DEPARTMENT OF TRANSPORTATION
OFFICE OF THE DIRECTOR
P.O. BOX 942873, MS-49
SACRAMENTO, CA 94273-0001
PHONE (916) 654-5266
FAX (916) 654-6608
TTY 711
www.dot.ca.gov

Flex your power!
Be energy efficient!

June 29, 2012

ALL CITIES AND COUNTIES IN CALIFORNIA
METROPOLITAN PLANNING ORGANIZATIONS
REGIONAL TRANSPORTATION PLANNING AGENCIES

Dear Directors:

This letter supersedes my letter dated June 22, 2012, on the same subject. This letter contains further clarifications from the United States Department of Transportation (US DOT).

The US DOT has informed the California Department of Transportation (Caltrans) that the Disadvantaged Business Enterprise (DBE) program waiver granted on August 7, 2008, has been rescinded. That waiver allowed race-conscious (RC) contract goals to be limited to only four groups referred to as "UDBEs" (the "Old RC DBE Program"). With rescission of the waiver, contract goals for federally funded projects authorized on and after July 1, 2012, must include ALL DBE groups (African Americans, Asian Pacific American, Native American, Women, Hispanic American, and Subcontinent Asian American and any other groups whose members are certified as socially and economically disadvantaged). This is referred to as the New RC DBE Program.

As directed in the June 15, 2012, letter from the Federal Highway Administration (FHWA), Caltrans is transitioning to the New RC DBE Program and it will apply to Caltrans and Local Agency transportation projects funded with FHWA federal funds.

Impacts to FHWA Funded Federal-aid Projects

- **Projects authorized prior to July 1, 2012:** If practical, these projects should use contract goals that include all certified DBEs and not just UDBEs. If it is not practical to do this, then these projects should be advertised as soon as possible under the Old RC DBE program applying contract goals only to UDBEs. However, projects **advertised after August 17, 2012,** must use contract goals that include all certified DBEs. For projects advertised after August 17, 2012, contract goals cannot be limited to UDBEs.
- **Projects authorized between July 1, 2012 and September 30, 2012** Projects may be authorized under the Old RC DBE procedures under the *condition* that, PRIOR TO **ADVERTISING**, bid documents must be revised to comply with the New RC DBE Program such that contract goals include all certified DBEs. In addition to submitting the normal Request for Authorization documents, local agencies will be asked to attach a certification letter acknowledging that the local agency has read and understood the new

RC DBE Office Bulletin, and that failure to comply with the New RC DBE Program will make the project ineligible for federal funds.

- **Projects authorized After October 1, 2012:** All FHWA federally funded projects must comply with the new RC DBE requirements PRIOR TO AUTHORIZATION.

Implementation of the New RC DBE Program

Caltrans Division of Local Assistance (DLA) is publishing a DLA Office Bulletin for the implementation of the New RC DBE Program. The Office Bulletin will address the following:

- Procedures for the transition to and implementation of the New RC DBE Program requirements.
- Revised Local Programs Procedures Manual exhibits required for implementation of the New RC DBE requirements.
- Revised consultant and construction contract specifications for use under the New RC DBE Program.

In addition, DLA will conduct trainings for local agencies on the New RC DBE requirements beginning in July 2012.

If you have questions, please contact your District Local Assistance Engineer.

Sincerely,

MALCOLM DOUGHERTY
Director

Enclosures:
(1) US DOT Letter
(2) FHWA Letter