



State Highway Project Procedures Disadvantaged Business Enterprise Commercially Useful Function Compliance and Monitoring Guide



State of California

Department of Transportation

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The State Highway Project Procedures Disadvantaged Business Enterprise Commercially Useful Function Compliance and Monitoring Guide was prepared by the Division of Construction to be used by Caltrans Construction staff to determine if a Disadvantaged Business Enterprise is performing a Commercially Useful Function.



Any questions or comments on this State Highway Project Procedures Disadvantaged Business Enterprise Commercially Useful Function Compliance and Monitoring Guide should be submitted to:

Construction.Publications@dot.ca.gov

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Introduction

Code of Federal Regulations, Title 49, Part 26 requires that the California Department of Transportation (Caltrans) administer a Disadvantaged Business Enterprise (DBE) Program. The DBE Program is required for agencies, such as Caltrans, that use federal money on highway construction contracts. The program is designed to eliminate barriers for businesses to participate in highway construction contracts. Caltrans must assure that DBE firms meet the eligibility requirements to participate in federal-aid contracts.

The Caltrans Office of Civil Rights and Division of Construction are responsible for coordinating with Caltrans districts to implement, monitor, and enforce DBE Program compliance. This responsibility includes monitoring individual DBE contract goals to meet the Caltrans' established DBE Program annual goal.

Purpose

The purpose of this guidance is to help Caltrans Construction staff determine if a DBE performs a Commercially Useful Function (CUF) in accordance with the Code of Federal Regulations Title 49, Section 26.55 (49 CFR 26.55), "How is DBE participation counted toward goals?" Prime contractors must perform CUF evaluations on every federally funded construction contract. Caltrans project staff must perform CUF monitoring reviews on every federally funded project. Caltrans staff must also perform CUF evaluations on DBE prime contractors, and whenever a monthly CUF monitoring review determines that a "DBE is Not Performing a Commercially Useful Function" or when complaints are received. If a DBE performs a new or different function on the project, a new CUF evaluation must be completed.

Background

Pursuant to 49 CFR 26.55, a DBE performs a CUF when it is responsible for executing work on the contract when it performs, manages, and supervises the work involved. A DBE does not perform a CUF if its role is limited to only being an extra participant in a transaction, contract, or project through which funds pass in order to obtain the appearance of DBE participation.

Caltrans must monitor every project on which DBEs perform a CUF for the type of work the DBE qualifies for under the North American Industry Classification System (NAICS) code or applicable work code on the contract to count toward the project DBE goal in accordance with 49 CFR 26.55 (c)(1)-(4). When a DBE participates in a contract, only the value of the work performed by the DBE counts toward the DBE goals.

CUF monitoring and DBE certification are distinct components of the DBE program. DBE certification decisions address the nature of a DBE's ownership and structure. CUF monitoring investigates the DBE's work involvement on a project. Even if the certification process identifies the DBE as being able to perform as a contractor, regular dealer, manufacturer, trucker, professional services, or broker, it is important to monitor what a DBE does during the performance of a contract.

Legal Authority and References

Federal Regulation

49 CFR 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," ensures nondiscrimination in the award and administration of U.S. Department of Transportation contracts in the highway, transit, and airport financial assistance programs with an emphasis on the participation of DBEs.

Federal Provisions

Federal Highway Administration (FHWA) Form 1273, "Required Contract Provisions - Federal-Aid Construction Contracts," is a collection of contract provisions and proposal notices that must be physically incorporated in each federal-aid contract and subcontract.

Caltrans *Standard Specifications*

Section 2-1.12, "Disadvantaged Business Enterprises," and Section 5-1.13B, "Disadvantaged Business Enterprises," of the *Standard Specifications*, reiterate the policy of nondiscrimination in the award and administration of federal-aid contracts, and encourage that DBEs owned and controlled by individuals who are determined to be socially and economically disadvantaged can compete fairly for federal-aid contracts.

Definitions

Broker—Assistance in the procurement of materials, supplies, or transportation for the delivery of materials or supplies required on a job site.

Lower Tier Subcontractor—The contractor hired by the first-tier subcontractor to perform specific tasks for a project.

Manufacturer—A firm that operates or maintains a factory or establishment that produces on its premises the materials, supplies, articles, or equipment required under the contract and of the general character described in the specifications.

Prime Contractor—Contractor that has a contract with Caltrans on a project, and has the full responsibility for its completion. The obligation of the prime contractor is to complete the contract. The prime contractor may employ one or more subcontractors, or lower tier contractors, to carry out specific parts of the contract.

Professional Services—Engineering, architecture, geotechnical, materials testing, surveying, or other services provided by a professional.

Regular Dealer— A firm that owns, operates, or maintains a store, warehouse, or other establishment from which the materials, supplies, articles, or equipment of general character described by the specifications and required under contract are bought, kept in stock, and are regularly sold or leased to the public. The firm must be in the business that regularly engages, as its principal business and under its own name, in purchase and sale or lease of products in question. A DBE firm may be a regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone or asphalt, without owning, operating or maintaining a place of business where it keeps such items in stock, if the DBE owns and operates distribution equipment for the products it sells and provides for the contract work.

Trucker – Transportation services provided by a DBE trucker that owns, insures, and operates drivers the DBE employs. Services may include trucks the DBE trucker leases from another DBE.

DBE Goal Credit

To count toward the DBE goal on a project, a DBE must perform a CUF. This means that the DBE has a necessary and useful role on the project. For example, the DBE supplies the material and performs, manages, and supervises the work and its employees. Prime contractors must determine that the subcontractors and suppliers it uses on a project meet all of the DBE requirements to receive DBE credit. For all contracts with DBE participation, the prime contractor must hire independent, certified DBE firms to perform a CUF. Prime contractors' DBE compliance programs must include DBE evaluations to closely monitor their DBEs.

A certified DBE appears on the California Unified Certification Program, but the listing does not confirm the DBE is ready or capable of performing a CUF on a project. The DBE must have the proper NAICS code, a California business license, and when required, a contractor's license. The prime contractor should ask potential DBE firms the following questions to confirm the DBE is ready, willing, and able to perform a CUF:

- How long has your company been in business?
- Will the DBE manage and supervise the work with its own managers and supervisors?
- Will the DBE perform the work with its own forces?
- Will the DBE negotiate price, determine quality and quantity of materials and supplies, and install the materials?
- What work, if any, does the DBE intend to subcontract, and is it consistent with industry practice?

To qualify for goal credit, DBEs must perform a CUF. It is fraud to claim DBE participation if the DBE's role is limited to act as a pass-through for funds. If the DBE firm serves only to provide the appearance of DBE participation, the work cannot count toward the DBE goal. CUF violations indicate possible fraud and abuse of public funds.

The following provides allowable DBE goal credit based on DBE type:

Goal Credit %	Type of DBE	Description of the Work
100	Prime or Subcontractor	Count the value of the work performed by the DBE's own forces. May include the cost of supplies, materials or equipment leased by the DBE for the contract work. Do not count supplies, materials and equipment purchased or leased from the prime contractor or its affiliates.
100	Second- Tier Subcontractor	Count the total value of work subcontracted by a DBE subcontractor, if the work is subcontracted to a second-tier DBE subcontractor. Work that a DBE subcontracts to a non-DBE does not count toward the goal.
100	Trucker	Count the total value of transportation services provided by a certified DBE for the trucks it owns, insures, and operates using its drivers. Count the total value of trucks the DBE leases from another DBE.
100	Manufacturer	Count the total value of the materials, supplies, articles, or equipment required for the contract.
60	Regular Dealer	Count 60 percent of the total value of the materials supplies, articles, or equipment purchased or leased.
100 (Only for fees and commissions)	Broker	Count the entire amount of fees or commissions charged for the assistance in the procurement of the materials and supplies, or fees for transportation charges for the delivery of materials or supplies required on a contract, provided that it is determined the fees are reasonable when compared with fees customarily allowed for similar services.
100	Professional Services	Count the total value of the cost for professional services performed by the DBE's own forces required for the contract.

DBE Commercially Useful Function Compliance and Monitoring Program

To ensure compliance with the DBE CUF requirements in 49 CFR 26.55, Caltrans uses two processes: DBE Commercially Useful Function Evaluations and DBE Commercially Useful Function monitoring reviews.

DBE Commercially Useful Function Evaluations are used to verify that DBEs are performing a CUF on contracts. DBE Commercially Useful Function Evaluations are performed by both contractors and Caltrans. To verify that DBEs are performing a CUF throughout the contract performance period, Caltrans conducts DBE Commercially Useful Function Monitoring Reviews.

Commercially Useful Function Evaluation

DBE CUF evaluations are completed by contractors in detailed DBE Commercially Useful Function Evaluations on DBEs that are performing work, providing materials or supplies, or providing services on a contract. Caltrans performs DBE Commercially Useful Function Evaluations on DBE prime contractors.

Caltrans also performs DBE Commercially Useful Function Evaluations on DBE subcontractors, truckers, material suppliers, professional services providers, and brokers whenever a monthly CUF monitoring review determines that a “DBE is Not performing a Commercially Useful Function” or when complaints are received.

Both DBE Commercially Useful Function Evaluations performed by contractors and Caltrans staff require Caltrans’ verification of responses to questions based on attachments, contract documents, and verification of DBE employee employment based on DBE certified payrolls.

When there is an evaluation determination that the DBE company is not performing a CUF, the contractor must submit a corrective action plan. The plan must identify how the contractor will remediate when feasible or demonstrate commercially useful function compliance for the remaining portion of the DBE’s work. The resident engineer must authorize the corrective action plan and monitor implementation of the plan.

DBE CUF evaluations for federal-aid contracts must use Form CEM-2410, “DBE Commercially Useful Function Evaluation,” to document the evaluation and verification. This form documents that the elements of work performed by a DBE company were monitored and evaluated according to the Commercially Useful Function and counting requirements of 49 CFR 26.55. The form also contains data and questions to supplement monitoring of payments, termination of work, or changes in contract scope that may require prompt action to ensure final compliance. Appendix A: Form CEM-2410, “Disadvantaged Business Enterprise Commercially Useful Function Evaluation,” shows Form CEM-2410 with the form fields identified using red numbers enclosed in circles that correlate with the form instructions and verification requirements.

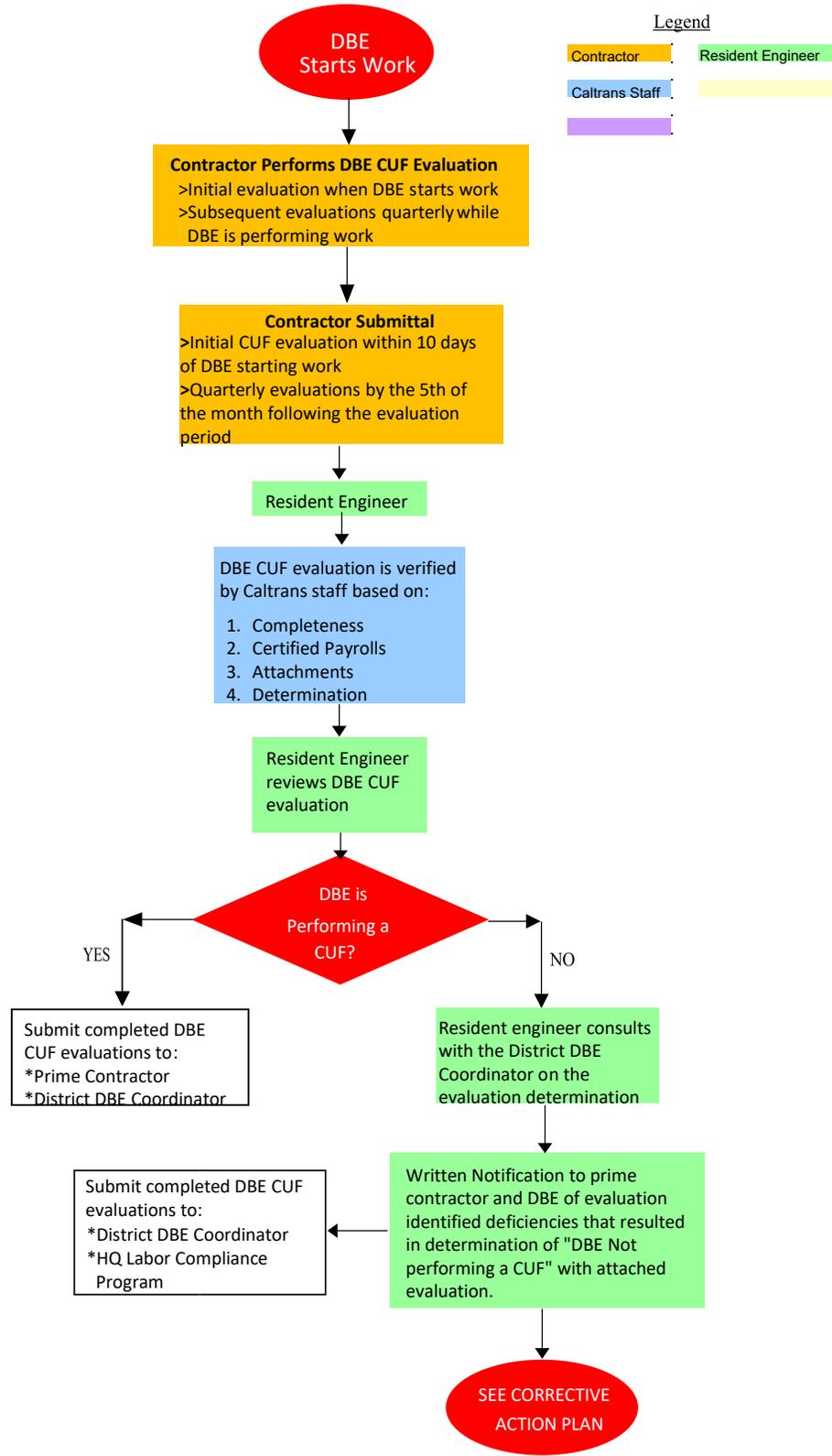
For consistency in performing evaluations by contractors and Caltrans staff, the evaluator must use Appendix B: DBE Commercially Useful Function Evaluation Evaluator Instructions. To assure consistency of the content and information shown on evaluations, Appendix B provides information and instructions for the content standards for questions and information requested on Form CEM-2410, “Disadvantaged Business Enterprise Commercially Useful Function Evaluation.” For proper verification of DBE CUF evaluations, form fields must all be filled in so reviewers can determine that the form field item was addressed.

Appendix L, “FHWA Tips on Evaluating a Commercially Useful Function,” identifies key factors in determining whether a CUF is being performed.

Commercially Useful Function Evaluations Performed by Contractors

The prime contractor for federal aid contracts must perform CUF evaluations on DBE subcontractors, truckers, material suppliers, professional services providers, and brokers. CUF evaluations must be performed for every DBE on each project with or without a DBE goal, such as race neutral emergency contracts. The process flowchart for contractor performed DBE CUF evaluations follows:

Figure 1. Contractor DBE CUF Evaluation Flowchart



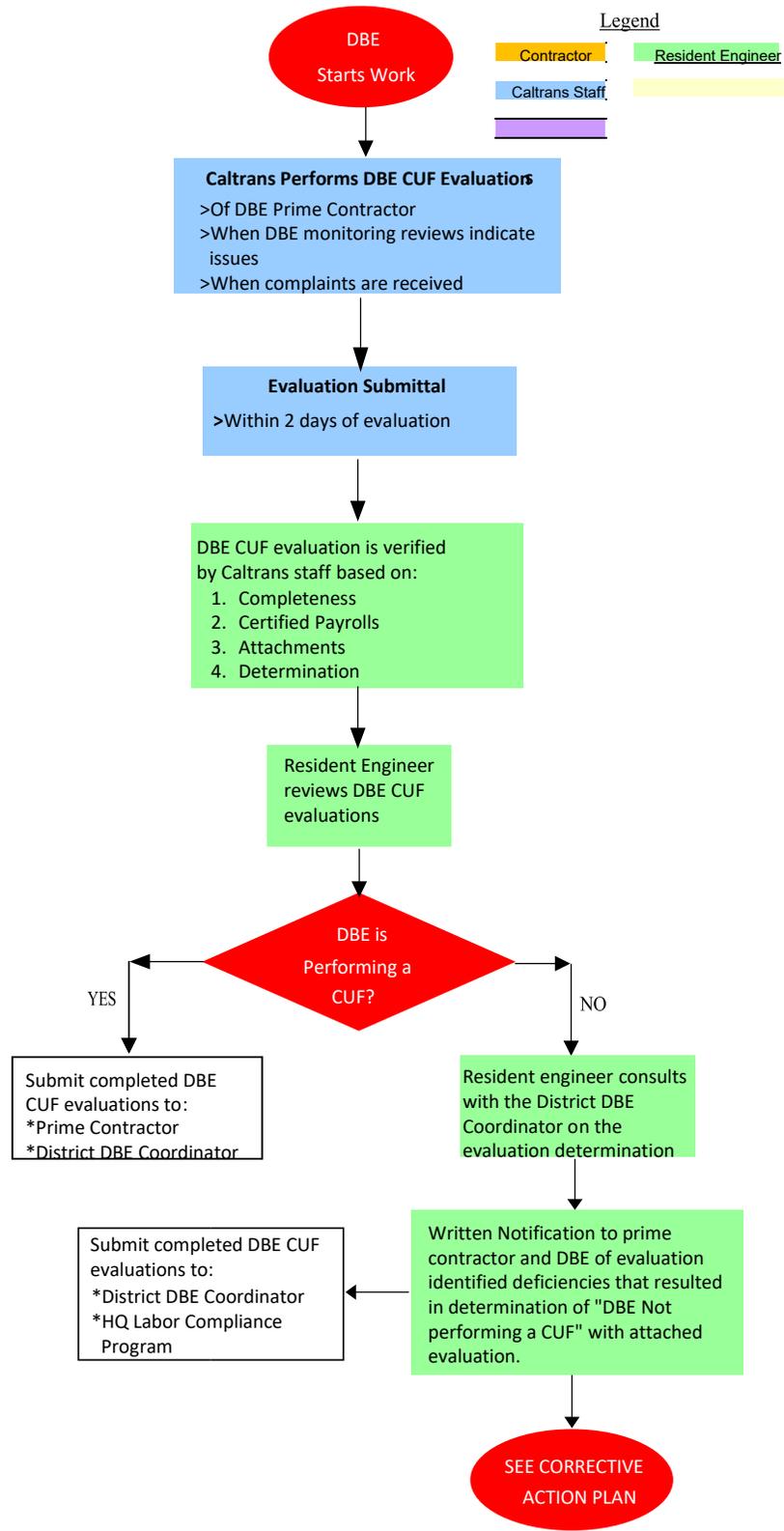
The DBE CUF evaluation must be conducted onsite. The evaluation includes observations of work being performed and responses to questions from DBE employees. For out-of-state DBE manufacturers, meetings with the DBE may be conducted as virtual meetings to obtain information for completing the evaluation. The initial evaluation must be conducted within 10 days of when the DBE first begins work and conducted quarterly while the DBE performs work on a contract.

The initial DBE CUF evaluation and all backup documentation as attachments must be submitted to Caltrans within 10 days of a DBE initially performing work or supplying materials on the contract. Quarterly DBE CUF evaluations must be submitted by the 5th of the month following the evaluation period, including submittal of all backup documentation as attachments.

Commercially Useful Function Evaluations Performed by Caltrans

Caltrans will perform DBE CUF evaluations on DBE prime contractors for each federal-aid contract when the contractor first begins work. Caltrans will also perform DBE CUF evaluations on DBE subcontractors, truckers, material suppliers, professional services providers, and brokers whenever a CUF monitoring review determines that a “DBE is Not Performing a Commercially Useful Function” or when complaints are received. The process flowchart for Caltrans performed DBE CUF evaluations follows:

Figure 2 Caltrans DBE CUF Evaluation Flowchart



The evaluator conducting CUF evaluations must:

- Before evaluation, review Form OCR-0006, “DBE-Commitment,” submitted by the contractor at time of bid to determine the scope of work for the DBE.
- Conduct the DBE CUF evaluation onsite and include observations of work being performed and responses from DBE employees; out-of-state DBE manufacturer meetings may be conducted virtually.
- Complete Form CEM-2410, “Disadvantaged Business Enterprise Commercially Useful Function Evaluation.”
- Submit copies of Form CEM-2410 and all backup documentation as attachments, including subcontracts, purchase orders, invoices, haul tickets, assistant resident engineer daily reports, and pictures, to the resident engineer.

Form CEM-2410 should be completed by the CUF evaluator and submitted to the resident engineer within 2 business days of the evaluation.

Commercially Useful Function Evaluation Verification Process

Conducting DBE CUF evaluations is a two-step process. The contractor or Caltrans evaluator completes the first step, and Caltrans completes the verification as the second step. For documenting DBE CUF evaluations, federal-aid contracts must use Form CEM-2410., “Disadvantaged Business Enterprise Commercially Useful Function Evaluation.”

For consistency in performing verifications by Caltrans staff, the verifier must use Appendix C: DBE Commercially Useful Function Evaluation Verification Instructions. Appendix C provides information and instructions for performing verification of responses to questions and information provided on Form CEM-2410.

CUF evaluation verifications includes four categories: completeness, certified payrolls, attachments, and CUF determination based on explanations provided to questions answered “NO.”

Verification Completeness: Verify information provided in all the form fields and that the evaluator answered all questions. In addition, if the evaluator answered “NO” to a question there must be an explanation in the comment section on that page of the form.

Verification Certified Payrolls: For questions that require information on DBE employees or DBE site supervisor or foreperson, verification that the employees are shown on the DBE company certified payrolls is required. Also required is verification that DBE employees are not listed on the certified payrolls of the prime contractor or other subcontractors.

Verification Attachments: Some form responses require attachments to document information provided or responses to questions. Verify that provided documents support the information or a response to a question is correct so that an accurate DBE CUF evaluation determination is made.

Verification No Responses and CUF Determination: Verify that comments were provided for all “NO” answers, which is required to evaluate the eligibility of the DBE to participate and receive credit for their performance of work. Verification that either “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function” is based on CUF determinants and on any deficiencies listed.

Commercially Useful Function Evaluations Certification by the Resident Engineer

The resident engineer is responsible for certifying that DBE companies are performing a commercially useful function. DBE CUF evaluations are completed by contractors or Caltrans staff, who then submit the CUF evaluation to the resident engineer for certification. The resident engineer will be responsible for the following:

- Verification of information and responses on Form CEM-2410, “Disadvantaged Business Enterprise Commercially Useful Function Evaluation,” for completeness. DBE employees are shown on DBE certified payrolls, responses to questions based on attachments provided, explanation provided for “NO” responses to questions and CUF determination.
- For determination of a “DBE Not Performing a Commercially Useful Function:”
 - Coordinate with designated district staff when responding to a CUF determination that requires action and attention.
 - If further guidance is needed before making a final CUF determination, coordinate with the district DBE coordinator for guidance from the headquarters Division of Construction Labor Compliance Program before contacting the prime contractor.
 - Notify the prime contractor and DBE in writing of a noncompliant CUF determination. Appendix D contains a sample letter to send to the prime contractor.
 - Forward a copy of the written notice provided to the contractor to the district DBE coordinator and the headquarters Division of Construction Labor Compliance Program.
- Submit certified DBE Commercially Useful Function Evaluations to the contractor and to the district DBE coordinator.

The resident engineer must issue DBE CUF evaluation verification, final review, and authorization within 5 business days of receiving the evaluation. The resident engineer must monitor that DBE CUF evaluations are completed for every DBE on a contract. Monitoring DBE CUF evaluations by use of a spreadsheet is a best practice.

Commercially Useful Function Corrective Action Plan

When it is determined by Caltrans that a DBE company is not performing a commercially useful function on a federal-aid project, the prime contractor must submit

a corrective action plan within 5 business days of the determination or receiving evaluation results. The contractor's plan must identify how the contractor will remedy the deficiencies or demonstrate commercially useful function compliance for the remaining portion of the DBE's work.

Form CEM-2411, "Disadvantaged Business Enterprise Commercially Useful Function Corrective Action Plan," must be used to document the actions to correct the deficiencies that led to the determination that the "DBE is Not Performing a Commercially Useful Function."

After a CUF corrective action plan is submitted by the contractor, the resident engineer will:

- Coordinate with designated district staff when responding to a contractor CUF action plan for noncompliance.
- Coordinate with the district DBE coordinator to notify the headquarters Division of Construction's Labor Compliance Program if further guidance is needed on whether the contractor's proposed corrective action plan is adequate.
- Respond within 5 business days of submittal of the corrective action plan with either of the following:
 - Authorization of the DBE Commercially Useful Function Action Plan.
 - Notification to the prime contractor in writing of the rejection of DBE Commercially Useful Function Corrective Action Plan. Include in the contractor notification any denial of DBE goal credit. An example rejection notification letter is in Appendix E.
- Forward a copy of the authorized DBE Commercially Useful Function Action Plan or written notice of rejection to the contractor to the district DBE coordinator and the headquarters Division of Construction Labor Compliance Program.
- Submit an authorized DBE Commercially Useful Function Corrective Action Plan to the contractor and to the district DBE coordinator.

The prime contractor, by signing and submitting the corrective action plan, commits to the following:

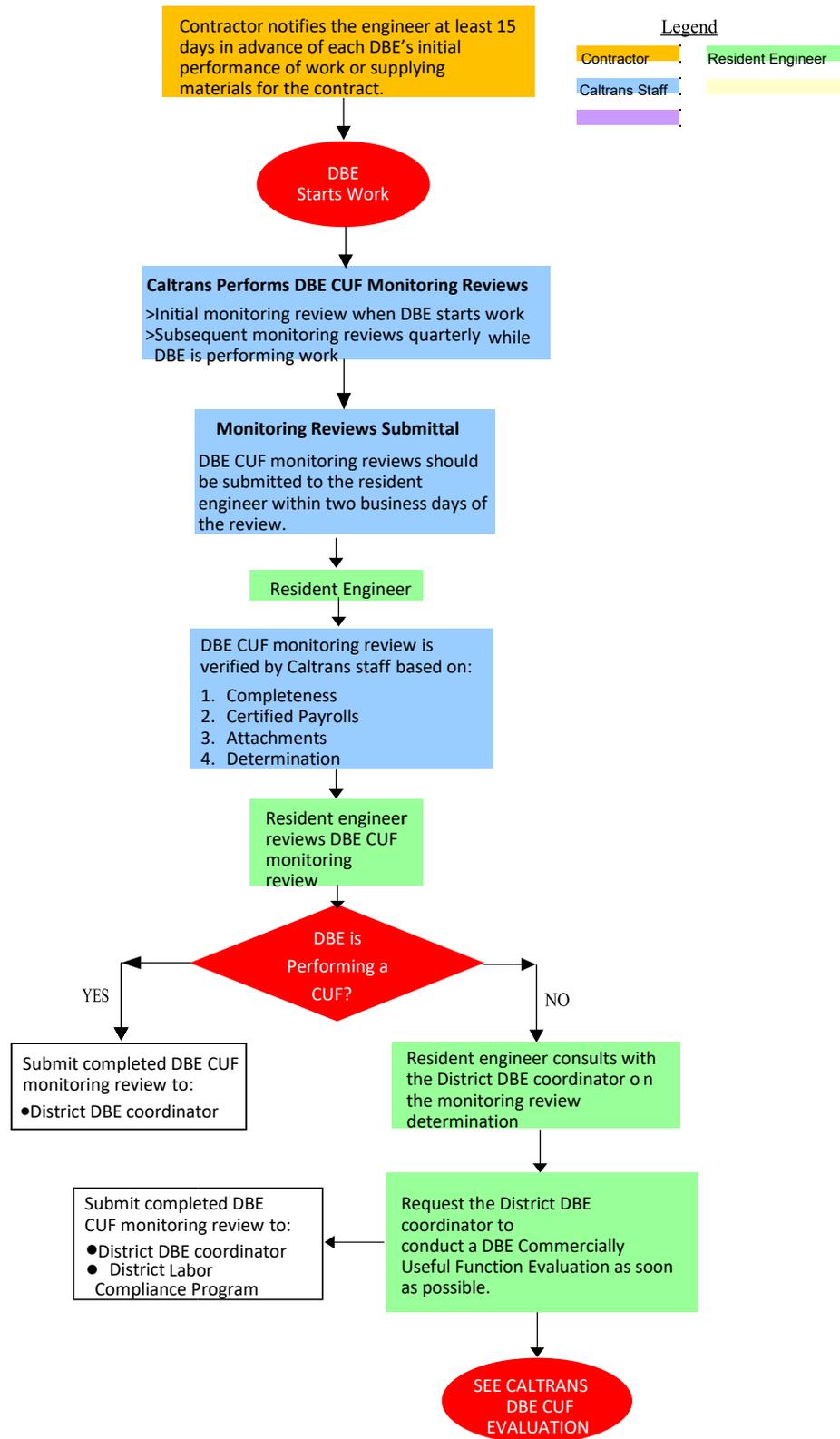
- Upon authorization of the plan, the prime contractor acknowledges that a "DBE is Performing a Commercially Useful Function" determination will be made. Compliance determination is contingent upon the plan's effective and timely implementation and the submission by the contractor of progress reports.
- Prime contractor will submit the first progress report no later than 15 calendar days from the date of the corrective action plan. Subsequent reports, if necessary, will be submitted every 14 calendar days, until all corrective actions have been completed. Each progress report will identify specific actions taken toward correcting the deficiencies in accordance with their established completion dates.
- Prime contractor understands that upon satisfactory completion of this plan, Caltrans will conduct a follow-up evaluation to confirm the effective implementation of the corrective actions stated herein.

The corrective actions must begin within 5 days of the resident engineer's authorization of the corrective action plan. The resident engineer is responsible for monitoring that the corrective action plan is being implemented. A re-evaluation of the DBE must be performed after corrective actions have been implemented.

Commercial Useful Function Monitoring Review

Caltrans performs CUF onsite monitoring reviews on every DBE contractor, subcontractor, regular trucker, regular dealer, manufacturer, professional service provider, and broker performing work or supplying materials on the project. The process flowchart for Caltrans performed DBE CUF monitoring reviews follows:

Figure 3. Caltrans DBE CUF Monitoring Reviews Flowchart



Monitoring reviews are required any time a DBE works on a project. If a CUF evaluation has not been performed, participation credit for the DBE company's work cannot be applied toward the contract goal.

Additionally, monitoring of work that DBE subcontractors sublet to lower tier subcontractors must be tracked in reviews, as credit can only be received if the lower tier subcontractor is certified as a DBE contractor to perform the specific type of work. If the lower tier subcontractor is not a DBE or not certified to perform the work, the value of this work cannot be counted toward the contract goal and must be deducted from the DBE amount to be credited to the project.

DBE CUF review is a two-step process; Caltrans Construction Division field staff completes the first step by performing an onsite review of the DBE, answering review questions, and providing observations. The DBE specialist or labor compliance staff completes the second step by performing any necessary verifications, for example, verifying that DBE employees are shown on the DBE certified payroll.

To document the onsite monitoring review, verifications, and DBE CUF determination, DBE CUF monitoring reviews for federal-aid contracts must use the following forms:

- Form CEM-2415, "Disadvantaged Business Enterprise Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker"
- Form CEM-2416, "Disadvantaged Business Enterprise Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker"
- Form CEM-2417, "Disadvantaged Business Enterprise Commercially Useful Function Monitoring Review Professional Services"

These forms provide documentation that the elements of work performed by a DBE were monitored and evaluated according to the Commercially Useful Function and counting requirements of 49 CFR 26.55. The forms also contain data and questions to supplement monitoring of payments or changes in contract scope that may require prompt action to assure final compliance.

The monitoring review forms are shown in the following appendixes with the form fields identified using numbers enclosed in circles that correlate with the form instructions:

- Appendix F: Form CEM-2415, "Disadvantaged Business Enterprise Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker"
- Appendix H: Form CEM-2416, "Disadvantaged Business Enterprise Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker"
- Appendix J: Form CEM-2417, "Disadvantaged Business Enterprise Commercially Useful Function Monitoring Review Professional Services"

For consistency of monitoring reviews, Caltrans staff performing monitoring reviews must use the following instructions:

- Appendix G: DBE Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions
- Appendix I: DBE Commercially Useful Function Monitoring Review Regular

Dealer/Manufacturer/Broker Instructions

- Appendix K: DBE Commercially Useful Function Monitoring Review Professional Services Instructions

Appendix G, Appendix I and Appendix K provide consistent information and instructions for information requested on Form CEM-2415, Form CEM-2416, and CEM-2517. For proper verification of DBE CUF monitoring reviews, it is important that form fields are not left blank. Form instructions include the standards for entering information in the form fields and comment sections, rather than leaving fields blank.

Initial DBE CUF reviews must be performed within 15 days of a DBE starting work on a contract. For monitoring DBE performance, perform quarterly reviews while the DBE is performing work.

The project field Construction staff CUF reviewer must do the following:

- Before evaluation, review Form OCR-0006, "DBE-COMMITMENT," submitted by the contractor at time of bid to determine the scope of work for the DBE company.
- Complete the CUF review form.
- Submit the completed CUF review form and all backup documentation, such as pictures, material invoices, and equipment verification, to the resident engineer.

The CUF review should be completed by the CUF reviewer and submitted to the resident engineer within 2 business days of the review.

Once a CUF review has been completed, the resident engineer will be responsible for the following:

- Making sure CUF evaluations have been completed for each DBE, have been conducted properly, and are checked for accuracy and completion.
- Verifying that DBE supervisor, foreperson and employees are on DBE company certified payrolls.
- Certifying the CUF review determination.
- For findings of CUF noncompliance:
 - Requesting that the district DBE coordinator conduct a DBE CUF evaluation as soon as possible.
 - Submitting a copy of the DBE CUF review to the district Labor Compliance Program.

The resident engineer is responsible for verifying that quarterly DBE CUF reviews are completed for every DBE company performing work, supplying materials, or providing services on a contract. Monitoring DBE CUF reviews may be done on a spreadsheet that lists the DBEs and months with check boxes for DBE performed work and DBE review.

The district DBE coordinator will monitor and verify the compliance of CUF reviews performed on DBE prime contractors, subcontractors, truckers, materials suppliers, professional services, and brokers. The district DBE coordinator will provide technical

support to designated district and Construction personnel on conducting CUF reviews and when responding to contractors regarding noncompliance.

APPENDIX A: Form CEM-2410 Disadvantaged Business Enterprise Commercially Useful Function Evaluation

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION

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DBE COMMERCIALLY USEFUL FUNCTION EVALUATION

CEM-2410 (V12/12/2021)

PROJECT INFORMATION ①		DISTRICT ②	EXPENDATURE AUTHORIZATION ③		
		COUNTY ④	ROUTE ⑤	BEGIN POST MILE ⑥	END POST MILE ⑦
CONTRACTOR NAME ⑧		FEDERAL NUMBER ⑨		PROJECT IDENTIFIER NUMBER ⑩	
<p>Complete a Commercially Useful Function (CUF) evaluation for each Disadvantaged Business Enterprise (DBE) company performing on a federal-aid contract, with or without a DBE goal. Perform the evaluation at the beginning of the DBE's work, and continue to monitor the performance of CUF for the duration of the project.</p>					
EVALUATOR INFORMATION					
EVALUATOR'S NAME ⑪		EMAIL ADDRESS ⑫		EVALUATION DATE ⑬	
EVALUATOR'S TITLE ⑭		PHONE NUMBER ⑮			
PRIME CONTRACTOR EVALUATION MEETING INFORMATION ⑯ <input type="checkbox"/> Not Required					
CONTRACTOR REPRESENTATIVE NAME ⑰		EMAIL ADDRESS ⑱		PHONE NUMBER ⑲	
CONTRACTOR REPRESENTATIVE TITLE ⑳					
DBE CONTRACT COMMITMENT					
DBE Total Contract Commitment		DBE Company Commitment		DBE Company Work Completed to Date	
⑳ %	\$ ㉒	㉓ %	\$ ㉔	㉕ %	\$ ㉖
DBE COMPANY INFORMATION					
DBE COMPANY NAME ㉗		COMPANY EMAIL ADDRESS ㉘		COMPANY PHONE NUMBER ㉙	
DBE COMPANY OWNER ㉚		DBE ADDRESS ㉛			
NAISC CODES ㉜		WORK CODES ㉝			
ADDRESS LOCATION <input type="checkbox"/> Storefront <input type="checkbox"/> Warehouse <input type="checkbox"/> Yard <input type="checkbox"/> Manufacturing Plant or Facility ㉞			Open to the Public ? <input type="checkbox"/> Yes <input type="checkbox"/> No ㉟		
DBE REPRESENTATIVE NAME ㉠		EMAIL ADDRESS ㉡		PHONE NUMBER ㉢	
DBE REPRESENTATIVE TITLE ㉣					
BRIEF DESCRIPTION OF DBE'S SCOPE OF WORK: <i>Include the bid item number and item description.</i> ㉤					
<input type="checkbox"/> Attach a copy of subcontract agreement or purchase order as applicable.					
TYPE OF DBE					
DBE company is performing as: ㉥					
<input type="checkbox"/> Prime Contractor (Section 1)		<input type="checkbox"/> Trucking (Section 2)		<input type="checkbox"/> Professional Services (Section 5)	
<input type="checkbox"/> Subcontractor (Section 1)		<input type="checkbox"/> Regular Dealer (Section 3)		<input type="checkbox"/> Broker (Section 6)	
<input type="checkbox"/> Tier Subcontractor (Section 1)		<input type="checkbox"/> Manufacturer (Section 4)			
<i>Complete the appropriate section to document the evaluation.</i>					

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STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION

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APPENDIX A: Form CEM-2410 Disadvantaged Business Enterprise Commercially Useful Function Evaluation

CEM-2410 (V12/12/2021)

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 1: DBE CONTRACTOR OR SUBCONTRACTOR EVALUATION <i>For any question marked "NO," provide explanation in the "Comments" section</i>					
MANAGEMENT				Response	
Does the DBE representative schedule material deliveries, equipment rentals, and other related actions required for the performance of their work? (51)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the DBE managing the work it has been subcontracted to perform? (52)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the person supervising the DBE employees either the DBE company owner or a Site Supervisor employed by the DBE company? (53) <i>Provide the name of the on-site supervisor.</i>				<input type="checkbox"/> YES <input type="checkbox"/> NO	
NAME (54)		POSITION (55)			
Does the foreman or supervisor effectively manage their work force without interference from any other individuals? (56)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
WORKFORCE				Response	
Do the employees of the DBE say they work for the DBE? (57) <i>List employees asked, if none were present provide reason why under comments.</i>				<input type="checkbox"/> YES <input type="checkbox"/> NO	
NAME (58)		POSITION (59)			
NAME		POSITION			
Verification (60) <input type="checkbox"/> DBE employment verified for all listed employees based on certified payrolls.				Caltrans Use <input type="checkbox"/> YES <input type="checkbox"/> NO	
Are the DBE employees working for the prime contractor or any subcontractor? (61)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Verification (62) <input type="checkbox"/> Cross check of payrolls for the DBE employees verified listed DBE employees are not on prime contractor or subcontractor payrolls.				Caltrans Use <input type="checkbox"/> YES <input type="checkbox"/> NO	
Do the DBE employees appear to have the adequate knowledge, training and experience to perform the subcontract work without assistance from the prime contractor, any other subcontractor or Caltrans employee? (63)				<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Is the DBE maintaining and submitting its own payroll records? (64)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Who is preparing the DBE certified payrolls? (65)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
<input type="checkbox"/> DBE Company		PAYROLL PREPARER NAME			
Verification (66) <input type="checkbox"/> Are prior payroll submissions and the number of DBE employees, including their work classifications, consistent with the assistant resident engineer's daily reports?				Caltrans Use <input type="checkbox"/> YES <input type="checkbox"/> NO	
COMMENTS:					

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STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
DBE COMMERCIALLY USEFUL FUNCTION EVALUATION
CEM-2410 (V12/12/2021)

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APPENDIX A: Form CEM-2410 Disadvantaged Business Enterprise Commercially Useful Function Evaluation

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE		
CONTRACTOR NAME			DBE COMPANY NAME				
SECTION 1: DBE CONTRACTOR OR SUBCONTRACTOR EVALUATION <i>For any question marked "NO," provide explanation in the "Comments" section</i>							
EQUIPMENT				67	<input type="checkbox"/> No Equipment		
List the major self-propelled equipment used by the DBE.							
Number	Major Equipment Type Used	Serial Number	DBE Name Marking or Emblem on Equipment? (70)	DBE Equipment Operator? (71)	Owned	Rental (72)	Leased
1	(68)	(69)	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2			<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3			<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Attach ownership document, rental or lease agreement.							
					Response		
Is the equipment under the direct supervision of the DBE? (73)					<input type="checkbox"/> YES <input type="checkbox"/> NO		
LEASED EQUIPMENT				74	<input type="checkbox"/> Not Required		
					Response		
Who is the equipment leased from?					N/A		
EQUIPMENT TYPE (75)		LEASED FROM (76)					
<input type="checkbox"/> Attach lease agreements.							
Lease agreements are long term and not ad hoc for this contract? (77)					<input type="checkbox"/> YES <input type="checkbox"/> NO		
<u>Is the leased equipment from a company other than the Prime or upper tier subcontractor?</u> (78)					<input type="checkbox"/> YES <input type="checkbox"/> NO		
<u>If equipment is from the prime contractor or an upper tier subcontractor answer the following:</u>							
Is the lease for a specialized piece of equipment? (79)					<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A		
Value of the equipment leased: \$ _____ (80)							
Is the leased equipment operator under the direct supervision of the DBE representative? (81)					<input type="checkbox"/> YES <input type="checkbox"/> NO		
EQUIPMENT TYPE (82)		OPERATOR NAME (83)					
COMMENTS:							

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APPENDIX A: Form CEM-2410 Disadvantaged Business Enterprise Commercially Useful Function Evaluation

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 1: DBE CONTRACTOR OR SUBCONTRACTOR EVALUATION <i>For any question marked "NO," provide explanation in the "Comments" section</i>					
MATERIALS				(84) <input type="checkbox"/> No Materials	
Is the DBE contracted to supply and install materials or only install materials for contract items? (85)				<input type="checkbox"/> Supply & Install <input type="checkbox"/> Only Install	
Are joint checks being used for materials? (86) <input type="checkbox"/> If YES, attach the DBE Joint Check Agreement Request form (CEM-2407)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
If joint checks are being used, does the subcontractor bond cover the DBE commitment amount? (87)				<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Is a DBE representative managing the arrangement and scheduling the delivery of material? (88)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is a DBE representative on site to receive deliveries? (89)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are materials invoices made out to the DBE? (90) <input type="checkbox"/> Attach copies of invoices and Material on Hand documents.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Materials are shipped to the DBE? (91) <input type="checkbox"/> Attach copies of shipping documents or bills of ladings.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Materials are paid for by the DBE? (92) <input type="checkbox"/> Attach copies of cancelled checks.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
According to invoices, did the DBE purchase any materials from the prime contractor or an upper tier subcontractor? (93) <input type="checkbox"/> Attach copies of invoices.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
If YES, in whose name are the materials invoices made out to?					
MATERIAL SUPPLIED TO (94)					
If YES, in whose name are the materials shipped? <i>Attach Copies of shipping documents or bills of ladings.</i>					
MATERIALS SHIPPING TO (95)					
If YES, value of the materials shown on invoice: \$ (96)					
COMMENTS:					

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DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 2: TRUCKING					
<input type="checkbox"/> On Site <input type="checkbox"/> Delivery of Materials <input type="checkbox"/> Off Haul of Materials 97 For any question marked "NO," provide explanation in the "Comments" section					
PERFORMANCE				Response	
Is the DBE performing the bid item work committed to them on the DBE Commitment Form and their subcontract agreement? 98 <input type="checkbox"/> Attach subcontract.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Provide a brief description of the DBE's scope of work as observed: <div style="text-align:center;">99</div>					
Do haul tickets name the DBE as the trucker? 100 <input type="checkbox"/> Attach copies of haul tickets.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Did the DBE subcontract any items or portions of the work to any other company? 101 If YES, what percentage was subcontracted? _____ % 102 Name of company doing subcontracted work: _____ 103 Is the subcontractor a DBE? 104				<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Does the on-site monitoring of trucks provide a means to identify and count non-DBE and DBE haulers? 105				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Truck Count:		DBE LOADS 106	NON-DBE LOADS 107		
Does the current value of the running tally of DBE and non-DBE hauling to date compared to remaining hauling appear that the trucking DBE commitment will be met? 108				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Has form CEM-2404F Monthly DBE/UDBE Trucking Verification been submitted that identifies non-DBE and DBE haulers? 109				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Verification 110 Were all DBE trucks performing work on the project listed on the DBE trucking form?				Caltrans Use <input type="checkbox"/> YES <input type="checkbox"/> NO	
On form CEM-2404F was credit for only fees and commissions given for leased non-DBE hauling? 111				<input type="checkbox"/> YES <input type="checkbox"/> NO	
COMMENTS:					

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APPENDIX A: Form CEM-2410 Disadvantaged Business Enterprise Commercially Useful Function Evaluation

DBE COMMERCIALLY USEFUL FUNCTION EVALUATION

CEM-2410 (V12/12/2021)

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 2: TRUCKING					
For any question marked "NO," provide explanation in the "Comments" section					
MANAGEMENT					Response
Is the DBE managing the arrangement of and scheduling the trucks? (112)					<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE itself own and operate at least one fully licensed, insured and operational truck used on the subcontract? (113) <input type="checkbox"/> Attach verification of truck ownership in the name of the DBE.					<input type="checkbox"/> YES <input type="checkbox"/> NO
Are any of the DBE trucking operations being performed by independent owner-operators? (114) If "Yes," how many owner operators? _____ (115)					<input type="checkbox"/> YES <input type="checkbox"/> NO
WORKFORCE					Response
Truck Drivers Are all trucks operated by employees of the DBE, lower tier DBE or DBE owner operators? (116) Truck driver's employment: (117) <input type="checkbox"/> Employees of the DBE <input type="checkbox"/> Employees of Lower tier DBE <input type="checkbox"/> DBE owner-operators <input type="checkbox"/> Attach copies of truck tags and registrations.					<input type="checkbox"/> YES <input type="checkbox"/> NO
If trucks leased from a non-DBE truck leasing company, the trucks are operated by employees of the DBE company and the trucks bear the name and US DOT identification number of the DBE? (118) <input type="checkbox"/> Attach copies of truck tags and registrations.					<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
Is the DBE maintaining and submitting its own payroll records? (119)					<input type="checkbox"/> YES <input type="checkbox"/> NO
Who is preparing the DBE certified payrolls? (120)					
<input type="checkbox"/> DBE Company	PAYROLL PREPARER NAME				
Verification (121) <input type="checkbox"/> Number of DBE employee truckers and those listed on payroll records is consistent.					Caltrans Use <input type="checkbox"/> YES <input type="checkbox"/> NO
COMMENTS:					

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APPENDIX A: Form CEM-2410 Disadvantaged Business Enterprise Commercially Useful Function Evaluation

CEM-2410 (V12/12/2021)

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 3: REGULAR DEALER (60% Credit)					
<input type="checkbox"/> Standard Regular Dealer <input type="checkbox"/> Bulk Items Regular Dealer (122) <i>For any question marked "NO," provide explanation in the "Comments" section</i>					
Standard Regular Dealer					(123) <input type="checkbox"/> Not Required
					Response
Are the products provided by the DBE regular dealer the same, type and quantity, as those described in the prime's commitment, and purchase order or subcontract? (124) <input type="checkbox"/> <i>Attach purchase order or subcontract.</i>					<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE have an established storage facility and inventory which includes the products, or those of a similar character, that the DBE is supplying to this project? (125)					<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE own the products they sell or lease? (126) <input type="checkbox"/> <i>Attach invoice from product manufacture to the regular dealer or cancelled check payable to the manufacturer.</i>					<input type="checkbox"/> YES <input type="checkbox"/> NO
Do all products come directly from the DBE's establishment or does the DBE have physical possession of the products prior to delivery? (127) <i>If YES, check box N/A for next question.</i>					<input type="checkbox"/> YES <input type="checkbox"/> NO
If not all products, do most products come directly from the DBE's establishment or does the DBE have physical possession of the products prior to delivery? (128)					<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
Did you visit the DBE's establishment to answer or verify the answers to these regular dealer questions? (129)					<input type="checkbox"/> YES <input type="checkbox"/> NO
COMMENTS:					

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DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		

SECTION 3: REGULAR DEALER (60% Credit)

For any question marked "NO," provide explanation in the "Comments" section

Bulk Item Regular Dealer	(130) <input type="checkbox"/> Not Required
	Response
Are the products considered bulk or specialty items that suppliers do not typically keep in stock? (131)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do the trucks delivering the bulk materials have the DBE regular dealer emblem or markings? (132)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do haul tickets name the DBE regular dealer as the trucker? (133) <input type="checkbox"/> Attach copies of haul tickets.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE own, or have a long-term lease, and operate the distribution equipment to deliver the products they sell? (134) <input type="checkbox"/> Trucks owned by the DBE. (135) <input type="checkbox"/> Trucks leased by the DBE. <input type="checkbox"/> Attach verification of truck ownership or lease agreements in the name of the DBE.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Truck Drivers Are trucks owned by the DBE operated by Employees of the DBE? (136) If trucks are used from a leasing company: Trucks are operated by DBE employees and bear the name and US DOT identification number of the DBE? (137) <input type="checkbox"/> Attach copies of truck tags and registrations.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
Bulk materials are paid for by the DBE regular dealer? (138) <input type="checkbox"/> Attach copies of cancelled checks from DBE regular dealer to bulk materials supplier.	<input type="checkbox"/> YES <input type="checkbox"/> NO
COMMENTS:	

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DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 4: MANUFACTURER (100% Credit) <i>For any question marked "NO," provide explanation in the "Comments" section</i>					
Is the manufacturer business' primary function to manufacture products used in construction? (139)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the DBE manufacturer regularly produce the product ordered for this project? (140)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the DBE manufacturer purchase the raw material for the products? (141) <input type="checkbox"/> Attach copies of invoices, shipping documents, and bills of lading for raw materials.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Were the products manufactured by the DBE manufacturer the same type and quantity as those described in the prime contractor's commitment? (142) <input type="checkbox"/> Attach copy purchase order, or DBE's subcontract.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Do records indicate that the final products manufactured, blended, modified or fabricated came from an establishment maintained and operated by the DBE manufacturer? (143) <input type="checkbox"/> Attach certificates of compliance and invoices.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
COMMENTS:					

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APPENDIX A: Form CEM-2410 Disadvantaged Business Enterprise Commercially Useful Function Evaluation

DBE COMMERCIALLY USEFUL FUNCTION EVALUATION

CEM-2410 (V12/12/2021)

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 5: PROFESSIONAL SERVICES					
<i>For any question marked "NO," provide explanation in the "Comments" section</i>					
DBE firm is providing the following professional service: (144)		<input type="checkbox"/> Engineering	<input type="checkbox"/> Materials Testing		
		<input type="checkbox"/> Architecture	<input type="checkbox"/> Surveying		
		<input type="checkbox"/> Geotechnical	<input type="checkbox"/> Other: _____		
DBE consultant firm is: (145)		<input type="checkbox"/> Prime consultant	<input type="checkbox"/> Sub Consultant		
PERFORMANCE				Response	
Is the DBE performing the bid item work committed to them on the DBE Commitment Form and their agreement? (146)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
<input type="checkbox"/> Attach DBE subcontract or agreement.					
Provide a brief description of the DBE's scope of work as observed: (147)					
Does the DBE firm have the required expertise for the work? (148)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the DBE company working without the assistance from the prime contractor, another subcontractor or consultant? (149)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Did the DBE company subcontract out any portion of its work? (150) If yes, list resources and from whom. If no, skip to next question.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
RESOURCES: (151)					
NAME OF SUBCONTRACTOR: (152)					
Is the DBE performing at least 30% of its contracted work? (153)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
MANAGEMENT				Response	
Is the DBE scheduling work activities and other related actions for performance of the work? (154)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the DBE managing the work it has been subcontracted to perform? (155)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the DBE submitting invoices or payrolls? (156) <input type="checkbox"/> Attach invoices.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the person supervising the DBE employees either the DBE firm owner or a site supervisor employed by the DBE firm? (157) Provide the name of the on-site supervisor.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
NAME (158)		TITLE (159)			
Does supervisor effectively manage their work force without interference from any other individuals? (160)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
COMMENTS					

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CEM-2410 (V12/12/2021)

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
SECTION 5: PROFESSIONAL SERVICES <i>For any question marked "NO," provide explanation in the "Comments" section</i>					
WORKFORCE					Response
Do the employees of the DBE say they work for the DBE? (161) <i>List employees asked if none were present provide reason why under comments.</i>					<input type="checkbox"/> YES <input type="checkbox"/> NO
NAME (162)		POSITION (163)			
Is the DBE maintaining and submitting its own payroll records? (164)					<input type="checkbox"/> YES <input type="checkbox"/> NO
Who is preparing the DBE certified payrolls? (165)					<input type="checkbox"/> YES <input type="checkbox"/> NO
<input type="checkbox"/> DBE Company		PAYROLL PREPARER NAME			
Verification (166) <input type="checkbox"/> Number of employees on site and those listed on payroll records is consistent.					Caltrans Use
EQUIPMENT					Response
Is the DBE only using equipment it owns, rents, or leases? (167) <input type="checkbox"/> Attach equipment list and any rental or lease agreements.					<input type="checkbox"/> YES <input type="checkbox"/> NO
COMMENTS:					
SECTION 5: BROKER <i>For any question marked "NO," provide explanation in the "Comments" section</i>					
DBE firm is a broker for: (168)		<input type="checkbox"/> Transportation or Hauling <input type="checkbox"/> Procurement of Materials <input type="checkbox"/> Procurement of Supplies		<input type="checkbox"/> Bonding <input type="checkbox"/> Insurance	
PERFORMANCE					Response
Is the DBE broker performing for the bid item work committed to them on the DBE Commitment Form and their agreement? (169)					<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE firm have the required expertise for the work? (170)					<input type="checkbox"/> YES <input type="checkbox"/> NO
MANAGEMENT					Response
Is the DBE managing the work it has an agreement to perform? (171)					<input type="checkbox"/> YES <input type="checkbox"/> NO
For procurement of materials, supplies and trucking, is the DBE scheduling procurement of materials and supplies or trucking for delivery of materials and supplies, and other related actions for performance of the work? (172)					<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
For bonding or insurance, did the DBE provide the bonds or insurance? (173)					<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
Is the DBE submitting invoices or payrolls? (174) <input type="checkbox"/> Attach invoices.					<input type="checkbox"/> YES <input type="checkbox"/> NO
Are the broker fees and commissions reasonable? (175)					<input type="checkbox"/> YES <input type="checkbox"/> NO
COMMENTS:					

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DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
DBE COMMERCIALLY USEFUL FUNCTION EVALUATION DETERMINATION					
For the DBE performing a Commercial Useful Function, the DBE CUF evaluation identified: 176					
<input type="checkbox"/> No deficiencies <input type="checkbox"/> The following deficiencies:					
Number	CUF Deficiency				
1	SECTION	177			
	QUESTION	178			
	DESCRIPTION OF DEFICIENCY	179			
For Commercial Useful Function full credit, the DBE CUF evaluation identified: 180					
<input type="checkbox"/> No inadequacies <input type="checkbox"/> The following inadequacies:					
Number	CUF Inadequacy				
1	SECTION	181			
	QUESTION	182			
	DESCRIPTION OF DEFICIENCY	183			
DBE CUF DETERMINATION 184					
<input type="checkbox"/> DBE is Performing a Commercially Useful Function Based on the evaluation the DBE is performing a Commercially Useful Function because the DBE is an independent business, executing a distinct element of the work by actually performing, managing, and supervising the work specified in the DBE's contract.					
<input type="checkbox"/> DBE is Not Performing a Commercially Useful Function Based on the evaluation the DBE was not performing a Commercially Useful Function.					
EVALUATOR NAME 185		SIGNATURE 186		DATE 187	
CONTRACTOR CERTIFICATION 188 <input type="checkbox"/> Caltrans Evaluation					
I certify under penalty of perjury that the information provided in this form is complete and accurate.					
CONTRACTOR NAME 189		SIGNATURE 190		DATE 191	

ADA For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or **Notice**write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
DBE COMMERCIALY USEFUL FUNCTION EVALUATION
 CEM-2410 (V12/12/2021)

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
CALTRANS VERIFICATION					
The information provided in this form has been verified to be complete and accurate.					
COMPLETNESS					
VERIFIED BY NAME		SIGNATURE		DATE	
(192)		(193)		(194)	
BASED ON CERTIFIED PAYROLLS					
VERIFIED BY NAME		SIGNATURE		DATE	
(195)		(196)		(197)	
BASED ON ATTACHMENTS & DOCUMENTS					
VERIFIED BY NAME		SIGNATURE		DATE	
(198)		(199)		(200)	
NO RESPONSES & CUF DETERMINATION					
VERIFIED BY NAME		SIGNATURE		DATE	
(201)		(202)		(203)	
RESIDENT ENGINEER CERTIFICATION					
I certify that I have reviewed the information submitted in this DBE CUF evaluation and have made the following CUF determination: (204)					
<input type="checkbox"/> DBE is Performing a Commercially Useful Function <input type="checkbox"/> DBE is Not Performing a Commercially Useful Function.					
RESIDENT ENGINEER NAME		SIGNATURE		DATE	
(205)		(206)		(207)	
COMPLETED EVALUATIONS SUBMITTAL					
Submit DBE Commercially Useful Function Evaluation to the Contractor		SUBMITTED BY NAME		DATE	
		(208)		(209)	
Submit DBE Commercially Useful Function Evaluation to the DBE company		SUBMITTED BY NAME		DATE	
		(210)		(211)	
Submit DBE Commercially Useful Function Evaluation to the District Labor Compliance Office		SUBMITTED BY NAME		DATE	
		(212)		(213)	
Submit non-compliant DBE Commercially Useful Function Evaluation to the headquarters Division of Construction's Labor Compliance Program		SUBMITTED BY NAME		DATE	
		(214)		(215)	
ATTACHMENTS					
Record or Document (216)		File Name (217)			
<input type="checkbox"/> Subcontract Agreement					
<input type="checkbox"/> Purchase Order					
<input type="checkbox"/> Daily Work Records					
<input type="checkbox"/> Certified Payrolls					
<input type="checkbox"/> Invoices					
<input type="checkbox"/> Equipment Ownership					
<input type="checkbox"/> Lease or Rental Agreement					
<input type="checkbox"/> Haul Tickets or Bills of Lading					
<input type="checkbox"/> Delivery Tickets					
<input type="checkbox"/>					

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APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

The contractor is to perform DBE CUF evaluations on DBE subcontractors, truckers, material suppliers, professional services providers, and brokers for each federal-aid contract. Perform a minimum of one CUF evaluation for each DBE for each project with or without a DBE goal. The evaluation must be conducted onsite and include observations of work being performed and responses from DBE employees. The evaluation should be conducted within 10 days of when the DBE first begins work and at least once for least every 60 working days the DBE performs work on a contract. The DBE CUF evaluation must be submitted to Caltrans within 5 business days of conducting the evaluation.

Caltrans will perform DBE CUF evaluations on DBE prime contractors for each federal-aid contract when the contractor first begins work and at least every six months during the project.

Caltrans will perform DBE CUF evaluations on DBE subcontractors, truckers, material suppliers, professional services providers, and brokers whenever a monthly CUF monitoring review determines that a “DBE is Not Performing a Commercially Useful Function” or when complaints are received.

For documenting DBE CUF evaluations, use Form CEM-2410, “Disadvantaged Business Enterprise Commercially Useful Function Evaluation” For federal-aid contracts.

Section: PROJECT INFORMATION

PROJECT DESCRIPTION [Form Field 1]

Give a brief description of the project, for example "Route 1 widening in Fort Bragg, CA" or "In Humboldt County In And Near Arcata On Route 101 From Saint Louis Road Overcrossing To Mad River Bridge And On Route 299 At 299/101 Separation."

DISTRICT [Form Field 2]

Enter the district number of the contract (1-12) shown on the contract special provisions.

Standard Format:

Contract No. YY-XXXXX4

Example: Contract No. 11 – 5Q0124

DISTRICT: 11

EXPENDITURE AUTHORIZATION [Form Field 3]

Enter the first 6 digits of the expenditure authorization shown on the contract special provisions.

Standard Format:

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Contract No. YY-XXXXX4

Example: Contract No. 11 – **5Q0124**

Expenditure Authorization 5Q0124

COUNTY [Form Field 4]

Enter the county abbreviation for the location of the contract as shown on the Notice to Bidders.

Example: 11 - **SD** - 805 - **2.3 / 21.44**

COUNTY: SD

ROUTE [Form Field 5]

Enter the state highway route number for the contract as shown on the Notice to Bidders.

Example: 11 - SD - **805** - 2.3 / 21.44

ROUTE: 805

BEGIN POSTMILE - END POSTMILE [Form Fields 6–7]

Enter the begin and end postmile shown as shown on the Notice to Bidders.

Example: 11 - SD - 805 - **2.3 / 21.44**

Begin Post Mile: 2.3

End Post Mile: 21.44

CONTRACTOR NAME [Form Field 8]

Enter company name of the prime contractor.

FEDERAL NUMBER [Form Field 9]

Enter the contract federal number shown on the contract special provisions. The basic federal-aid project number consists of a prefix and a project number. The prefix is assigned to reflect the type of federal funds involved on the entire project. Most projects are programmed using advance construction procedures, indicated by the “AC” at the beginning of the prefix (ACYYYQQ). The “YYY” of the prefix is the federal funding program and “QQ” represents FHWA reimbursement ratio. The project number is 7-character alpha/numeric format used to identify the Federal Project Number and is consistent with FHWA’s project numbering system. A suffix “N” or “E” is at the end of the project number. Projects with the suffix “N” are projects of division interest. Projects with the suffix “E” are delegated projects. This information is shown on the cover of the project special provisions.

Standard Format:

Interstate

Prefix-Route Number-Segment(Federal Project Number)E or N

ACYYYQQ-XXX-X(XXX)E or N

Non-Interstate

Prefix- **P**Route Number (Federal Project Number)E or N

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

ACYYYQ-QPXXX(XXX) E or N

PROJECT IDENTIFIER NUMBER [Form Field 10]

Enter the Enterprise Financial Infrastructure System (EFIS) 10-digit identifier number as shown on the contract special provisions.

Standard Format:

Project ID XXXXXXXXXXXX

Example: Project ID 1100020392

Section: EVALUATOR INFORMATION

The evaluator may be a representative of the prime contractor or a Caltrans representative.

EVALUATOR NAME [Form Field 11]

Enter the name of the individual conducting the DBE CUF evaluation.

EMAIL ADDRESS [Form Field 12]

Enter the evaluator's email address.

EVALUATION DATE [Form Field 13]

Enter the date the field evaluation took place of the DBE.

EVALUATOR TITLE [Form Field 14]

Enter the title of the individual conducting the DBE CUF evaluation.

PHONE NUMBER [Form Field 15]

Enter the evaluator's phone number.

Section: PRIME CONTRACTOR EVALUATION MEETING INFORMATION

Information in this section is only required when Caltrans is evaluating the prime contractor

Prime Contractor Evaluation Meeting Information [Form Field 16]

For prime contractor evaluation, check the box "Not Required" and this section will collapse.

CONTRACTOR REPRESENTATIVE [Form Fields 17-20]

Enter the name, email address, phone number and title of the contractor's representative attending the evaluation meeting.

Section: DBE CONTRACT COMMITMENT

DBE TOTAL CONTRACT COMMITMENT [Form Fields 21-22]

Enter the percentage and dollar amount of the total DBE commitment on this contract as shown on Form OCR-0006, "DBE-COMMITMENT."

DBE COMPANY COMMITMENT [Form Fields 23-24]

Enter the calculated percentage and dollar amount the contractor has committed to the DBE based on the subcontract amount or purchase order amount for materials as shown on Form OCR-0006, "DBE-COMMITMENT."

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

DBE COMPANY WORK COMPLETED TO DATE [Form Fields 25-26]

Enter the calculated percentage and dollar amount of DBE completed work performed or materials supplied to date for the DBE company.

Section: DBE COMPANY INFORMATION

DBE COMPANY NAME [Form Field 27]

Enter the name of the DBE contractor, subcontractor, trucker, or materials supplier.

COMPANY EMAIL ADDRESS [Form Field 28]

Enter the email address of the DBE contractor, subcontractor, trucker, or materials supplier.

COMPANY PHONE NUMBER [Form Field 29]

Enter the phone number of the DBE contractor, subcontractor, trucker, or materials supplier as shown on Form OCR-0006, "DBE-COMMITMENT."

DBE COMPANY OWNER [Form Field 30]

Enter the name of the owner of the DBE contractor, subcontractor, trucker, or materials supplier.

NAISC CODES [Form Field 31]

Enter the North American Industry Classification System codes for the DBE company as shown on Form OCR-0006, "DBE-COMMITMENT."

WORK CODES [Form Field 32]

Enter the work codes for the DBE as shown on Form OCR-0006, "DBE-COMMITMENT."

DBE ADDRESS [Form Field 33]

Enter the address of the DBE office.

ADDRESS LOCATION [Form Field 34]

Check the appropriate box for storefront, warehouse, yard, manufacturing plant, or facility.

OPEN TO THE PUBLIC [Form Field 35]

Check box either "Yes" or "No" whether the storefront, warehouse, yard, manufacturing plant, or facility is open to the public.

DBE REPRESENTATIVE [Form Fields 36-39]

Name, email address, phone number and title of the DBE's representative attending the evaluation meeting. If there is no DBE representative attending the evaluation meeting, enter "None" in these fields.

BRIEF DESCRIPTION OF THE DBE'S SCOPE OF THE WORK [Form Fields 40]

Provide a description of the work the DBE will perform or the materials that will be supplied by a DBE company based on the DBE subcontract or purchase order.

TYPE OF DBE [Form Field 41]

Check the appropriate box for prime contractor, subcontractor, tier subcontractor, trucking, regular dealer, manufacturer, or broker based on what the DBE is performing on the contract. Select all of boxes that apply for the DBE company.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Sections 1-6: DBE COMPANY EVALUATION

Complete the appropriate section for the type of work performed or materials supplied by the DBE company as indicated by the checked box for prime contractor, subcontractor, tier subcontractor, trucking, regular dealer, manufacturer, professional services or broker.

Although some DBEs are awarded prime contracts, DBEs primarily work as subcontractors for the prime. Subcontractors typically perform specific contract items and provide their own labor and materials. To determine whether a DBE is performing a CUF, 5 distinct criteria must be considered: performance, management, workforce, equipment, and materials.

Section 1: DBE CONTRACTOR OR SUBCONTRACTOR EVALUATION

For any question marked “NO,” provide explanation in the “Comments” section.

PERFORMANCE

The DBE must be responsible for the performance, management, and supervision of a distinct element of the work, in accordance with normal industry practice, except where such practices are inconsistent with the DBE regulations.

Is the DBE performing the bid item work committed to them on the DBE Commitment Form and their subcontract agreement? [Form Fields 42-43]

Check the appropriate box “YES” or “NO.”

Attach a copy of the subcontract.

Provide a brief description of the DBE’s scope of work as observed.

Is the DBE company working without the assistance from the prime contractor or another subcontractor? [Form Field 44]

Check the appropriate box “YES” or “NO.”

Did the DBE complete the work without subcontracting any items or portions of the work to any other company? [Form Field 45]

Check the appropriate box “YES” or “NO.”

If NO, what percentage was subcontracted? [Form Field 46]

Enter the percentage of the work that was subcontracted to a lower tier subcontractor.

If NO, name of lower tier subcontractor [Form Field 47]

Enter the name of the lower tier subcontractor.

Attach a copy of the lower tier subcontract.

If NO, is the lower tier subcontractor a DBE? [Form Field 48]

Check the appropriate box “YES” or “NO.”

Has only the DBE performed the amount of work specified in the DBE subcontract, no other contractor has performed the work? [Form Field 49]

Check the appropriate box “YES” or “NO.”

Is there a written request pending to terminate this DBE? [Form Field 50]

This field is for Caltrans use.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

MANAGEMENT

The DBE must manage the work that has been contracted to the DBE company

Does the DBE representative schedule material deliveries, equipment rentals, and other related actions required for the performance of their work? [Form Field 51]

Check the appropriate box "YES" or "NO."

Provide supporting documentation if available.

Is the DBE managing the work it has been subcontracted to perform? [Form Field 52]

Check the appropriate box "YES" or "NO."

Is the person supervising the DBE employees either the DBE company owner or a site Supervisor employed by the DBE company? [Form Fields 53-55]

Check the appropriate box "YES" or "NO."

Enter the name of the DBE onsite supervisor and the position title of the DBE supervisor.

Does the foreperson or supervisor effectively manage their work force without interference from any other individuals? [Form Field 56]

Check the appropriate box "YES" or "NO."

WORKFORCE

To be considered an independent business, a DBE must keep a regular workforce.

Do the employees of the DBE say they work for the DBE? [Form Fields 57-59]

Check the appropriate box "YES" or "NO."

Enter the names of the DBE employees and the position title or labor classification. List all DBE employees onsite, maximum of ten employees.

Verification [Form Field 60]

This field is for Caltrans verification use.

Are the DBE employees working for the prime contractor or any subcontractor? [Form Field 61]

Check the appropriate box "YES" or "NO."

Verification [Form Field 62]

This field is for Caltrans verification use.

Do the DBE employees appear to have the adequate knowledge, training, and experience to perform the subcontract work without assistance from the prime contractor, any other subcontractor or Caltrans employee? [Form Field 63]

For a subcontractor, check the appropriate box "YES" or "NO."

For a prime contractor check N/A.

Is the DBE maintaining and submitting its own payrolls? [Form Field 64]

Check the appropriate box "YES" or "NO."

Who is preparing the DBE certified payrolls? [Form Field 65]

Check either the DBE company box or enter the name of the payroll preparer.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Verification [Form Field 66]

This field is for Caltrans verification use.

EQUIPMENT [Form Field 67]

If the contractor or subcontractor has no equipment, check the box “No Equipment” and this section will collapse.

The DBE is expected to provide the operator for non-specialized equipment and is responsible for all payroll and labor compliance requirements. For leased equipment, a separate lease agreement is required.

List the major self-propelled equipment used by the DBE [Form Fields 68-72]

List each major equipment type used by the DBE and the equipment serial number.

For each major equipment type used:

- Check the appropriate box “YES” or “NO” based on whether the DBE name marking, or emblem is on the equipment.
- Check the appropriate box “YES” or “NO” that the operator is an employee of the DBE
- Check the box for owned, rented, or leased.

Attach ownership document, rental or lease agreement.

Is the equipment under the direct supervision of the DBE? [Form Field 73]

Check the appropriate box “YES” or “NO.”

LEASED EQUIPMENT [Form Field 74]

If there is no leased equipment, check the box “Not Required” and this section will collapse.

Who is the equipment leased from? [Form Fields 75-76]

For each piece of equipment leased, enter the equipment type and name of the company equipment leased from.

Lease agreements are long term and not ad hoc for this contract? [Form Fields 77]

Check the appropriate box “YES” or “NO.”

Is the leased equipment from a company other than the Prime or upper tier subcontractor? [Form Field 78]

Check the appropriate box “YES” or “NO.”

Attach lease agreement.

If the equipment is from the prime contractor or an upper tier subcontractor, is the lease for a specialized piece of equipment? [Form Field 79]

Enter the value of the leased equipment from the prime contractor or upper tier subcontractor.

If the equipment is from the prime contractor or an upper tier subcontractor, provide the value of the equipment leased [Form Field 80]

Enter the value of the leased equipment from the prime contractor or upper tier subcontractor.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Is the leased equipment operator under the direct supervision of the DBE representative? [Form Fields 81-83]

Check the appropriate box "YES" or "NO."

Enter the equipment types and operator names of the leased equipment.

MATERIALS [Form Field 84]

If there are no materials provided by the DBE subcontractor, check the box "Not Required" and this section will collapse.

Is the DBE contracted to supply and install materials or only install materials for contract items? [Form Field 85]

Based on the DBE subcontract, check the appropriate box "Supply & Install" or "Only Supply."
Attach the DBE subcontract as documentation of the work to be performed.

Are joint checks being used for materials? [Form Field 86]

Check the appropriate box "YES" or "NO."

If YES, attach Form CEM-2407, "DBE Joint Check Agreement Request."

If joint checks are being used, does the subcontractor bond cover the DBE commitment amount? [Form Field 87]

Check the appropriate box "YES," "NO," or "N/A."

Attach a copy of the DBE subcontract bond.

Is a DBE representative managing the arrangement and scheduling the delivery of materials? [Form Field 88]

Ask the DBE onsite representative what their responsibilities are for managing materials.

Check the appropriate box "YES" or "NO."

Is a DBE representative onsite to receive deliveries? [Form Field 89]

Check the appropriate box "YES" or "NO."

Are materials invoices made out to the DBE? [Form Field 90]

Check the appropriate box "YES" or "NO."

Attach copies of invoices and material on hand documents.

Materials are shipped to the DBE? [Form Field 91]

Check the appropriate box "YES" or "NO."

Attach copies of shipping documents or bills of lading.

Materials are paid for by the DBE? [Form Field 92]

Check the appropriate box "YES" or "NO."

Attach copies of cancelled checks.

According to invoices, did the DBE purchase any materials from the prime contractor or an upper tier subcontractor? [Form Field 93]

Check the appropriate box "YES" or "NO."

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Attach copies of invoices.

IF “YES,” list the name on the invoices the materials were supplied to? [Form Field 94]

Enter the name of the company shown on the materials invoice.

IF “YES,” in whose name are the materials shipped? [Form Field 95]

Enter the name of the company the materials were shipped to.

IF “YES,” value of the materials shown on invoice? [Form Field 96]

Enter the value of the materials shown on the materials invoice.

Section 2: TRUCKING

Type of trucking provided by the DBE company [Form Field 97]

Check appropriate box for type of trucking provided by the DBE:

Onsite Delivery of Materials Off Haul of Materials

Completion of this section is not required for delivery of materials provided by a regular dealer. Completion of this section is not required for trucking of materials owned or purchased by the prime contractor. This section does apply when hauling is a separate contract because the materials were not purchased locally, and the hauler is not the supplier; DBE credit for hauling would then be allowed.

A certified company providing trucking services must own and operate at least one fully licensed, insured, and operational truck used on the contract. To perform a CUF, a certified firm must also be responsible for the management and supervision of the entire trucking operation or a specified portion of the trucking operation to which it has been committed. There cannot be a contrived arrangement simply to meet a contract goal.

A certified company can supplement its fleet by leasing trucks from an established equipment leasing business open to the public. The lease must indicate that the certified firm has exclusive use of and control over the truck.

For any question marked “NO,” provide explanation in the “Comments” section.

PERFORMANCE

Is the DBE performing the bid item work committed to them on Form OCR-0006, “DBE Commitment,” and their subcontract agreement? [Form Fields 98-99]

Check the appropriate box “YES” or “NO.”

Provide a brief description of the DBE’s scope of work as observed.

Attach subcontract agreement.

Do haul tickets name the DBE as the trucker? [Form Field 100]

Check the appropriate box “YES” or “NO.”

Attach copies of haul tickets.

Did the DBE trucker subcontract any items or portions of the work to any other company? [Form Field 101]

Check the appropriate box “YES” or “NO.”

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

If YES, what percentage was subcontracted? [Form Field 102]

Enter the percentage of the work that was subcontracted to a lower tier trucking subcontractor.

If YES, name of lower tier subcontractor [Form Field 103]

Enter the name of the lower tier trucking subcontractor.

If YES, is the lower tier subcontractor a DBE? [Form Field 104]

Check the appropriate box "YES" or "NO."

Does the onsite monitoring of trucks provide a means to identify and count non-DBE and DBE haulers? [Form Fields 105-107]

Check the appropriate box "YES" or "NO."

Enter the DBE haulers load count and non-DBE haulers load count.

Does the current value of the running tally of DBE and non-DBE hauling to date compared to remaining hauling appear that the trucking DBE commitment will be met? [Form Field 108]

Check the appropriate box "YES" or "NO."

Has Form CEM-2404F, "Monthly DBE/UDBE Trucking Verification," been submitted that identifies non-DBE and DBE haulers? [Form Field 109]

Check the appropriate box "YES" or "NO."

Verification [Form Field 110]

This field is for Caltrans verification use.

On Form CEM-2404F was credit for only fees and commissions given for leased non-DBE hauling? [Form Field 111]

Check the appropriate box "YES" or "NO."

MANAGEMENT

Is the DBE managing the arrangement and scheduling of the trucks? [Form Field 112]

Check the appropriate box "YES" or "NO."

Does the DBE itself own and operate at least one fully licensed, insured, and operational truck used on the subcontract? [Form Field 113]

Check the appropriate box "YES" or "NO."

Attach verification of truck ownership in the name of the DBE.

Are any of the DBE trucking operations being performed by independent owner-operators? [Form Fields 114-115]

Check the appropriate box "YES" or "NO."

If "Yes," how many owner operators?

Enter the number of owner operators.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

WORKFORCE

Truck Drivers

Are all trucks operated by employees of the DBE, lower tier DBE or DBE owner operators? [Form Fields 116-117]

Check the appropriate box "YES" or "NO."

Truck driver's employment:

Employees of the DBE Employees of lower tier DBE DBE owner-operators

Check all boxes that apply for truck driver's employment.

Attach copies of truck tags and registrations.

If trucks leased from a non-DBE truck leasing company, the trucks are operated by employees of the DBE company, and the trucks bear the name and US DOT identification number of the DBE? [Form Field 118]

Check the appropriate box "YES," "NO" or "N/A."

Attach copies of truck tags and registrations.

Is the DBE maintaining and submitting its own payrolls? [Form Field 119]

Check the appropriate box "YES" or "NO."

Who is preparing the DBE certified payrolls? [Form Field 120]

Check either the DBE company box or enter the name of the payroll preparer.

Verification [Form Field 121]

This field is for Caltrans verification use.

Section 3: REGULAR DEALER (60 Percent Credit)

Regular Dealer [Form Field 122]

It is important to make a distinction between a regular dealer and a firm that supplies a product on an ad hoc basis in relation to a particular contract or contractor. A regular dealer has a regular trade with a variety of customers. One of the key elements of a regular, established dealership is the presence of an inventory of materials or supplies. A regular dealer assumes the actual and contractual responsibility for the provision of the material or supplies.

A firm may be a regular dealer in bulk items such as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business if the firm both owns and operates distribution equipment for the products. Any supplementing of regular dealers' own distribution equipment shall be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis.

If a certified firm meets the requirements of a regular dealer, 60 percent of the cost of the materials, if reasonable, may count toward the contract goal. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not regular dealers.

Check appropriate box for type of DBE regular dealer:

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Standard Regular Dealer Bulk Items Regular Dealer

For any question marked "NO," provide explanation in the "Comments" section.

Standard Regular Dealer? [Form Field 123]

For a bulk item regular dealer, check the box "Not Required" and this section will collapse.

Are the products provided by the DBE regular dealer the same type and quantity as those described in the prime contractor's commitment, and purchase order or subcontract? [Form Field 124]

Check the appropriate box "YES" or "NO."

Attach purchase order or subcontract.

Does the DBE have an established storage facility and inventory that includes the products, or those of a similar character, that the DBE is supplying to this project? [Form Field 125]

The establishment in which the DBE company keeps items to sell to the general public should be more than a token location. For example, a mere showroom, the existence of a hard copy or online catalog, or the presence of small amounts of materials that make questionable the ability of the company to effectively supply quantities typically need for a contract, are generally not sufficient to demonstrate that a firm regularly deals in the items.

Check the appropriate box "YES" or "NO."

Does the DBE own the products they sell or lease? [Form Field 126]

Check the appropriate box "YES" or "NO."

Attach product manufacturer's invoice or cancelled check.

Do all products come directly from the DBE's establishment or does the DBE have physical possession of the products before delivery? [Form Field 127]

Check the appropriate box "YES" or "NO."

If YES, check box N/A for next question.

If not all products, do most products come directly from the DBE's establishment or does the DBE have physical possession of the products before delivery? [Form Field 128]

Check the appropriate box "YES," "NO," or "N/A."

Did you visit the DBE's establishment to answer or verify the answers to these regular dealer questions? [Form Field 129]

Check the appropriate box "YES" or "NO."

Bulk Item Regular Dealer? [Form Field 130]

For a standard regular dealer, check the box "Not Required" and this section will collapse.

Are the products considered bulk or specialty items that suppliers do not typically keep in stock? [Form Field 131]

Check the appropriate box "YES" or "NO."

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Do the trucks delivering the bulk materials have the DBE regular dealer emblem or markings? [Form Field 132]

Check the appropriate box "YES" or "NO."

Do the haul tickets name the regular dealer as the trucker? [Form Field 133]

Check the appropriate box "YES" or "NO."

Attach haul tickets.

Does the DBE own, or have a long-term lease, and operate the distribution equipment to deliver the products they sell? [Form Fields 134-135]

Check the appropriate box "YES" or "NO."

For trucks, check the appropriate box for "Trucks owned by the DBE" or "Trucks leased by the DBE"

Attach verification of truck ownership or lease agreements in the name of the DBE.

Truck Drivers

Are trucks owned by the DBE operated by employees of the DBE? [Form Field 136]

Check the appropriate box "YES" or "NO."

If trucks are used from a leasing company: Trucks are operated by DBE employees and bear the name and US DOT identification number of the DBE? [Form Field 137]

Check the appropriate box "YES," "NO" or "N/A."

Attach copies of truck tags and registrations.

Bulk materials are paid for by the DBE regular dealer? [Form Field 138]

Check the appropriate box "YES" or "NO."

Attach copies of cancelled checks from DBE regular dealer to bulk materials supplier.

Section 4: MANUFACTURER (100 Percent Credit)

As described in Code of Federal Regulations, Title 49, Section 26.55(e)(1)(ii) (49 CFR 26.55(e)(1)(ii)), a manufacturer is a firm that operates or maintains a factory or establishment that produces on the premise's materials, supplies, articles, or equipment required under the contract and as described by the specifications. Examples of such items include a concrete ready-mix plant, a crushing operation, or a steel or precast concrete fabricating plant.

Is the manufacturer business' primary function to manufacture products used in construction? [Form Field 139]

Check the appropriate box "YES" or "NO."

Does the DBE manufacturer regularly produce the product ordered for this project? [Form Field 140]

Check the appropriate box "YES" or "NO."

Does the DBE manufacturer purchase the raw material for the products? [Form Field 141]

Check the appropriate box "YES" or "NO."

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Attach copies of invoices, shipping documents, and bills of lading for raw materials.

Were the products manufactured by the DBE manufacturer the same type and quantity as those described in the prime contractor's commitment? [Form Field 142]

Check the appropriate box "YES" or "NO."

Attach copy of prime's commitment, purchase order, or DBE's subcontract.

Do records indicate that the final products manufactured, blended, modified, or fabricated came from an establishment maintained and operated by the DBE manufacturer? [Form Field 143]

Check the appropriate box "YES" or "NO."

Attach certificates of compliance and other documents.

Section 5: PROFESSIONAL SERVICES

When DBE professional services are used as part of a construction contract, such as a design-build project, monitoring CUF involves collection of documentation that demonstrates that the DBE performed its work with its own staff under its own direction. Documentation of services provided include invoices, canceled checks, samples of work product, and certified payrolls for onsite employees.

Count the entire amount of fees or commissions charged by a DBE company for providing bona fide service, such as professional, technical, consultant, or managerial services.

For any question marked "NO," provide explanation in the "Comments" section.

DBE firm is providing the following professional service: [Form Field 144]

Check appropriate box for type of DBE professional service:

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> Engineering | <input type="checkbox"/> Materials Testing |
| <input type="checkbox"/> Architecture | <input type="checkbox"/> Surveying |
| <input type="checkbox"/> Geotechnical | <input type="checkbox"/> Other: _____ |

Is the DBE firm the prime consultant or a subconsultant? [Form Field 145]

Check appropriate box for type of DBE.

- | | |
|---|---|
| <input type="checkbox"/> Prime Consultant | <input type="checkbox"/> Sub Consultant |
|---|---|

PERFORMANCE

The DBE must be responsible for the performance, management, and supervision of a distinct element of the work, in accordance with normal industry practice, except where such practices are inconsistent with the DBE regulations.

Is the DBE performing the bid item work committed to them on the DBE Commitment Form and their agreement? [Form Fields 146-147]

Check the appropriate box "YES" or "NO."

Attach a copy of the agreement.

Provide a brief description of the DBE's scope of work as observed.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Does the DBE firm have the required expertise for the work? [Form Field 148]

Check the appropriate box "YES" or "NO."

Is the DBE company working without the assistance from the prime contractor or another subcontractor? [Form Fields 149]

Check the appropriate box "YES" or "NO."

Did the DBE company subcontract out any portion of its work? [Form Fields 150-152]

Check the appropriate box "YES" or "NO."

If yes, list resources and from whom. If no, skip to next question.

Is the DBE performing at least 30 percent of its contracted work? [Form Field 153]

Check the appropriate box "YES" or "NO."

MANAGEMENT

The DBE must manage the work that has been contracted to the DBE company.

Is the DBE scheduling work activities and other related actions for performance of the work? [Form Field 154]

Check the appropriate box "YES" or "NO."

Provide supporting documentation if available.

Is the DBE managing the work it has been subcontracted to perform? [Form Field 155]

Check the appropriate box "YES" or "NO."

Is the DBE submitting invoices or payrolls? [Form Field 156]

Check the appropriate box "YES" or "NO."

Attach invoices.

Is the person supervising the DBE employees either the DBE company owner or a site supervisor employed by the DBE company? [Form Fields 157-159]

Check the appropriate box "YES" or "NO."

Enter the name of the DBE onsite supervisor and the position title of the DBE supervisor.

Does the supervisor manage their work force without interference from any other individuals? [Form Field 160]

Check the appropriate box "YES" or "NO."

WORKFORCE

To be considered an independent business, a DBE must keep a regular workforce.

Do the employees of the DBE say they work for the DBE? [Form Fields 161-163]

Check the appropriate box "YES" or "NO."

Enter the names of the DBE employees and the position title or labor classification.

List all DBE employees onsite, maximum of ten employees.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Is the DBE maintaining and submitting its own payrolls? [Form Field 164]

Check the appropriate box “YES” or “NO.”

Who is preparing the DBE certified payrolls? [Form Field 165]

Check either the DBE company box or enter the name of the payroll preparer.

Verification [Form Field 166]

This field is for Caltrans verification use.

Is the DBE only using equipment it owns, rents, or leases? [Form Field 167]

Check the appropriate box “YES” or “NO.”

Attach equipment list and any rental or lease agreements.

Section 6: BROKER

Brokers, packagers, manufacturers' representatives, or other persons who arrange or expedite transactions are not regular dealers or manufacturers. For materials or supplies purchased from a DBE that is neither a manufacturer nor a regular dealer, count the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or charges for the delivery of materials or supplies required on a job site, toward DBE goals, provided the fees are reasonable when compared with fees customarily allowed for similar services.

A contractor may count toward its DBE goals the following expenditures to DBE brokers that are not manufacturers or regular dealers:

- (a) The commission charged for providing a bona fide service in the procurement of essential personnel, facilities, equipment, materials, or supplies required for the performance of the contract, provided the commission is reasonable and customary.
- (b) The commissions charged for bonds or insurance provided by a DBE broker for the specific performance of the contract, provided the fee is reasonable and customary. A letter must be submitted detailing the amount.

For any question marked “NO,” provide explanation in the “Comments” section.

DBE firm is a broker for the following: [Form Field 168]

Check the appropriate box for the type of brokering the DBE firm is providing:

- Transportation or Hauling Procurement of Materials Procurement of Supplies
 Bonding Insurance Other: _____

PERFORMANCE

Is the DBE broker performing for the bid item work committed to them on the DBE Commitment Form and their agreement? [Form Field 169]

Check the appropriate box “YES” or “NO.”

Attach DBE subcontract or agreement.

Does the DBE firm have the required expertise for the work? [Form Field 170]

Check the appropriate box “YES” or “NO.”

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

MANAGEMENT

Is the DBE managing the work it has an agreement to perform? [Form Field 171]

Check the appropriate box "YES" or "NO."

For procurement of materials, supplies, and trucking, is the DBE scheduling procurement of materials and supplies or trucking for delivery of materials and supplies, and other related actions for performance of the work? [Form Field 172]

Check the appropriate box "YES," "NO" or "N/A."

For bonding or insurance, did the DBE provide the bonds or insurance? [Form Field 173]

Check the appropriate box "YES," "NO" or "N/A."

Is the DBE submitting invoices or payrolls? [Form Field 174]

Check the appropriate box "YES" or "NO."

Attach invoices.

Are the broker fees and commissions reasonable? [Form Field 175]

Check the appropriate box "YES" or "NO."

Section: DBE COMMERCIALLY USEFUL FUNCTION EVALUATION DETERMINATION

If you answered "NO" to any of the bold evaluation questions on this form, you must re-evaluate the eligibility of the DBE to participate and receive credit for their performance of work. **If you answered "NO" to any underlined questions on this form, you must evaluate whether the DBE work is eligible to receive full credit.**

For the DBE performing a Commercial Useful Function, the DBE CUF evaluation identified: [Form Fields 176-179]

Check the box for either "No deficiencies" or "The following deficiencies:"

For "No" response questions, enter the section, question and description of deficiency found that must be corrected by the DBE company to allow DBE participation and credit on the contract.

Example:

SECTION: SECTION 3: REGULAR DEALER (60 Percent Credit) Bulk Item Regular Dealer

QUESTION: **Do haul tickets name the DBE regular dealer as the trucker?**

DESCRIPTION OF DEFICIENCY: Haul tickets name the asphalt supplier as the trucker.

For Commercial Useful Function full credit, the DBE CUF evaluation identified: [Form Fields 180-183]

Check the box for either "No inadequacies" or "The following inadequacies:"

For "No" response questions, enter the section, question and description of inadequacy found that must be corrected by the DBE company to allow DBE participation and credit on the contract.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Example:

SECTION: SECTION 2: TRUCKING

QUESTION: Does the current value of the running tally of DBE and non-DBE hauling to date compared to remaining hauling appear that the trucking DBE commitment will be met?

DESCRIPTION OF INADEQUACY: Based on load counts it appears the DBE will only perform 70 percent of the amount shown on the contractor DBE Commitment form for trucking.

DBE CUF DETERMINATION [Form Field 184]

Based on the results of the DBE CUF evaluation, the evaluator must check the box for either “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function.”

EVALUATOR PRINTED NAME [Form Field 185]

Enter the printed name of the DBE CUF evaluator.

EVALUATOR SIGNATURE [Form Field 186]

Signature of the DBE CUF evaluator.

DATE [Form Field 187]

Date of DBE CUF evaluator signature.

Section: CONTRACTOR CERTIFICATION [Form Field 188]

Completion of this section is not required when Caltrans is conducting the evaluation.

CONTRACTOR PRINTED NAME [Form Field 189]

Enter the printed name of the contractor representative.

CONTRACTOR SIGNATURE [Form Field 190]

Signature of the contractor representative.

DATE [Form Field 191]

Date of contractor representative signature.

Section: CALTRANS VERIFICATION

This section for Caltrans use.

Verification is required for completeness, DBE employees are shown on DBE certified payrolls, responses to questions based on attachments provided and CUF determination.

COMPLETENESS VERIFICATION [Form Fields 192-194]

Printed name, signature and date signed by person performing verification that responses have been provided to all applicable questions.

CERTIFIED PAYROLL VERIFICATION [Form Fields 195-197]

Printed name, signature and date signed by person performing verification of DBE employees listed versus names shown on DBE certified payrolls.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

ATTACHMENT AND CONTRACT DOCUMENT VERIFICATION [Form Fields 198-200]

Printed name, signature and date signed by person performing verification of question responses based on information on attachments.

VERIFICATION OF QUESTION NO RESPONSES AND CUF DETERMINATION [Form Fields 201-203]

Printed name, signature and date signed by person performing verification of question responses based on attachments.

Section: RESIDENT ENGINEER CERTIFICATION

This section for Caltrans use.

I certify that I have reviewed the information submitted in this DBE CUF evaluation and have made the following CUF determination: [Form Field 204]

Check the box based on the evaluation results for either “I certify that the DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function.”

RESIDENT ENGINEER NAME [Form Field 205]

Printed name of the resident engineer.

RESIDENT ENGINEER SIGNATURE [Form Field 206]

Signature of the resident engineer.

DATE [Form Field 207]

Date of resident engineer signature.

Section: COMPLETED EVALUATIONS SUBMITTAL

This section for Caltrans use.

SUBMITTAL TO CONTRACTOR

SUBMITTED BY SIGNATURE [Form Field 208]

Printed name of person who completed submittal.

DATE [Form Field 209]

Date submitted.

SUBMITTAL TO DBE COMPANY

SUBMITTED BY SIGNATURE [Form Field 210]

Printed name of person who completed submittal.

DATE [Form Field 211]

Date submitted.

SUBMITTAL TO DISTRICT LABOR COMPLIANCE

SUBMITTED BY SIGNATURE [Form Field 212]

Printed name of person who completed submittal.

DATE [Form Field 213]

Date submitted.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

SUBMITTAL TO HEADQUARTERS DIVISION OF CONSTRUCTION LABOR COMPLIANCE PROGRAM

Required when there is a determination that a “DBE is Not performing a Commercially Useful Function.”

SUBMITTED BY SIGNATURE [Form Field 214]

Printed name of person who completed submittal.

DATE [Form Field 215]

Date submitted.

APPENDIX B: DBE Commercially Useful Function Evaluation Instructions

Section: ATTACHMENTS

Attachments [Form Fields 216-217]

Check a box for each attachment and provide the electronic file name of the attachment. The attachment list will expand to allow for additional attachments.

ATTACHMENTS	
Record or Document	File Name
<input type="checkbox"/> Subcontract Agreement	
<input type="checkbox"/> Purchase Order	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Equipment Ownership	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/> Haul Tickets or Bills of Lading	
<input type="checkbox"/> Delivery Tickets	
<input type="checkbox"/>	

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

Conducting DBE CUF evaluations is a two-step process, whereby the contractor or Caltrans evaluator completes the first step and Caltrans completes the verification as the second step. For documenting DBE CUF evaluations, contracts funded with Federal funds must use Form CEM-2410, “Disadvantaged Business Enterprise Commercially Useful Function Evaluation.”

To ensure consistency of the verifications, the verification instructions provide information and instructions for evaluating responses to questions and information provided on Form CEM-2410, “Disadvantaged Business Enterprise Commercially Useful Function Evaluation,” for each form field.

Evaluation verifications include the following four categories:

Verification Completeness: Includes that all information was provided in form fields and all questions were answered. In addition, if a question has a “NO” answer an explanation must be included in the comments section on that page of the form. It is important that form fields are not left blank because reviewers cannot determine if the form field item was addressed.

Verification Certified Payrolls: For questions that require information on DBE employees or DBE site supervisor or foreperson, verification that the employees are listed on the DBE company certified payrolls. DBE employees must not be listed on the certified payrolls of the prime contractor or other subcontractors.

Verification Attachments: For some form responses, attachments are required. Verification that the information provided is correct is required so that an accurate DBE CUF evaluation determination may be made

Verification No Responses and CUF Determination: Verification that all “NO” answers to bold questions required for evaluation of the eligibility of the DBE to participate and receive credit for their performance of work have been reviewed and determined to be adequate responses or shown as deficiencies. Verification that the determination that either “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function” is appropriate based CUF determinants and on any deficiencies listed.

After all verifications have been completed, the resident engineer will certify that the DBE is “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function.”

Section: PROJECT INFORMATION

PROJECT DESCRIPTION [Form Field 1]

Verification Completeness.

DISTRICT [Form Field 2]

Verification Completeness.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

EXPENDITURE AUTHORIZATION [Form Field 3]

Verification Completeness.

COUNTY [Form Field 4]

Verification Completeness.

ROUTE [Form Field 5]

Verification Completeness.

BEGIN POSTMILE - END POSTMILE [Form Fields 6–7]

Verification Completeness.

CONTRACTOR NAME [Form Field 8]:

Verification Completeness.

FEDERAL NUMBER [Form Field 9]:

Verification Completeness.

PROJECT IDENTIFIER NUMBER [Form Field 10]

Verification Completeness.

Section: EVALUATOR INFORMATION

The evaluator may be a representative of the prime contractor or a Caltrans representative.

EVALUATOR NAME [Form Field 11]

Verification Completeness.

EMAIL ADDRESS [Form Field 12]

Verification Completeness.

EVALUATION DATE [Form Field 13]

Verification Completeness.

EVALUATOR TITLE [Form Field 14]

Verification: Completeness.

PHONE NUMBER [Form Field 15]

Verification Completeness.

Section: PRIME CONTRACTOR EVALUATION MEETING INFORMATION

Information in this section is only required when Caltrans is evaluating the prime contractor.

Prime Contractor Evaluation Meeting Information [Form Field 16]

When the box “Not Required” is checked this section will collapse.

CONTRACTOR REPRESENTATIVE [Form Fields 17-20]

Verification Completeness.

Section: DBE CONTRACT COMMITMENT

DBE TOTAL CONTRACT COMMITMENT [Form Fields 21-22]

Percentage and dollar amount of the total DBE commitment on this contract as shown on form OCR-0006 “DBE-COMMITMENT.”

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

Verification Contract Document: Compare to information on Form OCR-0006 “DBE-Commitment.”

DBE COMPANY COMMITMENT [Form Fields 23-24]

Calculated percentage and dollar amount the contractor has committed to the DBE company based on the subcontract amount or purchase order amount for materials as shown on form OCR-0006. .

Verification Contract Document: Compare to information on Form OCR-0006.

DBE COMPANY WORK COMPLETED TO DATE [Form Fields 25-26]

Verification Completeness.

Section: DBE COMPANY INFORMATION

DBE COMPANY NAME [Form Field 27]

Verification Contract Document: Compare to information on Form OCR-0006.

COMPANY EMAIL ADDRESS [Form Field 28]

Verification Completeness.

COMPANY PHONE NUMBER [Form Field 29]

Verification Contract Document: Compare to information on Form OCR-0006.

DBE COMPANY OWNER [Form Field 30]

Verification Completeness.

NAISC CODES [Form Field 31]

Verification Contract Document: Compare to information on Form OCR-0006.

WORK CODES [Form Field 32]

Verification Contract Document: Compare to information on Form OCR-0006.

DBE ADDRESS [Form Field 33]

Verification Contract Document: Compare to information on Form OCR-0006

ADDRESS LOCATION [Form Field 34]

Verification Completeness.

OPEN TO THE PUBLIC [Form Field 35]

Verification Completeness.

DBE REPRESENTATIVE [Form Fields 36-39]

Name, email address, phone number and title of the DBE’s representative attending the evaluation meeting. If there is no DBE representative attending the evaluation meeting enter “None” in these fields.

Verification Completeness.

BRIEF DESCRIPTION OF THE DBE’S SCOPE OF THE WORK [form Field 40]

Description of the work the DBE will perform or the materials that will be supplied by a DBE company based on the DBE subcontract or purchase order.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

Verification Attachment: Compare scope description with subcontract or purchase order against the DBE work scope commitment on this contract as shown on Form OCR-0006 “DBE-COMMITMENT.” The subcontract should clearly define the work scope the DBE is to perform along with a dollar value for each scope. If the prime is relying on a quote from the DBE to define the work and price, the subcontract should clearly articulate the quote information as a part of the subcontract.

TYPE OF DBE [Form Field 41]

Appropriate box checked for prime contractor, subcontractor, tier subcontractor, trucking, regular dealer, manufacturer, or broker based on what the DBE is performing on the contract. Select all of boxes that apply for the DBE.

Verification Completeness.

Sections 1-6: DBE EVALUATION

Evaluations should be completed based on the appropriate section for the type of work performed or materials supplied by the DBE as indicated by the checked box for prime contractor, subcontractor, tier subcontractor, trucking, regular dealer, manufacturer, professional services, or broker.

Some DBEs are awarded prime contracts; however, DBEs primarily work as subcontractors for the prime. Subcontractors typically perform specific contract items and provide their own labor and materials. To determine whether a DBE is performing a CUF, 5 distinct criteria must be considered: performance, management, workforce, equipment, and materials.

Section 1: DBE CONTRACTOR OR SUBCONTRACTOR EVALUATION

For any question marked “NO,” provide explanation in the “Comments” section.

PERFORMANCE

The DBE must be responsible for the performance, management and supervision of a distinct element of the work, in accordance with normal industry practice, except where such practices are inconsistent with the DBE regulations.

Is the DBE performing the bid item work committed to them on the DBE Commitment Form and their subcontract agreement? [Form Fields 42-43]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach a copy of the subcontract.

Provide a brief description of the DBE’s scope of work as observed.

Verification Attachment: Compare the description of the work observed to the scope of work shown on the DBE Commitment form and subcontract to determine if the DBE is performing within its scope of work.

Is the DBE working without the assistance from the prime contractor or another subcontractor? [Form Field 44]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

Did the DBE complete the work without subcontracting any items or portions of the work to any other company? [Form Field 45]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

If NO, what percentage was subcontracted? [Form Field 46]

Percentage of the work that was subcontracted to a lower tier subcontractor shown.

Verification: Based on the percentage subcontracted to a lower tier subcontractor, is the DBE subcontractor performing at least 30 percent of the scope of the work in its subcontract with the prime contractor? If less than 30 percent, the DBE subcontractor is not performing a CUF.

If NO, name of lower tier subcontractor [Form Field 47]

Name of the lower tier subcontractor.

Attach a copy of the lower tier subcontract.

Verification Attachment: Verify the name of the lower tier subcontractor shown on form is the same name shown on the subcontract.

If NO, is the lower tier subcontractor a DBE? [Form Field 48]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Verify that any subcontractors hired by the DBE firm are themselves certified DBEs. Check to see if the work the DBE is being subcontracted to perform to count toward a goal is consistent with the work the firm is certified to perform.

Verify that a DBE CUF evaluation is performed on the lower-tier subcontractor so that the contractor can get DBE credit for the work performed by the lower-tier DBE subcontractor.

Has only the DBE performed the amount of work specified in the DBE subcontract, no other contractor has performed the work? [Form Field 49]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Is there a written request to pending to terminate this DBE? [Form Field 50]

Verification: If there is a performance problem with a DBE, verify with the resident engineer that there is a request from the contractor to terminate the DBE. Check the appropriate box “YES” or “NO.”

If YES, provide the date of the request and indicate the status of the request in the comments section. Attach a copy of the written request and any related correspondence. Verify that the District Labor Compliance Office is aware of the pending termination.

MANAGEMENT

The DBE must manage the work that has been contracted to the DBE.

Does the DBE representative schedule material deliveries, equipment rentals, and other related actions required for the performance of their work? [Form Field 51]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

Is the DBE managing the work it has been subcontracted to perform? [Form Field 52]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Is the person supervising the DBE employees either the DBE owner or a site supervisor employed by the DBE? [Form Fields 53-55]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Name of the DBE on-site supervisor and the position title of the DBE supervisor.

Verification Certified Payrolls: Check the DBE payroll for the site supervisor entry and determine if the associated classification and pay rate are consistent with a supervisory position.

Does the foreperson or supervisor manage their work force without interference from any other individuals? [Form Field 56]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

WORFORCE

To be considered an independent business, a DBE must keep a regular workforce.

Do the employees of the DBE say they work for the DBE? [Form Fields 57-59]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. Names of the DBE employees and the position title or labor classification shown.

Verification [Form Field 60]

Verification Certified Payrolls: DBE employment verified for all listed employees based on certified payrolls.

Compare the DBE employees recorded on this form with the DBE payroll and verify that the DBE employees listed match the payrolls. Check box for verification and check appropriate box “YES” or “NO” for DBE employment verified for all listed employees based on certified payrolls.

Are the DBE employees working for the prime contractor or any subcontractor? [Form Field 61]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification [Form Field 62]

Verification Certified Payrolls: Compare the payrolls of the DBE to the prime or upper tier contractor to verify that none of the DBE employees appear on any other payrolls. Check box if cross check of payrolls for the DBE employees verified listed DBE employees are not on prime contractor or subcontractor payrolls.

Do the DBE employees appear to have the adequate knowledge, training, and experience to perform the subcontract work without assistance from the prime contractor, any other subcontractor or Caltrans employee? [Form Field 63]

Verification Completeness: Box checked “YES,” “NO” or N/A for prime contractor. If “NO” verify there is an explanation provided under comments.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

Is the DBE maintaining and submitting its own payrolls? [Form Field 64]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Who is preparing the DBE certified payrolls? [Form Field 65]

Check either the DBE Company box or enter the name of the payroll preparer.

Verification Completeness: Box checked “DBE Company” or name of payroll prepared shown.

Verification Certified Payrolls: Ascertain who is signing the DBE’s certified payroll to verify that it is not an employee of the prime or upper tier contractor.

Verification [Form Field 66]

Verification Certified Payrolls: Are previous payroll submissions and the number of DBE employees, including their work classifications, consistent with the assistant resident engineer’s daily reports?

Perform an independent check for a week that the DBE company was performing work on the contract, verify that the DBE certified payrolls match the DBE employee names recorded on - Form CEM-4601, “Assistant Resident Engineer Daily Reports.” If the names of the DBE employees shown on the certified payroll and Form CEM-4601 match, check the verification box and check the appropriate box “YES” or “NO.”

EQUIPMENT [Field 67]

If the contractor or subcontractor has no equipment, check the box “No Equipment” and this section will collapse.

The DBE is expected to provide the operator for non-specialized equipment and is responsible for all payroll and labor compliance requirements. For leased equipment, a separate lease agreement is required.

List the major self-propelled equipment used by the DBE [Form Fields 68-72]

List each major equipment type used by the DBE and the equipment serial number.

For each major equipment type used:

- Box checked “YES” or “NO” based on whether the DBE name marking, or emblem is on the equipment
- Box checked “YES” or “NO” that the operator is an employee of the DBE
- Box checked for one of the following “Owned,” “Rented,” or “Leased”

Attach ownership document, rental or lease agreement.

Verification completeness.

Verification Attachment: Verify that ownership document, rental agreement, or lease agreement is provided for every piece of equipment. Verify that the equipment does not belong to, or is being leased or rented from, the prime or upper tier subcontractor.

Is the equipment under the direct supervision of the DBE? [Form Field 73]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

LEASED EQUIPMENT [Form Field 74]

If there is no leased equipment, check the box “Not Required” and this section will collapse.

Who is the equipment leased from? [Form Fields 75-76]

For each piece of equipment leased, check that the equipment types and name of the company equipment was leased from is shown.

Verification completeness.

Verification Attachments: Large pieces of equipment without permanent marking will need to have their ownership verified to assure the equipment does not belong to the prime or upper tier contractor.

Lease agreements are long term and not ad hoc for this contract? [Form Fields 77]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Verify that the lease document provided is for a long-term lease.

Is the leased equipment from a company other than the prime contractor or upper tier subcontractor? [Form Field 78]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Verify that the lease document is not from the prime contractor or upper tier subcontractor.

If the equipment is from the prime contractor or an upper tier subcontractor, is the lease for a specialized piece of equipment? [Form Field 79]

Verification Completeness: Box checked “YES,” “NO” or “N/A.” If “NO” verify there is an explanation provided under comments.

If the equipment is from the prime contractor or an upper tier subcontractor, provide the value of the equipment leased [Form Field 80]

Verification Completeness: Value of the leased equipment from the prime contractor or upper tier subcontractor.

Verification: If specialized equipment is leased from the prime contractor or upper tier subcontractor, the payment for the leased equipment must be deducted from the work performed for the DBE credit toward the goal. Minimal use of other contractor’s equipment in an emergency is allowed, but the cost associated with the use of the equipment cannot be credited toward the goal.

Check that the lease amount is not counted toward the contract goal.

Is the leased equipment operator under the direct supervision of the DBE representative? [Form Fields 81-83]

Verification Completeness: Box checked “YES,” “NO” or “N/A.” If “NO” verify there is an explanation provided under comments.

Verification Completeness: Equipment types and operator names of the leased equipment shown.

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MATERIALS [Field 84]

If there are no materials provided by the DBE subcontractor, check the box “Not Required” and this section will collapse.

Is the DBE contracted to supply and install materials or only install materials for contract items? [Form Field 85]

Verification Completeness: Box checked either “Supply & Install” or “Only Supply.”

Verification Attachment: Verify the DBE subcontract supports the box checked.

Are joint checks being used for materials? [Form Field 86]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

If YES, attach Form CEM-2407, Disadvantaged Business Enterprise (DBE) Joint Check Agreement Request.”

Verification Attachment: Verify a joint check agreement was authorized.

If joint checks are being used, does the subcontractor bond cover the DBE commitment amount? [Form Field 87]

Verification Completeness: Box checked “YES,” “NO” or “N/A.” If “NO” verify there is an explanation provided under comments.

Attach a copy of the DBE subcontract bond.

Verification Attachment: Verify that the amount shown on the DBE contractor bond covers the total amount of the DBE commitment.

Is a DBE representative managing the arrangement and scheduling the delivery of materials? [Form Field 88]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Is a DBE representative on site to receive deliveries? [Form Field 89]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Are materials invoices made out to the DBE? [Form Field 90]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach copies of invoices and any Forms CEM-5101, “Request for Payment for Materials on Hand,” or CEM-5105, “Materials on Hand Summary.”

Verification Attachment: Check the material invoices for who is listed as receiving the materials to verify it is the DBE.

Materials are shipped to the DBE? [Form Field 91]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach copies of shipping documents or bills of lading.

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Verification Attachment: Look at any bills of lading or shipping documents for materials purchased by the DBE that was delivered to the project site, and verify the DBE firm is listed as the receiver of those items.

Materials are paid for by the DBE? [Form Field 92]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach copies of cancelled checks.

Verification Attachment: Verify that the proof of payment documents show the DBE company paid for their materials.

According to invoices, did the DBE purchase any materials from the prime contractor or an upper tier subcontractor? [Form Field 93]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach copies of invoices.

Verification Attachment: Verify that the prime contractor or upper tier subcontractor is not shown on the invoices as the seller.

If YES, in whose name was the materials invoices made out to? [Form Field 94]

Verification Completeness: Name of the company as shown on the materials invoice.

If YES, in whose name are the materials shipped? [Form Field 95]

Enter the name of the company the materials were shipped to.

Verification Completeness: Name of the company as shown on the materials invoice.

If YES, value of the materials shown on invoice? [Form Field 96]

Verification Completeness: Value of the materials that the prime contractor or upper tier subcontractor as shown on the invoice.

Verification: Check that the materials amount is not counted toward the contract goal.

Section 2: TRUCKING

Type of trucking provided by the DBE [Form Field 97]

Check appropriate box for type of trucking provided by the DBE:

On Site Delivery of Materials Off Haul of Materials

Verification Completeness: Box checked “On Site,” “Delivery of Materials” or “Off Haul of Materials.”

Completion of this section is not required for trucking for delivery of materials provided by a regular dealer. Completion of this section is not required for trucking of materials owned or purchased by the prime contractor. This section does apply when hauling is a separate contract because the materials were not purchased locally, and the hauler is not the supplier; DBE credit for hauling would then be allowed.

A certified company providing trucking services must own and operate at least one fully licensed, insured, and operational truck used on the contract. To perform a CUF, a certified firm

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must also be responsible for the management and supervision of the entire trucking operation or a specified portion of the trucking operation to which it has been committed. There cannot be a contrived arrangement simply to meet a contract goal.

A certified company can supplement its fleet by leasing trucks from an established equipment leasing business open to the public. The lease must indicate that the certified firm has exclusive use of and control over the truck.

For any question marked “NO,” provide explanation in the “Comments” section.

PERFORMANCE

Is the DBE performing the bid item work committed to them on Form OCR-0006, “DBE - Commitment,” and their subcontract agreement? [Form Fields 98-99]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Provide a brief description of the DBE’s scope of work as observed.

Attach subcontract agreement.

Verification Attachment: Compare the description of the work observed to the scope of work shown on Form OCR-0006 and subcontract to determine if the DBE is performing within its scope of work.

Do haul tickets name the DBE as the trucker? [Form Field 100]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach copies of haul tickets.

Verification Attachment: Verify that the DBE trucking company is shown as the trucker on the haul tickets.

Did the DBE trucker subcontract any items or portions of the work to any other company? [Form Field 101]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

If YES, what percentage was subcontracted? [Form Field 102]

Verification Completeness: Percentage of the work that was subcontracted to a lower tier trucking subcontractor is shown.

If YES, name of lower tier subcontractor [Form Field 103]

Verification Completeness: Name of the lower tier trucking subcontractor shown.

If YES, is the lower tier subcontractor a DBE?[Form Field 104]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification: For trucks used by the DBE trucking company that was from a non-DBE company, verify that participation dollar value was limited to the fee or commission charged by the non-DBE company to arrange the trucking services and not the actual transportation services provided by the non-DBE company and its trucks.

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Does the on-site monitoring of trucks provide a means to identify and count non-DBE and DBE haulers? [Form Fields 105-107]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. DBE haulers load count and non-DBE haulers load count are shown.

Does the current value of the running tally of DBE and non-DBE hauling to date compared to remaining hauling appear that the trucking DBE commitment will be met? [Form Field 108]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification: If “No,” list as inadequacy in DBE Commercially Useful Function Evaluation Determination section.

Has Form CEM-2404F, “Monthly DBE/UDBE Trucking Verification,” been submitted that identifies non-DBE and DBE haulers? [Form Field 109]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification [Form Field 110]

Verification Trucking: Perform an independent check for a week that the DBE company was performing trucking on the contract, verify that the information shown on the Form CEM-2404F, “Monthly DBE/UDBE Trucking Verification,” match the trucks recorded on Form CEM-4601, “Assistant Resident Engineer’s Daily Report.” If the names of the trucks shown on Forms CEM-2404F and CEM-4601 match, check the box on “Yes” for the question “Were all DBE trucks performing work on the project listed on the DBE trucking form?”

On Form CEM-2404F, was credit for only fees and commissions given for leased non-DBE hauling? [Form Field 111]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification: For trucks used by the DBE trucking company from a non-DBE company, verify that participation dollar value was limited to the fee or commission charged by the non-DBE company to arrange the trucking services and not the actual transportation services provided by the non-DBE company and its trucks.

MANAGEMENT

Is the DBE managing the arrangement and scheduling of the trucks? [Form Field 112]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Does the DBE own and operate at least one fully licensed, insured, and operational truck used on the subcontract? [Form Field 113]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach verification of truck ownership in the name of the DBE.

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Verification Attachment: Look at the registrations for the trucks as provided by the DBE and verify that at least one truck registration indicates the DBE as either the registered owner or legal owner.

*Are any of the DBE trucking operations being performed by independent owner-operators?
[Form Fields 114-115]*

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. If “YES,” number of owner operators are shown.

WORKFORCE

Truck Drivers

*Are all trucks operated by employees of the DBE, lower tier DBE or DBE owner-operators?
[Form Fields 116-117]*

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. Boxes are checked for trucks drivers’ employment: employees of the DBE, employees of lower tier DBE, or DBE owner-operators

Verification Attachment: Verify that truck tags and registrations are for the DBE, lower tier DBE, or DBE owner-operators.

For trucks leased from a non-DBE truck leasing company, are the trucks operated by employees of the DBE company and do the trucks bear the name and US DOT identification number of the DBE? [Form Field 118]

Verification Completeness: Box checked “YES,” “NO” or “N/A.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Verify for leased trucks that truck tags and registrations are for the leasing company.

Is the DBE maintaining and submitting its own payrolls? [Form Field 119]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Who is preparing the DBE certified payrolls? [Form Field 120]

Verification Completeness: Box checked “DBE Company,” or name of payroll preparer.

Verification Certified Payrolls: Ascertain who is signing the DBE’s certified payroll to verify that it is not an employee of the prime or upper tier contractor.

Verification [Form Field 121]

Verification Certified Payrolls: Perform an independent check for a week that the DBE trucker was performing work on the contract, verify that the DBE certified payrolls match the DBE employee names recorded on Form CEM-4601. If the names of the DBE employees shown on the certified payroll and Form CEM-4601 match, check the box on the form that the “Number of DBE employee truckers onsite and those listed on payroll records is consistent.”

Section 3: REGULAR DEALER (60 Percent Credit)

Regular Dealer [Form Field 122]

It is important to make a distinction between a regular dealer and a firm that supplies a product on an ad hoc basis for a particular contract or contractor. A regular dealer has a regular trade

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with a variety of customers. One of the key considerations when considering a regular, established dealer is the presence of an inventory of materials or supplies. A regular dealer assumes the actual and contractual responsibility for the provision of the material or supplies.

A firm may be a regular dealer in bulk items such as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business if the firm both owns and operates distribution equipment for the products. Any supplementing of regular dealers' own distribution equipment must be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis.

In some circumstances, items are “drop shipped” directly from a manufacturer’s facility to a project site, never being in physical possession of or transported by a supplier. The supplier may simply place a project specific order for an item that the manufacturer then has transported to the job site.

In such a situation, the supplier may be better described as a “broker” or “transaction expediter,” in accordance with CFR 26.55 (e)(2)(ii)(C). In such a case, DBE credit is limited to the fee or commission the firm receives for its services. If the firm does not provide any commercially useful function, it is simply inserted as an extra participant in a transaction, then no DBE credit is counted.

If a certified firm meets the requirements of a regular dealer, 60 percent of the cost of the materials, if reasonable, may count toward the contract goal. Packagers, brokers, manufacturers' representatives, or others who arrange or expedite transactions are not regular dealers.

Check appropriate box for type of DBE regular dealer:

Standard Regular Dealer Bulk Items Regular Dealer

Verification Completeness: Box checked for either standard regular dealer or bulk items regular dealer.

Standard Regular Dealer? [Form Field 123]

For a bulk item regular dealer, check the box “Not Required” and this section will collapse.

Are the products provided by the DBE regular dealer the same, type and quantity, as those described in the prime contractor’s commitment, and purchase order or subcontract? [Form Field 124]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Compare scope of work shown form OCR-0006, “DBE-Commitment,” submitted by the contractor, and the products on the purchase order or subcontract to determine if the DBE is performing its scope of work.

Does the DBE have an established storage facility and inventory that includes the products, or those of a similar character, that the DBE is supplying to this project? [Form Field 125]

The establishment in which the DBE company keeps items to sell to the general public should be more than a token location. For example, a showroom, a catalog, or the presence of small

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amounts of materials may not be sufficient to demonstrate that a firm regularly deals in the items of quantities sufficient to fulfill a contract.

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Does the DBE own the products they sell or lease? [Form Field 126]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach invoice from product manufacture to the regular dealer or cancelled check payable to the manufacturer.

Verification Attachment: Verify by reviewing the manufacturer’s invoice or cancelled check that the products for this project were owned by the DBE Regular Dealer.

Do all products come directly from the DBE’s establishment or does the DBE have physical possession of the products before delivery? [Form Field 127]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

If YES, check box N/A for next question.

If not all products, do most products come directly from the DBE’s establishment or does the DBE have physical possession of the products before delivery? [Form Field 128]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Did you visit the DBE’s establishment to answer or verify the answers to these regular dealer questions? [Form Field 129]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Bulk Item Regular Dealer? [Form Field 130]

For a standard regular dealer, check the box “Not Required” and this section will collapse.

Are the products considered bulk or specialty items that suppliers do not typically keep in stock? [Form Field 131]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. Typical bulk items include cement, liquid asphalt, and fuel.

Do the trucks delivering the bulk materials have the DBE regular dealer emblem or markings? [Form Field 132]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. Typical bulk items include cement, liquid asphalt, and fuel.

Do the haul tickets name the regular dealer as the trucker? [Form Field 133]

Check the appropriate box “YES” or “NO.”

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

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Attach haul tickets.

Verification Attachment: Verify that haul tickets show the regular dealer as the trucker.

Does the DBE own, or have a long-term lease, and operate the distribution equipment to deliver the products they sell? [Form Fields 134-135]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments. Typical bulk items include cement, liquid asphalt, and fuel. Box checked for either "Trucks owned by the DBE" or "Trucks leased by the DBE."

Attach verification of truck ownership or lease agreements in the name of the DBE.

Verification Attachment: Verify truck lease agreements are long term and not ad hoc for this contract"

Truck Drivers

Are trucks owned by the DBE operated by employees of the DBE? [Form Field 136]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Attach copies of truck tags and registrations.

Verification Attachment: Verify for DBE-owned trucks that truck tags and registrations are in the name of the DBE Regular Dealer.

If trucks are used from a leasing company: Trucks are operated by DBE employees and bear the name and US DOT identification number of the DBE? [Form Field 137]

Verification Completeness: Box checked "YES," "NO" or "N/A." If "NO" verify there is an explanation provided under comments.

Attach copies of truck tags and registrations.

Verification Attachment: Verify for leased trucks that truck tags and registrations are for the leasing company.

Bulk materials are paid for by the DBE regular dealer? [Form Field 138]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Attach copies of cancelled checks from DBE regular dealer to bulk materials supplier.

Verification Attachment: Verify the cancelled check is from the DBE Regular Dealer to the bulk materials supplier.

Section 4: MANUFACTURER (100 Percent Credit)

As described in 49 CFR 26.55(e)(1)(ii), a manufacturer is a firm that operates or maintains a factory or establishment that produces on the premise's materials, supplies, articles, or equipment required under the contract and as described by the specifications. Examples of such items include a concrete ready-mix plant, a crushing operation, or a steel or precast concrete fabricating plant.

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*Is the manufacturer business' primary function to manufacture products used in construction?
[Form Field 139]*

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Does the DBE manufacturer regularly produce the product ordered for this project? [Form Field 140]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Does the DBE manufacturer purchase the raw material for the products? [Form Field 141]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Attach copies of invoices, shipping documents, and bills of lading for raw materials.

Verification Attachment: Verify that raw materials invoices, shipping documents, and bills of lading show the name of the DBE manufacturer.

Were the products manufactured by the DBE manufacturer the same type and quantity as those described in the prime contractor's commitment? [Form Field 142]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Attach a copy of either the purchase order or DBEs subcontract.

Verification Attachment: Compare scope of work shown form OCR-0006 "DBE-COMMITMENT" submitted by the contractor and the products on the purchase order or subcontract to determine if the DBE is performing its scope of work.

Do records indicate that the final products manufactured, blended, modified, or fabricated came from an establishment maintained and operated by the DBE manufacturer? [Form Field 143]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Attach certificates of compliance and invoices.

Verification Attachment: Verify that materials certificates of compliance are signed by the DBE manufacturer.

Section 5: PROFESSIONAL SERVICES

When DBE professional services are used as part of a construction contract, such as a design-build project, monitoring CUF involves collection of documentation that demonstrates that the DBE performed its work with its own staff under its own direction. Documentation of services provided include invoices, canceled checks, samples of work product, and certified payrolls for onsite employees.

Count the entire amount of fees or commissions charged by a DBE for providing bona fide service, such as professional, technical, consultant, or managerial services.

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For any question marked “NO,” provide explanation in the “Comments” section.

DBE is providing the following professional service: [Form Field 144]

Check appropriate box for type of DBE professional service:

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> Engineering | <input type="checkbox"/> Materials Testing |
| <input type="checkbox"/> Architecture | <input type="checkbox"/> Surveying |
| <input type="checkbox"/> Geotechnical | <input type="checkbox"/> Other: _____ |

Verification Completeness: Box checked for “Engineering,” “Architecture,” “Geotechnical,” “Materials Testing,” “Surveying” or other entered.

Is the DBE the prime consultant or a subconsultant? [Form Field 145]

Check appropriate box for type of DBE.

- | | |
|---|---|
| <input type="checkbox"/> Prime consultant | <input type="checkbox"/> Sub Consultant |
|---|---|

Verification Completeness: Box checked for “Prime Consultant” or “Sub Consultant.”

PERFORMANCE

The DBE must be responsible for the performance, management, and supervision of a distinct element of the work, in accordance with normal industry practice, except where such practices are inconsistent with the DBE regulations.

Is the DBE performing the bid item work committed to them on the DBE Commitment Form and their agreement? [Form Fields 146-147]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach a copy of the agreement.

Provide a brief description of the DBE’s scope of work as observed.

Verification Attachment: Compare the description of the work observed to the scope of work shown on form OCR-0006 “DBE-Commitment” submitted by the contractor and subcontractor to determine if the DBE is performing within its scope of work.

Does the DBE have the required expertise for the work? [Form Field 148]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Is the DBE company working without the assistance from the prime contractor or another subcontractor? [Form Fields 149]

Check the appropriate box “YES” or “NO.”

Is the DBE company working without the assistance from the prime contractor or another subcontractor? [Form Field 150-152]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. If YES, resources and from whom are shown

Is the DBE performing at least 30 percent of its contracted work? [Form Field 153]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

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MANAGEMENT

The DBE must manage the work that has been contracted to it.

*Is the DBE scheduling work activities and other related actions for performance of the work?
[Form Field 154]*

Provide supporting documentation if available.

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Is the DBE managing the work it has been subcontracted to perform? [Form Field 155]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Is the DBE submitting invoices or payrolls? [Field 156]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Attach invoices.

Verification Attachment: Verify that the invoice is from the DBE and the work shown on the invoice is within the DBE scope of the work.

Is the person supervising the DBE employees either the DBE company owner or a site supervisor employed by the DBE? [Form Fields 157-159]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Enter the name of the DBE onsite supervisor and the position title of the DBE supervisor.

Verification Certified Payrolls: Check the DBE payroll for the site supervisor entry and determine if the associated classification and pay rate are consistent with a supervisory position.

Does the supervisor effectively manage their work force without interference from any other individuals? [Form Field 160]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

WORKFORCE

To be considered an independent business, a DBE must keep a regular workforce.

Do the employees of the DBE say they work for the DBE? [Form Fields 161-163]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments. Names of the DBE employees and the position title or labor classification shown.

Is the DBE maintaining and submitting its own payrolls? [Form Field 164]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Who is preparing the DBE certified payrolls? [Form Field 165]

Verification Completeness: Box checked “DBE Company” or name of payroll prepared shown.

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Verification Certified Payrolls: Ascertain who is signing the DBE's certified payroll to ensure that it is not an employee of the prime or upper tier contractor.

Verification [Form Field 166]

Verification Certified Payrolls: Perform an independent check for a week that the DBE was performing work on the contract, verify that the DBE certified payrolls match the DBE employee names recorded on Form CEM-4601, "Assistant Resident Engineer's Daily Report." If the names of the DBE employees shown on the certified payroll and Form CEM-4601 match, check the box on the form that the "Number of employees onsite and those listed on payroll records is consistent."

Is the DBE only using equipment it owns, rents, or leases? [Form Field 167]

Verification Completeness: Box checked "YES" or "NO." If "NO" verify there is an explanation provided under comments.

Attach equipment list and any rental or lease agreements.

Verification Attachment: Verify equipment shown on Form CEM-4601 with items shown on the equipment list.

Section 6: BROKER

Brokers, packagers, manufacturers' representatives, or others who arrange or expedite transactions are not regular dealers or manufacturers. If materials or supplies are purchased from a DBE that is neither a manufacturer nor a regular dealer, count all fees or commissions charged for procurement of the materials and supplies, or fees or transportation charges for the delivery of materials, or supplies required on a job site, toward DBE goals, provided the fees are comparable to those customarily allowed for similar services.

A contractor may count toward its DBE goals the following expenditures to DBE brokers that are not manufacturers or regular dealers:

- (a) The commission charged for providing a bona fide service in the procurement of essential personnel, facilities, equipment, materials, or supplies required for the performance of the contract, provided the commission is reasonable and customary.
- (b) The commissions charged for bonds or insurance provided by a DBE broker for the specific performance of the contract, provided the fee is reasonable and customary. A letter must be submitted detailing the amount.

For any question marked "NO," provide explanation in the "Comments" section.

DBE firm is a broker for the following: [Form Field 168]

Check the appropriate box for the type of brokering the DBE firm is providing:

- Transportation or Hauling Procurement of Materials Procurement of Supplies
 Bonding Insurance Other: _____

Verification Completeness: Box checked for "Transportation or Hauling," "Procurement of Materials," "Procurement of Supplies," "Bonding," "Insurance" or another broker type entered.

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PERFORMANCE

Is the DBE broker performing for the bid item work committed to them on the DBE Commitment Form and their agreement? [Form Field 169]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Compare scope of work shown form OCR-0006 “DBE-Commitment” submitted by the contractor and the DBE agreement or subcontract to determine if the DBE is performing its scope of work.

Does the DBE firm have the required expertise for the work? [Form Field 170]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

MANAGEMENT

Is the DBE managing the work it has an agreement to perform? [Form Field 171]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

For procurement of materials, supplies and trucking, is the DBE scheduling procurement of materials and supplies or trucking for delivery of materials and supplies, and other related actions for performance of the work? [Form Field 172]

Verification Completeness: Box checked “YES,” “NO” or “N/A.” If “NO” verify there is an explanation provided under comments.

For bonding or insurance, did the DBE provide the bonds or insurance? [Form Field 173]

Verification Completeness: Box checked “YES,” “NO” or “N/A.” If “NO” verify there is an explanation provided under comments.

Is the DBE submitting invoices? [Form Field 174]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Verify that if broker work is complete that an invoice with the amount shown on the contractor’s Form OCR-0006 has been submitted, and the amount shown on the invoice is only for fees or commissions.

Are the broker fees and commissions reasonable? [Form Field 175]

Verification Completeness: Box checked “YES” or “NO.” If “NO” verify there is an explanation provided under comments.

Verification Attachment: Verify that broker fees or commission amount does not exceed a maximum of 10 percent.

Section: DBE COMMERCIALLY USEFUL FUNCTION EVALUATION DETERMINATION

“NO” answers to any of the bold evaluation questions on this form, requires re-evaluating the eligibility of the DBE to participate and receive credit for their performance of work. **“NO” to any underlined questions on this form requires evaluating whether the DBE work is eligible to receive full credit.**

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

For the DBE performing a commercially useful function, the DBE CUF evaluation identified: [Form Fields 176-179]

Check the box for either “No deficiencies” or “The following deficiencies:”

Verification Completeness: Box checked “No deficiencies” or “The following deficiencies:”

For “No” responses, enter the section, question and description of deficiency found that must be corrected by the DBE to allow DBE participation and credit on the contract.

Verification No Responses and Determination: Verify for that every no answer to a bold question has been evaluated based on the response in the comment section or has been listed as a deficiency in this form section.

For commercially useful function full credit, the DBE CUF evaluation identified: [Form Fields 180-183]

Check the box for either “No inadequacies” or “The following inadequacies:”

Verification Completeness: Box checked “No inadequacies” or “The following inadequacies:”

For “No” responses, enter the section, question and description of inadequacy found that must be corrected by the DBE to allow DBE participation and credit on the contract.

Verification No Responses and Determination: Verify that every no answer to an underlined question has been evaluated based on the response in the comment section where the question is located or has been listed as a deficiency in this form section.

DBE CUF DETERMINATION [Form Field 184]

Based on the results of the DBE CUF evaluation, the evaluator must check the box for either “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function.”

Verification Completeness: Box checked “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function.”

Verification No Responses and Determination: Verify that determination is appropriate based on any deficiencies listed and that all “NO” answers to bold questions that required evaluation of the eligibility of the DBE to participate and receive credit for their performance of work have been evaluated.

EVALUATOR PRINTED NAME [Form Field 185]

Verification Completeness.

EVALUATOR SIGNATURE [Form Field 186]

Verification Completeness.

DATE [Form Field 187]

Verification Completeness.

Section: CONTRACTOR CERTIFICATION [Form Field 188]

Completion of this section is not required when Caltrans is conducting the evaluation.

CONTRACTOR PRINTED NAME [Form Field 189]

Verification Completeness.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

CONTRACTOR SIGNATURE [Form Field 190]

Verification Completeness.

DATE [Form Field 191]

Verification Completeness.

Section: CALTRANS VERIFICATION

This section for Caltrans use.

Verification is required for completeness, DBE employees are shown on DBE certified payrolls, responses to questions based on attachments provided and CUF determination.

COMPLETENESS VERIFICATION [Form Fields 192-194]

Printed name, signature, and date signed by person performing verification that responses have been provided to all applicable questions.

Verification Completeness: Resident engineer to verify for completeness.

CERTIFIED PAYROLL VERIFICATION [Form Fields 195-197]

Printed name, signature, and date signed by person performing verification of DBE employees listed versus names shown on DBE certified payrolls.

Verification Completeness: Resident engineer to verify for completeness.

ATTACHMENT AND CONTRACT DOCUMENT VERIFICATION [Form Fields 198-200]

Printed name, signature, and date signed by person performing verification of question responses based on information on attachments.

Verification Completeness: Resident engineer to verify for completeness.

VERIFICATION OF QUESTION NO RESPONSES AND CUF DETERMINATION [Form Fields 201-203]

Printed name, signature, and date signed by person performing verification of question responses based on attachments.

Verification Completeness: Resident engineer to verify for completeness.

Section: RESIDENT ENGINEER CERTIFICATION

This section for Caltrans use.

I certify that I have reviewed the information submitted in this DBE CUF evaluation and have made the following CUF determination: [Form Field 204]

Check the box based on the evaluation results for either "I certify that the DBE is Performing a Commercially Useful Function" or "DBE is Not Performing a Commercially Useful Function."

Verification Completeness: Resident engineer to verify for completeness.

RESIDENT ENGINEER NAME [Form Field 205]

Printed name of the resident engineer.

Verification Completeness: Resident engineer to verify for completeness.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

RESIDENT ENGINEER SIGNATURE [Form Field 206]

Signature of the resident engineer.

Verification Completeness: Resident engineer to verify for completeness.

DATE [Form Field 207]

Date of resident engineer signature.

Verification Completeness: Resident engineer to verify for completeness.

Section: COMPLETED EVALUATIONS SUBMITTAL

This section for Caltrans use.

SUBMITTAL TO CONTRACTOR

SUBMITTED BY SIGNATURE [Form Field 208]

Verification Completeness: Resident engineer to verify for completeness.

DATE [Form Field 209]

Verification Completeness: Resident engineer to verify for completeness.

SUBMITTAL TO DBE COMPANY

SUBMITTED BY SIGNATURE [Form Field 210]

Verification Completeness: Resident engineer to verify for completeness.

DATE [Form Field 211]

Verification Completeness: Resident engineer to verify for completeness.

SUBMITTAL TO DISTRICT LABOR COMPLIANCE

SUBMITTED BY SIGNATURE [Form Field 212]

Verification Completeness: Resident engineer to verify for completeness.

DATE [FORM Field 213]

Verification Completeness: Resident engineer to verify for completeness.

SUBMITTAL TO HEADQUARTERS DIVISION OF CONSTRUCTION LABOR COMPLIANCE PROGRAM

Required for DBE found non-compliant in evaluation for commercially useful function, either DBE is not performing a commercially useful function or there are inadequacies identified

SUBMITTED BY SIGNATURE [Form Field 214]

Verification Completeness: Resident engineer to verify for completeness.

DATE [Form Field 215]

Verification Completeness: Resident engineer to verify for completeness.

APPENDIX C: DBE Commercially Useful Function Evaluation Verification Instructions

Section: ATTACHMENTS [Form Fields 216-217]

Check a box for each attachment and provide the electronic file name of the attachment. The attachment list will expand to allow for additional attachments.

ATTACHMENTS	
Record or Document	File Name
<input type="checkbox"/> Subcontract Agreement	
<input type="checkbox"/> Purchase Order	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Equipment Ownership	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/> Haul Tickets or Bills of Lading	
<input type="checkbox"/> Delivery Tickets	
<input type="checkbox"/> List of Trucks	
<input type="checkbox"/>	

Verification Completeness: Verify that all attachments checked on the form are included in this table with file name.

APPENDIX D: Notification of CUF Noncompliance Letter

Date

EA: <XX-XXXXXX>
Project ID: <XXXXXXXXXX>
<County, Route, Postmile>
Federal Number:<XXXXXXXX>

<Name of Prime Contractor Representative>
<Prime Contractor Business Name>
<Street Address>
<City, State Zip Code>

Subject: Notification of Commercially Useful Function Noncompliance

Dear <Contractor Representative Name>:

Caltrans conducted a Commercially Useful Function (CUF) evaluation of <DBE Name> for the above-mentioned project, on <Date>.

Based on the findings from the review, it has been determined that <DBE Name> is not performing a CUF, in accordance with 49 CFR 26.55 and Section 5-1.13B(2)(b), "Commercially Useful Function," of the *Standard Specifications*.

The CUF evaluation revealed the following findings of DBE noncompliance:

- Bullet list findings of noncompliance
- Bullet list findings of noncompliance

When a DBE is presumed to not be performing a CUF, the contractor may present evidence to rebut the presumption. You have five (5) days from the date you receive this letter to respond to these findings in writing or provide a completed Form CEM-2411, "DBE Commercially Useful Function Corrective Action."

If you have any questions concerning our determination or require further information concerning this matter, please feel free to contact <Contact Name> at <(XXX) Number>.

Sincerely,

<Resident Engineer Name>
Resident Engineer

Attachment:
Form CEM-2410, "Disadvantaged Business Enterprise Commercially Useful Function Evaluation"

CC:
<DBE Firm Name>

APPENDIX E: Notification of CUF Corrective Action Plan Rejection

Date

EA: <XX-XXXXXX>
Project ID: <XXXXXXXXXX>
<County, Route, Postmile>
Federal Number:<XXXXXXXX>

<Name of Prime Contractor Representative>
<Prime Contractor Business Name>
<Street Address>
<City, State Zip Code>

Subject: Notification of Commercially Useful Function Corrective Action Plan Rejection

Dear <Contractor Representative Name>:

Caltrans reviewed your submittal of a Commercially Useful Function (CUF) action plan for <DBE Firm Name> for the above-mentioned project, dated <Date>.

Based on a review of the submitted action plan, it has been determined that the proposed actions for <DBE Name> will not correct the following findings of non-compliance identified:

- Bullet list findings of noncompliance
- Bullet list findings of noncompliance

<DBE Firm Name> is not performing a CUF, in accordance with 49 CFR 26.55 and Section 5-1.13B(2)(b), "Commercially Useful Function," of the *Standard Specifications*. Caltrans will not count the work performed by <DBE Name> toward the contract DBE goal. Caltrans will assess withholds for the value of work in question.

Because your proposed corrective actions cannot assure that <DBE Name> will perform a commercially useful function on the contract, you may have good cause to request termination of the DBE under Section 5-1.13B(2)(c).

If you have any questions concerning our determination or require further information concerning this matter, please feel free to contact <Contact Name> at <(XXX) Number>.

Sincerely,

<Resident Engineer Name>
Resident Engineer
CC:
<DBE Firm Name>

APPENDIX F: Form CEM-2415 Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker

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STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW
CONTRACTOR, SUBCONTRACTOR, TRUCKER
CEM-2415 (NEW 07/2022)

Lock Form

Page 1 of 6

PROJECT INFORMATION 1	DISTRICT 2	EXPENDITURE AUTHORIZATION 3		DATE 4
	COUNTY 5	ROUTE 6	BEGIN POSTMILE 7	END POSTMILE 8
CONTRACTOR NAME 9	FEDERAL NUMBER 10	PROJECT IDENTIFIER NUMBER 11		

Complete a Commercially Useful Function (CUF) monitoring review of Disadvantaged Business Enterprise (DBE) company's performing on a federal-aid contract. Perform a review within 15 days of a DBE firm starting work on a contract and monitor DBE performance by performing quarterly reviews while the DBE is performing work.

DBE REVIEW INFORMATION					
DBE COMPANY NAME 12		CONTRACT BID ITEMS 13		FIELD REVIEW DATE 14	
DBE Total Contract Commitment 15 %	DBE Company Commitment 17 %	DBE Company Commitment 18 %	DBE Company Work Completed to Date 19 %	DBE Company Commitment 16 \$	DBE Company Work Completed to Date 20 \$
DESCRIPTION OF DBE SCOPE OF WORK 21					

DBE CUF MONITORING REVIEW
<i>For any question marked "NO," provide explanation in the "Comments" section.</i>
Provide a brief description of the DBEs scope of work as observed: 22

PERFORMANCE	RESPONSE
Is the work being performed by the DBE within the scope of work for the DBE? 23	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has the DBE performed the work specified in the DBE subcontract or agreement, and no other contractor has performed the work? 24	<input type="checkbox"/> YES <input type="checkbox"/> NO
MANAGEMENT	RESPONSE
Does the DBE firm employ a supervisor who is onsite directing their work? If so, provide their name. 25	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
NAME 26	POSITION 27
<input type="checkbox"/> Verification of site supervisor DBE employment by labor compliance based on certified payrolls.	
Does the site supervisor appear on the DBE firm's payroll? 28	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the supervisor effectively manage their workforce without interference from any other individuals? 29	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
Does the DBE schedule material deliveries, equipment rentals, and other related actions required for the performance of their work? 30	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
COMMENTS	

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APPENDIX F: Form CEM-2415 Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker

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STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW
CONTRACTOR, SUBCONTRACTOR, TRUCKER
 CEM-2415 (NEW 07/2022)

Page 2 of 6

DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME			DBE COMPANY NAME		

DBE CUF MONITORING REVIEW CONTINUED

For any question marked "NO," provide explanation in the "Comments" section.

WORKFORCE	RESPONSE
Does the DBE firm have employees on the job? (31)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do the employees of the DBE say they work for the DBE? (32) <i>List employees asked. If none were present, provide the reason under comments.</i>	<input type="checkbox"/> YES <input type="checkbox"/> NO
NAME (33) POSITION (34) + -	
NAME POSITION + -	
<input type="checkbox"/> Labor Compliance Unit verified employees' DBE employment based on certified payrolls. (35)	
Do listed employees appear on the DBE firm's payroll? <input type="checkbox"/> YES <input type="checkbox"/> NO	
Do listed employees appear on any other contractor's payroll? <input type="checkbox"/> YES <input type="checkbox"/> NO	
Do the DBE employees appear to have the adequate knowledge, training and experience to perform the subcontract work without assistance from the prime contractor or any other contractor? (36)	<input type="checkbox"/> YES <input type="checkbox"/> NO

EQUIPMENT (37) Not Required

List the major self-propelled equipment used by the DBE.

Number	Major Equipment Type Used (38)	Serial Number (39)	DBE Name Marking or Emblem on Equipment? (40)	DBE Equipment Operator (41)	Owned	Rental (42)	Leased	
1			<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	+
2			<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	+
3			<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	+

RESPONSE	RESPONSE
Does the prime contractor's name appear on any equipment used by the DBE firm? (43) If yes, explain in "Comments" section.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
Is the equipment under the direct supervision of the DBE? (44)	<input type="checkbox"/> YES <input type="checkbox"/> NO
SUPPLIED MATERIALS (45) <input type="checkbox"/> Not Required	RESPONSE
Are materials invoices made out to the DBE? (46) <input type="checkbox"/> Attach copies of invoices and Material on Hand documents.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Were materials shipped to the DBE? (47) <input type="checkbox"/> Attach copies of shipping documents or bills of lading.	<input type="checkbox"/> YES <input type="checkbox"/> NO

COMMENTS

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Notice write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814

APPENDIX F: Form CEM-2415 Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker

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STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW CONTRACTOR, SUBCONTRACTOR, TRUCKER

CEM-2415 (NEW 07/2022)

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DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME			DBE COMPANY NAME		

DBE CUF MONITORING REVIEW CONTINUED

For any question marked "NO," provide explanation in the "Comments" section.

TRUCKING (48)	<input type="checkbox"/> Not Required	RESPONSE
Does a review of the load tickets indicate that hauling is being done by the DBE? (49)	<input type="checkbox"/>	<input type="checkbox"/> YES <input type="checkbox"/> NO
Are all trucks operated by employees of the DBE, lower tier DBE, or DBE owner operators? (50) Truck drivers are: (51)	<input type="checkbox"/>	<input type="checkbox"/> YES <input type="checkbox"/> NO
<input type="checkbox"/> Employees of the DBE <input type="checkbox"/> Employees of Lower tier DBE <input type="checkbox"/> DBE owner-operators <i>Attach copies of truck tags and registrations.</i>		
If trucks were leased from a non-DBE truck leasing company, are the trucks operated by employees of the DBE company and do the trucks bear the name and US DOT identification number of the DBE? (52)	<input type="checkbox"/>	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
COMMENTS		

REVIEWER CUF DETERMINATION (53)

The signature below is verification that the reviewer observed the DBE.

DBE is Performing a Commercially Useful Function
Based on the observations and review, the DBE is performing a Commercially Useful Function because the DBE is an independent business, executing a distinct element of the work by actually performing, managing, and supervising the work.

DBE is Not Performing a Commercially Useful Function
Based on the following observations and review, the DBE is not performing a Commercially Useful Function: (54)

REVIEWER NAME (55)	SIGNATURE (56)	DATE (57)
---	---	--

RESIDENT ENGINEER CERTIFICATION

I have reviewed the information in this CUF monitoring review and certify the CUF determination shown above.

RESIDENT ENGINEER NAME (58)	SIGNATURE (59)	DATE (60)
--	---	--

MONITORING REVIEW SUBMITTALS

Finding of Not Performing a Commercially Useful Function submitted to District Disadvantaged Business Enterprise Coordinator.	SUBMITTED BY NAME (61)	DATE (62)
---	---	--

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APPENDIX F: Form CEM-2415 Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker

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STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW CONTRACTOR, SUBCONTRACTOR, TRUCKER

CEM-2415 (NEW 07/2022)

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DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME		DBE COMPANY NAME			

ATTACHMENTS

Record or Document 63	File Name 64
<input type="checkbox"/> Subcontract Agreement	
<input type="checkbox"/> Purchase Order	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Delivery Tickets	
<input type="checkbox"/> Equipment Ownership	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/> Haul Tickets or Bills of Lading	
<input type="checkbox"/> Truck Tags and Registrations	
<input type="checkbox"/>	

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APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

Perform CUF onsite monitoring reviews on every DBE contractor, subcontractor, and trucker performing work or supplying materials on the project. The reviews are required any time a DBE company works on a project, regardless of whether DBE is shown on the contractor's DBE Commitment form. If a CUF has not been performed, participation credit for the DBE company's work cannot be applied toward the contract goal.

Additionally, track work that DBE subcontractors sublet to lower tier subcontractors, because credit can only be received if the lower tier subcontractors are certified as a DBE contractor to perform the specific type of work. If the lower tier subcontractor is not a DBE or not certified to perform the work, the value of this work cannot be counted toward the contract goal and must be deducted from the DBE amount to be credited to the project.

Conducting DBE CUF reviews is a two-step process, whereby the Caltrans Construction field staff completes the first step by performing an on-site review of the DBE, answering review questions, and providing observations. The DBE specialist or labor compliance staff completes the second step by performing any necessary verifications, such as whether DBE employees are shown on the DBE certified payroll.

DBE CUF reviews for contracts funded with federal funds must include Form CEM-2415, "Commercially Useful Function Monitoring Review Contractor / Subcontractor / Trucker" to document the onsite review and verification. This form documents that the elements of work performed by a Disadvantaged Business Enterprise (DBE) were monitored and evaluated according to the commercially useful function and counting requirements of 49 CFR 26.55. This form also contains data and questions to supplement monitoring of payments or changes in contract scope that may require prompt action to ensure final compliance.

Section: PROJECT INFORMATION

PROJECT DESCRIPTION [Form Field 1]

Give a brief description of the project, for example "Route 1 widening in Fort Bragg, CA" or "In Humboldt County In And Near Arcata On Route 101 From Saint Louis Road Overcrossing To Mad River Bridge And On Route 299 At 299/101 Separation."

DISTRICT [Form Field 2]

Enter the district number of the contract (1-12) shown on the contract special provisions.

Standard Format:

Contract No. YY-XXXXX4

Example: Contract No. 11 – 5Q0124

DISTRICT: 11

EXPENDITURE AUTHORIZATION [Form Field 3]

Enter the first 6 digits of the expenditure authorization shown on the contract special provisions.

Standard Format:

APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

Contract No. YY-XXXXX4

Example: Contract No. 11 – **5Q0124**

Expenditure Authorization 5Q0124

DATE [Form Field 4]

Enter the date the form was completed.

COUNTY [Form Field 5]

Enter the county abbreviation for the location of the contract as shown on the Notice to Bidders.

Example: 11 - **SD** - 805 - **2.3 / 21.44**

COUNTY: SD

ROUTE [Form Field 6]

Enter the state highway route number for the contract as shown on the Notice to Bidders.

Example: 11 - SD - **805** - 2.3 / 21.44

ROUTE: 805

BEGIN POSTMILE - END POSTMILE [Form Fields 7–8]

Enter the begin and end postmile shown as shown on the Notice to Bidders.

Example: 11 - SD - 805 - **2.3 / 21.44**

Begin Post Mile: 2.3

End Post Mile: 21.44

CONTRACTOR NAME: [Form Field 9]

Enter company name of the prime contractor.

FEDERAL NUMBER: [Form Field 10]

Enter the contract federal number shown on the contract special provisions. The basic Federal Aid Project number consists of a prefix and a project number. The prefix is assigned to reflect the type of federal funds involved on the entire project. The majority of projects is programmed using Advance Construction procedures. Therefore the “AC” at the beginning of the Prefix (ACYYYQQ). The “YYY” of the prefix is the federal funding program and “QQ” represents FHWA Reimbursement Ratio. The Project Number is 7 character alpha/numeric format used to identify the Federal Project Number (FPN) and is consistent with FHWA’s project numbering system. A suffix “N” or “E” is at the end of the project number. Projects with the suffix “N” are projects of division interest. Projects with the suffix “E” are delegated projects. This information is shown on the cover of the project special provisions.

Standard Format:

Interstate

Prefix-Route Number-Segment (Federal Project Number)E or N

ACYYYQQ-XXX-X(XXX)E or N

Non-Interstate

Prefix- **P** Route Number (Federal Project Number)E or N

APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

ACYYYQQ-PXXX(XXX) E or N

PROJECT IDENTIFIER NUMBER [Form Field 11]:

Enter the Enterprise Financial Infrastructure System (EFIS) 10-digit identifier number as shown on the contract special provisions.

Standard Format:

Project ID XXXXXXXXXXX

Example: Project ID 1100020392

Section: DBE REVIEW INFORMATION

DBE COMPANY NAME [Form Field 12]

Enter the name of the DBE contractor, subcontractor, trucker, or materials supplier.

CONTRACT ITEM NUMBERS [Form Field 13]

Enter contract bid item numbers that the DBE contractor, subcontractor, or trucker is responsible for, as shown on Form OCR-0006 “DBE-Commitment.”

Standard Format:

22, 23, Partial 24

FIELD REVIEW DATE [Form Field 14]

Enter the date that the field monitoring review was conducted.

DBE TOTAL CONTRACT COMMITMENT [Form Field 15-16]

Enter the percentage and dollar amount shown on form OCR-0006 “DBE-Commitment.”

DBE COMPANY COMMITMENT [Form Field 17-18]

Enter the percentage and dollar amount shown on form OCR-0006 “DBE-Commitment.”

DBE COMPANY WORK COMPLETED TO DATE [Form Field 19-20]

Enter the percentage and dollar amount for work completed to date of review by the DBE.

BRIEF DESCRIPTION OF THE DBE’S SCOPE OF THE WORK [Form Field 21]

Provide a description of the work the DBE will perform or the materials that will be supplied by a DBE based on the DBE work scope commitment on this contract as shown on form OCR-0006 “DBE-Commitment.”

Section: DBE CUF MONITORING REVIEW CONTRACTOR OR SUBCONTRACTOR

For any question marked “NO,” provide explanation in the “Comments” section.

Provide a brief description of the DBE’s scope of work as observed. [Form Field 22]

Provide a brief description of the DBE’s scope of work as observed.

PERFORMANCE

The DBE must be responsible for the performance, management, and supervision of a distinct element of the work in accordance with normal industry practice, except where such practices are inconsistent with the DBE regulations.

APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

Is the work being performed by the DBE within the scope of work of the DBE? [Form Field 23]

Compare the description of the work observation to the scope of work shown on the DBE commitment form and subcontract to determine if the DBE is performing within its scope of work.

Check the appropriate box “YES” or “NO.”

The DBE performed the work specified in the DBE subcontract or agreement, and no other contractor has performed the work? [Form Field 24]

Indicate whether the DBE’s work is associated with a specific contract bid item work scope and that they are performing that work. If the work item is a partial piece of the overall work scope, indicate whether the firm is working on the specific portion of that partial work item without assistance from other firms on the project.

If the DBE has subcontracted a portion of the work then a DBE CUF evaluation must be conducted to be verify that the contractor can receive full credit for the DBE’s work.

Check the appropriate box “YES” or “NO.”

MANAGEMENT

The DBE must manage the work that has been contracted to the DBE company

Does the DBE employ a supervisor who is onsite directing their work? [Form Fields 25-27]

If the DBE site supervisor indicates they were hired specifically for this job or does not know if they will continue to work for the DBE firm after this project is complete, the answer is “NO.” The DBE site supervisor should be working exclusively for the DBE. If the site supervisor indicates they also work for another contractor on this project, the answer is “NO.” For trucking, check the box “N/A.”

Check the appropriate box “YES,” “NO,” or “N/A.”

Enter the name of the DBE onsite supervisor and the position title of the DBE supervisor.

Verification: *Site supervisor appears on the DBE firm’s payroll? [Form Field 28]*

If a DBE site supervisor was listed in response to this review, is the payroll listing for that employee consistent with a supervisor, for example job description is supervisor, pay commensurate with a supervisor?

Site supervisor appears on the DBE firm’s payroll?

Check the appropriate box “YES” or “NO.”

Does the supervisor manage their work force without interference from any other individuals? [Form Field 29]

Indicate whether the DBE company is performing the work the way the DBE supervisor is directing the work to be done or if the prime is telling the DBE how to perform the functions of their subcontract work. For trucking check the box “N/A.”

Check the appropriate box “YES,” “NO,” or “N/A.”

APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

Does the DBE representative schedule material deliveries, equipment rentals, and other related actions required for the performance of their work? [Form Field 30]

For material deliveries specific to the DBE work scopes, was an employee of the DBE company onsite at the time of delivery to receive their materials? For trucking check the box "N/A."

Check the appropriate box "YES," "NO," or "N/A."

Provide supporting documentation if available.

WORKFORCE

To be considered an independent business, a DBE must keep a regular workforce.

Does the DBE company have employees on the job? [Form Fields 31]

Check the appropriate box "YES" or "NO."

Do the employees of the DBE say they work for the DBE? [Form Fields 32-34]

The DBE employee should be working exclusively for the DBE. If the employee indicates they also work for another contractor on this project, the answer is "NO."

Check the appropriate box "YES" or "NO."

Enter the names of the DBE employees and the position title or labor classification. List all DBE employees onsite, maximum of ten employees.

Verification: Do they appear on the DBE firm's payroll? [Form Field 35]

Verification Certified Payrolls: Compare the DBE employees recorded on this form with the DBE payroll and verify that the DBE employees listed match the payrolls.

Check the appropriate box "YES" or "NO."

Verification: Do they appear on any other contractor's payroll? [Form Field 35]

Verification Certified Payrolls: Compare the payrolls of the DBE to the prime or upper tier contractor to verify that none of the DBE employees appear on any other payrolls. Check box if cross check of payrolls for the DBE employees verified listed DBE employees are not on prime contractor or subcontractor payrolls.

Do the DBE employees appear to have the adequate knowledge, training, and experience to perform the subcontract work without assistance from the prime contractor or any other contractor? [Form Field 36]

Look to see if anyone is helping the DBE firm complete their subcontract work because of a lack of knowledge, training, or experience on the part of the DBE employees or DBE owner or supervisor.

Check the appropriate box "YES" or "NO."

EQUIPMENT [Form Field 37]

If the contractor or subcontractor has no equipment, check the box "No Equipment" and this section will collapse.

The DBE is expected to provide the operator for non-specialized equipment and is responsible for all payroll and labor compliance requirements. For leased equipment, a separate lease agreement is required.

APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

List the major self-propelled equipment used by the DBE [Form Fields 38-42]

List each major equipment type used by the DBE and the equipment serial number.

For each major equipment type used:

- Check the appropriate box “YES” or “NO” based on whether the DBE name marking, or emblem is on the equipment.
- Check the appropriate box “YES” or “NO” that the operator is an employee of the DBE.
- Check the box for owned, rented, or leased.

Does the prime contractors name appear on any equipment used by the DBE firm? [Form Field 43]

Check the appropriate box “YES” or “NO.”

Verification: Indicate whether vehicle registrations, lease, or rental agreements were reviewed onsite to make sure the equipment does not belong to the prime contractor or is being leased or rented from the prime or upper tier subcontractor.

Check the appropriate box “YES” or “NO.”

Is the equipment under the direct supervision of the DBE? [Form Field 44]

Indicate whether the DBE supervisor is providing supervision of large equipment operations performed by the DBE.

Check the appropriate box “YES” or “NO.”

Supplied Materials [Form Field 45]

If a subcontractor is not responsible for supplying materials, check the box “Not Required” and this section will collapse.

Are materials invoices made out to the DBE? [Form Field 46]

Check the appropriate box “YES” or “NO.”

Attach copies of invoices and materials on hand documents.

Verification: Check the material invoices for who is listed as receiving the materials to verify it is the DBE company.

Materials are shipped to the DBE? [Form Field 47]

Check the appropriate box “YES” or “NO.”

Attach copies of shipping documents or bills of lading.

Verification: Review any bills of lading or shipping documents for materials purchased by the DBE that was delivered to the project site and verify the DBE is listed as the receiver of those items.

DBE CUF MONITORING REVIEW TRUCKING [Form Field 48]

Completion of this section is not required for trucking for delivery of materials provided by a regular dealer. Completion of this section is not required for trucking of materials owned or purchased by the prime contractor. This section does apply when hauling is a separate contract because the materials were not purchased locally, and the hauler is not the supplier; DBE credit for hauling would then be allowed.

APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

A certified company providing trucking services must own and operate at least one fully licensed, insured, and operational truck used on the contract. To perform a CUF, a certified firm must also be responsible for the management and supervision of the entire trucking operation or a specified portion of the trucking operation to which it has been committed. There cannot be a contrived arrangement simply to meet a contract goal.

A certified company can supplement its fleet by leasing trucks from an established equipment leasing business open to the public. The lease must indicate that the certified firm has exclusive use of and control over the truck.

For contractor or subcontractor DBE monitoring reviews, check the box “Not Required” and this section will collapse.

Does a review of the weighmaster tickets indicate that hauling is being done by the DBE? Form [Field 49]

Review weighmaster tickets to verify that the DBE trucker is shown as the hauler.

Check the appropriate box “YES” or “NO.”

Are all trucks operated by employees of the DBE, lower tier DBE or DBE owner operators? [Form Fields 50-51]

Check the appropriate box “YES” or “NO.”

Truck drivers are:

Employees of the DBE Employees of lower tier DBE DBE owner-operators

Attach copies of truck tags and registrations.

If trucks leased from a non-DBE truck leasing company, the trucks are operated by employees of the DBE company and the trucks bear the name and US DOT identification number of the DBE? [Form Field 52]

If leased, the driver should have the lease agreement that identifies the DBE in their truck.

Check the appropriate box “YES,” “NO,” or “N/A.”

Section: REVIEWER CUF DETERMINATION

DBE CUF DETERMINATION Form [Form Field 53]

Based on the results of the DBE CUF monitoring review, check the box for either “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function.”

Based on observations and review the DBE was not performing a Commercially Useful Function based on Form [Form Field 54]

Enter the reason the DBE was found to be not performing a CUF.

REVIEWER PRINTED NAME [Form Field 55]

Enter the printed name of the DBE CUF reviewer.

REVIEWER SIGNATURE [Form Field 56]

Signature of the DBE CUF reviewer.

APPENDIX G: Commercially Useful Function Monitoring Review Contractor/Subcontractor/Trucker Instructions

DATE [Form Field 57]

Date of DBE CUF reviewer signature.

Section: RESIDENT ENGINEER CERTIFICATION

I have reviewed the information in this CUF monitoring review and certify the CUF determination shown above.

RESIDENT ENGINEER NAME [Form Field 58]

Printed name of the resident engineer.

RESIDENT ENGINEER SIGNATURE [Form Field 59]

Signature of the resident engineer.

DATE [Form Field 60]

Date of resident engineer signature.

Section: MONITORING REVIEWS SUBMITTAL

SUBMITTAL TO DISTRICT LABOR COMPLIANCE OFFICER

SUBMITTED BY SIGNATURE [Form Field 61]

Printed name of person who completed submittal.

DATE [Form Field 62]

Date submitted.

Section: ATTACHMENTS

ATTACHMENTS [Form Fields 63-64]

Check a box for each attachment and provide the electronic file name of the attachment. The attachment list will expand to allow for additional attachments.

The attachment list will expand to allow for additional attachments.

ATTACHMENTS	
Record or Document	File Name
<input type="checkbox"/> Subcontract	
<input type="checkbox"/> Purchase Order	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Delivery Tickets	
<input type="checkbox"/> Equipment Ownership	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/> Haul Tickets or Bills of Lading	
<input type="checkbox"/> Truck Tags and Registrations	
<input type="checkbox"/>	

APPENDIX H: Form CEM-2416 Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker

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COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW
REGULAR DEALER / MANUFACTURER / BROKER

Lock Form

CEM-2416 (NEW 08/2022)

Page 1 of 6

PROJECT INFORMATION 1	DISTRICT 2	EXPENDITURE AUTHORIZATION 3		DATE 4
	COUNTY 5	ROUTE 6	BEGIN POSTMILE 7	END POSTMILE 8
CONTRACTOR NAME 9	FEDERAL NUMBER 10	PROJECT IDENTIFIER NUMBER 11		

Complete a Commercially Useful Function (CUF) monitoring review of Disadvantaged Business Enterprise (DBE) company's performing on a federal-aid contract. Perform a review within 15 days of a DBE firm starting work on a contract and monitor DBE performance by performing quarterly reviews while the DBE is performing work.

DBE REVIEW INFORMATION

DBE COMPANY NAME 12	CONTRACT BID ITEMS 13	FIELD REVIEW DATE 14
DBE Total Contract Commitment 15 % 16 \$	DBE Company Commitment 17 % 18 \$	DBE Company Work Completed to Date 19 % 20 \$

DESCRIPTION OF DBE SCOPE OF WORK

21

REGULAR DEALER DBE CUF MONITORING REVIEW 22

Not Required

Standard Regular Dealer 23 Bulk Items Regular Dealer

For any question marked "NO," provide explanation in the "Comments" section.

Standard Regular Dealer 24

Not Required:

	RESPONSE
Are the products provided by the DBE regular dealer the same, type and quantity, as those described in the prime's commitment, and purchase order or subcontract? 25 <input type="checkbox"/> Attach purchase order or subcontract.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE have an established storage facility and inventory which includes the products, or those of a similar character, that the DBE is supplying to this project? 26	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE own the products they sell or lease? 27 <input type="checkbox"/> Attach invoice from product manufacturer to the regular dealer or cancelled check payable to the manufacturer.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do all products come directly from the DBE's establishment or does the DBE have physical possession of the products prior to delivery? 28 <i>If YES, check box N/A for next question.</i>	<input type="checkbox"/> YES <input type="checkbox"/> NO
If not all products, do most products come directly from the DBE's establishment, or does the DBE have physical possession of the products prior to delivery? 29	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
Did you visit the DBE's establishment to answer or verify the answers to these regular dealer questions? 30	<input type="checkbox"/> YES <input type="checkbox"/> NO

COMMENTS

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Notice write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814

APPENDIX H: Form CEM-2416 Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker

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REGULAR DEALER / MANUFACTURER / BROKER
 CEM-2416 (NEW 08/2022)

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DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME			DBE COMPANY NAME		

REGULAR DEALER DBE CUF MONITORING REVIEW

For any question marked "NO," provide explanation in the "Comments" section.

Bulk Item Regular Dealer 31	<input type="checkbox"/> Not Required
Are the products considered bulk or specialty items that suppliers do not typically keep in stock? 32	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do the trucks delivering the bulk materials have the DBE regular dealer emblem or markings? 33	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do haul tickets name the DBE regular dealer as the trucker? 34 <input type="checkbox"/> Attach copies of haul tickets.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE own, or have a long-term lease, and operate the distribution equipment to deliver the products they sell? 35 <input type="checkbox"/> Trucks owned by the DBE. <input type="checkbox"/> Trucks leased by the DBE. 36 <input type="checkbox"/> Attach verification of truck ownership or lease agreements in the name of the DBE.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Truck Drivers	
Are trucks owned by the DBE operated by employees of the DBE? 37	<input type="checkbox"/> YES <input type="checkbox"/> NO
If trucks are used from a leasing company: Trucks are operated by DBE employees and bear the name and US DOT identification number of the DBE? 38 <input type="checkbox"/> Attach copies of truck tags and registrations.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
Bulk materials are paid for by the DBE regular dealer? 39 <input type="checkbox"/> Attach copies of cancelled checks from DBE regular dealer to bulk materials supplier.	<input type="checkbox"/> YES <input type="checkbox"/> NO

COMMENTS

MANUFACTURER DBE CUF MONITORING REVIEW 40

For any question marked "NO," provide explanation in the "Comments" section.

	<input type="checkbox"/> Not Required
Is the manufacturer business' primary function to manufacture products used in construction? 41	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE manufacturer regularly produce the product ordered for this project? 42	<input type="checkbox"/> YES <input type="checkbox"/> NO
Were the products manufactured by the DBE manufacturer the same type and quantity as those described in the prime contractor's commitment? 43 <input type="checkbox"/> Attach copy purchase order, or DBE's subcontract.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do records indicate that the final products manufactured, blended, modified, or fabricated came from an establishment maintained and operated by the DBE manufacturer? 44 <input type="checkbox"/> Attach certificates of compliance and invoices.	<input type="checkbox"/> YES <input type="checkbox"/> NO

COMMENTS

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APPENDIX H: Form CEM-2416 Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker

DISTRICT	EXPENDATURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POST MILE	END POST MILE
CONTRACTOR NAME			DBE COMPANY NAME		
MANUFACTURER DBE CUF MONITORING REVIEW (39) <input type="checkbox"/> Not Required					
<i>For any question marked "NO," provide explanation in the "Comments" section</i>					
Is the manufacturer business' primary function to manufacture products used in construction? (40)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the DBE manufacturer regularly produce the product ordered for this project? (41)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Were the products manufactured by the DBE manufacturer the same type and quantity as those described in the prime contractor's commitment? (42) <input type="checkbox"/> Attach copy purchase order, or DBE's subcontract.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Do records indicate that the final products manufactured, blended, modified or fabricated came from an establishment maintained and operated by the DBE manufacturer? (43) <input type="checkbox"/> Attach certificates of compliance and invoices.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
COMMENTS:					
BROKER DBE CUF MONITORING REVIEW (44) <input type="checkbox"/> Not Required					
<i>For any question marked "NO," provide explanation in the "Comments" section</i>					
DBE firm is a broker for: (45)		<input type="checkbox"/> Transportation or Hauling <input type="checkbox"/> Procurement of Materials <input type="checkbox"/> Procurement of Supplies		<input type="checkbox"/> Bonding <input type="checkbox"/> Insurance <input type="checkbox"/> _____	
PERFORMANCE				Response	
Is the DBE broker performing for the bid item work committed to them on the DBE Commitment Form and their agreement? (46)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the DBE firm have the required expertise for the work? (47)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
MANAGEMENT				Response	
Is the DBE managing the work it has an agreement to perform? (48)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
For procurement of materials, supplies and trucking, is the DBE scheduling procurement of materials and supplies or trucking for delivery of materials and supplies, and other related actions for performance of the work? (49)				<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
For bonding or insurance, did the DBE provide the bonds or insurance? (50)				<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Is the DBE submitting invoices or payrolls? (51) <input type="checkbox"/> Attach invoices.				<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are the broker fees and commissions reasonable? (52)				<input type="checkbox"/> YES <input type="checkbox"/> NO	
COMMENTS:					

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APPENDIX H: Form CEM-2416 Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker

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DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME			DBE COMPANY NAME		

BROKER DBE CUF MONITORING REVIEW (45)

Not Required

For any question marked "NO," provide explanation in the "Comments" section.

DBE firm is a broker for: (46)	<input type="checkbox"/> Transportation or Hauling <input type="checkbox"/> Procurement of Materials <input type="checkbox"/> Procurement of Supplies	<input type="checkbox"/> Bonding <input type="checkbox"/> Insurance <input type="checkbox"/>
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PERFORMANCE	RESPONSE
Is the DBE broker performing for the bid item work committed to them on Form OCR-0006, "DBE – Commitment," and their agreement? (47)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the DBE firm have the required expertise for the work? (48)	<input type="checkbox"/> YES <input type="checkbox"/> NO
MANAGEMENT	RESPONSE
Is the DBE managing the work it has an agreement to perform? (49)	<input type="checkbox"/> YES <input type="checkbox"/> NO
For procurement of materials, supplies, and trucking, is the DBE scheduling procurement of materials and supplies, or trucking for delivery of materials and supplies, and other related actions for performance of the work? (50)	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
For bonding or insurance, did the DBE provide the bonds or insurance? (51)	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
Is the DBE submitting invoices or payrolls? (52) <input type="checkbox"/> Attach invoices.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Are the broker fees and commissions reasonable? (53)	<input type="checkbox"/> YES <input type="checkbox"/> NO

COMMENTS

REVIEWER CUF DETERMINATION (54)

The signature below is verification that the reviewer observed the DBE.

- DBE is Performing a Commercially Useful Function**
Based on the observations and review, the DBE is performing a Commercially Useful Function because the DBE is an independent business, executing a distinct element of the work by actually performing, managing, and supervising the work.
- DBE is Not Performing a Commercially Useful Function**
Based on observations and monitoring review, the DBE was not performing a commercially useful function based on:

(55)

REVIEWER NAME (56)	SIGNATURE (57)	DATE (58)
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RESIDENT ENGINEER CERTIFICATION

I have reviewed the information in this CUF monitoring review and certify the CUF determination shown above.

RESIDENT ENGINEER NAME (59)	SIGNATURE (60)	DATE (61)
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APPENDIX H: Form CEM-2416 Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker

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COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW

REGULAR DEALER / MANUFACTURER / BROKER

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DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME			DBE COMPANY NAME		

MONITORING REVIEW SUBMITTALS

Finding of Not Performing a Commercially Useful Function submitted to District Labor Compliance Office.	SUBMITTED BY NAME 62	DATE 63
---	---	--

ATTACHMENTS

Record or Document 64	File Name 65
<input type="checkbox"/> Subcontract or Agreement	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Equipment List	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/>	

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APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

Perform CUF onsite monitoring reviews on every DBE regular dealer, manufacturer, and broker performing work or supplying materials on the project. The reviews are required any time a DBE company works on a project. If a CUF has not been performed, participation credit for the DBE company's work cannot be applied toward the contract goal.

Conducting DBE CUF reviews is a two-step process, whereby the Caltrans Construction field staff completes the first step by performing an onsite review of the DBE, answering review questions, and providing observations. The DBE specialist or labor compliance staff completes the second step by performing any necessary verifications, such as verifying that DBE employees are shown on the DBE certified payroll.

DBE CUF reviews for contracts that use federal funds must use Form CEM-2416, "Commercially Useful Function Monitoring Review Regular Dealer / Manufacturer / Broker," to document the onsite review and verification. This form serves as written documentation that the elements of work performed by a Disadvantaged Business Enterprise (DBE) were monitored and evaluated according to the commercially useful function and counting requirements of 49 CFR 26.55. This form also contains data and questions to supplement monitoring of payments or changes in contract scope that may require prompt action to ensure final compliance.

Section: PROJECT INFORMATION

PROJECT DESCRIPTION [Form Field 1]

Give a brief description of the project, for example "Route 1 widening in Fort Bragg, CA" or "In Humboldt County In And Near Arcata On Route 101 From Saint Louis Road Overcrossing To Mad River Bridge And On Route 299 At 299/101 Separation."

DISTRICT [Form Field 2]

Enter the district number of the contract (1-12) shown on the contract special provisions.

Standard Format:

Contract No. YY-XXXXX4

Example: Contract No. 11 – 5Q0124

DISTRICT: 11

EXPENDITURE AUTHORIZATION [Form Field 3]

Enter the first 6 digits of the expenditure authorization shown on the contract special provisions.

Standard Format:

Contract No. YY-XXXXX4

Example: Contract No. 11 – **5Q0124**

Expenditure Authorization 5Q0124

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

DATE [Form Field 4]

Enter the date the form was completed. *COUNTY [Form Field 5]*

Enter the county abbreviation for the location of the contract as shown on the Notice to Bidders.

Example: 11 - **SD** - 805 - **2.3 / 21.44**

COUNTY: SD

ROUTE [Form Field 6]

Enter the state highway route number for the contract as shown on the Notice to Bidders.

Example: 11 - SD - **805** - 2.3 / 21.44

ROUTE: 805

BEGIN POSTMILE - END POSTMILE [Form Fields 7–8]

Enter the begin and end postmile shown as shown on the Notice to Bidders.

Example: 11 - SD - 805 - **2.3 / 21.44**

Begin Post Mile: 2.3

End Post Mile: 21.44

CONTRACTOR NAME: [Form Field 9]

Enter company name of the prime contractor.

FEDERAL NUMBER: [Form Field 10]

Enter the contract federal number shown on the contract special provisions. The basic federal-aid project number consists of a prefix and a project number. The prefix is assigned to reflect the type of federal funds involved on the entire project. The majority of projects are programmed using advanced construction procedures. Therefore the "AC" at the beginning of the prefix (ACYYYQQ). The "YYY" of the prefix is the federal funding program and "QQ" represents FHWA Reimbursement Ratio. The project number is 7 character alpha/numeric format used to identify the Federal Project Number (FPN) and is consistent with FHWA's project numbering system. A suffix "N" or "E" is at the end of the project number. Projects with the suffix "N" are projects of division interest. Projects with the suffix "E" are delegated projects. This information is shown on the cover of the project special provisions.

Standard Format:

Interstate

Prefix-Route Number-Segment(Federal Project Number)E or N

ACYYYQQ-XXX-X(XXX)E or N

Non-Interstate

Prefix- **P** Route Number (Federal Project Number)E or N

ACYYYQQ-PXXX(XXX) E or N

PROJECT IDENTIFIER NUMBER [Form Field 11]:

Enter the Enterprise Financial Infrastructure System (EFIS) 10-digit identifier number as shown on the contract special provisions.

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

Standard Format:

Project ID XXXXXXXXXXXX

Example: Project ID 1100020392

Section: DBE REVIEW INFORMATION

DBE COMPANY NAME [Form Field 12]

Enter the name of the DBE contractor, subcontractor, trucker, or materials supplier.

CONTRACT BID ITEM NUMBERS [Form Field 13]

Enter contract bid item numbers that the DBE contractor, subcontractor, or trucker is responsible for as shown on Form OCR-0006, "DBE-Commitment."

Standard Format:

22, 23, Partial 24

FIELD REVIEW DATE [Form Field 14]

Enter the date that the field monitoring review was conducted.

DBE TOTAL CONTRACT COMMITMENT [Form Field 15-16]

Enter the percentage and dollar amount shown on Form OCR-0006, "DBE- Commitment."

DBE COMPANY COMMITMENT [Form Field 17-18]

Enter the percentage and dollar amount shown on Form OCR-0006, "DBE- Commitment."

DBE COMPANY WORK COMPLETED TO DATE [Form Field 19-20]

Enter the percentage and dollar amount for work completed to date of review by the DBE.

BRIEF DESCRIPTION OF THE DBE'S SCOPE OF THE WORK [Form Field 21]

Provide a description of the work the DBE will perform or the materials that will be supplied by a DBE based on the DBE work scope commitment on this contract as shown on Form OCR-0006, "DBE-COMMITMENT."

Section: REGULAR DEALER DBE CUF MONITORING REVIEW [Form Field 22]

Check the box "Not Required" if the monitoring review is for a manufacturer or broker.

It is important to make a distinction between a regular dealer and a firm that supplies a product on an ad hoc basis for a particular contract or contractor. A regular dealer has a regular trade with a variety of customers. One of the key considerations when considering a regular, established dealer is the presence of an inventory of materials or supplies. A regular dealer assumes the actual and contractual responsibility for the provision of the material or supplies.

A firm may be a regular dealer in bulk items such as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business if the firm both owns and operates distribution equipment for the products. Any supplementing of regular dealers' own distribution equipment must be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis.

In some circumstances, items are "drop shipped" directly from a manufacturer's facility to a project site, never being in physical possession or transported by a supplier. In these cases, the

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

supplier's role may involve nothing more than contracting the manufacturer and placing a project-specific order for an item that the manufacturer then causes to be transported to the job site.

In such a situation, the supplier's role may often be better described as that of a "broker" or "transaction expeditor," in accordance with Title 49 CFR 26.55 (e)(2)(ii)(C). In such a case, DBE credit is limited to the fee or commission the firm receives for its services. If the firm does not provide any commercially useful function, it is simply inserted as an extra participant in a transaction, and no DBE credit is counted.

If a certified firm meets the requirements of a regular dealer, 60 percent of the cost of the materials, if reasonable, may count toward the contract goal. Packagers, brokers, manufacturers' representatives, or others who arrange or expedite transactions are not regular dealers.

For any question marked "NO," provide explanation in the "Comments" section.

Type of Regular Dealer? [Form Field 23]

Check appropriate box for type of DBE regular dealer:

Standard Regular Dealer Bulk Items Regular Dealer

Standard Regular Dealer? [Form Field 24]

For a bulk item regular dealer, check the box "Not Required" and this section will collapse.

Are the products provided by the DBE regular dealer the same, type and quantity, as those described in the prime contractor's commitment, and purchase order or subcontract? [Form Field 25]

Check the appropriate box "YES" or "NO."

Verification Attachment: Compare scope of work shown Form OCR-0006, "DBE-Commitment" submitted by the contractor and the products on the purchase order or subcontract to determine if the DBE is performing its scope of work.

Does the DBE have an established storage facility, and inventory that includes the products, or those of a similar character, that the DBE is supplying to this project? [Form Field 26]

The establishment in which the DBE company keeps items to sell to the general public should be more than a token location. A showroom, catalog, or the presence of small amounts of materials are not sufficient to demonstrate that a firm regularly deals in the items.

Check the appropriate box "YES" or "NO."

Does the DBE own the products they sell or lease? [Form Field 27]

Check the appropriate box "YES" or "NO."

Attach invoice from product manufacture to the regular dealer or cancelled check payable to the manufacturer.

Verification Attachment: Verify by reviewing the manufacturer's invoice or cancelled check that the products for this project were owned by the DBE regular dealer.

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

Do all products come directly from the DBE's establishment or does the DBE have physical possession of the products before delivery? [Form Field 28]

Check the appropriate box "YES" or "NO."

If YES, check box N/A for next question.

If not all products, do most products come directly from the DBE's establishment or does the DBE have physical possession of the products before delivery? [Form Field 29]

Check the appropriate box "YES," "NO," or "N/A."

Did you visit the DBE's establishment to answer or verify the answers to these regular dealer questions? [Form Field 30]

Check the appropriate box "YES" or "NO."

Bulk Item Regular Dealer? [Form Field 31]

For a standard regular dealer, check the box "Not Required" and this section will collapse.

Are the products considered bulk or specialty items that suppliers do not typically keep in stock? [Form Field 32]

Check the appropriate box "YES" or "NO."

Do the trucks delivering the bulk materials have the DBE regular dealer emblem or markings? [Form Field 33]

Check the appropriate box "YES" or "NO."

Do haul tickets name the DBE regular dealer as the trucker? [Form Field 34]

Check the appropriate box "YES" or "NO."

Does the DBE own, or have a long-term lease, and operate the distribution equipment to deliver the products they sell? [Form Fields 35-36]

Check the appropriate box "YES" or "NO."

For trucks, check the appropriate box for "Trucks owned by the DBE" or "Trucks leased by the DBE"

Attach verification of truck ownership or lease agreements in the name of the DBE.

Truck Drivers

Are trucks owned by the DBE operated by employees of the DBE? [Form Field 37]

Check the appropriate box "YES" or "NO."

If trucks are from a leasing company: Trucks are operated by DBE employees and bear the name and US DOT identification number of the DBE? [Form Field 38]

Check the appropriate box "YES," "NO" or "N/A."

Attach copies of truck tags and registrations.

Bulk materials are paid for by the DBE regular dealer? [Form Field 39]

Check the appropriate box "YES" or "NO."

Attach copies of cancelled checks from DBE regular dealer to bulk materials supplier.

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

Section: MANUFACTURER DBE CUF MONITORING REVIEW [Form Field 40]

Check the box “Not Required” if the monitoring review is for a regular dealer or broker.

As described in Title 49 CFR 26.55(e)(1)(ii), a manufacturer is a firm that operates or maintains a factory or establishment that produces on the premises materials, supplies, articles, or equipment required under the contract and as described by the specifications. Examples of such items include a concrete ready-mix plant, a crushing operation, or a steel or precast concrete fabricating plant.

Is the manufacturer's primary function to manufacture products used in construction? [Form Field 41]

Check the appropriate box “YES” or “NO.”

Does the DBE manufacturer regularly produce the product ordered for this project? [Form Field 42]

Check the appropriate box “YES” or “NO.”

Were the products manufactured by the DBE manufacturer the same type and quantity as those described in the prime contractor's commitment? [Form Field 43]

Check the appropriate box “YES” or “NO.”

Attach copy of prime's commitment, purchase order, or DBE's subcontract.

Verification Attachment: Compare scope of work shown Form OCR-0006, “DBE-COMMITMENT” submitted by the contractor and the products on the purchase order or subcontract to determine if the DBE is performing its scope of work.

Do records indicate that the final products manufactured, blended, modified or fabricated came from an establishment maintained and operated by the DBE manufacturer? [Form Field 44]

Check the appropriate box “YES” or “NO.”

Attach certificates of compliance and other documents.

Verification Attachment: Verify that materials certificates of compliance are signed by the DBE manufacturer.

Section: BROKER DBE CUF MONITORING REVIEW [Form Field 45]

Check the box “Not Required” if the monitoring review is for a regular dealer or manufacturer.

Brokers, packagers, manufacturers' representatives, or others who arrange or expedite transactions are not regular dealers or manufacturers. For materials or supplies purchased from a DBE that is neither a manufacturer nor a regular dealer, count the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on a jobsite, toward DBE goals if the fees are reasonable when compared with fees customarily allowed for similar services.

A contractor may count toward its DBE goals the following expenditures to DBE brokers that are not manufacturers or regular dealers:

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

- a) The commission charged for providing a bona fide service in the procurement of essential personnel, facilities, equipment, materials, or supplies required for the performance of the contract, provided the commission is reasonable and customary.
- b) The commissions charged for bonds or insurance provided by a DBE broker for the specific performance of the contract, provided the fee is reasonable and customary. A letter must be submitted detailing the amount.

For any question marked "NO," provide explanation in the "Comments" section.

DBE firm is a broker for the following: [Form Field 46]

Check the appropriate box for the type of brokering the DBE firm is providing:

- Transportation or Hauling Procurement of Materials Procurement of Supplies
 Bonding Insurance Other: _____

PERFORMANCE

Is the DBE broker performing for the bid item work committed to them on the DBE Commitment Form and their agreement? [Form Field 47]

Check the appropriate box "YES" or "NO."

Attach DBE subcontract or agreement.

Does the DBE firm have the required expertise for the work? [Form Field 48]

Check the appropriate box "YES" or "NO."

MANAGEMENT

Is the DBE managing the work it has an agreement to perform? [Form Field 49]

Check the appropriate box "YES" or "NO."

For procurement of materials, supplies and trucking, is the DBE scheduling procurement of materials and supplies or trucking for delivery of materials and supplies, and other related actions for performance of the work? [Form Field 50]

Check the appropriate box "YES," "NO," or "N/A."

For bonding or insurance, did the DBE provide the bonds or insurance? [Form Field 51]

Check the appropriate box "YES," "NO," or "N/A."

Is the DBE submitting invoices or payrolls? [Form Field 52]

Check the appropriate box "YES" or "NO."

Attach invoices.

Verification Attachment: Verify for broker work that is complete that an invoice with the amount shown on the contractor DBE COMMITMENT form has been submitted and the amount shown on the invoice is only for fees or commissions.

Are the broker fees and commissions reasonable? [Form Field 53]

Check the appropriate box "YES" or "NO."

Verification: Verify that broker fees or commission amount does not exceed a reasonable maximum of 10 percent.

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

Section: REVIEWER CUF DETERMINATION

DBE CUF DETERMINATION Form [Form Field 54]

Based on the results of the DBE CUF monitoring review, check the box for either “DBE is Performing a Commercially Useful Function” or “DBE is Not Performing a Commercially Useful Function.”

Based on observations and review, the DBE was not performing a Commercially Useful Function based on Form [Form Field 55]

Enter the reason the DBE was found to be not performing a CUF.

REVIEWER PRINTED NAME [Form Field 56]

Enter the printed name of the DBE CUF reviewer.

REVIEWER SIGNATURE [Form Field 57]

Signature of the DBE CUF reviewer.

DATE [Form Field 58]

Date of DBE CUF reviewer signature.

Section: RESIDENT ENGINEER CERTIFICATION

I have reviewed the information in this CUF monitoring review and certify the CUF determination shown above.

RESIDENT ENGINEER NAME [Form Field 59]

Printed name of the resident engineer.

RESIDENT ENGINEER SIGNATURE [Form Field 60]

Signature of the resident engineer.

DATE [Form Field 61]

Date of resident engineer signature.

Section: MONITORING REVIEWS SUBMITTAL

SUBMITTAL TO DISTRICT LABOR COMPLIANCE OFFICER

SUBMITTED BY SIGNATURE [Form Field 62]

Printed name of person who completed submittal.

DATE [Form Field 63]

Date submitted.

Section: ATTACHMENTS

ATTACHMENTS [Form Fields 64-65]

Check a box for each attachment and provide the electronic file name of the attachment.

The attachment list will expand to allow for additional attachments.

ATTACHMENTS	
Record or Document	File Name

APPENDIX I: Commercially Useful Function Monitoring Review Regular Dealer/Manufacturer/Broker Instructions

<input type="checkbox"/> Subcontract	
<input type="checkbox"/> Purchase Order	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Delivery Tickets	
<input type="checkbox"/> Equipment Ownership	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/> Haul Tickets or Bills of Lading	
<input type="checkbox"/> Truck Tags and Registrations	
<input type="checkbox"/>	

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

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STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
**COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW
 PROFESSIONAL SERVICES**
 CEM-2417 (NEW 07/2022)

Lock Form

Page 1 of 5

PROJECT INFORMATION 1	DISTRICT 2	EXPENDITURE AUTHORIZATION 3		DATE 4
	COUNTY 5	ROUTE 6	BEGIN POSTMILE 7	END POSTMILE 8
CONTRACTOR NAME 9	FEDERAL NUMBER 10	PROJECT IDENTIFIER NUMBER 11		

Complete a Commercially Useful Function (CUF) monitoring review of Disadvantaged Business Enterprise (DBE) company's performing on a federal-aid contract. Perform a review within 15 days of a DBE firm starting work on a contract and monitor DBE performance by performing quarterly reviews while the DBE is performing work.

DBE REVIEW INFORMATION					
DBE COMPANY NAME 12		CONTRACT BID ITEMS 13		FIELD REVIEW DATE 14	
DBE Total Contract Commitment 15 % 16 \$		DBE Company Commitment 17 % 18 \$		DBE Company Work Completed to Date 19 % 20 \$	
DESCRIPTION OF DBE SCOPE OF WORK 21					

DBE CUF MONITORING REVIEW PROFESSIONAL SERVICES
 For any question marked "NO," provide explanation in the "Comments" section.

DBE firm is providing the following professional service: 22

<input type="checkbox"/> Engineering	<input type="checkbox"/> Materials Testing
<input type="checkbox"/> Architecture	<input type="checkbox"/> Surveying
<input type="checkbox"/> Geotechnical	<input type="checkbox"/>

DBE consultant firm is: 23

<input type="checkbox"/> Prime consultant	<input type="checkbox"/> Subconsultant
---	--

PERFORMANCE	RESPONSE
Is the DBE performing the bid item work committed to them on Form OCR-0006, "DBE –Commitment," and their agreement? 24 <input type="checkbox"/> Attach DBE subcontract or agreement.	<input type="checkbox"/> YES <input type="checkbox"/> NO
Provide a brief description of the DBEs scope of work as observed: 25	
Does the DBE company have the required expertise for the work? 26	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is the DBE company working without the assistance from the prime contractor, another subcontractor, or consultant? 27	<input type="checkbox"/> YES <input type="checkbox"/> NO
Did the DBE company subcontract out any portion of its work? 28 If yes, list resources and from whom. If no, skip to next question.	<input type="checkbox"/> YES <input type="checkbox"/> NO
RESOURCES 29	
NAME OF SUBCONTRACTOR 30	
Is the DBE performing at least 30% of its contracted work? 31	<input type="checkbox"/> YES <input type="checkbox"/> NO

COMMENTS

ADA For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or **Notice** write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

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STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
**COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW
PROFESSIONAL SERVICES**

CEM-2417 (NEW 07/2022)

Page 2 of 5

DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME			DBE COMPANY NAME		

DBE CUF MONITORING REVIEW PROFESSIONAL SERVICES CONTINUED

For any question marked "NO," provide explanation in the "Comments" section.

MANAGEMENT	RESPONSE
Is the DBE company working without the assistance from the prime contractor, another subcontractor, or consultant? 32	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is the DBE managing the work it has been subcontracted to perform? 33	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is the DBE submitting invoices or payrolls? 34 <input type="checkbox"/> <i>Attach invoices.</i>	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is the person supervising the DBE employees either the DBE company owner or a site supervisor employed by the DBE company? 35 Provide the name of the onsite supervisor.	<input type="checkbox"/> YES <input type="checkbox"/> NO
NAME 36	TITLE 37
Does supervisor effectively manage their work force without interference from any other individuals? 38	<input type="checkbox"/> YES <input type="checkbox"/> NO
WORKFORCE	RESPONSE
Do the employees of the DBE say they work for the DBE? 39 <i>List employees asked. If none were present, provide the reason under comments.</i>	<input type="checkbox"/> YES <input type="checkbox"/> NO
NAME 40	POSITION 41
NAME	POSITION
Is the DBE maintaining and submitting its own payroll records? 42	<input type="checkbox"/> YES <input type="checkbox"/> NO
Who is preparing the DBE certified payrolls? 43	
<input type="checkbox"/> DBE Company	PAYROLL PREPARER NAME
Verification 44 <input type="checkbox"/> Number of employees on site and those listed on payroll records is consistent.	Caltrans Use
EQUIPMENT	RESPONSE
Is the DBE only using equipment it owns, rents, or leases? 45 <input type="checkbox"/> <i>Attach equipment list and any rental or lease agreements.</i>	<input type="checkbox"/> YES <input type="checkbox"/> NO

COMMENTS

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APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

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**COMMERCIALLY USEFUL FUNCTION MONITORING REVIEW
PROFESSIONAL SERVICES**

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DISTRICT	EXPENDITURE AUTHORIZATION	COUNTY	ROUTE	BEGIN POSTMILE	END POSTMILE
CONTRACTOR NAME			DBE COMPANY NAME		

REVIEWER CUF DETERMINATION (46)

The signature below is verification that the reviewer observed the DBE.

DBE is Performing a Commercially Useful Function

Based on the observations and review, the DBE is performing a Commercially Useful Function because the DBE is an independent business, executing a distinct element of the work by actually performing, managing, and supervising the work.

DBE is Not Performing a Commercially Useful Function

Observations and monitoring review the DBE was not performing a commercially useful function based on:

(47)

REVIEWER NAME (48)	SIGNATURE (49)	DATE (50)
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RESIDENT ENGINEER CERTIFICATION

I have reviewed the information in this CUF monitoring review and certify the CUF determination shown above.

RESIDENT ENGINEER NAME (51)	SIGNATURE (52)	DATE (53)
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MONITORING REVIEW SUBMITTALS

Finding of Not Performing a Commercially Useful Function submitted to District Labor Compliance Office.	SUBMITTED BY NAME (54)	DATE (55)
---	------------------------	-----------

ATTACHMENTS

Record or Document (56)	File Name (57)
<input type="checkbox"/> Subcontract Agreement	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Equipment List	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/>	

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Notice write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814

APPENDIX K: Form CEM-2417 DBE Commercially Useful Function Monitoring Review Professional Services Instructions

Perform CUF onsite monitoring reviews on every DBE professional services provider on the project. The reviews are required any time a DBE company works on a project, whether or not the DBE is shown on the contractor's DBE Commitment form. If a CUF has not been performed, participation credit for the DBE company's work cannot be applied toward the contract goal.

When DBE professional services are used as part of a construction contract, such as a design-build project, monitoring CUF involves documentation that demonstrates that the DBE performed its work with its own staff under its own direction. Documentation of services include invoices, canceled checks, samples of work product, and certified payrolls for onsite employees.

Additionally, track work that DBE subcontractors sublet to lower tier subcontractors, because credit can only be received if the lower tier subcontractors are certified as a DBE contractor to perform the specific type of work. If the lower tier subcontractor is not a DBE or not certified to perform the work, the value of this work cannot be counted toward the contract goal.

Conducting DBE CUF reviews is a two-step process, whereby the Caltrans Construction field staff completes the first step by performing an onsite review of the DBE, answering review questions, and providing observations. The DBE specialist or labor compliance staff completes the second step by performing any necessary verifications, such as verifying that DBE employees are shown on the DBE certified payroll.

DBE CUF reviews for federally funded contracts must use Form CEM-2417, "Commercially Useful Function Monitoring Review Professional Services," to document the onsite review and verification. This form documents that the elements of work performed by a disadvantaged business enterprise (DBE) were monitored and evaluated according to the commercially useful function and counting requirements of 49 CFR 26.55. This form also contains data and questions to supplement monitoring of payments or changes in contract scope that may require prompt action to ensure final compliance.

For any question marked "NO," provide explanation in the "Comments" section.

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

Section: PROJECT INFORMATION

PROJECT DESCRIPTION [Form Field 1]

Give a brief description of the project, for example "Route 1 widening in Fort Bragg, CA" or "In Humboldt County In And Near Arcata On Route 101 From Saint Louis Road Overcrossing To Mad River Bridge And On Route 299 At 299/101 Separation."

DISTRICT [Form Field 2]

Enter the district number of the contract (1-12) shown on the contract special provisions.

Standard Format:

Contract No. YY-XXXXX4

Example: Contract No. **11** – 5Q0124

DISTRICT: 11

EXPENDITURE AUTHORIZATION [Form Field 3]

Enter the first 6 digit the expenditure authorization shown on the contract special provisions.

Standard Format:

Contract No. YY-XXXXX4

Example: Contract No. 11 – **5Q0124**

Expenditure Authorization 5Q0124

DATE [Form Field 4]

Enter the date the form was completed.

COUNTY [Form Field 5]

Enter the county abbreviation for the location of the contract as shown on the Notice to Bidders.

Example: 11 - **SD** - 805 - **2.3 / 21.44**

COUNTY: SD

ROUTE [Form Field 6]

Enter the state highway route number for the contract as shown on the Notice to Bidders.

Example: 11 - SD - **805** - 2.3 / 21.44

ROUTE: 805

BEGIN POSTMILE - END POSTMILE [Form Fields 7–8]

Enter the begin and end postmile shown as shown on the Notice to Bidders.

Example: 11 - SD - 805 - **2.3 / 21.44**

Begin Post Mile: 2.3

End Post Mile: 21.44

CONTRACTOR NAME: [Form Field 9]

Enter company name of the prime contractor.

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

FEDERAL NUMBER: [Form Field 10]

Enter the contract federal number shown on the contract special provisions. The basic federal-aid Project number consists of a prefix and a project number. The prefix is assigned to reflect the type of federal funds involved on the entire project. The majority of projects is programmed using advanced construction procedures. Therefore the “AC” at the beginning of the Prefix (ACYYYQQ). The “YYY” of the prefix is the federal funding program and “QQ” represents FHWA reimbursement ratio. The project number is 7 character alpha/numeric format used to identify the federal project number and is consistent with FHWA’s project numbering system. A suffix “N” or “E” is at the end of the project number. Projects with the suffix “N” are projects of division interest. Projects with the suffix “E” are delegated projects. This information is shown on the cover of the project special provisions.

Standard Format:

Interstate

Prefix-Route Number-Segment(Federal Project Number)E or N

ACYYYQQ-XXX-X(XXX)E or N

Non-Interstate

Prefix- PRoute Number (Federal Project Number)E or N

ACYYYQQ-PXXX(XXX) E or N

PROJECT IDENTIFIER NUMBER [Form Field 11]:

Enter the Enterprise Financial Infrastructure System (EFIS) 10-digit identifier number as shown on the contract special provisions.

Standard Format:

Project ID XXXXXXXXXXX

Example: Project ID 1100020392

Section: DBE REVIEW INFORMATION

DBE COMPANY NAME [Form Field 12]

Enter the name of the DBE contractor, subcontractor, trucker, or materials supplier.

CONTRACT BID ITEM NUMBERS [Form Field 13]

Enter contract bid item numbers that the DBE contractor, subcontractor, or trucker is responsible for as shown on Form OCR-0006, “DBE-Commitment.”

Standard Format:

22, 23, Partial 24

FIELD REVIEW DATE [Form Field 14]

Enter the date that the field monitoring review was conducted.

DBE TOTAL CONTRACT COMMITMENT [Form Field 15-16]

Enter the percentage and dollar amount shown on Form OCR-0006, “DBE-Commitment.”

DBE COMPANY COMMITMENT [Form Field 17-18]

Enter the percentage and dollar amount shown on Form OCR-0006, “DBE- Commitment.”

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

DBE WORK COMPLETED TO DATE [Form Field 19-20]

Enter the percentage and dollar amount for work completed to date of review by the DBE.

BRIEF DESCRIPTION OF THE DBE'S SCOPE OF THE WORK [Form Field 21]

Provide a description of the work the DBE will perform or the materials that will be supplied based on the DBE work scope commitment on this contract as shown on Form OCR-0006, "DBE-Commitment."

Section: DBE CUF MONITORING REVIEW PROFESSIONAL SERVICES

For any question marked "NO," provide explanation in the "Comments" section.

DBE is providing the following professional service: [Form Field 22]

Check appropriate box for type of DBE professional service:

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> Engineering | <input type="checkbox"/> Materials Testing |
| <input type="checkbox"/> Architecture | <input type="checkbox"/> Surveying |
| <input type="checkbox"/> Geotechnical | <input type="checkbox"/> Other: _____ |

Is the DBE the prime consultant or a subconsultant? [Form Field 23]

Check appropriate box for type of DBE.

- | | |
|---|--|
| <input type="checkbox"/> Prime consultant | <input type="checkbox"/> Subconsultant |
|---|--|

PERFORMANCE

The DBE must be responsible for the performance, management, and supervision of a distinct element of the work, in accordance with industry practice, except where such practices are inconsistent with the DBE regulations.

Is the DBE performing the bid item work committed to them on Form OCR-0006 and their agreement? [Form Fields 24]

Check the appropriate box "YES" or "NO."

Attach a copy of the agreement.

Provide a brief description of the DBE's scope of work as observed. [Form Field 25]

Provide a brief description of the DBE's scope of work as observed.

Verification Attachment: Compare the description of the work observed to the scope of work shown on Form OCR-0006, "DBE-Commitment" submitted by the contractor and subcontract to determine if the DBE is performing within its scope of work.

Does the DBE have the required expertise for the work? [Form Field 26]

Check the appropriate box "YES" or "NO."

Is the DBE working without assistance from the prime contractor or another subcontractor? [Form Field 27]

Check the appropriate box "YES" or "NO."

Did the DBE company subcontract out any portion of its work? [Form Field 28-30]

If yes, list resources and from whom. If no, skip to next question.

Is the DBE performing at least 30 percent of its contracted work? [Form Field 31]

Check the appropriate box "YES" or "NO."

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

MANAGEMENT

The DBE must manage the work that has been contracted to the DBE.

Is the DBE scheduling work activities and other related actions for performance of the work? [Form Field 32]

Check the appropriate box “YES” or “NO.”

Provide supporting documentation if available.

Is the DBE managing the work it has been subcontracted to perform? [Form Field 33]

Check the appropriate box “YES” or “NO.”

Is the DBE submitting invoices or payrolls? [Field 34]

Check the appropriate box “YES” or “NO.”

Attach invoices.

Verification Attachment: Verify that the invoice is from the DBE and the work shown on the invoice is within the DBE scope of the work.

Is the person supervising the DBE employees either the DBE owner or a site supervisor employed by the DBE company? [Form Fields 35-37]

Check the appropriate box “YES” or “NO.”

Enter the name of the DBE onsite supervisor and the position title of the DBE supervisor.

Verification Certified Payrolls: Check the DBE payroll for the site supervisor entry and determine if the associated classification and pay rate are consistent with a supervisory position.

Does the supervisor manage their work force without interference from any other individuals? [Form Field 38]

Check the appropriate box “YES” or “NO.”

WORKFORCE

To be considered an independent business, a DBE must keep a regular workforce.

Do the employees of the DBE say they work for the DBE? [Form Fields 39-41]

The DBE employees should be working exclusively for the DBE. If the employee indicates they also work for another contractor on this project, the answer is “NO”

Check the appropriate box “YES” or “NO.”

Enter the names of the DBE employees and the position title or labor classification. List all DBE employees onsite, a maximum of ten employees.

Verification Certified Payrolls: Compare the DBE employees recorded on this form with the DBE payroll and that employees shown on the payroll match the DBE employees listed. Check box if listed DBE employees and payroll match.

Is the DBE maintaining and submitting its own payrolls? [Form Field 42]

Check the appropriate box “YES” or “NO.”

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

Who is preparing the DBE certified payrolls? [Form Field 43]

Check box "DBE Company" or enter name of payroll preparer.

Verification Certified Payrolls: Ascertain who is signing the DBE's certified payroll to ensure that it is not an employee of the prime or upper tier contractor.

Verification Certified Payrolls? [Form Field 44]

Verification Certified Payrolls: Perform an independent check for a week that the DBE company was performing work on the contract, verify that the DBE certified payrolls match the DBE employee names recorded on Form CEM-4601, "Assistant Resident Engineer's Daily Report." If the names of the DBE employees shown on the certified payroll and Form CEM-4601 match, check the box on the form that the "Number of employees on site and those listed on payroll records is consistent."

Is the DBE only using equipment it owns, rents, or leases? [Form Field 45]

Check the appropriate box "YES" or "NO."

Attach equipment list and any rental or lease agreements.

Verification Attachment: Verify equipment shown on Form CEM-4601 match items shown on the equipment list.

Section: REVIEWER CUF DETERMINATION

DBE CUF DETERMINATION [Form Field 46]

Based on the results of the DBE CUF monitoring review, check the box for either "DBE is Performing a Commercially Useful Function" or "DBE is Not Performing a Commercially Useful Function."

Based on observations and review the DBE was not performing a Commercially Useful Function based on Form [Form Field 47]

Enter the reason the DBE was found to be not performing a CUF.

REVIEWER PRINTED NAME [Form Field 48]

Enter the printed name of the DBE CUF reviewer.

REVIEWER SIGNATURE [Form Field 49]

Signature of the DBE CUF reviewer.

DATE [Form Field 50]

Date of DBE CUF reviewer signature.

Section: RESIDENT ENGINEER CERTIFICATION

I have reviewed the information in this CUF monitoring review and certify the CUF determination shown above.

RESIDENT ENGINEER NAME [Form Field 51]

Printed name of the resident engineer.

RESIDENT ENGINEER SIGNATURE [Form Field 52]

Signature of the resident engineer.

APPENDIX J: Form CEM-2417 Commercially Useful Function Monitoring Review Professional Services

DATE [Form Field 53]

Date of resident engineer signature.

Section: MONITORING REVIEWS SUBMITTAL

SUBMITTAL TO DISTRICT LABOR COMPLIANCE OFFICER

SUBMITTED BY SIGNATURE [Form Field 54]

Printed name of person who completed submittal.

DATE [Form Field 55]

Date submitted.

Section: ATTACHMENTS

ATTACHMENTS [Form Fields 56-57]

Check a box for each attachment and provide the electronic file name of the attachment. The attachment list will expand to allow for additional attachments.

The attachment list will expand to allow for additional attachments.

ATTACHMENTS	
Record or Document	File Name
<input type="checkbox"/> Subcontract	
<input type="checkbox"/> Purchase Order	
<input type="checkbox"/> Daily Work Records	
<input type="checkbox"/> Certified Payrolls	
<input type="checkbox"/> Invoices	
<input type="checkbox"/> Delivery Tickets	
<input type="checkbox"/> Equipment Ownership	
<input type="checkbox"/> Lease or Rental Agreement	
<input type="checkbox"/> Haul Tickets or Bills of Lading	
<input type="checkbox"/> Truck Tags and Registrations	
<input type="checkbox"/>	

APPENDIX L: FHWA Tips on Evaluating a Commercially Useful Function

Of all the many elements in the DBE program, one element can have the most detrimental effect on the ability of the prime contractor to meet its contract goal and the ability of a recipient to meet its overall goal. This element is commonly referred to as commercially useful function or “CUF.”

The prime contractor and the state transportation agency (STA) receive credit toward contract and overall DBE goals only when a DBE working on a contract performs a CUF. DBEs generally perform work as a contractor, a trucker, a regular dealer, or a manufacturer. While each of these categories is evaluated differently when determining whether the DBE has performed a CUF, one guiding principle must be followed. Under the terms established in 49 CFR 26.55, a DBE firm performs a CUF 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.”

The question contract administrators often face is, “What are the management, supervision, and performance actions of a DBE that meet this requirement?” Evaluating these areas will determine that a DBE has in fact performed a CUF. The contract is the one key reference point for any contract administrator, and it is essential for this evaluation process. The contract has a description of the work to be performed by a DBE and is a legal document.

The U.S. Department of Transportation DBE regulations identify the following key factors that should be analyzed when determining whether a CUF is being performed:

- Whether the amount of work subcontracted is consistent with normal industry practices
- Whether the amount the firm is paid under the contract is commensurate with the work being performed to be credited toward the goal
- When the DBE furnishes materials, whether the DBE is responsible for negotiating the price, determining the quality and quantity of the material, ordering the material, and paying for it. As a contractor, a DBE is typically be hired to furnish the material and install it with its own labor force
- Whether the DBE’s role is limited to that of a participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation. In essence, was the role merely a contrived arrangement for the purpose of meeting the DBE contract goal?

In determining whether a DBE is such a participant, examine similar transactions, particularly those performed by non-DBEs. A DBE must have a necessary and useful role in the transaction, a role for which there is a market outside the context of the program. The firm’s role must not be a superfluous step added in an attempt to obtain credit toward the goal.

Normal Industry Practice

Consider whether the DBE is performing a CUF on the project that is consistent with “normal industry practice.” The DBE must perform the work or services in the manner typically performed by all contractors—DBEs and non-DBEs. However, even if a DBE follows typical

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industry practices, if those practices erode the ability of the DBE to control its work and remain independent, the practice may affect how much can be credited toward the DBE goal and may raise questions about the DBE eligibility.

Assess whether a DBE would be performing in the same manner if there was no DBE program or if the DBE performs the same work on non-federally assisted contracts.

Monitoring

In keeping with contract requirements, it is the responsibility of the prime contractor to assure that the DBE is performing a CUF. The STA, as the contracting agency, has oversight responsibility to assure that the prime contractor has met this responsibility under its contract with the STA.

The STA needs to have sufficient field personnel and general headquarters staff to monitor the performance of work performed by DBEs on all federal aid projects, including those of subrecipients. Contractors, DBEs, local public agencies, and all employees are required to cooperate in carrying out this responsibility. The STA should establish and enforce monitoring procedures that include the following:

- Clearly written directives defining the role and interrelationship of the STA's staff responsible for monitoring and evaluating the contractor's compliance with the DBE contract provisions
- Procedures that spell out specific monitoring activities and responsibilities of a project-level monitoring program
- Exchange of information between departmental, central, and field offices in reporting accomplishments, violations, and enforcement
- Procedures for the application of appropriate sanctions once a determination is made of a failure to meet the DBE contract requirements.

DBE Performance - CUF

Highway firms certified in the DBE program typically perform in 4 categories: prime or subcontractor, trucker, regular dealer, and manufacturer. The following is an overview of each category, typical CUF questions, and a list of documents to review.

While DBEs are occasionally awarded prime contracts, DBEs primarily work as subcontractors for the prime. Subcontractors typically perform specific contract items and provide their own labor and materials. To determine whether a DBE subcontractor is performing a CUF, 5 distinct operations must be considered: management, workforce, equipment, materials, and performance.

These areas must be evaluated to make a CUF determination, and situations need to be reviewed on a case-by-case basis. Some of the following CUF questions may also be quite adaptable for evaluating the other three types of work categories.

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MANAGEMENT

The DBE must manage the work that has been contracted to it. Management includes, but is not limited to:

- Scheduling work operations
- Ordering equipment and materials
- Preparing and submitting certified payrolls
- Hiring and firing employees

The DBE owner must supervise daily operations, either personally, or with a full time, skilled and knowledgeable superintendent employed by and paid wages by the DBE. The superintendent must be present on the jobsite and under the DBE owner's direct supervision. The DBE owner must make all operational and managerial decisions for the firm. Mere performance of administrative duties is not considered supervision of daily operations.

□ Red Flags

Red flags are questionable practices that may warrant further review. The red flags for management operations may include, but are not limited to:

- The DBE owner or superintendent provides little or no supervision of the work
- The DBE's superintendent is not a regular employee of the firm or supervision is performed by personnel associated with the prime contractor, or another business
- Key staff and personnel are not under the control of the DBE
- The DBE's owner is not aware of the status of the work or the performance of the business
- Inquiries by Caltrans or FHWA representatives are answered by the prime contractor.

Typical CUF questions could include:

- Is there a written legal document executed by the DBE to perform a distinct element of work?
- Who does the onsite DBE representative report to?
- Has this individual ever shown up on any other contractor's payroll?
- Has the DBE owner been present on the job site?

Typical documentation to evaluate:

- Written contract
- Daily inspection and project reports
- Payrolls

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WORKFORCE

In order to be considered an independent business, a DBE must keep a regular workforce. DBEs cannot "share" employees with non-DBE contractors, particularly the prime contractor. The DBE must perform its work with employees usually employed by and under the DBE's control. All work must be performed with a workforce the DBE controls, with a minimum of 30 percent of the work to be performed by the DBE's regular employees, or those hired by the DBE for the project from a source, such as a labor union. The DBE, in all instances, must have direct supervision over all of its employees.

The DBE must be responsible for payroll and labor compliance requirements for all employees performing on the contract and is expected to prepare and finance the payrolls. Direct or indirect payments by any other contractor are not allowed.

The DBE must perform at least 30 percent of the total cost of its contract with its own workforce. The DBE must not subcontract a greater portion of the work than would be expected on the basis of normal industry practice for the type of work involved.

□ Red Flags

Some workforce practices that may warrant further review include, but are not limited to:

- Supervision of DBE employees by another contractor
- Performance of work by personnel usually employed by the prime contractor or another business
- Payment to employees by the DBE and the prime contractor

Typical CUF questions could include:

- Who prepares the DBE's certified payroll?
- Have any of the DBE's employees ever shown up on any other contractor's payroll?
- Who does the DBE onsite representative contact for hiring, firing, or to modify the contract because of site condition changes or change orders?
- Who do DBE employees on the job site say they report to and who signs their checks?

Typical documents to evaluate:

- Written contract
- Daily inspection and project reports
- Certified payrolls
- Copies of cancelled checks, if necessary

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EQUIPMENT

A DBE may lease specialized equipment from a contractor, excluding the prime, if it is consistent with typical industry practices and at rates competitive for the area. The lease must specify the terms of the agreement. The lease must be for a short period of time and involve a specialized piece of equipment to be used at the job site. The lease may include an operator for the equipment who remains on the lessor's payroll if this is a generally acceptable practice within the industry.

The operation of the equipment must be subject to the full control of the DBE.

The DBE is expected to provide the operator for non-specialized equipment and is responsible for all payroll and labor compliance requirements. A separate lease agreement is required. All lease agreements should be approved by the STA before the DBE starts the work.

On a case-by-case basis, the STA may allow the DBE to lease a specialized piece of equipment from the prime. However, the STA must make sure that the lease amount is not counted toward the contract goal. Equipment leased and used by the DBE with payment deducted from the prime contractor's payment to the DBE is not allowed.

❑ Red Flags

Equipment practices that may warrant further review include, but are not limited to:

- Equipment used by the DBE belongs to the prime contractor or another contractor and there is no formal lease agreement
- The equipment signs and markings cover another's identity, typically with magnetic signs
- A DBE trucking business uses trucks owned by the prime contractor

Typical CUF questions could include:

- List the major self-propelled (engine) equipment used by the DBE. Determine if the equipment belongs to the DBE. Is it owned or leased?
- If leased, is there an agreement identifying the terms and parties? Is it signed by the DBE owner?
- Does the equipment have the DBE's markings or emblems?
- Is the equipment under the direct supervision of the DBE?
- Is the operator of the leased equipment the DBE's employee?
- If the equipment is leased, is the payment for the equipment deducted from the work performed?

Typical Documents to evaluate:

- Written contract
- Daily inspection and project reports
- Leases

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MATERIALS

For a DBE furnish-and-install contractor to receive credit for supplying materials, the DBE must perform the following four functions: (1) negotiate price; (2) determine quality and quantity; (3) order the materials; and (4) pay for the material. If the DBE does not perform all of these functions, it has not performed a CUF with respect to obtaining the materials, and the cost of the materials may not be counted toward the DBE goal. Invoices for the material should list the DBE as the payor.

While recipients consider normal industry practices, this does not overrule the requirement that the DBE must perform the four functions previously enumerated. For example, even if standard industry practices in certain areas of the country allow no subcontractor to perform all four functions enumerated, for example, manufacturers will only negotiate with a prime, thereby preventing the DBE from negotiating the price, the “furnish” portion of the transaction does not lend itself to the performance of a CUF by the DBE, and credit cannot be given for the acquisition or cost of the materials.

□ Red Flags

Material supply practices that may warrant further review include, but are not limited to:

- Materials for the DBE are ordered, or paid for, by the prime contractor
- Two party checks or joint checks are sent by the prime to the supplier or manufacturer, instead of sent by the DBE
- Materials or supplies necessary for the DBE’s performance are delivered to, billed to, or paid for by another business
- Materials are delivered to the job site by a party separate from the DBE
- Payment for materials is deducted by the prime contractor from payments to the DBE for work performed
- A DBE prime contractor only purchases materials while performing little or no work

Typical CUF questions could include:

- Is there a written contract executed by the DBE to perform a distinct element of work? Is the work to be performed by a DBE a “furnish and install” item of work?
- Who makes arrangements for delivery of materials?
- Who are the material invoices made out to?
- Who scheduled delivery of materials?
- In whose name are materials shipped?
- Who actually delivered the materials?
- If two party checks are used, who are the parties identified as payable to?

Typical documentation to evaluate:

- Written contract
- Delivery tickets
- Invoices
- Daily inspection and project reports

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PERFORMANCE

The DBE must be responsible for the performance, management, and supervision of a distinct element of the work, in accordance with typical industry practice, except where such practices are inconsistent with the DBE regulations.

□ Red Flags

Performance practices that may warrant further review include, but are not limited to:

- Work is being done jointly by the DBE and another contractor
- The work to be performed by the DBE is outside of the DBE's known experience or capability
- Any portion of the work designated to be performed by a DBE subcontractor is performed by the prime contractor or any other firm
- The DBE is working without a subcontract approved by Caltrans, except in the case of trucking
- A DBE prime contractor subcontracts more than 50 percent of the contract value
- The agreement between the prime contractor and DBE inflates the DBE participation
- An agreement that erodes the ownership, control, or independence of the DBE subcontractor
- A DBE works for only one prime contractor, or a large portion of the firm's contracts are with one contractor
- The volume of work is beyond the capacity of the DBE

Typical CUF questions could include:

- Does the DBE onsite representative manage the job site without any interference from the prime contractor?
- Does the DBE appear to have control over methods of work on its contract items?
- Is the DBE scheduling work activities, material deliveries, and other related actions required for execution of the work?
- Has any other contractor performed any amount of work specified in the DBE's contract?

Typical Documents to evaluate:

- Written contract
- Daily inspection or project reports

DBE TRUCKING FIRMS

To be certified in the DBE program as a trucking firm, the DBE is required to own and operate at least one fully licensed, insured, and operational truck used on the contract. To perform a CUF, a DBE must also be responsible for the management and supervision of the entire trucking operation or a specified portion of the trucking operation to which it has been committed. There cannot be a contrived arrangement for the purpose of meeting a DBE goal.

A DBE can supplement its fleet by leasing trucks from an established equipment leasing

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business open to the public. The lease must indicate that the DBE has exclusive use of and control over the truck. This requirement does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, as long as the lease gives the DBE absolute priority for use of the leased truck. Otherwise, the DBE does not receive full credit for DBE participation.

Leased trucks must display the name and identification number of the DBE. The DBE trucker must also hold the necessary license or hauling permit, or both, as required by California to transport material on public highways.

To count the value of DBE trucking services toward a contract goal, the following can occur:

- The DBE may lease trucks from another DBE, including an owner-operator that is certified as a DBE. The DBE can count the entire value of services performed by these DBE trucks.
- The DBE may also lease trucks from non-DBEs and owner-operators. The DBE can count the value of these trucking services up to the value of services performed by the DBE trucks used on the contract.
- DBE participation can be counted for the value of services of non-DBE trucks that exceed the value of the services performed by DBE trucks only in the amount of the fee or commission a DBE receives as a result of the lease arrangement.

In order for the STA or subrecipient to monitor the performance of a DBE trucking firm, the work to be performed must be covered by a subcontract approved by the STA before the work is performed. When the DBE leases equipment, required documentation includes that a valid lease is provided to the STA for appropriate action. To be considered valid, the lease must include such items as the lessor's name, list of trucks to be leased by vehicle identification number, and the agreed upon cost and method of payment. It should be the responsibility of the DBE to provide the operator's fuel, maintenance, and insurance for all leased trucks.

Typical CUF questions could include:

- Do the trucks used on the project belong to the DBE?
- If leased, is there a formal lease identifying the terms and parties?
- Are the rates appropriate?
- Is there an approved subcontract?
- If so, who are the parties?
- Are the DBE's employees shown on the certified payrolls?

Typical documents to evaluate:

- Subcontracts
- Leases
- Payroll records
- Daily inspection and project reports

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DBE REGULAR DEALERS

In order for a firm to operate as a regular dealer, it must perform a CUF, and must also comply with other requirements applicable to regular dealers. It must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. In addition, a regular dealer is a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles, or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and regularly sold or leased to the public in the usual course of business, except as noted below.

It is important to make a distinction between a regular dealer and a firm that supplies a product on an ad hoc basis in relation to a particular contract or contractor. A regular dealer has a regular trade with a variety of customers. One of the key considerations of being a regular, established dealer is the presence of an inventory of materials or supplies. A regular dealer assumes the actual and contractual responsibility for the provision of the material or supplies.

A firm may be a regular dealer in bulk items, such as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business if the firm owns and operates distribution equipment for the products. Any supplementing of regular dealers' own distribution equipment must be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis.

If a DBE meets the requirements of a regular dealer, it may count 60 percent of the cost of the materials, if reasonable, toward the contract goal. Packagers, brokers, manufacturers' representatives, or others who arrange or expedite transactions are not regular dealers.

Typical CUF questions could include:

- Does the regular dealer have an established storage facility and inventory?
- Does the dealer have a business that sells to the public on a routine basis in the product being supplied?
- Does the business stock the product for use on the project as a normal stock item?
- Who is delivering and unloading the material?
- Is distribution equipment owned or leased, long term by the DBE, used in delivering the product?
- For bulk items, where does the material come from? Does the DBE have a distribution agreement?

Typical documents to evaluate:

- Purchase Orders
- Invoices
- Delivery Tickets

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DBE MANUFACTURERS

As described in Code of Federal Regulations, Title 49, Section 26.55(e)(1)(ii), a manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications. Examples of such items could be a concrete ready mix plant, a crushing operation, or a steel or concrete fabricating plant.

Typical CUF questions could include:

- Is the business's primary function to manufacture construction products?
- Does the business stock the product altered for this project as a normal stock item?
- Is the quality of the materials controlled by the DBE?
- Does the DBE purchase the raw material used in its plant?

Typical documents to evaluate:

- Purchase orders
- Bills of lading
- Shipping tickets

Sanctions for Compliance and Enforcement

The prime contractor is ultimately responsible for ensuring that a DBE performs a CUF. Failure of a DBE to perform a commercially useful function should result in the STA taking specific definitive actions to enforce the CUF requirement of the contract. Some of the actions an STA could take include, but are not limited to, the following:

- Deny or limit credit toward the contract goal
- Require the prime to make good faith effort to replace the DBE to meet the goal on remaining work
- Withhold progress payments
- Terminate the contract
- Reduce the contractor's prequalification limit

Some questions that could be part of an evaluation procedure:

- If a CUF was not performed by the DBE, what action was taken to correct the deficiency?
- Did the action taken correct the deficiency?

List of typical documentation to collect:

- Executed contracts
- Material supply agreements
- Invoices of materials or supplies
- Equipment titles of ownership
- Equipment lease or rental agreements
- Hauling tickets

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- Delivery tickets
- Canceled checks
- Project inspection and project reports
- Payroll records

When a DBE is presumed not to be performing a CUF, the DBE may present evidence to contest this presumption. Decisions regarding CUF determinations are subject to review by operating administrations, such as the FHWA. However, CUF decisions are not appealable to the U.S. Department of Transportation; they are contract administration issues.

CUF and certification

Certification and commercially useful function are separate and distinct issues. Certification decisions address the nature of a firm's ownership and structure, while CUF primarily describes the role a firm has played in a particular transaction. Even if the certification process has identified the DBE's ability to perform as a contractor, regular dealer, or manufacturer, it is important to review and determine what and how a DBE performs during the contract.

A DBE's repeated failure to perform a CUF may raise questions regarding the firm's control, independence, and ownership. If there is evidence of a pattern of failing to perform a CUF, a STA may commence a proceeding under 49 CFR 26.87 to determine the continued eligibility of the DBE firm.

In cases of deliberate attempts to circumvent the intent of the DBE program, or fraud, these actions may lead to criminal prosecution of both the prime contractor and the DBE. If fraud is suspected, the STA should contact the U.S. Department of Transportation Office of Inspector General.