Division of Local Assistance Civil Compliance

Tracy Coan
Jesse Garcia

DBE Workshop 2026

Opening Remarks

Mark Samuelson

Pauline Valenzuela

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- DBE Program Overview
- Local Public Agencies Program Responsibilities – Advertisement
- Local Public Agencies Program Responsibilities – Award
- Local Public Agencies Program Responsibilities – Contract Administration
- Local Public Agencies Program Responsibilities – Closeout
- Questions

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What is one DBE-related question you hope this presentation will answer?

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Interim Final Rule (IFR)

OCTOBER 2025

- Eliminated all race - and gender-based presumptions of social and economic disadvantage.
- Replaced with an individualized determination standard of disadvantage that includes personal narratives and personal wealth.
- Mandatory reevaluation of previously certified DBE firms under the new criteria.

  Certification questions? DBE.Reevaluation@dot.ca.gov
- Until the DBE reevaluation and restoration steps are complete, DBE goals cannot be restored, including no counting DBE participation, monitoring or enforcement.

Final Rule

SEPTEMBER 2026

Terminology changes: decertified is now disqualified/recertified becomes reevaluated.

The CUCP must complete reevaluation of all previously certified firms by December 24.

DLA does not handle certification, please contact dbe.certification@dot.ca.gov OR https://dot.ca.gov/programs/civil-rights/dbe-reevaluation

New DBE applicants are being processed and cannot be paused during reevaluation.

DBE must submit required documents by March 27, 2027, or become disqualified.

Resources

DBE Final Rule FAQ

Federal Register

FEDERAL REGISTER
The Daily Journal of the United States Government

49 CFR Part 26

Code of Federal Regulations
A point in time eCFR system

DBE Status Update

DBE PROGRAM IS STILL PAUSED

- DBE Contract Goals continue to be suspended.
- Goal-based compliance monitoring and enforcement activities related to overall DBE participation continue to be suspended.



DBE Program Restoration



DBE Program Status Update Office of Civil Rights

Dear California Department of Transportation (DOT) Recipients,

On behalf of David DeLuz, Deputy Director of Caltrans Office of Civil Rights, the California Unified Certification Program (CUCP) would like to notify all California DOT recipients that, effective July 20, 2026 the CUCP has completed its Disadvantaged Business Enterprise (DBE) reevaluation process.

The CUCP has formally notified the U.S. Department of Transportation (USDOT) of the completion of this process, and the USDOT has confirmed receipt of our notification.

Thank you for your continued partnership and support. For additional information, please contact your District Local Assistance Engineer.

Implementation Sequence to DBE Program Restoration

Set an Overall (statewide) DBE Goal



Overall statewide goal establishes an annual target for DBE participation

Updated DBE Program Plan



Formal document, approved by FHWA, explaining how Caltrans will implement, manage and monitor the DBE Program

Updated Contract Goal Methodology

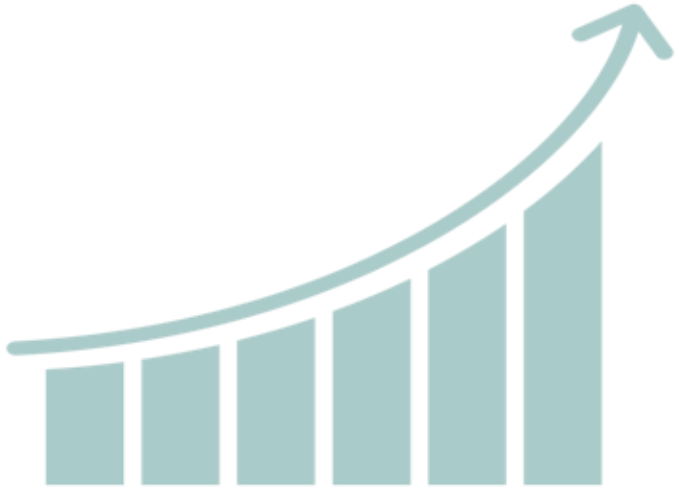


Data-driven process of developing a contract goal - based scope of work, DBE availability, marketplace factors

DBE Reevaluation Status

OFFICE OF CIVIL RIGHTS

Caltrans Recertified DBEs - 729



Total Recertified DBEs – 1,485



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What do you consider the most important DBE compliance responsibility during project delivery?

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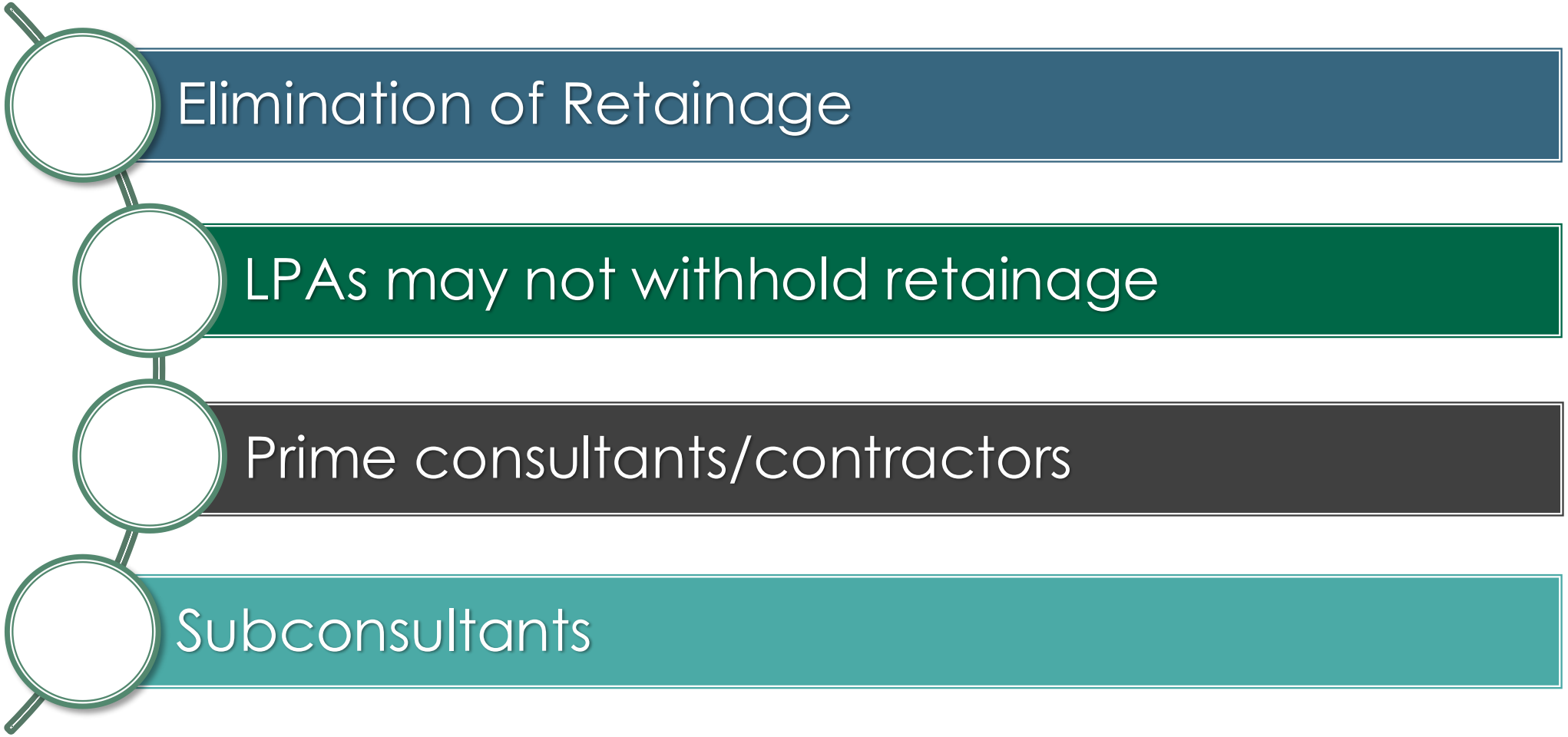
Contract Advertisement - DBE Goal Setting

- Elimination of Work Factors
- Elimination of 80% Reduction Factor
- Consideration of Local Market Conditions
- Online Project Goal Setting Tool

Contract Award - Removal of Retainage



Contract Award – Good Faith Efforts

- LPA is responsible for GFE evaluation
- Thresholds may still apply
- DLAE will review/accept evaluation
- Retire Exhibit 9-G: Sample Procedure for GFE

Contract Award – Administrative Reconsideration

- LAPM Guidance Updated
- Guidance outlines specific steps for conducting an Administrative Reconsideration
- Retire Exhibit 9-H: Sample Procedure for Reconsideration Hearing

Contract Administration
Commercially Useful Function (CUF)

- Ensuring a DBE can perform their work
- Confirms a DBE's work can be counted as DBE credit towards the commitment
- LPAs are responsible for CUF evaluations of DBEs

Contract Administration – Prompt Payment

- Ensuring all subcontractors, suppliers, brokers and other business entities are paid promptly
- Impacts the ability to count DBE credit
- LAPM Exhibits and guidance will be updated

Contract Administration – Counting DBE Credit

- Ensuring DBE participation is properly counted based on type, certification status, and CUF
- Impacts the ability to meet DBE commitments
- New DBE Distributor category will be included in LAPM guidance

Contract Administration – Running Tally

- Comparing DBE utilization vs. commitment to identify any potential underruns
- Impacts meeting the contract commitment and close out reporting
- Exhibits and LAPM have expanded guidance

Contract Administration – Termination

- Ensuring DBE terminations follow required processes and receive LPA approval
- Impacts the ability to replace the work committed to a DBE
- Exhibits and LAPM have expanded guidance

Contract Administration - DBE Replacement Plan

- Ensuring DBEs are properly replaced with LPA approval
- Impacts the post award GFE determinations for replacing a DBE
- New Replacement Plan Form

Contract Administration – Contract Close Out

- Finalizing DBE credit before final payment to the Prime
- Impacts final payment / potential withholds to the Prime
- Exhibits and LAPM have expanded guidance

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What recurring questions could be addressed through improved guidance or training materials?

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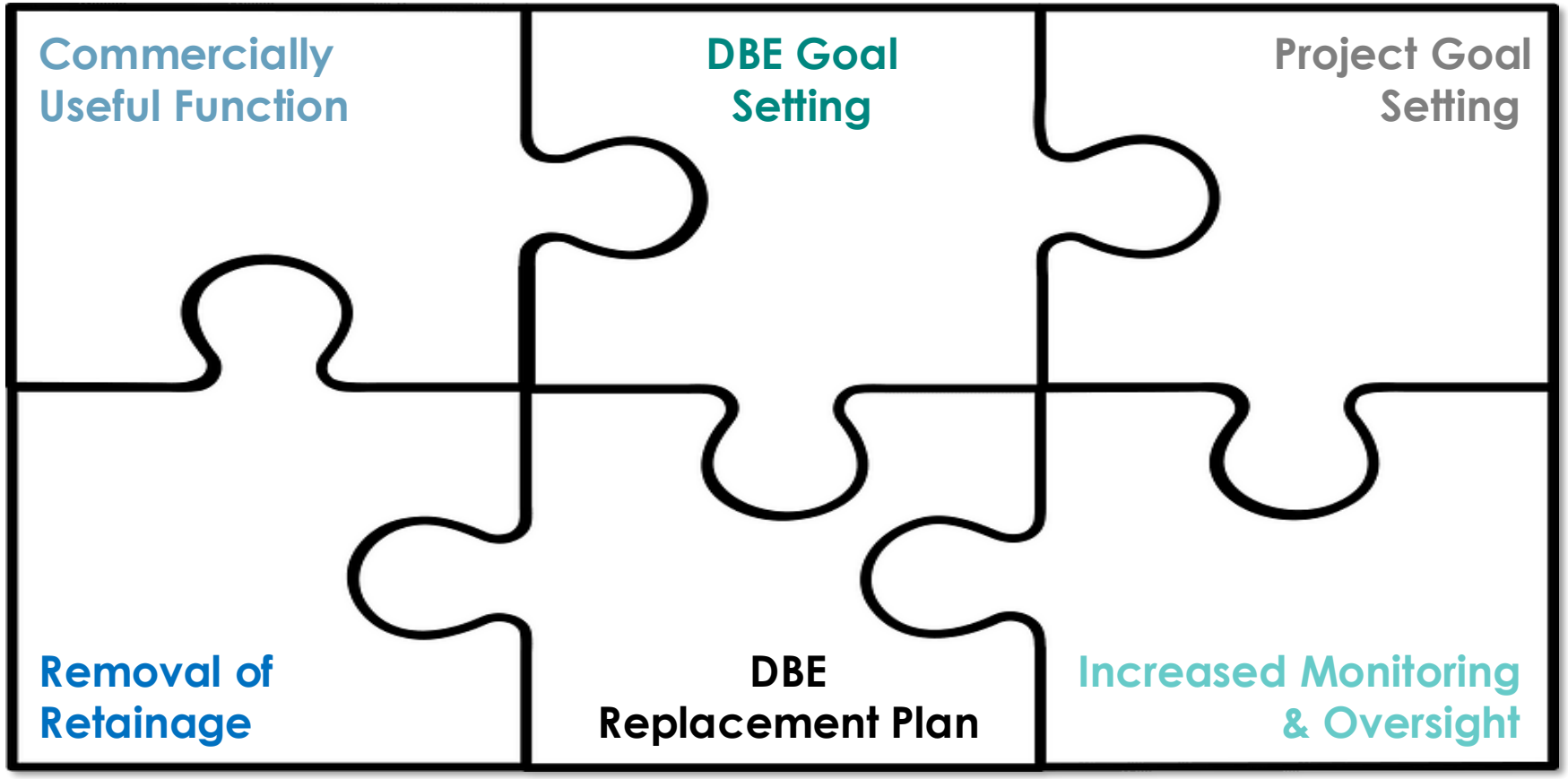
Piecing It All Together



DLA Will Deliver …

Updated LAPM Text



LAPM will be posted for applicable guidance to administer a compliant DBE Program

Updated Exhibits



Exhibits have been updated for efficiency and compliance – some new forms and some retired forms

Training



Watch for the DBE Program focused topic training schedule coming soon.

Office Hours



TUE **Tuesday**

December 15, 2026

1:30 P.M. - 2:30 P.M.

Resources

DLA DBE Webpage	https://dot.ca.gov/programs/local-assistance/local-civil-compliance/disadvantaged-business-enterprise-dbe
Certification Questions	DBE.Reevaluation@dot.ca.gov
Code of Federal Regulations	eCFR :: 49 CFR Part 26 -- Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs
DLAE/DBE Coordinators	https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/local-civil-compliance/dlae-dbe-coordinators-list-20260604-a11y.pdf

Questions

Please drop your questions into the Q&A Box







For Joining Us.

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How confident are you in identifying and addressing DBE compliance issues?

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