



# **Project Delivery Academy**

## **Disadvantaged Business Enterprise (DBE) and On-the-Job Training (OJT) Program Compliance**

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## **Business Engagement and Compliance Office (BECO)**

### **Employee and Business Development (EBD)**

**1801 W. Jefferson – Suite #101 - First Floor, left of security desk  
(602) 712-7761 and virtually through Google Meets**

**Develop, implement and monitor  
DBE and OJT Program at ADOT and its Subrecipients**

**ROLE: Pre advertisement all the way to closeout  
(entire project life cycle)**

# Objectives



- 📍 **DBE Program Regulatory Authority**
- 📍 **DBE Program Overview and Compliance Requirements**
- 📍 **OJT Program Regulatory Authority**
- 📍 **OJT Program Overview and Compliance Requirements**
- 📍 **Resource and Questions**

# DBE Program Regulatory Authority



Civil Rights Act of 1964



Disadvantaged Business  
Program Regulations

# DBE Program Overview



As a condition to receive federal funds, ADOT is required to implement a Disadvantaged Business Enterprise (DBE) Program under 49 CFR Part 26:

- 📍 [ADOT DBE Program Plan](#)
- 📍 [ADOT DBE Policy SUP-3.05 DBE](#)
- 📍 [ADOT DBE Specifications](#)



# ADOT DBE Program



- 📍 To ensure nondiscrimination in the award and administration of federally funded contracts
- 📍 To remove barriers to participate on federal contracts
- 📍 To create a level playing field on which DBEs can compete fairly for federally funded contracts
- 📍 Assist with development of firms to successfully compete in the market place

# ADOT DBE Program



**FHWA: 12.89%**

**FTA: 11.00%**

**FAA: 8.05%**



# ADOT DBE Program



- 📍 Applicable for all ADOT and Subrecipients federal projects
- 📍 All FHWA projects must be assessed for a DBE goal
- 📍 Projects are evaluated for a DBE goal by BECO
- 📍 DBE utilization is tracked by ECS, Procurement, MPD, Field Offices, BECO and Subrecipients
- 📍 Primes must meet DBE goal or make Good Faith Effort (GFE) to be awarded FHWA contracts



# ADOT DBE Program



- 📍 Primes not meeting the DBE goal are subject to sanctions
- 📍 ADOT reports DBE utilization to FHWA, FTA and FAA semi-annually
- 📍 Lack of implementing the DBE program as established – ultimate consequence – loss of federal funding

**SANCTIONED**

# ADOT DBE Program



- 📍 Complete [GEN1400W DBE Program Overview](#) – CBT
  - 📍 Understand the DBE Specifications
  - 📍 Monitor and enforce the DBE requirements



# DBE Compliance Requirements



- 📍 DBE & OJT Goal Assessment
- 📍 AZUTRACS Registration
- 📍 DBE Affidavits/GFE and Bidders List
- 📍 ADOT DBE & OJT Online Reporting System (DOORS)
  - 📍 Payment Reporting and Prompt Payment
  - 📍 DBE Termination/Substitution/Reduction
  - 📍 Commercially Useful Function (CUF)
  - 📍 Certification of Final DBE (COP) Payments
  - 📍 Meeting DBE & OJT goal on the contract

# DBE & OJT Goal Assessment



- 📍 Mandatory for all FHWA projects (OJT for construction only)
- 📍 ADOT DBE & OJT Contract Goal Setting Application
  - 📍 [dbegoals.dot.state.az/](https://dbegoals.dot.state.az/)
- 📍 Resources
  - 📍 [BECO Goal Setting Website](#)
    - 📍 [User Manual for ADOT](#)
    - 📍 [DBEContractGoals@azdot.gov](mailto:DBEContractGoals@azdot.gov)

# AZUTRACS Registration



📍 Primes and subs, including DBEs, must be registered in the Arizona Unified Transportation Registration and Certification System (AZ UTRACS) web portal [www.azutracs.com](http://www.azutracs.com)

📍 Centralized database for companies that seek to do business with ADOT

**AZUTRACS** Arizona's Transportation Business Portal

Search (DBE) Firm Directory | Log off

Home Register / Renew Contract Compliance Tools / Resources

### RACS Registration Form

Request Access to Additional Firm:

If you own or manage more than one company, you may want to request access to additional firm(s).

Tax Id

Firm Name

Select a Firm.

Complete your AZ UTRACS Registration form, being careful to complete all of the required information. Select all work categories and if eligible, answer the Small Business Concern questions to complete a Small Business Registration in a single streamlined process.

Click Save, then click the "I affirm" statement and submit your registration.

[Click here to manage your registration](#)

Company Name: Curb and Gutter (Active)

Company Type:

Business Description: Curb and Gutter work, plus masonry and landscape Design and Erosion Control.

Company ID: \*\*\*\*6582

Company Type:

Owner Ethnicity: Asian-Pacific American  Why are these questions being asked?

Owner Gender: Female

Year Established: 2012 (YYYY Format)

Gross Receipts Range: \$5 million to \$10 million

# DBE Affidavits and the Bidders List



📍 Primes must submit:

📍 Documentation of commitment to meet the DBE Goal - (DBE Affidavits) or Good Faith Effort (GFE)

and

📍 The Bidders List

[DBE Affidavit Training Video](#)



# ADOT DOORS – Contract Management



- 📍 All contracts are managed for DBE & OJT compliance
- 📍 Report payments to Prime
- 📍 Primes report payments to subs
- 📍 Monitor for prompt payment compliance
- 📍 Federal compliance reporting

**Search: Contracts**

Users Vendors Contracts

Search your organization's contract database. Enter information into any of the boxes below and click Search. Some parameters are required.

Search First 20 Matches Search All Matches Clear Form

**Search Parameters**

CONTRACT REFERENCE NUMBER (Contract number, financial system reference, project number)

CONTRACT TITLE

CONTAINING TEXT (Contract description, summary, notes, comments)

CONTRACTOR  Prime  Subcontractor  Other

BUYER/PROJECT MANAGER (Organization name, contact name)

COMPLIANCE OFFICER None selected

**Additional Search Parameters**

DIVERSITY GOAL From  % to  % (enter values into either or both fields)

DEPARTMENT None selected

CONTRACT TYPE None selected

CONTRACT CATEGORY None selected

CONTRACT STATUS All

CONTRACT SECONDARY STATUS None selected

# Compliance Requirements



[DBE and Payment Compliance Overview Video](#)

**ADOT**

**Contract Compliance  
Overview**

**DBE & Payment Requirements**

Business Engagement & Compliance Office  
(BECO)

# Payment Reporting & Prompt Payment



📍 Prime reports payments (including \$0) in the [ADOT DOORS](#) for all subs, by 15<sup>th</sup> of every month

📍 Monitor for compliance and apply sanctions as applicable

## Remedies for non compliance:

Liquidated damages of \$1,000/payment/month

📍 Prime pays subcontractors no later than 7 days after receiving payment from ADOT

📍 Monitor for compliance and apply sanctions as applicable

## Remedies for non compliance:

Payment later than 30 days, liquidated damages of 25% of 2x the disputed amount

# DBE Termination/ Substitution/Reduction



- 📍 Applies to DBE listed on DBE Affidavit
- 📍 Prime must contact PM/BECO within 24 hours
- 📍 Prime must notify the DBE
- 📍 BECO approval before terminating/substituting DBE
- 📍 Non compliance may lead to sanctions

## Prime submits to BECO:

- 📍 DBE Termination/ Substitution/ Reduction (TSR) Form
- 📍 DBE's written response (as applicable)
- 📍 Documentation (as applicable)

# Commercially Useful Function (CUF)



- 📍 A prime can get credit toward the DBE goal only if the DBE performs a “Commercially Useful Function (CUF).”
- 📍 A DBE firm performs a CUF when it is *“Responsible for execution of the work of the contract...by actually performing, managing, and supervising the work involved.”*



Perform



Manage



Supervise

# Commercially Useful Function (CUF)



- 📍 DBE firm must perform at least 30% of its contract using its own employees, equipment, materials and resources
- 📍 Only work performed by the DBE counts toward the DBE goal
- 📍 Work subcontracted to non-DBE firms does not count towards the goal
- 📍 CUF Determinations recorded in DOORS



DBE Firm

DBE Credit 

# Certification of Final DBE Payments (COP)



- 📍 Prime must submit COPs to ADOT no later than 30 days after the DBE completes work
- 📍 Prime not released from the obligations of the contract



# Meeting DBE Goal



- 📍 GFE is considered when determining if DBE goal was met
- 📍 BECO will confer with PM/RE to make recommendation for sanctions

## Remedies for non-compliance:

Liquidated damages of 2x the amount of the unattained portion of required DBE goal



# OJT Program Regulatory Authority



U.S. Department of Transportation  
**Federal Highway  
Administration**



23 CFR  
Part 230

# OJT PROGRAM PLAN

# OJT Program Overview



📍 As a condition to receive federal funds, ADOT is required to implement a On-the-Job Training (OJT) Program under 23 CFR Part 30:

📍 [OJT Program Plan](#)

📍 [OJT Specifications with Goal](#)

📍 [OJT Specifications without Goal](#)



# ADOT OJT Program



- 📍 To ensure training is accomplished on federally assisted highway construction projects in accordance with FHWA Training Special Provisions
- 📍 To offer equal opportunity for the training and upgrading of minorities, women, and disadvantaged persons toward journeyman status in highway construction trades
- 📍 Improve the skills of the available workforce for Arizona's federally-funded highway construction projects

# ADOT OJT Program



- 📍 Applicable to all ADOT FHWA funded construction projects
- 📍 All FHWA projects must be assessed for an OJT goal
- 📍 Projects are evaluated for a OJT goal by BECO
- 📍 Primes must meet OJT goal or make Good Faith Effort (GFE) to meet the OJT goal
- 📍 ADOT Annual OJT Goal:
  - 📍 2020 - 37,000 OJT Hours and 64 Trainees



# OJT Compliance Requirements



- 📍 All OJT Submittals completed in ADOT DOORS OJT Module
  - 📍 Training Schedule
  - 📍 Training Enrollment
  - 📍 Monthly Training Report
  - 📍 Change Request (Graduation, Level-Up, Termination)
  - 📍 Banking/Carry-Over Request
- 📍 Contractors approved training program must be on file with BECO prior to conducting training on the project



# False, Fraudulent or Dishonest Conduct



Any appearance of fraud or dishonest conduct in working with DBEs will result in:

- 📍 USDOT being advised
- 📍 Referral to the Department of Justice for Criminal Prosecution
- 📍 Referral to USDOT Inspector General for possible suspension and department proceedings against offending parties
- 📍 Application of USDOT “Program Fraud and Civil Penalties” rules

# Resources



## References:

- 📍 [AZUTRACS](#)
- 📍 [ADOT DBE Program Website](#)
- 📍 [ADOT DBE Program Plan](#)
- 📍 [49 CFR Part 26](#)
- 📍 [History of the DOT Program](#)

## Videos:

- 📍 [Federal Aid Essentials Video Library](#)
- 📍 [USDOT Disadvantaged Business Enterprise Program](#)
- 📍 [DBE Affidavit Training](#)
- 📍 [DBE and Payment Compliance Overview](#)

# Questions



# Contact Information



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