



**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**

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**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**

| <b>Work Category</b>  | <b>Estimated Dollar Value</b> | <b>Percent of Federal Funding<br/>by Work Category</b> |
|-----------------------|-------------------------------|--------------------------------------------------------|
| Construction          | \$ 54,908,774                 | 87.11%                                                 |
| Professional Services | 6,480,447                     | 10.28%                                                 |
| Equipment             | 1,648,016                     | 2.61%                                                  |
| <b>Total</b>          | <b>\$ 63,037,237</b>          | <b>100%</b>                                            |

## **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**

| <b>NAICS</b>                | <b>Project</b>                                   | <b># of DBE Firms Certified in NAICS Code</b> | <b># of Overall Firms Local Market NAICS Code</b> | <b>DBE Firms/ All Firms Ratio Based on NAICS Code</b> | <b>Budget Amount of FTA Funds on Project</b> | <b>Weighted = (Budget Amount/ Total Contract Value)</b> | <b>Weighted % Goal</b>   |
|-----------------------------|--------------------------------------------------|-----------------------------------------------|---------------------------------------------------|-------------------------------------------------------|----------------------------------------------|---------------------------------------------------------|--------------------------|
| 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                    |
|                             |                                                  |                                               |                                                   |                                                       | <b>Total Contracts Value</b>                 | <b>Total Budget Subcontract %</b>                       | <b>Weighted DBE Goal</b> |
|                             |                                                  |                                               |                                                   |                                                       | \$ 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**

| <b>Fiscal Year</b> | <b>DBE Goal</b> | <b>DBE Attainment</b> | <b>DBE-conscious</b> | <b>DBE-neutral</b> |
|--------------------|-----------------|-----------------------|----------------------|--------------------|
| 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.

$$6\% + 8.38\% = 14.38\%$$

$$14.38\%/2 = 7.19\% \text{ (Rounded to 7\%)}$$

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

## **UTILIZATION 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.

## **PUBLIC PARTICIPATION**

In accordance with 49 CFR Part 26.45, Pace held a public comment period for the proposed revised DBE goal for FFY 2025-2027. The public comment period began on September 8, 2026 and ended on September 22, 2026.

Pace advertised its revised DBE triennial goal and methodology on its website at [www.Pacebus.com/dbe](http://www.Pacebus.com/dbe) and on all Pace social media platforms (Facebook, LinkedIn, Instagram, and X). Written comments on the revised goal rationale were directed to be sent to [DBEinfo@Pacebus.com](mailto:DBEinfo@Pacebus.com).

We received one written comment requesting that the DBE goal remain at 12%. We reviewed Pace's methodology and based on the projected federally funded projects with DBE subcontracting opportunities for the upcoming year, prior years attainment, and the current number of ready, willing and able certified DBEs, Pace determined that the revised overall DBE goal for FFY 2025-2027 should remain at the proposed updated DBE goal of 7%.