

Disadvantage Business Enterprise (DBE) Requirements for Race Neutral Federal Procurement Activities

[SUBRECIPIENT]

DBE REQUIREMENTS FOR
RACE NEUTRAL
FEDERAL PROCUREMENT ACTIVITIES

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[NAME OF SUB-RECIPIENT]

DBE REQUIREMENTS FOR

RACE-NEUTRAL

FEDERAL PROCUREMENT ACTIVITIES The following pages provide Bidders/Proposers/Primes on federal

contracts with [*NAME OF SUB-RECIPIENT*] , information about [*NAME OF SUB-RECIPIENT*] Disadvantaged Business Enterprise (DBE) Program, administered by the [*NAME OF SUB-RECIPIENT*]. Prospective Bidders/Proposers/Primes will have an opportunity to ask questions regarding the directives contained in the DBE specifications at the pre-bid/pre-proposal conference(s). Further clarification of the DBE specifications, along with assistance in completing the forms, can be obtained by calling (____) Sub-recipient Telephone.

A list of certified DBE firms may be found in the NJ Unified Certification Program (NJUCP) Directory at <https://njucp.dbesystem.com>. **Note: Use of this list does not relieve the Bidder/Proposer/Prime contractor/consultant of responsibility to seek DBE participation from other sources. The list is updated daily and must be checked periodically, as firms are certified and decertified daily.**

These DBE specifications are a part of the Contract and shall be binding upon the successful Bidder/Proposer and Prime in the pre and post-award stages of [*NAME OF SUB-RECIPIENT*] professional services, construction, and goods and services contracts. These specifications shall be binding upon sub-recipients and imposed on their contractors.

1.1 POLICY

As defined in the U.S. Department of Transportation (USDOT) Regulation 49 CFR Part 26, it is the policy of [*NAME OF SUB-RECIPIENT*] that Disadvantaged Business Enterprises shall have the opportunity to compete for and participate in the performance of contracts financed in whole or in part with federal funds. Each subcontract a Prime signs with a subcontractor/subconsultant must include the following assurance referenced in **article 1.2**.

1.2 ASSURANCE

1.2.1 The Prime contractor/consultant, or subcontractor/subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Prime contractor/consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor/consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate (49 CFR 26.13). This assurance clause shall be included in every DOT-assisted contract and subcontract.

1.2.2 This language is included to comply with relevant Federal law and to ensure that all persons who enter into any direct or indirect form of contractual agreement with [*NAME OF SUB-RECIPIENT*] are aware of their responsibilities and the commitment of [*NAME OF SUB-RECIPIENT*] to see that [*NAME OF SUB-RECIPIENT*]'s DBE Policy is carried out in all instances.

1.3 Disadvantaged Business Enterprise (DBE) Program – RACE NEUTRAL PROJECT

This project has been deemed **Race-Neutral (RN)**. Race neutral measures are those efforts used to assist all small businesses, including DBE's. For the purpose of this part, race neutral includes gender-neutrality. [*NAME OF SUB-*

RECIPIENT] will meet a portion of its overall goal by using race neutral means of facilitating DBE participation. [NAME OF SUB-RECIPIENT] encourages Contractors/Consultants to subcontract to DBE firms for this project.

To assist [NAME OF SUB-RECIPIENT] with its race neutral measures, a bidder/proposer is encouraged to document in writing, activities taken to determine whether the bidder/proposer made reasonable efforts to solicit and award contracts to eligible minority and female businesses.

[NAME OF SUB-RECIPIENT] will track and report the extent of your Race-Neutral and Race-Conscious business assistance efforts. For reporting purposes, race neutral participation includes, but is not necessarily limited to, the following:

- 1) DBE participation through a prime contract, a DBE obtains through customary competitive procurement procedures,
- 2) DBE participation through a subcontract on a prime contract that does not carry a DBE goal; DBE participation on a prime contract exceeding a contract goal.

1.4 GUIDANCE TO BIDDER/PROPOSERS/PRIMES

- 1.4.1 Failure by a Bidder/Proposer/Prime to comply with any of the requirements contained herein shall result in breach of contract and it shall be subject to the appropriate penalties, remedies, or liquidated damage(s). **Refer to articles 5.6-5.7**
- 1.4.2 All required forms, including the supplemental section (**see articles 2.3-2.4**) must be submitted in accordance with the requirements. **Firms must be certified under the NJUCP at the time of contract award in order to obtain DBE credit toward the goal.**
- 1.4.3 Price alone is not an acceptable basis for rejecting a DBE subcontractor/subconsultant's bid.
- 1.4.4 The Bidder/Proposer/Prime shall, at a minimum, seek DBEs in the same geographic area in which it generally seeks subcontractors/subconsultants. However, the Bidder/Proposer/Prime may be required to expand its search under specific circumstances as determined by OBD. **Refer to article 2.0**
- 1.4.5 Agreements between a Bidder/Proposer/Prime and a DBE in which the DBE promises not to provide subcontracting quotations to other Bidder/Proposers are prohibited.
- 1.4.6 The desire of a Bidder/Proposer/Prime to self-perform the work of a contract with its own organization is not an acceptable basis to not meet the goal or demonstrate a good faith effort to do so.
- 1.4.7 The Bidder/Proposer/Prime is responsible for verifying that the DBE is certified under the appropriate NAICS code for the scope of work identified. DBE credit shall be given only for work performed in the NAICS code(s) under which the DBE is certified.
- 1.4.8 A DBE firm listed on the First-Tier DBE Utilization Form (Form A) shall constitute a binding representation to [NAME OF SUB-RECIPIENT], by the Bidder/Proposer/Prime, that the DBE firm is qualified, available, and certified under the appropriate and required NAICS code to perform the scope of work identified. **Refer to article 2.5a**

1.5 TRANSIT VEHICLE MANUFACTURERS (TVM)

- 1.5.1 As a transit vehicle manufacturer, you must establish and submit for FTA's approval an annual overall DBE percentage goal. A TVM must certify that it submitted the annual DBE goal required by 49 CFR 26.49 and FTA has approved it or not disapproved it.

- (a) As a condition of being authorized to bid or propose on FTA assisted transit vehicle procurements, the Bidder/Proposer must complete and submit the TVM Certification form with the bid/proposal certifying that it has complied with the requirements of 49 CFR 26.49.
- 1.5.2 [NAME OF SUB-RECIPIENT] may, with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of complying with the procedures of this section.

1.6 RESPONSIBLE BID/PROPOSAL CRITERIA

- 1.6.1 As a matter of responsibility, the two lowest Bidders or two highest ranked Proposers must submit the required forms, including the supplemental section (if applicable), with the bid/proposal or within five (5) calendar days after the bid opening or proposal due date. Notwithstanding the date of submission of the mandatory DBE forms, all negotiations between a Bidder and any potential DBE subcontractor, subconsultant, or supplier shall be completed prior to the bid opening or cost proposal due date.

Bidders/Proposers shall identify all DBE and non-DBE subcontractors, subconsultants, and suppliers proposed to participate in and those solicited for this Contract, and shall complete and submit the mandatory DBE Forms A, A1, A2, and B. The two lowest Bidders or two highest ranked Proposers must also submit NJ Unified Certification Program (NJUCP) certificate or letter for all potential DBE subcontractors. Additionally, the two lowest Bidders or two highest ranked Proposers shall submit any applicable supplemental forms (AA, AA1, AA2, BB, and D). All DBE forms and NJUCP certificates or letters shall be submitted with the Bid or within five (5) calendar days of the bid opening date. However, Bidders are strongly encouraged to submit all mandatory documents with the Bid to prevent delay of the Contract award.

- 1.6.2 Bidders are requested to review carefully and complete the forms entirely, with no blank fields. Failure to satisfactorily complete or submit all required documentation and/or demonstrate documented evidence of good faith effort within five (5) calendar days shall result in rejection of a Bid as non-responsible.
- 1.6.3 If the two lowest Bidders/highest ranked Proposers submit the DBE forms, but fail to meet the DBE goal, the [NAME OF SUB-RECIPIENT] will consider the efforts made to determine if a Bidder/Proposer/Prime has in fact demonstrated a good faith effort. See article 2.0
- 1.6.4 If it is determined that satisfactory good faith efforts were not made to include DBE participation on the contract, [NAME OF SUB-RECIPIENT] shall consider awarding the contract to the next lowest bidder or highest ranked proposer who offers a reasonable price, meets the DBE goal and other bid requirements or requirements of 49 CFR Part 26 and/or satisfactorily demonstrates documented evidence of good faith effort.

2. GUIDANCE ON A GOOD FAITH EFFORT

- 2.1 To demonstrate a good faith effort to meet the DBE goal, a Bidder/Proposer/Prime shall provide written documentation in addition to Form D (article 2.3e), of the steps it has taken, prior to the bid opening/proposal due date, or during the life of the contract to obtain DBE participation. **The Bidder/Proposer/Prime can meet this requirement in either of two ways:**

(1) The Bidder/ Proposer/Prime can meet the goal.

(2) The Bidder/Proposer/Prime shall exhaust the available options referenced in **article 2.2** in making a continuous

good faith effort to meet the assigned contract goal for the life of the contract.

- (a) The efforts employed by the bidder should be those that one could reasonably expect a bidder to take if the bidder were actively and aggressively trying to obtain DBE participation sufficient to meet the contract goal.

- (b) In determining a good faith effort, the OBD will consider the **quality, quantity, and intensity** of the different kinds of efforts that the Bidder/Proposer/Prime has made. Mere *pro forma* efforts will not be considered as demonstration of good faith effort to meet the DBE contract requirements.
- (c) The Bidder/Proposer/Prime shall use good business judgment and consider a number of factors in negotiating with subcontractors/subconsultants, including DBE subcontractors/ subconsultants, and should take a firm's price and capabilities as well as contract goals into consideration. **The fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a Bidder's/Proposer's failure to meet the contract DBE goal, as long as such costs are reasonable as determined by [NAME OF SUB-RECIPIENT]. Primes are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.**
- (d) The Bidder/Proposer/Prime's **ability or desire to perform the work of a contract with its own organization (self-performance) does not relieve the Bidder/Proposer/Prime of the responsibility to meet the goal or demonstrate a good faith effort.**
- (e) The Bidder/Proposer/Prime shall not reject DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The Bidder/Proposer/Prime's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example, union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the Bidder/Proposer/Prime's efforts to meet the assigned project goal.
- (f) The OBD will support the Bidder/Proposer/Prime in identifying ways to meet the assigned contract goal.

2.2 A GOOD FAITH EFFORT

The following is a list of actions that [NAME OF SUB-RECIPIENT] will consider as evidence of a Bidder/Proposer/Prime's good faith effort to obtain DBE participation. While exhausting the available options in this list may count as a good faith effort, this list is not intended to be a mandatory checklist, nor is this list intended to be exclusive or exhaustive of all the efforts a Bidder/Proposer/Prime might make to achieve the assigned DBE goal. [NAME OF SUB-RECIPIENT] may require a Bidder/Proposer/Prime to take action above and beyond those listed below to meet the assigned DBE goal.

- (a) The Bidder/Proposer/Prime shall solicit through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capacity to perform the work of the contract.
 - (1) The Bidder/Proposer/Prime must solicit this interest within sufficient time to allow the DBE to respond to the solicitation.
 - (2) The Bidder/Proposer/Prime must take appropriate steps to follow up on initial solicitations in order to determine with certainty if the DBE firms are interested.
- (b) The Bidder/Proposer/Prime shall select portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the Prime might otherwise prefer to perform these work items with its own forces.
- (c) The Bidder/Proposer/Prime shall provide interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
- (d) The Bidder/Proposer/Prime shall negotiate with a DBE(s) with the intent to enter into a contract. It is the Bidder/Proposer's responsibility to make a portion of the work available to DBE subcontractors/subconsultants and

suppliers and to select those portions of the work or material needs consistent with the available DBE Primes and suppliers, so as to facilitate DBE participation.

(1) Evidence of such negotiation includes: the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.

- (e) The Bidder/Proposer/Prime shall make efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by [NAME OF SUB-RECIPIENT] or the Prime contractor.
- (f) The Bidder/Proposer/Prime shall make efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.
- (g) The Bidder/Proposer/Prime shall effectively use the services of available minority/women community organizations; minority/women Prime contractors groups; local, State and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

2.3 REQUIRED FORMS

- (a) **Form A - First Tier DBE Utilization:** Lists all First Tier DBE firms scheduled to participate on this contract.
- (b) **Form A1 - Bidder/Proposer Solicitation and Contractor Information:** Lists all DBE and Non-DBE sub-contractor/subconsultants, including suppliers, solicited for, and participating on this contract.
- (c) **Form A2- Non-DBE Sub Utilization:** Lists all DBE and Non-DBE subcontractors/ subconsultants, including suppliers, participating on this contract.
- (d) **Form B - Intent to Perform as a DBE Sub:** Identifies the work the 1st Tier DBE intends to perform including scope of work, subcontract dollar value, etc.
- (e) **DBE Good Faith Effort Form (if applicable):** Identifies any DBE subcontractor invited to quote, but declined to do so for any reason.
- (f) **Trucking Commitment Agreement (if applicable):** Identifies all trucking firms (DBE and Non-DBE) participating on this contract, at any tier.
- (g) **NJ UCP DBE Certification & NAICS Code Verification:** Confirms the DBE status and NAICS code(s) of each First Tier DBE subcontractor/subconsultant.
- (h) ***Form E - Contractor's Monthly DBE Payment Report & Payment Certification Voucher (Post-Award):** Records monthly payments issued to each DBE subcontractor/subconsultant/supplier and monthly payments issued by [NAME OF SUB-RECIPIENT] to the Prime. Certifies that DBE subs have been paid for previous month's invoices.
- (i) **Form E2 – DBE's Monthly Payment Report (Post-Award):** Records monthly invoices submitted by the DBE, payments owed to the DBE on past due invoices and payments received from the prime by each DBE subcontractor/subconsultant.
- (j) **Form E1- DBE Prime's Monthly Payment Report (For DBE Prime Only):** Records monthly payments issued to each DBE Prime by [NAME OF SUB-RECIPIENT] to.

**This form is due from the Prime in each month following the notice to proceed issued by [NAME OF SUB-RECIPIENT]. Refer to article 5.2.4*

2.4 SUPPLEMENTAL REQUIRED FORMS (IF APPLICABLE)

- (a) **Form AA – Second Tier DBE Utilization:** Lists all Second Tier DBE firms scheduled to participate on the DBE sub-Prime's contract.

- (b) Form AA1 – Second Tier Bidder/Proposer Solicitation and Contractor Information: Lists all Second Tier DBE firms participating on this contract as indicated on Form AA and Form AA2.
- (c) Form AA2- Second Tier Non-DBE Sub Utilization: Lists all DBE and Non-DBE firms including suppliers participating on the DBE sub-Prime’s contract.
- (d) Form BB - Intent to Perform as a Second Tier DBE Sub: Identifies the work the 2nd Tier DBE intends to perform including scope of work, subcontract dollar value, etc.
- (e) NJ UCP DBE Certification & NAICS Code Verification: Confirms the DBE status and NAICS code(s) of each Second Tier DBE subcontractor/subconsultant.

2.5 INSTRUCTIONS FOR COMPLETING REQUIRED FORMS (see glossary for definition of terms)

(a) Form A - First Tier DBE Utilization:

Form A is a formal agreement between the Bidder/Proposer and the DBE(s). Replacement/removal of DBE subcontractors/subconsultants/supplier identified on Form A is prohibited after the bid or proposal is submitted to [NAME OF SUB-RECIPIENT]. Refer to article 4.3. A DBE Bidder/Proposer, which lists itself on Form A, is committed to performing the work indicated with its own personnel.

DBEs performing as second tier sub(s) to a **non-DBE sub-Prime** should be listed with the name of the non-DBE sub Prime’s firm name in parenthesis next to the DBE sub’s name. {*Ex: DBE Electric Co. (Prime Contractor, Inc.)*}

(1) A first Tier DBE is required to perform at least 51% of its subcontract value with its own forces.

Bidders/Proposers/Primes will not receive any credit for DBEs performing less than 51% and therefore must not be listed on this form.

(2) For DBE suppliers, identify all manufacturers, regular dealers, and brokers. If a DBE supplier is a **manufacturer**, indicate the full value of its subcontract. If a DBE supplier is a **regular dealer**, show its total contract value multiplied by 60% (Ex. \$100K x 60%= \$60K). If a DBE supplier is **neither a manufacturer nor a dealer**, indicate the fee/commission only, not the cost of materials or supplies. See **article 3.0** for direction on determining credit toward the goal.

(3) A detailed scope of work must be provided; one-word descriptions are not acceptable. (*Ex. Haul and dispose of approximately 192,000 tons of contaminated soil to a clean earth facility at \$34.00 a ton*).

(b) Form A1 - Bidder/Proposer/Prime Solicitation and Contractor Information:

The Bidder/Proposer must complete and submit page one (1). The DBE and non-DBE subcontractors/subconsultants, including suppliers, solicited for, participating on, or expressed interest in this contract must complete page two (2).

(c) Form A2- Non-DBE Sub Utilization:

Bidders/Proposers are required to report and submit all dollars committed to non-DBE subcontractors/subconsultants/suppliers. The non-DBE portion of work is **not** counted toward the assigned DBE goal. **See article 3.0**

A detailed scope of work must be provided; one-word descriptions are not acceptable.

(Ex. Haul and dispose of approximately 192,000 tons of contaminated soil to a clean earth facility at \$34.00 a ton).

(d) Form B - Intent to Perform as a First Tier DBE Sub:

Each DBE subcontractor/subconsultant/supplier listed on Form A must complete and sign Form B. **Note: The Bidder/Proposer/Prime is prohibited from completing any portion of the form and from directing DBE(s) to sign a blank form.**

(1) The Bidder/Proposer/Prime must provide interested DBEs with a copy of appropriate plans, specifications, and requirements of the contract in a timely manner to allow the DBE to prepare an appropriate price quote and submit on time.

(2) First Tier DBEs must perform at least 51% of the total dollar value of its subcontract, with its own forces. The firm must indicate the percentage of the total portion of work to be subcontracted to DBE and non-DBE firms. The non-DBE percentage of work is not counted toward the assigned goal.

(3) The OBD encourages DBE-to-DBE subcontracting in order to preserve DBE participation credit. **See article 3.0**

(4) The DBE must provide a detailed scope of work; one-word descriptions are not acceptable. Descriptions should include: *type of services provided, total number of units, price per unit, total cost, etc.*

(e) **DBE Good Faith Effort: (If Applicable)**

Form D applies to any Bidder/Proposer/Prime who failed to meet the assigned DBE goal. This form will assist the Bidder/Proposer/Prime in demonstrating a good faith effort.

If the DBE(s) solicited declines to sign this form, the completed form should be submitted with the Bidder/Proposer's signature only and the OBD will verify the information provided with the firm. **Refer to articles 2.0-2.2** for guidance.

(f) **Trucking Commitment Agreement: (If Applicable)**

DBEs must provide information for all DBE and non-DBE trucking firms it will lease from or subcontract to. Subcontracting to a non-DBE trucker means that the non-DBE will perform a portion of the DBE firm's subcontract. **Refer to article 3.4**

The following documents must be attached for all trucks owned: copy of title(s)/finance agreement(s), registration card(s), insurance card(s), apportioned cab card(s) and/or hazardous material license(s) if applicable. A copy of the title or finance agreement is the only acceptable proof of ownership.

The following documents must be attached for all trucks leased: copy of lease agreement(s) established between both firms, title(s), registration card(s), insurance card(s), lease agreement(s), apportioned cab card(s) and/or hazardous material license(s) if applicable.

(g) **NJ UCP DBE Certification and NAICS Code Verification:**

All DBEs listed on Form A must be certified at the time of contract award. It is the Bidder/ Proposer's responsibility to ensure that DBEs are certified and that their NAICS code(s) match the scope of work to be performed on this contract. Credit will not be given for any work to be performed without the appropriate NAICS code. Status can be verified through www.njucp.net and www.census.gov/eos/www/naics/.

(h) **Form E - Contractor's Monthly DBE Payment Report & Payment Certification Voucher:**

Beginning the month following the contract's notice to proceed, the Prime must report monthly payment activity for each DBE subcontractor/subconsultant/supplier; certifies each DBE sub has been paid any amounts due from previous or current progress payments paid to the Prime. **(article 5.2.4)**

All invoices 30 days past due from [NAME OF SUB-RECIPIENT] must be listed in the appropriate field.

This report is due even if there is no payment activity. This form must be completed and submitted to the OBD **by the 7th of each month** to the attention of the OBD's Manager of Contract Compliance.

(i) **Form E1- DBE Prime's Monthly Payment Report (For DBE Prime Only)**

Beginning the subsequent month following the contract's execution date, the DBE Prime must report its monthly payments received by [NAME OF SUB-RECIPIENT]. **Refer to article 5.2.5.**

All invoices 30 days past due from [NAME OF SUB-RECIPIENT] must be listed in the appropriate field.

This report is due even if there is no payment activity. This form must be completed and submitted to the OBD **by the 7th of each month** to the attention of the OBD's Manager of Contract Compliance.

(j) Form E2 – DBE's Monthly Payment Report:

The Prime must provide a copy of the Form E2 to each DBE subcontractor/subconsultant/ supplier(s).

Beginning the subsequent month following the DBE's execution date, the DBE firm must report its monthly payment activity.

This report is due even if there is no payment activity. **This form must be completed and submitted by the DBE only** to the OBD **by the 7th of each month** to the attention of the OBD's Manager of Contract Compliance.

All invoices 30 days past due must be listed in the appropriate field. Identify concerns or issues in the comments section to be addressed by the OBD. (**Refer to article 5.2.6**)

2.6 INSTRUCTIONS FOR COMPLETING SUPPLEMENTAL REQUIRED FORMS:

- (a) **Form AA – Second Tier DBE Utilization:** The Second Tier DBE **must perform 100%** of its subcontract with its own forces. A formal request to waive this requirement may be granted, solely at the discretion of the OBD; however, approval is required.

A detailed scope of work must be provided; one-word descriptions are not acceptable.

(Ex. Haul and dispose of approximately 192,000 tons of contaminated soil to a clean earth facility at \$34.00 a ton).

- (b) **Form AA1 – Second Tier Bidder/Proposer Solicitation and Contractor Information:**

The DBE sub-Prime must submit and complete page one (1). Second Tier DBE(s) solicited for and participating on this contract must complete page two (2).

- (c) **Form AA2- Second Tier Non-DBE Subcontractor Utilization:**

DBE sub-Primes are required to report and submit all dollars committed to non-DBEs. The non-DBE portion of work is not counted toward DBE participation credit. Refer to article 3.0

A detailed scope of work must be provided; one-word descriptions are not acceptable.

(Ex. Haul and dispose of approximately 192,000 tons of contaminated soil to a clean earth facility at \$34.00 a ton).

- (d) **Form BB - Intent to Perform as a Second Tier DBE Subcontractor:**

Each DBE firm listed on Form AA, must complete, and sign. **Only Second Tier DBE(s) must complete and sign this form.**

The Second Tier DBE must provide a detailed scope of work; one-word descriptions are not acceptable. Descriptions should include: type of services provided, total number of units, price per unit, total cost, etc.

- (e) **NJ UCP DBE Certification & NAICS Code Vérification:**

responsibility to ensure that DBEs are certified and that their NAICS code(s) match the scope of work to be performed on this contract. Credit will not be given for any work to be performed without the appropriate NAICS code. Status can be verified through www.njcup.net and www.census.gov/eos/www/naics/.

3.0 GUIDANCE ON COUNTING DBE PARTICIPATION

- 3.1 If a firm is not currently certified as a DBE in accordance with 49 CFR part 26 at the time of the execution of the contract, the firm's participation will not count toward the DBE goal.

3.1.1 A DBE performing less than 51% of its subcontract will not count toward the assigned goal and should not be listed on any forms.

3.1.2 When a DBE subcontracts part of the work of its contract to another firm, the value of the subcontracted work may be counted toward DBE goals only if the DBE's subcontractor/subconsultant is a DBE.

(a) Work that a DBE subcontracts to a **non-DBE firm does not count** toward the DBE contract goal.

(b) When a DBE performs as a participant in a **joint venture with a Non-DBE**, count the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces toward DBE goals.

(c) 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.

A DBE does not perform a *commercially useful function* if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation.

3.2 COUNTING DBE PARTICIPATION

3.2.1 When a DBE participates in a contract, only the value of the work actually performed by the DBE is counted toward DBE goals.

(a) The entire amount of that portion of a contract that is performed by the DBE's own forces is counted. This includes the cost of supplies and materials obtained by the DBE for the work of the contract, as well as supplies purchased or equipment leased by the DBE (*except supplies and equipment the DBE subcontractor/subconsultant purchases or leases from the Prime contractor or its affiliate*).

3.2.2 The entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of a contract, is counted toward DBE goals, provided the fee is reasonable and not excessive as compared with fees customarily allowed for similar services by a DBE.

3.3 DBE PRIME CONTRACTOR GUIDANCE

3.3.1 If a **DBE Prime**, expenditures are counted toward DBE goals only if the DBE is performing a commercially useful function on that contract.

3.3.2 A DBE Prime must perform or be responsible at least 51% of the total cost of its contract with its own workforce.

3.3.3 **If a DBE Prime does not perform or exercise responsibility for at least 51% of the total cost of its contract with its own workforce** or subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, [NAME OF SUB-RECIPIENT] will consider that it is not performing a commercially useful function and the DBE Prime shall be in breach of the contract and subject to the appropriate remedies and penalties. **Refer to Articles 5.6-5.7**

3.4 DBE TRUCKING FIRMS GUIDANCE

3.4.1 A DBE **trucking firm** is performing a commercially useful function if:

(a) The DBE is responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract, and there is not a contrived arrangement for the purpose of meeting DBE goals.

(b) The DBE itself **owns and operates at least one** fully licensed, insured, and operational truck

to be used on the contract.

3.4.2 The DBE receives credit for the total value of the transportation services it provides on the contract using trucks it owns, insures, and operates using drivers it employs.

3.5 LEASING TRUCKS

3.5.1 Leased trucks must display the name and identification number of the DBE.

3.5.2 The DBE may lease trucks from another DBE firm, including an owner-operator that is certified as a DBE.

The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the contract.

3.5.3 The DBE may also lease trucks from a **non-DBE firm**, including an owner-operator.

(a) **The DBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement.**

3.5.4 For the purposes of this section (Leasing), a lease must indicate that the DBE has exclusive use of and control over the truck.

(a) This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, so long as the lease gives the DBE absolute priority for use of the leased truck.

3.6 COUNTING MATERIALS AND SUPPLIES

3.6.1 Expenditures with DBEs for materials or supplies are counted toward DBE goals as provided in the following:

(a) If the materials or supplies are obtained from a **DBE manufacturer**, 100% of the cost of the materials or supplies are counted toward DBE goals.

(1) For purposes of this paragraph 3.6.1(a), a manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the material, supplies, articles, or equipment required under the contract and of the general character described by the specifications.

(b) If the materials or supplies are purchased from a **DBE regular dealer**, sixty percent (60%) of the cost of the materials or supplies is counted toward DBE goals.

(1) For purposes of this paragraph 3.6.1(b), a regular dealer is a firm that owns, operates, 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.

(2) The firm 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.

(3) A person 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 as provided above if the person 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.

(4) Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not regular dealers within the meaning of this paragraph 3.6.1(b).

- (c) With respect to materials or supplies purchased from a **DBE, which is neither a manufacturer nor a regular dealer**, only 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 job site, is counted toward DBE goals, provided the fees are determined to be reasonable and not excessive as compared with fees customarily allowed for similar service. **However, any portion of the cost of the materials and supplies themselves do not count toward DBE goals.**

4.0 TERMINATION OF DBE(s)

- 4.1 The Bidder/Proposer/Prime may not terminate for convenience, or any other reason, and then perform the work of the terminated subcontractor/subconsultant with its own forces or those of an affiliate without [NAME OF SUB-RECIPIENT]'s prior written consent. **Refer to Article 4.3.**

Submission of all REQUIRED FORMS is mandatory for the following Articles 4.2 through 4.5

4.2 ADDITION OF DBE(s)

- 4.2.1 Should the Bidder/Proposer/Prime wish to add a DBE not listed on Form A, a written request for the addition of a DBE(s) must be submitted by the Bidder/Proposer/Prime.
- 4.2.2 The Bidder/Proposer/Prime must receive written approval of the OBD **prior to** the addition of the DBE subcontractor/subconsultant in order for the addition to be credited toward the goal.

4.3 REPLACEMENT OR REMOVAL OF DBE(s)

- 4.3.1 When a Prime is considering replacing or removing a DBE due to performance issues, the OBD must be contacted as soon as possible.
- 4.3.2 Request for DBE replacement or removal may be made under the following conditions:
- 1) The DBE materially fails to successfully perform the contract tasks.
 - 2) Under unusual situations referenced in article 4.3.8.

- 4.3.3 A written request for replacement or removal of a DBE(s) listed on Form A, must be submitted by the

Bidder/Proposer/Prime to the OBD with complete justification for the request. The process to follow such requests is as follows:

- (a) Written communications (over a period) from the Prime and/or [NAME OF SUB-RECIPIENT]'s PM/CM team to the DBE, notifying the DBE of its poor performance must be provided to the OBD.
- (b) **The OBD will arrange a meeting with the DBE, the Prime, and a representative from Procurement and project management to discuss the specifics of the performance issue.**
- (c) The DBE must provide a written plan identifying the efforts it will make to correct the deficiencies.
- (d) The Prime must provide the DBE with a minimum of 30 calendar days from acceptance of its plan to improve its performance. Throughout the 30-day window, the Prime and/or [NAME OF SUB-RECIPIENT] PM/CM team must provide written communication to the DBE of any additional/continued performance issues, with a copy to the OBD.

- 4.3.4 The Bidder/Proposer/Prime must receive written approval of the OBD **prior to** replacement or removal of the DBE subcontractor/subconsultant can be made, regardless of the reason for the replacement or removal.

4.3.5 If the OBD issues written approval for the removal of a DBE(s), [NAME OF SUB-RECIPIENT] will require a Bidder/Proposer/Prime to continue to demonstrate a good faith effort to replace the removed DBE to the extent needed to meet the contract goal established by [NAME OF SUB-RECIPIENT] for the procurement.

These good faith efforts shall be directed at finding another DBE to perform at least the same amount of work under the contract as the removed DBE.

4.3.6 Failure to obtain approval from the OBD **prior to** replacing or removing a DBE shall result in the Bidder/Proposer/Prime being found in breach of the contract and subject to the appropriate remedies, audits and penalties. **Articles 5.6-5.7**

4.3.7 If [NAME OF SUB-RECIPIENT] finds that the Bidder/Proposer/Prime upon submission of its bid/proposal committed itself to the goal in good faith, the Bidder/Proposer/Prime may, in "unusual situations", be permitted to substitute a DBE subcontractor(s)/subconsultant(s).

4.3.8 The term "*unusual situations*", includes, but is not limited to, the following circumstances:

- (a) Failure to qualify as a DBE, or maintain DBE certification status.
- (b) Death or physical disability of a key individual.
- (c) Dissolution, if a corporation or partnership.
- (d) Bankruptcy of the subcontractor/subconsultant, subject to applicable bankruptcy law, and only in instances where the bankruptcy affects the subcontractor/subconsultant's ability to perform.
- (e) Inability to obtain, or loss of, a license necessary for the performance of the particular category of work.
- (f) Failure or inability to comply with a requirement of law applicable to Primes or, subcontractors/subconsultants.

4.4 WITHDRAWN DBE(s)

4.4.1 When a DBE is unable to complete a subcontract (withdraws), for any reason, [NAME OF SUB-RECIPIENT] will require a Bidder/Proposer/Prime to make a good faith effort to replace a withdrawn DBE at least to the extent needed to ensure that the Prime contractor is able to meet the contract goal established by [NAME OF SUB-RECIPIENT] for the procurement. **These good faith efforts shall be directed at finding another DBE to perform at least the same amount of work under the contract as the removed DBE.**

4.4.2 The Bidder/Proposer/Prime is required to make a good faith effort to seek other DBE subcontractors/subconsultants in substitution of the original DBE. The good faith efforts described in **article 2** are required in finding another DBE to perform at least the same amount of work under the contract as the DBE that was terminated, to the extent needed to meet the contract goal established for the procurement.

4.5 DECERTIFIED DBE(S)

4.5.1 If the Prime has reason to doubt that a proposed DBE is still eligible due to change in ownership, management, or size, the Prime shall, within 10 days of learning this information, notify [NAME OF SUB-RECIPIENT] of that fact in writing.

4.5.2 If the subcontract has not been executed before the DBE's ineligibility occurs, the Prime will not receive credit toward the contract goal for the ineligible DBE. The Prime may continue to use the ineligible DBE, however, DBE participation credit will not be granted.

(a) To the extent necessary to meet the assigned contract goal, the Prime will make a good faith effort to replace the ineligible DBE within 10 days after notification by the OBD. The OBD will support the Prime in its efforts to replace with an eligible DBE firm in order to meet the contract goal.

4.5.3 If the contract has been executed before the firm has been notified of its ineligibility, the Prime may continue to use the firm on the contract and receive credit toward its DBE goal for the duration of that particular phase of or option in the contract. This may not apply to future phases or options, which will be handled on a case-by-case basis at the sole discretion of the OBD.

4.5.4 **Exception.** If the DBEs ineligibility is caused solely by its having exceeded the size standard during the performance of the contract the Prime may continue to count its participation on that contract only toward the contract goals. This may not apply to future phases or options and will be subject to determination by the OBD.

5.0 AWARD OBLIGATIONS

5.1 The Prime must designate a **DBE Liaison Officer**. The liaison officer will be responsible to [NAME OF SUB-RECIPIENT] regarding DBE subcontract matters.

5.1.1 If at any point during the contract's life, the Prime's DBE participation falls below the assigned goal, the Prime must identify additional work or new work items for which it will subcontract to DBEs to the extent necessary to meet the assigned goal. Any new scope of work issued to the Prime shall still be subject to the assigned goal.

5.1.2 The OBD will support the Prime in identifying current/future opportunities in the contract to meet the assigned contract goal.

5.1.3 Should the Prime seek a change that addresses the DBE's performance, or affects the work scope and/or compensation, the OBD must be notified, prior to implementation, for its review and approval of the changes as soon as possible. No change will be allowed without prior review and approval by the OBD. Failure to notify the office and obtain approval prior to a change shall result in breach of the contract and may be subject to the appropriate remedies, audits, and penalties.

5.1.4 Whenever [NAME OF SUB-RECIPIENT] issues project change orders the goal may still apply; the OBD will determine if increased DBE participation will be required.

5.1.5 To ensure that all obligations under subcontracts awarded to DBEs are met [NAME OF SUB-RECIPIENT] shall review the Prime's DBE involvement efforts during the performance of the contract.

5.2 POST AWARD DELIVERABLES

5.2.1 After the execution of a contract with [NAME OF SUB-RECIPIENT], **signed copies** of subcontractor/subconsultant agreements between the Prime and DBE subcontractors must be submitted to the OBD no later than 10 business days after the Prime's contract execution date. The agreement between the Prime and DBE subcontractor shall remain firm for the duration of the contract.

5.2.2 The Prime shall provide a list of the anticipated job start date for all DBE subcontractors/subconsultants **no later than two days** after the initial pre-construction meeting.

5.2.3 **Certification of DBE(s) Payments** – submit monthly with the Form E to the Manager of the OBD and with its monthly invoice submittal to [NAME OF SUB-RECIPIENT] project manager of this project. **Refer to article 5.3.2**

(a) The Prime will certify, prior to the issuance of each progress payment by [NAME OF SUB-RECIPIENT], that all DBE subs have been paid any amounts due on past due invoices from previous or current progress payments.

5.2.4 **Form E (Contractor's Monthly DBE Payment Report & DBE Payment Certification Voucher)** - submit monthly to the Manager of the OBD. **Refer to articles 2.5h and 5.3.2.**

Failure to submit this report on a monthly basis may result in breach of the contract and be subject to the appropriate remedies, penalties or liquidated damages as indicated in articles 5.6-5.7.

5.2.5 **Form E1 (DBE Prime's Monthly Payment Report)** *(For DBE Prime Only)* - **submit** monthly to the Manager of the OBD.

5.2.6 **Form E2 (DBE's Monthly Payment Report)** – **Refer to article 2.5j**

(a) Forms E/E1 and E2 will be reviewed monthly to determine compliance with the assigned DBE goal, the subcontractor prompt payment regulation, and the DBE Program.

(b) Attainment of goals will be monitored and based upon actual payments received by the DBE.

Failure to submit Form E/E1 may result in suspension of payments or such other remedies as provided in **article 5.6**. *If at any time, [NAME OF SUB-RECIPIENT] has reason to believe that any person or firm has willfully and knowingly provided incorrect information or made false statements, it shall refer the matter to the USDOT for inquiry.*

5.3 PROMPT PAYMENT OF INVOICES TO SUBCONTRACTORS

5.3.1 The Prime must pay each subcontractor under this contract for satisfactory performance of its work **no later than ten (10) days** from the receipt of each payment the Prime receives from [NAME OF SUB-RECIPIENT] for the subcontractor's work. Failure to comply with this requirement shall result in breach of the contract and shall be subject to the appropriate remedies as determined by OBD.

5.3.2 In accordance with 49 CFR 26.29, the Prime shall certify, prior to the issuance of a progress payment by [NAME OF SUB-RECIPIENT] that all subcontractors have been paid any amounts due on past due invoices (greater than 30 days) from previous or current progress payments. **The Prime must submit the Certification of DBE(s) Payments with its monthly invoice submittals to [NAME OF SUB-RECIPIENT] project manager, and with its Form E to the OBD.**

5.3.3 The Prime will not be reimbursed for work performed by subcontractors/subconsultants unless and until the Prime ensures that the subs are promptly paid for the work performed. Alternatively, the Prime shall certify that a valid basis exists under the terms of the subcontractor's/subconsultant's or supplier's contract to withhold payment from the subcontractor/subconsultant and therefore payment is withheld.

5.3.4 If the Prime withholds payment from the subcontractor/subconsultant, the Prime shall provide to the subcontractor/subconsultant or supplier written notice thereof. The notice shall detail the reason for withholding payment and state the amount of the payment withheld. If a performance/payment bond has been provided under this contract, the Prime shall send a copy of the notice to the surety providing the bond for the Prime. A copy of the notice shall also be submitted to [NAME OF SUB-RECIPIENT] with the certification that payments are being withheld.

5.3.5 If withholding payment is due to the Prime's failure to promptly pay the DBE in accordance with the prompt payment of invoices and/or retainage clauses, the OBD may request proof of payment to DBE(s) for delinquent invoices and/or retainage in order to issue release of payment to Prime.

5.3.6 Failure to comply with the above shall result in breach of the contract and may be subject to the appropriate penalties.
See article 5.6

5.4 SUBCONTRACTOR PAYMENT DISPUTE RESOLUTION

5.4.1 The Prime is required to notify the OBD of its intention to withhold payment from a DBE as soon as

possible and in advance of taking action. Should the Prime provide notice and proceed to withhold payment from any subcontractor/subconsultant or supplier due to a performance issue or unapproved work performed, an OBD representative shall make an effort to resolve the dispute.

- (a) OBD's efforts shall be limited to meeting with the Prime and the subcontractor/ subconsultant, and reviewing the relevant facts with both parties.
- (b) OBD will not act as a decider of fact nor will OBD direct a settlement to the dispute.
- (c) Any OBD effort is solely intended to assist the parties in understanding their respective positions and to encourage a reasonable resolution of the dispute. The Prime is required to send written notification of the above to the OBD immediately.

5.4.2 Should payments be withheld that are not related to the previous items mentioned, and/or a determination can be made that the withholding of payments violates the prompt payment clause, [NAME OF SUB-RECIPIENT] may execute the appropriate remedies in accordance with article 5.6.

5.5 PROMPT PAYMENT OF SUBCONTRACTOR RETAINAGE (FOR CONSTRUCTION CONTRACTS ONLY)

5.5.1 **The Prime must include a contract clause in the subcontractor agreement obligating the Prime to pay all retainage owed to the subcontractor/subconsultant for satisfactory completion of the accepted scope of work no later than 15 days after the DBE subcontractor's/subconsultant's work is satisfactorily completed.**

5.5.2 Only subcontractors/subconsultants whose work has been 100% completed, including all punch list work or remaining work, and who have supplied closeout documents shall be eligible for release of retainage. *Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of [NAME OF SUB-RECIPIENT].*

5.5.3 [NAME OF SUB-RECIPIENT] may agree to release an equivalent amount of Prime retainage provided that:

- (a) There is no offsetting claims from [NAME OF SUB-RECIPIENT] (including, but not limited to, liquidated damages), other subcontractors/subconsultants, material men, or workers;
- (b) None of the other reasons to withhold payments specified under the Prime contract exists.

5.5.4 Prior to release of the Prime's retainage, the Prime shall provide to [NAME OF SUB-RECIPIENT] executed copies of the following subcontractor closeout documents, (shown in Appendix A of the contract) as appropriate:

- (a) Consent of Surety to Final Payment to the Subcontractor
- (b) Certificate of Amounts Due and Owing to Subcontractor Employees
- (c) Subcontractor Release of Claims
- (d) Subcontractor Release of Liens and a Certificate of Final Acceptance of Subcontractor Work

5.5.5 Notwithstanding [NAME OF SUB-RECIPIENT]'s release or partial release of retainage, nothing in this clause shall be deemed to constitute [NAME OF SUB-RECIPIENT]'s partial or final acceptance of the work, or any portion thereof, unless either a Certificate of Partial Acceptance or a Certificate of Final Acceptance has been executed by [NAME OF SUB-RECIPIENT], in the form(s).

5.6 REMEDIES AND PENALTIES

- 5.6.1 Where a Prime is found to be in breach of the requirements of the DBE Program during the performance of the contract, and does not promptly take corrective action, the following sanctions may be instituted (singularly, in any combination, and in addition to any other contractual remedies or otherwise provided by law):
- (a) The Prime may be ordered to stop work without penalty to [NAME OF SUB-RECIPIENT].
 - (b) The contract may be terminated for breach.
 - (c) Suspension or debarment proceedings may be commenced in accordance with New Jersey law.
 - (d) The relevant performance bond may be enforced.
 - (e) [NAME OF SUB-RECIPIENT] may withhold payment of specific invoices.

5.7 LIQUIDATED DAMAGES

5.7.1 Liquidated damages (LD) may be assessed when the Prime fails to meet the established DBE goal on the contract.

5.7.2 If the DBE goal is not met, and the Prime has not demonstrated a good faith effort to do so, [NAME OF SUB-RECIPIENT] may elect to subtract from the Prime's payment, as liquidated damages and not a penalty, the following:

The amount equal to the difference (in dollars) between the total contract value multiplied by the assigned DBE goal percentage, (originally established or as subsequently modified) and the actual DBE participation percentage (total dollars paid to DBEs divided by total dollars paid to the Prime).

5.7.3 This may be withheld from a series of payments or from the Prime's final payment, depending on the size of the liquidated damage.

5.7.4 If the Prime's final payment is not sufficient to satisfy the LD in full, the balance shall be due and owing from the Prime and subject to repayment terms as determined by [NAME OF SUB-RECIPIENT]. [NAME OF SUB-RECIPIENT] shall waive liquidated damages where good cause is shown for the deficiency in DBE participation upon determination by the OBD.

APPENDIX I - DBE GLOSSARY

A Good Faith Effort-the efforts employed by the bidder, which should be those that one could reasonably expect a bidder to take if the bidder were actively and aggressively trying to obtain DBE participation sufficient to meet the contract goal.

Certification - means the process by which a business is determined to be a bona fide DBE. Any business applying for DBE certification must complete the appropriate NJ Unified Certification Program Application. Certification Applications are available at the OBD.

Disadvantaged Business Enterprise or DBE - means a small business concern: Which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and where one or more of the socially and economically disadvantaged owners controls management and daily business operations. A DBE shall not include a small business concern where that concern or a group of concerns controlled by the same socially and economically disadvantaged individual or individuals has annual average gross receipts in excess of **\$22,410,000** over the previous three fiscal years or is not otherwise eligible as a small business as defined by the Small Business Administration in 13 CFR Part 121.

DBE Goal - means numerically expressed objectives for DBE participation on federal contracts Prime contractors are required to make a good faith effort to achieve to the extent necessary to meet the assigned DBE goal. **DBE Sub-Prime** - means any 1st Tier DBE subcontractor/subconsultant listed on the Form A that will subcontract any portion of its subcontract/scope of work to a DBE(s) and/or non-DBE(s) firm(s).

DBE Ineligibility – means a firm’s DBE status changes or ceases due to change in ownership, management, or size, etc.

DBE Prime – means the successful Bidder is a DBE firm and has a direct contract with [NAME OF SUB-RECIPIENT].

DBE Trucking Firm – owns and operates at least one fully licensed, insured, and operational truck used on the contract. Is responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract.

First Tier DBE - refers to any DBE listed on the Bidder/Proposer/Prime’s Form A and having a direct contract with the Prime.

Joint Venture—means an association of a DBE firm and one or more other firms to carry out a single, for-profit business enterprise, for which parties combine their property, capital, efforts, skills and knowledge, and in which the DBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.

Prime - means any contractor or consultant, including a DBE contractor/consultant, who enters into a direct contractual relationship with [NAME OF SUB-RECIPIENT].

Race-conscious Measure or Program - is one that is focused specifically on assisting only DBEs, including women-owned DBEs.

Race-neutral Measure or Program- is one that is focused specifically on assisting all small businesses equally, including DBEs. Such activities include bonding, insurance, and technical assistance. For the purposes of this part, race-neutral includes gender-neutrality.

Reasonable Bid Price - means a price that shall be considered reasonable if the Bidder/Proposer/Prime would have been awarded the contract had the firm submitted the only bid.

Regular Dealer - means a firm that owns, operates, or maintains an establishment in which the materials or supplies required for the performance of a contract are bought, kept in stock and regularly sold to the public in the usual course of business.

The firm must engage in, as its principal business, and in its own name, the purchase and sale of products in question. Bulk items such as steel, cement and petroleum products need not be stocked, if the dealer owns or operates distribution equipment.

Note: Brokers and packagers are not regarded as regular dealers.

Second Tier DBE - refers to any DBE listed on the DBE Sub-Prime’s Form AA.

Subcontractor/ Subconsultant - means any contractor/consultant, including suppliers, who enters into a contract issued by a Prime contractor.

Transit Vehicle Manufacturer (TVM) - is a manufacturer of vehicles used by [NAME OF SUB-RECIPIENT] for the primary program purpose of public mass transportation (e.g., buses, railcars, vans). The term does not apply to firms, which rehabilitate old vehicles, or to manufacturers of locomotives or ferryboats. The term refers to distributors of or dealers in transit vehicles with respect to the requirements of 49 CFR Section 26.49.

U.S. DOT – means the U.S. Department of Transportation, including the Office of the Secretary, the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the Federal Railroad Administration (FRA).

Withdrawn DBE – a DBE withdraws, or drops out of its contract, or fails to complete its work on the contract for any reason.

Exhibit J

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

DOCUMENTS APPLICABLE TO

ELDERLY AND PERSONS WITH DISABILITIES FORMULA PROJECTS (Section 5310)

JOB ACCESS AND REVERSE COMMUTE GRANT (Section 5316)

NEW FREEDOM (Section 5317)

NONURBANIZED AREAS FORMULA PROJECT (Section 5311)

URBANIZED AREA FORMULA PROJECT (Section 5307)

SUBRECIPIENT DBE REQUIREMENTS FOR

RACE NEUTRAL FEDERAL PROCUREMENT ACTIVITIES

Forms A, A1 and A2 must be completed by all bidders/vendors (regardless of DBE utilization) at time of procurement.

Form B must be completed by bidders/vendors at of time of procurement only if bidder/vendor is a DBE.

Upon approval of service and/or capital contracts with identified DBE vendors, Forms E/E1 and E2 should be completed monthly for the duration of the contract.

SUBRECIPIENTS must maintain DBE vendor documentation.

(NJT Form A Rev. Sept. 2010)

First Tier DBE UTILIZATION - FORM A

Project Name: _____ SUBRECIPIENT Contract No: _____

Assigned DBE Goal %: _____ SUBRECIPIENT Procurement Specialist: _____ Contract Value (\$): _____

First Tier DBE must perform at least 51% of its subcontract value if subcontracting to a Second -Tier DBE or Non-DBE. Do not count Non-DBE portion toward the goal.

Name, Address and Telephone # of DBE Subcontractor/Subconsultant	Provide <u>Detailed</u> Scope of Work to be Performed (Identify all suppliers)	Dollar Value of Subcontract/Sub-consultant Work (\$) Awarded	Percentage of Subcontract Work (%)
			%
			%
			%
			%
			%
<i>For DBE suppliers, show original subcontract value multiplied by 60% (\$2,000*60%=\$1200). For DBE portion of work, subtract Non-DBE portion of work from original subcontract value.</i>	<u>TOTALS</u>	\$	%

The undersigned will enter into a formal agreement with the DBE(s) listed in this schedule conditioned upon execution of a contract with SUBRECIPIENT for the above referenced project. The undersigned understands that removal/replacement of the DBE(s) listed is **NOT PERMISSIBLE** for any reason (pre or post-award), without submitting a written request to the Office of Business Development and receiving **WRITTEN APPROVAL** from the Office of Business Development. Failure to obtain written approval shall result in the breach of contract and subject to corrective action to be determined by [SUBRECIPIENT]

Company Name: _____

Authorized Signature: _____

Company Address: _____

Print Name: _____

Title: _____

Federal Tax ID #: _____

Prime Contractor's DBE Liaison Officer: _____

Company Tel #: _____

Date Signed: _____

BIDDER SOLICITATION & CONTRACTOR INFORMATION - FORM A1

SUBRECIPIENT Contract No: _____

Project Title: _____

Prime Contractor: _____

Telephone #: _____

Date: _____

Complete the information below for Bidder/Proposer/Prime(s) working on the project. Use Page 2 for all subcontractors/subconsultants participating on or solicited for this project.

	Bidder/Proposer/Prime	Bidder/Proposer/Prime	Bidder/Proposer/Prime
Company's Full Name			
Address			
City			
Zip			
County			
Phone			
Fax			
E-mail			
Owner			
Date Established			
Date Certified			
Ethnicity			
Gender			
Certification Status: DBE or Non-DBE			
Federal Tax ID # / SSN #			
Annual Gross Receipts: A - Less than \$500K B - \$500K to \$1M C - \$1M to \$2M D - \$2M to \$5M E - \$5M and over indicate the letter that applies			
Primary NAICS Code:			

BIDDER SOLICITATION & CONTRACTOR INFORMATION - FORM A1

SUBRECIPIENT Contract No: _____
 Prime Contractor: _____
 Date: _____

Project Title: _____
 Telephone #: _____

Complete the information below for "all" subcontractors/subconsultants solicited for or participating on this project.

	Subcontractor/Subconsultant	Subcontractor/Subconsultant	Subcontractor/Subconsultant
Company's Full Name			
Address			
City			
Zip			
County			
Phone			
Fax			
E-mail			
Owner			
Date Established			
Date Certified			
Ethnicity			
Gender			
Certification Status: DBE or Non-DBE			
Federal Tax ID # / SSN #			
Annual Gross Receipts: A – Less than \$500K B - \$500K to \$1M C - \$1M to \$2M D - \$2M to \$5M E - \$5M and over indicate the letter that applies			
Primary NAICS Code:			

NON-DBE SUBCONTRACTOR UTILIZATION - FORM A2

Directions: To be completed by any Bidder/Proposer/Prime for "all" subs including suppliers participating on this contract.

SUBRECIPIENT Contract No: _____ Date: _____ Prime Contract Value: _____

Bidder/Proposer Prime Name: _____ Project Title: _____

Name, Address and Telephone # of all Subcontractor/Subconsultants	FEIN #	Provide <u>Detailed</u> Scope of Work to be Performed	Dollar Amount of Subcontractor/Sub-consultant Work (\$) Awarded	Percentage of Subcontractor Work (%)
			\$	%
			\$	%
			\$	%
			\$	%
			\$	%
<i>Must provide a detailed scope of work; one-word descriptions are not acceptable.</i>		TOTALS	\$	%

PRIME CONTRACTOR Monthly DBE Payment Report - Form E

Name of Project: _____
 Prime Original Contract Value: _____
 Change Orders (Overall Inc/Dec.): _____
 Total Contract Amount to Date: _____
 Total Payments Received from **[SUBRECIPIENT.]** Date: _____

[SUBRECIPIENT.] Contract #: _____
 Report for the Month of: _____
 Notice to Proceed Date: _____
 NJT Project Mgr. Name: _____
 Assigned DBE Goal %: _____

Name of DBE Subcontractor	Work Task Performed	Original Contract Amount \$	Change Order Amount \$ (+/-)	Amount of Invoice Received this Month (\$)	Date of Invoice Received in this Month	Payment(s) Made to DBE in this Month in \$\$ (Itemize)	Date(s) Payment Made This Month	Total DBE Payments made to Date in (\$)	% Overall Work Finished	Final Pmt (Y/N)
Total(s)→		\$	\$	\$	Total(s)	\$	Total(s)	\$		

Itemize payments/invoices and dates if paid/received more than one payment/invoice between the 1st and 31st of THIS Month.

Prime Contractor Information:

Prime Firm Name: _____
 Address: _____
 Telephone #: _____ Date: _____

Project Director Name: _____
 Project Director Signature: _____
 Federal TIN #: _____

Prime's Past Due Invoice Information: List any invoice more than 40 days past due from the date **submitted** to **[SUBRECIPIENT.]** at the time you complete this form.

Invoice #	Invoice Date	Invoice Amount (\$)	Number of Days Past Due	Comments:

This form is not to be altered in any way.

For assistance completing this form, call 973-491-7539, 8058, 8768, 8575, 8069, 8941

Fed Form E rev Sept 2010

**DBE PRIME CONTRACTOR'S MONTHLY PAYMENTS FROM [SUBRECIPIENT]
INFORMATION ON CONTRACT**

DATE CONTRACT EXECUTED: _____ CONTRACT NUMBER: _____ REPORT FOR THE MONTH OF: _____ YEAR _____
 ORIGINAL CONTRACT AMOUNT: _____ FED TAX ID #: _____
 CHANGE ORDERS (OVERALL INC/DEC.): _____ PURCHASE ORDER #: _____
 TOTAL CONTRACT AMOUNT TO DATE: _____ NAME OF PROJECT: _____

<i>Original Contract Value</i>	<i>Change Order Amount +/-</i>	<i>Date of Change Order</i>	<i>New Contract Value</i>	<i>Payments Received This Month</i>	<i>Total Payments Received to Date</i>	<i>% Work Completed To Date</i>	<i>Final Pmt Y/N</i>
TOTALS:							

PRIME INVOICE 30 DAYS PAST DUE FROM NJT:

[SUBRECIPIENT]

Invoice Date	Reference #	No. Days Past Due	Amount
_____	_____	_____	_____
_____	_____	_____	_____

Project Manager (Name): _____

Telephone #: _____

PRIME CONTRACTOR INFORMATION

Firm Name: _____
Compliance Officer (Name): _____
Date: _____ **Telephone #:** _____

**FORM IS DUE ON THE 7TH OF EACH MONTH.
 PLEASE FORWARD TO:
 [SUBRECIPIENT
 STREET ADDRESS
 CITY, STATE, ZIP
 FAX NUMBER
 E-MAIL ADDRESS]**

DBE SUBCONTRACTOR Monthly Payment Report - Form E2

Name of DBE Firm: _____

Report for the Month of: _____

DBE's FEIN#: _____

Contract Number: _____

DBE Address: _____

Contract Name: _____

DBE Telephone #: _____

DBE Contract Start Date: _____

Prime Contractor's Information:

Name of Prime: _____ Address: _____ Telephone #: _____

DBE PAYMENT INFO: Itemize payments/invoices and dates if received/submitted more than one payment/invoice between the 1st and 31st of **THIS** Month.

Work Task Performed	Original Subcontract Amount \$	Change Order Amount (+/-)	Invoice #(s) Submitted in this month	Dollar Amount of Each Invoice Submitted in this Month	Date of Invoices(s) Submitted this Month	Total Payments Received by DBE In this Month* (\$)	Date Payment(s) Received in this Month	Total Payments Received by DBE to Date (\$)	Total % Work to Date	Final Payment? Y or N
TOTALS →	\$	\$	TOTALS →	\$	TOTALS →	\$	TOTALS →	\$		

Is retainage held on your subcontract? **Yes** or **No** (circle one) If yes, how much? \$_____. Did your final payment include retainage? **Yes** or **No** (circle one)

Past Due Invoice(s) Information: List any invoice more than 40 days past due from date submitted to prime at the time you complete this form.

Invoice #	Invoice Date	Invoice Amount (\$)	Number of Days Past Due	Comments: use additional paper if necessary

Note: CFO or equivalent Sr. Manager must complete and sign off on this form.

Name: _____ Signature: _____ Title: _____ Date: _____

THIS FORM IS DUE ON THE 7TH OF EACH MONTH IMMEDIATELY FOLLOWING DBE'S SUBCONTRACT START DATE, EVEN IF PAYMENT NOT RECEIVED.

Please mail this form to: <Sub-recipient Info>

**Mandatory Form for 1st Tier DBE: Complete Entirely
Form B (Fed)**

INTENT TO PERFORM AS A 1ST TIER DBE - FORM B

The Bidder/Proposer/Prime is prohibited from completing any portion of this form and directing the DBE to sign a blank form.

DIRECTIONS: DBE(s) listed on the Form A must complete all information on this form.

Project/Contract Name: _____ **IFB/RFP Contract Number:** _____

Does the undersigned DBE (Answer Accordingly):

Intend to perform subcontract work in connection with the above-mentioned project as a Joint Venture? Circle one. (Yes or No)

Intend to subcontract any portion of its scope of work to a DBE(s)? Circle one. (Yes or No)

If yes, DBE Sub-Primes must complete and submit Form AA. At what percent? _____%

Intend to subcontract any portion of its scope of work to a Non-DBE(s)? Circle one. (Yes or No)

If yes, must complete and submit Form AA2. At what percent? _____%

The undersigned will perform the following described work on the above-referenced project: (Provide a detailed description of the type of work you will perform on your subcontract. Attach a copy of quote approved and signed by Bidder (optional)).

Dollar Value of DBE Subcontract: \$ _____

Total Quantity/Units (if applicable): _____ **Per Unit Cost (if applicable): \$** _____

The undersigned based the above scope of work and subcontract value on detailed project specs received from the Bidder contractor named above. Circle one. (Yes or No)

The Prime Contractor projected the following commencement and completion date for such work as follows:

DBE Contract Start Date: _____ *DBE Contract Completion Date* _____

The undersigned DBE will enter into a formal agreement for the above work with the Prime Contractor conditioned upon execution of a contract with [SUBRECIPIENT.] As a DBE subcontractor, I will cooperate with the certification, compliance and monitoring process set forth by [SUBRECIPIENT.] I attest that I will perform at least 51% of my subcontract with my own workforce for the referenced project.

Failure to adhere to these instructions or the falsification of any information on this form shall result in breach of contract and subject to the appropriate penalties to be determined by [SUBRECIPIENT].

Mandatory Form for 1st Tier DBE: Complete Entirely
(NJT Form B Rev. Sept. 2010)