Pace Suburban Bus Division of the Northern Illinois Transit Authority (Pace)
Updated Disadvantaged Business Enterprise (DBE) Goal Setting

Goal Setting Methodology and Calculations
Federal Fiscal Years (FFY) 2025, 2026, 2027

GOAL OVERVIEW

Pursuant to the U.S. Department of Transportation (USDOT) rules and regulations provided in 49 CFR Part 26 (DBE Regulations) and the Interim Final Rule effective October 3, 2025, Pace updated the previous overall DBE goal that is applicable to Pace's DOT-assisted contracting opportunities (excluding the purchase of transit vehicles) for FFY 2025 through 2027 from 12% to 7%.

Pace's revised DBE goal is based on the remaining capital projects for 2026–2027 with a total spend of $63,037,237 of FTA funds (see Table 1 for the breakdown of anticipated FTA funds by work category). The revised overall goal for DBE participation is 7% or $4,412,607 of the projected FTA funds that will be subject to DBE participation requirements as demonstrated by the calculation shown below.

7% (Revised DBE goal) x $63,037,237 (Total Pace federally funded capital budget excluding transit vehicle purchases) = $4,412,607.

USDOT-ASSISTED CONTRACTING PROGRAM FOR 2026–2027

Capital projects included among the work categories are:

- Pulse Halsted Line (Design Services and Construction)
- Southwest Division Electrification/Expansion Progressive Design Build (Phase 1)
- Bolingbrook-Old Chicago Park-n-Ride Construction

Table 1 – Expected Projects by Work Category

Work Category	Estimated Dollar Value	Percent of Federal Funding by Work Category
Construction	$ 54,908,774	87.11%
Professional Services	6,480,447	10.28%
Equipment	1,648,016	2.61%
Total	**$ 63,037,237**	**100%**

GOAL METHODOLOGY

Pursuant to Section 26.45(b), the overall goal must be based upon demonstrable evidence of relative availability of DBEs in Pace's geographic and product markets. Accordingly, Pace proposes an overall goal for DBE participation that is consistent with Pace's historical spending patterns and with the amount of DBE participation Pace expects to achieve in its local market. The following sections, and the accompanying tables, explain the process that was followed to calculate the revised DBE goal for FFY 2025-2027 of 7%.

In preparing the revised overall DBE goal, Pace has used the anticipated capital 2026-2027 spending and the current spending data to determine its revised overall goal for 2025-2027. Pace's vendor pool has remained the same: Cook County, DuPage County, Kane County, McHenry County, Lake County, and Will County. Therefore, Pace has determined these counties to be its local market.

STEP ONE: BASE FIGURE CALCULATION

Section 26.45(c) requires the measurement of ready, willing and able businesses in Pace's local market, using the best available evidence to derive a fair and accurate base figure that represents the percentage of DBEs. One of the methods recommended in the DBE Regulations for determining the base figure involves accessing information from DBE Directories and Census Bureau Data, Section 26.45(c)(1). The following describes the base figure calculation based on these sources.

Pace determined the number of ready, willing and able DBEs in our local market by identifying the DBE businesses in the Illinois Unified Certification Program (IL UCP) DBE Directory including their North American Industrial Classification Codes (NAICS) representing the work most likely required on the remaining Pace projects for 2026-2027. Pace identified the relevant NAICS codes to apply to the capital projects by reviewing the types of Pace projects identified in Pace's current federally funded capital budget.

Utilizing the Census Bureau's County Business Pattern (CBP), Pace identified available DBE and non-DBE firms in its local market with those same NAICS codes. This allowed Pace to determine available firms that could serve as potential vendors. The number representing all DBEs and the number representing all firms were then used to determine the percentage of ready, willing, and able DBE firms to all firm's ratio for each NAICS code.

The percentages were then applied to the total remaining project FTA funds for 2026-2027 ($63,037,237) to determine the estimated dollar amount budgeted for each NAICS code category. Pace weighted the percentages by dividing the budget amount for each NAICS category by the total projected FTA funds. The revised weighted percentage Goal was multiplied by the DBE firms to all firm's ratio and then multiplied by 100 for each NAICS code category.

The resulting value for each NAICS code category was totaled to determine the revised overall base figure for Pace's DBE utilization of 6%. The base figure calculation weighs the availability for the total pool of contractors in our local market. This concludes the Step One calculation for the revised FFY 2025-2027 overall goal. See Table 2 on page 3.

Table 2 – Base Figure Calculation

NAICS	Project	# of DBE Firms Certified in NAICS Code	# of Overall Firms Local Market NAICS Code	DBE Firms/ All Firms Ratio Based on NAICS Code	Budget Amount of FTA Funds on Project	Weighted = (Budget Amount/ Total Contract Value)	Weighted % Goal
236220	Commercial & Institutional Building Construction	70	917	.0763	$ 5,393,583	.0856	.0007
237110	Underground Utilities	27	181	.1492	361,626	.0057	.0009
237310	Pavement Marking	22	190	.1158	376,333	.0060	.0007
238110	Concrete	68	411	.1655	6,475,185	.1027	.0170
238120	Structural Steel/Precast	15	94	.1596	1,030,479	.0164	.0026
238140	Masonry	18	559	.0322	246,738	.0039	.0001
238150	Glass & Glazing	6	177	.0339	54,000	.0009	.0000
238160	Roofing	9	700	.0129	107,910	.0017	.0000
238210/561621	Electrical	58	2,027	.0286	25,649,170	.4069	.0116
238220/423720	Plumbing/HVAC/Fire Protection	31	2,732	.0113	6,077,940	.0964	.0011
238310/238320/ 238330/238340	Finishes/Painting/ Flooring	106	2,315	.0458	1,078,868	.0171	.0008
238350	Finish Carpentry	37	1,004	.0369	181,224	.0029	.0001
238910	Site Work	65	452	.1438	4,050,904	.0643	.0092
238990	Other Specialty Trades	34	1,065	.0319	954,033	.0151	.0005
331210	Steel Fabrications	5	11	.4545	233,800	.0037	.0071
423210	Furniture	8	155	.0516	1,071,198	.0170	.0009
423610/423830/ 423840	Equipment	33	1,788	.0185	576,819	.0092	.0002
541310/541330	Architect/Engineering	140	2,116	.0662	6,480,447	.1028	.0068
561730	Landscaping	47	3,437	.0137	554,891	.0088	.0001
561990	Support Services	22	328	.0671	2,082,089	.0330	.0022
					Total Contracts Value	**Total Budget Subcontract %**	**Weighted DBE Goal**
					$ 63,037,237	100%	6.26%

Weighted DBE Goal is 6%.

STEP TWO: ADJUSTING THE BASE FIGURE

Past participation is the most reliable factor Pace can use in the Step Two adjustment.

Once the base figure of 6% was calculated, Pace adjusted the base figure pursuant to Section 26.45(d)(1)(i) of the DBE Regulations, which provides that the base figure can be adjusted using the current capacity of DBEs to perform work on the recipient's DOT-assisted program by measuring the volume of work performed by DBEs in recent years. Pace utilized its DBE goal and actual attainment percentages filed with the FTA between FFY 2022-2024 to calculate the figures in each category (overall DBE goal and DBE attainment) to determine a median rate of DBE participation for those federal fiscal years, see Table 3.

According to the calculations, Pace attained an average DBE participation rate of 9.04% and a median rate of 8.38% for FFY 2022-2024 (See "DBE Attainment" column in Table 3 below).

Table 3 – DBE Attainment

Fiscal Year	DBE Goal	DBE Attainment	DBE-conscious	DBE-neutral
2022	9.00%	8.38%	5.96%	2.42%
2023	9.00%	11.49%	3.61%	7.88%
2024	9.00%	7.26%	1.58%	5.68%
Total		27.13%	11.23%	15.88%
Mean		9.04%	3.74%	5.29%
Median		8.38%	3.61%	5.68%

FINAL STEP: CALCULATING THE REVISED OVERALL GOAL

To determine the revised overall goal, the weighted base figure of 6% (see Step One) was added to the median DBE attainment of the last three federal fiscal years or 8.38% (see Step Two), and divided by 2, see below.

6% + 8.38% = 14.38%   14.38%/2 = 7.19% (Rounded to 7%)

The result is Pace's revised DBE goal for 2026-2027 of 7%.

UTLIZATION OF DBE-NEUTRAL AND DBE-CONSCIOUS METHODS

The goal of Pace's DBE Program is to be primarily a DBE-neutral initiative that incorporates DBE-conscious elements, as needed.

Formula for Calculating DBE-Neutral and DBE-Conscious Percentages

Step 1: Determine the FFY 2022-2024 average of DBE procurements achieved without contract goals. This is the DBE-neutral mean.

Step 2: Determine the FFY 2022-2024 average of DBE utilization achieved utilizing DBE contract goals. This is the DBE-conscious mean.

Step 3: DBE-neutral median in FFY 2022-2024 = 5.68% (see Table 3)
DBE-conscious median in FFY 2022-2024 = 3.61% (see Table 3)

Step 4: Of the overall goal of 7% DBE participation as computed from Steps One and Two, and the anticipation of construction projects remaining for 2026-2027, which will increase subcontracting opportunities available on these projects, Pace seeks to achieve 6% by DBE-conscious means and 1% by DBE-neutral means.

As directed by 49 CFR Part 26.51, Pace is proposing to meet our DBE overall goal by using 6% DBE-conscious and 1% DBE-neutral means. Unlike in FFY 2022-2024, Pace anticipates construction projects for FFY 2026-2027, which will increase subcontracting opportunities available on these projects, which most of our DBE-conscious participation will be attained. As a result, we made the decision to adjust how Pace proposes to meet the overall goal to 6% DBE-conscious and 1% DBE-conscious.

Despite this change, we will continue our outreach efforts to various small, disadvantaged business events, as a means of facilitating DBE-neutral DBE participation.