EPA TRIENNIAL DBE GOAL FOR FFY 2027 - 2029

Metropolitan Council Office of Civil Rights and Small Business Programs

METROPOLITAN COUNCIL

Metropolitan Council EPA Triennial DBE Goal for FFY 2027-2029

Executive Summary

1. Background on the Federal Fiscal Years 2027 – 2029 Goal Methodology

Pursuant to 49 CFR 26.45, the Metropolitan Council (METC) is required to set a Disadvantaged Business Enterprise (DBE) goal every three years. This document presents the Metropolitan Council's triennial DBE program goal for the federal fiscal years of 2027- 2029 and the methodology used to calculate the goal. The Metropolitan Council's DBE program goal for FFY 2027- 2029 is 5.4% DBE participation in EPA-assisted Council projects**.** This goal includes a DBE Conscious goal of 5.4% and a DBE Neutral goal of 0%. METC publicly posted the proposed goal and held a 30-day public comment period from October 16, 2026-November 16, 2026. METC also consulted with external stakeholders during an open house on October 23, 2026, via Microsoft TEAMS.

2. Interim Final Rule (IFR) and Subsequent Final Rule (FR) Considerations for DBE Availability

On October 3, 2025, USDOT issued an IFR removing race and sex-based presumptions of disadvantage and requiring a one-time reevaluation of certified firms by each Unified Certification Program (UCP). The removal of race and sex-based presumptions were reaffirmed with the issuance of the FR on September 25, 2026. During this transition, recipients must not set contract goals or count DBE participation toward overall goals until reevaluation is complete and must amend program plans. The METC has implemented DBE-neutral provisions on projects and issued public updates aligned with USDOT guidance. On July 14, 2026, the Minnesota Unified Certification Program notified USDOT of its completion of the DBE reevaluation process.

3. Overview of Methodology

This document presents the METC's EPA triennial DBE goal for FFY 2027 through FFY 2029, and the methodology used to determine the goal. The Metropolitan Council's DBE program goal for FFY 2027- 2029 is 5.4% DBE participation in EPA-assisted Council projects**.** This goal includes a DBE Conscious goal of 5.4% and a DBE Neutral goal of 0%.

Methodology Options for Calculating DBE Goal

Per 49 CFR 26.45(c) a recipient must begin the goal process by determining a base figure for the relative ability of DBEs. The METC elected to perform this using DBE Directory and Census Bureau Data.

> **Use DBE Directories and Census Bureau Data** – Divide the number of DBEs in your relevant market from your DBE directory, by the number of DBEs by the number of all businesses in the same NAICS Code using Census Bureau data.

METC's adjusted triennial DBE program goal was calculated using a base goal derived from the DBE Directory that was updated to include only those DBE firms that have been recertified through the reevaluation process as prescribed in the October 3, 2025, IFR and Census Bureau Data.

Prior to the IFR, the DBE Directory contained roughly 1300 DBEs. After completing the reevaluation process, the updated DBE Directory contains a total of 391 firms of which 244 are in the METC's seven county jurisdiction.

The base goal calculation involved the following stages:

1. Projecting future EPA-funded Council projects for FFY 2027 through FFY 2029.
2. Determining the type of work in future projects
3. Defining the market area for the Metropolitan Council
4. Determining the availability of DBEs in the market area
5. Calculating the adjusted goal

Projecting Future EPA-funded Council Projects in FFY 2027 - 2029

Both the Construction and Engineering departments in the Environmental Services Division were asked to provide a list of projects for FFY 2027 through FFY 2029 that will receive EPA (PFA) funding. Those departments provided a total of 15 projects, which are listed below.

Table 1.

Project Description	Project Value
Full Services and Process Mechanical Engineering Services for Water Resource Recovery	$11,000,000
Blue Lake WRRF Liquids Process Upgrades	$12,608,062
Metro WRRF Electrical Dist. Renewal Phase 4	$48,515,796
FBR 1-3 Renewal	$35,423,396
Crow River Water Resource Recovery Facility	$186,535,670
Blue Lake WRRF Effluent Filtration and Primary Clarifiers 9 & 10	$56,955,185
Blue Lake WRRF Liquids Process Upgrades 2	$46,024,000
HSI - East Isles FM, Contract H	$4,308,252
8352 Forcemain Improvements	$21,187,016
CAB Interceptor Improvements	$60,653,380
1-MH-401 River Crossing	$54,037,035
New Lift Station L32A	$21,131,831
Orono Interceptor 7113 Forcemain Improvements	$38,836,548
Forest Lake 7029 Rehabilitation	$18,835,418
4-NS-525 Rehabilitation Phase 2	$29,038,440
Total	**$510,390,593**

Determining the Type of Work in Future Projects

To accurately calculate the relative availability of DBEs, the list of future projects provided in Table 1 must be broken down into their specific types of work by North American Industrial Classification System (NAICS) codes. The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy

Previous council projects of similarity were used to comprise a list of applicable work types, and values. Appropriate six-digit NAICS codes were assigned to each work type.

Using previous projects for each of the above categories, a total of 29 six-digit NAICS codes represent the scopes of work of the projects listed in Table 1. The six-digit NAICS codes, their projected spending values and the percentage of the total future spending are listed below in Table 2.

Table 2.

Work scopes	Estimated Value	NAICS codes	% of Total
Water and Sewer Line and Related Structures Construction	$145,102,381	237110	22.49%
Highway Heavy/Asphalt Paving	$17,847,904	237310	2.77%
Poured Concrete Foundation and Structure Contractors	$7,191,531	238110	1.11%
Structural Steel and Precast Concrete Contractors	$7,178,605	238120	1.11%
Framing Contractors	$336,037	238130	0.05%
Masonry Contractors	$1,296,668	238140	0.20%
Roofing Contractors	$1,629,735	238160	0.25%
Construction Administration	$1,001,916	236220	0.16%
Waste Disposal	$15,000	562119	0.00%
Industrial Building Construction	$15,348,983	236210	2.38%
Electrical Contractors and other Wiring Contractors	$84,004,257	238210	13.02%
Plumbing, Heating and Air Conditioning Contractors	$87,048,517	238220	13.49%
Building Equipment	$36,210,653	238290	5.61%
Drywall and Insulation Contractors	$46,993	238310	0.01%
Painting Contractors	$3,670,787	238320	0.57%
Flooring Contractors	$83,605	238330	0.01%
Finish Carpentry Contractors	$1,378,802	238350	0.21%
Other Building Finishing Contractors	$68,017	238390	0.01%
Site Preparation	$49,606,620	238910	7.69%
Fabricated Structural Steel Metal Manufacturing	$1,039,701	332312	0.16%
All Other Specialty Trade Contractors (Fencing)	$1,279,168	238990	0.20%
Plumbing/Heating Supplies and Merchant Wholesaler	$500,000	423720	0.08%
Trucking	$8,194,237	484220	1.27%
All other Support for Road Transportation (Street Sweeping)	$1,404,878	488490	0.22%
Engineering Services	$25,154,000	541330	3.90%
Survey and Mapping Services	$777,142	541370	0.12%
Remediation Services	$7,351	562910	0.00%
Landscaping services	$8,940,731	561730	1.39%
All Other Support Services (Traffic Control)	$4,026,374	561990	0.62%
Total	**$510,390,593**		**100%**

Defining the Relevant Market Area for the Metropolitan Council

The jurisdiction of the METC extends across seven counties around the cities of Minneapolis and St. Paul. These seven counties are Ramsey County, Hennepin County, Washington County, Dakota County, Anoka County, Scott County and Carver County and referenced as the Metro Area for purposes of this report.

The METC maintains a DBE directory with two other government agencies that together form the Minnesota Unified Certification Program (MNUCP). The MNUCP Directory contains all certified DBEs that would count towards DBE participation on METC projects.

Determining the Availability of DBEs in the Market Area

The 29 six-digit NAICS codes listed in Table 2 represent the scopes of work included in future Council projects that will receive EPA funding. Using the market area defined in the previous section, the relative availability of ready, willing, and able DBEs can be calculated using data from the US Census Bureau. The Census Bureau publishes the Economic Census which includes data on the number of firms in each geographic area that perform work in a given NAICS code. This data is available to the specificity of six-digit NAICS codes.

Using the NAICS code data from the Census Bureau and information from the MNUCP DBE Directory, relative availability of DBEs for each NAICS code can be calculated by showing what percentage RWA DBEs represent of the overall pool of firms. The METC considered the option of including all certified DBEs in the MNUCP Directory and all non-certified firms located in the State of Minnesota as a defined relevant market. However, this would add to the number of firms in the numerator while leaving the number in the denominator unchanged. Based on the chosen methodology there is no objective or rational way to appropriately account for the non-certified firms that should be added to the denominator. Therefore, we proposed not to determine relative availability in this manner.

Relative availability was calculated using the 29 NAICS codes listed in Table 2. The table below shows the total number of firms, the number of DBEs, and the percentage of the total pool of DBEs represented for each of the 29 NAICS codes:

Table 3

NAICS Code	Total MN Firms	Total DBE Firms	DBE Relative Availability
237110	81	12	0.15
237310	81	18	0.22
238110	178	6	0.03
238120	23	0	0.00
238130	173	4	0.02
238140	209	6	0.03
238160	327	4	0.01
236220	307	9	0.03

562119	14	4	0.29
236210	49	2	0.04
238210	582	9	0.02
238220	748	6	0.01
238290	67	1	0.01
238310	242	5	0.02
238320	500	6	0.01
238330	275	6	0.02
238350	382	7	0.02
238390	145	6	0.04
238910	275	21	0.08
332312	24	0	0.00
238990	603	16	0.03
423720	53	1	0.02
484220	205	24	0.12
488490	25	3	0.12
541330	592	17	0.03
541370	26	5	0.19
562910	59	7	0.12
561730	1,293	16	0.01
561990	130	4	0.03

Calculating the Goal

Calculating the goal starts with finding the weighted relative availability (WRA) of DBE firms for each six-digit NAICS identified in the future spending. This WRA is found by dividing the number of DBEs in each six-digit NAICS code by the total of all firms in MN in that code. The WRA is then multiplied by the projected value of future spending in that NAICS code. The result is the total DBE value for that NAICS.

The table below shows the projected future spending, availability of RWA DBEs and weighted availability for each NAICS code. The column for "Weighted Relative Availability" is the product of the columns for "Percentage of Future Spending" and "DBE Availability of RWA Firms." The final unadjusted, in the bottom right cell, is the sum of all values in the "Weighted Relative Availability" column.

Table 4

NAICS Code	Projected Future Spending	Percentage of Future Spending	DBE Relative Availability	Weighted Relative Availability
237110	$145,102,381	22.49%	0.15	0.0333
237310	$17,847,904	2.77%	0.22	0.0061
238110	$7,191,531	1.11%	0.03	0.0004
238120	$7,178,605	1.11%	0.00	0.0000
238130	$336,037	0.05%	0.02	0.0000
238140	$1,296,668	0.20%	0.03	0.0001
238160	$1,629,735	0.25%	0.01	0.0000
236220	$1,001,916	0.16%	0.03	0.0000
562119	$15,000	0.00%	0.29	0.0000
236210	$15,348,983	2.38%	0.04	0.0010
238210	$84,004,257	13.02%	0.02	0.0020
238220	$87,048,517	13.49%	0.01	0.0011
238290	$36,210,653	5.61%	0.01	0.00
238310	$46,993	0.01%	0.02	0.00
238320	$3,670,787	0.57%	0.01	0.0001
238330	$83,605	0.01%	0.02	0.0000
238350	$1,378,802	0.21%	0.02	0.0000
238390	$68,017	0.01%	0.04	0.0000
238910	$49,606,620	7.69%	0.08	0.0059

332312	$1,039,701	0.16%	0.00	0.0000
238990	$1,279,168	0.20%	0.03	0.0001
423720	$500,000	0.08%	0.02	0.00
484220	$8,194,237	1.27%	0.12	0.0015
488490	$1,404,878	0.22%	0.12	0.0003
541330	$25,154,000	3.90%	0.03	0.0011
541370	$777,142	0.12%	0.19	0.0002
562910	$7,351	0.00%	0.12	0.0000
561730	$8,940,731	1.39%	0.01	0.0002
561990	$4,026,374	0.62%	0.03	0.0002
Total	**$510,390,593**	**100%**	**1.72**	**0.054**

Metropolitan Council's DBE program goal for FFY 2027- 2029 is 5.4% DBE participation in EPA-assisted Council projects**.** This goal includes a DBE Conscious goal of 5.4% and a DBE Neutral goal of 0%.

The Following Considerations were Given to Potentially Adjust the Base Figure

Based on the Final Rule as well as subsequent guidance as part of USDOT's frequently asked questions for the DBE program issued September 25, 2026, the METC is not allowed to adjust past participation figures that represent participation of firms that were certified under the previous rule when the presumption of social and economic disadvantage based on sex or race existed. Therefore, those participation rates must not be used to inform future participation by firms that are certified under the eligibility criteria of the final rule. Other methodologies and adjustments that were considered:

1. **Use a bidders list** - Determine the number of DBEs that have bid or quoted (successful and unsuccessful) on your DOT-assisted prime contracts or subcontracts in the past three years divided by the number of all businesses that have bid or quoted. [1]
2. **Use data from a disparity study** - Use a percentage figure derived from data in a valid, applicable disparity study.[2]
3. **Use the goal of another DOT recipient** - If another DOT recipient in the same, or substantially similar, market has set an overall goal in compliance with this rule, you may use that goal as a base figure for your goal.[3]
4. **Alternative methods** - you may use other methods to determine a base figure for your overall goal. [4]

The METC does not have historical granular data that fulfills the requirements of the FR with regards to adjusting the relative availability base goal. Therefore, the METC does not propose making any adjustments to the goal. Prior to the reevaluation period, the MNUCP had roughly 1300 DBES. Post reevaluation, a total of 391 DBEs

were active in the directory at the time this triennial goal was calculated. For the reasons stated above we cannot rely on past participation as a basis for any adjustment.

Consultation with DBE Stakeholders

The METC consulted with several contractor groups and solicited direct feedback from the following partners to gain information on the health of DBEs in the region:

Association of Women Contractors
National Association of Minority Contractors
Associated General Contractors
Small and Developing Business Opportunities Council

In addition, the METC regularly participates in roundtable discussions regarding small business-related topics, including the proposed triennial goal for METC, with contracting groups as well as local government entities. The METC was able to solicit direct feedback from these groups as well as those listed above:
City of St. Paul
Minnesota Department of Administration
City of Bloomington
Ramsey County
City of Minneapolis
Hennepin County
Minnesota Department of Transportation
Metropolitan Airports Commission
University of Minnesota

Public Comment

The Council's public comment period ran from October 16, 2026, through November 16, 2026. A total of 11 comments were received (seven from DBE firms, two from Prime contractors, one from a concerned citizen/community member and one other). The majority of the comments focused on the goal being too low and offered perspectives from DBE firms. A few focused on the need for equity and the history of the DBE program. A prime contractor comment focused on the need to build DBE firm capacity and about the hardships to prime contractors when bidding work with a DBE goal. Comments and feedback received during the comment period included the following:

- "50% or half, I think most people would consider that fair and reasonable"

- "DBE Prime contractors should have to submit certified payroll for any claimed work they do that qualifies for DBE participation and only raw materials can be installed by those categories of (union) workers claimed on the certified payroll would be permissible to be used toward DBE goals"

- "Initially DBE goals were set for minorities owned businesses and later changed to include women. So initially these goals were to help minority owned businesses. How can we further divide this goal to make sure minority owned businesses are getting their share of the set aside goals? A goal within a goal. Maybe you don't see it this way, but from a supplier standpoint and a community standpoint this is important to the our community.

- “Equity is important especially in a time when wealth is being concentrated in so few.”

- “The Metropolitan Council should establish more ambitious DBE participation goals that reflect the value of a diverse professional community and the importance of equitable access to publicly funded opportunities. Many specialty and niche professional consultants, including landscape architects, urban planners, ecologists, and other technical experts, operate as small firms with highly specialized expertise essential to the success of complex, interdisciplinary projects. These firms face significant barriers to accessing public contracts and competing for subcontracting opportunities alongside larger firms with greater marketing and business development power. Increasing DBE goals would help expand meaningful opportunities for disadvantaged businesses while strengthening the diversity of expertise and perspectives brought to Met Council projects. The insights and lived experiences of minority and women-identifying professionals are imperative to developing solutions that respond to the needs of the region's diverse communities. Their participation should not be viewed simply as a contracting requirement, but as an investment in better planning, more responsive infrastructure, and more equitable public outcomes. The Met Council has an opportunity to demonstrate leadership by setting participation goals that move beyond minimum compliance, actively broaden access to professional services contracts, and recognize that a more inclusive consultant community ultimately strengthens the quality, relevance, and long-term success of the projects it delivers.”

- “I think the goal is far too low. Prime Contractors will meet whatever goal you set for them; lower the bar and they bar and the Prime Contractors will gladly lower the amount of work they consider awarding to DBE firms. Prime Contractors will do all of the work themselves if you let them.”

- “I’m writing as a small business owner who works in a very competitive market. I’d ask the Met Council to keep its DBE goals as strong as possible rather than lowering them. For firms like mine, DBE goals are often the only reason we’re invited to the table at all. Large federally funded projects and contracts tend to go to large contractors, and without participation goals, small firms rarely get the chance to show what we can do. Every reduction in the goal shrinks an already small share of the work that small businesses compete for. These programs also benefit the public, not just the participating firms. When small businesses get a fair chance at subcontracting work, we build capacity, gain experience, and grow. Firms that grow out of the program become new competitors to the large contractors. More competition means better pricing and better value for taxpayers over time. I’d also encourage the Council to keep the program focused on genuinely small firms. Stretching small business definitions to include much larger companies has the same effect as lowering the goals: it leaves less opportunity for the businesses the program was meant to help. I respectfully urge the Council to maintain or increase its proposed DBE goals and to continue investing in outreach that connects small and disadvantaged businesses with these projects. Thank you for the opportunity to comment.”

- “The proposed goals are too low. An overall FTA goal of 4.7% and EPA goal of 5.4% do not reflect the capacity and availability of certified DBEs in the Twin Cities market. Minnesota has a deep and growing pool of ready, willing, and able certified firms, and goals this small risk treating DBE participation as a minimum to be met rather than a real opportunity to be pursued. A low goal also gives prime contractors little incentive to look beyond the same few subcontractors they already use. Our experience has not matched the program’s intent. Over the past several years, our firm has received very little work on Metropolitan Council projects. We are certified, qualified, and eager to

perform, yet we have seen limited opportunities to participate, despite the stated purpose of the DBE program to level the playing field. If a firm like ours, actively seeking this work, is not seeing meaningful contract awards, a modest goal will not fix that. Our requests: 1) Reconsider the goal methodology. Please share the data and availability analysis behind the 4.7% and 5.4% figures and consider whether they fully capture the number of certified DBEs available in the region. 2) Set higher goals. We urge the Council to adopt goals that reflect true DBE availability and ambition rather than historical participation levels. 3) Increase accountability. Please strengthen monitoring of prime contractors' good faith efforts, including how DBE commitments at bid time are tracked against actual payments and work performed. We value the Council's commitment to the DBE program and want to be a long-term partner in the region's transit and infrastructure work."

- "I have been involved with DBE programs for what seems like forever. I was heavily involved with the DBE & MCUB programs when I worked for Lametti & Sons and building a fair amount of MCES work. I was fortunate enough to develop a working relationship with Igball Mohamad in doing so. The biggest hurdle is finding true DBE firms that are not a front for someone else or someone who is the wife of the owner pretending to be in the business, or one that is truly capable and qualified to build the work. Many times, the goals are set to high, and it is a struggle to find firms to meet the goals. Advertising and soliciting firms, trying to engage them is a chore in itself, not to mention all of the paperwork and the paper trail required to show good faith efforts if you fail to meet the goals. This is a huge expense the prime contractor is forced to do. Why is there a DBE program ?? When I started my business in 1976, there were no handouts, there was no one pushing contractors and owners to use my firm. We succeeded thru hard work, drive, and determination to build our company. There have been very few DBE firms that have ever contacted us to see what we were bidding. Maybe you should be helping them with a business development plan, show them, explain to them what is required to make their firm successful, not put it on the prime contractor to solicit them, chase them, educate them and beg them to provide quotes and then hope they will perform."

- "The Metropolitan Council should consider adopting stronger DBE participation targets that better reflect the importance of a diverse and inclusive professional services community. Small, specialized firms bring critical knowledge and technical expertise to public projects, particularly in fields such as landscape architecture, urban planning, ecology, and other interdisciplinary areas. However, these businesses often encounter challenges securing public-sector work and accessing subcontracting opportunities, particularly when competing with larger firms that have greater resources for marketing, business development, and contract pursuit. Establishing more ambitious DBE goals would help address these barriers by creating greater access to meaningful contracting opportunities and broadening the range of expertise represented on Met Council projects. The perspectives, professional experiences, and community connections of minority- and women-owned businesses contribute significant value to the planning and design process. A more diverse consultant pool leads to a broader understanding of community needs and supports solutions that are more thoughtful, inclusive, and responsive to the people they serve. DBE participation should be viewed as more than a measure of contractual compliance. It is an opportunity to strengthen the professional services industry, support the growth of historically underrepresented businesses, and improve the quality of publicly funded projects. By setting goals that exceed minimum requirements and creating pathways for smaller, specialized firms to participate, the Metropolitan Council can demonstrate meaningful leadership in advancing equitable economic opportunity while delivering stronger outcomes for the region."

- "Dear Director Payne and the Metropolitan Council: I write as the founder and CEO of Imagine Airport Ventures LLC, a DBE/ACDBE-certified firm in the Minnesota Unified Certification Program, operating airport retail concessions. I support the proposed overall goals of 4.7% (FTA) and 5.4% (EPA) as a fair reflection of the current ready, willing, and able DBE pool — but I want the record to show that the low figures are a symptom of a shrunken pool, not a lack of ambition or capacity among disadvantaged firms. The certified pool fell from roughly 1,300 firms to 394 after the federal rule change and the reevaluation process. That is the problem to solve. I urge the Council to: 1. Invest in helping firms complete reevaluation and certification — clear guidance, timely processing, and outreach to firms that dropped out — so the pool can grow and the goals can be adjusted upward mid-cycle, as the regulation allows. 2. Apply contract-level goals and good-faith-efforts requirements consistently, so the overall goal is actually met on the projects where DBE participation is possible. 3. Recognize concession and retail opportunities alongside construction subcontracts. As an airport and transit concessionaire, I operate in a part of the federally assisted economy — food, beverage, and specialty retail in transit and airport facilities — that an availability analysis built on construction NAICS codes may undercount. For example, my firm operates Tunnel Vision, an automated retail store concept designed for transit stations — the kind of small-footprint retail that can bring DBE participation into transit facilities. Disadvantaged firms should be visible in that work too. The goals are honest. The work now is rebuilding the pool so the next triennial goal can be higher."

A copy of the advertisement is attached below:



METROPOLITAN COUNCIL

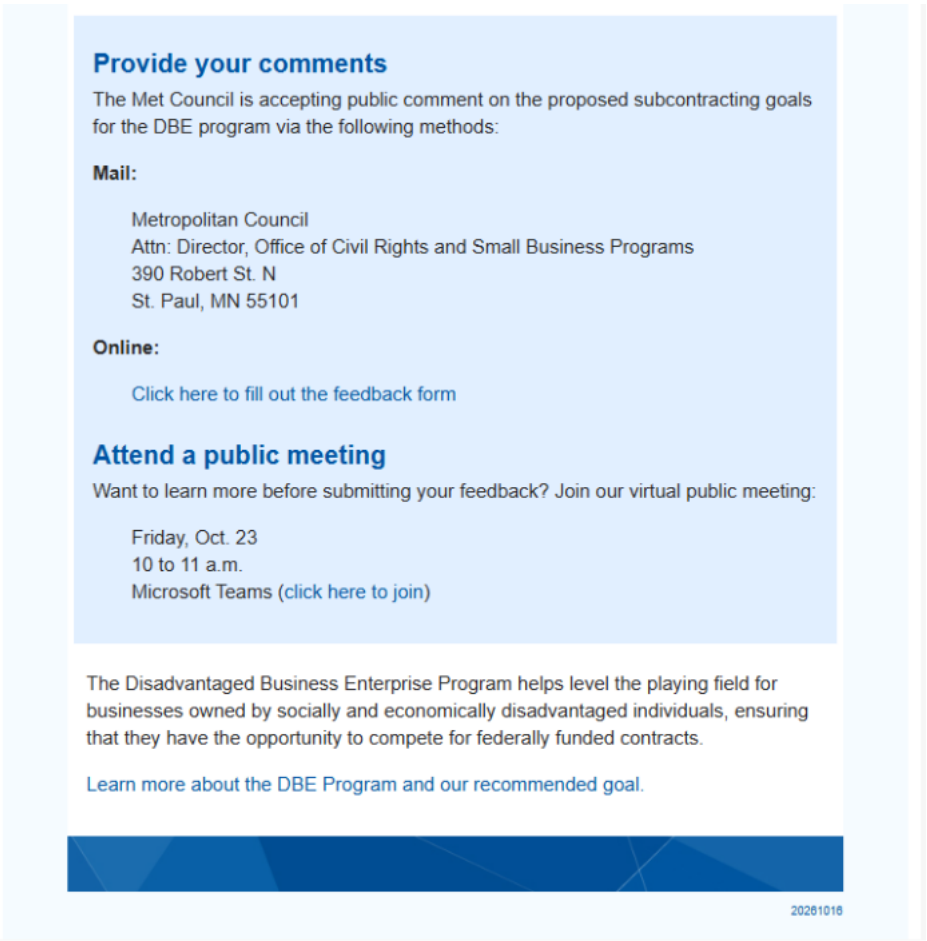
Comment now on proposed DBE program goals for 2027-2029

Every three years, the Metropolitan Council is required to update its Disadvantaged Business Enterprise (DBE) program goal. This information helps determine subcontracting inclusion goals on projects that receive federal funding.

For the 2027–2029 federal fiscal years, the Met Council proposes an overall Federal Transit Administration (FTA) DBE goal of 4.7% and an overall Environmental Protection Agency (EPA) DBE goal of 5.4%.

The Met Council formally invites community members, local business owners, and interested stakeholders to submit public comments regarding our proposed DBE three-year participation goals.

The public comment period is open now through Monday, Nov. 16.



Open House

Staff from the Office of Civil Rights and Small Business Programs conducted an open house via Microsoft TEAMS on October 23, 2026 that provided the opportunity for informative dialogue, questions and for interested parties to review the Triennial DBE Goal presentation and methodology. All comments and inquiries were seriously considered, and all relevant themes and questions are included above.

Council Approval

The 5.4% EPA DBE Triennial Goal will be presented as a Business Item for approval at Council on December 2, 2026.