



Business Engagement & Compliance



DBE

Commercially Useful Function (CUF)

“Every DBE on every project”

DBE Tucson Conference
November 2017

CUF

Training Objectives



- ❑ DBE Performs Its Own Work
- ❑ Prime Earns Credit
- ❑ Field Office Participates in Review

“Every DBE on every project”



CUF Outline



- ❑ What is CUF?
- ❑ CUF Types
- ❑ CUF Reviews
- ❑ CUF Findings
- ❑ CUF Determination



“Every DBE on every project”

CUF

What is CUF?



“...ensuring DBE is responsible for execution of the contracted work ... by actually performing, managing, and supervising the work...”



USDOT 49 CFR § 26.55

CUF Types



- Contractor / Subcontractor
- Trucking
- Manufacturer
- Regular Dealer

CUF Types



- Contractor / Subcontractor
- Trucking
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CUF Types



- Contractor / Subcontractor
- Trucking
- Manufacturer**
- Regular Dealer**

CUF

Review Process



- Desk Review
- Field Review



“Every DBE on every project”

CUF

Review Process



□ Desk Review

- Affidavits/Subcontracts
- Start/Complete Dates
- Payroll Verification
- Joint Check Agreements
- Leased Equipment
- Ordering/Delivering of Material
- ADOT Daily Diaries

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CUF Review Process



- Desk Review
- Field Review



CUF

Review Process



- ❑ Desk Review
- ❑ **Field Review**
 - Field inspector assist
 - Observation of DBE activities

... Is only a part of the CUF process!

CUF

Review Process



- Desk Review
- Field Review



CUF Field Review



□ Tracking at Weekly Meetings

- Include in meeting minutes
- Example

<u>DBE FIRM</u>	<u>START WORK DATE</u>	<u>END WORK DATE</u>	<u>CUF PERFORMED DATE</u>	<u>INSPECTORS NAME</u>

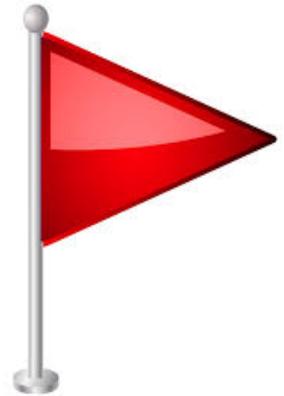
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CUF Findings



❑ Red Flags

- Is DBE providing direct supervision?
- Is DBE ordering its own materials?
- Is DBE logo on equipment?
- Is DBE performing 30% of its scope of work?



CUF

Determination



- Information Gathered
- Follow Up
- Decision

CUF

Determination



- ❑ Information Gathered
- ❑ Follow Up
- ❑ Decision
 - DBE DID perform a CUF
 - DBE DID NOT perform a CUF

CUF

Determination



- DBE DID Perform a CUF
- DBE DID NOT Perform a CUF

CUF

Determination



- DBE DID Perform a CUF**
 - Prime receives credit
 - Project's DBE goal credited

CUF Determination



- DBE DID Perform a CUF
- DBE DID NOT Perform a CUF

CUF

Determination



- DBE DID Perform a CUF
- DBE **DID NOT** Perform a CUF
 - Notice Sent to Prime
 - 7 Days to Appeal

CUF

Wrap Up



- ❑ CUF Defined
- ❑ CUF Types
- ❑ CUF Review
- ❑ CUF Findings
- ❑ CUF Determination

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CUF

Contract Compliance



Business Engagement and Compliance

Website:

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CUF

Session Resources



Regulations

- Code of Federal Regulations USDOT 49 CFR § 26.55

Videos

- Evaluating a CUF, USDOT
- 2013 Morrow Awards Investigation Fraud on the Job

Questions and Answers



The End

