

MEMORANDUM

TO: Disadvantaged Business Entities, Contractors, and Consultants
SCDOT District Personnel

FROM: Sergio Aparicio, Director of Supportive Services & Business Development
Patrick McKenzie, State Construction Engineer
Nicholas Pizzuti, Director, Professional Services and Local Programs Office

DATE: November 3, 2025

SUBJECT: Interim Final Rule (IFR), DBE Reporting, Replacement and Project Closeouts

As of October 3, 2025, the U.S. Department of Transportation's Interim Final Rule (IFR) for administering the Disadvantaged Business Enterprise (DBE) Program is in effect. Under this new rule, the South Carolina Unified Certification Program (UCP) may not use race or sex-based presumptions in determining DBE eligibility. Therefore, the UCP will no longer list certified DBEs until the UCP completes the certification reevaluation process which is pending updated implementation guidance from USDOT.

This Memorandum provides additional instructions consistent with the terms outlined in the attached October 17, 2025 Memorandum issued by SCDOT. These instructions are effective immediately and apply to all current and future contracts, including Construction, Professional Services, and Local Public Agency (LPA) projects, until further notice from the Federal Highway Administration (FHWA).

CONTRACTS AWARDED PRIOR TO OCTOBER 3, 2025:

DBE Quarterly Reports

Previously certified DBEs shall continue working as outlined in the contract awards and/or committals provisions subject to the DBE Supplemental Specification for replacement, augmentation or supplement (Replacement) of committed DBEs.

Prime Contractors are to submit signed DBE Quarterly Reports for work performed by the committed and non-committed DBE firms on all projects through September 30, 2025, Q32025.

Districts and consultants are to submit DBE Q32025 Quarterly Reports packets to MSBA-DBE Reporting and Data Management Unit via email at DBEQuarterlyReports@scdot.org

No further Quarterly Reports are to be submitted until the new UCP program is implemented.



DBE Replacement

Prime contractors/consultants are to continue using all DBE subcontractors/subconsultants who were committed to the project listed on the DBE committal sheet.

If a DBE listed on the DBE committal sheet fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards, the Contractor/Consultant shall follow the Replacement procedures in the Disadvantaged Business Enterprise Supplemental Specification applicable to the project.

Approval of replacements will be considered on a case by case basis by SCDOT. Until the new UCP Program is implemented, replacement will be by other subcontractors or self-performance.

Suspension of DBE status solely due to the IFR is not cause or justification to replace committed DBEs. Contact Patrick McKenzie, State Construction Engineer, Director of Construction Office, via email at McKenziePK@scdot.org for construction contracts assistance. Contact Nicholas Pizzuti, Director, Professional Services and Local Programs Office, via email at PizzutiNC@scdot.org for consultant contracts assistance.

Commercially Useful Function Reviews

Commercially Useful Function reviews by RCE/HQ staff are suspended until further notice.

DBE Closeouts Request Form

Complete the attached revised DBE Closeout Form dated October 31, 2025 and select the appropriate category:

- NO GOAL
- ALL Commitments MET
- ALL Commitments **NOT** Met

Submit the completed form with the Q32025 DBE Quarterly Report and Tracking Spreadsheet to:

DBE Reporting and Data Management Unit via email to DBECloseouts@scdot.org

Since SCDOT will not place sanctions on projects for not meeting the DBE goal, do the following:

Submit final supporting documents for approved DBE replacements and a general summary memo explaining the shortfall to:

Carolyn G. Burton, DBE Program Development Manager
Minority & Small Business Affairs (MSBA)
DBE Reporting and Data Management Unit via email to
burtoncg@scdot.org or contact via telephone at (803) 737-0740



CONTRACTS AWARDED ON OR AFTER OCTOBER 3, 2025:

Contracts awarded on or after October 3, 2025 will not have any DBE contract goals assigned. Once the UCP certification program reevaluation is complete and implemented, DBE goals will be considered on future contracts.

Further guidance will be issued by SCDOT as FHWA provides additional clarification under the IFR.

For questions, please contact Sergio Aparicio, Director of Supportive Services & Business Development via email at AparicioSE@scdot.org or telephone at (803) 737-1892.

SEA:cgb

Attachment

File: 2025 Interim Final Rule/Reporting

