



#25-07 R3: Suspension of Disadvantaged Business Enterprise (DBE) Program

Purpose

In response to the Disadvantaged Business Enterprise Program (DBE) Interim Final Rule (IFR) published on October 3, 2025, along with the subsequent publishing of Frequently Asked Questions (FAQ), the Caltrans Division of Local Assistance is issuing an update to this Office Bulletin.

The IFR, which addresses amendments to 49 CFR Parts 23 and 26 concerning the Airport Concessions DBE and DBE Program, was published in the Federal Register and became effective immediately upon posting on October 3, 2025.

On October 24, 2025, and again on December 1, 2025, US DOT issued additional guidance to the IFR in the form of Frequently Asked Questions (FAQ) documents.

- IFR released on October 3, 2025 is on the Federal Register website located at: <https://www.federalregister.gov/documents/2025/10/03/2025-19460/disadvantaged-business-enterprise-program-and-disadvantaged-business-enterprise-in-airport>
- IFR FAQ dated October 24, 2025 is located at: <https://www.transportation.gov/mission/civil-rights/disadvantaged-business-enterprise/dbe-faqs>
- IFR FAQ dated December 1, 2025 is located at: <https://www.transportation.gov/mission/civil-rights/disadvantaged-business-enterprise/dbe-ifr-faqs-updated-12-1-2025>

Policy Update

Office Bulletin #25-07 R3 updates Office Bulletin **#25-07 R2: Suspension of Disadvantaged Business Enterprise (DBE) Program** providing Local Public Agencies (LPAs) with procedures and contract administration practices to align with the IFR, effective October 3, 2025.

Caltrans has updated two LAPM forms to guide Local Public Agencies on how to adjust their contract templates/language while the DBE Program is paused. It is suggested not to include the stricken DBE provisions in new contracts.



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- [LAPM Exhibit 10-R: A&E Boilerplate Agreement Language](#)
- [LAPM Exhibit 12-G: Required Federal Aid Contract Language](#)

These forms are posted on the LAPM forms page at: [Local Assistance Procedures Manual \(LAPM\) Forms | Caltrans](#)

The IFR published on October 3rd, immediately suspended DBE Contract Goal Setting and DBE participation counting/reporting, along with specific monitoring aspects of DBE participation. The suspension remains in place until all DBEs in the California Unified Certification Program database have been reevaluated under the new DBE certification requirements, as described in the IFR.

Enforcement remains for termination procedures found in 49 CFR §26.53 and should be imposed in accordance with the IFR/FAQ. (i.e., a prime contractor or consultant cannot terminate a DBE or any portion of the DBE's work listed without "good cause" and without prior written consent from the LPA. (49 CFR §26.53(f)(3)).

Submission of LAPM Exhibit 9-P: Prompt Payment Certification remains in effect and is to be submitted to dbe.forms@dot.ca.gov.

Current suspension of some DBE provisions does not exempt Caltrans or Local Public Agencies and their contractors of their continued compliance and contract administration responsibilities, including but not limited to adherence to the Subletting and Subcontracting Fair Practices Act (Public Contract Code Section 4100 et. seq.).

Suspension of specific DBE provisions includes goal-based compliance monitoring and enforcement activities, including setting contract goals, counting DBE participation toward contract or overall goals, Commercially Useful Function (CUF) Reviews and Good Faith Effort (GFE) evaluations.

Please contact your District Local Assistance Engineer or District DBE Coordinator for questions regarding your specific project in its current phase. For the current contact list visit: <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/risk-assessment/dlae-dbe-coordinators-current-list.pdf>



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Revisions to this Policy Update may occur due to evolving program changes in accordance with the IFR and updated US DOT's guidance.

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