic whites and men. The following groups earned less on average from their businesses than non-Hispanic whites: Black Americans, Asian Pacific Americans, Hispanic Americans, Native Americans, and other race minorities. Similarly, women in California earned less from their businesses than men.

BBC conducted regression analyses to determine whether earnings disparities in California exist even after statistically controlling for various race- and gender-neutral factors such as age, education, and family status. Compared to non-Hispanic white Americans in California, being a Black American, Asian Pacific American, Hispanic American, or Native American was associated with significantly lower business earnings; and, being a woman was associated with substantially lower business owner earnings than being a man.

Access to capital. Financial capital can be accumulated through wages, personal wealth, home ownership, and financing. Nationwide, and similarly in California, minorities earn less than non-Hispanic whites; and, women earn less on the dollar than men. BBC conducted regression analyses to determine whether wage disparities existed even after statistically controlling for various race- and gender-neutral factors such as age, education, and family status. Results indicated that being Black American, Asian Pacific American, Subcontinent Asian American, Hispanic American, Native American, or other minority was associated with substantially lower earnings than being non-Hispanic white, even after accounting for various race- and gender-neutral factors; being a woman was associated with lower earnings than being a man.

Personal wealth. Nationwide, and similarly in California, more than one-fifth of Black Americans and Hispanic Americans are living in poverty, approximately double the rate for non-Hispanic whites.

Business capital from home ownership and equity. Home ownership and home equity is an important source of capital for business start-up and growth:

- Relatively smaller percentages of Black Americans, Hispanic Americans, and Native Americans in California own homes than non-Hispanic whites, and those who do own homes tend to have homes that are worth substantially less than homes owned by non-Hispanic whites.
- In California, Black Americans, Asian Americans, Hispanic Americans, Native Americans, and Native Hawaiian or Pacific Islanders also exhibit higher home loan denial rates than non-Hispanic whites.
- Nationwide, and similarly in California, Black Americans, Hispanic Americans, Native Americans, and Native Hawaiian or Other Pacific Islanders in California were awarded subprime home loans at a higher rate than non-Hispanic white Americans.

Business credit. Minority- and woman-owned businesses face substantial difficulties accessing business credit. Research has shown that Black American-owned and Hispanic American-owned businesses are more likely to be denied business credit, even after accounting for various race- and gender-neutral factors. In addition, women are less likely to apply for credit and receive smaller loans. Without equal access to business capital, minority- and woman-owned businesses must rely more on personal finances for their businesses, which leaves them at a disadvantage when trying to start and operate successful businesses.

Relatively more Black American- and Hispanic American-owned firms that need credit do not apply for loans due to fear of denial.

Bonding and insurance. National studies have identified bonding as a barrier to minority- and woman-owned firm success in obtaining work on public construction projects. High insurance requirements on public sector projects may also represent a barrier for certain construction and professional services firms to successfully obtain government agency work. Qualitative information collected during the study, which included comments received and in-depth interviews conducted with business owners and trade associations, indicated difficulty obtaining bonding, particularly for newer, smaller, and poorly capitalized construction businesses.

Problems in obtaining bonding were reported in interviews with minority-, woman-, and non-minority-owned firms. Minority- and woman-owned firms in the transportation contracting industry in California are more likely to be small businesses than majority-owned firms and, therefore, may be adversely affected by barriers in obtaining bonding.

Similarly, some minority- and woman-owned businesses had problems obtaining insurance as required for Caltrans projects. Some minority- and woman-owned businesses believed that the cost of insurance was a barrier to sustaining their business or bidding on certain projects.

Largest bids of minority- and woman-owned firms. As part of the availability survey, BBC asked firms in the transportation construction and engineering industry to identify the largest contract and subcontract a firm had received or bid on in the past five years. There were some minority groups for which "bid capacity" lagged behind other firms, but these disparities were explained by the firm's specialization and age.[2]

[2] The extent to which minority-/woman-owned firms tend to be younger and in different subindustries than majority-owned firms may not be an entirely "neutral" explanation for disparities in bid capacity if past discrimination has influenced whether there are relatively few older Minority Business Enterprise/Women Business Enterprise (MBE/WBE) firms or the relative concentration of MBE/WBE firms in different subindustries.

Evidence from other disparity studies. BBC reviewed the methodology and results from the availability, utilization, and disparity analyses from recent disparity studies, including a 2014 study conducted by BBC for Caltrans Division of Rail and Mass Transportation (DRMT). While the DRMT study encompassed the same geographic area, i.e., California, DRMT contracts and grants are funded by the Federal Transit Administration and are quite different in size and type from FHWA-funded contracts. BBC also reviewed studies recently published by the Indiana Department of Transportation, Oregon Department of Transportation, San Francisco Municipal Transportation Agency, the San Diego Association of Governments, the Imperial County Transportation Commission, North County Transit District, and the Los Angeles County Metropolitan Transportation Authority.

The Study did not include specific results from these analyses for several reasons, including, but not limited to:

- Marketplace for other studies was a smaller geographic region than the state of California.
- Agencies involved in the studies may have had different sizes and types of contracts than the contracts analyzed for Caltrans' 2016 Study.
- Agencies involved often used different bid or proposal processes than Caltrans.
- Availability data was not gathered as recently as the Caltrans availability data.

Summary of Step-2 Considerations

Analyses of local marketplace data reveals barriers to entering the California construction and professional services industries, such as low rates of business ownership, lower earnings for certain groups, and access to capital. These factors, overall, indicate the need for upward adjustments to the overall DBE goal. BBC quantified the effects of barriers in business ownership; and, based on business ownership alone, an upward adjustment to 22.2 percent could be considered.[3]

When considering the volume of work DBEs have performed during FFYs 2014 through 2017, Caltrans has achieved a median annual DBE participation of 12.3 percent. Based on past levels of DBE participation, a downward adjustment to the overall DBE goal to 14.1 percent can be considered.

Currently, through June of the 2017-2018 FFY, Caltrans has attained DBE commitment of 14.2%. This attainment percentage is further evidence that an overall DBE goal of 17.6% is achievable.

Evidence for upward or downward adjustments counterbalance each other and current DBE attainment data demonstrate why Caltrans has decided to not take any Step-2 adjustments. Caltrans will move forward with an overall DBE goal of 17.6% for FFY 2019-2021.

Public Participation – Section 26.45(g)

Consultation. On May 25, 2018, Caltrans posted its 2016 FHWA Disparity Study--including the proposed 17.6 percent base figure--on the OBEO website. Caltrans held a series of 12 public meetings (one in each of Caltrans' 12 Districts) and two webinars in June 2018 to provide information about the disparity study and the base figure. Industry representatives, community business organizations, and the public were invited to learn about the Study, its results, and recommendations; all stakeholders were invited to ask questions and provide comments. Multiple

[3] BBC Research & Consulting, CALTRANS 2016 DISPARITY STUDY, Chapter 8, page 6.

notices of Caltrans' public comment meetings schedule and reminders of the public comment period deadline were also sent via e-mail to:

- Certified DBEs in the California Unified Certification Program database with e-mail addresses.
- Caltrans' District Small Business Liaisons to forward to their small/minority business and industry e-mail distribution lists.
- Caltrans' Statewide Small Business Council members for distribution to their member organizations.
- Caltrans' DBE Participation Committee members.
- Caltrans' industry liaisons to forward to construction and engineering organization contacts representing organizations, such as the Associated General Contractors, United Contractors, Southern California Contractors Association, and American Council of Engineering Companies.
- Caltrans' Division of Local Assistance list-server subscribers.

Caltrans also published public meeting notices and information on how to submit written comments in trade and local newspapers including:

- The Sacramento Bee
- The Lodi News-Sentinel
- The San Francisco Chronical
- The Los Angeles Daily News
- The San Bernardino Sun
- The Inyo Register
- The San Luis Obispo Tribune
- The Eureka Times Standard
- The Fresno Bee
- The Redding Record Searchlights
- The San Diego Union Tribune
- The Orange County Register
- The Small Business Exchange (statewide both online and in print)

Caltrans analyzed oral and written testimony received from businesses, trade associations, and other organizations obtained throughout the study period through written submissions, public meetings, and webinars held by Caltrans in June 2018.

Caltrans consulted continuously with minority- and woman-owned business organizations as well as industry partners (listed below) to discuss the overall DBE goal, DBE availability and utilization.

- Associated General Contractors
- Associated General Contractors of San Diego
- United Contractors Association
- American Council of Engineering Companies - California
- Southern California Contractors Association

Caltrans also hosted bi-monthly meetings with its Statewide Small Business Council (SBC), which consists of small, disadvantaged, and disabled veteran business organizations. In turn, the SBC members and committee members met with their individual organizations and provided feedback to Caltrans.

Caltrans also participated in the following statewide and local chamber of commerce meetings:

- California Hispanic Chamber of Commerce
- California Black Chamber of Commerce
- California Asian American Chamber of Commerce
- California American Indian Chamber of Commerce

Caltrans continued to have one-on-one discussions on the goal and methodology and race-neutral measures with small businesses, DBEs, and minority- and woman-owned firms as they sought help on how to do business with Caltrans.

Amended Overall DBE Goal for FFYs 2019-2021 & Race-/Gender-Neutral and Race-/Gender-Conscious Measures – Sections 26.45(e) and 26.51

Race-/Gender-Neutral and Race-/Gender-Conscious DBE Goal Projections

Based on the information collected and data reviewed, Caltrans has established an overall annual goal of 17.6 percent DBE participation for its FFYs 2019-2021 overall DBE goal and methodology submission. This overall goal is expected to be achieved in proportions of 4.2 percent with race-neutral measures (4.2 percent median by past participation: FFY 2014–3.4 percent, FFY 2015–6.6 percent, FFY 2016–4.1 percent, FFY 2017–4.2) and the remaining balance of 13.4 percent with race-conscious measures.

Race-/Gender-Neutral Measures

Caltrans currently has a broad range of race- and gender-neutral measures in place to encourage the participation of all small businesses – including DBEs – in its construction and professional services contracts. Caltrans plans to continue the use of those measures in the future. Caltrans' race- and gender-neutral efforts can be classified into these categories:

- Business outreach and communication
- Technical assistance and training
- Improved contracting processes
- Finance and bonding programs
- Prompt payment
- Data collection, monitoring, and reporting

Small business program highlights in FFY 2018:

- Continue to waive Performance Bond requirements for Minor B projects.
- Continue outreach to internal and external stakeholders through meetings, conference calls, and trainings.
- Deliver training describing certifications available for small businesses, including potential DBEs.
- Provide DBE Supportive Services (DBE/SS) to potential DBE firms in the highway transportation-related construction and professional service industries. Caltrans

is in the process of establishing the first in the nation pay-for-performance DBE/SS contract to enhance DBE participation in Caltrans' projects.

- Develop a system to collect information on the race/ethnicity and gender of the owners of all businesses, not just certified DBEs, participating as prime contractors or subcontractors in FHWA-funded contracts.
- Develop a partnership with the Contractors State License Board to assist in reaching all potential DBEs interested in public highway transportation construction work in California.
- Expand the CalMentor/Mentor-Protégé Program statewide, which includes construction, as well as architectural and engineering, firms.
- Plan Mandatory Pre-Bid Conferences for appropriate projects in all districts.
- Expand Caltrans' OBEO website for easier access to information needed by SB and DBE firms and providing links to other supportive services, local agencies, and technical assistance.
- Establish relationships with financial institutions, surety companies, and insurance companies to market Caltrans opportunities in conjunction with SBs and DBEs.
- Identify opportunities to package smaller contracts.
- Continue to gather data for next Availability and Disparity Study.

Race-/Gender-Conscious Measures

The race-/gender-conscious portion of the overall DBE goal will be achieved by:

- Setting a DBE contract goal on contracts with subcontracting opportunities. Caltrans' contract goal setting methodology is based upon the type of work and availability of the five targeted groups capable of performing such work.
- Using Appendix A to 49 CFR Part 26, Guidance Concerning Good Faith Efforts, to justify a contract award when the DBE goal is not met.
- Providing education and training to internal stakeholders, for example, Caltrans resident engineers and contract managers, in the DBE Program.
- Providing training to external stakeholders, for example, subrecipients and prime contractors, regarding the DBE Program and complying with its requirements.

Limited Waiver

Pending approval of Caltrans' waiver request, race-conscious measures would apply to those groups with statistically significant disparities: Women, Asian Pacific American-, Black American-, Hispanic American-, and Native American-owned firms. As more data on the utilization of DBEs becomes available and information is obtained from the semi-annual utilization reports, future modifications to the proportions and rescission of the waiver may prove to be necessary. Future adjustments, if any, would be based on the effectiveness of each adopted measure with respect to the various groups and the different geographical areas of the State.