GATEWAY DEVELOPMENT COMMISSION

DBE Project Goal and Methodology Package 2A

September 2026

Gateway Development Commission
FTA Recipient ID: 7419

For:
Federal Transit Administration
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September 2026

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1.0 INTRODUCTION

The Gateway Development Commission ("GDC") herein presents its proposed Disadvantaged Business Enterprise (DBE) Project Goal and Methodology for construction Package 2A (A-Yard Work and 10th Avenue Cut and Cover Tunnel) for public consultation.

The construction package 2A DBE Project's DBE goal is **8.63%.** The goal represents the percentage of work GDC anticipates DBEs will perform on Package 2A.

The DBE project goal for package 2A is authorized under 49 CFR Part 26, §26.45(e)(3), which permits GDC to express a DBE overall goal for a particular project.

GDC developed the proposed project goal in the following manner:

- Identified the scopes of work and associated North American Industry Classification System ("NAICS") codes.
- Considered the dollar values per scopes of work and, by NAICS codes.
- Identified the availability of DBEs and non-DBEs based on the scopes of work.
- Used a weighted formula based on the FTA funds associated to the scopes of work and the relative availability of DBEs.

GDC seeks comments from DBEs, general contractor groups, community organizations, and other officials or organizations that may have information concerning the availability of DBE and non-DBE firms and the appropriateness of the proposed goal on Package 2A.

The proposed goal and supporting methodology will be available for public review and comment for 30 calendar days, through October 22, 2026. For a copy or to submit a comment, send an email to: info@gatewayprogram.org; or by mail/in person to Tracey Mitchell, Senior Director, Business Engagement and Contract Compliance, Gateway Development Commission, 22 Cortlandt St, New York, NY 10071.

A Virtual Public Meeting will be held at 10:00 AM on October 9, 2026, regarding the proposed DBE project goal and methodology, and can be accessed at THIS LINK. The session will include an overview of the Gateway Program, construction Package 2A, the methodology used to develop the proposed goal, and an opportunity for public comments. More information is available on the GDC website on the DBE Program Page here.

Written comments regarding the proposed DBE project goal will be accepted throughout the 30-day comment period at: info@gatewayprogram.org; or Attn: Tracey Mitchell, Senior Director, Gateway Development Commission, Business Engagement and Contract Compliance, 22 Cortlandt St, New York, NY 10071.

2.0 Hudson Tunnel Project Overview

The purpose of the Hudson Tunnel Project ("HTP") under direction of the Gateway Program is to preserve the current functionality of Amtrak's Northeast Corridor (NEC) service and NJ TRANSIT's commuter

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passenger rail service between NJ and Penn Station New York ("PSNY") by repairing the deteriorating North River Tunnel; and to strengthen the NEC's resiliency to support reliable service by providing redundant capability under the Hudson River for Amtrak and NJ TRANSIT NEC trains between NJ and PSNY.

The HTP includes the development, design, and construction of a new two-tube tunnel connecting NY and NJ and certain ancillary facilities, the construction of the final segment of the concrete casing under western Hudson Yards in Manhattan, NY, the rehabilitation of the existing North River Tunnels, and certain projects necessary to connect such projects to the contiguous Amtrak NEC facilities. At the completion of the HTP, the NEC would have four tracks (two in the new Hudson River Tunnel and two in the North River Tunnel) between NY and NJ under the Hudson River.

The HTP is financially supported by grants from FTA. The HTP will apply FTA financial assistance on construction Package 2A through the discretionary Section 5309 Capital Investment Grant ("CIG") program, for New Starts, Small Starts, and Core Capacity Investments.

3.0 REQUIREMENTS FOR A DBE GOAL

As a recipient of FTA grants, GDC must set an overall goal for DBE participation on FTA-assisted contracts. The DBE regulations at 49 CFR §26.21 requires FTA recipients receiving planning, capital and or operating assistance who will award prime contracts the cumulative total value of which exceeds $670,000 in FTA funds in a Federal Fiscal Year (FFY) to administer a DBE program and establish an overall DBE goal. The overall DBE goal is set at three-year (triennial) intervals, based on a schedule established by FTA.

Section 26.45(e)(3 permits GDC to express its overall DBE goal as a percentage of funds for a particular project. GDC will express its overall DBE goal for one particular project, Package 2A.

The Project (also referred to as "**10th Avenue Tunnel and A-Yard (P2A**)" or "**P2A**") includes heavy civil work for the 10th Avenue Tunnel and within A-Yard. Work will be executed on 10th Avenue from street level and within A-Yard at track level. Principal elements of the work include: construction of a cut-and-cover tunnel under 10th Avenue, connecting the existing Hudson Yards Concrete Casing Section 1 ("**HYCC-1**") with A-Yard, approximately 100' long; underpinning the existing 450 West 33rd Street overbuild structure; the relocation of its structural columns and the PS-5 structure to accommodate the future track alignment; and the construction of the A-Yard Fan Plant structural framing. P2A will compose the basis of the DBE project goal.

Based on the project description and FTA financial assistance, GDC has determined that there are reasonable subcontract opportunities and DBE availability to establish a project goal. GDC followed the steps in §26.45 to establish the DBE project goal for Package 2A. GDC is required to submit the results of goal and methodology to FTA for review. However, GDC is not required to obtain FTA's concurrence with the DBE project goal before applying the project goal.

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4.0 FTA-FINANCIAL CONTRIBUTIONS ON PACKAGE 2A

Table 1 represents the construction package for the development of the DBE project goal. Package 2A has viable subcontracting possibilities and corresponding availability of DBEs, and is anticipated to be awarded in early 2027.

4.1. Scopes of Work and FTA Value for Package 2A

Scopes of Work and FTA Value

Package 2A – Greater than $100 million (Proposed Total Contract Value)

The Project (also referred to as "10th Avenue Tunnel and A-Yard (P2A)" or "P2A") includes heavy civil work for the 10th Avenue Tunnel and within A-Yard. Work will be executed on 10th Avenue from street level and within A-Yard at track level. Principal elements of the work include: construction of a cut-and-cover tunnel under 10th Avenue, connecting the existing Hudson Yards Concrete Casing Section 1 ("HYCC-1") with A-Yard, approximately 100' long; underpinning the existing 450 West 33rd Street overbuild structure; the relocation of its structural columns and the PS-5 structure to accommodate the future track alignment; and the construction of the A-Yard Fan Plant structural framing.

Proposed FTA value on Package 2A	**Greater than $50 million**

5.0. GOAL METHODOLOGY

The DBE project goal must be based on a methodology that demonstrates the evidence of the availability of ready, willing, and able DBEs relative to all businesses ready, willing and able to participate on Package 2A, hereafter, the "relative availability of DBEs." The goal must reflect GDC's determination of the level of DBE participation expected based on DBE availability and subcontracting opportunities.

The 49 CFR §26.45 provides five example methodologies to determine the DBE base figure and to determine appropriate adjustments, 1) Use DBE Directories and US Census Bureau Data, 2) Use a bidders list, 3) Use data from a disparity study, 4) Use the goal of another USDOT recipient, and 5) Alternate methods.

The GDC considered the five approaches and determined the best approach is the use of the DBE Directories and US Census Bureau Data.

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5.1 *Step 1*: Determination of a Base Figure (§26.45)

To determine the ***Step 1*** DBE base figure, GDC must estimate the percentage of DBEs who are ready, willing, and able to compete for the types of work available in Package 2A. This percentage is calculated by dividing the number of certified DBEs who ready, willing, and able to perform the work (the numerator) by the number of all firms (DBEs and non-DBEs) ready, willing, and able also by type of work on Package 2A (the denominator).

Before the numerator and denominator were calculated, GDC's considered the geographic location of the majority of the DBEs, contractors and subcontractors available to do business with GDC. The geographic areas for a majority of the DBEs and non-DBEs on the past six awarded construction contracts is the states of NY and NJ. GDC therefore defined the geographic area for Package 2A as the states of NY and NJ.

Next, GDC identified the scopes of work for Package 2A and applied the appropriate NAICS code to the scopes of work.

5.2. Establishing the DBE Numerator and DBE/Non-DBE Denominator

GDC used the NY and NJ ***Unified Certification Program Directories*** of certified DBEs who were reevaluated and certified by September 14, 2026, in accordance under the new certification criteria in 49 CFR § 26.111, effective October 3, 2025, and the corresponding NAICS codes to establish the DBE numerator of available firms to establish the numerator. GDC used the ***2023 U.S. County Business Patten (CBP) Database*** to identify the number of firms (DBE and non-DBE) within a corresponding NAICS code and the project market area to establish the denominator.

The industries and types of businesses used to identify the numerator (column "B") and the denominator (column "C") are presented in ***Table 1***.

5.3 Determining the Relative Availability of DBEs and Non-DBEs

To determine the relative availability of DBEs, GDC divided the numerator of ready, willing and able certified DBE firms, by NAICS code, by the denominator representing all firms (DBE and Non-DBEs), available in each NAICS code, as shown below:

Number of Ready, Willing and Able certified DBEs = Numerator
Number of All Available Firms including DBEs in 2023 CBP database = Denominator

To help ensure the ***Step 1*** Base Figure is accurate as possible, GDC weighted the percent for each NAICS code. To determine the weights, GDC divided the estimated dollar value by NAICS by the total estimated federal dollars for Package 2A. The weighting percent by NAICS was then multiplied by the DBE/Non-DBE Availability percentage to determine the base figure:

DBE and DBE/Non-DBE Availability %	**x**	**Weight**	**=**	**Base Figure % by NAICS**
Column "D"	x	Column "F" =		Column "G"

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The resulting ***Step 1*** Base Figure is **8.63%**. ***Table 1*** presents the estimated weighted availability per NAICS code.

Table 1

NAICS Code	NAICS Description	B	C	D	E	F
		DBE Firms	All Firms	Availability (B/C)	Weight (E/A)	Base Figure (D*F)
237110	Water and Sewer Line and Related Structures Construction	23	537	4.28%	2.70%	0.12%
237130	Power and Communication Line and Related Structures Construction	15	340	4.41%	2.87%	0.13%
237310	Highway, Street, and Bridge Construction	114	671	16.99%	2.88%	0.49%
237990	Other Heavy and Civil Engineering Construction	60	335	17.91%	18.83%	3.37%
238110	Poured Concrete Foundation and Structure Contractors	65	1,139	5.71%	13.59%	0.78%
238120	Structural Steel and Precast Concrete Contractors	39	315	12.38%	19.04%	2.36%
238140	Masonry Contractors	65	2,247	2.89%	0.96%	0.03%
238210	Electrical Contractors and Other Wiring Installation Contractors	66	7,873	0.84%	2.32%	0.02%
238220	Plumbing, Heating, and Air-Conditioning Contractors	30	10,515	0.29%	0.04%	0.00%
238310	Drywall and Insulation Contractors	35	1,622	2.16%	0.92%	0.02%

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NAICS Code	NAICS Description	B	C	D	E	F
		DBE Firms	All Firms	Availability (B/C)	Weight (E/A)	Base Figure (D*F)
238320	Painting and Wall Covering Contractors	59	3,625	1.63%	0.62%	0.01%
238390	Other Building Finishing Contractors	38	667	5.70%	0.43%	0.02%
238910	Site Preparation Contractors	81	2,733	2.96%	14.49%	0.43%
238990	All Other Specialty Trade Contractors	72	3,307	2.18%	9.17%	0.20%
484110	General Freight Trucking, Local	42	3,850	1.09%	1.59%	0.02%
541330	Engineering Services	197	3,992	4.93%	0.37%	0.02%
541370	Surveying and Mapping (except Geophysical) Services	45	514	8.75%	0.50%	0.04%
541380	Testing Laboratories and Services	29	547	5.30%	0.22%	0.01%
561990	All Other Support Services	20	1,011	1.98%	2.50%	0.05%
562119	Other Waste Collection	15	125	12.00%	1.87%	0.22%
562910	Remediation Services	44	614	7.17%	4.10%	0.29%
					Total Base Figure	**8.63%**

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6.0 ADJUSTMENTS TO THE DBE BASE FIGURE

6.1. Step 2: Adjusting the DBE Project Goal Base Figure

GDC was next required under §26.45(d)(1) to consider an adjustment to the **8.63%** base figure. The regulations requires GDC to consider the current capacity of DBEs to perform work in its DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years and evidence from disparity studies conducted in GDC's geographic area. If available, GDC must consider evidence from related fields that affect the opportunities for DBEs to form, grow and compete. : This included, but is not limited to statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in GDC's program and data on employment, self-employment, education, training and union apprenticeship programs, to the extent it relates it to the opportunities for

DBEs to perform in GDC's program. Any adjustment must be based on demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought.

6.2. Past DBE Goal Attainment

GDC considered whether an adjustment based on past participation is appropriate for Package 2A. On October 3, 2025, USDOT issued an Interim Final Rule (IFR) requirement that paused the DBE Program certification until the Unified Certification Program completed the reevaluation process under the new DBE certification criteria established under §26.111; ceased the inclusion of DBE goals on projects; and stopped the counting of DBE participation on executed contracts towards the agency's overall goal attainment. The NY and NJ UCPs completed their reevaluations in May 2026.

The USDOT guidance on "Tips for Goal-Setting in the Disadvantaged Business Enterprise Program," states that "an adjustment for past participation is not required if you are developing a DBE program for the first time and do not have any [substantial] statistics on past DBE participation."

While GDC is not developing a DBE overall goal for the first time, given the significant changes arising out of the reevaluation requirement and the complete pause on goal setting and goal credit counting during reevaluation, GDC's past participation under the pre-IFR framework is not a reliable source to make an adjustment to the proposed **8.63%** DBE project goal under the post-IFR framework. Accordingly, GDC is not making an adjustment to the **8.63%** base figure based on past DBE goal attainment.

6.3 Evidence from DBE Disparity Studies

GDC determined that there is not a disparity study in its jurisdiction that was completed prior to or following the IFR requirements under §26.45(c)(3). Therefore, GDC did not make an adjustment on this basis.

6.4 Other Relevant Evidence

GDC determined that there was no relevant evidence from related fields that affect the opportunities for DBEs to form, grow and compete. Therefore, GDC did not make an adjustment on this basis.

6.5 Step 2 Conclusion

Having considered past DBE goal attainment and evidence from disparity studies, GDC is not making an adjustment under ***Step 2***, and the proposed DBE project goal for Package 2A remains **8.63%,** subject to the results of the public consultation and comment process.

7.0 DBE-NEUTRAL AND DBE-CONSCIOUS PARTICIPATION BREAKOUT

The final requirement of the goal-setting process is to determine the portion of the goal for Package 2A that will be achieved by DBE-conscious contract goals and DBE-neutral means. As required by 49 CFR § 26.51, the maximum feasible portion of the DBE goal should be achieved using DBE-neutral means.

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7.1 DBE-Neutral and DBE-Conscious Application

GDC reviewed the guidance from USDOT on "Tips for Goal Setting in the DBE Program" which identifies three considerations for determining the DBE-Neutral/DBE-Conscious percentage split of the DBE project goal:

- Past achievement over the contract or overall DBE goal
- Past prime DBE participation
- DBE participation on no-goal contracts

Each of these considerations depends on prior utilization: they only support a DBE-neutral allocation where there is documented evidence that DBE firms were selected and utilized by primes in the absence of a DBE-conscious mechanism, such as a contract goal. However, prior DBE utilization was the result of firms certified under the pre-IFR race- and gender-based presumption of disadvantage. Under the IFR's individualized, case-by-case standard, there is no way to confirm those firms would still qualify as DBEs today. Historical DBE-conscious and DBE-neutral participation is therefore not a reliable predictor of future DBE-conscious or DBE-neutral participation because the population of DBEs has changed.

Therefore, GDC has no reliable evidence, current or historical, of the level of DBE absent the use of DBE-conscious contract goals. Without such evidence, the regulatory considerations above cannot support a DBE-neutral allocation of any portion of the Package 2A goal. GDC estimates that DBE participation on Package 2A will be 100% DBE-conscious.

7.2 DBE-Neutral Measures

GDC's DBE-Neutral measures for Package 2A include, but are not limited to:

- **Business Opportunity sharing via GDC's procurement portal.** Package 2A solicitation and subcontracting opportunities are posted on GDC's procurement portal, providing open access to all interested firms, including DBEs, without regard to a specific participation goal.
- **Vendor portal.** GDC maintains a Vendor Registration Form and database through its Vendor Portal, allowing firms to register their interest in Gateway Program opportunities. Registered firms receive outreach from GDC when opportunities relevant to their business arise, and GDC's Vendor Relations team is available as a direct point of contact for registered firms. Firms are also registered in B2Gnow.
- **Outreach via Community Engagement Centers in NY and NJ.** GDC's Community Engagement Centers provide a resource for project information for firms and the community.
- **1:1 firm technical assistance by GDC Business Engagement and Contract Compliance.** GDC's Business Engagement and Compliance staff provide information and resources to firms as needed and requested.

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8.0 PUBLIC PARTICIPATION AND FACILITATION

In accordance with the public participation requirements of§26.45(g), GDC will consult general contractor groups, community organizations, and other officials or organizations within GDC's market area that could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses and GDC's efforts to establish a level playing field for the participation of DBE. GDC will issue a Public Notice of GDC's proposed DBE project goal for Package 2A. The Notice will inform the public that the proposed goal and rationale are available for inspection on GDC's website, and GDC will accept comments on the goal analysis for thirty days from the date of the Public Notice.

GDC will host a virtual Public Consultation Meeting to facilitate receiving input for Package 2A on October 9, 2026.

After completion of the public participation process, GDC will consider any feedback as a factor in making a further adjustment to the goal.

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ATTACHMENT A

DBE Goal Notice Posting

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GATEWAY DEVELOPMENT COMMISSION

Tracey Mitchell
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Gateway Development Commission
info@gatewayprogram.org

September 23, 2026

In accordance with requirements of the U.S. Department of Transportation, as set forth in 49 C.F.R. Part 26, the Gateway Development Commission (GDC) hereby notifies the public that it is proposing the following Disadvantaged Business Enterprise (DBE) goal, which represents the percentage of work to be accomplished by DBE firms for contracts on the A-Yard and 10th Avenue Tunnel Project (Package 2A).

The overall proposed DBE project goal for Package 2A is **8.63%**

A Virtual Public Meeting will be held at 10:00 AM on October 9, 2026, regarding the proposed DBE project goal, and can be accessed at THIS LINK. Details may be found on the GDC DBE Program Page.

The DBE Goal Methodology will be available on the GDC website until Thursday, October 22, 2026.

Written comments on this goal will be accepted until Thursday, October 22, 2026. Comments may be sent to GDC via email at: info@gatewayprogram.org or by regular mail/in person to Tracey Mitchell, Senior Director, Business Engagement and Contract Compliance, Gateway Development Commission, 22 Cortlandt St, New York, NY 10071.

The Commission will consider requests for reasonable accommodation to submit comments that it receives by October 7, 2026. Reasonable accommodation may include:

- Language interpretation for people with limited English proficiency (LEP) and
- Translations of written material as needed to access GDC programs and information.

Requests for reasonable accommodation should be sent to GDC in the same manner as written comments, as set forth above.

Goal Public Notice Publication Date: September 23, 2026