



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

Subject: **ACTION: Due June 30, 2020**
Fiscal Year 2020 (FY20)
Disadvantaged Business Enterprise
Supportive Services (DBE/SS) Call for
Statements of Work

Date: May 18, 2020

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 FY2020 Disadvantaged Business Enterprises Supportive Services (DBE/SS) Statements of Work (SOW) to their respective FHWA Division Office (Division) for review and approval. We realize that HCR has not yet distributed the FY2019 DBE/SS funds as the request to allocate is currently going through the final approval process; however, we want to expedite the distribution of FY2020 funds. It is acceptable for State DOTs to use the FY2020 funding to extend current programs if those programs have demonstrated success. Should States choose to extend current programs, they must update past SOWs, including updating the budget and indicating what additional services will be added or continued.

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 **June 30th, 2020**.

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 FY2020, 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 FY2020 DBE/SS allocation. Please submit the letter of decline to HCR's [SharePoint](#) by **June 30, 2020**.

PROGRAM FUNDING

HCR anticipates the FY2020 allocations will approximate the program annual allocation of \$10M (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 FY20 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 Janelle Hinton at (202) 366-1604 or Janelle.Hinton@dot.gov.

Table I: Approximate FY2020 DBE/SS Estimated Allocation

State	Program Code	FY2020 Estimated Allocation
Alabama	Z480	\$ 191,601
Alaska	Z480	\$ 126,630
Arizona	Z480	\$ 184,777
Arkansas	Z480	\$ 130,753
California	Z480	\$ 926,916
Colorado	Z480	\$ 135,045
Connecticut	Z480	\$ 126,844
Delaware	Z480	\$ 42,720
District of Columbia	Z480	\$ 40,296
Florida	Z480	\$ 478,486
Georgia	Z480	\$ 326,086
Hawaii	Z480	\$ 42,714
Idaho	Z480	\$ 72,233
Illinois	Z480	\$ 359,054
Indiana	Z480	\$ 240,637
Iowa	Z480	\$ 124,115
Kansas	Z480	\$ 95,436
Kentucky	Z480	\$ 167,798
Louisiana	Z480	\$ 177,249
Maine	Z480	\$ 46,618
Maryland	Z480	\$ 151,763
Massachusetts	Z480	\$ 153,382
Michigan	Z480	\$ 265,898
Minnesota	Z480	\$ 164,679
Mississippi	Z480	\$ 122,142
Missouri	Z480	\$ 239,080
Montana	Z480	\$ 103,618
Nebraska	Z480	\$ 72,996
Nevada	Z480	\$ 91,704
New Hampshire	Z480	\$ 41,726
New Jersey	Z480	\$ 252,155
New Mexico	Z480	\$ 92,741
New York	Z480	\$ 423,909
North Carolina	Z480	\$ 263,391
North Dakota	Z480	\$ 62,699
Ohio	Z480	\$ 338,516
Oklahoma	Z480	\$ 160,167
Oregon	Z480	\$ 126,229
Pennsylvania	Z480	\$ 414,360
Rhode Island	Z480	\$ 55,231
South Carolina	Z480	\$ 169,110
South Dakota	Z480	\$ 71,220
Tennessee	Z480	\$ 213,408
Texas	Z480	\$ 924,139
Utah	Z480	\$ 87,694
Vermont	Z480	\$ 51,255
Virginia	Z480	\$ 256,994
Washington	Z480	\$ 171,203
West Virginia	Z480	\$ 110,366
Wisconsin	Z480	\$ 190,022
Wyoming	Z480	\$ 64,698
Puerto Rico	Z480	\$ 35,000
Virgin Islands	Z480	\$ 22,500
Estimated Allocation Total		\$ 10,000,000