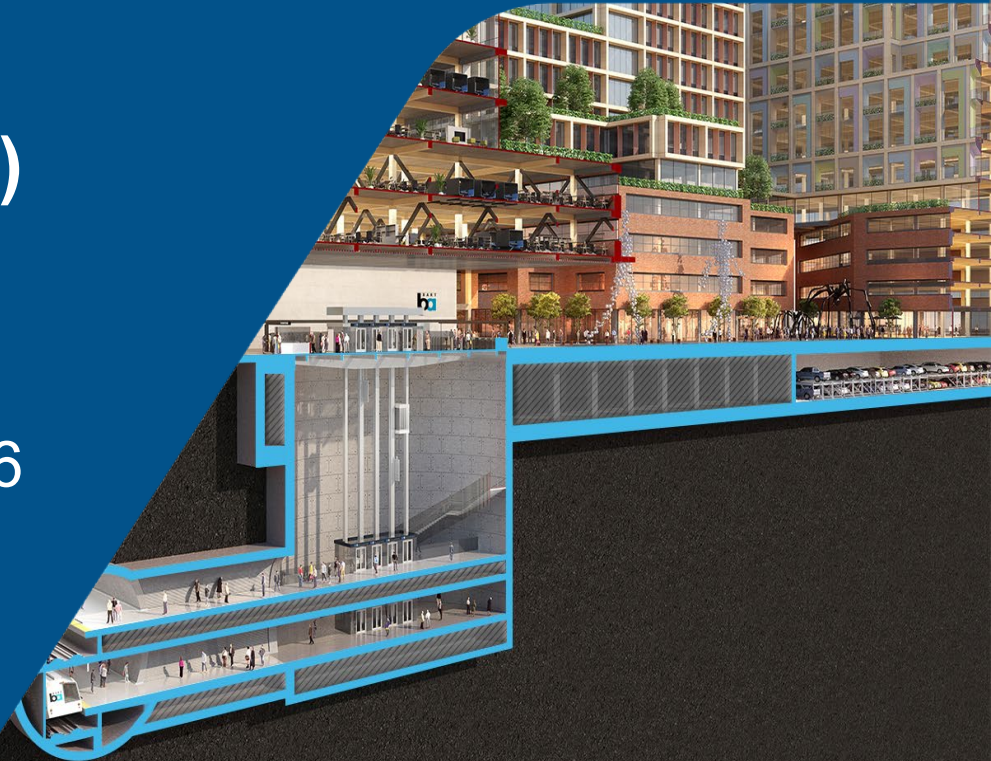


VTA's Disadvantaged Business Programs (DBE) Program Update

Oct 14th, 2026



Agenda

1. Background
2. Oct 3, 2025, IFR
3. September 25, 2026, and FAQs
4. DBE Certification Requirements
5. Writing a Strong Personal Narrative (PN)
6. Monitoring and Compliance
7. Future work at VTA
8. VTA Project Team - Next Steps



Background

- Disadvantaged Business Enterprise program / 49 CFR Part 26
 - Promotes fair competition and removes barriers on USDOT-assisted contracts, including FTA-funded transit work.
 - DBEs are for-profit small businesses at least 51% owned and controlled by socially and economically disadvantaged individuals.
 - California's Unified Certification Program (CUCP) certifies eligible firms under federal standards.
 - VTA administers its program through goal setting, participation monitoring, Commercially Useful Function (CUF) reviews and prompt payment oversight.

October 3, 2025, Interim Final Rule

- What changed in the DBE program
 - Required UCP reevaluation using personal narratives and current net worth statements.
 - Removed race- and sex-based presumptions of disadvantage.
 - Owners must demonstrate individual social and economic disadvantage.
 - Paused - DBE contract goal setting, CUF reviews and participation counting until UCP reevaluation complete.

September 25, 2026, and FAQs

- Final Rule issued September 25, 2026 – Reaffirmed the IFR
- FAQ following the Final Rule
 - Recalculate existing overall goals for future fiscal years left in Triennial period
 - Establish DBE contract goals, on new contracts, after submission of overall goal
 - Resume eligible DBE counting from the CA UCP notification date
 - Resume CUF reviews on DBEs reevaluated
 - Exclude DBE counting during the pause
 - Pre-IFR contract goals remain unenforceable – no shortfall



DBE Certification Requirements

Mandatory Reevaluation (49 CFR 26.111)

- All formerly certified DBEs must undergo reevaluation under the new standards. Key requirements:
 - **PN + Current PNW Required** “The owner of a formerly certified DBE firm must submit the PN along with the current PNW statement.”
 - **No race- or sex-based presumptions** — disadvantage must be proven through individualized evidence.
 - **Certifiers must evaluate based on preponderance of the evidence** and cannot impose page limits or topic requirements.
- **Critical Deadlines**
 - **Dec 24, 2026** — UCP must complete reevaluations. This deadline does not apply in California, as CA CUCP has already completed the reevaluation process.
 - **March 24, 2027** — Final deadline for firms that received a Notice of Nonresponse (180 days). “The firm has until March 24, 2027, otherwise the UCP will issue a Notice of Disqualification.”
- **Nonresponse & Disqualification**
 - Formerly certified firms failing to submit PN + PNW before reevaluation completion receive a **Notice of Nonresponse**.
 - If still not submitted by March 24, 2027 then **automatic disqualification without further proceedings**.
 - Firm may appeal disqualification determination to the USDOT.
- **New Applicants (49 CFR 26.83)**
 - Must still complete the **full DBE eligibility requirements, including submission of the PN**.
 - PN + PNW alone are **not sufficient**. “New applicants must still meet all other certification standards and submit all required program documentation.”
- **Confidentiality (49 CFR 26.109)**
 - PN and PNW are **confidential** and cannot be released without written consent. “Recipients are prohibited from releasing any information reasonably construed as confidential business information.”



Writing a Strong Personal Narrative (PN)

Purpose of the PN (49 CFR 26.67)

The PN must demonstrate **social and economic disadvantage** through **individualized proof** — not group-based presumptions.

What the PN *must* include

Directly from your document:

- **Specific, individualized experiences** tied to disadvantage “Owners should cite specific, individualized instances of discrimination or disadvantage.”
- **Clear connection to economic harm** “Explain how those circumstances caused actual economic harm.”
- **Pattern of chronic, substantial disadvantage** “The PN should reflect a pattern... not isolated or fleeting.”
- **Who / What / Where / When / Why / How** “The PN should describe who, what, where, why, when, and how the disadvantage occurred.”

What the PN *should NOT* include

- General statements about systemic discrimination “A generalized claim of membership in a historically disadvantaged group fails.”
- Claims without individualized facts
- Overly broad or conclusory statements

Supporting Evidence

- Formal complaints **not required** “An owner does not need to have filed a formal complaint.”
- Supporting documents may strengthen the PN but are **not mandatory**.

PN Quality Over Quantity

- Certifiers evaluate **quality**, not number of examples. “Certifiers should not rely solely on the quantity, rather focus on the quality as well.”

PN Corrections Allowed (Curative Measures)

- Owners may correct deficiencies if notified. “Certifiers may notify the firm and give the owner time to attempt to remedy PN deficiencies.”

Additional Resource

For further guidance, please refer to the **Caltrans DBE Reevaluation Information** page: <https://dot.ca.gov/programs/civil-rights/dbe-reevaluation#accordion-recertification-tools598AE546>



Monitoring and Compliance

- Discussion: prompt payment and contractor expectations
 - Monitoring: keep B2Gnow payment records current and document CUF reviews for participating DBEs.
 - Prompt payment: confirm payment dates, follow up on unconfirmed audits and escalate unresolved payment issues.
 - Compliance: verify firm eligibility and coordinate subcontractor changes with OBDP before proceeding.
 - Discussion: agree on reporting deadlines, supporting records, responsible staff and follow-up actions.

Future work at VTA

- Proposed priorities for DBE program implementation
 - Refresh DBE availability and federal funding data for the remaining triennial goal period.
 - Collaborate revised overall and applicable project goals with FTA.
 - Align the DBE Program Plan, contract exhibits and guidance with Final Rule requirements.
 - Support firms completing reevaluation and expand outreach for upcoming VTA work.

VTA Project Team - Next Steps

- Proposed actions for upcoming and active contracts
 - Confirm each firm's reevaluation status and eligible scope before counting participation.
 - Coordinate contract goal decisions and subcontractor changes with VTA's Office of Business Development Programs (OBDP).
 - Maintain CUF documentation and reconcile payment records in B2Gnow.
 - Continue prompt payment follow-up and brief primes on updated requirements.