

ADOT Federal Contracts with No DBE Goal

Federally funded contracts with no DBE goal have three main requirements:

1. Reporting payments in the ADOT DBE System and Arizona LPA Contract Management System.
2. *Prompt payment* within seven days, in accordance with State Law, is required for all ADOT contracts.
3. Prior to contract closeout, primes must submit the *Certification of Payments* for all DBEs used on the project.

Not Meeting the DBE Contract Goal on a Bid?

The first step in conducting a good faith effort is to contact BECO. The DBE Supportive Services Program (DBESS) has email access to all DBE firms certified in Arizona. It is the quickest way to solicit specific work categories to the DBE community. If a firm suspects it is unable to meet the contract DBE Goal on a bid, the firm must contact BECO. If using the Solicitation Request through the DBESS Program (DBESupportiveServices@azdot.gov), the request should be submitted allowing DBE firms adequate time to respond with a proper estimate.



Payment Reporting Systems

The ADOT DBE System (adot.dbesystem.com) and the Arizona LPA Contract Management System (arizonalpa.dbesystem.com) are designed to streamline data collection, analysis and reporting to federal funding agencies and stakeholders. Participation in these systems are required for all contractors and subcontractors on federally funded projects. One important feature of the DBE System is the payment audit process.

Per BECO Memorandum #15-01:

1. Contractor reports subcontractor payments executed in the previous month by the 15th of the current month
2. Subcontractor verifies prime payment information in the following next two weeks of the current month

The reporting and verification of payments executed in the previous month must be completed by the end of the current month.

ADOT

Business Engagement and Compliance



DBE Program Requirements for PRIMES



Requirements for Contracts with a DBE Goal

The Business Engagement and Compliance Office (BECO) is responsible for ensuring that ADOT, its subrecipients, contractors and consultants achieve full compliance with all applicable federal regulations related to the Disadvantaged Business Enterprise (DBE) Program. Whether its a federally-funded project through Contracts and Specifications, the Engineering Consultants Section, Procurement, or a local public agency (LPA), it is important to know the requirements of a contract with a DBE goal.

Project-Specific Contracts

For project-specific contracts, the contractor identifies all DBE firms utilized to meet the DBE contract goal or provides good faith effort documentation before the project begins.

On-Call Contracts

On-call contracts require the contractor to identify its DBE firms or provide good faith effort documentation before every task order begins.

Prompt Payment

Prime contractors must pay their subcontractors within seven days of receipt of payment made by ADOT in accordance with Arizona State prompt pay law. Contractors/Consultants shall ensure that this requirement is identified in the subcontract agreement and adhered to at time of payment.



DBE Contract Goal %

DBE Award Reductions

In a situation in which a committed DBE's award is reduced due to scope change, the contractor is required to inform BECO of the DBE firm's revised contract award amount. However, the contractor is still obligated to meet the goal and must perform good faith efforts (GFE) when participation is below the contract DBE goal.

DBE Termination/Substitution Procedures

Contractor must not terminate a DBE firm or substitute a DBE's work without the approval of BECO. The contractor shall submit a Notice of Termination to the DBE firm explaining the reasons for termination and send a copy to BECO.

DBE Firm has five days to protest and identify in writing why it should not be terminated/substituted.

After five days, the contractor shall request to terminate/substitute the DBE firm in writing to BECO. The request shall include but not be limited to:

1. GFE conducted in order to meet the contract DBE goal,
2. what firm will be used to complete the DBE's work and
3. what will be the final DBE utilization on the contract.

If in a case where a non-DBE subcontractor was chosen over a DBE firm due to costs, the contractor must provide the quotes received from both the non-DBE firm and DBE subcontractor.

BECO shall take both sides into consideration and make an approval as appropriate.



DBE Termination/Substitution

The following are considered good cause to terminate or substitute if a DBE firm:

1. Fails or refuses to execute written contract
2. Fails or refuses to perform work in accordance with normal industry standards
3. Fails or refuses to meet prime contractor's reasonable, nondiscriminatory bond requirements
4. Becomes bankrupt, insolvent or exhibits credit unworthiness
5. Is ineligible to work because of suspension or debarment proceedings
6. Is not a responsible contractor
7. Voluntarily withdraws from the project and provides to the Department written notice of its withdrawal
8. Is ineligible to receive DBE credit for the type of work required
9. A DBE owner dies or becomes disabled resulting in inability to complete its work on the contract
10. Other documented good cause

Certification of Payments to DBE Firms

The contractor shall submit the *Certification of Payments* for all DBE firms (committed and non-committed), prior to closeout of the project.