

California Department of Transportation

OFFICE OF CIVIL RIGHTS
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To: All Disadvantaged Business Enterprise Program Stakeholders:

On September 30, 2025, the U.S. Department of Transportation (DOT) issued an [Interim Final Rule \(IFR\)](#) making significant changes to the Disadvantaged Business Enterprise (DBE) and Airport Concession DBE (ACDBE) Programs. The IFR was published in the Federal Register on October 3, 2025, and is effective immediately. Caltrans and all subrecipients of federal transportation funding subject to the DBE Program are required to comply.

While we continue to evaluate the new IFR, we want to share the information below to keep you apprised of this development and new requirements. We will share additional information when available.

However, as an interim action and to ensure compliance with federal direction, here are DBE program changes effective immediately:

Key Changes

- **Elimination of Presumptions:** Race-and gender-based presumptions of social and economic disadvantage are removed. All applicants must now demonstrate social and economic disadvantage through individualized evidence, including a personal narrative and financial documentation.
- **Reevaluation of All Firms:** Every currently certified DBE/ACDBE will undergo reevaluation. Firms meeting the new standards will be recertified; those that do not will be decertified.
- **Temporary Suspension of Goals and Counting:** Until reevaluations are complete, Caltrans and all subrecipients must **not**:
 - Set DBE/ACDBE contract goals.
 - Count DBE/ACDBE participation toward overall program goals.
- **Existing Contracts:** Contracts already awarded remain valid; however, DBE/ACDBE commitments and participation under those contracts cannot be

counted toward goal attainment during the reevaluation period. Primes may self-perform or subcontract work as necessary, without DBE credit, if a DBE is terminated. Those DBEs that are actual subcontractors (not just material suppliers), primes still need to follow subcontracting rules (i.e., termination, substitution, etc.) even if the DBE subcontractors are no longer “DBEs.”

- **Goal Setting:** All DBE goal requirements are suspended effective October 3, 2025. Do not set DBE goals on contracts. Contracts currently advertised or pending award with DBE goals must have their DBE goals removed. Statewide DBE goal setting will resume once reevaluations of all DBEs are complete.
- **Reporting Requirements:** DOT has eliminated the collection of race-and sex-specific ownership data; reporting will instead focus on certification status and individualized eligibility. We await DOT guidance on the collection of data for future reporting.

Next Steps

- **Caltrans Staff:** Will apply the new certification standards immediately and will work with the Unified Certification (UCP) Partners to reevaluate all certified firms.
- **CUCP Partners:** Update the UCP Standard Operating Procedures, approve the new Personal Narrative requirement, begin applying the new certification standards immediately, and reevaluate all certified firms.
- **Prime Contractors:** Do not submit utilization plans or commitments tied to DBE credit during this transition. Ensure solicitations to your subcontractors on advertised projects pending award are amended to reflect zero DBE goals until further notice.
- **Certified DBEs:** Be prepared to submit individualized documentation of disadvantage as part of the reevaluation process. Templates and technical assistance will be provided by your certifying agency, including Caltrans.
- **Local Agencies:** Pause inclusion of DBE goals in all federally assisted solicitations. Work with your Legal to implement addenda where solicitations are already advertised. Caltrans Civil Rights staff are available to provide technical assistance or suggest language.

Again, Caltrans will issue further detailed instructions, host training sessions, and provide outreach to ensure all partners understand and comply with the new requirements.

We recognize the burden these immediate changes create for firms, contractors, and local agencies. Our Office of Civil Rights is committed to supporting you through this transition.

Please direct questions to 916-324-0990 or DBE.compliance@dot.ca.gov.

Thank you for your partnership.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. B. Deluz".

DAVID B. DELUZ, M.A., M.P.P.A.

Deputy Director

Office of Civil Rights, Civil Rights and DBE Liaison Officer