

**Special Notice to Bidders**  
**Section 120**  
**Supplies and Materials Purchased by DBEs**

During August 2010, the FHWA National Review Team identified a practice of DBE firms purchasing supplies and materials from companies affiliated with the prime contractor on USDOT-assisted projects.

49 CFR 26.71 requires DBE firms to operate independent of the prime contractor, which also includes sister companies or companies that have a common parent corporation as the prime contractor.

As a result, FHWA has determined that the cost of materials and supplies purchased by a DBE from a sister company of the prime contractor cannot be credited towards the DBE Goal.

This notice was issued October 6, 2011.

Any questions about this notice may directed to Jon Dunham, Manager of the Civil Rights Office, (907) 269-0850, or email [jon.dunham@alaska.gov](mailto:jon.dunham@alaska.gov)