



DEPARTMENT OF  
TRANSPORTATION

# Disadvantaged Business Enterprise Program (DBE)

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*May 23, 2024*

# Overview of Presentation

- DBE Background
- Certification Process
- Supportive Service Provider: Project Solutions
- DBE Overall Goal
- Proposed Overall Goal for FFY 2025 - 2027
- Project Goal Setting
- Good Faith Effort (GFE) Process



# DBE Background

DBE Program was enacted by Congress in 1983

Primary goal of the program is to level the playing field

State DOTs are required to establish a DBE program

- Compete fairly for federal funded projects
- Determine eligibility for program
- Establish DBE goals to provide opportunity to participate.
- Set a DBE goal for overall participation every 3 years



# DBE Certification

Must be a small business owned & controlled:

- Minority-owned (MBE)
- Women-owned (WBE)
- Economically Disadvantaged (DBE)

Certification is based on:

- On-site visit
- Personal interviews
- Reviews of Licenses, stock ownership, equipment, bonding capacity, work completed, resume of principal owners & financial capacity

Personal net worth cannot exceed \$2.047 M



# DBE Supportive Services: Project Solutions Inc.

Assists interested firms and new DBEs in many areas.

- Application Assistance for DBE Certification
- One-on-One Business Consulting
  - New DBE Orientation
  - Understanding DBE Program Guidelines
- Self-Guided Training Videos
- Business Development Program for new DBEs

Learn more at: <https://sddb.com>



# DBE Overall Goal

South Dakota's Goal for FFY 2022 – 2024 is **9.05%**

- (130 DBE Firms)

South Dakota's Goal compared to surrounding states

- Iowa: **5.72%**
- Minnesota: **12.6%** (*1300 DBE firms*)
- Montana: **5.4%**
- Nebraska: **4.93%**
- North Dakota: **4.21%**
- Wyoming: **5.29%**



# Proposed Goal for FFY 2025 - 2027

- Proposed Goal is based on two-year average of DBE participation
- Goal Methodology posted June 1-July 10, 2024  
<https://dot.sd.gov/doing-business/contractors/dbe>
- Three DBEs prime contractors graduated from program
- Proposed goal for FFY 2025 – 2027 is **6.65%**



# Project Specific DBE Goals

- Try achieving overall goal using race neutral means (no goals on projects.)
- If overall goal can't be met using race neutral means, project goals will be set.
- Criteria for setting goals on federal-aid projects:
  - Subcontracting possibilities
  - Type of work
  - Location of project
  - Availability of DBEs to perform the work





# DBE GFE Review Process

Bid Letting Engineer requests GFE documentation

GFE Committee Meets

If nonresponsive:

- May request meeting with Secretary or designee
- Secretary/Designee meets with Low Bidder and GFE Committee
  - Makes final determination
  - Issues written notification of responsiveness of the bid



# Good Faith Efforts (GFE)

- Contact log of all solicitation efforts
- Documentation that shows GFE
- DBE quote comparison – Reasonably competitive
- Explain why goal couldn't be met
- Note additional efforts made to secure DBE participation



# THANK YOU