



# Disadvantage Business Enterprise (DBE)

Presented by  
Anna M. Silva, Office Chief  
Certification Branch  
Office of Civil Rights

# Training Objectives

DBE Program Overview



California Unified Certification Program (CUCP)



DBE/ACDBE Eligibility Requirements



Application Process



Remaining in Good Standing



Frequently Asked Questions

# DBE Program Overview

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

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

# DBE Program Overview (Cont.)

- ❖ To ensure nondiscrimination in the administration of Department of Transportation (DOT)-assisted contracts
- ❖ To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts
- ❖ To ensure that the Department's DBE program is narrowly tailored in accordance with applicable law
- ❖ To ensure that only firms that fully meet eligibility standards in 49 CFR 26 are permitted to participate as DBEs

# DBE Program Overview (Cont.)

## Oversight Agencies

USDOT

- U.S. Department of Transportation

FHWA

- Federal Highway Administration

FTA

- Federal Transit Administration

# DBE Program Overview (Cont.)

## USDOT Primary Roles and Responsibilities

Developing Rules and Regulations

Providing guidance and oversight

Reviewing appeals on certification decisions

# DBE Program Overview (Cont.)

## FHWA AND FTA Primary Roles and Responsibilities

**Direct Oversight over State DOTs**

**Offer Technical Assistance and Support**

**Monitor and enforce DBE program requirements on USDOT-assisted contracts.**

# DBE Program Overview (Cont.)

## Caltrans Primary Roles and Responsibilities

Certify eligible DBE Firms

Calculate overall DBE participation goal; establish contract-specific DBE goals, where applicable

Monitor and enforce DBE program requirements on USDOT-assisted contracts



# California Unified Certification Program

- ❖ Each state department of transportation is required to have a unified certification program.
- ❖ California Unified Certification Program (CUCP).
- ❖ Member agencies may consist of both certifying and non-certifying agencies.
- ❖ All CUCP member agencies operate under one agreement.

# CUCP Certifying Agencies (cont.)

Alpine, Butte, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Inyo, Lake, Lassen, Mendocino, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yolo, and Yuba Counties.

## Northern California

- California Department of Transportation (Caltrans)

# CUCP Certifying Agencies (cont.)

Alameda, Amador, Calaveras, Contra Costa, Fresno, Kings, Madera, Marin, Mariposa, Merced, Monterey, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, and Tuolumne Counties

## Bay Area/Central Valley

- Bay Area Rapid Transit (BART)
- San Francisco Municipal Transportation Agency (SFMTA)
- Santa Clara Valley Transportation Authority (VTA)
- San Mateo County Transit District (SAMTRANS)
- City of Fresno

# CUCP Certifying Agencies (cont.)

Imperial, Riverside,  
and San Diego  
Counties.

## Riverside, Imperial, and San Diego

- City of Los Angeles
- Los Angeles County Metropolitan Transportation Authority, or
- California Department of Transportation (Caltrans)

Kern, Los Angeles,  
Orange, San Bernardino,  
San Luis Obispo, Santa  
Barbara, and Ventura  
Counties.

## Los Angeles Area

- City of Los Angeles
- Los Angeles County Metropolitan Transportation Authority.

# DBE Eligibility Requirements

Ownership

Socially and  
Economically  
Disadvantaged

Personal Net  
Worth (PNW)

Control

Independence

Business Size

# DBE Eligibility Requirements (Cont.)

## Ownership

At least 51% owned by socially and economically disadvantaged individual(s)

# DBE Eligibility Requirements (Cont.)

## Socially and Economically Disadvantaged

**Asian-Pacific**

**Black**

**Hispanic**

**Native American**

**Subcontinent-Asian**

**Women**

Asian-Pacific, Black, Hispanic, Native American, Subcontinent-Asian, & Women  
If you don't belong to any disadvantaged group, submit a "Personal Narrative" with your DBE Application. See 49 CFR 26.67 (d)

# DBE Eligibility Requirements (Cont.)

## Personal Net Worth (PNW)

The 51% majority owner(s) must not exceed PNW of \$2.047 million

There may be some cases in which an individual whose PNW is less than \$2.047 million may not be regarded as economically disadvantaged. Refer to 49 CFR 26.68.



# Personal Net Worth Statement (Cont.)

## Assets

- ❖ Cash and cash equivalents
- ❖ Brokerage and custodial accounts, stocks and bonds
- ❖ Assets held in trust
- ❖ Loans to shareholders and other receivables not listed
- ❖ Real estate
- ❖ Life insurance

## Liabilities

- ❖ Mortgages on real estate
- ❖ Loans on life insurance
- ❖ Unpaid taxes

# Personal Net Worth Statement (Cont.)

- ❖ Supplemental form required with application.
- ❖ The owner reports assets and liabilities that he/she owns or is deemed to own and excludes the following:
  - Individual's ownership interest in the applicant firm
  - Individual's equity in his or her primary residence
  - Retirement accounts (IRA, 401K, 403B), pensions, and associated tax and interest penalties must be reported on the PNW but will not be counted.

# DBE Eligibility Requirements (Cont.)

## Control

Daily business operations are controlled by one or more of the socially and economically disadvantaged business owners

# DBE Eligibility Requirements (Cont.)

## Independence

Only an independent business may be certified as a DBE

# DBE Eligibility Requirements (Cont.)

## Business Size

5-year average gross receipts cannot exceed \$31.84 million  
(varies by industry).

\*Firms must meet both SBA and the DBE Statutory Cap

# Certification Process



Submit application  
and supporting  
documents online



Application is  
Assigned to a  
Certification Analyst



Analyst conducts  
review of received  
documents. Requests  
further clarification,  
(if needed)

# Certification Process



The site visit is  
scheduled  
and  
conducted

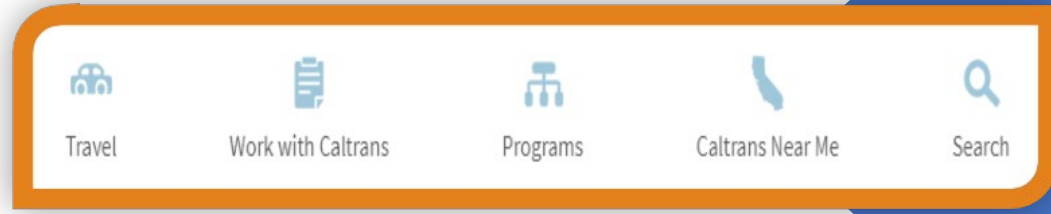


Analyst to  
conduct final  
review for  
eligibility  
recommendation



Certification  
determination  
completed

# DBE Online Application/System



Start at the Caltrans Website (<https://dot.ca.gov/>), then click “Programs.”

## Civil Rights

The California Department of Transportation (Caltrans), Office of Civil Rights (OCR) is...

Click “Civil Rights”

## Certification

- [California Unified Certification Program](#)

Click “California Unified Certification Program”



# California Unified Certification Program

## W E B S I T E

Welcome to the California Unified Certification Program Certification Portal! The CAUCP is responsible for DBE certification in the state of California and provides firms with "one-stop" shopping.

To apply for DBE certification you may contact any one of the ten CUCP Certifying Partners -Los Angeles County Metropolitan Transit Authority (LA Metro), San Diego County Regional Airport Authority (SDCRAA), San Francisco Bay Area Rapid Transit District (BART), San Francisco International Airport (SFO), San Francisco Municipal Transportation Agency (SFMTA), San Mateo County Transit District (SAMTrans), Santa Clara Valley Transportation Authority (VTA), City of Los Angeles, City of Fresno, California Department of Transportation (Caltrans) - by clicking on their logo.

### Vendor Certification

Search our database of  
DBE/ACDBE certified vendors

Find a California  
Certifying Agency

Search for Certified Firms

### System Training

Learn how to fully utilize our system  
with a live trainer

Training

### California Work Codes

Click the link below to view the  
California Work Codes Guide

Work Code Guide

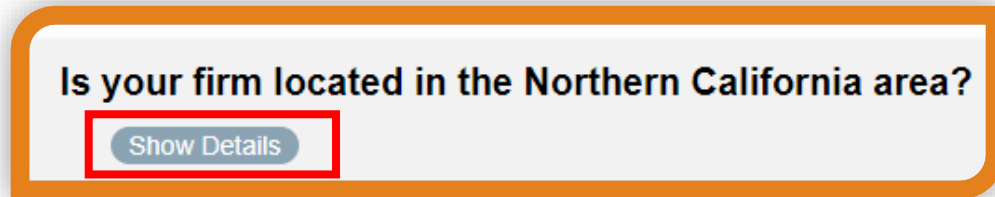
4. Click "Find a California Certifying Agency"



<https://californiaucp.dbesystem.com/>

# DBE Online Application/System (Cont.)

6. The Online Certification screen will populate; click “show details” under “Is your firm located in the Northern California area?”



Is your firm located in the Northern California area?

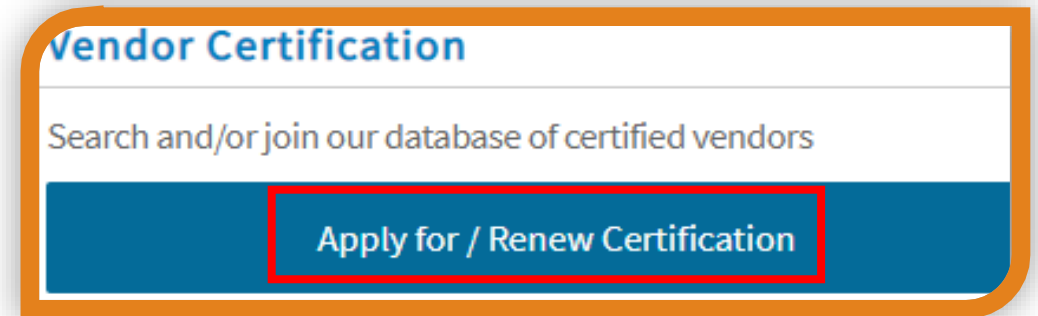
Show Details

7. Click “California Department of Transportation”



California Department of Transportation

8. Click “Apply for/Renew Certification”

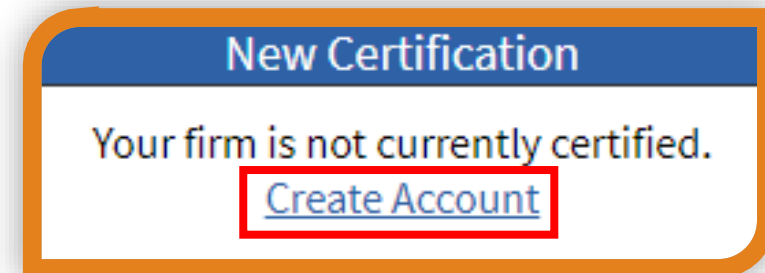


Vendor Certification

Search and/or join our database of certified vendors

Apply for / Renew Certification

9. The Online Certification screen will populate, click “Create Account”



New Certification

Your firm is not currently certified.

Create Account

# New Online Certification Profile Account Data

- ❖ Tax ID
- ❖ Business Information
- ❖ Contact Information
- ❖ Company Contact Person



# North American Industry Classification System (NAICS) Codes

- ❖ Standard used by federal agencies in classifying business establishments for the United States business economy.
- ❖ DBE regulations require NAICS codes to be assigned during the certification process to describe a firm's primary business activities.
- ❖ Authority provided in 49 CFR 26.73 (a)(1)(2)(3)(4).

# Work Category Codes

- ❖ Caltrans created the work category code system to provide greater specificity when defining the work a DBE performs.
- ❖ Authority provided in 49 CFR 26.73 (a)(5).
- ❖ Click the “Access the Work Code Description Chart” link on [Caltrans.dbesystem.gov](https://dot.ca.gov/programs/civil-rights/dbe-search)

# DBE Certification Renewal

- ❖ DBE certification does not expire.
- ❖ A Declaration of Eligibility and tax return (prior year) is required annually to verify that the DBE is still eligible

# Things to Remember

- ❖ Use the “Supporting Documents Checklist” when preparing your application package.
- ❖ Complete each section of the application and indicate why it may not be applicable.
- ❖ Sign and date both the application and the Personal Net Worth statement.
- ❖ For questions, e-mail [DBE.Certification@dot.ca.gov](mailto:DBE.Certification@dot.ca.gov) or call (916) 324-1700.

# Remaining in Good Standing as a Certified DBE

- ❖ Notify the certifying agency immediately of changes to ownership, business structure, primary business activities, etc.
- ❖ Make sure your contact information is accurate and up-to-date in the online DBE database.
- ❖ Declaration of Eligibility (DOE) and tax returns submitted annually.



# Suspension of DBE Certification

- ❖ Material changes affecting DBE certification eligibility.
- ❖ When a DBE fails to notify the certifying agency in writing of any material change in circumstances.
- ❖ When a DBE fails to file a Declaration of Eligibility (DOE) timely or provide supporting documents.

# Effects of Suspension

- ❖ A suspended DBE is not eligible to receive credit toward a DBE contract goal on a new contract.
- ❖ Any work a DBE performs on a contract received during the suspension does not count toward Caltrans' overall annual DBE participation goal.
- ❖ A suspended DBE may continue to perform under an existing contract executed before the DBE receives a notice of suspension and may be counted toward the contract goal.

# Resolution of Suspension

- ❖ If the DBE believes it is no longer eligible, it may voluntarily withdraw from the program.
- ❖ If the DBE believes its eligibility should be reinstated, it must provide information to support that it maintains eligibility under the changed circumstances.
- ❖ A certifying agency must make an eligibility determination within 30 days of receiving information from a suspended DBE.
- ❖ The decision to suspend a DBE is not appealable to the USDOT.

# Caltrans Certification Branch Contact

For General Inquiries and Questions:  
[dbe.certification@dot.ca.gov](mailto:dbe.certification@dot.ca.gov)



# Frequently Asked Questions

❖ Is there a fee for Applying?

➤ No.

❖ Can I mail my application?

➤ At this time, all applications are to be submitted online at <https://caltrans.dbesystem.com/>.

❖ How long does it take to get a response after I submit my application?

➤ After Caltrans receives all complete and necessary paperwork, it can take up to one month.

Thank you!

For questions or additional information,  
please contact your local District Small  
Business Liaison.

