



Disadvantaged Business Enterprise Program Update

Office of Equity and Civil Rights



Overall Annual DBE Goal

**The current state-wide annual goal for FFY2023-25 is
23.43%**

(Race Neutral 6.10%, Race Conscious 17.33%)

- Triennial Goal—a goal is presented to FHWA for approval every three years
- DBE commitments on federally funded contracts are counted towards the overall goal
- This goal has recently been approved by FHWA



Overall DBE Goal Performance

FFY	DBE Goal	DBE Commitment	Overage/ Shortfall on goal
2023	23.43% (RN 6.10%, RC 17.33%)	15.34% (RN 7.74%, RC 7.59%)	-8.09%
2022	15.37% (RN 4.73%, RC 10.64%)	21.85% (RN 10.59%, RC 11.26%)	6.48%



2022 ODOT Disparity Study

- Recommendations for Next Steps:
 - Assign higher contract goals
 - Additional race- and gender-neutral efforts and measures needed to:
 - Increase certified DBE firms, connect DBEs to prime contractors, and increase DBE primes
 - Encourage DBE participation in new sub-industries and build capacity
 - Address other barriers to Doing Business with ODOT



A&E DBE Goal-setting

0% Goal –

If any of the following applies:

- Under \$100,000 (includes any anticipated amendments)
- Single discipline contracts, any \$ amount
- Emergency Repair (ER) contracts to restore essential travel, minimize damage, or protect the remaining facilities

Goal Exception or Reduction–

- Project Manager consults with OECR

3% Goal –

- \$100,000 or more AND includes 2-4 disciplines

5% Goal –

- \$100,000 or more AND includes 2 disciplines

- 8.5% Goal applies to 5 or more disciplines

- 2.5% increment for each discipline more than 2



New Changes in DBE Rules

- ❖ Effective May 9, 2024.
- ❖ Counting DBE Credit for firms decertified during contract performance
 - No credit if merged with or bought by a non-DBE firm
- ❖ DBE credit for distributors
 - 40%
 - drop-shipping, if the DBE assumes responsibility for the items after point of origin.
 - Pre-award verification required
- ❖ Open Ended Performance Plan for Design Build
 - Flexibility on DBE participation
 - GFE applies throughout the project
 - May have separate goals for Design and Construction
 - Committed DBE breakdowns not required at proposal submittal



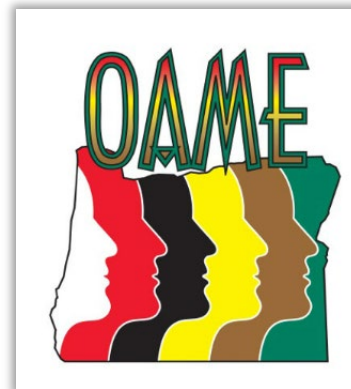
Overcoming Challenges and Barriers

- DBE Advisory Committee
 - Cohort 1 was completed in 2023
 - Cohort 2 is ongoing to address six barriers prioritized in Cohort 1
- DBE Supportive Services
 - Hiring Consultant and New OECR Positions
 - Technical Training / Financial and Bonding Assistance
 - Mentor-Protégé Program – Project Specific
- DBE numbers in Oregon
 - Increased from 708 to 766 during FFY 2023-24



DBE Initiatives – Present and Future

- Partnerships (OAME, NAMC, PBDG, etc.)
- Outreach and Networking
- DBE Program Update
 - Flexibility on DBE participation in Design-Build projects
 - Simplification of out-of-state DBE certification
 - Scope expansion of DBE work areas



Thank you!

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*Certification Office for Business
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Certifications

Federal Funds

Disadvantaged Business Enterprise (DBE)

Airport Concessions Disadvantaged Enterprise (ACDBE)

State Funds

Minority Business Enterprise Program (MBE)

Women Business Enterprise Program (WBE)

Veteran Business Enterprise (VBE)

Emerging Small Business Program (ESB)

Endless Opportunities

- Engineering Services
- Architecture Services
- Construction Services
- Building Maintenance/Cleaning
- Metal Fabrication
- Landscaping
- Kitchen Equipment and Cleaning
- Uniforms, First Aide, and Safety Equipment
- Consulting
- Sub-industries for DBE participation

DBE Increase of Certification Thresholds

- Programmatic cap is now \$30.72 million
 - Evaluated on a three-year average
 - Caps for NAICS codes evaluated on a five-year average
- Personal Net worth Cap changes
 - Increases to \$2.047 million
 - No longer includes Retirement income

DBE Certification Changes

- New rules refer to the socially and economically disadvantaged owner of a firm by the term SEDO 26.73(e)
- Declaration of Eligibility annually-- No more renewal cycle!
- Interstate applications will be processed within 10 days

Interstate Certification

DBE “reciprocity” to and from other states

Oregon based firm- apply full application to Oregon

Then simple “Interstate application” to any other state

Other state based- Submit simple “Interstate application”

Provide verification of home state certification, NAICS codes, description of services= 10 day verification!

Qualifications

- **ESB firms:**
 - Oregon based firm
 - Properly licensed and registered with Oregon Secretary of State
 - Gross proceeds under programmatic caps (construction and non-construction)
 - Employee size threshold (19/ 29)
 - Tier 1 and tier 2 considerations
 - Independence and affiliations
- **M/W/VBE firms:**
 - 51% Ownership by qualifying individuals
 - Must have “management and control” of firm in all aspects
 - Must have technical competence in principal services
 - Must be US Citizen or Lawfully Admitted Permanent Resident
 - Must be an independent firm, (including affiliates)
 - Must be legally able to operate

Size Thresholds

- **ESB firms:**

- Tier I - \$789,198.73 for non-construction firms and \$1,972,996.84 for construction firms
- Tier II - \$1,315,331.23 for non-construction firms and \$3,945,993.70 for construction firms
- 12-year time limit and maximum 29 full time employees

- **M/W/SDV firms:**

- \$30.7 million gross proceed threshold (3-year average)
- SBA size standards for each commodity code even if smaller than \$30.7 million

- **DBE firms:**

- \$30.7 million gross proceed threshold (3-year average)
- SBA size standards for each commodity code even if smaller than \$30.7 million
- Personal net worth under \$2.047 million

The Purpose of Certification



- Increase availability of DBE firms for DOT projects.
- Ensure small businesses can compete fairly
- Ensure only eligible firms participate
- Assist firms in competing successfully outside the programs
- Provide access to resources to start, grow, and sustain a business



Thank you!



DBE Success Story i-TEN

- i-TEN acquisition in 2016.
- DBE status helped i-TEN team with multiple primes including KPFF, DKS & Quincy (Conсор)
- Relationships built with those initial DBE project helped us being part of multiple teams and pursuits with primes
- Allowed our staff to be trained on latest standards & technology. iTEN could invest in capital equipment.
- Training including Mentor-Protégé Program helped.

Thank you!



QUESTIONS?

