

DISADVANTAGED BUSINESS ENTERPRISE (DBE) ANNUAL PROJECT REVIEW

TRANSIT AGENCY NAME		TRANSIT AGENCY REPRESENTATIVE	
DBE BUSINESS NAME		DBE REPRESENTATIVE	
DBE PHONE NO.	DBE E-MAIL	DATE DBE WORK	
DESCRIBE DBE WORK			

AMOUNT INVOICED	AMOUNT PAID	IS THE WORK ON THIS CONTRACT COMPLETE? <input type="checkbox"/> YES <input type="checkbox"/> NO
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IF YOU HAVE NOT PAID THE AMOUNT INVOICED, EXPLAIN THE REASON(S) *(Attach a separate sheet if necessary)*

<u>EMPLOYEES</u>	YES	NO	N/A
Does the DBE have employees on the job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do they appear on the DBE firm's payroll? If no, explain below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the DBE assign work to them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>PERFORMANCE</u>			
Has any other contractor performed any of the DBE's work? If yes, explain below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CUF</u>			
Does it appear the DBE is performing a CUF? (See CUF explanation on back of form)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS / EXPLANATIONS

By signing this application, I certify that information provided is true and accurate.

TRANSIT AGENCY REPRESENTATIVE	TITLE	DATE
DBE REPRESENTATIVE	TITLE	DATE

Within 10 days of signature, a copy of this completed form is to be e-mailed to OPT project manager.

WHAT CONSTITUTES A COMMERCIALLY USEFUL FUNCTION (CUF)?

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

Five Key Areas to Monitor for CUF Compliance.

1. DBE Company Management
2. DBE Equipment Handling
3. DBE Workforce
4. DBE Contractually Supplied Materials
5. DBE Performance

CUF Violation Red Flags

Management

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

Equipment

- The equipment is used by the DBE firm but the payments are deducted by the prime contractor.
- The equipment used by the DBE firm belongs to another contractor with no formal long term lease agreement (large, highly specialized equipment, such as a Crane, is an exception).
- Magnetic equipment signs and markings cover another company logo or other information.

Workforce

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

Materials

- Materials for the DBE are ordered and/or paid for by another contractor.
- Joint (2 party) checks are sent directly to the suppliers of the DBE firm without the knowledge or consent of the DBE.
- The DBE does not deliver the agreed to joint (2-party) check to its supplier(s).
- Materials or supplies to be obtained by the DBE are delivered to, billed to or paid for by another contractor.
- The prime places requirements on the DBE regarding where to purchase project materials.

Performance

- Some of the DBE work is being done jointly with another contractor.
- The work to be performed is outside of the DBE's known experience or capability (DBE certifications/prequalification categories).
- The DBE performs work without a subcontract, purchase order or other signed contractual document.
- A DBE subcontracts more of its work than is customary or standard industry practice (50%).
- DBE participation on a project is less than the prime's commitment on MDOT form 0178 (blue sheet).
- Lack of evidence of ownership, control and/or independence of the DBE.
- The DBE works for only one prime contractor or a large portion of the DBE's contracts are with one contractor.

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