

DBE Credit Counting

Allowable credit for payments made to DBEs for work performed. A contractor may take credit for payments made to a certified DBE that satisfies CUF requirements at the following rate:

DBE Prime Contractor

A DBE prime Contractor: Count 100% of the value of the work performed by own forces, equipment, and materials towards the DBE goals.

DBE subcontractor

An approved DBE subcontractor: Count 100% of the value of work performed by the DBE's own forces, equipment, and materials, excluding the following:

- The cost of materials/supplies purchased from a non-DBE Prime Contractor.
- The value of work provided by non-DBE lower tier subcontractors, including non-DBE trucking to deliver asphalt to a DBE contractor.

Owner-Operator

Of construction equipment: Count 100% of expenditures committed.

Manufacturer

A DBE manufacturer: Count 100% of expenditures committed. The manufacturer must be a firm that operates or maintains a factory or establishment that produces on the premises the materials or supplies obtained by the Contractor.

Supplier

If a DBE firm is acting as a supplier, 60% of the value of items sold to the prime contractor may count toward the DBE goal.

There are two ways a DBE firm can perform work on a contract as a supplier.

- A regular dealer/supplier is defined as a firm that owns, operates, or maintains a store, warehouse, or other establishment, in which the materials or supplies required for the performance of the contract are bought, kept in stock, and regularly sold or leased to the public in the usual course of business.
- For bulk items such as petroleum, steel, cement, gravel, stone, or asphalt, a DBE firm must own and operate distribution equipment for the product it is supplying. Any supplementing of supplier's own distribution equipment shall be by a long-term lease agreement and not on an ad-hoc or contract-by-contract basis. The DBE must lease the equipment itself, as well as run the equipment with its own workforce.

For example, a supplier provides pipes for \$100,000. Since the DBE firm regularly sells this product as a part of its business, \$60,000 will count toward the DBE goal, or 60% of the value of the items provided.

Broker

Count for DBE credit only the fees or commissions charged for assistance in the procurement, and fees and transportation charges for the delivery of materials or supplies required at the job site, but not the cost of materials procured. A broker is defined as any person(s) or firm who arranges or expedites transactions for materials or supplies and does not take physical possession of the materials or supplies at their place of business for resale.

Differences between a manufacturer, supplier, and broker

Under the requirements of the DBE program, the following example shows the difference, between a manufacturer, a supplier, and a broker. The example is the furnishing of crushed aggregate.

- **Manufacturer (100%)** - A DBE is considered a manufacturer of crushed aggregate if it produces the aggregate as its principal business and under its name on its premises. The cost of the crushed aggregate produced can be credited 100% towards meeting the DBE goal.
- **Supplier (60%)** - A DBE is considered a supplier of crushed aggregate if the material is purchased in its name and it engages as its principal business, the purchase and sale of crushed aggregate is to the public, and the DBE owns and operates the necessary distribution equipment (since aggregate is considered a bulk item) to deliver the crushed aggregate. In these situations, the DBE is considered a supplier and 60% of the cost of the crushed aggregate is credited towards the DBE goal.
- **Broker - (100% fees or commissions)** - A DBE firm is considered a broker of crushed aggregate when the firm arranges or expedites the sale and/or delivery of the aggregate materials. The Metropolitan Council will count 100% of the fees or commissions for this service toward the DBE goal.

Certified DBE Directory

This Vermont unified [DBE Directory](#) contains all currently certified DBEs available for work in Vermont and is updated continuously.

Additional Guidance

Can be found in the [Disadvantaged Business Enterprise \(DBE\) Policy Contract Requirements](#) document. Or you can contact the [AOT DBE Program Manager](#).