

November 17, 2025

The United States Department of Transportation (USDOT) issued a new document, "Frequently Asked Questions," to provide supplemental guidance related to the DBE Interim Final Rule issued October 3, 2025. The document clarifies several compliance and contracting procedures during and subsequent to the reevaluation process. While much of it pertains to the programmatic requirements of the awarding and regulatory agencies, there are several clarifications important to DBE and prime contractor compliance.

In summary:

- The DBE program still exists. The IFR did not eliminate the DBE program.
- The termination provisions at 49 CFR §26.53(f) continue to apply to existing contracts. Approved committed DBEs cannot be terminated without TxDOT's prior written approval.
- If the prime contractor self-performs the work of the committed DBE or another firm does so, then the prime contractor is not entitled to payment for the work.
- Compliance with the prompt payment requirement is still applicable.
 Prompt pay applies to all subcontractors, not just DBEs.
- For contracts executed prior to October 3, 2025, prime contractors
 must enter payments in TxDOT DMS. Confirmation of prompt payment
 is required by the subcontractor even if the reported payment is zero.
- TxDOT will not conduct CUF reviews during the reevaluation process.
 Prime contractors should conduct their own internal CUF reviews.

As previously stated, all certified DBE firms must be reevaluated for eligibility and recertified. This process has not yet begun. The Texas Unified Certification Program (TUCP) is awaiting further guidance from USDOT on how to comply with this rule. TxDOT, on behalf of the TUCP, will share these details as they are received.

It was previously reported that companies with an approved SBA personal narrative may use the same narrative to submit for DBE reevaluation. At this time, the SBA personal narrative will NOT satisfy DBE reevaluation requirements. We are working on clear guidelines to distribute to all those seeking reevaluation and will share once we receive guidance to proceed.

This communication, as with all communications related to IFR, will be posted on our <u>website</u>. For additional questions on this and other matters related to the DBE Program, please contact <u>IFR@txdot.gov</u>.

Resources

- DBE Interim Final Rule
- USDOT Frequently Asked Questions
- TxDOT's DBE IFR Updates