



Navigating the New DBE Interim Final Rule on Federally Funded Contracts

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Panelists

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Welcome & Agenda

- **Introduction & Purpose:** Understanding the DBE program's history and the impact of recent legal developments.
- **The New Interim Final Rule:** What has changed?
- **Scope of the Rule:** What is and is not affected.
- **Contractor Responsibilities:** Adapting your practices.
- **Agency Responses:** How transit authorities are adapting.
- **Q&A Session**

What is the New Interim Final Rule?

- **Origin:** Issued by the USDOT on October 3, 2025, with a revised FAQ released on December 1, 2025.
- **Fundamental Change:** No automatic presumption of social and economic disadvantage based on race or gender is permitted.
- **New Requirement:** Firms must now provide individualized proof of disadvantage.
- **Immediate Impact:** Suspension of DBE goals on federally funded projects pending firm recertification.

What Is NOT Affected by This Rule?

- **Funding is Key:** This federal rule applies *only* to USDOT-funded projects.
- **State & Private Goals:** Goals on state-funded and privately funded projects remain unchanged.
- **Other Certifications:** MBE, WBE, SBE, and VOSB goals can still exist on non-federal projects.
 - **Local Agency Discretion:** Local agencies may continue using race/gender-based presumptions for their own locally funded programs.

Responsibilities for Prime Contractors

- **Update Your Practices** – Revise subcontracting and procurement procedures to align with the new rule
- **Verify Subcontractors** – Actively monitor certification status; do not rely on outdated directories
- **Ensure Compliance** – Confirm you are meeting revised participation goals for each contract
- **Offer Support** – Consider offering assistance to current DBE partners navigating recertification

Managing Projects Under the New Rule

- **Maintain Timelines** – Balance compliance needs with project schedules by creating interim participation tracking systems
- **Contract Awareness** – Understand how the rule applies to current and future contracts; requirements may change if the ruling is modified

How Transit Agencies Are Responding?

- **Training & Communication:** Educating internal teams and conducting outreach to DBE firms to explain the changes.
- **Enhanced Verification:** Implementing stricter internal checks to confirm a firm's DBE status before awarding work.
- **Assisting DBEs:** Helping firms obtain other certifications offered by the agency that are not affected by this federal ruling.
- **Adjusted Procurement:** Revising contracting plans to ensure compliance and avoid using outdated DBE directories.

Resources

USDOT Disadvantaged Business Enterprise (DBE) Program – Overview & Requirements
<https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise>

Federal Highway Administration – DBE Resources & Training (including web-based certification training and Q&As)
<https://highways.dot.gov/civil-rights/programs/dbe/resources>

Federal Transit Administration – DBE Interim Final Rule & FAQs
<https://www.transit.dot.gov/dbe>

Public Services and Procurement Canada – Supplier Diversity & Social Procurement (Canada)
<https://www.canada.ca/en/public-services-procurement/services/acquisitions/better-buying/reducing-barriers/supplier-diversity.html>

PSPC Supplier Diversity Action Plan (Canada)
<https://www.canada.ca/en/public-services-procurement/services/acquisitions/social-procurement/supplier-diversity-action-plan.html>

WBE Canada – Certification for Women-Owned Businesses (Canada)
<https://wbecanada.ca/certification>

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