DBE MSV Fact Sheet

- **MSV = Materials and Supplies Vendor**
- The Notice to Industry was sent March 12, 2018
- The effective date for the DBE MSV changes is **September 1, 2018** - any lettings after this date, the new MSV policy will apply
- DBE MSV changes are based on 49 CFR 26.55
- 60% DBE credit will no longer be automatically applied for DBE suppliers
- **MSV MUST** perform a Commercial Useful Function (CUF) in order for the percentage of cost to count toward the DBE goal
- Categories of MSVs (defined):
  - **Regular Dealer** is a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for the performance of a contract are bought, kept in stock, and regularly sold to the public in the usual course of business. A regular dealer must be engaged in selling the product in question to the public.
    - It is up to ODOT to determine which firms are regular dealers. A firm may be a regular dealer in bulk items without the store or warehouse if the firm both owns and operates distribution equipment for the bulk items.
    - A “bulk item” is sold by length, weight, or volume (such as petroleum products, steel, cement, gravel, stone, asphalt)
    - If approved by ODOT, regular dealers count as 60% credit toward the DBE goal
  - **Manufacturer** is a plant, factory, mill, or any establishment that transforms or assembles materials into new products
    - For manufacturers, if approved by ODOT, 100% credit toward DBE goal
  - **Broker** is a firm that is a “go between” on behalf of buyers and sellers. Brokers do not take title for the goods being sold, but receive a commission or fee for their service.
    - For brokers, if approved by ODOT, only markup counts toward DBE credit if regular dealer for the item(s)
  - **Drop Shipping** is when items are shipped directly from a non-DBE’s facility to a job site, never being in the physical possession of or transported by an DBE MSV
    - For “dropped shipped” items, only the DBE MSV’s commission/markup or delivery fee counts toward DBE goals (only if the DBE MSV performs CUF and is a regular dealer for that item).