

GLOSSARY OF DBE TERMS

Terms and Definitions

The definition of terms is essential in understanding the elements of an effective disadvantaged business program. At the same time. It is apparent that no set of definitions, however drafted, can cover all of the potential questions that will arise during the execution of the program. The definitions will be interpreted to achieve the objectives of utilizing disadvantaged business enterprises to the maximum practicable extent.

1. **Affiliation:** Except as otherwise provided in 13 CFR Part 121, concerns are affiliates of each other when either directly or indirectly:
 - a. One concern controls or has the power to control the other; or
 - b. A third part or parties control or has the power to control both; or
 - c. An identity of interest between and among parties exists such that affiliation may be found.
2. **Affirmative Acton:** Positive activities undertaken to eliminate discrimination and effects of past discrimination, and to ensure nondiscriminatory practices in the future.
3. **Alaska Native:** A citizen of the United States who is a person of one-fourth degree or more Alaskan Indian (including Tsimshian Indian not enrolled in the Metlaktla Indian Community), Eskimo, or Aleut blood, or a combination of those bloodlines. The term includes, in the absence of proof of a minimum blood quantum, any citizen who is a Native village or Native group regards as an Alaskan Native if their father or mother is regarded as an Alaskan Native.
4. **Alaska Native Corporation (ANC):** Any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.s.c. 160 I, et seq.).
5. **Bid:** Price quotations, price negotiations, and proposals, as well as the form bid processed, depending on which procedure is required by COTA's Purchasing Policy.
6. **Business Enterprise:** Any legal entity, which is organized in any form other than a joint venture (e.g.. sole proprietorship, partnership, corporation, etc.) to engage in lawful commercial transaction.
7. **Challenge:** A formal filing by a third party to rebut the presumption that a particular individual is socially and economically disadvantaged.
8. **Commercially Useful Functions:** Work performed by a DBE firm in a part transaction that, in light of industry practices and other relevant considerations, has a necessary and useful role in the transaction, i.e., the firm's role is not a superfluous step added in an attempt to obtain credit toward goals. If, in the recipient's judgment, the firm (even though an eligible DBE) does not perform a commercially useful function in the transaction, no credit toward the goal may be awarded.
9. **Department or DOT:** The U.S. Department of Transportation, including the Office of Secretary, the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the Federal Aviation Administration (FAA).

10. **Disadvantaged Business Enterprise (DBE)**: A small for profit business concern:
 - a. Which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and
 - b. Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
11. **Goal**: A numerically expressed objective, (not less than 10% of authorized funds to be expended with DBE's), which the Department uses as a tool in evaluating and monitoring DBE opportunities to participate in DOT-assisted contract.
12. **Good Faith Efforts**: Effort to achieve a DBE goal or other requirements of 49 CFR Part 26 which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.
13. **Indian Tribe**: Any Indian tribe, band, nation, or other organized group or community of Indians, including any ANC, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or is recognized as such by the State in which the tribe, band, nation, group, or community resides. See definition of tribally owned concern in this section.
14. **Joint Venture**: An association of a DBE firm and one or more firms to carry out a single, for profit enterprise, for which the parties combine their property, capital effort, skills, and knowledge, and in which the DBE is responsible for a distinct clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.
15. **Native Hawaiian**: Any individual whose ancestors were natives, prior to 1778, of the area which is now comprised the State of Hawaii.
16. **Native Hawaiian Organization**: Any community service organization serving Native Hawaiians in the State of Hawaii is controlled by Native Hawaiians, and whose business activities will principally benefit such Native Hawaiians.
17. **Personal Net Worth**: The net values of the assets of an individual remaining after total liabilities are deducted. An individual's net worth does not include: the individual's ownership interest in an applicant or participating DBE firm or the individual's equity in his or her primary place of residence. An individual's personal net worth includes only his or her own share of assets held jointly or as community property with the individual's spouse.
18. **Race-Conscious**: A measure or program that is focused specifically on assisting only DBE's, including women-owned DBE's.
19. **Race-Neutral**: A measure or program that is, or can be, used to assist all small businesses. For the purpose of this part race-neutral includes gender-neutrality.

20. **Small Business Concern**: With respect to firms seeking to participate as DBE's in DOT-assisted contract. a small business concern as defined pursuant to section 3 of the Small Business Act and Small Business Administration regulations implementing it (13 CFR Part 121) that also does not exceed the cap on average annual gross receipts specified in section 26.65 (b).

21. **Socially and Economically Disadvantaged Individual**: Any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is:

- a. Any individual who is a recipient found to be a socially and economically disadvantaged individual on a case-by-case basis;
- b. Any individual in the following groups, members of which are reputedly presumed to be socially and economically disadvantaged:

"Black Americans," which includes persons having origins in any of the Black racial groups of Africa;

"Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

"Native America," which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

"Asian-Pacific American," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;

"Subcontinent Asian Americans;" which includes person whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;

"Women";

Any additional groups whose members are designated as socially and economically disadvantaged by the SBA at such time as the SBA designation becomes effective.

22. **Tribally Owned Concern**: Any concern at least 51 % owned by an Indian Tribe as defined in 49 CFR Part 26.