



PUERTO RICO HIGHWAY AND  
TRANSPORTATION AUTHORITY

PRHTA

GOVERNMENT OF PUERTO RICO

**DBE GOAL METHODOLOGY  
FEDERAL FISCAL YEAR 2026-2028**

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**Overall Goal**

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The Puerto Rico Highway and Transportation Authority (PRHTA), and the Department of Transportation and Public Works of Puerto Rico's (DTPW) Disadvantaged Business Enterprise (DBE) Program, has prepared this report for submission to the Federal Transit Administration (FTA) in accordance with 49 CFR Part 26. This report outlines the methodology used to establish the overall goal for transit-related, federally assisted contracts.

FTA recipients that receive more than \$670,000 in federal funding within a Federal Fiscal Year and award prime contracts are required to establish a DBE goal that reflects anticipated DBE participation in U.S. Department of Transportation (DOT) assisted contracts. FTA transitioned from requiring an annual DBE goal submission to a triennial (every three years) submission. Following a comprehensive review of the goal setting process, PRHTA-DTPW has established the overall goal of **7.16%** for Federal Fiscal years 2026-2028. This goal is proposed to be achieved entirely through race-neutral means, as defined in 49 CFR Part 26.

### **Methodology**

PRHTA selected the bidders list methodology to calculate its overall DBE annual goal. This approach was used to determine the relative availability of DBEs and other firms that are ready, willing, and able to participate in USDOT-assisted contracts. The level of DBE participation must reflect the anticipated involvement of DBEs in the absence of discrimination. In accordance with the Final Rule effective April 9, 2024, PRHTA immediately incorporated bidders list data for all projects as required under 49 CFR 26.11. This includes information on all firms, prime contractors and subcontractors, that bid on each federally assisted contract.

Consistent with USDOT regulations and guidance for setting a narrowly tailored goal, PRHTA defines its geographic market area to include the main island of Puerto Rico and the adjacent municipalities of Vieques and Culebra. Although these islands are geographically separated, there are no substantial barriers that might impede the participation of willing, ready and able DBE firms in federally funded projects. Maritime transportation between the islands is adequate to support contracting activity across the region.

### **Step One: Calculating Base Figure**

The participation of DBEs was verified using the DBE Directory, to confirm certification status and qualifications, based on the type of work required in the identified projects. This verification process served to reassess and validate the overall base figure by ensuring that only DBEs considered ready, willing, and able to perform the relevant work within the PRHTA market were included in the calculation of relative availability.

Although contracting opportunities were equally available for all sub-recipients (municipalities), many were not able to match federally funded projects due to the economic status of the Island. According to information provided by the PRHTA Federal Coordination Office, no DBE participation was reported by the subrecipients, and no (accountable) data on contract awards or procurement activities was submitted during the reporting period.

The DBE regulation defines Tier I Recipients, as FTA grant recipients who award more than \$670,000 in federal transit funds annually in third-party contracts, are subject to all provisions, and must upload their updated DBE program into TrAMS by March 1, 2025, for FTA review.

Whereas Tier II Recipients are FTA grant recipients who receive \$670,000 or less in federal transit funds annually are subject to a subset of provisions, including reporting requirements as well as compliance with the small business element. Tier II recipients do not have to submit documentation of these provisions for FTA for approval; however, FTA will verify compliance with these requirements during Triennial and State Management Reviews.

The following summarizes the participation of companies during the period from Federal Fiscal Years 2022 to 2024. The data has been revised with the lists and reports of participation collected over that timeframe. The funding categories (Table 1) were used to identify potential procurement opportunities relevant to the DBE goal setting process. The total amount reflects PRHTA's cost reimbursement to sub-recipients for contracts or procurements involving DBE participation.

**Table 1: Funding Categories with Opportunities for Years 2022-2024**

FTA FUNDING SECTION	2022	2023	2024	TOTAL
SECTION 5307 Regular Funds	\$198,488,787.92	\$188,471,775.00	\$194,723,502.00	\$581,684,064.92
SECTION 5307 Cares Act				
SECTION 5307 Cares Act - Covid 19- Funds				
SECTION 5310 -Regular Funds	\$6,040,387.99	\$5,945,763.00	\$13,362,877.00	\$25,349,027.99
SECTION 5311 -Regular Funds	\$5,834,870.00	\$75,323,359.00*	\$70,849,533.00	\$152,007,762.00
SECTION 5311 - Cares Act - Covid 19- Funds				
SECTION 5311 -RTAP	\$99,053.00	\$99,053.00	\$109,983.00	\$308,089.00
SECTION 5329 -Regular Funds	\$1,012,646.00	\$598,367.00	\$598,367.00	\$2,209,380.00
SECTION 5337- Regular Funds	\$15,580,802.00	\$28,969,718.00	\$33,191,977.00	\$77,742,497.00
SECTION 5339 - Regular Funds	\$ 12,106,533.00	\$18,182,999.00	\$15,876,962.00	\$46,166,494.00
SECTION 5324 -Emergency Funds Relief Funds				
Regular Funds Sections 5303 / 5304				
Regular Funds Sections 5307 / 5337				
Regular Funds Sections 5307 / 5339				
<b>TOTAL</b>	<b>\$239,163,079.91</b>	<b>\$317,591,034.00</b>	<b>\$328,713,201</b>	<b>\$885,467,314.91*</b>

\*There was a funding transfer from UZA Section 5307 to Rural 5311.

**Table 2: Procurements Opportunities, NAICS and Availability of Ready Willing and Able Firms (DBEs and Non-DBE)**

	<b>Procurements Opportunities</b>	<b>NAICS</b>	<b>DBE FIRMS</b>	<b>All Firms</b>
1	Highway, Street & Bridge Construction (i.e., road & parking lots construction; paving, resurfacing, curbs, potholes, striping, etc.)	237310	0	29
2	Electrical Contractors and Other Wiring Installation Contractors	238210	6	135
3	Automobile and Other Motor Vehicle Merchant Wholesalers	423110	0	0
4	Process, Physical Distribution, and Logistics Consulting Services	541614	0	3
5	Engineering Services	541330	0	18
6	Computer Facilities Management Services	541513	0	14
7	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers	423720	0	3
8	Industrial Machinery and Equipment Merchant Wholesalers	423830	3	9
9	Support Activities for Rail Transportation	488210	0	64
10	Environmental Consulting Services	541620	0	6
11	Freight Transportation Arrangement	488510	0	5
12	Metal Window and Door Manufacturing	332321	1	40
13	Landscaping	561630	2	6
14	Offices of Physicians (except Mental Health Specialists)	621111	1	0
15	Janitorial Services	561720	0	34
16	Sign Manufacturing	339950	1	0
17	Support activities for Oil and gas Operation	211312	0	8
18	Commercial and Institutional Building Construction	236220	0	1
19	Roofing contractors	238160	0	13
20	Painting and Wall Covering Contractors	238220	0	9
21	Flooring Contractors	238330	0	31
22	Steel Wire Drawings	331222	0	6
23	Damper manufacturing	332322	0	3
24	Bolt, Nut, Screw, Rivet, and Washer Manufacturing	332722	0	5
25	Cranes, construction-type, manufacturing	333120	0	4
26	Other Commercial and Service Industry Machinery Manufacturing	333318	0	17

27	Air Conditioning and Warm Air Heating	333415	0	9
28	Elevator and Moving Stairway Manufacturers	333910	0	10
29	Radio and Television Broadcasting and Wireless Communication Equipment	334220	0	9
30	Other Electronic Parts and Equipment Merchant Wholesalers	334290	0	4
31	Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120	0	288
32	Motor Vehicle Parts (Used) Merchant Wholesalers	423140	0	8
33	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	423310	8	0
34	Medical supplies	423450	0	11
35	Hardware Merchants Wholesalers	423710	0	9
36	Industrial Supplies Merchant Wholesalers	428440	0	18
37	Office supplies	424120	0	81
38	Hardware Stores	444130	0	6
39	Motor Vehicle Towing	488410	0	6
40	Media Streaming Distribution Services, Social Networks, and Other Media Networks and Content Providers	566210	0	8
41	Satellite Telecommunication	517410	0	15
42	Administrative Management and General Management Consulting Services	541611	0	13
43	Security guards and Patrol services	561612	0	12
44	All other Miscellaneous Waste Management Services	562998	0	6
45	Car Washes	811192	0	8
46	Commercial and Industrial Machinery and Equipment Repair & Maintenance	811310	0	6
47	Fire protection	922160	0	23
48	Fuel Dealers	454310	0	9
49	Security system supplier	463210	0	7
50	Attorney Offices	541110	0	3
		<b>TOTAL</b>	<b>22</b>	<b>1032</b>

As shown in Table 2, 1032 firms that were ready, willing, and able to perform work in the identified areas, were grouped by NAICS in the above categories (denominator). Of these, 22 were DBE firms ready, willing, and able to perform work in the identified areas and grouped by NAICS (numerator). In the formula below, you will find that the percentage was calculated by dividing the number of DBEs ready, willing, and able (numerator), by the number

of all firms (DBEs and non-DBEs - denominator) that were ready, willing, and able, to perform work in the identified areas during the period of FFY 2022 to 2024.

**Formula: Ready, willing, and able DBEs  $\frac{(22) \text{ (Numerator)}}{(1032) \text{ (Denominator)}}$**

This results in a base figure of 2.13% for our overall goal.

To determine adjustment to the base figure with past participation/performance, data was gathered from multiple sources covering the period from Federal Fiscal Years 2022 to 2024. These sources included contract award files, the bidders list, information provided by the PRHTA Federal Coordination Office, the DBE Directory, and participation records from Alternate Concepts, Inc. (ACI) and the Tren Urbano Office. This data captured both DBE and non-DBE firms that submitted bids or quotes on federally assisted contracts. The distribution of federal-funded projects offered for bid during this period followed the bid plans outlined in the amended State Transportation Improvement Program (STIP), which identifies projects scheduled over a five-year period in the local market. In accordance with FTA guidance, DBE participation data from the most recent three fiscal years is used to inform the adjustment of the base figure.

The table below presents the historical DBE participation and demonstrates how the data was used to adjust the base figure to establish the overall DBE goal.

**Table 3: Analysis of overall goal past participation Fiscal Years 2022-2024:**

FFY	Base Figure Projected	Percentage Achieved
2022	49.5%	73.0%
2023	42.41	0.73%
2024	42.41	12.2%

In establishing the median to obtain the adjusted goal (based on actual goals attained), during the mentioned fiscal years, we arranged our past participation values in order from low to high: 0.73%, 12.2%, 73.0%, resulting in a median of twelve-point two percent (12.2%). Median: 12.2%, Base Figure: 2.13%  $(2.13 + 12.2) = 14.33 / 2 = 7.16\%$

The average was obtained by adding together the Step One Base Line Goal percentage (2.13%) and the median participation percentage (12.2%) divided by 2 to obtain an adjustment of (7.16%) for the Step One Base Figure past participation. No evidence of discrimination, but rather, evidence of good faith efforts was detected. Considering the information obtained and analyzed, a significant part of the percentage was due to the participation of the Tren Urbano DBE vendors, suppliers, and contractors that were awarded contracts which greatly contributed to the annual goal setting, through race neutral means. As a result of all available evidence considered, the percentage established as the overall goal for the FFY 2026-2028, is 7.16%, which is a reasonable and attainable goal, based on the projections of FTA projects.

PRHTA proceeded to identify the work categories that will be contracted out in the triennial period by examining three years of contract dollars spent on 50 more or less work categories listed in Table 3. Even though USDOT recommends using weighting to improve the accuracy of the base figure (which is not a regulation requirement), there is enough evidence to sustain the accuracy of the percentage achieved.

### **Disparity Studies**

No disparity studies were found to demonstrate any existence whatsoever of past discrimination that would be relevant to the goal setting process in our market, in Puerto Rico and adjacent islands of Vieques and Culebra.

### **Race/Gender-Neutral and Race/Gender-Conscious Goal Split**

Based on the achievements of the last three Federal Fiscal Years, because Puerto Rico is mainly Hispanic, the overall goal of 7.16% has been obtained through a completely race/gender-neutral means (98.9% of the population as per the US 2010 Census). Based on this information, verified with information obtained from our DBE Directory files, almost all firms participating in the bidding, and contracting processes of the PRHTA are considered minority business enterprises. We will continue the policy of 100% race/gender-neutral methodology in attaining the overall goal, of 7.16% for FFY 2026-2028, as race/gender-neutral contracting and subcontracting opportunities for the participation of DBEs has accomplished the expectancy of achieving the overall annual goal. A race/gender-conscious DBE participation will remain at zero percent (0%), unless it is otherwise determined necessary to be adopted.

In accordance with 49 CFR Part 26.51(f), and consistent with the principles of the Executive Order on Diversity, Equity, and Inclusion, no contract-specific DBE goals will be set based solely on race or gender considerations unless it is determined that race- and gender-neutral measures are insufficient to meet the overall DBE goal. If race- and gender-neutral efforts prove ineffective in achieving the projected annual DBE participation, the estimated breakout of race- and gender-neutral and race-conscious participation will be adjusted accordingly. Any such adjustments will be made based on actual DBE participation data and in full compliance with federal regulations, prior to notifying the USDOT or applicable FTA District Office.

### **Contract Goals**

Contract goals are established on individual projects so that over the period to which the goal applies, it will cumulatively result in meeting any portion of the overall goal that is not projected to be met using race-neutral means. If needed, PRHTA will establish contract goals to meet any portion of the overall goal that is not anticipated by meeting by using race-neutral means, only on contracts that have subcontracting opportunities, prior notifying USDOT. Goals will be tailored to the specific circumstances of each contract, taking into consideration factors such as funding sources, subcontracting opportunities, contract size and type of work, the availability of DBEs to perform the work, and necessary adjustments for market conditions.

### **Ongoing Race and Gender-Neutral Strategies**

These race neutral strategies are summarized in the list below: 1. Implementing procurement policies that actively seek out small businesses, including DBEs, and encourage their participation in contracting opportunities 2. Carrying out information and communications programs on contracting procedures and specific contract opportunities; 3. Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors 4. Providing technical assistance, training, and resources to help small businesses, including DBEs, navigate the contracting process and enhance their competitiveness. 5. Organizing networking events to connect small businesses with prime contractors, facilitating collaborations, and potential partnerships Puerto Rico Highway and Transportation Authority has a full-bodied DBE program in place, including race and gender-neutral strategies to facilitate DBE participation.

### **Public Participation**

Throughout the reporting period, PRHTA has participated in various networking and outreach activities aligned with the information gathered for this DBE Methodology presentation. However, to comply with the public participation requirements outlined in 49 CFR Part 26, PRHTA will discuss this methodology and the resulting goal of 7.16%, to stakeholders, relevant entities and DBEs through a virtual meeting.

### **Public Notice**

In accordance with DBE regulations under 49 CFR Part 26.45, the Puerto Rico Highway and Transportation Authority (PRHTA) issued a public notice announcing its proposed DBE goal for Federal Fiscal Years 2026–2028. The notice informed the public of the proposed goal's availability for review and provided a 30-day period for public inspection and the submission of written comments.

The public notice was published through PRHTA's webpage and social media platforms; it was also distributed via email to relevant government agencies and DBE firms listed in the PRHTA directory. The notice along with all related materials was made available in both English and Spanish - the predominant language spoken by Limited English Proficient (LEP) individuals in Puerto Rico.

It was also advised that the notice and supporting documents could be accessed at: <https://act.dtop.pr.gov/derechosciviles>. Contact with the PRHTA DBE Liaison Officer was made available via email at: [Derechosciviles@act.pr.gov](mailto:Derechosciviles@act.pr.gov), where additional information could be requested and comments could be submitted. All postings included instructions on how to review the documents, and how and where to submit comments.

The proposed goal was discussed through a virtual meeting (which was recorded in conformity with regulation) and counted with the active participation of DBE companies, relevant government agencies and members of the Puerto Rico Unified Certification Program (UCP). It was stated that the public comment period would not be extended beyond the August 1<sup>st</sup> deadline for submitting the overall goal to the Federal Transit Administration. All questions raised during the meeting were addressed; however, no additional questions have been received since.