

WISCONSIN DEPARTMENT OF TRANSPORTATION

# Bureau of Aeronautics (BOA)

---

Disadvantaged Business Enterprise (DBE) Provision

**6/1/2021**

## Authority

Wisconsin Department of Transportation (WisDOT) Bureau of Aeronautics (BOA) is a recipient of federal funds from the US Department of Transportation's Federal Aviation Administration (FAA). The Disadvantaged Business Enterprise (DBE) program is a federal program applicable on all contracts administered by WisDOT that include federal funds. The authority for the DBE program is the Transportation Bill as approved by Congress periodically. DBE program guidance and requirements are outlined in the Code of Federal Regulations at 49 CFR Part 26. This contract is subject to DBE provisions because it is financed with federal funds. Additionally, this contract is subject to the *State of Wisconsin Standard Specifications for Airport Construction at nonprimary (general aviation) airports, and the general provisions included in the contract proposal for primary commercial service) airports* and all applicable contract documents.

## Requirements

Pursuant to the federal DBE program regulation at 49 CFR Part 26, a contractor's failure to comply with any provision of the DBE program regulatory provisions will be considered a material breach of contract. This is nonnegotiable. The required DBE Forms referenced in this provision must be included in the bid submittal (as specified below).

If a contractor fails to carry out the DBE program requirements and/or the required Contract Provisions for Federal Aid Contracts (the Federal Requirements document referenced is located in the bid proposal), sanctions will be assessed depending upon the facts, reasoning, severity, and remedial efforts of the contractor that may include: termination of contract, withholding payment, assessment of monetary sanctions, and/or suspension/debarment proceedings that could result in the disqualification of the contractor from bidding for a designated period of time.

## Description

The Wisconsin Department of Transportation is committed to the compliant administration of the DBE Program. The DBE provisions work in tandem with Federal Requirements and WisDOT's Standard Specifications and Construction Materials Manual (CMM). The WisDOT Secretary is signatory to assurances of department-wide compliance.

The Department assigns the contract DBE goal as a percentage of work items that could be performed by certified DBE firms on the contract. The assigned DBE goal is expressed on the bid proposal as a percentage applicable to the total contract bid amount.

- (1) WisDOT identifies the assigned DBE goal in its contract advertisements and posts the contract DBE goal on the cover of the bidding proposal. The contractor can meet the assigned contract DBE goal by subcontracting work to a DBE firm or by procuring services or materials from a DBE firm.
- (2) Under the contract, the prime contractor should inform, advise, and develop participating DBE firms to be more knowledgeable contractors who are prepared to successfully complete their contractual agreement through the proactive provision of assistance in the following areas:
  - Produce accurate and complete quotes
  - Understand plans applicable to their work
  - Understand specifications and contract requirements applicable to their work
  - Understand contracting reporting requirements
- (3) The Department encourages contractors to assist DBE subcontractors more formally by participating in WisDOT's Business Development program as a mentor, coach, or resource. For comprehensive information on **the Disadvantaged Business Enterprise Program, visit the Department's Civil Rights and Compliance Section website at:** <http://wisconsindot.gov/Pages/doing-bus/civil-rights/dbe/default.aspx>

## 1. Definitions

Interpret these terms, used throughout this additional special provision, as follows:

- a. **Assigned DBE Contract Goal:** The percentage shown on the cover of the Airport (or as modified by addendum) Work Proposal that represents the feasible level of DBE participation for each contract. The goal is calculated using the Engineer's Estimate and associated work with subcontract opportunities. Goal assignment includes review of FAA federal funds, analyzes bid items for subcontract opportunity and compatibility with DBE certified firm work codes. Additional factors considered include proximity, proportion, and regulations.
- b. **Bid Shopping:** In construction law, bid shopping is the practice of divulging a subcontractor's bid to another prospective contractor(s) before or after the award of a contract to secure a lower bid.
- c. **DBE:** Disadvantaged Business Enterprise- for-profit small business concern where socially and economically disadvantaged individuals own at least a 51% interest and control management and daily business operations.
- d. **DBE Commitment:** The DBE Commitment is identified in the Commitment to Subcontract to DBE (Form 550bdev) and is expressed as the amount of DBE participation the prime contractor has secured. The 550bdev, a contract document completed by the bidder, is required to be considered a responsive bidder on a FAA-funded contract that has an assigned DBE goal.
- e. **DBE Utilization:** The actual participation of a DBE subcontractor on a project. WisDOT verifies DBE utilization through review of Form 550bdev, payments to subcontractors, and contract documentation. The Prime Contractor receives DBE credit for payments made to the DBE firms performing the work listed on the approved Form 550bdev, and those submitted after approved commitment with Attachment A.
- f. **Good Faith Effort:** Legal term describing a diligent and honest effort taken by a reasonable person under the same set of facts or circumstances. For DBE subcontracting, the bidder must show that it took all necessary and reasonable steps to achieve the assigned DBE goal by the scope, intensity, and appropriateness of effort that could reasonably be expected for a contractor to obtain sufficient DBE participation.
- g. **Manufacturer:** A firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the contract.
- h. **Reasonable Price:** Contractors are expected to assess reasonable price by analyzing the contract scope for DBE subcontract feasibility and comparing common line items in DBE and non-DBE subcontract quotes for the same work. Per federal regulation, reasonable price is not necessarily the lowest price.
- i. **Supplemental Documentation:** Documents and other information a bidder must submit within 24 hours from the time of close of bid.
- j. **Supplier:** A firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles, or equipment required under the contract are bought, kept in stock, and regularly sold or leased to the public.
- k. **Tied quote:** Subcontractor quote that groups multiple bid/line items at a bundled/package price with a notation that the items within the quote will not be separated.

## 2. WisDOT DBE Program Compliance

### a. Documentation Submittal

The Commitment to Subcontract to DBE (Form 550bdev) and quotes from all DBEs included on the Commitment **must be submitted at time of bid from ALL bidders**. If the assigned DBE contract goal is not met, Documentation of Good Faith Effort (Form 550cdev) is due **in addition** to Form 550bdev at time of bid.

Supplemental 550cdev documentation and signed Attachments A from DBEs included on Form 550bdev are due within 24-hours of bid closing, submitted to the DOT BOA DBE ALERT [boadbealert@dot.wi.gov](mailto:boadbealert@dot.wi.gov) mailbox.

The DBE Office will not certify Good Faith Effort and the Bureau of Aeronautics **will consider the bid nonresponsive if the contractor fails to furnish the Form 550bdev, Attachments A, and Form 550cdev if applicable, as required.**

### b. Verification of DBE Commitment

The documentation related to DBE subcontract commitment submitted prior to contract award is evaluated as follows:

#### (1) DBE Goal Met

If the bidder indicates that the contract DBE goal is met, the Department will evaluate Form 550bdev and Attachments A to verify the actual DBE percentage calculation. If the DBE commitment is verified, the contract is eligible for award with respect to the DBE commitment.

#### (2) DBE Goal Not Met

- a) If the bidder indicates a bid percentage on Form 550bdev that does not meet the assigned DBE contract goal, the bidder must request alternative evaluation through submission of Form 550cdev (Documentation of Good Faith Effort) **at the time of bid** including narrative description.
- b) Supplementary documentation of good faith effort that supports the 550cdev submission is **due within 24-hours of bid submission** and prior to bid posting. The Department will review the bidder's DBE commitment and evaluate the bidder's good faith efforts submission.
- c) Following evaluation of the bidder's Good Faith Effort documentation, the bidder will be notified that the Department intends to:
  1. *Approve* the request (adequate documentation of GFE has been submitted)- no conditions placed on the contract with respect to the DBE commitment;
  2. *Deny* the request (inadequate documentation of GFE has been submitted)- the contract is viewed as non-responsive per **Wisconsin DOT federally approved DBE Program plan** and will not be executed.
    - i The **WisDOT DBE Program Plan** is located at link below:  
<https://wisconsindot.gov/Pages/doing-bus/civil-rights/dbe/default.aspx>.
- d) If the Department denies the bidder's request, the contract is ineligible for award. The Department will provide a written explanation for denying the request to the bidder. The bidder may appeal the Department's denial (see Section 4).

Supplemental good faith effort documentation must be submitted to BOA by email at: **DOT BOA DBE ALERT** mailbox; [boadbealert@dot.wi.gov](mailto:boadbealert@dot.wi.gov)

The Good Faith Effort information will be forwarded by BOA to the WisDOT DBE Office (OBOEC) for review. Additional information may be requested by the DBE Office upon review.

### 3. Department's Criteria for Good Faith Effort Documentation

The Federal-aid Construction Contract Provision, referenced as Federal Requirements, explicitly states that the prime contractor shall be responsible for all work performed on the contract whether self-performed or by subcontractors.

The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of the contract including assurances of equal employment opportunity laws, DBE regulations, and affirmative action. Compliance encompasses responsible and responsive action, documentation, and good faith effort.

Contractually, all contractors, subcontractors, and service providers on the contract are bound by the Federal Requirements and DBE program provisions.

Bidders are required to document good faith effort. Per 49 CFR Part 26.53, good faith effort is demonstrated when the bidder documents that it made adequate good faith efforts to meet the goal, even though it did not succeed in meeting or exceeding the assigned DBE contract goal.

*Appendix A* of 49 CFR Part 26 provides guidance concerning good faith efforts. WisDOT evaluates good faith effort on a contract basis just as each contract award is evaluated individually.

The efforts employed by the bidder should be those that WisDOT can reasonably expect a bidder to take to actively and aggressively obtain DBE participation sufficient to meet the DBE contract goal. The Department will only approve demonstration of good faith effort if the bidder documents the quality, quantity, and intensity of the variety of activities undertaken that are commensurate with expected efforts to meet the stated goal.

The Department, in conjunction with industry stakeholders, has developed the following guidance for contractor good faith effort activity. The guidance provides framework for the actions required by all parties in the processing and evaluation of bidder's total efforts to achieve the project specific DBE goal prior to the bid letting date.

a. Solicitation guidance for bidders:

- (1) Document all efforts and decisions made toward achieving the DBE goal on the contract. The bidder should use WisDOT-approved DBE outreach tools, including the UCP DBE Directory to foster DBE participation on all applicable contracts.
- (2) As needed, request assistance with DBE outreach and follow-up by contacting the Department's DBE Support Services Office by phone or email request at least 14 days prior to the bid letting date. Phone numbers are (414) 438-4584 and/or (608) 267-3849; Fax: (414) 438-5392; E-mail: [DBE\\_Alert@dot.wi.gov](mailto:DBE_Alert@dot.wi.gov)
- (3) Participate in and document a substantive conversation with at least one DBE firm per bid let to discuss questions, concerns, and any other contract related matters that may be applicable to the DBE firm. Guidelines for this conversation are provided in Appendix A.
- (4) Request quotes by identifying potential items to subcontract and solicit. In their initial contacts, contractors are strongly encouraged to include a single page, detailed list of items for which they are accepting quotes, by project, within a letting. *See attached sample entitled "Sample Contractor Solicitation Letter" in Appendix B.* Prime contractors should also indicate a willingness to accept quotes in areas they are planning to perform themselves, as required by federal rules. In some cases, it might be appropriate to use DBE firms to do work in a prime contractor's area of specialization.
  - i. Solicit quotes from certified DBE firms who match possible items to subcontract using all reasonable and available means.
  - ii. Acceptable outreach tools include postal mail, email, fax, and phone.
    - a. Contractors must ask DBE firms for a response in their solicitations. This letter may be included as an attachment to the sub-quote request.

- b. Solicit quotes at least 10 calendar days prior to the letting date to allow DBE firms sufficient time to respond. Prime contractors should contact DBE firms early, asking if they need help organizing their quote, assistance confirming equipment needs, or other assistance supporting their submission of a competitive quote for their services.
  - c. A follow up solicitation should take place within 5 calendar days of the letting date.
  - iii. Upon request, provide interested DBE firms with adequate information about plans, specifications, and the requirements of the contract by letter, information session, email, phone call, and/or referral.
  - iv. When potential exists, the contractor should advise interested DBE firms on how to obtain bonding, line of credit, or insurance if requested.
  - v. Document DBE firm's interest in quoting by taking appropriate steps to follow up initial solicitation with:
    - a. Email to all prospective DBE firms in relevant work areas
    - b. Phone call log to DBE firms who express interest via written response or call
    - c. Fax/letter confirmation
    - d. Signed copy of record of subcontractor outreach effort
- b. Guidance for Evaluating DBE quotes
- (1) Quote evaluation practices required to evaluate DBE quotes:
    - i. Reasonable Price: Bidders are expected to assess reasonable price by analyzing the contract scope for DBE subcontract feasibility and comparing common line items in DBE and non-DBE subcontract quotes for the same work. Per federal regulation, reasonable price is not necessarily the lowest price. See 49 CFR Part 26, Appendix A. IV.D(2).
  - (2) Documentation submitted by the bidder of the following evaluation is required to evaluate DBE quotes by contractors:
    - i. Evaluation of DBE firm's ability to perform "possible items to subcontract" using legitimate reasons, including but not limited to, **a discussion** between the bidder and DBE firm regarding its capabilities prior to the bid letting. If lack of capacity is the reason for not utilizing the DBE firm's quote, the prime is required to contact the DBE by phone and email regarding their ability to perform the work indicated in the UCP directory listed as their work area by NAICS code. Only the work area indicated by the NAICS code(s) listed in the UCP directory can be counted toward DBE credit. Documentation of the conversation is required.
      - a. In striving to meet an assigned DBE contract goal, bidders are expected to use DBE quotes that are responsive and reasonable. This includes DBE quotes that are not the low quote.
      - b. **Additional evaluation** - Evaluation of DBE quotes with tied bid items. Typically, this type of quoting represents a cost saving but is not clearly stated as a discount. Tied quotes are usually presented as an 'all or none' quote. When non-DBE subcontractors submit tied bid items in their quotes, the DBE firm's quote may not appear competitive. In such a case, the following steps are taken in comparing the relevant quotes. These are qualitative examples:
        - i. Compare bid items common to both quotes, noting the reasonableness in the price comparison.
        - ii. Review quotes from other firms for the bid items not quoted by the DBE firm to see if combining both can provide the same competitive advantage that the tied bid items offered.

See Appendix D – Good Faith Effort Evaluation Measures and Appendix E - Good Faith Effort Best Practices

- c. Requesting Good Faith Effort Evaluation: At the time of bid- if the DBE goal is not met in full, the prime contractor must request alternative Good Faith Effort Evaluation using form 550cdev - Documentation of Good Faith Effort. Supplementary documentation of good faith effort that supports the 550cdev submission

is due within 24-hours of bid submission and prior to bid posting. Supporting documentation for the 550cdev is to include the following:

- (1) Solicitation Documentation: The names, addresses, email addresses, and telephone numbers of DBE firms contacted along with the dates of both initial and follow-up contact; electronic copies of all written solicitations to DBE firms.
- (2) Selected Work Items Documentation: Identify economically feasible work units to be performed by DBEs to include activities such as: list of work items to be performed; breaking up of large work items into smaller tasks or quantities; flexible time frames for performance and delivery schedules.
- (3) Documentation of Project Information provided to interested DBEs: A description of information provided to the DBE firms regarding the plans, specifications, and estimated quantities for portions of the work to be performed by that DBE firm.
- (4) Documentation of Negotiation with Interested DBEs: Provide sufficient evidence to demonstrate that good faith negotiations took place. Merely sending out solicitations requesting bids from DBEs does not constitute sufficient good faith efforts.
- (5) Documentation of Sound Reasoning for Rejecting DBEs and copies of each quote received from a DBE firm and, if rejected, copies of quotes from non-DBEs for same items.
- (6) Documentation of Assistance to Interested DBEs- Bonding, Credit, Insurance, Equipment, Supplies/Materials
- (7) Documentation of outreach to Minority, Women, and Community Organizations and other DBE Business Development Support: Contact organizations and agencies for assistance in contacting, recruiting, and providing support to DBE subcontractors, suppliers, manufacturers, and truckers at least 14 days before bid opening. Participate in or host activities such as networking events, mentor-protégé programs, small business development workshops, and others consistent with DBE support.

If the Good Faith Effort documentation is deemed adequate, the GFE request will be approved and the DBE office will promptly notify the Prime Contractor and Bureau of Aeronautics.

If the DBE Office denies the request, the Prime Contractor will receive written correspondence outlining the reasons. The Department encourages the Prime Contractor to communicate with DBE staff to clarify any questions related to meeting goals and/or contractor demonstration of good faith efforts.

If the contract is awarded, the Prime Contractor must obtain written consent from the DBE Office to change or replace any DBE firm listed on the approved Form 550bdev, unless BOA has granted permission for the reduction, replacement, or termination of the assigned DBE in writing. If a prime contractor or a subcontractor of any tier uses its own forces to perform work assigned to a DBE on an approved DBE commitment, **penalties and sanctions will apply up to (and include) non-payment for the work.** Any changes to DBE commitment after the approval of Form 550bdev must be reviewed and approved by BOA prior to the change (see Section 9 for replacement approval process).

#### 4. Bidder's Documentation of Good Faith Effort Evaluation Request Appeal Process

A bidder can appeal the Department's decision to deny the bidder's demonstration of Good Faith Effort through Administrative Reconsideration. The bidder must provide a written justification refuting the specific reasons for denial as stated in the Department's denial notice. The bidder may meet in person with the Department if so requested. Failure to appeal within 5 business days after receiving the Department's written notice denying the request constitutes a forfeiture of the bidder's right of appeal. Receipt of appeal is confirmed by email date stamp or certified mail signed by WisDOT staff. A contract will not be executed without documentation that the DBE provisions have been fulfilled.

The Department will appoint a representative who did not participate in the original good faith effort determination, to assess the bidder's appeal. The Department will issue a written decision within 5 business days after the bidder presents all written and oral information. In that written decision, the Department will

explain the basis for finding that the bidder did or did not demonstrate an adequate good faith effort to meet the contract DBE goal. The Department's decision is final.

## 5. Determining DBE Eligibility

### Directory of DBE firms

- a. The only resource for DBE firms certified in the State of Wisconsin is the Wisconsin Unified Certification Program (UCP) DBE Directory. WisDOT maintains a current list of certified DBE firms at: <http://wisconsindot.gov/Documents/doing-bus/civil-rights/dbe/dbe-ucp-directory.xlsx>
- b. The DBE Program office is available to assist with contracting DBE firms:(608) 267-3849.
- c. DBE firms are certified based on various factors including the federal standards from the Small Business Administration that assigns a North American Industrial Classification (NAICS) Codes. DBE firms are only eligible for credit when performing work in their assigned NAICS code(s). If a DBE subcontractor performs work that is not with its assigned NAICS code, the prime contractor should contact **the DBE Office** to inquire about compatibility with the Business Development Program.

## 6. Counting DBE Participation

### Assessing DBE Work

The Department will only count the DBE usage towards the contract DBE goal if the DBE firm is certified as a DBE by one of the UCP agencies. The Department only counts the value of the work a DBE actually performs towards the DBE goal. The Department assesses the DBE work as follows:

- a. The Department counts work performed by the DBE firm's own resources. The Department includes the cost of materials and supplies the DBE firm obtains for the work. The Department also includes the cost of equipment the DBE firm leases for the work. The Department will not include the cost of materials, supplies, or equipment the DBE firm purchases or leases from the prime contractor or its affiliate, with the exception of non-project specific leases the DBE has in place before the work is advertised.
- b. The Department counts fees and commissions the DBE subcontractor charges for providing bona fide professional, technical, consultant, or managerial services. The Department also counts fees and commissions the DBE charges for providing bonds or insurance. The Department will only count costs the program engineer deems reasonable based on experience or prevailing market rates.
- c. If a DBE firm subcontracts work, the Department counts the value of the work subcontracted to a DBE subcontractor.
- d. The contractor will maintain records and may be required to furnish periodic reports documenting its performance under this item.
- e. It is the Prime Contractor's responsibility to determine whether the work that is committed and/or contracted to a DBE firm can be counted for DBE credit by referencing the work type and NAICS code listed for the DBE firm on the Wisconsin UCP DBE Directory.
- f. It is the Prime Contractor's responsibility to assess the DBE firm's ability to perform the work for which it is committing/contracting the DBE to do. Note that the Department encourages the Prime Contractor to assist and develop DBE firms to become fully knowledgeable contractors to successfully perform on its contracts.



- g. The Prime Contractor will inform BOA via email of all DBE subcontractors added to the project following execution of the contract. The Prime Contractor may omit submission of another form 550bdev but must submit signed Attachment A forms for additional DBE firms.
- h. See Section 7 for DBE credit evaluation for Trucking and Section 8 for DBE credit evaluation for Manufacturers, Suppliers, and Brokers

\*Note: A sublet request is required for DBE work, regardless of subcontract tier, and also for reporting materials or supplies furnished by a DBE.

- Sublet Requests via form 546dev is required for 1st Tier DBEs
- For all 2nd Tier and below notification of DBE sublet is indicated by the contractor entering them in CRCS

## 7. Credit Evaluation for Trucking

All bidders are expected to adhere to the Department's current trucking policy posted on the HCCI website at: <http://wisconsin.gov/Documents/doing-bus/civil-rights/dbe/trucking-utilization-policy.pdf>

The prime contractor is responsible for ensuring that all subcontractors including trucking firms, receive a copy of the contract's Federal Requirements and Wage Determinations.

See Section 8 for Broker credit.

## 8. Credit Evaluation for Manufacturers, Suppliers, Brokers

The Department will calculate the amount of DBE credit awarded to a prime using a DBE firm for the provisions of materials and supplies on a contract-by-contract basis. The Department will count the material and supplies that a DBE firm provides under the contract for DBE credit based on whether the DBE firm is a manufacturer, supplier, or broker. Generally, DBE credit is determined through evaluation of the DBE owner's role, responsibility, and contribution to the transaction. Maximum DBE credit is awarded when the DBE firm manufactures materials or supplies. DBE credit decreases when the DBE firm solely supplies materials, and minimal credit is allotted when the DBE firm's role is administrative or transactional. It is the bidder's responsibility to confirm that the DBE firm is considered a supplier or a manufacturer before listing them on Commitment to Subcontract to DBE form 550bdev.

### a. Manufacturers

- (1) A manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications.
- (2) If the materials or supplies are obtained from a DBE manufacturer, **100%** percent of the cost of the materials or supplies counts toward DBE goals.

### b. Regular Dealers of Material and/or Supplies

- (1) Supplies purchased in bulk from DBE firms at the beginning of the season may be credited to current contracts if submitted with appropriate documentation to the DBE office.
- (2) A regular dealer is a firm that owns, operates, or 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.

- (3) If the materials or supplies are purchased from a DBE regular dealer, count **60%** percent of the cost of the materials or supplies toward DBE goals.
- (4) At a minimum, a regular dealer must meet the following criteria to be counted for DBE credit:
  - i. The DBE 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.
  - ii. The DBE firm must both own and operate distribution equipment for the product--bulk items such as petroleum products, steel, cement, gravel, stone, or asphalt. If some of the distribution equipment is leased, the lease agreement must accompany the DBE Commitment form for evaluation of the dealer's control before BOA approves the DBE credit.
- (5) When DBE suppliers are contracted, additional documentation must accompany form 550bdev and Attachment A forms. An invoice or bill-of-sale that includes names of the bidder and the DBE supplier, along with documentation of the calculations used as the basis for the purchase agreement, subcontract, or invoice. WisDOT recognizes that the amount on the Attachment A form may be more or less than the amount on the invoice per b.(1) above.
  - i. The bidder should respond to the following questions and include with submission of form 550bdev:
    - a. What is the product or material?
    - b. Is this item in the prime's inventory or was the item purchased when contract was awarded?
    - c. Which contract line items were referenced to develop this quote?
    - d. What is the amount of material or product used on the project?
- c. Brokers, Transaction Expeditors, Packagers, Manufacturers' Representatives
  - (1) No portion of the cost of the materials, supplies, services themselves will count for DBE credit. However, WisDOT will evaluate the fees or commissions charged when a prime purchases materials, supplies, or services from a DBE certified firm which is neither a manufacturer nor a regular dealer, namely: brokers, packagers, manufacturers' representatives, or other persons who arrange or expedite transactions.
  - (2) Brokerage fees are calculated as **10%** of the purchase amount.
  - (3) WisDOT may count the amount of fees or commissions charged for assistance in the procurement of the materials and supplies, fees, or transportation charges for the delivery of materials or supplies required on a job site.
  - (4) Evaluation of DBE credit includes review of the contract need for the item/service, the sub-contract or invoice for the item/service, and a comparison of the fees customarily allowed for similar services to determine whether they are reasonable.

## 9. DBE Commitment Modification Policy (DBE Replacement Process)

### A. Issuing a Contract Change Order

Any changes or modifications to the contract once executed are considered contract modifications and as such require a change order. In addition, BOA must provide consent for reduction, termination, or replacement of subcontractors approved on the 550bdev *in advance* of the modification for the prime contractor to receive payment for work or supplies. Additions to the DBE commitment do not require advance notification of BOA. (see D below)

### Contractor Considerations

1. A prime contractor cannot modify the DBE commitment through reduction in participation, termination, or replacement of a DBE subcontractor listed on the approved 550bdev without prior written consent from BOA. This includes, but is not limited to, instances in which a prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

2. If a prime contractor reduces participation, replaces, or terminates a DBE subcontractor who has been approved for DBE credit toward its contract, the prime is required to provide documentation supporting its inability to fulfill the contractual commitment made to the Department regarding the DBE utilization.
3. The Prime Contractor is required to demonstrate efforts to find another DBE subcontractor to perform at least the same amount of work under the contract as the DBE subcontractor that was terminated, to the extent needed to meet the assigned DBE contract goal.
4. When additional opportunity is available by contract modifications, the Prime Contractor must utilize DBE subcontractors that were committed to equal work items, in the original contract.
5. In circumstances when a DBE subcontractor fails to complete its work on the contract for any reason, or is terminated from a contract, the Prime Contractor must undertake efforts to maintain its commitment to the assigned DBE goal.
6. The DBE subcontractor should communicate with the Prime Contractor regarding its schedule and capacity in the context of the contract. If the DBE firm anticipates that it cannot fulfill its subcontract, they will advise the Prime Contractor and suggest a DBE subcontractor that may replace their services and provide written consent to be released from its subcontract.
  - (a) Before the Prime Contractor can request modification to the approved 550bdev, the Prime must:
    - i. Make every effort to fulfill the DBE commitment by working with the listed DBE subcontractor to ensure that the firm is fully knowledgeable of the Prime Contractor's expectations for successful performance on the contract. Document these efforts in writing.
    - ii. If those efforts fail, provide written notice to the DBE subcontractor of the Prime Contractor's intent to request to modify the commitment through reduction in participation, termination, and/or replacement of the subcontractor including the reason(s) for pursuing this action.
    - iii. Copy BOA on all correspondence related to changing a DBE subcontractor who has been approved for DBE credit on a contract, including preparation and coordination efforts.
    - iv. Clearly state the amount of time the DBE firm has to remedy and/or respond to the notice of intent to replace/terminate. The DBE must be allowed five days from the date notice was received as indicated by email time stamp or signed certified mail, to respond, in writing. **EXCEPTION:** The Prime Contractor must provide a verifiable reason for a response period shorter than five days. For example, a WisDOT project manager confirms that WisDOT has eliminated an item the DBE subcontractor was contracted for.
    - v. The DBE subcontractor must acknowledge the contract modification with written response to the Prime Contractor and BOA. If objecting to the subcontract modification, the DBE subcontractor must outline the basis for objection to the proposed modification, providing sound reasoning for WisDOT to reject the prime's request.

#### **B. Request to Modify DBE Subcontracting Commitment**

The written request referenced above must be delivered by email and contain the following information:

1. BOA Project ID number and AIP Number
2. WisDOT BOA Project Manager's name and contact information
3. DBE subcontractor name and work type and/or NAICS code
4. Contract's progress schedule
5. Reason(s) for requesting that the DBE subcontractor be replaced or terminated
6. Attach/include all communication with the DBE subcontractor to deploy/address/resolve work completion

BOA will review the request and any supporting documentation submitted to evaluate if the circumstance and the reasons constitute good cause for replacing or terminating the approved DBE subcontractor.

*Good Causes to Replace a DBE subcontractor per the federal DBE program guidelines {49 CFR part 26.53}*

- The listed DBE subcontractor fails or refuses to execute a written contract
- The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided, however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor
- The listed DBE subcontractor fails or refuses to meet the prime contractor's reasonable, nondiscriminatory bond requirements
- The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness
- The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant 2 CFR Parts 180, 215, and 1,200 or applicable state law
- The prime has determined that the listed DBE subcontractor is not a responsible contractor
- The listed DBE subcontractor voluntarily withdraws from the project and provides written notice of its withdrawal
- The listed DBE subcontractor is ineligible to receive DBE credit for the type of work required
- A DBE firm owner dies or becomes disabled with the result that the listed DBE subcontractor is unable to complete its work on the contract

**C. Evaluation and Response to the Request**

WisDOT's timely response to the Prime Contractor's request for modification of the approved DBE subcontracting commitment will be provided to the prime and the WisDOT project manager via email.

If WisDOT determines that the Prime Contractor's basis for reduction in participation, replacement, or termination of the DBE subcontractor is not consistent with the good cause guidelines, BOA DBE Manager will provide a response via email within 48-hours of receipt of request from the Prime Contractor. The communication will include: the requirement to utilize the committed DBE, actions to support the completion of the contractual commitment, a list of available WisDOT support services, and administrative remedies, including withholding payment to the prime, that may be invoked for failure to comply with federal DBE guidelines for DBE replacement.

**D. DBE Utilization beyond the approved DBE Commitment (Form 550bdev)**

When the prime or a subcontractor increases the scope of work for an approved DBE subcontractor or adds a DBE subcontractor who was not on the approved form 550bdev at any time after contract execution, this is referred to as voluntary DBE contract goal achievement.

If the Prime Contractor or the Bureau of Aeronautics desires to capture additional DBE credit (R/N - voluntary) to an existing DBE commitment, the Prime must submit a complete, signed Attachment A form to email listed below. A complete Attachment A includes DBE subcontractor contact information, signatures, subcontract value, and description of the work areas to be performed by the DBE. BOA will verify the DBE participation and revise the 550bdev based on the email/discussion and the new Attachment A to ensure that the participation is accurately credited toward the DBE goal.

**Special note on trucking**

- DBE truckers added to the sublets in CRCS *will* be approved without DBE credit (You will see a "N" in CRCS instead of "Y")
- Prime Contractors may enter a "place holder" e.g. \$1000.00, for DBE Trucking in CRCS if the full amount of trucking is unknown for sublet purposes only
- The hiring contractor may obtain the Attachment A with DBE signature included but the **Prime Contractor** must sign the Attachment A before submitting

## 10. Commercially Useful Function

- a. Commercially Useful Function (CUF) is evaluated after the contract has been executed, while the DBE certified firm is performing contracted work items.
- b. The Department uses Form DT1011, DBE Commercially Useful Function Review and Certification to evaluate if the DBE is performing a commercially useful function. WisDOT counts expenditures of a DBE toward the DBE goal only if the DBE is performing a commercially useful function on that contract.
- c. A DBE firm is performing a commercially useful function if the following conditions are met:
  - (1) For contract work, the DBE is responsible for executing a distinct portion of the work and is carrying out its responsibilities by actually performing, managing, and supervising that work.
  - (2) For materials and supplies, the DBE is responsible for negotiating price, determining quality and quantity, ordering, and paying for those materials and supplies.

## 11. Credit Evaluation for DBE Primes

WisDOT calculates DBE credit based on the amount and type of work performed by DBE certified firms for work submitted with required documentation. If the prime contractor is a DBE certified firm, the Department will only count the work that the DBE prime performs with its own forces for DBE neutral credit. The Department will also calculate DBE credit for work performed by any other DBE certified subcontractor, DBE certified supplier, and DBE certified manufacturer on the contract in each firm's approved NAICS code/work areas that are submitted with required documentation. Crediting for manufacturers and suppliers is calculated consistent with Section 8 of this document and 49 CFR Part 26.

## 12. Joint Venture

If a DBE performs as a participant in a joint venture, the Department will only count the portion of the total dollar value of the contract equal to the portion of the work that the DBE performs with its own forces, for DBE credit.

## 13. Mentor-Protégé

- a. If a DBE performs as a participant in a mentor-protégé agreement, the Department will credit the portion of the work performed by the DBE protégé firm.
- b. DBE credit is evaluated and confirmed by the Bureau of Aeronautics (BOA) for any contracts on which the mentor-protégé team identifies itself to the DBE Office as a current participant of the Mentor-Protégé Program.
- c. Refer to WisDOT's Mentor-Protégé guidelines for guidance on the number of contracts and amount of DBE credit allowed on WisDOT projects.

## 14. Use of Joint Checks

The use of joint checks is allowable if it is a commonly recognized business practice in the material industry. A joint check is defined as a two-party check between a DBE subcontractor, a prime contractor, and the regular

dealer or materials supplier who is neither the prime nor an affiliate of the prime. Typically, the prime contractor issues one check as payor to the DBE subcontractor and to the supplier jointly (to guarantee payment to the supplier) as payment for the material/supplies used by the DBE firm in cases where the DBE subcontractor and materials have been approved for DBE credit. The DBE subcontractor gains the opportunity to establish a direct contracting relationship with the supplier to potentially facilitate a business rapport that results in a line of credit or increased partnering opportunities.

The cost of material and supplies purchased by the DBE firm is part of the value of work performed by the DBE to be counted toward the goal. To receive credit, the DBE firm must be responsible for negotiating price, determining quality and quantity, ordering the materials, and installing (where applicable) and "paying for the material itself." See 49 CFR 26.55(c)(1).

The approval to use joint checks constitutes a commitment to provide further information to WisDOT, upon request by staff. WisDOT will allow the use of joint checks when the following conditions are met:

- a. The Prime Contractor must request permission to use joint checks from the Bureau of Aeronautics (BOA) by submitting the Application to Use Joint Checks.
  - (1) Request should be made when Form 550bdev or when the Request to Sublet is submitted; the request will not be considered if submitted after the DBE Subcontractor starts its work.
  - (2) Approval/Permission must be granted prior to the issuance of any joint checks.
  - (3) The payment schedule for the supplier must be presented to BOA before the first check is issued.
  - (4) The joint check for supplies must be strictly for the cost of approved supplies.
  
- b. The DBE subcontractor is responsible for furnishing and/or installing the material/work item and is not an 'extra participant' in the transaction. The DBE firm's role in the transaction cannot be limited solely to signing the check(s) to release payment to the material supplier. At a minimum, the DBE subcontractor's tasks should include the following:
  - (1) The DBE subcontractor (not the prime/payor) negotiates the quantities, price, and delivery of materials.
  - (2) The DBE subcontractor consents to sign/release the check to the supplier by signing the Application to Use Joint Checks after establishing the conditions and documentation of payment within the subcontract terms or in a separate written document.
  
- c. The Prime contractor/payor acts solely as a guarantor.
  - (1) The Prime Contractor agrees to furnish the check used for the payment of materials/supplies under the contract.
  - (2) The prime contractor/payor cannot require the subcontractor to use a specific supplier or the prime contractor's negotiated unit price.

## 15. Payment

Costs for conforming to this Provision and any associated DBE requirements are incidental to the contract.

All documentation regarding DBE Commitments, DBE Good Faith Efforts, and any updates or changes that require BOA approval should be sent to the BOA DBE Alert mailbox and to the designated BOA project manager assigned to the airport for project with the indicated subject line per section.

# Appendix A

## Substantive Conversation Guidelines

The substantive conversation is critical to all bidders' demonstration of good faith effort to meet the DBE goal prior to bid opening. Relationship building between primes and subcontractors is crucial to DBE goal attainment. Responsible bidders seek to build rapport with potential DBE subcontractors to understand capacity, areas of expertise, and assess contracting feasibility. Bidders who compete for WisDOT contracts are specialty contractors responding to a growing and changing contract environment. Just as these specialists are responsible for care of the roads, they are likewise responsible for contributing to the health of the industry. The substantive conversation drives collaboration that will build industry health and capacity. The following is intended to provide guidance for such discussions but is not an exhaustive list. Contractors are encouraged to incorporate their existing strategies for cultivating business relationships as well.

### Prior to Bid Opening - discussion should happen early; WisDOT advertisements are released 5 weeks prior to Let

- Determine DBE subcontractor's interest in quoting
- If response indicates inexperience with quoting- offer support/assistance to the DBE in understanding the industry including fundamentals a subcontractor needs to know, required reading and/or resources.
- Assess their interest and experience in the road construction industry by asking questions such as:
  1. Have you competed for other WisDOT contracts? Ratio of competed/to wins
  2. Have you performed on any transportation industry contracts (locally or with other states)?
  3. What the largest contract you've completed?
  4. Have you worked in the industry: apprentice, journeyman, safety, inspection etc.?
  5. Does this project fit into your schedule? Are you working on any contracts now?
  6. Have you reviewed a copy of the plans? Are you comfortable performing within the scope and quantity considerations of this contract?
  7. What region do you work in? Home base?
  8. Which line items are you considering?
  9. Have you read/are you familiar with WisDOT Standard Specifications? Construction Material Manual?
  10. Do you understand where your work fits in the project schedule, project phases?

### Following Bid Opening - this discussion can happen at any time

1. After reviewing their quote, note the following in your discussion:
  - Does the quote look complete? Irregular?
  - Are there errors in the quote? Are items very high or very low?
  - In general, does the quote look competitive?
2. Questions and Advice for the bidder to share with the potential DBE subcontractor:
  - What line items would typically be in a competitive quote for a subcontractor of their specialty?
  - How many employees and what is their role/experience/expertise in your firm?
  - Do you have resources for labor (union member, family-based, community-resourced) and capital (banking relationship, bond agent, CPA)?
  - Where have you worked: cities, states, government, commercial, residential/private sector, etc. Explain similarities or differences.
  - Refer them to reliable, trusted, industry resources that can educate or connect them to relevant resources, education/certification resources, more appropriate contract opportunities.
  - Discussion about prime contract and subcontract liability, critical path items, contract quantities, schedule risks, and potential profit/loss (for upcoming known projects or in general).
  - Discussion of bonding, insurance, and overall business risk considerations.

## APPENDIX B

### Sample Contractor Solicitation Letter Page 1

*This sample is provided as a guide not a requirement*

---

#### GFESAMPLE MEMORANDUM

---

**TO:** DBE FIRMS  
**FROM:** POTENTIAL PRIME CONTRACTOR OR MAJOR SUBCONTRACTOR  
**SUBJECT:** REQUEST FOR DBE QUOTES  
LET DATE & TIME  
**DATE:** MONTH DAY YEAR  
**CC:** BOA DBE OFFICE MANAGER

---

Our company is considering bidding on the projects indicated on the next page, as a prime and/or a subcontractor for the Wisconsin Department of Transportation [Month- date -year] Letting. Page 2 lists the projects and work items that we may subcontract for this letting. We are interested in obtaining subcontractor quotes for these projects and work categories. Also note that we are willing to accept quotes in areas we may be planning to perform ourselves as required by federal rules.

Please review page 2, respond whether you plan to quote, highlight the projects and work items you are interested in by Project Managers performing and return it via fax or email within 3 days. Plans, specifications and addenda are available through WisDOT at the: Bureau or Aeronautics, **Airport bidding information** website:

<https://wisconsin.gov/Pages/doing-bus/aeronautics/airports/arpt-bidinfo.aspx>

Your quote should include all of the costs required to complete the items you propose to perform including labor, equipment, material, and related bonding or insurance. The quote should note items that you are DBE certified to perform, tied items, and any special terms. Page 2, with the indicated projects and items you plan to quote, should be used as a cover sheet for your quote.

Please make every effort to have your quotes into our office by [time deadline] the prior to the letting date. ***Make sure the correct letting date, project ID and proposal number, unit price and extension are included in your quote.***

Please call our office as soon as possible prior to the letting if you need information/clarification to prepare your quote at [contact number].

If you wish to discuss or evaluate your quote in more detail, contact us after the contract is awarded. Status of the contract can be checked at Bureau or Aeronautics, **Bid tabulations and awards** website:

<https://wisconsin.gov/Pages/doing-bus/aeronautics/airports/bidtabs.aspx>

All questions should be directed to:

BOA Project Manager, [John Doe], Ph: (000) 123-4567, E: [First.Last@dot.wi.gov](mailto:First.Last@dot.wi.gov), Fax: (608) 267-6748



**Sample Contractor Solicitation Letter Page 2**  
*This sample is provided as a guide not a requirement*  
 REQUEST FOR QUOTE

**Bidder Name:** Wisconsin department of transportation  
**Letting Date:** 6/1/2021  
**Project ID (AIP No.):** [Keywords]

**Pease check all that apply:**

- Yes, we will be quoting on the projects and items listed below
- No, we are not interested in quoting on the letting or its items referenced below
- Please take our name off your monthly DBE contact list
- We have questions about quoting this letting. Please have someone contact me at this number

Prime Contractor 's Contact Person:

DBE Contractor Contact Person:



Phone: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

**Please circle the jobs and items you will be quoting below**

Proposal No.	1	2	3	4	5	6	7
County							

**WORK DESCRIPTION:**

Clearing and Grubbing	X		X	X		X	X
Dump Truck Hauling	X		X	X		X	X
Curb & Gutter/Sidewalk, Etc.	X		X	X		X	X
Erosion Control Items	X		X	X		X	X
Signs and Posts/Markers	X		X	X		X	X
Traffic Control		X	X	X		X	X
Electrical Work/Traffic Signals		X	X	X		X	
Pavement Marking		X	X	X	X	X	X
Sawing Pavement		X	X	X	X	X	X
QMP, Base	X	X		X	X	X	X
Pipe Underdrain	X			X			
Beam Guard				X	X	X	X
Concrete Staining							X
Trees/Shrubs	X						X

Again, please make every effort to have your quotes into our office by **time deadline** prior to the letting date.

Please direct further questions to **Bidding Firm**; **Contact Name** at **Ph:** , **E:** , **Fax:**

## Appendix C

# Anticipated Bidders and DBE Firms Seeking Work Opportunities

### Airport Bidding information

<https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/arpt-bidinfo.aspx>

### Bid Lettings

#### Airport bid advertisements:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/bidads.aspx>
- Posted 3-4 weeks prior to bid
- View DBE Goal for project - *DBE Directory*: <https://wisconsindot.gov/Pages/doing-bus/civil-rights/dbe/default.aspx>

#### Anticipated airport bidders by project:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/ant-bids.aspx>
- Posted up to 2 weeks to 24 hours prior to bid opening

### Pre-Qualification

#### Airport pre-qualification and approval to bid individual projects:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/arpt-prequal.aspx>
- To become a prime contractor
- BOA pavement projects use highways prequal form, building and electrical projects use BOA short form prequal

### Bid Letting Results

#### Apparent airport low bidders list:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/arpt-applow.aspx>

#### Bid tabulations/awards for airports:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/bidtabs.aspx>

### BOA Project Information

#### BOA Project managers:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/proj-mngrs.aspx>
- Discuss project, ask questions, payment information (pay estimates), prompt payment compliance

#### Standard specifications book:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/stnd-specs.aspx>
- 1st copy of spec book is free, otherwise \$10. View free online
- Contact Project Manager or Tom DeWinter

#### Applicable supplemental specifications list:

- <https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/supp-specs.aspx>
- Contact Project Manager or Tom DeWinter

### The Civil Rights Compliance System (CRCS) – Electronic Payroll and Payment Submissions

#### WisDOT webpage for CRCS manuals:

- <https://wisconsindot.gov/Pages/doing-bus/civil-rights/labornwage/payroll-submission-compliance.aspx>

#### Civil Rights Compliance System (CRCS) Login & Registration:

- <https://wisdot.ecomply.us/default.aspx>

## APPENDIX D

### Good Faith Effort Evaluation Measures *by categories referenced in DBE regulations*

Bidders must demonstrate that they took all necessary and reasonable steps to achieve the assigned DBE contract goal. For each contract, all bidders must submit documentation indicating the goal has been met or if falling short of meeting the assigned goal, must request a DBE Goal Waiver and document all efforts employed to secure DBE subcontractor participation on Form DT1202.

DBE staff analyze the bidder's documented good faith efforts to determine if action taken was sufficient to meet the goal. Sufficiency is measured contract-by-contract. WisDOT evaluates active and aggressive efforts, quality, quantity, scope, intensity, and appropriateness of the bidder's efforts as a scale of the principles of Good Faith outlined in 49 CFR Part 26, Appendix A. Additional emphasis is placed on the bidder's demonstration of timely submission of documentation and communication with DBE subcontractors, and business development initiatives undertaken to support DBE firm growth.

The following is a sample of good faith effort activities that are rated according to the accompanying rubric. Contractors are encouraged to identify additional activities that align with their business type(s).

- Personal, tailored solicitation to firms that specialize in work types planned or desired for subcontracting
- Follow up to initial solicitation via email or phone
- Substantive conversation including topics such as contract liability, critical path work items, schedule risks, and potential profit/loss
- SBN utilization including posting quotes
- Review and response to DBE quotes including provision of information about plans, specifications, and requirements as applicable
- Documentation requesting subcontractors support DBE goal by solicitation and inclusion of DBE subcontractor quotes
- Responsive and timely submission of organized documentation
- Analysis of number of DBE firms who do work types that you typically subcontract
- Analysis of number of DBE firms who reside in geographical areas where prime seeks work
- Analysis of firms who express interest in bidding/quoting including the number of firms who declined your solicitation
- Reference check of DBE subcontractor work or training (documentation of questions and response required)
- Number of different efforts undertaken to meet the assigned DBE goal as documented in accompanying Form DT1202
- Submission of all DBE quotes received matched with a variety of work to be performed by DBEs
- Number and names of DBE firms provided written advice, or referral to industry-specific business development resources
- Overall pattern of DBE utilization on all WisDOT contracts which may include contracting with municipalities
- Documentation of resources expended to meet assigned DBE goal (#of hours, staff titles, average pay rate, actions taken)
- Analysis of subcontractable work items to be completed by prime beyond prime contractor's 30%
- Risk analysis of work items that are typically in tied quotes that could be unbundled
- List of contract work items in smallest economically feasible units, identifying schedule impact
- Submission of a Gap Analysis identifying DBE skillset and/or industry needs
- Staff training in EEO and Civil Rights laws as documented in training logs
- Written Capacity Assessment completed with DBE firm documenting its ability to perform the work quoted
- DBE engagement efforts beyond simple solicitation that include a substantive discussion, initiated as early in the acquisition process as possible (*points added for each day prior to letting*)
- Outreach and marketing efforts with minority, women, and veteran-focused organizations at least 10 days prior to bid opening
- Active involvement in WisDOT's Business Development Program, TrANS training, facilitated networking efforts, workshops
- Customized teaching/training efforts for future opportunities with DBE subcontractor, contract specific and/or annually
- Introduction and reference provided for DBE subcontractor to a prime who has not previously contracted with the DBE firm
- Prime utilization of a DBE subcontractor the prime has not contracted with previously
- Written referral/recommendation to bond/insurance agents, manufacturer, supplier
- Documented efforts fostering DBE participation through administrative and/or technical assistance
- Evidence of negotiation with the DBE firm about current and future Let opportunities
- Recommendation of local and state services that support small business and access to opportunity: DOA, SBA, WEDC, WPI, etc.
- Advice on bonding, lines of credit, or insurance as required to complete the items quoted and contract requirements

**GFE EVALUATION RUBRIC – PHASE 1**

	<b>Active &amp; Aggressive Category</b>	<b>Quality Category</b>	<b>Quantity Category</b>	<b>Scope &amp; Intensity Category</b>	<b>Timing Category</b>	<b>Business Develop't Efforts</b>	<b>Total=</b>
<b>Solicitation Documentation</b>							
<b>Selected Work Items Documentation</b>							
<b>Documentation of Project Information provided to Interested DBEs</b>							
<b>Documentation of Negotiation with Interested DBEs</b>							
<b>Documentation of Sound Reason for Rejecting DBEs</b>							
<b>Documentation of Assistance to Interested DBEs- bonding, credit, insurance, equipment, supplies/materials</b>							
<b>Documentation of Outreach to Minority, Women, and Community organizations and other DBE Business Development Support</b>							
<b>Documentation of other GFE activities</b>							
<b>Overall Total=</b>							

## **GFE EVALUATION RATING LEGEND – PHASE 1**

**ACTIVE & AGGRESSIVE:** Demonstrated through engaged and assertive activity

**QUALITY:** Demonstrated through essential character of conscientious and serious activity

**QUANTITY:** Demonstrated through a measurable number of activities

**SCOPE & INTENSITY:** Demonstrated through a rigorous approach to an appropriate and purposeful range of activities

**TIMING:** Demonstrated through engagement efforts beyond simple solicitation, initiated early in the process

**BUSINESS DEVELOPMENT INITIATIVES:** Demonstrated by efforts to support business growth and health of DBEs

### **Rating Scale**

- **Each qualifying activity is worth 5 points per Category**
- **Documented efforts must receive 55 points or more to qualify for Phase 2 GFE evaluation**
  - **Pro Forma efforts= 0-50 points**  
Perfunctory effort characterized by routine or superficial activities
  - **Bona Fide= 55+ points**  
Genuine effort characterized by sincere and earnest activities

## **GFE EVALUATION – PHASE 2**

### **DBE Office completes:**

- Review of quote comparisons submitted by Prime
- Bid analysis to confirm if any bid submitted met the DBE goal
- Review average of other bidders DBE goal achievement
- Team review of combined efforts documented in Phase 1 and 2 by apparent low bidder

Excerpt from Appendix A to 49 CFR Part 26:

V. In determining whether a bidder has made good faith efforts, it is essential to scrutinize its documented efforts. At a minimum, you must review the performance of other bidders in meeting the contract goal. For example, when the apparent successful bidder fails to meet the contract goal, but others meet it, you may reasonably raise the question of whether, with additional efforts, the apparent successful bidder could have met the goal. If the apparent successful bidder fails to meet the goal, but meets or exceeds the average DBE participation obtained by other bidders, you may view this, in conjunction with other factors, as evidence of the apparent successful bidder having made good faith efforts. As provided in §26.53(b)(2)(vi), you must also require the contractor to submit copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract to review whether DBE prices were substantially higher; and contact the DBEs listed on a contractor's solicitation to inquire as to whether they were contacted by the prime. Pro forma mailings to DBEs requesting bids are not alone sufficient to satisfy good faith efforts under the rule.

## APPENDIX E

### Good Faith Effort Best Practices

This list is not a set of requirements; it is a list of potential strategies

#### Primes

- Prime contractor open houses inviting DBE firms to see the bid “war room” or providing technical assistance.
- Participate in speed networking and mosaic exercises as arranged by DBE office.
- Host information sessions not directly associated with a bid letting.
- Participate in a formal mentor protégé or joint venture with a DBE firm.
- Participate in WisDOT advisory committees i.e. TRANSAC, or Mega Project committee meetings.
- Facilitate a small group DBE ‘training session’ clarifying how your firm prepares for bid letting, evaluates subcontractors, preferred qualifications, and communication methods.
- Encourage subcontractors to solicit and highlight DBE participation in their quotes to you.
- Quality of communication, not quantity creates the best results. Contractors should be thorough in communicating with DBE firms before the bid and provide any assistance requested to assure best possible bid.

#### DBE

- DBE firms should contact primes as soon as possible with questions regarding their quotes or bid; seven days prior is optimal.
- Continually check for contract addendums on the BOA website through one week prior to letting to stay abreast of changes.
- Review the status of contracts on the BOA website reviewing the ‘apparent low bidder’ list and bid tabs at a minimum.
- Prepare a portfolio or list of related projects and prime and supplier references; be sure to note transportation related projects of similar size and scope, firm expertise and staffing.
- Participate in DBE office assessment programs.
- Participate on advisory and mega-project committees.
- Sign up to receive the DBE Contracting Update.
- Consider membership in relevant industry or contractor organizations.
- Active participation is a must. Quote as many projects as you can reasonably work on; quoting the primes and bidding as a prime with the Department are the only ways to get work.

## **APPENDIX F**

### **Good Faith Effort Evaluation Guidance**

#### *Appendix A of 49 CFR Part 26*

I. When, as a recipient, you establish a contract goal on a DOT-assisted contract for procuring construction, equipment, services, or any other purpose, a bidder must, in order to be responsible and/or responsive, make sufficient good faith efforts to meet the goal. The bidder can meet this requirement in either of two ways. First, the bidder can meet the goal, documenting commitments for participation by DBE firms sufficient for this purpose. Second, even if it doesn't meet the goal, the bidder can document adequate good faith efforts. This means that the bidder must show that it took all necessary and reasonable steps to achieve a DBE goal or other requirement of this part which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if they were not fully successful.

II. In any situation in which you have established a contract goal, Part 26 requires you to use the good faith efforts mechanism of this part. As a recipient, you have the responsibility to make a fair and reasonable judgment whether a bidder that did not meet the goal made adequate good faith efforts. It is important for you to consider the quality, quantity, and intensity of the different kinds of efforts that the bidder has made, based on the regulations and the guidance in this Appendix.

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 DBE contract goal. Mere pro forma efforts are not good faith efforts to meet the DBE contract requirements. We emphasize, however, that your determination concerning the sufficiency of the firm's good faith efforts is a judgment call. Determinations should not be made using quantitative formulas.

III. The Department also strongly cautions you against requiring that a bidder meet a contract goal (i.e., obtain a specified amount of DBE participation) in order to be awarded a contract, even though the bidder makes an adequate good faith efforts showing. This rule specifically prohibits you from ignoring bona fide good faith efforts.

IV. The following is a list of types of actions which you should consider as part of the bidder's good faith efforts to obtain DBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

A. (1) Conducting market research to identify small business contractors and suppliers and soliciting through all reasonable and available means the interest of all certified DBEs that have the capability to perform the work of the contract. This may include attendance at pre-bid and business matchmaking meetings and events, advertising and/or written notices, posting of Notices of Sources Sought and/or Requests for Proposals, written notices or emails to all DBEs listed in the State's directory of transportation firms that specialize in the areas of work desired (as noted in the DBE directory) and which are located in the area or surrounding areas of the project.

(2) The bidder should solicit this interest as early in the acquisition process as practicable to allow the DBEs to respond to the solicitation and submit a timely offer for the subcontract. The bidder should determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.

B. Selecting 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 (for example, smaller tasks or quantities) to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces. This may include, where possible, establishing flexible timeframes for performance and delivery schedules in a manner that encourages and facilitates DBE participation.

C. Providing 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 with their offer for the subcontract.

D. (1) Negotiating in good faith with interested DBEs. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. 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.

(2) A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, 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 failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.

E. (1) Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union status) are not legitimate causes for the rejection or non-solicitation of bids in the contractor's efforts to meet the project goal. Another practice considered an insufficient good faith effort is the rejection of the DBE because its quotation for the work was not the lowest received. However, nothing in this paragraph shall be construed to require the bidder or prime contractor to accept unreasonable quotes in order to satisfy contract goals.

(2) A prime contractor's inability to find a replacement DBE at the original price is not alone sufficient to support a finding that good faith efforts have been made to replace the original DBE. The fact that the contractor has the ability and/or desire to perform the contract work with its own forces does not relieve the contractor of the obligation to make good faith efforts to find a replacement DBE, and it is not a sound basis for rejecting a prospective replacement DBE's reasonable quote.

F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor.

G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.

H. Effectively using the services of available minority/women community organizations; minority/women 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.



V. In determining whether a bidder has made good faith efforts, it is essential to scrutinize its documented efforts. At a minimum, you must review the performance of other bidders in meeting the contract goal. For example, when the apparent successful bidder fails to meet the contract goal, but others meet it, you may reasonably raise the question of whether, with additional efforts, the apparent successful bidder could have met the goal. If the apparent successful bidder fails to meet the goal, but meets or exceeds the average DBE participation obtained by other bidders, you may view this, in conjunction with other factors, as evidence of the apparent successful bidder having made good faith efforts. As provided in §26.53(b)(2)(vi), you must also require the contractor to submit copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract to review whether DBE prices were substantially higher; and contact the DBEs listed on a contractor's solicitation to inquire as to whether they were contacted by the prime. Pro forma mailings to DBEs requesting bids are not alone sufficient to satisfy good faith efforts under the rule.

VI. A promise to use DBEs after contract award is not considered to be responsive to the contract solicitation or to constitute good faith efforts.

[79 FR 59600, Oct. 2, 2014]

## APPENDIX G

### DBE Program forms

Official Form 550bdev and 550cdev can be found on the BOA website:  
<https://wisconsindot.gov/Pages/doing-bus/aeronautics/airports/forms.aspx>