

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 22, 2012

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

Dear Directors:

The United States Department of Transportation (US DOT) has informed the California Department of Transportation (Caltrans) that the Disadvantage Business Enterprise (DBE) program waiver granted on August 7, 2008 has been rescinded. 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).

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

Impacts to FHWA Funded Federal-aid Projects

- All FHWA federally funded projects AUTHORIZED PRIOR TO JULY 1, 2012 shall follow the pre-July 1, 2012 RC DBE (Old RC DBE) procedures, i.e., contract goals shall include the four Underutilized DBEs (UDBEs). No change to contract goals or language or bid documents will be needed.
- FHWA federally funded projects AUTHORIZED ON JULY 1, 2012 THROUGH SEPTEMBER 30, 2012 may be authorized under the Old RC DBE procedures; however, PRIOR TO ADVERTISING, bid documents must be revised to comply with the new RC DBE requirements (i.e., contract goal calculations must include all DBE groups). Projects authorized on July 1 through September 30, 2012 and awarded that DO NOT COMPLY with the New RC DBE Program requirements will NOT be eligible for federal funds.
- Effective OCTOBER 1, 2012, all FHWA federally funded projects must comply with the new RC DBE requirements PRIOR TO AUTHORIZATION.

New Office Bulletin for Implementation of the New RC DBE Program

Caltrans Division of Local Assistance (DLA) is developing an Office Bulletin to address the implementation of the new RC DBE program (i.e., change from four UDBE groups to all DBE groups). The Office Bulletin is scheduled to be issued on July 1, 2012. To address implementation of the New RC DBE program, the Office Bulletin will address, but not be limited to the following:

- Procedures for the transition to and implementation of the New RC DBE Program requirements.
- Revised Local Programs Procedures Manual (LAPM) Exhibits required for implementation of the New RC DBE requirements.
- Revised consultant and construction contract specifications for use under the New RC DBE Program.
- Training (e.g., webinars) of local agencies on the New RC DBE requirements will be conducted by the Division of Local Assistance beginning the month of July 2012.
- For FHWA federally funded projects AUTHORIZED ON JULY 1, 2012 through SEPTEMBER 30, 2012 under the old RC DBE provisions, the local agency must sign a letter (to be submitted with their Request for Authorization) stating that the local agency has read and understands the new RC DBE Office Bulletin, requirements for transition to and compliance with the new RC DBE Program and acknowledges that NONCOMPLIANCE WILL MAKE THE PROJECT INELIGIBLE FOR FEDERAL FUNDS.

Caltrans will be discussing this topic with the MPOs and RTPAs at the June 26, 2012, RTPA meeting. If you have questions, please contact your District Local Assistance Engineer.

Sincerely,



MALCOLM DOUGHERTY
Director

Enclosure