

Disadvantaged Business Enterprise (DBE) Goal for Federal Fiscal Years 2026-2028 Iowa Department of Transportation – Federal Transit Administration Assisted Contracts

Name of Recipient: Iowa Department of Transportation

Goal Period: Federal Fiscal Years 2026-2027-2028 (October 1, 2025-September 30, 2028)

An Overall Annual Disadvantaged Business Enterprise Goal has been developed for Disadvantaged Business Enterprise (DBE) participation in Iowa Department of Transportation (Iowa DOT) and its subrecipients' (including transit systems and planning agencies) Federal Fiscal Years (FFYs) 2026-2028 federally assisted contracts. These goals were developed in compliance with federal regulations set forth at 49 CFR Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*. The goal identifies the relative availability of DBEs based on evidence of ready, willing and able DBEs in relationship to all comparable businesses which are known to be available to compete for Iowa DOT's Federal Transit Administration (FTA)-assisted contracts. The overall annual goal reflects staff's determination of the level of DBE participation that would be expected absent the effects of discrimination.

To determine the overall DBE Goal, a four-step process was used. In Steps 1 and 2, base figures were calculated to determine the relative availability of DBEs in specific areas of expertise using the State of Iowa Directory of Certified Disadvantaged Business. In Step 2, an assessment of known relevant evidence available to Iowa DOT, North American Industry Classification System (NAICS) Codes was analyzed to determine what adjustments, if any, were needed to narrowly tailor the base figures to Iowa DOT's and its subrecipients' business needs. In Step 3, weight and availability was used to calculate the weighted base figure. The Excel worksheet tool provided by FTA was used to do the Step 1-3 calculations. Iowa DOT's data of the actual DBE participation in FTA-assisted contracts during the previous three federal fiscal years in order to adjust the base figures, and these calculations are included in Step 4.

DBE 3 Year Overall Goal: 0.85% (all race-neutral as nearly all contracts are prime)

Sources of data from which DBEs available and total available were obtained include:

Iowa DOT DBE Directory -- <https://secure.iowadot.gov/DBE/Directory/Index/>

North American Industry Classification System -- <https://www.census.gov/naics/>

Use of Race-Neutral Methods and DBE Contract Goal:

The U.S. DOT regulations require that the maximum feasible portion of the DBE Overall Annual Goal be met by using race-neutral methods. Race-neutral methods will include making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses; unbundling large contracts to make them more accessible to small businesses; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; providing technical assistance, communications programs and other support services to facilitate consideration of DBEs and other small businesses.

Included in the race neutral analysis is a consideration of the amount of dollars awarded to DBE firms as prime contracts and dollars awarded to DBE firms as non-committed DBEs on projects. The vast majority of FTA assisted projects for which the Iowa DOT sets the goal are operating costs and small purchases so almost all contracts are prime contracts.

Iowa DOT and its subrecipients will continue to advise prospective contractors for new contracts of areas of possible subcontracting, and of the availability of ready, willing and able subcontractors, including DBE firms, to perform such work.

DBE GOAL METHODOLOGY FOR FY 2026/2027/2028

Iowa DOT – FTA

Step 1 - Determine the weight of each type of work by NAICS Code:

	NAICS Codes	Project	Total Amount of Funds Projected for DOT- Assisted Projects	% of Total DOT Funds (weight)
1)	525110	Pension Plans	\$926,055	0.007815
2)	525114	Hospital, Medical & Surgical Plans	\$12,144,255	0.102488
3)	524114	Dental Plan	\$1,530,308	0.012915
4)	524113	Life Insurance Plans	\$565,621	0.004773
5)	524113	Short-term Disability Insurance Plans	\$248,849	0.002100
6)	525190, 524126, 923130	Worker's Compensation Insurance	\$5,253,855	0.044338
7)		Other Fringe Benefits	\$1,050,789	0.008868
8)	541611	Management Service Fees	\$3,101,180	0.026172
9)	541810, 541850, 541870	Advertising/Promotional Media	\$1,329,230	0.011218
10)	541990	Professional, Scientific, and Technical Services	\$1,018,662	0.008597
11)	541110	Attorney	\$490,909	0.004143
12)	541211	Audit	\$1,526,750	0.012885
13)	621111, 621112, 621210, 621310, 6321320, 6321330, 6321340, 621399, 621410, 621420, 621491, 621492, 621493, 621498, 621511, 621512, 621610, 621910, 621991, 621999	Medical	\$180,939	0.001527
14)	518210	Data Processing	\$2,228,258	0.018805
15)	541211, 541213, 541214, 541219	Accounting/Bookkeeping/Payroll	\$558,963	0.004717
16)	334111, 423430, 541519, 541511, 541512, 541513, 518210	IT/IT Support	\$664,086	0.005604
17)	561320	Temporary Help	\$709,160	0.005985
18)		Other Services	\$6,915,938	0.058365
19)	811111	CM/Repair – Revenue Vehicles	\$6,972,064	0.058839

20)	811212	CM – Office Equipment, etc.	\$1,554,593	0.013120
21)	561720	Custodial Services	\$717,392	0.006054
22)	561612	Security Services	\$3,455,460	0.029161
23)	221100	Utilities	\$158,951	0.001341
24)	811198	Repair – Tire	\$107,349	0.000906
25)	811213, 811310	Repair - Radio & Lifts	\$554,795	0.004682
26)	488410	Towing Expense	\$133,083	0.001123
27)	562111	Trash Removal	\$55,911	0.000472
28)	324110, 424720	Fuel & Lubricants	\$19,450,130	0.164144
29)	441320	Tires & Tubes	\$1,810,398	0.015278
30)	453210, 424120	Office Supplies	\$1,504,962	0.012701
31)		Other Materials & Supplies	\$2,706,356	0.022840
32)	524126	Premiums for Physical Damage Insurance, Public Liability, & Property Damage	\$14,034,495	0.118440
33)	524210, 524292	Premiums for Other Corporate Insurance	\$1,624,785	0.013712
34)		Other Insurance Coverage	\$1,668,764	0.014083
35)	485999, 485113	Purchased Transportation Service	\$8,583,253	0.072436
36)	813910, 813920	Dues & Subscriptions	\$1,081,241	0.009125
37)	561520, 721110, 485999	Travel & Meetings	\$1,294,610	0.010926
38)		Other Expenses	\$363,459	0.003067
39)	522298	Interest on Debt Obligations (Long-term/Short-term)	\$891,995	0.007528
40)	237990, 485111, 531120	Passenger Stations/Terminals	\$1,845,746	0.015577
41)	812930, 237210	Passenger Parking Facilities	\$27,569	0.000233
42)	811310, 236220	Maintenance Facilities	\$1,360,952	0.011485
43)	336120, 485113	Passenger Revenue Vehicles	\$28,914	0.000244
44)	334111, 423430	Data Processing Equipment	\$34,038	0.000287
45)	236220, 531120	General Administration Facilities	\$1,290,580	0.010892
46)		Other Lease/Rental Items	\$131,421	0.001109
47)	561730	Lawn Care	\$17,910	0.000151
48)	423210, 337214, 337211, 442110	Office Furniture	\$36,017	0.000304
49)	423420, 532420, 811212	Office Equipment	\$278,073	0.002437
50)	641611	Feasibility Study	\$800,000	0.006751
51)	641620, 641390	Planning Study	\$2,976,950	0.025123
52)	541611, 561110	Subcontracted Administrative Duties	\$8,432	0.000007
53)	334519	Traffic or Trail Counters	\$489,750	0.004133
	Total FTA-Assisted Contract Funds		\$118,494,206	1.000000

Step 2 - Determine the relative availability of DBEs by NAICS Code:

* Use Iowa DOT's DBE Directory, U.S. census data and/or a bidders list to enter the number of available DBE firms and the number of available firms.

	NAICS Codes	Project	Number of DBEs Available to Perform this Work	Number of All Firms Available (Incl. DBEs)	Relative Availability
1)	525110	Pension Plans	0	0	0
2)	525114	Hospital, Medical & Surgical Plans	0	21	0
3)	524114	Dental Plan	0	21	0
4)	524113	Life Insurance Plans	0	48	0
5)	524113	Short-term Disability Insurance Plans	0	48	0
6)	525190, 524126, 923130	Worker's Compensation Insurance	0	0	0
7)		Other Fringe Benefits	-	-	-
8)	541611	Management Service Fees	40	383	0.104439
9)	541810, 541850, 541870	Advertising/Promotional Media	4	90	0.044444
10)	541990	Professional, Scientific, and Technical Services	0	91	0
11)	541110	Attorney	0	2686	0
12)	541211	Audit	0	415	0
13)	621111, 621112, 621210, 621310, 6321320, 6321330, 6321340, 621399, 621410, 621420, 621491, 621492, 621493, 621498, 621511, 621512, 621610, 621910, 621991, 621999	Medical	0	471	0
14)	518210	Data Processing	8	89	0.089888
15)	541211, 541213, 541214, 541219	Accounting/Bookkeeping/Payroll	5	872	0.005734
16)	334111, 423430, 541519, 541511, 541512, 541513, 518210	IT/IT Support	79	804	0.098259
17)	561320	Temporary Help	13	136	0.095588
18)		Other Services	-	-	-
19)	811111	CM/Repair – Revenue Vehicles	3	1055	0.002844
20)	811212	CM – Office Equipment, etc.	0	53	0
21)	561720	Custodial Services	9	560	0.016071
22)	561612	Security Services	1	35	0.028571
23)	221100	Utilities	0	0	0
24)	811198	Repair – Tire	2	22	0.090909
25)	811213, 811310	Repair - Radio & Lifts	1	415	0.024100

26)	488410	Towing Expense	1	70	0.014286
27)	562111	Trash Removal	1	164	0.006098
28)	324110, 424720	Fuel & Lubricants	0	28	0
29)	441320	Tires & Tubes	0	182	0
30)	453210, 424120	Office Supplies	0	74	0
31)		Other Materials & Supplies	-	-	-
32)	524126	Premiums for Physical Damage Insurance, Public Liability, & Property Damage	0	0	0
33)	524210, 524292	Premiums for Other Corporate Insurance	2	2044	0.000978
34)		Other Insurance Coverage	-	-	-
35)	485999, 485113	Purchased Transportation Service	1	0	0
36)	813910, 813920	Dues & Subscriptions	0	395	0
37)	561520, 721110, 485999	Travel & Meetings	0	668	0
38)		Other Expenses	-	-	-
39)	522298	Interest on Debt Obligations (Long-term/Short-term)	0	0	0
40)	237990, 485111, 531120	Passenger Stations/Terminals	28	397	0.070529
41)	812930, 237210	Passenger Parking Facilities	4	33	0.121212
42)	811310, 236220	Maintenance Facilities	16	403	0.039702
43)	336120, 485113	Passenger Revenue Vehicles	0	0	0
44)	334111, 423430	Data Processing Equipment	5	36	0.138889
45)	236220, 531120	General Administration Facilities	15	278	0.053957
46)		Other Lease/Rental Items	-	-	-
47)	561730	Lawn Care	18	1065	0.016900
48)	423210, 337214, 337211, 442110	Office Furniture	0	215	0
49)	423420, 532420, 811212	Office Equipment	3	123	0.024390
50)	641611	Feasibility Study	0	0	0
51)	641620, 641390	Planning Study	15	60	0.250000
52)	541611, 561110	Subcontracted Administrative Duties	47	596	0.078860
53)	334519	Traffic or Trail Counters	0	4	0
	Combined Totals		321	15,150	0.021188

Step 3 - (Weight) x (Availability) = Weighted Base Figure

	NAICS Codes	Project	Weight	x	Relative Availability	Weighted Base Figure
1)	525110	Pension Plans	0.007815	X	0	0
2)	525114	Hospital, Medical & Surgical Plans	0.102488	X	0	0
3)	524114	Dental Plan	0.012915	X	0	0
4)	524113	Life Insurance Plans	0.004773	X	0	0
5)	524113	Short-term Disability Insurance Plans	0.002100	X	0	0
6)	525190, 524126, 923130	Worker's Compensation Insurance	0.044338	X	0	0
7)		Other Fringe Benefits	0.008868	X	-	-
8)	541611	Management Service Fees	0.026172	X	0.104439	.002733
9)	541810, 541850, 541870	Advertising/Promotional Media	0.011218	X	0.044444	.000499
10)	541990	Professional, Scientific, and Technical Services	0.008597	X	0	0
11)	541110	Attorney	0.004143	X	0	0
12)	541211	Audit	0.012885	X	0	0
13)	621111, 621112, 621210, 621310, 6321320, 6321330, 6321340, 621399, 621410, 621420, 621491, 621492, 621493, 621498, 621511, 621512, 621610, 621910, 621991, 621999	Medical	0.001527	X	0	0
14)	518210	Data Processing	0.018805	X	0.089888	.001690
15)	541211, 541213, 541214, 541219	Accounting/Bookkeeping/Payroll	0.004717	X	0.005734	.000027
16)	334111, 423430, 541519, 541511, 541512, 541513, 518210	IT/IT Support	0.005604	X	0.098259	.000551
17)	561320	Temporary Help	0.005985	X	0.095588	.000572
18)		Other Services	0.058365	X	-	-
19)	811111	CM/Repair – Revenue Vehicles	0.058839	X	0.002844	.000167
20)	811212	CM – Office Equipment, etc.	0.013120	X	0	0
21)	561720	Custodial Services	0.006054	X	0.016071	.000097
22)	561612	Security Services	0.029161	X	0.028571	.000833
23)	221100	Utilities	0.001341	X	0	0
24)	811198	Repair – Tire	0.000906	X	0.090909	.000082
25)	811213, 811310	Repair - Radio & Lifts	0.004682	X	0.024100	.000113
26)	488410	Towing Expense	0.001123	X	0.014286	.000016
27)	562111	Trash Removal	0.000472	X	0.006098	.000003
28)	324110, 424720	Fuel & Lubricants	0.164144	X	0	0
29)	441320	Tires & Tubes	0.015278	X	0	0

30)	453210, 424120	Office Supplies	0.012701	X	0	0
31)		Other Materials & Supplies	0.022840	X	-	-
32)	524126	Premiums for Physical Damage Insurance, Public Liability, & Property Damage	0.118440	X	0	0
33)	524210, 524292	Premiums for Other Corporate Insurance	0.013712	X	0.000978	.000013
34)		Other Insurance Coverage	0.014083	X	-	-
35)	485999, 485113	Purchased Transportation Service	0.072436	X	0	0
36)	813910, 813920	Dues & Subscriptions	0.009125	X	0	0
37)	561520, 721110, 485999	Travel & Meetings	0.010926	X	0	0
38)		Other Expenses	0.003067	X	-	-
39)	522298	Interest on Debt Obligations (Long-term/Short-term)	0.007528	X	0	0
40)	237990, 485111, 531120	Passenger Stations/Terminals	0.015577	X	0.070529	.001099
41)	812930, 237210	Passenger Parking Facilities	0.000233	X	0.121212	.000028
42)	811310, 236220	Maintenance Facilities	0.011485	X	0.039702	.000456
43)	336120, 485113	Passenger Revenue Vehicles	0.000244	X	0	0
44)	334111, 423430	Data Processing Equipment	0.000287	X	0.138889	.000040
45)	236220, 531120	General Administration Facilities	0.010892	X	0.053957	.000588
46)		Other Lease/Rental Items	0.001109	X	-	-
47)	561730	Lawn Care	0.000151	X	0.016900	.000003
48)	423210, 337214, 337211, 442110	Office Furniture	0.000304	X	0	0
49)	423420, 532420, 811212	Office Equipment	0.002437	X	0.024390	.000059
50)	641611	Feasibility Study	0.006751	X	0	0
51)	641620, 641390	Planning Study	0.025123	X	0.250000	.006281
52)	541611, 561110	Subcontracted Administrative Duties	0.000007	X	0.078860	.000001
53)	334519	Traffic or Trail Counters	0.004133	X	0	0
					TOTAL	.015951
					Converted to Percentage	1.5951%
					Rounded, Weighted Base Figure	1.60%

Step 4 - Adjustments, Past Participation, Median

Iowa DOT chose to adjust the base rate goal to incorporate past DBE participation by the rural and small urban transit agencies in Iowa that comprise our system. We believe this will project a more realistic goal to attain.

DBE Participation

Report Date	DBE Percentage	DBE Funds	Total Spending	Yearly Percentage
6/1/2022	0.15%	\$8,585.00	\$5,823,124.00	
12/1/2022	0.45%	\$17,618.00	\$3,948,973.00	0.2681%
6/1/2023	0.16%	\$6,686.00	\$4,192,416.00	
12/1/2023	0.10%	\$5,210.00	\$4,995,994.00	0.1295%
6/1/2024	0.00%	\$0.00	\$5,436,697.00	
12/1/2024	0.00%	\$0.00	\$8,822,772.00	0.0000%
Totals:		\$38,099.00	\$33,219,976.00	0.1147%

Base Rate Goal: 1.6%

Past participation average: 0.1147%

Adjusted Goal = $\frac{1.5951 + 0.1147}{2} = 0.8549\% \sim \mathbf{0.85\%}$

Adjusted Goal = 0.85%

Proposed Goal: 0.85% (race-neutral)

FTA Overall Annual DBE Goal

The base figures were weighted according to the expected amount of contract dollars to be expended in each NAICS Code summarized above. The base goal was adjusted based on past participation over three years. Based on this information, the DBE relative availability for FTA assisted contracts is 0.85%.

Although statistics indicate a possible 0.85% participation rate for FFYs 2026-28 contracting opportunities, the immediate past three years have not yielded even the previous goal participation level of 0.14%. Therefore, Iowa DOT staff will continue to make efforts to include DBE goals in federally assisted procurements and work with transit and planning agencies to obtain good-faith efforts to meet or exceed this goal. This is a complex goal, because at this level any contract of significance that is DBE-eligible would very likely lead to the semi-annual and annual achievement for that time-period to be an outlier.

This goal is low, however in Iowa (where minority population is very low) it has been a struggle to recruit DBE businesses for transit and planning related work. One main reason is that most of the expenditures are operational and not construction related, where there is a lack of appropriate certified DBE firms. Additionally, the most significant areas of spending—fuel and bus parts—have no DBE businesses within

the scope of our geographical region. For many of the needed goods and services for transit agencies, it is cost prohibitive and/or simply infeasible for rural transit agencies to solicit DBE businesses that are a long distance from their local areas. Please note, the Iowa DOT only sets the DBE goal for small urban (less than 50,000 population) and rural transit agencies and the state's metropolitan planning organizations and regional planning affiliations. The state's large urban transit agencies are direct FTA funding recipients and set their own goals. Some of the rural and small urban transit systems do acquire services from minority- or women-owned businesses, and while the transit managers have made good faith efforts to encourage those businesses to become DBEs, the small enterprises are not interested in becoming DBE-certified so we are unable to count those contracts in our reporting.

To encourage understanding and utilization of DBEs, the Iowa DOT discusses the DBE program and requirements with the public transit agencies during their triennial compliance reviews, encouraging a good faith effort to seek out and hire DBEs for needed services. Iowa DOT has also included the DBE topic in presentations to the Iowa Public Transit Association at one or more of their annual meetings. Iowa DOT will continue to urge and require documentation of "good faith effort" by transit agencies to reach out to existing DBEs and solicit more businesses to become certified.

This goal is applicable to FFY 2026-28 FTA-assisted contracts totaling approximately \$118,494,206, an expectation that this will be met race neutral means. The overall annual DBE goal of 0.85%, applicable to FFY 2026-28 FTA assisted contracts is recommended.

Public Input Opportunities

Two opportunities for public input were offered in the Iowa DOT DBE goal setting process for FFYs 2026-2028. The first meeting was held on June 23, 2025, offering the public the opportunity to comment on or suggest alternatives to the goal setting methodology prior to the goal calculation. The second meeting was held on July 15, 2025, asking for comment on the proposed goal. Both were held virtually and announced with a single press release located at <https://iowadot.gov/news/2025-05-23/iowa-dot-seeks-input-dbe-goalsetting-federal-transit-funded-projects>.

The Iowa Department of Transportation (DOT) is in the process of setting our Federal Fiscal Years (FFY) 2026-2028 Disadvantaged Business Enterprise (DBE) goal for Federal Transit Administration (FTA) funded projects. In establishing the three-year DBE goal, we are seeking public input on our goal-setting process from minority, women, general contractor, and community organization groups and other officials or organizations who could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, and the effects of discrimination on opportunities for DBEs. 49 CFR Part 26.45 is the federal regulation the Iowa DOT must follow in establishing our DBE goal.

Please send your comments on how the Iowa DOT should establish our FFY 206—2028 DBE goal for FTA-funded projects to:

Kristin Haar
Public Transit Director
Iowa Department of Transportation
800 Lincoln Way
Ames, IA 50010
kristin.haar@iowadot.us

Meetings are scheduled for the Iowa DOT to comply with the federal DBE goal setting process. These meetings will be held virtually via Microsoft Teams. Please email

kristin.haar@iowadot.us to have your name added to the email distribution list for the Teams meeting invitation.

Microsoft Teams meeting to discuss the goal setting process:

June 23, 2025
3:00 p.m. – 4:00 p.m.

Microsoft Teams meeting to discuss the proposed goal:

July 15, 2025
9:00 a.m. – 10:00 a.m.

Please contact Kristin Haar at 515-233-7875 if you have any questions about the DBE goal setting process for FTA-funded projects.

No DBEs or members of the public attended or wrote in with input on the goal setting process for the June 23, 2025, meeting or for the proposed goal meeting held on July 15, 2025.

Public Notice, DBE Goal

The DBE goal was published on the Iowa DOT Public Transit web site on July 15, 2025.

Iowa DOT's recommended DBE goal for Federal Fiscal Years 2026-2028 FTA-assisted contracts

In accordance with requirements of the U.S. Department of Transportation as set forth in 49 C.F.R. Part 26, as amended, the Iowa Department of Transportation hereby notifies the public that it is recommending the following Disadvantaged Business Enterprise (DBE) goal for applicable Federal Transit Administration (FTA)-assisted professional services, construction, and procurement contracts during Federal Fiscal Years 2026-2028 beginning Oct. 1, 2025, and ending Sept. 30, 2028. The overall DBE goal for this period is 0.85 percent, all of which is proposed to be met using race neutral methods.

To review and/or comment on this recommended goal, please write to Kristin Haar, Public Transit Director, Iowa DOT, 800 Lincoln Way, Ames, IA 50010 or email kristin.haar@iowadot.us. Written comments about this goal must be received by 4:30 p.m., Tuesday, July 29, 2025.

No comments were received about the goal during the two-week comment period.