

Memorandum

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a California Way of Life.*

To: DEPUTY DISTRICT DIRECTORS, Construction
DEPUTY DIVISION CHIEF, Structure Construction
CONSTRUCTION MANAGERS
SENIOR CONSTRUCTION ENGINEERS
RESIDENT ENGINEERS

Date: October 15, 2025

File: Division of Construction
CPD 25-5



From: RAMON HOPKINS, Chief
Division of Construction

Subject: **DISADVANTAGED BUSINESS ENTERPRISE PROGRAM UPDATE**

This directive is designed to provide guidance to the Department of Transportation (Caltrans) Division of Construction staff regarding the recent modifications to the Disadvantaged Business Enterprise (DBE) Program, as outlined in the Interim Final Rule (IFR) found on the Federal Register website at:

<https://www.federalregister.gov/documents/2025/10/03/2025-19460/disadvantaged-business-enterprise-program-and-disadvantaged-business-enterprise-in-airport>

This directive also provides the Caltrans construction procedures and contract administration practices to align with the updated federal requirements and clarifies implementation steps for district and field personnel. These changes are made solely to implement the modifications made by the IFR.

Effective immediately, the existing contract requirements related to the DBE Program, as outlined in Sections 2-1.12, "Disadvantaged Business Enterprise" and 5-1.13B, "Disadvantaged Business Enterprises," of the *Standard Specifications and Special Provisions* will be removed. This adjustment will be implemented through the change order process. A sample change order and sample change order memorandum are attached to this directive. The modified DBE requirements are applicable to existing contracts that have been awarded but have not processed a final estimate.

Withholds and deductions that were taken under DBE Program requirements may be released after they are reviewed for compliance with applicable laws. To the extent, any DBE subcontractors listed at bid are a "subcontractor" under state law, they are subject to Section 5-1.13A, "General," of the *Standard Specifications*.

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Construction field staff must coordinate with the district DBE coordinator and the Office of Civil Rights to make sure the modified DBE requirements are properly implemented.

If you have questions or comments regarding this directive, contact Tishawna Thrower, Division of Construction, at Tishawna.Thrower@dot.ca.gov.

Attachments:

1. Sample Form DOT CEM-4903, "Change Order Memorandum," DBE Program Update
2. Sample Form DOT CEM-4900, "Change Order," DBE Program Update
3. Caltrans advisory letter on DBE Program IFR dated October 7, 2025