

Fact Sheet for Prime Contractors

USDOT DBE/ACDBE Interim Final Rule (IFR) — What Changed, What It Means, and What To Do Now – Effective Date: October 3, 2025 (nationwide)

1) What has changed

- Race- and sex-based presumption of social and economic disadvantage has been removed from all DBE programs nationwide. Individualized proof is now required for all certifications. All DBE applicants and existing DBEs must now individually prove social and economic disadvantage through a personal narrative and other evidence to establish eligibility.
- No DBE contract goals may be set and no DBE participation may be counted until HDOT's re-evaluation process is complete. Enforcement of DBE goal and participation related requirements have been paused.
- Changes related to specific projects are dependent on where that project is in the contract process (see scenarios below).

2) What does this mean for primes with a signed contract on federal-aid project executed prior to October 3, 2025

- Contracts will be left as-is unless otherwise directed by HDOT.
- HDOT will not count DBE participation toward goals until re-evaluation is complete.
- DBEs **cannot** be replaced on the contract without cause and HDOT approval.
- Compliance provisions tied to meeting contract goals are paused during this period, but prompt payment reporting requirements will continue.
- **For questions about a specific contract or solicitation, please contact an HDOT engineer associated with said project/solicitation.**

3) What does this mean for firms bidding on active solicitations

- Solicitations may be updated in response to the IFR. **Please follow any addenda carefully** and bid exactly to the specs of the solicitation in question.
- Inquiries into specific solicitations should be asked via the RFI process as stated in the solicitation.
- DBE participation will not be counted, and compliance requirements related to meeting contract goals shall be paused until HDOT's re-evaluation is complete.
- HDOT encourages bidders to continue supporting Hawai'i's small businesses. Though their certification status is on hold, Hawai'i's DBE firms are **still intact, with most being ready, willing, and able to perform work.**

4) What does this mean for future solicitations?

- Expect solicitations to reflect a DBE-neutral program administration moving forward.
- Until further notice, all future solicitations will likely come with a *NONE SPECIFIED* contract goal, meaning no DBEs are required to be used, and no Good Faith Efforts shall be evaluated.
- Certification status for some firms will change following the re-evaluation period. All bidders will be encouraged to revisit the DBE database once the re-evaluation process is complete.

5) What we know

- All DBE firm certifications are temporarily on-hold pending re-evaluation – No DBEs may benefit from the program until their re-evaluation is complete.
- No DBE contract goals may be set or counted until re-evaluation is complete.
- Compliance provisions tied to overall goals are paused.
- All applicants must now meet individualized social and economic disadvantage criteria, primarily through a personal narrative.
- Further guidance may come from USDOT that may require HDOT to issue further directives.
- HDOT will update you as needed.

6) What is still to be determined

- Timeline for HDOT's re-evaluation process.
- Any project-specific adjustments that may come in response to this IFR (please contact Project Manager/engineer for project-specific guidance).
- Whether further guidance is yet to come. Should HDOT receive further state or federal implementation guidance, contractors will be notified through local trade organizations.

7) What prime contractors should do right now

- **Read solicitation addenda carefully.**
- Continue timely payment and compliance reporting.
- Communicate with subs about any project-specific changes made as a result of the DBE IFR.

Contacts

If you have questions about a specific contract, please contact your HDOT Project Manager/Engineer.

If you have questions about the DBE Program, please email or call:

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