

Views from a DBE firm

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Dikita Enterprises, Inc.

Who we are

- Dikita is a 31 year old firm - certified MBE, SBE, DBE, HUB.
- Dikita has 2 divisions – civil engineering, focusing on rail program management, civil design, light rail vehicle inspection AND
- Transit Planning focusing on ridership data collection and analysis



How the new PNW Rule affects DBEs

- The intent was to maintain the buying power of assets totaling \$750,000.
- All other rules, i.e., the calculations, remained the same including the exclusion of a primary homestead and inclusion of retirement funds.



How the new PNW Rule affects DBEs

- \$750,000 in 2010 is equivalent to \$425,700 in 1989 dollars.
- Opposition to change included smaller DBE firms or startups.



How did the community respond to PNW change

- Opponents: Afraid larger DBE companies will stay in the program longer to the detriment of the "program's aim".
- The program's aim is to help level the playing field for firms who face discrimination in the market place.



How did the community respond to PNW change

- The government's definition of “disadvantage” has always been understood as relative disadvantage to business owners not absolute deprivation. It recognized that certain people were comparably socially and economically disadvantaged and that the playing field would not automatically level itself.



How the new PNW Rule affects DBEs

- **Transition period**- if an application or decertification is pending ON the publication date (1/19/11) of this amendment, agencies **SHOULD** make decisions based on new rule, even though the decision doesn't take effect until the effective date (2/28/11)



How the new PNW Rule affects DBEs

- **Transition period**- if an application or decertification is pending as of the effective date (2/28/11), agencies **MUST** make decisions based on new rule, even if the application or decertification process was filed before 2/28/11.



How the new PNW Rule affects DBEs

- **Transition period**- if denial of certification occurred before publication date (1/19/11) then the applicant should appeal and the agency should resolve the appeal using the new standard.



With respect to the retirement funds

- Some argue retirement funds are unavailable assets and cannot be used to fund a small business (unlike cash or marketable securities) and should be excluded from the PNW formula.



Interstate Certification - Will this help us move about the country

- It takes my company approximately 15-20 hours to complete a new certification application.
- If a DBE is certified in several states or jurisdictions, the DBE has to have personnel who can keep up with the annual filings.
- The applications are all different.



Interstate Certification - Will this help us move about the country

- The biggest problem we have is in the variety of the forms. Most UCP or agencies ask for the same information, but in a different formats.
- Many variations in a personal financial form.
- Personal info is shared with owners staff and with the public.



Interstate Certification - Will this help us move about the country

- Even though certified in various states, DBEs still are not often free to move about the country because of local barriers.



Other comments about the new changes

- Increasing accountability for UCPs
- Adding provisions to foster small business participation
- Improving post-award oversight

