



U.S. Department
of Transportation

**Federal Highway
Administration**

Memorandum

Subject: **ACTION: Due October 18, 2019**
Fiscal Year 2019 (FY19)
Disadvantaged Business Enterprise
Supportive Services (DBE/SS) Call for
Statements of Work

Date: September 19, 2019

In Reply Refer To:
HCR-30

From: Martha Kenley *MK*
DBE & Contractor Compliance
Team Leader

To: Directors of Field Services
Division Administrators
Civil Rights Specialists

The Federal Highway Administration (FHWA) Office of Civil Rights (HCR) requests that State Departments of Transportation (State DOTs) submit their FY19 Disadvantaged Business Enterprises Supportive Services (DBE/SS) Statements of Work (SOW) to their respective FHWA Division Office (Division) for review and approval. We are aware that the FY18 DBESS allocation was disbursed in June 2019, and implementation of FY18 programs has just begun. Due to the timing of the availability of FY19 funding, HCR will support the submission of a FY19 SOW that is similar to, or the same as, the SOW that was recently submitted for FY18, with revised dates and Division concurrence.

Divisions should review and evaluate the State DOT's SOW submission to ensure it meets the intent of the DBE/SS program. After review, the Division must submit the SOW and all supporting documents to the corresponding [State folder](#) located on the HCR DBE/SS SharePoint site by **October 18th, 2019**.

The SOW package must include:

- An intent to approve letter;
- A detailed budget; and
- A copy of the entire SOW

Examples of all of these supporting documents are on the [HCR DBE/SS SharePoint Site](#).

Should a State DOT decide not to participate in the DBE/SS program for FY19, the State DOT's Chief Executive Officer, or designee, must submit a written statement on agency letterhead of the State DOT's intention to decline the FY19 DBE/SS allocation. Please submit the letter of decline to HCR's [SharePoint](#) by **October 18th, 2019**.

PROGRAM FUNDING

HCR anticipates the FY19 allocations will approximate the program annual allocation of \$11.2M (see [Table 1](#) attached).

BUSINESS DEVELOPMENT PROGRAMS

HCR now requires that every State DOT accepting DBE/SS funds include a Business Development Program (BDP). The purpose of a BDP is to evaluate and provide a structured process for DBEs to receive firm-specific training and technical assistance to increase opportunities for successful participation as primes or subcontractors on highway-related contracts. Regulation 49 CFR Part 26, Appendix C sets forth the parameters of a BDP. For additional information on BDPs, please refer to a [report](#) developed from a Peer Exchange among FHWA, FTA, recipients, and stakeholders.

STATEMENT OF WORK SUBMISSION PROCESS

HCR requires each State DOT to design an effective and feasible metric-based DBE/SS program for the purpose for increasing the capacity and to improve the overall business practices of DBEs. We expect State DOTs to develop their own SOWs. State DOTs must not use the services of a consultant or future service provider to create the SOW. The SOW must outline the State DOT's proposed budget, approximated, based on the attached funding levels. It is important to know that HCR will accept amendments to the budget and SOW after HCR publishes the FY19 final allocation amounts. The Catalog of Federal Domestic Assistance (CFDA) number for this program is 20.205.

State DOTs must describe how the program will deliver business development services for identified DBEs and the process of how staff selects DBEs for the program. The SOW should contain goals and objectives tailored to the development of each identified DBE participant. State DOTs must submit only one SOW per Federal fiscal year, although each SOW may include multiple concepts within a single submission. For example, the SOW may include an element of a concluding program and an additional Business Development element. The SOW should not exceed ten pages in total, excluding attachments and/or exhibits.

State DOTs should announce all DBE/SS solicitations on their public website and must solicit proposals from qualified sources in such a way as to ensure the competitive nature of the procurement (23 CFR § 230.204 (e)).

ALLOCATION AND PERFORMANCE PROCESS

Based on the availability of funds, the Division Administrator's recommendation as well as concurrence by the USDOT Secretary and FHWA Administrator, HCR's Associate Administrator will allocate the funds. Then, the State DOT will need to request obligation of the funds in the Fiscal Management Information System (FMIS). From there, the Division will provide authorization to proceed via FMIS (23 CFR § 630.106). When the State DOT awards the contract and once approved in FMIS by the Division, the 12-month performance period for the DBE/SS contract begins. *DBE/SS contracts may contain an option to renew for up to two years conditioned upon documented satisfactory performance and availability of funding.* Finally, the State DOT must obligate and expend all the allocated funds by the end of the designated performance period, unless given a written permission to extend by the Division. The Divisions must notify HCR of all extension approvals. State DOTs must de-obligate all unexpended balances within 90-day of the end of the performance period, unless given written approval to extend the date by the Division.

To ensure success of the DBE/SS program, all Divisions must maintain a sufficient level of program oversight to measure progress, achievement of stated metrics, and to address identified concerns promptly. State DOTs must also ensure appropriate DBE/SS program oversight, regularly track progress, and demonstrate achievement of program goals/objectives. State DOTs must submit timely and accurate reports to their respective Division. Divisions must submit a short narrative report to HCR at the end of the performance period.

If you have any questions, please feel free to contact Christine Thorkildsen at (202) 518-487-1186 or Christine.Thorkildsen@dot.gov.

Table I: Approximate FY19 DBE/SS Estimated Allocation

State	FY19 Estimated Allocation
Alabama	\$ 214,235.19
Alaska	\$ 141,589.26
Arizona	\$ 206,605.92
Arkansas	\$ 146,199.43
California	\$ 1,036,416.93
Colorado	\$ 150,998.03
Connecticut	\$ 141,828.39
Delaware	\$ 47,766.90
Dist. of Col.	\$ 45,056.17
Florida	\$ 535,011.97
Georgia	\$ 364,608.28
Hawaii	\$ 47,759.91
Idaho	\$ 80,766.35
Illinois	\$ 401,470.69
Indiana	\$ 269,064.65
Iowa	\$ 138,777.40
Kansas	\$ 106,709.86
Kentucky	\$ 187,620.39
Louisiana	\$ 198,188.00
Maine	\$ 52,125.39
Maryland	\$ 169,691.63
Massachusetts	\$ 171,501.29
Michigan	\$ 297,309.36
Minnesota	\$ 184,133.67
Mississippi	\$ 136,570.97
Missouri	\$ 267,323.51
Montana	\$ 115,858.51
Nebraska	\$ 81,619.22
Nevada	\$ 102,537.06
New Hampshire	\$ 46,655.66
New Jersey	\$ 281,943.20
New Mexico	\$ 103,697.09
New York	\$ 473,987.18
North Carolina	\$ 294,506.70
North Dakota	\$ 70,105.36
Ohio	\$ 378,506.03
Oklahoma	\$ 179,087.78
Oregon	\$ 141,141.01
Pennsylvania	\$ 463,310.54
Rhode Island	\$ 61,755.58
South Carolina	\$ 189,087.43
South Dakota	\$ 79,633.97
Tennessee	\$ 238,618.96
Texas	\$ 991,019.80
Utah	\$ 98,053.30
Vermont	\$ 57,310.07
Virginia	\$ 287,353.49
Washington	\$ 191,428.13
West Virginia	\$ 123,403.77
Wisconsin	\$ 212,469.68
Wyoming	\$ 72,340.79
Somoa	\$ 22,500.00
Guam	\$ 22,500.00
Northern Mariana	\$ 22,500.00
Puerto Rico	\$ 35,000.00
Virgin Islands	\$ 22,500.00
Estimated Allocation Total	\$ 11,199,759.84