

MEMORANDUM

Date: Thursday, November 20, 2025

To: Omnitrans Contractors and Consultants on Federally Funded Contracts

From: Michelle Tagle, Omnitrans, Director of Procurement

Subject: Disadvantaged Business Enterprise (DBE) Program Interim Final Rule

Effective on October 3, 2025, the U.S. Department of Transportation (DOT) published an Interim Final Rule (IFR) in the Federal Register making significant changes to the DBE Program and its requirements. A key change to the DBE Program is the elimination of race- and sex-based presumptions of social and economic disadvantage. The California United Certification Program (CUCP) will be reevaluating existing DBE firms. All applicants must now demonstrate social and economic disadvantage through individualized evidence, including personal narrative and financial documentation.

Omnitrans will pause the enforcement of DBE goals on existing contracts as DBE commitment and DBE participation cannot be counted toward goal attainment until the CUCP completes its reevaluation. The collection of race- and sex-specific data will no longer be required; however, all other terms and conditions within existing contracts will remain in full force and effect. The IFR did not change termination and prompt payment provisions under Title 49 Code of Federal Regulations §26.53(f) and §26.29. Termination of DBEs or any portion of the DBE's work must comply with good faith efforts requirements.

Omnitrans remains committed to fostering small business contractor participation and will explore all lawful means to support small businesses and DBE firms that qualify under the new regulatory standards. Omnitrans will review additional DOT guidance as related and will provide updates as they are released.

Omnitrans has contracted GCAP Services, Inc. (GCAP) to render assistance and guidance with the monitoring and enforcement of the Disadvantaged Business Enterprise (DBE) Program. GCAP is an active member for several organizations including the American Contract Compliance Association and frequently participates in meetings discussing updates to the DBE Program.

If you have any questions, please contact Edward Salcedo, Jr. at (714) 800-1795 or email dbe@gcapervices.com.