



# Texas Department of Transportation (TxDOT)

## Austin, TX

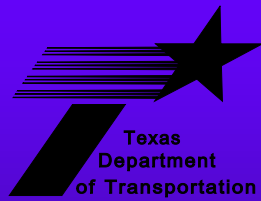
- ◆ 2010 Texas Procurement Technical Assistance Program (PTAC) Meeting

# Office of Civil Rights



**R. D. Brown, MPA, Director  
DBE & SBE Programs Section**

# Certification Programs



# USDOT Federal DBE Regulation 49 CFR Part 26

## Disadvantaged Business Enterprise Program

### THREE MAIN OBJECTIVES:

1. To ensure that small disadvantaged business enterprises (DBE) can compete fairly for federally funded transportation-related projects.
2. To meet current legal standards.
3. To ensure that only eligible firms participate as DBEs.



# Who are the U.S. DOT Recipients?

- Highway – TxDOT
- Aviation – Dallas/Fort Worth Airport, Houston Bush International Airport and all major airports
- Transit – Houston Metro, Austin Capital Metro, San Antonio VIA, and all major transit authorities

OVER \$9 billion in annual procurement in Texas



# DBE: Texas Unified Certification Program (TUCP)

All DBE Program certification agencies in Texas were required to unify into a centralized, single application program by USDOT in 2002

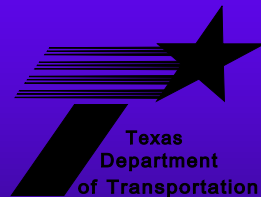
- TUCP offers “one-stop” processing in Texas
- One application form, one organization, one decision and then DBE firms can participate statewide in USDOT Federally-assisted contracts
- TxDOT provides the centralized internet directory for the TUCP program



# Texas Unified Certification Program



TxDOT plus five  
other organizations



# TUCP DBE Program

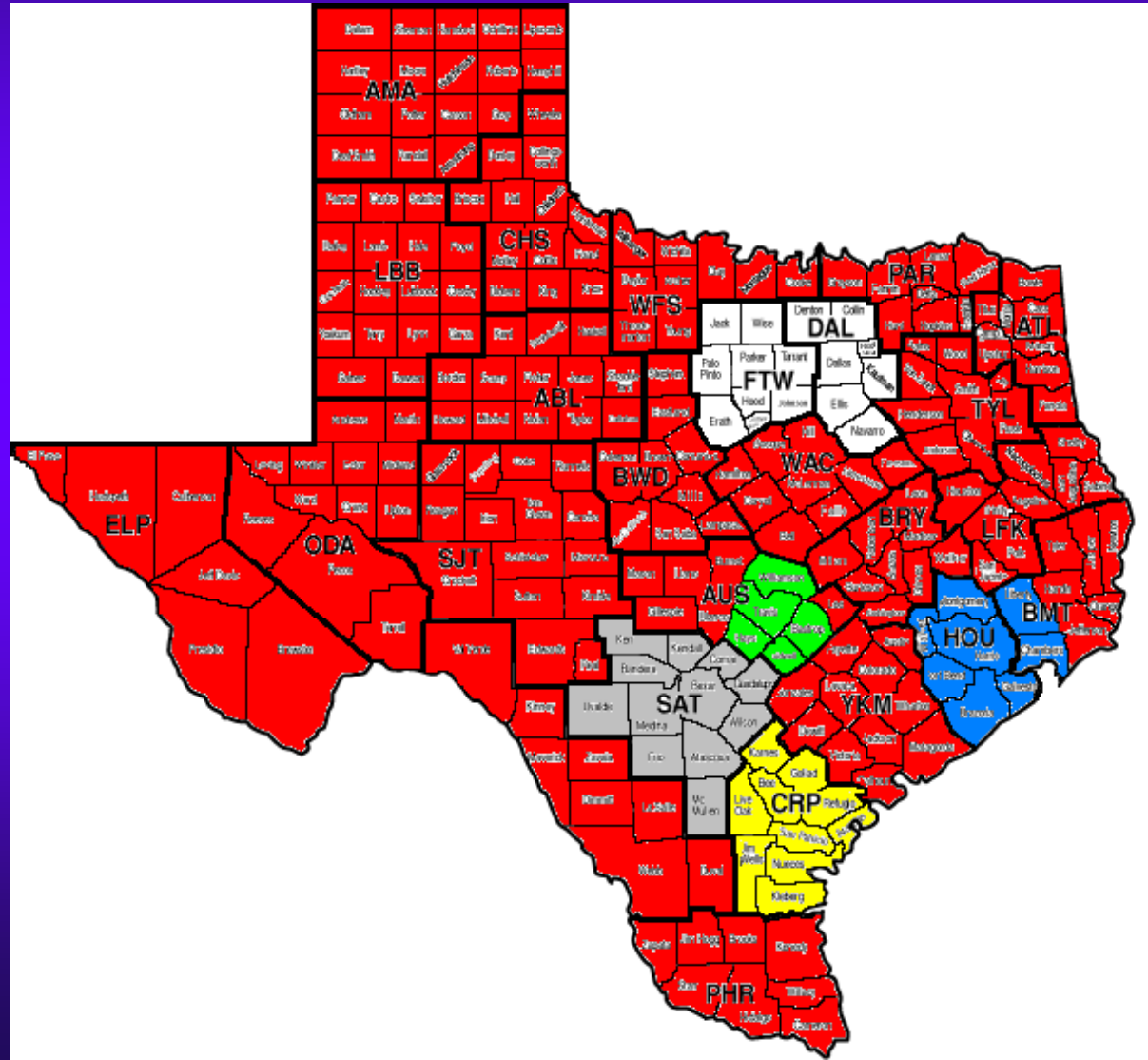
## CERTIFICATION AGENCIES:

- City of Houston for metropolitan Houston area
- **City of Austin** for metropolitan Austin area
- Corpus Christi Regional Transportation Authority
- North Central Texas Regional Certification Agency [NCTRCA] for Dallas & Fort Worth area
- South Central Texas Regional Certification Agency [SCTRCA] for San Antonio area
- **TxDOT for 201 counties in east, south & west**





# TUCP Certification Agency Map





# Disadvantaged Business Enterprise Program

In order for small disadvantaged firms, including those owned by minorities and women, to participate in the DOT-assisted contracts of State and local transportation agencies they must apply for and receive certification as a Disadvantaged Business Enterprise (DBE)

# DBE Program

## CERTIFICATION STANDARDS:

- \*Small business concern 51% owned and controlled by one or more economically and socially disadvantaged individual(s) involved in day-to-day operation (\*USDOT maximum \$22.41 million)
- Bona fide disadvantaged status of 51% owner(s)
- Contributions, ownership and daily management control clearly documented
- Independent business controlled by 51% owner(s)

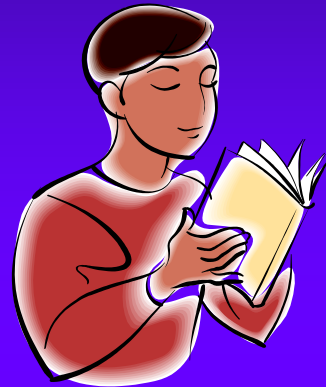


# DBE Program Certification



- Business applying for DBE certification must receive an on-site business office review of operations by the certifying agency
- The primary economically disadvantaged owner(s) must fill out a personal net worth statement and can NOT exceed \$750,000
- Annual Affidavit of “No change” required

# Desk & Financial Audits:



Application, business records, equipment documents, financial institution records, owner(s) resume(s), contribution document, personal net worth statement and business & personal tax returns required for DBE application



# DOCUMENTATION:



- ✦ Documents are reviewed for accuracy and verified during the application process

# On-Site (Eligibility) Office Review visit:



1. Primary owner/President/CEO will be interviewed and asked expertise questions which will be documented on the signed interview form
2. Original and additional documents may be reviewed to confirm the accuracy of application
3. Photos of equipment, office area and project site will be taken for the review file

# On-Site Eligibility Office Review visit VERIFIES:



- Equipment and financial resources
- Office and employee arrangements
- Ownership and business operations





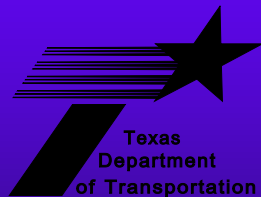
# ANNUAL UPDATES



1. Required for DBE firm to continue certification
2. Includes “no change” Affidavit Form and latest business tax return
3. Changes in business status or excessive business gross receipts or disadvantaged owner(s) excessive personal net worth will trigger more information inquiries

# TUCP: Texas Unified Certification Program FORMS

Office of Civil Rights  
Certification Branch



# DBE Program Forms:



- ✦ Application for certification
- ✦ Annual Update Affidavit
- ✦ Site Visit Report (hand written & typed)



# USDOT Application for Certification:

(has Instructions and 13 pages to fill out including)

- ◆ Certification information (other agency)
- ◆ General information (type of business, address, etc.)
- ◆ Ownership (51% disadvantaged status and relationships)
- ◆ Control (Corp. Board and daily operations & management)
- ◆ Affidavit of Certification (notarized)
- ◆ Personal Net Worth Statement (notarized)



# AGENCY ADDED ITEMS (TxDOT)

- ✦ Overview Letter
- ✦ Work territories (regions of Texas)
- ✦ Highway Contract work categories\
- ✦ Affidavit of Managerial Technical Competence for DBE work categories

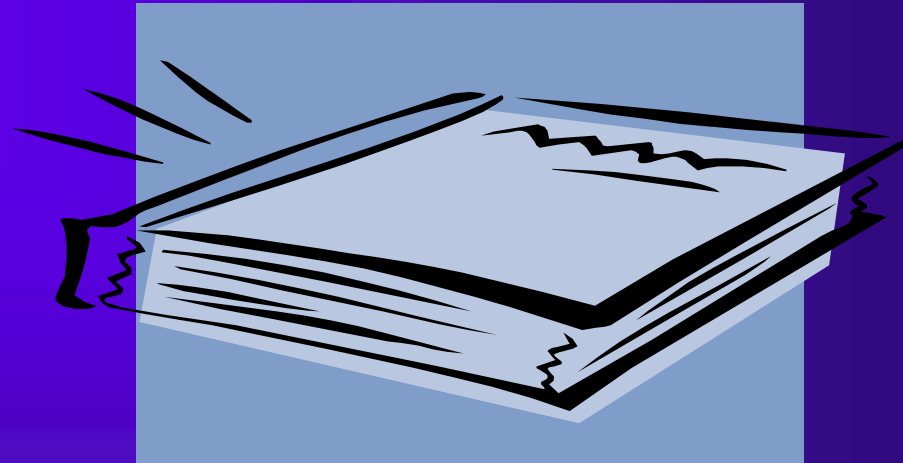


# On-Site Eligibility Report:

## ✦ OUTLINES THE ELIGIBILITY STANDARDS IN 49 CFR, PART 26:

- 1 - Bona fide disadvantaged status of 51% owner(s)
- 2 - DBE firm shall be an independent business
- 3 - Disadvantaged individual(s) power to direct daily management and policies of the DBE firm
- 4 - Non-disadvantaged owner(s) not disproportionately responsible for DBE firm's management or operations
- 5 - No legal restrictions of disadvantaged owner's power or ownership (securities)
- 6 - Contributions by disadvantaged owner(s) real and substantial

# DBE Certification Procedures



TxDOT Certification Specialist reviews all documents, conducts on-site eligibility visit, creates a Eligibility Report and presents the findings to the TxDOT DBE Certification Committee for review.



# DBE Certification Options:

1. Deny application due to ownership (less than 51.0% disadvantaged) or business size
2. Deny due to lack of information (non-cooperation)
3. Deny due to eligibility issue(s) after on-site review [firm must wait one year (12 months) to reapply]

{NOTE: Denied firms may appeal to  
USDOT in Washington, D.C.}

4. Approve certification after complete review





# TxDOT Work Categories:

Highway construction

Construction materials

Highway maintenance

Hauling

Aviation (small TxDOT supported airports)

Public Transportation (small rural or special transits)

Professional Services

Engineering

Surveying

Architecture



# Certification Processing (Average or USDOT Goal)

- Federal application for DBE Program goal (90 days)
- Annual DBE Affidavit (30-45 days)
- TxDOT Small Business Enterprise Program (45 days)



# Texas Historically Underutilized Business (HUB) Referrals:

- TxDOT and other TUCP agency DBE firms that meet the HUB Program requirements are submitted to the Texas Comptroller HUB office for reciprocal HUB certification
1. Business must be located in Texas and primary owner(s) must reside in Texas
  2. Primary owner(s) {51% or more ownership} must be minority or female
  3. Primary owner(s) must be U.S. citizens

# Small Business Enterprise (SBE) Program with TxDOT



- TxDOT certification for state-funded highway construction and maintenance contracts
- Follows Small Business Administration (SBA) guidelines for small business size [gross receipts or number of employees, whichever is exceeded]



# Small Business Enterprise (SBE) Program with TxDOT

Three (3) page application that verifies individual ownership and business size

Documents to verify ownership and business size  
[last three years of business tax returns and  
business establishment documents]



# Point of Contact

DBE & SBE Programs

TxDOT, Office of Civil Rights

**(512) 486-5500 or Toll-free at 866-480-2518**