

II. THE DOT DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

The DOT Disadvantaged Business Enterprise (DBE) Program

Background

The Department of Transportation (DOT) has had in effect for more than 20 years a policy of helping small businesses owned and controlled by socially and economically disadvantaged individuals, including minorities and women, in participating in contracting opportunities created by DOT financial assistance programs. The Department, through its Operating Administrations, distributes in excess of \$20 billion annually to help finance thousands of projects across the country. Approximately 85% of the assistance dollars is for construction. The major portion of the construction funds is allocated to State highway and transportation agencies for highway construction. The balance is provided to local public transit and airport authorities for mass transit and airport facilities.

In 1983, Congress enacted the first disadvantaged business enterprise (DBE) statutory provision. This provision required the Department to ensure that at least 10% of the funds authorized for the highway and transit financial assistance programs be expended with DBEs. In 1987, Congress re-authorized and amended the statutory DBE program. In the transportation legislation of that year, Congress, among other changes, added women to the groups presumed to be disadvantaged. Since 1987 DOT has established a single DBE goal, encompassing both firms owned by women and minority group members.

Primarily three major DOT Operating Administrations are involved in the DBE program. They are the Federal Highway Administration, the Federal Aviation Administration and the Federal Transit Administration. The DOT DBE program is carried out by state and local transportation agencies under the rules and guidelines in the Code of Federal Regulations (Title 49, Part 26).

How the Program Works

Among other things, DOT DBE regulations require recipients of DOT Federal financial assistance, namely, state and local transportation agencies, to establish goals for the participation of disadvantaged entrepreneurs and certify the eligibility of DBE firms to participate in their DOT-assisted contracts.

Each DOT-assisted State and local transportation agency is required to establish narrowly tailored DBE goals. Then these DOT-assisted agencies evaluate their DOT-assisted contracts throughout the year and establish contract specific DBE subcontracting goals where these goals are needed to ensure nondiscrimination in federally assisted procurements. The level of DBE subcontracting goals may vary from their approved DBE goal however, at the end of the year the amount of contract/subcontract awards to DBEs should be consistent with the overall goal.

In order for small disadvantaged firms, including those owned by minorities and women, to participate in the DOT-assisted contracts of State and local transportation agencies they must apply for and receive certification as a DBE. To be certified as a DBE, a firm must be a small business owned and controlled by socially and economically disadvantaged individuals. Recipients get information about firms through on-site visits, personal interviews, reviews of licenses, stock ownership, equipment, bonding capacity, work completed, resume of principal owners, financial capacity, and type of work preferred. More information on certification can be obtained from the recipients' DBE Certification Officers listed in this Section. DOT and SBA are currently working on an agreement to facilitate participation by DBEs in SBA programs and vice-versa.



State Departments of Highways and Transportation (SDH&T) receive supportive services funds from the Federal Highway Administration to help increase DBE participation in Federal-aid highway contracts. The SDH&T may decide to use the funds inhouse to provide the supportive services or hire consultants. Supportive services whether done by the State agency or consultants help DBE's to compete in winning contracts. The services include research and development, training and on site-technical assistance, business management assistance, estimating assistance, and assistance in obtaining necessary financing and bonding.

The Civil Rights Offices and individuals listed below are responsible for their Operating Administration's (OA) Disadvantaged Business Enterprise (DBE) program.

- For general information about the DBE rule: Office of the General Counsel, 202-366-9310 (Bob Ashby)
- For information on DBE certification appeals: Departmental Office of Civil Rights, 202-366-5992 (Joe Austin, Al Williams).
- For information on programs to assist small and disadvantaged business: Office of Small and Disadvantaged Business Utilization, (800) 532-1169 ext.61930 or 202-366-1930 (Jerry Franco)
- For information on the DBE program in specific operating administrations:
 - Federal Highway Administration (FHWA) Office of Civil Rights - 202-366-6753 (Charles Klemstine) or Office of Chief Counsel 202-366-1346 (JoAnne Robinson)
 - Federal Transit Administration (FTA) Office of Civil Rights 202-366-6718 (David Solomon); or Office of Chief Counsel, 202-366-4011 (Trudy Levy) or 202-366-0942 (Don Durkee)
 - Federal Aviation Administration (FAA) Office of Civil Rights - 202-267-3259 (Michael Freilich)
- You may also contact the FTA: http://www.fta.dot.gov/4978_ENG_HTML.htm, FAA: http://www.fta.dot.gov/4978_ENG_HTML.htm, or FHWA: <http://www.fhwa.dot.gov/keyfield/index.htm> field office that serves your area.
- If you want to report an allegation of fraud, waste, abuse, or mismanagement Contact the Office of Inspector General (OIG) Hot Line 1-800-424-9071 (toll free) or 202-366-1461 (toll).

Additional information on the DOT Disadvantaged Business Enterprise (DBE) program can be viewed at: <http://osdbuweb.dot.gov/business/dbe/index.html>. Included is information on regulatory issuances, guidance for DBE program administrators, questions and answers on the DBE rule, DBE program contacts, background on the DBE rule, and other useful information.

