



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JOSH STEIN
GOVERNOR

DANIEL H. JOHNSON
SECRETARY

DATE: October 6, 2025

TO: NCDOT Divisions and All Federal-Aid Subrecipients (Transit, Aviation, and Local Governments)

FROM: Chief Operating Officer, Christopher A. Peoples

SUBJECT: DBE Interim Final Rule Implementation

On September 30, 2025, the U.S. Department of Transportation (USDOT) issued guidance on the Interim Final Rule (Rule) modifying the certification, compliance and reporting requirements of the Disadvantaged Business Enterprise (DBE) program. The Rule was published in the federal register and took effect on October 3, 2025. The Rule can be found here: <https://www.transportation.gov/mission/civil-rights/disadvantaged-business-enterprise/DBE-IFR-10-03-2025>.

The North Carolina Unified Certification Program (UCP), administered by the N. C. Department of Transportation (NCDOT) provides “one-stop shopping” for applicants to apply for DBE certification within the state. The Rule requires the eligibility of all DBE certified firms to be reevaluated on an individualized basis, without reliance on race- or sex-based presumptions of disadvantage. Until the reevaluation process is completed by the UCP, recipients of federal transportation funds — *including NCDOT and all subrecipients such as transit agencies, airports, and local governments* — may not update their overall goal, set any contract DBE goals on federally funded projects or count any DBE participation toward DBE goals. By extension, for State-funded projects governed by N.C.G.S. § 136-28.4, no new Minority Business/Women Business Enterprise (MB/WBE) contract goals may be set.

Effective immediately:

- Contracts Executed prior to October 3, 2025; Active
 - DBE contract provisions on **executed** federally funded contracts **must continue to be enforced** as written.
 - MB/WBE contract provisions on **executed** State-funded funded contracts **must continue to be enforced** as written.
- Contracts Awarded prior to October 3, 2025; Not Executed
 - DBE contract provisions on federally funded projects **awarded, but not yet executed**, remain in effect as stated in the procurement documents.

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- MB/WBE contract provisions on State-funded projects **awarded, but not yet executed**, remain in effect as stated in the procurement documents.
- Contracts Advertised prior to October 3, 2025; Not Awarded
 - DBE goals must be removed from federally funded projects currently advertised for letting. Divisions and subrecipients should coordinate with their respective procurement offices to issue addenda or bidder notifications as needed.
 - MB/WBE goals must be removed from State-funded projects currently advertised for letting. Divisions and subrecipients should coordinate with their respective procurement offices to issue addenda or bidder notifications as needed.
- Future Projects; Not Advertised
 - No DBE goals may be established for future federally funded contracts until further guidance is provided.
 - No MB/WBE goals may be established for future State-funded contracts until further guidance is provided.
- DBE Supportive Services
 - Existing DBE certified and small firms may continue to access supportive service resources available through the Office of Civil Rights.

For questions, please contact:

DBE Certification/ Supportive Services:

Kimberly Pellom-Fennell dbeopportunity@ncdot.gov 919-234-1245

Contract Bidding/ Letting: Ron Davenport redavenport@ncdot.gov 919-707-6901

Locally Administered Projects: Marta Matthews mtmatthews@ncdot.gov 919-707-6626

Aviation: Nick Short nshort2@ncdot.gov 919-814-0550

Integrated Mobility Division: Brennon Fuqua bfuqua1@ncdot.gov 919-707-4691

We will continue to monitor federal guidance closely and provide timely updates for NCDOT divisions, transit providers, airports, and local governments.

Sincerely,

DocuSigned by:

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Christopher A. Peoples P.E.

cc: Secretary Daniel Johnson

Yolanda Jordan, Division Administrator (FHWA- NC)

Edward Parker, Assistant Division Administrator (FHWA-NC)