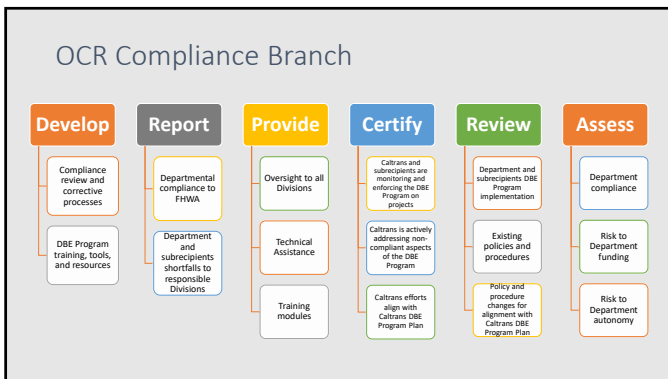


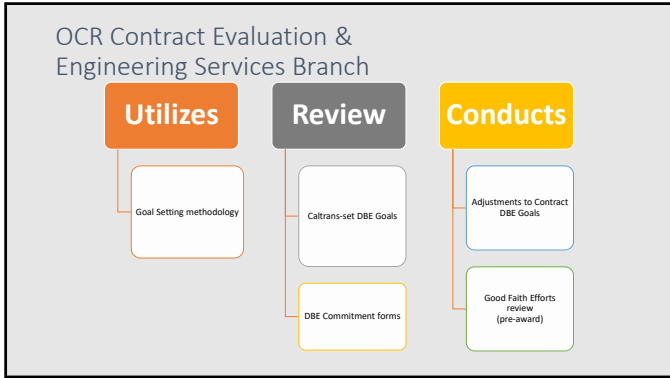
1



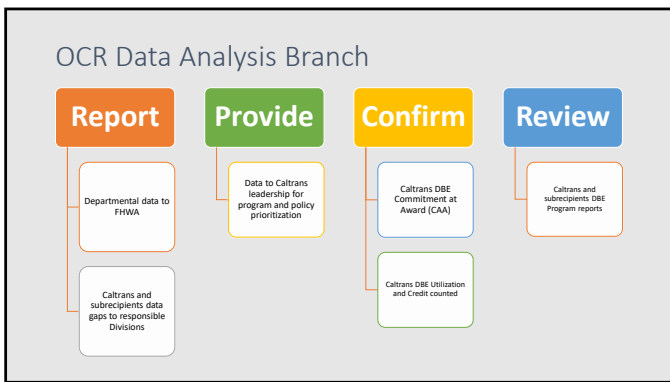
2



3



4



5

DBE Program: Monitoring and Enforcement

Commercially Useful Function
A DBE performs a commercially useful function when it is responsible for execution of the work of the contract or a distinct element of the work...by actually performing, managing, and supervising the work involved.

49 CFR 26.55

6

A DBE subcontractor...

- Supervisor exclusively employed by the DBE
- Must perform 30% of the work with its own workforce
- Must not share employees with non-DBE (particularly the Prime.)

A DBE supplier...

- Maintains an inventory of supplies (some exceptions);
- Negotiates the price, places the order (quantity and quality), and pays the manufacturer; and
- Takes possession of the supplies

DBE Trucking Company...

- Manages and supervises entire trucking operation.
- Owns and operates **at least one truck**.
- Must use DBE drivers or lease DBE trucks to receive full DBE credit.

FHWA Tips for Evaluating a Commercially Useful Function:
<https://www.fhwa.dot.gov/federal-aidessentials/commusefunction.pdf>

7

Commercially Useful Function Evaluations

Prime contractors will be responsible to initiate an evaluation of every DBE on their project, at the start of the DBEs work. Caltrans RE, CM or District Compliance Office will verify and approve the evaluations for accuracy and completeness.

If CUF Evaluation finds violations, Corrective Action is required by the Prime and the DBE within an approved timeframe. These instructions will be provided via Construction's CUF Guidelines.

Caltrans can evaluate any contractor for CUF performance any time, in addition to the initial evaluation.

8

Evaluating subcontractors

- Monitor the on-site workers, equipment, and management of the work
- Take notice of which employees report to the DBE representative on-site
- Record employee names when possible and compare with DBE employees on CPRs

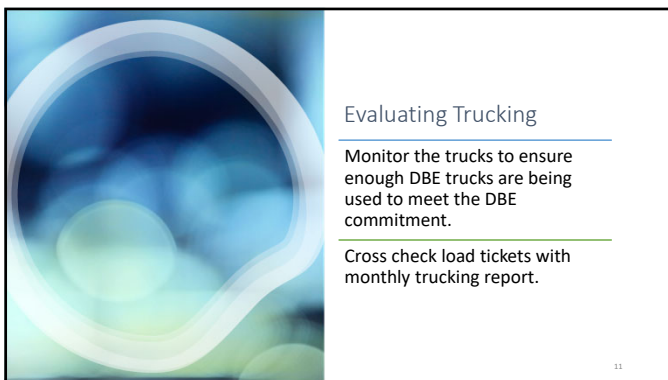
9



Evaluating Suppliers & Manufacturers

- Review the purchases and the invoices used by Prime to claim DBE credit
- Cross check invoices and payments to DBE firms to ensure accuracy
- Review inventory and other business records if you suspect a "pass-through"
 - Contact District staff for assistance and coordinating efforts

10

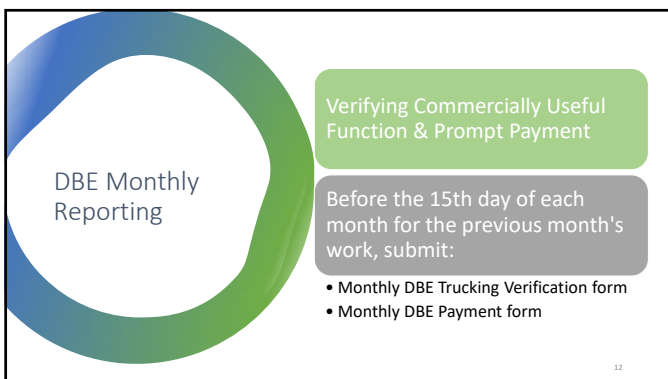


Evaluating Trucking

Monitor the trucks to ensure enough DBE trucks are being used to meet the DBE commitment.

Cross check load tickets with monthly trucking report.

11



DBE Monthly Reporting

Verifying Commercially Useful Function & Prompt Payment

Before the 15th day of each month for the previous month's work, submit:

- Monthly DBE Trucking Verification form
- Monthly DBE Payment form

12

Prompt Payment and Running Tally

- Prompt Payment monitoring is a DBE Program and CA State requirement on Caltrans and subrecipient projects.
- Monitoring Prompt Payment allows Caltrans to maintain a running tally of creditable DBE participation.
- Monitoring further accurately determines the amount and type of remaining DBE work that must be performed to complete a project with DBE credit.

13

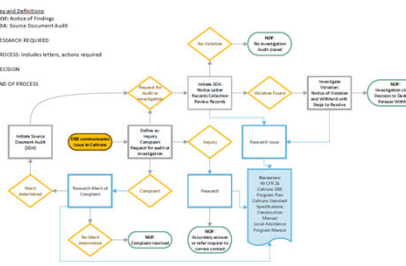
Caltrans Responsibility

To determine if there is a violation:

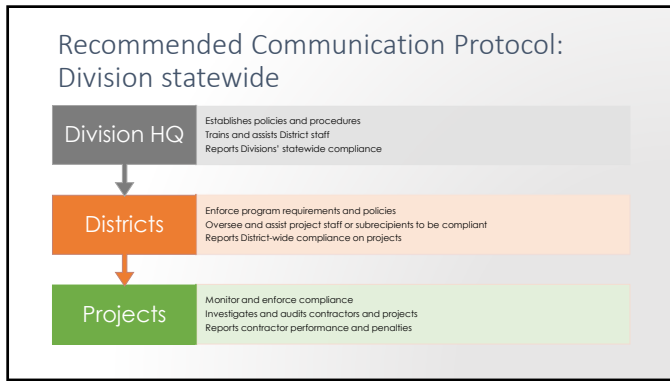
1. Send a Request for Records
 - a. If records are not received: send a Final Notice
 - b. Failure to provide records results in withhold
2. If records are received
 - a. Review to determine if a violation has occurred
 - b. OCR Compliance Branch is available to assist
3. Send a Notice of Findings

14

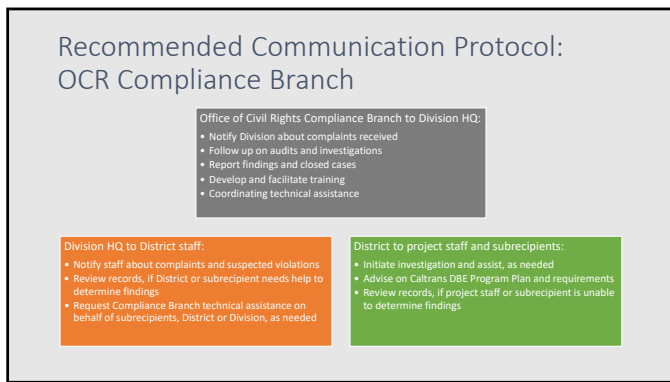
DBE Program Review Procedure



15



16



17

Regulations & Policies

- Federal Regulations**
 - 49 CFR 26 (DBE Program) https://www.ecfr.gov/current/title-49/subtitle-A/part-26/pt_26.html
- California Regulations**
 - Public Contract Code 4100-4144 (Subcontracting) https://leginfo.ca.gov/pub/0001/pub_4100_4144_xp.html#sec=4100
 - Public Contract Code 10250-10265 (Prompt Payment) https://leginfo.ca.gov/pub/0001/pub_10250_10265_xp.html#sec=10250
- Caltrans Policies**
 - Caltrans Office of Civil Rights DBE Program Plan (to be published)
 - Caltrans Standard Specifications <https://dot.ca.gov/programs/design/ce-standard-plans-and-standard-specifications>
 - Caltrans Construction Manual <https://dot.ca.gov/programs/construction/construction-manual>
 - Caltrans Local Assistance Procedures Manual <https://dot.ca.gov/programs/local-assistance-guidelines-and-procedures/local-assistance-procedures-manual.html>

18
