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MEMO: Disadvantaged Business Enterprise (DBE) Update

FDM, CMM, Standard Spec, and Local Program Sponsors Guide Users,

USDOT published an Interim Final Rule (IFR) that significantly changes the Disadvantaged Business Enterprise (DBE) and Airport Concessionaire (ACDBE) programs. Existing contracts are not anticipated to be impacted. Future contracts will reflect the updated requirements.

The IFR was effective upon publication in the Federal Register. Publication in the Federal Register occurred on October 3, 2025, 2025-19460 (90 FR 47969).

The IFR removes race and sex as presumed qualifiers for social and economic disadvantage in the DBE program. Applicants must now prove both social and economic disadvantage to be certified as a DBE business. The IFR requires all current DBEs to undergo a recertification process.

To comply with the IFR, WisDOT may not set DBE goals on any new contracts while the recertification process takes place. WisDOT is working with the Federal Highway Administration (FHWA) Wisconsin Division to develop guidance and support for the DBE community regarding WisDOT's implementation of the IFR. It will take time to develop processes and modify systems to ensure WisDOT compliance with the IFR.

Effective October 3, 2025, WisDOT has suspended all DBE requirements in the Facilities Development Manual (FDM), Construction and Materials Manual (CMM), Standards Specifications for Highway and Structure Construction (Standard Spec), and Sponsor's Guide to Non-traditional Transportation Project Implementation (Sponsor's Guide) until WisDOT has completed the recertification process and that process has been approved by FHWA.

Following reestablishment of the federal DBE program requirement, WisDOT will issue federal DBE program requirements pursuant to the rule.

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