

REQUIRED CONTRACT PROVISION

FEDERAL AID CONTRACTS UTILIZATION OF DISADVANTAGED BUSINESSES SUPPLIERS/REGULAR DEALERS

This Special Provision modifies the provisions contained in Section III.C. of Special Provision 7-18-80-R25.

I. Aggregate Suppliers. KDOT has been made aware that the U.S. Department of Transportation, Office of Inspector General has concerns regarding KDOT's policy as to when DBE aggregate suppliers may be counted toward goal. Until these concerns have been addressed, KDOT will not allow the use of DBE aggregate suppliers to be counted toward the DBE goal.

II. Regular Dealers. KDOT has also received informal guidance from the U.S. Department of Transportation, Office of Inspector General regarding when the use of a DBE regular dealer may be properly counted toward the DBE goal. Unless a DBE regular dealer ships materials from its own inventory, the contractor cannot count 60% of the costs toward the DBE goal.

These changes are interim only, and will be incorporated into 7-18-80-R25 (or the latest revision) after KDOT receives formal guidance from the Federal Highway Administration.