

The North Dakota Department of Transportation
Civil Rights Division – Transit Section

Triennial DBE Goal – FY 2026-2028

For

U.S. Department of Transportation
Federal Transit Administration

August 1, 2025

FTA DBE GOAL SETTING METHODOLOGY

The North Dakota Department of Transportation (NDDOT), in accordance with Federal Transit Administration (FTA) Guidelines (49 CFR 26), and in consultation with FTA documentation “Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program” have established NDDOT DBE Triennial Participation Goal for FY 2026-2028.

NDDOT’s FY 2026-2028 FTA DBE GOAL = 0.64%

STEP 1 – Determining the Base Figure

- A. Job Service North Dakota provided us with the total number of North Dakota firms in each of the NAICS codes identified as contracting opportunities. Please see Table 1 for details of this calculation.

Base Goal – 1.10%

- B. **Methodology.** The base figure was calculated using the relative availability of DBEs (14) vs. the relative availability of non-DBE firms (1,260) in the state for the types of contracts we anticipated awarding ($14/(14 \text{ DBEs} + 1,260 \text{ non-DBE})$ or $14/1,274 = 1.10$ percent).

We researched whether a work by construction-based DBEs could be considered contracting opportunities. We reviewed the types of work for DBEs that could be done on transit facilities as well as in other areas of transit business operations. Anticipated projects identified during the grant application process were limited, so work types were tailored to reflect actual contracting opportunities in accounting and tax services, substance abuse testing, and compliance, insurance, janitorial, graphics & marketing, leased equipment – copiers, and office supplies.

Table 1: Determining the Base Figure

NAICS	DBE Work Type	DBE Firms	All Firms Available (including DBEs)	Base
541211, 541213, 541214, 541219	Accounting & Tax Service	4	294	
621511, 621999	Drug Screening & Substance Abuse Compliance Testing	0	24	
524210	Insurance	1	585	
423850, 423990, 561720	Janitorial	3	267	
541430, 541850, 323111	Graphics & Marketing	3	52	
532420, 532490	Leased Equipment	2	33	
453210, 424120	Office Supplies	1	19	
Total Individual Firms		14	1274	1.10%

Step One Base Figure=
$$\frac{\text{Ready, willing, and able DBEs}}{\text{All firms ready, willing, and able (including DBEs and non-DBEs)}}$$

14
1274

C. Unified Certification Program (UCP) DBE Directory. We supplemented the NDDOT DBE Directory with data from the US Census Bureau – Statistics of U.S. Businesses and the Bureau’s 2022 Economic Census (North Dakota) released 4/10/2025, and the Bureau of Labor Statistics in determining the number of ready, willing, and able DBE certified firms and non-DBE firms in the state.

Using the categories noted above, we reviewed the 196 firms listed on the NDDOT DBE Directory as of 5/22/2025. Of those 196 firms, 14 firms were classified in the NAICS codes of the actual contracting opportunities previously noted.

The firms for transit provider categories in the list for items are accounting, tax services, marketing, specialty items, website development, digital printing, graphic design, janitorial, insurance, copier leasing, and office supplies. The majority of transit funding is used for operating. Construction categories are not generally considered because funding transit facilities is costly and requests for these projects vary from year to year. Generally, capital funding is used to replace that

aging transit vehicle fleet throughout the state. As requests for new facilities/bus garages and remodeling are requested, the Civil Rights Transit section will look to achieve the DBE goal through Race Neutral participation.

NDDOT has enhanced the functionality of the NDDOT DBE Directory to allow transit providers to download complete contact information for all DBEs. Transit providers then may include the email addresses, fax numbers, and telephone numbers in their contact database. In addition, transit providers may search by work category and download contact information for only those DBEs certified to provide specific services or work and in specific locations in North Dakota.

D. Local Market. Although the State of North Dakota is generally considered the local market for purposes of this calculation, more than 52 percent of the DBEs certified in North Dakota are home-based out of state. The UCP list includes qualified DBE firms from out of state that have expressed an interest in working on Federal Aid Projects in North Dakota. Therefore, firms from Arizona, California, Colorado, Florida, Georgia, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Montana, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Wisconsin, and Washington DC are included in the goal setting.

State transit agencies were contacted to request the names of their DBEs currently serving transit entity needs. Several transit agencies contract with Seven Fires Business Solutions, a current DBE, however, since this is a supply contract, the DBE participation can only be counted as 60 percent.

Outreach was performed by the Civil Rights Division and the DBE Supportive Services Consultant, Project Solutions, Inc. who conducted presentations and/or attended events at the Construction Industry Center, Northern Plains TERO Coalition, and Tri-State Apex Accelerator/SBDC/SBA Consortium. The DBE Supportive Services Consultant hosted virtual networking events and trainings to assist DBEs.

STEP 2 – Adjust the Base Figure

DBE participation for the past four fiscal years is summarized in the following table. Although transit providers were able to make minimal purchases from DBEs, it was not adequate to meet the goal.

FY	Achieved Participation	\$ Amount Achieved
2021	0.00%	\$4,123
2022	0.22%	\$1,766
2023	0.12%	\$1,207
2024	0.34%	\$2,837

ADJUSTMENTS

The Civil Rights Division calculated the median participation from the past four years which came to 0.17%. Averaging 1.10% and 0.17% brings the adjusted base figure to 0.64%. Due to failing to meet the goal that past four years, the Department elects to use the Step 2 Figure.

A. Describe the Calculations Performed. The median past participation was calculated by sorting the DBE achievements in numerical order and then removing an equal number from the lowest achievement and the highest end. Then the remaining numbers are added, and the total divided by the number of numbers.

Fiscal Year	Percent Achieved
2021	0.00%
2023	0.12%
2022	0.22%
2024	0.34%

$$0.22\% + 0.12\% = 0.34\% / 2 = 0.17\% \text{ Median Past Participation}$$

B. The average of the Step One Base Figure and the Median Past Participation was calculated by adding the Median Past Participation in Step 1 and dividing by two.

$$0.17\% + 1.10\% = 1.27\% / 2 = 0.64\% \text{ Step One Base Figure adjusted for past participation.}$$

Further Analysis. The Civil Rights Division analyzed contracting opportunities in its small community subrecipients to establish its goal. The Department intends to achieve its three-year goal initially through Race Neutral means.

The number of DBEs fluctuates in our state due to changes in businesses, perceived contract opportunities, business capacity, and the distance out of state contractors need to travel to work in North Dakota.

The Department will continue to disseminate information at transit meetings and compliance reviews to assist subrecipients in recognizing the level of their DBE goal achievement and meeting the DBE goal. The Civil Rights Transit section will give subrecipients direction through various means to cultivate and recognize contracting opportunities.

Additionally, reporting measures have been put in place to refine the information required in generating the Semi-Annual Report for DBE Awards and Commitments/Payments. All subrecipients are required to log purchases and report DBE participation semi-annually through the BlackCat system.

Public Participation. For FTA projects, Civil Rights Division is reliant upon the UCP Program when identifying DBEs certified to complete work in North Dakota. The Civil Rights Division works closely with the Transit Section.

- Subrecipients and Civil Rights Division will connect potential DBE firms to DBE Supportive Services for assistance in applying and/or determining their eligibility.
- The Civil Rights Division will work with Transit Section and subrecipients to identify work items appropriate to contract and assist in identifying DBEs ready, willing, and able to perform the work.

Methods to Meet the DBE Goal

49 CFR 26.51. Requires an overall goal submitted with the methodology to meet DBE participation within a program. The following is a list of those methods to be implemented:

- The Transit Section discusses the importance of DBE program with transit providers during compliance reviews.
- Provide one-on-one and group training to subrecipients throughout the state as appropriate.
- Provide transit providers with updated DBE information by sharing the DBE Newsletter when new DBEs have been certified.
- Publish legal notices to the NDDOT website and through GovDelivery requesting public comment on Public Transit DBE goal.

- Hold a public meeting to inform and provide the public an opportunity to comment on the Public Transit DBE goal.
- Place a notice of the DBE goal on the NDDOT Transit and Civil Rights webpages.

NOTIFICATION ON CONTRACTING OPPORTUNITIES

The Department's subrecipients have agreed to use the Department's Triennial FTA DBE goal setting methodology and approved DBE program. The Department has limited DBE firms certified in a relevant area. About a third of DBEs are located in the small, urbanized areas. However, most DBEs are located in the rural communities and are spread out all over the state. DBEs are located in 18 of North Dakota's 53 counties.

The state's population density is fewer than eleven (11) people per square mile; consequently, the choice of vendors is limited. Subrecipients face the challenge that the work they are looking to contract is often very small jobs. Many contractors view these small jobs as unprofitable and are unwilling to bid on them due to the cost of towing equipment, supply chain delays, shipping costs, or other logistics issues for the contractor. Most of those DBEs certified to perform in the present contracting opportunities are located out-of-state; therefore, the cost of doing business other than via the internet is higher than hiring local contractors or purchasing small items locally.

Additionally, North Dakota's unemployment rate is extremely low. According to the Bureau of Labor Statistics, in April 2025, North Dakota was ranked as the second lowest state with an unemployment rate of 2.6 percent (<https://bls.gov/web/laus/laumstrk.htm>). Many DBEs listed as having goods and services available for contracting opportunities are from out of state. Presently, North Dakota transit providers are very much a part of their small communities and therefore procure most of their goods and services from local sources. Many of the local firms maintain close personal and professional relationships with their customers. Therefore, it may take some time to make significant headway into hiring out of state firms. Furthermore, 62.2 percent of North Dakota firms have either no employees or less than 5 employees; thus, customers are working directly with the individual who supplies their insurance, communications solutions, and other items that need to be purchased. Many DBEs are smaller businesses that may not have the wherewithal to bid prime on transit bus facilities or may choose to work as subcontractors than bidding prime.

There are no DBEs currently certified who supply tires, batteries, gasoline, or fuel.

The Transit Section staff have encouraged subrecipients to reach out to local women and minority owned firms to inform them of the benefits of DBE certification. Information on the

certification process and the DBE Supportive Services Consultant will be sent to each of the firms expressing interest. The Department is committed to forwarding requests, via email, for all proposals and notices to bid to all applicable certified DBE firms.

The Department annually allocates DBE Supportive Services funds to provide technical assistance to DBE firms. Technical assistance is provided around DBE certification, orientation into the program, networking, and to facilitate training. This technical assistance is provided by Project Solutions, Inc., who's a certified Disadvantaged Business Enterprise (DBE) in North Dakota.

Newly certified DBEs are announced in the DBE Newsletter that is published to the NDDOT DBE webpage and sent out via GovDelivery. The Civil Rights Transit section will forward all DBE Newsletters containing new DBEs to the transit providers. The Department encourages all DBEs to register with the State Procurement Office to receive proposals from all areas of the state.

ADJUSTMENTS

In determining whether adjustments in the goal were needed, the following were contacted to determine whether these agencies recognized effects of discrimination in lending, etc.

ND Attorney General
Department of Financial Institutions
Department of Health and Human Services
ND Office of Management & Budget
ND University System
ND Department of Commerce
ND Small Business Development Centers

The Department received no information from these sources indicating that adjustment based on this evidence is warranted. **No adjustment has been made to this factor.**

PUBLIC COMMENTS