

Update: Pennsylvania Overall DBE Goal & Methodology Released for Comment

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By Robyn St. Hilaire



Pennsylvania Department of Transportation (PennDOT) has published a notice in the Pennsylvania Bulletin of its proposed overall DBE goal and methodology for FHWA-assisted contracts for Federal Fiscal Years 2027 to 2029. This proposed methodology is open for public comment for 30 days from the date of publication, through October 19, 2026.

PennDOT's Proposed Overall Goal

PennDOT proposes an overall DBE goal of 5.883% for FHWA-assisted contracting. Applied to projected annual federally assisted spending of \$3.85 billion, the goal represents approximately \$226.5 million in DBE participation each year, or approximately \$679.5 million over the three-year period.

This is PennDOT's first goal calculated under the revised certification standards. PennDOT measured DBE availability as of September 1, 2026, counting firms that had completed certification or reevaluation under the IFR and a small number of firms with pending applications. In determining this availability, PennDOT calculates DBE availability across four submarkets: professional services, construction prime contractors, construction subcontractors, and suppliers.

For each of the four submarkets, PennDOT divided the number of ready, willing, and able (RWA) DBEs by the total number of RWA firms:

Submarket	RWA Firms	DBE Firms (including pending)	Availability
Professional Services	434	79	18.203%
Prime Contractors	515	6	1.165%
Subcontractors	1,730	127	7.341%
Suppliers	2,207	32	1.495%

PennDOT then weighed each submarket ratio by its projected share of spending. Although professional services account for approximately 22% of projected spending, it contributes more than two-thirds of the overall goal (4.019%). By contrast, only 6 of 515 prequalified prime contractors are counted as DBEs, and the combined baseline for the three construction submarkets is 2.392%.

No Step-Two Adjustment

PennDOT determined that it would make no adjustments to the Step-One Baseline Availability based on the RWA DBEs across the four submarkets. In its determination, PennDOT calculated past participation using only firms in the current DBE population and found a five-year median of 5.792%, which is considered too close to the 5.883% baseline to warrant an adjustment. PennDOT also declined to rely on its 2024 disparity study because the study predates the IFR and measures the prior DBE population. PennDOT has reengaged BBC Research to update that analysis and will consider the results in its annual Interim Market Updates.

Next Steps for Pennsylvania Firms

- Review and Comment: The proposed methodology is available at equalopportunity.penndot.pa.gov and at PennDOT's principal office. Written comments are due by October 19, 2026, and should be directed to Keyla J. Evans, Bureau of Workforce and Business Opportunity, Disadvantaged Business Enterprise Program Administrator, at penndotdbegoal@pa.gov
- Prepare for Return of DBE Goals: Prime contractors should again expect to document good faith efforts and will again be required to complete DBE program training at the pre-bid and pre-construction phases.
- Confirm Certification Status: Firms that were not recertified, or that did not complete reevaluation, should evaluate whether to apply under the revised standards.
- Consider SBE Program: PennDOT's Small Business Enterprise program is open to firms that meet SBA size standards, and PA UCP certified DBEs may opt in.