



U.S. Department
of Transportation
**Federal Highway
Administration**

Alaska Division

March 2, 2017

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Mr. Marc Luiken
Commissioner
Alaska Department of Transportation and Public Facilities
P.O. Box 112500
Juneau, AK 99811-2500

Dear Mr. Luiken: *MARC*

The Disadvantaged Business Enterprise (DBE) program being implemented by the Alaska Department of Transportation and Public Facilities (DOT&PF) continues to mature and achieve new levels of success. The establishment of the DBE Stakeholder's Group which is providing an opportunity for conversations between prime contractors and DBEs, and the education your staff has provided to both the DOT&PF and the contracting community are just two examples of the good work that has been accomplished.

Unfortunately, this good work has not resulted in the achievement of the 2015 - 2017 DBE program goal in the last two years, during which the agency has implemented a 100% race/gender-neutral program. Based on the shortfall analysis that the DOT&PF submitted to FHWA on January 11, 2017, it does not look as though the DOT&PF is likely to reach its overall goal in federal fiscal year 2017, the final year of the current methodology. This scenario may require the DOT&PF to implement contract goals in accordance with 23 CFR §26.51(d) and it is our understanding that neither the DOT&PF nor the contracting community wants the re-implementation of contract goals.

To avoid confusion and to allow additional time for race/gender-neutral measures to be implemented successfully, FHWA has determined that it will not require the DOT&PF to implement the use of contract goals until after the DOT&PF submits its DBE goal methodology that is due by August 1, 2017 to FHWA for review and approval. It is expected that this goal methodology will include updated disparity data by group.

From now until the end of the federal fiscal year, the DOT&PF should ensure that it delivers a strong message to the contracting community that if the goal is not achieved through race/gender-neutral means, contract goals will be assigned to projects to meet the portion of the overall goal not being met through race/gender-neutral means. The DOT&PF should also ensure that the DBE Support Services program is fully implementing the goals and objectives outlined in the Statement of Work. The Support Services program is a vital part of successfully implementing the DBE program.

The DOT&PF should also ensure that DBE firms are aware of the contracts that are tentatively scheduled to be put out for bid over the next several months, confirm that contracts are being

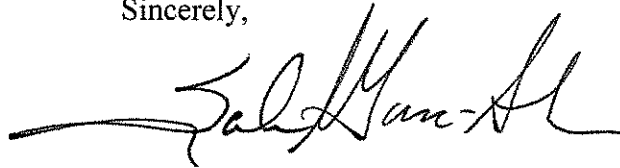
developed in a manner that provides bidding opportunities for DBEs (both as prime and subcontractors), and work with the contracting community to explain how the DBE program applies to professional services agreements.

The FFY2016 Accountability Statement (January 11, 2017) lists tools the DOT&PF has determined will address the goal shortfall and increase DBE utilization in FFY2017. The DOT&PF should ensure that all of the tools noted are implemented to the fullest extent.

The DOT&PF's next DBE goal methodology is due to this office by August 1, 2017. This methodology will set the program goal and determine the type of program (race-conscious or race-neutral) that it plans to implement for FFY2018-2020. FHWA will assess whether the DOT&PF will need to apply contract goals in FFY2018-2020 at that time. Until this new program is implemented on October 1, 2017, it is imperative that the DOT&PF utilize every strategy and tool available to achieve the current goal of an 8.46 percent DBE utilization rate.

Should you have any questions regarding the contents of this letter, please contact Ms. Elizabeth Hoffman, Civil Rights/Realty Programs Specialist, at elizabeth.hoffman@dot.gov or 907-586-7188.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Garcia-Aline". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Sandra A. Garcia-Aline
Division Administrator

cc: Dennis Good, Civil Rights Office Manager, DOT&PF
Amanda Holland, Administrative Services Director, DOT&PF