



October 23, 2025

Subject: Suspension of DBE Goal Enforcement

To: All SFMTA Contractors on Federally-Funded Contracts

On October 3, 2025, the U.S. Department of Transportation (DOT) published an Interim Final Rule (IFR) in the Federal Register modifying the Disadvantaged Business Enterprise (DBE) Program regulations (49 CFR Part 26). The IFR took effect at the time of publication. The SFMTA is required to comply with the IFR.

The IFR requires federal grant recipients to pause enforcement of DBE contract goals in existing contracts supported by federal funds, among other requirements. The IFR prohibits the SFMTA from enforcing DBE contract goals until the applicable Unified Certification Program (UCP) has completed a reevaluation of all existing certified DBEs pursuant to new criteria established in the IFR.

To comply with the IFR, effective immediately, the SFMTA will pause enforcement of DBE contract goals on existing Contracts. If your contract does not contain a specific DBE goal, this change does not apply to you. During this time, and until further notice, provisions pertaining solely to DBE participation will not be enforced. Further, DBE participation will not be credited to any listed entity on your Bid or Proposal, subconsultants, or sub-suppliers that you listed. Prime contractors are reminded that they may not terminate or substitute any listed subcontractors without notification to and approval by the SFMTA Contract Compliance Office.

The IFR does not require the SFMTA to stop enforcement of contract SBE goals. The SFMTA intends to continue to monitor and enforce its existing contracts to ensure that work subcontracted to SBEs at contract award is subsequently performed by them. See 49 CFR 26.37(b).

Once UCP recertification has been completed, the SFMTA will provide further guidance pertaining to your contract. The SFMTA at that time may also issue a Change Order to conform DBE Participation provisions to the new DBE regulations. All other terms and conditions in your contract will remain in full force and effect.

SFMTA will review additional DOT guidance as released and provide further updates to you as needed. If you have any questions, please do not hesitate to contact me directly at [virginia.harmon@sfmta.com](mailto:virginia.harmon@sfmta.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Virginia Harmon'.

Virginia Harmon

Director of Administration/DBE Liaison Officer