

# SH 288 Toll Lanes Project



**A JOINT VENTURE**

**DRAGADOS USA | Shikun & Binui America | Pulice Construction, Inc.**



- **Joint Venture DBE Goal**

- *12% (design & construction)*

- ❖ *Flow-down 12% goal to non-DBE subcontractors*



# *What is a DBE*

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- Disadvantage Business Enterprise

- ❖ *A **DBE** is a for-profit small business concern that is at least 51 percent owned by one or more individual(s) who are both socially and **economically disadvantaged***

- **If I am MBE or WBE certified am I automatically DBE certified?**

- ❖ No. If a firm chooses to add DBE designation from MBE or WBE, the firm must apply for DBE or ACDBE certification. There is an “Upgrade Process” available



# *Objectives of the DBE Program*

- **Objective of the DBE Program**
- *To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs*
- *To help remove barriers to the participation of DBEs in DOT-assisted contracts*
- *To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs*
  - *By taking a large scope of work that can be done by a prime contractor and breaking it into portions that can afford small companies an opportunity to bid*



- **Certification**

- *Businesses are certified as a DBE for specific types of work for which the business has the knowledge and resources to perform.*
- *Each DBE certification includes specific North American Industry Classification System (NAICS) Codes indicating the area(s) of work that the state may count toward DBE utilization*



- **Certification**

- ❖ A certified firm can only perform and receive credit for work associated with the specific NAICS codes it is assigned.
- ❖ The Code of Federal Regulation 49 CFR Part 26 in paragraph 26.71 (n) states, “the types of work a firm can perform must be described in terms of the most specific NAICS code for that type of work”.



# *Commercially Useful Function*

- **DBE CUF**

- *Commercially Useful Function (CUF)*

- *A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually **performing, managing, and supervising** the work involved with its **own workforce, materials, and equipment***

- ❖ **Monitoring:** *It is the primary responsibility of the Prime Contractor to ensure that a DBE is performing a CUF*



# Management

- DBE Management – Includes but not limited to
  - *Scheduling work operations*
  - *Ordering equipment and materials*
  - *Preparing and submitting certified payrolls*
  - *Hiring and firing employees*





# *CUF Red Flags*

- **Red Flags are questionable practices:**
- *The DBE owner or superintendent provides little or no supervision of the work*
- *The DBE 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 & 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 department or FHWA representatives are being answered by the prime contractor*
- *Magnetic decals on trucks*



# *Counting DBE Percentage*

- Counting DBE Percentage
  - 49 CFR 26.55: when DBE subcontracts part of its work to another firm, count value only if DBE sub is a DBE.
  - Work subcontracted to non-DBE firm does not count toward DBE Goal
  - DBE must performed no less than 30% of his contract



# *Counting DBE Percentage*

## ❖ *Count Regular Dealers at 60%*

- a. *Must be an established, regular business that engages, as its principal business and under its own name, in the purchase, sale or lease of the products in general.*
- b. *Is a firm that owns, operates or maintains a store, warehouse or other establishment in which the materials, supplies, articles or equipment are bought, kept in stock, & regularly sold or leased to the public*
- c. *A regular dealer has a regular trade with a variety of customers*



# *Counting DBE Percentage*

- d. There should be a presence of inventory of materials and or supplies
- e. A regular dealer assumes the actual and contractual responsibility for the provisions of the material and or supplies
  - Bulk items such as petroleum products
  - Steel, cement, gravel, stone or asphalt



# *Counting DBE Percentage*

## ❖ Count Manufacturers at 100%

- a. Is a firm that operates or maintains a factory or establishment that produces, on premises, the materials, supplies, articles or equipment
  - Concrete ready mix plant
  - Crushing operation
  - Steel or concrete fabricating plant



# *Counting DBE Percentage*

- Counting DBE Trucking

DBE MUST

- own & operate at least one truck (licensed, insured & operational) using a driver it employs
- Must control & manage entire trucking operation
- Leasing permitted
  - If lease from DBE, count DBE trucks
  - If from Non-DBE , count only fee/commissions
  - 100% credit for transportation services performed with its own trucks & drivers and DBE leases
  - Lease MUST indicate that DBE has exclusive use of & control over truck(s)



*The End*

