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Michigan Department
of Transportation
2671 (06/2025)

CONTRACTOR COMPLIANCE MONITORING (CCM) REVIEW

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A CCM review is required for each Small Business Enterprise (SBE) firm working on any project, regardless of whether there is a Small Business Program (SBP) goal. This review should be conducted while the SBE is actually working on the project. SBP Procedures states: "SBEs must be responsible for execution of the work of the contract and carry out its responsibilities by performing, managing, and supervising the work involved". This form is for the purpose of monitoring SBEs compliance with the CCM requirements for obtaining SBE credit on projects. CCM definition and violation red flags can be found on the back of this form. For more information, contact OBD at (313) 302-4589 or at MDOT-CCM@Michigan.gov.

Additional guidance on material suppliers are included as pages 2 & 3 of this form.

REVIEWER'S NAME (Print clearly)	REVIEWER'S AGENCY	REVIEWER'S PHONE NUMBER
PROJECT NUMBER (ID)	CONTRACTOR THAT THE SBE FIRM IS WORKING FOR	
SBE FIRM BEING REVIEWED		FIELD INSPECTION DATE

DESCRIBE SBE's SCOPE OF WORK. Review SBE commitment form 2668 and/or purchase order(s), truck ticket(s), etc., to assist in determination of CCM compliance.

SUBCONTRACTS AND PURCHASE ORDERS

YES NO N/A

Are purchase orders, subcontracts and/or trucking tickets, bills of lading, etc., on file in the project office?

EMPLOYEES

Does the SBE firm have employees on the job?

Do they appear on the SBE firm's payroll? If no, provide the details below.

Do they appear on any other contractor's payroll?

Does the SBE firm employ a supervisor or foreman who is onsite directing their work?

If so, provide their name below.

PERFORMANCE

Has any other contractor performed any of the SBE's work? If yes, explain below.

TRUCKERS

Please note on the IDR the trucks on site for the date of review (e.g., 3 trucks labeled XYZ Company, 2 from ABC Company).

Does a review of the load tickets indicate that hauling is being done by the SBE (must check for off-site trucking)? If no, explain.

If leased, does the driver have the lease agreement in their truck and does it identify the SBE?

MATERIAL SUPPLIERS

Please note on the IDR the delivery trucks seen on site for the date of review:

Does the SBE's name appear on invoices, delivery tickets, bills of lading, purchase orders, etc.? If no, explain below.

If delivery of material was observed, did the SBE use the delivery equipment listed

on the 2668 Form? If no, explain below. Identify the basis for acceptance of the materials the SBE provides (e.g., visual inspection, tested stock, general certification, approved manufacturer, etc.)

EQUIPMENT

Does the Prime's name appear on any equipment used by the SBE firm?

CCM

Does it appear the SBE is performing a CCM?

COMMENTS / EXPLANATIONS

The signature below is verification that the reviewer observed the SBE performing its commercially useful function. Any CCM problems were documented, addressed, and reported to the Office of Business Development (OBD).

SIGNATURE OF PROJECT ENGINEER / P.E.'S DESIGNEE	DATE

INSTRUCTIONS FOR SUBMISSION

Within 10 days of signature, save a copy of this completed form to ProjectWise and/or to the appropriate project office file. **If a follow up is needed by OBD:** (ProjectWise users) Advance the workflow and OBD staff will be notified; (Non-ProjectWise Users) e-mail this form to MDOT-CCM@Michigan.gov (please be sure to indicate the Region where the project is located in the subject line of the e-mail). Questions, contact OBD at (248) 302-4589 or at MDOT-CCM@Michigan.gov.

What Constitutes Contract Compliance Monitoring (CCM)?

In order for a contractor to receive SBE credit on Michigan Department of Transportation projects the SBE must perform a CCM. To perform a CCM a SBE must carry out all contract responsibilities by performing, managing, and supervising its work while utilizing their own equipment. Also, the SBE must be paid in accordance with Michigan Department of Transportation guidelines.

Five Key Areas to Monitor for CCM Compliance:

1. SBE Firm Management
2. SBE Equipment Handling
3. SBE Workforce
4. SBE Contractually Supplied Material
5. SBE Performance

CCM Violation Red Flags:

Management

- Supervision of SBE employees was done by another contractor.
- SBE provides little or no supervision of contracted work.
- SBE's superintendent is not a regular, full-time, exclusive employee of the SBE.
- Supervision is performed by personnel associated with another company.
- SBE hasn't been issued a subcontract, purchase order or other contractual document.
- SBE owner(s) is not aware of the status of the work, the employees and/or the performance of the business.
- SBE owner(s) or superintendents are rarely or never seen on the project.

Equipment

- Payments are deducted by the prime contractor for equipment used by the SBE firm on the project.
- The equipment used by the SBE firm belongs to the Prime contractor or another contractor with no formal long term lease agreement (large, highly specialized equipment, such as a Crane, is an exception).
- Magnetic equipment signs and/or markings cover another company logo or other information (TRUCKING ONLY).

Workforce

- Movement of the SBE's employee(s) to/from other contractors.
- SBE employee(s) paid by the prime.
- SBE employee(s) working for another company on the project.
- SBE employee(s) not familiar with the SBE firm's owner/supervisors/key personnel.

Materials

- Materials for the SBE are ordered, billed to, and/or paid for by the Prime contractor or another company other than the SBE.
- Joint (2 party) checks are sent directly to the suppliers of the SBE firm without the knowledge or consent of the SBE.
- SBE does not deliver the agreed to joint (2-party) check to its supplier(s).
- Invoices for the materials do not indicate that the SBE is the customer and/or list the Prime's employee as the contact person.
- The prime places requirements on the SBE regarding where to purchase project materials.
- The source of the materials comes from the Prime contractor or an affiliate of the Prime Contractor.
- Records/Documents to review for material suppliers: Invoices, Delivery tickets or Bills of lading, Purchase orders, Cancelled checks, Joint check agreement (if applicable).

Performance

- Some of the SBE work is being done jointly with another contractor.
- The work to be performed is outside of the SBE's known experience or capability (SBE certifications/prequalification).
- SBE performs work without a subcontract, purchase order or other signed contractual document.
- SBE subcontracts more of its work than is customary or standard industry practice (50%).
- SBE participation in a project is less than the prime's commitment on MDOT form 2668.
- Lack of evidence of ownership, control and/or independence of the SBE.
- SBE works for only one prime contractor or a large portion of the SBE's contracts are with one contractor.

Note: Noting a red flag does not automatically mean there is a CCM violation. However, notice of red flag(s) should be documented and reported to the Office of Business Development (OBD).

Guidance for Monitoring SBE Material Suppliers:

1. SBE supplier monitoring by the project offices and corresponding completion of CCM reports require that the prime submit documentation that the project office staff can refer to, especially in cases where products are delivered off-site.
2. When there is a commitment for SBE supplier participation on a project, the project office staff and the successful bidder or prime should establish what supporting documentation will be acceptable and sufficient for monitoring purposes. This can be done during the pre-construction meeting and/or prior to the delivery of the supply items. Supporting documentation should be submitted to the project office as it becomes available. Some of this documentation may include Materials certifications, purchase orders, invoices, bills, joint check agreements, verifications of payment by the SBE to the manufacturer, payments by the contractor to the SBE supplier (i.e., checks/bank statements 2124 reports/MERS, etc.), delivery tickets, bills of lading, etc.

3. Project office staff should be sure their instructions to the successful bidder or prime regarding documentation submittal are recorded in the pre-construction meeting minutes.
4. Prime contractors cannot take regular dealer or manufacturer credit when they fail to provide documentation of SBE supplier participation requested by the project office. Notify the Office of Business Development via the CCM report when prime contractors fail or refuse to provide requested SBE supplier documentation and information.
5. Project office staff should notify the Office of Business Development via the CCM report when documentation provided indicates vendors or contractors other than the SBE suppliers are providing materials that were supposed to be secured by the SBE suppliers.
6. Whenever possible and practical, project office staff should visibly monitor deliveries of materials provided by SBE suppliers, noting company names on vehicles, etc.
7. Project office staff are encouraged to take pictures when questionable activities are observed, such as materials being dropped off in the manufacturers' vehicles or delivered by contractors and vendors other than the SBE supplier. Provide this information to the Office of Business Development as soon as possible along with a CCM report: MDOT-CCM@Michigan.gov or (248) 302-4589.