What is the Disadvantaged Business Enterprise Program?
The Disadvantaged Business Enterprise is a legislatively mandated United States Department of Transportation program that applies to federal-aid highway dollars expended on federally assisted contracts issued by USDOT recipients such as state departments of transportation. The U.S. Congress established the DBE program in 1982 to:

- Ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- Help remove barriers to the participation of DBEs in DOT-assisted contracts, and
- Help develop firms to compete successfully in the marketplace outside of the DBE program.

How does it help Missouri businesses?
The DBE Program has the following objectives:

- To ensure nondiscrimination in the award and administration of contracts in MoDOT’s highway, transit, and airport financial assistance programs.
- To create a level playing field on which DBEs can compete fairly for contracts.
- To ensure that the MoDOT’s DBE program stays in accordance with applicable law.
- To ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs.
- To help remove barriers to the participation of DBEs in DOT-assisted contracts.
- To promote the use of DBEs in all types of federally assisted contracts and procurement activities conducted by recipients.
- To assist the development of firms that can compete successfully in the marketplace outside the DBE program.

49 CFR Part 26.1

What are the criteria to be a DBE?
There are several criteria for a business to be classified as a DBE including:

- Business Size – As established by the Small Business Administration, the business must have three-year average gross receipts not to exceed $23.98 million.
- Social and Economic Disadvantage – Women, black Americans, Hispanic Americans, native Americans, Asian-Pacific Americans, subcontinent Asian-Americans, other groups designated by SBA. Others able to prove to be socially and economically disadvantaged as outlined in the regulation.
- Group Membership – Participants must demonstrate they are a member of an eligible group.
- Personal Net Worth of Owner – Not to exceed $1.32 million.
- Ownership and Control – 51% majority owner must prove ownership and control of the firm.
- Other Rules Affecting Certification – Company must not exhibit pattern of evading or subverting the intent of the DBE program.

For complete requirements, see 49 CFR Part 26.61-26.73
How many DBEs are there in Missouri?
MoDOT has partnered with other Missouri DBE certifying agencies to create a Unified Certification Program called the Missouri Regional Certification Committee (MRCC). As of Sept. 23, 2019, the MRCC currently has 1,332 certified DBE firms. Of the 1,332 firms, 920 firms have home offices located in Missouri. The remaining firms’ home offices are located in other states, but still meet requirements for classification in Missouri.

What is the history of the overall DBE goal?
In 2004, MoDOT completed a DBE Availability Study, which determined 17.32% of available, ready, willing and able firms in the highway construction industry were minority and women-owned firms that could perform work in that industry. As a result, MoDOT established annual overall DBE goals of more than 13% between 2007 and 2013.

In 2012, MoDOT completed a DBE Availability and Disparity Study, which determined 20.51% of minority and women owned firms that were available, ready, willing and able to perform work in the industry. Based upon the 2012 DBE Disparity Study availability data, MoDOT established an overall DBE for FFY 2014-2017 at 15.38%.

MoDOT currently has a FHWA approved overall DBE goal of 16.05% for FFY 2018-2020, but this figure will be adjusted.

In 2018, MoDOT awarded a contract for a consultant to perform a new DBE Availability Study. In determining an overall DBE goal, the federal DBE rule requires transportation agencies to determine availability of ready, willing and able DBE firms, according to 49 CFR Part 26.45.

The contract was awarded in November 2018 to Keen Independent Research, LLC to perform this service.

What were the 2018-2019 availability study’s findings?
The company first established a “base figure” for calculating an overall goal for DBE participation.

Keen Independent’s analysis indicated that the availability of minority and women-owned firms for MoDOT’s FHWA-funded transportation contracts is 13.4 percent.

Keen Independent adjusted the MBE/WBE availability figure to account for firms that had graduated or been denied DBE certification and firms exceeding average annual revenue limits. The adjustments in these two categories of MBE/WBEs reduced the base figure for FHWA-funded contracts by 0.96 percentage points.

The updated base figure for MoDOT’s overall DBE goal is 12.45%.
What’s the difference between an “overall DBE goal” and one calculated by project?

It’s important to remember that the overall DBE goal does not apply on every project. It is a calculation used to determine availability for the entire state. Every federal-aid project MoDOT undertakes is reviewed to determine the goal specific to that project.