



# MoDOT DBE Supplier Training

Missouri Department  
of Transportation  
December 10, 2024

# DBE Suppliers – 26.55(e)



- Types of DBE Suppliers & Credit Allowed:
  - Manufacturer: 100% - owns/leases & operates facility where products are assembled through raw material modification or component assembly to create a product.
  - Regular Dealer: 60% - owns/leases and operates warehouse where products are delivered from or, for bulk items, owns/leases distribution equipment and delivers to project.
  - **Distributor: 40% - drop ships materials and assumes responsibility from point of origin to destination.**
  - Broker: 100% of Fees & Commissions – transaction facilitator, assumes no responsibility.





# DBE Manufacturers: 100%

- Owns/leases & operates factory/establishment.
  
- Produces products.
  
- Manufacturing includes:
  - Blending/modifying raw materials.
  - Assembling components to create a product.
    - Minor modifications do not count. “Minor” = additional changes to a manufactured product, small in scope, minimal value to final product.



# Regular Dealer: 60%

- Owns/leases & operates a store, warehouse, etc. where materials, supplies, etc. are bought, kept in stock, sold to public.
- Firm must be established in purchase and sale or lease of products as specified in the contract.
- Credit is counted when all or most items in purchase order are from a DBE's inventory and only minor quantities are delivered by other sources.



# Regular Dealer (Bulk Items): 60%

- Bulk Items:
  - Petroleum products
  - Steel
  - Concrete/concrete products
  - Gravel, stone, asphalt
  
- DO NOT need to own/operate place of business IF:
  - Owns & operates distribution equipment for product delivery.
  - Supplementing of distributions equipment must be by long-term operating lease. No ad-hoc or contract by contract basis.



# Distributor: 40%

- Engages in regular sale or lease of items.
- Purchases materials/supplies.
- Does not maintain sufficient inventory.
- Does not use own distribution equipment.
- Assumes responsibility for items from origin to destination.
  - Risk of loss/damage during transportation.
  - Evidence needed by P.O. or BOL with FOB.
- Bottom line: Drop ships but assumes risk.



# Broker: Fees & Commissions

- Not a manufacturer, regular dealer, or distributor.
- Does not manufacture or purchase any materials.
- Transaction facilitator.
- Only fees & commissions charged by DBE can be counted.

# DBE Regular Dealer/Distributor Affirmation form



- Supplier performance:
  - Can change from one contract to another.
  - DBE may perform in different capacities on same contract.
- Determination of supplier performance prior to award.
  - Ensures proper DBE credit counting – no surprises.
- Form required for all DBE's listed as Regular Dealer (60%) or Distributor (40%) at time of DBE Identification Submittal (as outlined in the bid proposal; typically, within 3 business days after letting) from ALL bidders.



# Affirmation Form Walk-through



Contractor submitting the bid.

**Bidder Name:**

**Total PO Amount at Face Value.**

**Total Subcontract/Purchase Order Amount:**

**BOTH DBE & Prime Bidder Sign at Bottom.**

I affirm that the information that I provided above is true and correct and that my company's subsequent performance of a commercially useful function will be consistent with the above responses. I further affirm that my company will independently negotiate price, order specified quantities, and pay for the items listed in the bidder's commitment. This includes my company's responsibility for the quality of such items in terms of necessary repairs, exchanges, or processing of any warranty claims for damaged or defective materials.

**Printed Name and Signature of DBE Owner/Authorized Representative:**

The bidder acknowledges its responsibility for verifying the information provided by the DBE named above and ensuring that the counting of the DBE's participation is accurate. Any shortfall caused by errors in counting are the responsibility of the bidder.

**Printed Name and Signature of Bidder's Authorized Representative:**

# Affirmation Form Questions



## DBEs:

- All questions are YES/NO with specific STOP, SKIP, & CONTINUE instructions.
- Be sure to follow the “decision tree” on the form.

## Bidding Contractor:

- Verify credit on affirmation form matches credit listed on the DBE Identification Submittal.
- If a DBE will perform both as a regular dealer & distributor, 2 forms are needed.
  - Alternatively, if some items are counted at 60% or 40% (regular dealer/distributor) and others at 100% (furnish/install, manufacture, trucking, etc.), affirmation form needed covering only regular dealer/distributor items.

# Supplier NAICS Codes



- To be eligible for supplier credit, a DBE MUST have the appropriate supplier NAICS Code.
  
- All supplier NAICS codes are in [Sector 42 – Wholesale Trade](#).
  
- Examples:
  - 423390: Other Construction Material Merchant Wholesalers
  - 423510: Metal Service Centers and Other Metal Merchant Wholesalers.
  - 423610: Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
  - 424720: Petroleum and Petroleum Products Merchant Wholesalers
  - 424940: Paint, Varnish, and Supplies Merchant Wholesalers



# Scenario 1.0

- A DBE supplies liquid asphalt for the project. The DBE purchases the material and uses their own distribution equipment to deliver to the job site.
  
- Is a regular dealer/affirmation form needed?
  - Yes
  
- What type of credit is the DBE eligible for?
  - 60% regular dealer credit for the cost of materials & delivery.



# Scenario 1.2

- A DBE supplies liquid asphalt for the project. The DBE purchases the material and contracts with a third-party transportation service to deliver the material to the job site.
  
- Is a regular dealer/affirmation form needed?
  - Yes
  
- What type of credit is the DBE eligible for?
  - 40% distributor credit for the cost of materials & delivery.



# Scenario 2.0

- A DBE supplies construction products for a job. The DBE maintains a warehouse, where the items in question are regularly kept in stock. 51% - 100% of the products will come from the DBE's warehouse with any minor quantities coming directly from the manufacturer. The DBE may or may not deliver the material.
  
- Is a regular dealer/affirmation form needed?
  - Yes
  
- What type of credit is the DBE eligible for?
  - 60% regular dealer credit for the cost materials & any associated delivery costs.



# Scenario 3.0

- A DBE supplies made to order products for a job. The DBE does not maintain a warehouse for these type of products due to the made to order nature. However, the DBE picks up the material from the manufacturer with their own equipment and delivers it to the job site.
  
- Is a regular dealer/affirmation form needed?
  - Yes
  
- What type of credit is the DBE eligible for?
  - 60% regular dealer credit for the cost materials & any associated delivery costs.



# Scenario 3.1

- A DBE supplies made to order products for a job. The DBE does not maintain a warehouse for these type of products due to the made to order nature. However, the DBE arranges for the delivery of the material through a third party transportation service that is NOT the manufacturer.
  
- Is a regular dealer/affirmation form needed?
  - Yes
  
- What type of credit is the DBE eligible for?
  - 40% distributor credit for the cost materials & any associated delivery costs.





# Scenario 3.2

- A DBE supplies made to order products for a job. The DBE does not maintain a warehouse for these type of products due to the made to order nature. However, the DBE arranges for the delivery of the material through the manufacturer.
  
- Is a regular dealer/affirmation form needed?
  - No
  
- What type of credit is the DBE eligible for?
  - 100% of fees & commissions including delivery costs. The cost of the material CANNOT be counted.



# Scenario 4.0

- A DBE firm will be providing trucking services on a project. The firm will use their own equipment/employees to pick up the materials from a designated point A (manufacturer/plant) to Point B (project site). The material is purchased by the prime or another (non-DBE) subcontractor.
  
- Is a regular dealer/affirmation form needed?
  - No
  
- What type of credit is the DBE eligible for?
  - 100% of trucking services ONLY.



# Scenario 4.1

- A DBE firm will be providing trucking services on a project. The firm will use their own equipment/employees to pick up the materials from a designated point A (manufacturer/plant) to Point B (project site). The material is purchased by the DBE firm.
  
- Is a regular dealer/affirmation form needed?
  - Maybe
  
- What type of credit is the DBE eligible for?
  - Bidder may choose ONE option:
    - 100% of trucking services ONLY. DBE must have trucking NAICS Code.

**OR**

- 60% of trucking services & material cost. DBE must have supplier NAICS Code.
  - Must have accompanying regular dealer/affirmation form.



# Scenario 5.0

- A DBE will be manufacturing \$50,000.00 in items and provide \$50,000.00 of construction products (that it does not manufacture) from its warehouse.
  
- Is a regular dealer/affirmation form needed?
  - Yes – but only on part of the commitment.
  
- What type of credit is the DBE eligible for?
  - 100% of the manufactured items (\$50,000.00)
  - 60% of the supplied items (\$30,000.00)
    - Must have accompanying regular dealer/affirmation form listing the \$50,000.00 in supplied items.

# DBE Suppliers – Bidding & Best Practices



- MoDOT Let Contracts: Applicable on projects let in October 2024 and later.
- LPA Contracts: Projects let in April 2025 and later.
- Prime Contractors: request Affirmation form from DBE regular dealers/distributors with their quote.
- DBE Regular Dealers/Distributors: provide contractors with Affirmation form when submitting a quote.



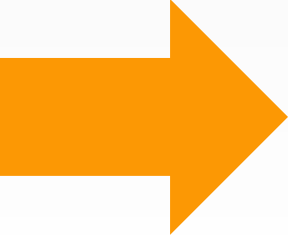
# Bidders List 49 CFR 26.11(c)

## ■ Old Rule

- Names of bidders/quoters
- Firm Address
- Age of firm
- Annual gross receipts
- Firm status as DBE/non-DBE.
- Provided flexibility on when information is collected.

## ■ Final Rule

- All on left PLUS:
- Firm owner race/gender
- NAICS Code applicable to firm's scope on project
- Due AT TIME OF BID
  - Lack of submittal may deem bid irregular



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Collecting names of firms & NAICS Codes  
– remaining info to be gathered by ECR.

# Bidders List: Effect on Contracts



- MoDOT Contracts: working with Bidx vendor on solution for submittal with bid. Addendums will be issued for October – March 2025 removing requirement from DBE General Provision to ensure a system is in place prior to requiring with the bid.
- LPA Contracts: developed a form for bidders to list all contractors included in bid and considered and their scopes of work.
- Anticipating implementation starting with April 2025 letting for both MoDOT & LPA contracts.
- Bidders List will replace the DBE and non-DBE Subcontractor Reporting Form.

# Questions?

