

# **NMDOT METHODOLOGY TO FORMULATE FFY 2026, 2027 and 2028 TRANSIT RELATED DBE GOALS**

## **Introduction**

The New Mexico Department of Transportation (NMDOT) prepared this document to describe the methodology it used to establish the overall Disadvantaged Business Enterprise (DBE) goal for DBE participation in NMDOT FFY 2026, 2027 and 2028 federally assisted transit contracts. The goal was developed in compliance with 49 CFR Part 26, and the NMDOT relied on both the federal regulations and the guidance related to implementation of those regulations.

49 CFR 26.45 requires the establishment of an overall goal based on demonstrable evidence of the availability of ready, willing, and able DBE firms relative to all businesses who are ready, willing, and able to participate on NMDOT contracts. This process begins by determining a base figure for the relative availability of DBE firms and then, based on evidence, determining whether the base figure requires adjustments to arrive at the overall goal. The NMDOT goal setting methodology complies with these requirements.

## **Step 1 Base Figure**

To examine DBE availability, NMDOT initially determined the relevant market area. According to federal guidance, the market area is the area in which the substantial majority of the contractors and subcontractors with which NMDOT does business are located, and the area in which the substantial majority of contracting dollars are spent. In each of these respects, the public contract records of NMDOT indicate that the appropriate market area is the geographical area of the State of New Mexico. All NMDOT contracts are performed in the State and they are performed state-wide. Any out-of-state contractor or subcontractor must meet the same qualifying standards and requirements as in-state firms.

NMDOT next identified the principal types of contractors that may potentially participate in transit related construction contracts and transit related service contracts and determined the general procurable categories (classified by NAICS Code) most commonly used by NMDOT and its Subrecipients. NMDOT reviewed all relevant internal and subrecipient project expenditures as well as subrecipient projects and was able to determine which NAICS codes were associated with the type of work performed on the projects and calculated projected expenditures for the next three years for each category (Table 1):

**Table 1**

<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Projected Awards</b>
236220	Commercial and Institutional Building Construction	\$11,862,018
424710	Petroleum Bulk Stations and Terminals	\$5,192,437
441310	Automotive Parts and Accessories Stores	\$1,973,236
453210	Office Supplies and Stationery Stores	\$180,759
485210	Interurban and rural bus transportation	\$12,482,381
513210	Software Publishers	\$328,470
524200	Insurance Carriers and Related Activities	\$6,611,756
532420	Office Machinery and Equipment Rental and Leasing	\$54,528
541211	Offices of Certified Public Accountants	\$116,891
5413	Architectural, Engineering, and related Services	\$4,299,170
541611	Administrative Management and General Management Consulting Services	\$763,146
541810	Advertising Agencies	\$232,582
561700	Services to Buildings and Dwellings	\$358,050
621111	Offices of Physicians (except Mental Health)	\$17,769
811111	General Automotive Repair	\$2,415,078
812331	Linen and Uniform Supply	\$108,168
812332	Industrial Laundries	\$28,602
		\$ 47,025,041

### **Relative Availability of Each Type of Work by NAICS Code**

As allowed by 49 CFR 26.45(c)(1), NMDOT used the Census Bureau County Business Patterns data to determine the relative availability of all firms in each category available in the market area and then compared these categories with NMDOT DBE Directory to identify DBE vendors certified with NMDOT matching the types of vendor contracts. Using this data, NMDOT calculated the relative availability of DBE firms which represents the best evidence of the availability of ready, willing and able transit-related DBE firms relative to all businesses in the market area ready, willing, and able to participate in NMDOT's transit-related contracts, and, therefore, provides the basis for a rational process, consistent with the federal guidelines.

*Relative availability of DBE Firms = [# Certified DBE Firms in New Mexico/# Total Firms in Market Area]*

### **Weight of Each Type of Work by Category NAICS Code**

NMDOT then determined the Category Weight for each Procurement Opportunity Category listed in Table 1 using the projected expenditures for each general procurable category (Table 2). The following calculation was used:

*Category Weight per Procurement Opportunity Category = [Projected Expenditures per category/Total expenditures All Categories]*

**Table 2**

<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Projected Awards</b>	<b>Category Weight</b>	<b>DBE Firms</b>	<b>Total Firms</b>	<b>Relative Avail.</b>	<b>Weighted Relative Avail.</b>
236220	Commercial and Institutional Building Construction	\$11,862,018	25.2%	14	289	0.0484	0.0122
424710	Petroleum Bulk Stations and Terminals	\$5,192,437	11.0%	0	1	0.0000	0.0000
441310	Automotive Parts and Accessories Stores	\$1,973,236	4.2%	0	1	0.0000	0.0000
453210	Office Supplies and Stationery Stores	\$180,759	0.4%	0	289	0.0000	0.0000
485210	Interurban and rural bus transportation	\$12,482,381	26.5%	1	4	0.2500	0.0664
513210	Software Publishers	\$328,470	0.7%	1	43	0.0233	0.0002
524200	Insurance Carriers and Related Activities	\$6,611,756	14.1%	0	818	0.0000	0.0000
532420	Office Machinery and Equipment Rental and Leasing	\$54,528	0.1%	0	150	0.0000	0.0000
541211	Offices of Certified Public Accountants	\$116,891	0.2%	1	762	0.0013	0.0000
5413	Architectural, Engineering, and related Services	\$4,299,170	9.1%	15	686	0.0219	0.0020
541611	Administrative Management and General Management Consulting Services	\$763,146	1.6%	6	310	0.0194	0.0003
541810	Advertising Agencies	\$232,582	0.5%	2	38	0.0526	0.0003
561700	Services to Buildings and Dwellings	\$358,050	0.8%	0	923	0.0000	0.0000
621111	Offices of Physicians (except Mental Health)	\$17,769	0.0%	0	900	0.0000	0.0000

NAICS Code	NAICS Description	Projected Awards	Category Weight	DBE Firms	Total Firms	Relative Avail.	Weighted Relative Avail.
811111	General Automotive Repair	\$2,415,078	5.1%	0	524	0.0000	0.0000
812331	Linen and Uniform Supply	\$108,168	0.2%	0	9	0.0000	0.0000
812332	Industrial Launderers	\$28,602	0.1%	0	7	0.0000	0.0000
		\$ 47,025,041					8.13%

### Weighted Relative Availability of DBE Contractors

The weighted relative availability of each NAICS Code category was determined by calculating the relative availability of DBEs in each category against the weight of the projected expenditures for each category (Table 2). NMDOT determined the weighted relative availability of each category using the following calculation:

$$\text{Weighted Relative Availability} = [\# \text{ DBE Firms} / \# \text{ Total Firms}] * (\text{Category Weight})$$

### Base Figure Calculation

NMDOT determined the base figure for each NAICS code by summing the weighted relative availability for all NAICS.

$$\text{Base Figure} = \text{Sum } \{ \text{Weighted Relative Availability} \}$$

### Step 2 – Examine data to determine what adjustments, if any, is needed to the Base Figure.

§ 26.45 (d) provides many examples of the type of data to examine in order to adjust the base figure in Step One. Also, per DOT guidance if the contracting opportunities are different from previous years, past participation cannot be used accurately. During several of the previous Federal fiscal years which form NMDOT's past participation, the types and magnitude of contracting activities were significantly different than those projected for the upcoming Federal fiscal years. For example, the previous years' participation included several and several large construction and consulting awards that are not anticipated in the next three years. This past participation, as provided in 49 CFR Part 26 and *USDOT's Tips For Goal-Setting* guidance would therefore not be relevant for the current goal-setting period. Additionally, NMDOT did not have any empirical evidence in the following areas:

- evidence from recent or relevant disparity studies
- NMDOT did not use as the base figure the goal of another recipient
- evidence from related fields that affect the opportunities for DBEs to form, grow and compete

After reviewing past participation and other relevant data, we have determined that an adjustment of the base goal would not be appropriate.

### **Race-Neutral vs. Race-Conscious Projections**

NMDOT's Transit and Rail Division has historically met its entire goal through race-neutral means, as evidenced in its past reports. Therefore, NMDOT's Transit and Rail Division projects that 100% of its overall goal will be met through race-neutral means for this goal period. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures; is awarded a subcontract on a prime contract that does not carry a DBE goal; or even if there is a DBE goal, wins a subcontract from a prime contractor that did not consider the DBE status in making the award (e.g. a prime contractor that uses a strict low bid system to award subcontracts).

To support Race Neutral participation, we will continue the following successful practices:

- making available projects of a size that small businesses can bid on as primes – many of these smaller opportunities are available through our subrecipient purchases
- ensuring that barriers to competition for small businesses in our procurement processes are evaluated and continuing to look for ways to level the playing field
- making DBEs aware of opportunities, and
- distributing information on use of our online directory so that prime bidders can more easily find DBEs
- continuing capacity-building and outreach activities to our subrecipients, stakeholders and small businesses

Therefore, NMDOT anticipates meeting the 8.13 % FFY 2026-2028 goal entirely with race-neutral DBE participation.

### **Overall Goal**

**The proposed goal for DBE participation in federally assisted transit contracts is 8.13%, projected to be met entirely through race-neutral means.**

### **Public Involvement and Information Dissemination**

To encourage scheduled, direct and interactive consultation with groups representing minority, women's and general contractor groups, on July 23, 2025, NMDOT's Transit & Rail Division held a virtual stakeholder meeting in conjunction with the City of Santa Fe whose triennial goal is also due to FTA on August 1, 2025. The following organizations were invited to the meeting:

- SCORE Mentors
- Santa Fe Small Business Center (SBDC)
- City of Santa Fe Economic Development Newsletter
- Greater Albuquerque Chamber
- Albuquerque Hispano Chamber NM
- Gallup Chamber of Commerce
- Las Cruces Chamber of Commerce
- American Indian Chamber of Comm NM

- Las Cruces Hispano Chamber of Comm
- African American Greater Albuquerque Chamber of Commerce
- NM Chamber of Commerce
- Farmington Chamber of Commerce
- Associated Contractors of New Mexico
- NCAIED APEX Accelerator
- NM APEX Accelerator
- NM Minority Business Development Admin.
- NM SBDC - Other
- NM SCORE - Albuquerque
- Small Business Administration
- WESST
- NM Veterans Business Outreach Center
- NM Economic Development Department
- All New Mexico DOT Transit and Rail Division subrecipients

The presentation from this meeting is included at the end of this document. Twenty-three participants accepted the invitation to the stakeholder meeting. The following question was received during the meeting. Participants were given the opportunity to provide questions via email through July 29, 2025. No further questions were received.

- Question: Does the overall goal mean that contracts will have DBE goals at these levels?
  - Answer: No, the overall goals estimate the availability of DBEs to participate in the FTA-funded opportunities. Currently New Mexico DOT's Transit and Rail Division and Santa Fe Trails operate race-neutrally, which means that they anticipate attaining their overall agency goals race-neutrally (e.g. without setting contract goals)

### **Published Notice**

The following notice was published on the New Mexico DOT's Transit and Rail website.

#### **PUBLIC NOTICE**

New Mexico Department of Transportation

Division of Transit and Rail

#### **FFY 2026-2028 DISADVANTAGED BUSINESS ENTERPRISE GOAL**

New Mexico DOT's Transit and Rail Division hereby announces its proposed FFY 2026-2028 goal of 8.13% for Disadvantaged Business Enterprise (DBE) participation in

applicable federally funded contracts. It is anticipated that this goal will be met entirely through race-neutral means. If this published goal is revised based on USDOT review, this notice will be updated.

## Disadvantaged Business Enterprise (DBE) 2026-2028 Goal-Setting Stakeholder Consultation Meeting



New Mexico DOT Transit and Rail Division



City of Santa Fe Transit Division

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## Goal-Setting Overview

- Introductions
- DBE Program Basics
- NMDOT Transit and Rail Division Goal Setting Methodology
- Santa Fe Trails Goal Setting Methodology
- How to Provide Comments
- Questions



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## DBE Goal-Setting

- *NMDOT Transit and Rail Division* and *Santa Fe Trails* are currently developing Federal Fiscal Years 2026-2028 overall agency DBE goals
- Goal-setting is a two-step process required when using US Department of Transportation (USDOT) funding
  - Both agencies receive Federal Transit Administration (FTA) funds from USDOT
- Step 1 - Establish a base figure based on the relative availability of DBEs to participate in each agency's FTA-funded projects.
- Step 2 - Make any necessary adjustments to the base figure based on local market conditions.



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## Calculating the Base Figure

- An overall DBE goal focuses on the participation of DBEs in FTA-funded contracts that will be awarded over the next three years.
- Potential projects are forecasted three years into the future.
- This provides a “best estimate” of potential contracting activity and opportunities.



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## New Mexico DOT Transit and Rail Division Goal Methodology



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## NMDOT Transit and Rail Division Overview

- NMDOT administers a wide range of public transit programs, including rural transportation, specialized transportation, intercity bus service, and vanpool service.
- The statewide transit and rail program includes
  - 21 subrecipients providing rural area transportation
  - 40 subrecipients providing transportation services for older adults and persons with disabilities
  - 5 subrecipients providing planning services planning
  - 21 subrecipients receiving bus and bus facilities funds
  - 15 FTA-funded facilities either built or in the process of being constructed
  - Contracted service to provide park-and-ride intercity bus
  - Contracted service to provide public vanpool and rideshare services



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## Calculating the Base Figure – NMDOT Transit and Rail Division

### Federal Fiscal Years 2026 – 2028 Anticipated Types of FTA-Funded Opportunity Types

- Commercial and Institutional Building Construction
- Petroleum Bulk Stations and Terminals
- Automotive Parts and Accessories Stores
- Office Supplies and Stationery Stores
- Interurban and rural bus transportation
- Software Publishers
- Insurance Carriers and Related Activities
- Office Machinery and Equipment Rental and Leasing
- Offices of Certified Public Accountants
- Architectural, Engineering, and related Services
- Administrative Management and General Management Consulting Services
- Advertising Agencies
- Services to Buildings and Dwellings
- Offices of Physicians (except Mental Health)
- General Automotive Repair
- Linen and Uniform Supply
- Industrial Launderers



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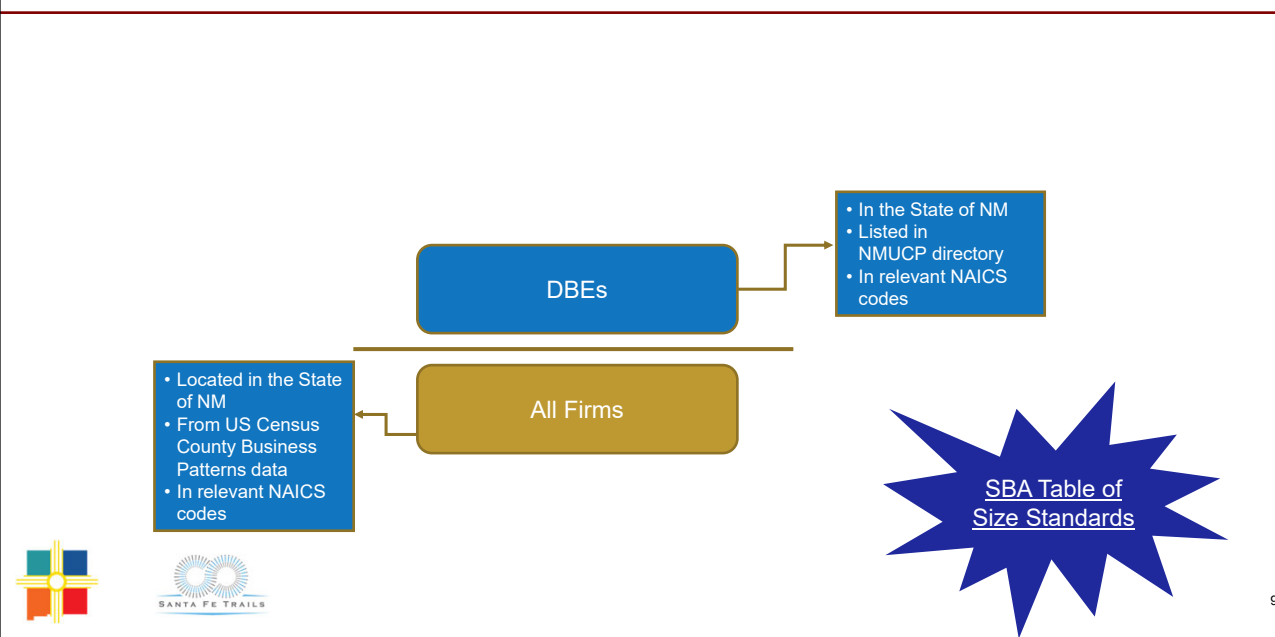
## Calculating the Base Figure – NMDOT Transit and Rail Division

Geographic area for data based on location of where majority of firms are located that currently work on NMDOT projects – State of New Mexico



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## Calculating the Base Figure – NMDOT Transit and Rail Division



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## Relevant NAICS Codes – NMDOT Transit and Rail Division

NAICS Code	NAICS Description
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532420	Office Machinery and Equipment Rental and Leasing
541211	Offices of Certified Public Accountants
5413	Architectural, Engineering, and related Services
541611	Administrative Management and General Management Consulting Services
541810	Advertising Agencies
561700	Services to Buildings and Dwellings
621111	Offices of Physicians (except Mental Health)
811111	General Automotive Repair
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## Base Figure – NMDOT Transit and Rail Division

For each NAICS codes, determine the relative weight of that type of work, determine the number of 'DBE' and 'All' firms and determine the weighted relative availability. After the Weighted Availability for each NAICS code is determined, add all figures in the Weighted Availability column to derive the base goal.

For NMDOT, this equals 8.13%

NAICS Code	NAICS Description	Category Weight	DBE Firms	Total Firms	Relative Availability	Weighted Relative Availability
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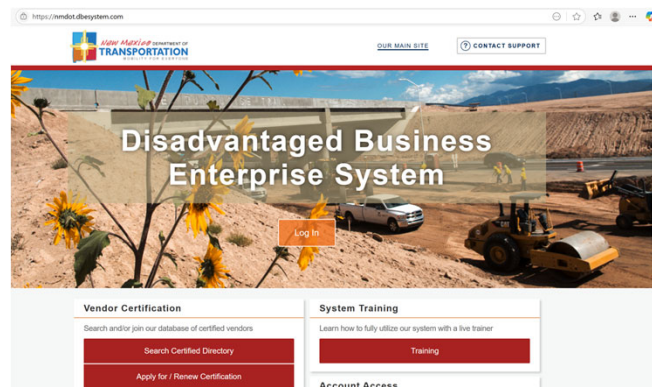
8.13%



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## New Mexico's DBE Directory

- Used in goal-setting for determining availability of DBEs
- Great addition to an agency's vendor lists for procurement opportunities
- Good database for outreach and capacity-building efforts
- Only DBEs listed in this directory can be counted towards DBE attainment for FTA/FHWA/FAA-funded projects
- This is also the website where interested firms submit their DBE application.



<https://nmdot.dbesystem.com/>



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## Searching New Mexico's DBE Directory

**Certified Vendor Directory**

Search our Certified Vendor Directory by entering search criteria and clicking Search. You must select at least one certification type. You can also search by a variety of other fields which are listed below.

**Search by Certification Type**

CERTIFICATIONS ☒ Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) ☒ Disadvantaged Business Enterprise (DBE)

**Search by Business Name or DBA**

BUSINESS NAME/DBA  Tip: Try just a few letters of the firm's name.

**Search by Business Description**

BUSINESS DESCRIPTION  Tip: Try just a few letters of a keyword.

Search by one or multiple criteria:

- Type of certification
- Name
- Business Description
- Owner
- Location

**Search by Contact Person**

CONTACT PERSON/OWNER  First Name  Last Name  
Tip: Use the first few letters. Tip: Try the first few letters.

**Search by Location**

CITY

ZIP CODE  Tip: Search for multiple zip codes by separating with commas.

DISTANCE SEARCH Within  of zip code

STATE

PHONE AREA CODE

**Complete the reCAPTCHA below to access the search actions:**

☐ I'm not a robot

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## Step 2 – Adjusting the Base Figure

Once a base figure has been calculated, relevant evidence in the market area is examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal. Considerations include:

- Past DBE participation
- Evidence from disparity studies
- Any available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, such as:
- Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate
- Data on employment, self-employment, education, training and union apprenticeship programs, to the extent that it is relevant

Because NMDOT does not have affirmative information that any of the above are relevant to adjusting its goal, it is proposing **8.13%** as its final goal.

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## Santa Fe Trails Goal Methodology



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## Santa Fe Trails (SFT) Overview

- Provides eleven fixed-routes and ADA-compliant paratransit services across the city.
- Service is provided throughout Santa Fe's 42-square-mile service area.
- Service is available 7 days a week, excluding holidays; weekday service operates from 7:00 a.m. to 8:00 p.m.
- System operates 26 buses, serving over 500,000 annual riders—averaging 1,393 trips per day.
- Routes are timed to run approx. every 20 minutes to better align with passengers' work and school schedules.
- Fares range from \$0.50 to \$1.00 per trip, with free rides available for youth (18 and under) and U.S. military veterans. People with disabilities receive discounted fares at \$0.50 per trip. This is continuously evaluated so the system remains responsive to community needs and staffing availability.
- SFT is a key component of the region's multi-modal transportation network, offering connections to the New Mexico Rail Runner, NMDOT Park and Ride and the North Central Regional Transit District, including access to bicycle and pedestrian paths, and other public and private transportation services.
- All buses are ADA-accessible and equipped with wheelchair lifts and bicycle racks. The fleet is powered by clean-burning Compressed Natural Gas (CNG), reinforcing the City's commitment to sustainability and reduced emissions.
- Beyond daily service, Santa Fe Trails plays a critical role in facilitating transportation for the city's largest and most iconic cultural events. These include: Zozobra, International Folk Art Market, Indian Market, Spanish Market, and Farolitos on Canyon Road.



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## Calculating the Base Figure – NMDOT Transit and Rail Division

**Federal Fiscal Years 2026 – 2028**  
**Anticipated Types of FTA-Funded Opportunity Types**

- Engineering/Design Services
- Rehabilitation/Renovation of Bus Terminal
  - Southside – New
  - Downtown - Reconstruction
- Bus Stop Renovation



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## Calculating the Base Figure – Santa Fe Trails

Geographic area for data based on location of where majority of firms are located that currently work on Santa Fe Trails projects – State of New Mexico



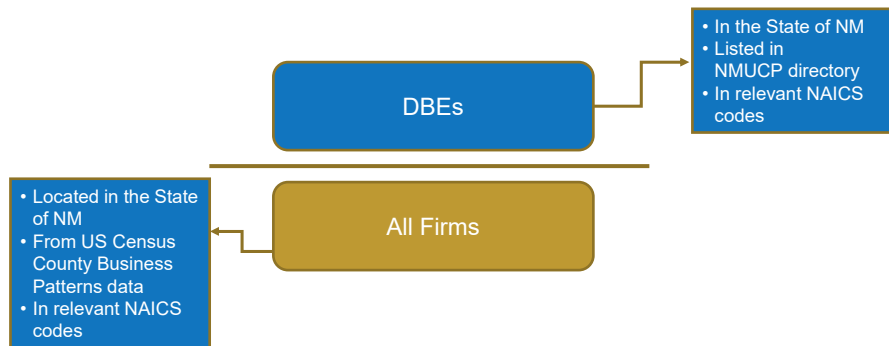
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## Calculating the Base Figure – Santa Fe Trails

Based on projected opportunities and past/current DBE participation, NMDOT estimates the % of DBEs compared to all firms that can participate in its FTA-funded contracts.



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## Relevant NAICS Codes – Santa Fe Trails

NAICS Code	NAICS Description
236220	Commercial and Institutional Building Construction
237310	Sidewalk, public construction
5413	Architectural, Engineering, and related Services



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## Base Figure – Santa Fe Trails

Industry	NAICS Code	Weight	Availability	Weighted Base Figure
Architectural, engineering and related services	541300	9%	2.2%	0.197%
Commercial and institutional building construction	236220	86%	4.8%	4.166%
Sidewalk, public construction	237310	5%	44.9%	2.246%
		100%		6.609%

For each NAICS codes, determine the relative weight of that type of work, determine the number of 'DBE' and 'All' firms and determine the weighted relative availability.

After the Weighted Availability for each NAICS code is determined, add all figures in the Weighted Availability column to derive the base goal.

For Santa Fe, this equals 6.6%



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## Step 2 – Adjusting the Base Figure - Santa Fe Trails

Once a base figure has been calculated, relevant evidence in the market area is examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal. Considerations include:

- Past DBE participation
- Evidence from disparity studies
- Any available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, such as:
- Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate
- Data on employment, self-employment, education, training and union apprenticeship programs, to the extent that it is relevant

Because Santa Fe does not have affirmative information that any of the above are relevant to adjusting its goal, it is proposing 6.6% as its final goal.

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## Public Participation



New Mexico DOT Transit and Rail Division



City of Santa Fe Transit Division

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## Projecting Race-Neutral/Race Conscious Split

- Once the overall goal is established, agencies must project what part of the goal it anticipates achieving race-neutrally (i.e., no DBE goals set on agreements/contracts) and what portion it anticipates achieving race-consciously (i.e., setting a goal).
- Based on past participation and current agreements, both NMDOT and Santa Fe Trails anticipate attaining their goals race-neutrally.



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## Public Participation

- NMDOT and Santa Fe Trails are required to communicate with the public in two ways
  - Consultative process with stakeholders
    - Today
  - Publishing of goal on their website
- Please provide comments now or send us your comments on the goal to:
  - For NMDOT – [Deborah.Bach@dot.nm.gov](mailto:Deborah.Bach@dot.nm.gov);  
[Delilah.Garcia@dot.nm.gov](mailto:Delilah.Garcia@dot.nm.gov)
  - For Santa Fe Trails - [gnchavez@santafenm.gov](mailto:gnchavez@santafenm.gov)
- Send comments by 7/29/25



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- **Share with Us Your Goal-Setting Questions and Input**
- **Connect with NMDOT and Santa Fe Trails on ideas for supporting small businesses**



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