

10 Tips for DOT DBE Contract Recipients

1. Take advantage of the Sample Program.

We have put a sample program document on our web site. This provides a model you can (but are not required to) use for the document, which may save you time in creating your own program. The key to a good program is including information about what you are doing in your state or locality to carry out the basic requirements outlined in the sample.

2. Focus on the program and overall goal tasks for now.

Everyone has a lot of work to do to implement the DBE rule. At this time, completing your revised DBE program and establishing your new overall goal are the most important priorities. Other tasks, like working on the Unified Certification Program and completing the review of currently certified firms to make sure they meet Part 26 standards (including the personal net worth cap), are very important, but do not have as high a priority between now and your completion of the revised program and overall goal.

3. Show your work.

When you seek public comment on your overall goals and when you submit them to us, it's important that we and the public can follow the thinking process that led to the goal. So set out explicitly what your data sources were, what assumptions you made, how you calculated each step of the process, etc. Without this information, it's difficult for anyone to evaluate the actual goal you have selected.

4. The "examples" of how to calculate the base figure are just that - examples.

We meant what we said when we called the illustrations of how recipients might calculate the base figure in Step 1 of the overall goal-setting process "examples." No one is required to follow them literally. No one is required to use all of them. They are meant to demonstrate the thinking process that goes into setting overall goals, and variations in the data and methodology that a recipient uses are permitted.

5. MBE/WBE data can supplement DBE data.

Here is an instance of the point about variations of the examples being possible. In the rule's first example of how to calculate the Step 1 base figure, we spoke of using the number of DBEs from your Directory as the numerator. However, if you have data about the number of minority and women-owned businesses (regardless of whether they are certified as DBEs) in your market area, or DBEs in your market area that are in other recipients' Directories but not yours, you can supplement your Directory data with this information. Doing so may provide a more complete picture of the availability of firms to work on your contracts than the data in your Directory alone.

6. Use 4-Digit SIC Codes.

Whenever feasible, use 4-digit rather than 2-digit SIC codes for the types of contractors in calculating the Step 1 base figure. This is especially useful for recipients who use the rule's first example, involving DBE directories and Census data. In the SIC system, 4-digit numbers are more specific than 2-digit numbers. Using the broader 2-digit SIC codes is less precise and may lead to a significant overstatement of the total number of businesses in the denominator of the calculation, resulting in an unrealistically low base figure.

7. Don't forget Step 2.

The DOT rule says that there are two steps in the goal setting process:

Step 1 is the calculation of a "base figure" displaying the relative availability of DBEs to work on your DOT-assisted contracts.

Step 2 is an adjustment of the base figure so that the final overall goal represents the amount of DBE participation you would expect in the absence of discrimination or its effects. Step 2 is very important. No overall goal submission can be complete without it.

8. It's OK to seek comment on proposed goals that are "works in progress."

Before seeking public comment on your overall goal, it is not necessary to have a final product. Just as we seek comment on proposed rules that we know may well change in response to comments, it is appropriate for you to seek public input on a tentative goal and methodology on which you are continuing to work. Besides expediting the process (by starting the comment period sooner rather than later), this approach is likely to get the public's input at a point in the process where it can be most meaningful.

9. Send in overall goal information on September 1 even if your comment period isn't over.

Suppose you didn't seek public comment on your tentative overall goal until August 10. The public comment period would end September 24. Rather than waiting until the end of September to send us material on your goal, please send us your tentative goal and information on how you selected it by September 1. This will enable us to begin to review your goal and methodology and give you feedback as soon as possible. We understand that there may be changes as the result of comments. If there are, send them in when they happen, and we will review them.

10. Talk to us.

As you are working on your overall goals and DBE programs, we encourage you to call members of the DOT DBE team with questions or concerns, or simply to run by us the way you are thinking of dealing with an issue or calculating your overall goals. We'll be happy (really) to spend time with you working through the issues you have. The people in the FAA, FTA, or FHWA field office serving your area are your first source of program information.

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