



DBE Program: FHWA's Roles and Responsibilities

**Presentation to Washington State's
Joint Transportation Committee**

December 17, 2015



Federal-aid Highway Program is a Federally-assisted, State administered program (State / local agency selects projects and FHWA ensures Federal requirements are met)



Disadvantaged Business Enterprise (DBE) Program

The **DBE Program** is a legislatively mandated USDOT program that applies to Federal-aid highway dollars expended on Federally-assisted contracts issued by USDOT recipients such as State Transportation Agencies (STAs).

The U.S. Congress established the **DBE Program** in 1982 to:

- **Ensure nondiscrimination** in the award and administration of DOT-assisted contracts;
- Help **remove barriers** to the participation of DBEs in DOT-assisted contracts, and
- Assist the **development of firms** that can compete successfully in the marketplace outside of the DBE program.



Key FHWA Stewardship/Oversight Responsibilities:

- Ensure that all FHWA recipients have an **approved DBE program** that is being implemented in accordance with regulations and reflects progress in meeting program objectives;
- **Reduce fraud** and ensure that the program benefits only qualified businesses;
- Ensure that recipients receive appropriate **training and technical assistance**; and
- **Manage emerging risks** associated with DBE Program delivery, such as ensuring DBEs to which a prime contractor has made a commitment are actually used and performing a commercially useful function on Federally-assisted projects.



Specifically FHWA Reviews/Approves WSDOT's:

- DBE Program Plan (including periodic revisions)
- Procedures/Guides (Construction Specifications/General Special Provisions, Local Agency Guidelines, and more)
- DBE Supportive Services Funding Requests (Work Plan Activities, Budget/Expenditures)
- Overall DBE Goal-Setting Methodology (Annual Goal)
- Contract (project) DBE Goals (as appropriate)

Other Actions/Activities:

- Investigate Complaints
- Project Oversight (Review CUFs, Counting and Credit)
- Submit Program Waiver Requests to USDOT for Action



Conciliation Agreement

- Complaint by AWW DBEs registered with FHWA HQ
- Investigation conducted (Oct. 2012)
- Nov. 1, 2013 FHWA issued a finding against WSDOT
 - Directed WSDOT to take actions against STP to enforce the DBE contractual commitment.
 - WSDOT's DBE program found in noncompliance for failure to provide effective oversight / monitoring of STP's efforts.
- Conciliation Agreement Signed by FHWA/WSDOT on March 21, 2014
- Monthly reporting by WSDOT -> Quarterly reporting
- On track to meeting / exceeding the 8% DBE Participation Goal (\$96m) on the \$1.1 billion project



**Will take questions
at the end of all
presentations.**