
***DISADVANTAGED BUSINESS
ENTERPRISE PROGRAM***

49 CFR PART 26

PROGRAM ADMINISTRATION MANUAL

July 5, 2016

Prepared by

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

608 EAST BOULEVARD AVENUE

BISMARCK, NORTH DAKOTA 58505-0700

<http://www.dot.nd.gov/>

DBE Web Resources:

<http://www.dot.nd.gov/divisions/civilrights/dbeprogram.htm>

DIRECTOR

Grant Levi, P.E.

CIVIL RIGHTS DIVISION

Ramona Bernard, Division Director

Telephone: (701) 328-2576

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This font type identifies revisions in this manual required by FHWA following the regional DBE Academy.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM 49 CFR PART 26

POLICY STATEMENT (49 CFR §26.23)

Web Location: <http://www.dot.nd.gov/divisions/civilrights/docs/dbe/dbepolicystmt.pdf>

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

CIVIL RIGHTS DIVISION

Policy 3-1 DBE

Original Date: August 1, 2014

Revision Date: July 5, 2016

The North Dakota Department of Transportation (Department) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (USDOT), 49 CFR Parts 23 and 26. The Department receives federal financial assistance from USDOT. As a condition of receiving this assistance, the Department has signed an assurance that it complies with 49 CFR Parts 23 and 26.

The DBE requirements of 49 CFR Parts 23 and 26 and the Department's DBE program apply to all federally-aided highway construction contracts and to any assignments made to subcontractors, subconsultants or sub recipients.

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, and national origin. Specifically, 42 USC 2000d states that "No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." In addition to Title VI, there are other Nondiscrimination statutes which include: Section 162(a) of the Federal-Aid Highway Act of 1973 (23 USC 324) (sex), Age Discrimination Act of 1975 (age), and Section 504 of the Rehabilitation Act of 1973/ADA of 1990 (disability). Taken together, these requirements define an overarching Title VI/Nondiscrimination and ADA Program. Title VI and the additional Nondiscrimination requirements are applicable to programs receiving federal financial assistance due to the Civil Rights Restoration Act of 1987.

In regard to the DBE Program, the Department, its sub recipients, contractors, subcontractors, consultants, and subconsultants shall not discriminate on the basis of race, color, national origin, or sex. It is Department policy to ensure that DBEs, as defined in 49 CFR Parts 23 and 26, have an equal opportunity to receive and participate in USDOT-assisted contracts. It is also Department policy:

- To ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs;
- To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;

- To ensure that the Department's DBE program is narrowly tailored in accordance with applicable law;
- To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs;
- To help remove barriers to the participation of DBEs in DOT-assisted contracts;
- To promote the use of DBEs in all types of federally-assisted contracts and procurement activities conducted by recipients.
- To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
- To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

The Department will disseminate the policy to all Department staff and to DBE and non-DBEs. The policy will be disseminated to the broadest possible audience. We will:

- Broadcast the statement to all DBE and non-DBE firms through the Department's electronic notification system
- Publish the policy in the DBE newsletter annually
- Publish the policy on the Department DBE bid information web site at <http://www.dot.nd.gov/divisions/civilrights/docs/dbe/dbepolicystmt.pdf>

Each sub recipient, contractor, subcontractor, consultant, or subconsultant that fails to carry out the requirements set forth in 49 CFR Parts 23 and 26 may constitute a breach of contract, and after notification by the Department, may result in termination of the agreement or contract, or such remedy as the Department deems appropriate.

As the Department Director, I am charged with the overall responsibility for assuring compliance with 49 CFR Parts 23 and 26, including DBE programs delegated to sub recipients such as Metropolitan Planning Organizations and other political subdivisions. I have appointed the Civil Rights Division Director as the Department's DBE Liaison Officer. The DBE Liaison Officer is responsible for developing, coordinating, and monitoring the implementation of the Department's DBE program on a day-to-day basis. Division Directors and District Engineers are responsible for carrying out applicable facets of the DBE program within their areas.

Ramona Bernard is the Department's DBE Liaison Officer. She is responsible for implementing all aspects of the DBE program. Implementation of the DBE program has the same priority as compliance with all other legal obligations incurred by the Department in its financial assistance agreements with USDOT.

Grant Levi, P.E.

July 5, 2016

NDDOT Director

Date

PART 26 SUBPART A - GENERAL

OBJECTIVES (49 CFR §26.1)

This program seeks to achieve several objectives:

- To ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs;
- To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- To ensure that the Department's DBE program is narrowly tailored in accordance with applicable law;
- To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs;
- To help remove barriers to the participation of DBEs in DOT-assisted contracts;
- To promote the use of DBEs in all types of federally-assisted contracts and procurement activities conducted by recipients;
- To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
- To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

APPLICATION (49 CFR §26.3)

As a recipient of Federal funds NDDOT is required to administer a DBE program in compliance with all laws, regulations, Executive Orders, and guidance.

TERMS (49 CFR §26.5)

Any definition whereby the key word is in quotation marks indicates that the original definition has been altered by the North Dakota Department of Transportation (Department). All other key words are defined as per the regulation.

Affiliation has the same meaning the term has in the Small Business Administration (SBA) regulations, 13 CFR Part 121.

- (1) Except as otherwise provided in 13 CFR Part 121, concerns are affiliates of each other when, either directly or indirectly:
 - (i) One concern controls or has the power to control the other; or
 - (ii) A third party or parties controls or has the power to control both; or
 - (iii) An identity of interest between or among parties exists such that affiliation may be found.
- (2) In determining whether affiliation exists, it is necessary to consider all appropriate factors, including common ownership, common management, and contractual relationships.

Affiliates must be considered together in determining whether a concern meets small business size criteria and the statutory cap on the participation of firms in the DBE program.

Alaska Native means a citizen of the United States who is a person of one-fourth degree or more Alaskan Indian (including Tsimshian Indians not enrolled in the Metlaktla Indian Community), Eskimo, or Aleut blood, or a combination of those bloodlines. The term includes, in the absence of proof of a minimum blood quantum, any citizen whom a Native village or Native group regards as an Alaska Native if their father or mother is regarded as an Alaska Native.

Alaska Native Corporation (ANC) means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, et seq.).

Assets means all the property of a person available for paying debts or for distribution, including one's respective share of jointly held assets. This includes, but is not limited to, cash on hand and in banks, savings accounts, IRA or other retirement accounts, accounts receivable, life insurance, stocks and bonds, real estate, and personal property.

Business, business concern or business enterprise means an entity organized for profit with a place of business located in the United States, and which operates primarily within the United States or which makes a significant contribution to the United States economy through payment of taxes or use of American products, materials, or labor.

"Compliance" means that a recipient has correctly implemented the requirements of 49 CFR Parts 23 or 26

Contingent Liability means a liability that depends on the occurrence of a future and uncertain event. This includes, but is not limited to, guaranty for debts owed by the applicant concern, legal claims and judgments, and provisions for federal income tax.

Contract means a legally binding relationship obligating a seller to furnish supplies or services (including, but not limited to, construction and professional services) and the buyer to pay for them. For purposes of 49 CFR Part 26, a lease is considered to be a contract.

Contractor means one who participates, through a contract or subcontract (at any tier), in a DOT-assisted highway, transit, or airport program, including DBE, MBE and WBE and non-DBE firms, including prime contractors, subcontractors, suppliers, brokers, vendors, regular dealers, and manufacturers.

Days means calendar days. In computing any period of time described in this part, the day from which the period begins to run is not counted, and when the last day of the period is a Saturday, Sunday, or Federal holiday, the period extends to the next day that is not a Saturday, Sunday, or Federal holiday. Similarly, in circumstances where the recipient's offices are closed for all or part of the last day, the period extends to the next day on which the agency is open.

De novo review means a type of legal appeal where the appeals court looks at a case as if an earlier review had never occurred. USDOT does not make a de novo review of a Certification Appeal, does not conduct a hearing, and makes its decision based solely on the entire administrative record.

“Department” means the North Dakota Department of Transportation (NDDOT) or the owning agency of a specific project.

Disadvantaged business enterprise or DBE means a for-profit small business concern --

- (1) That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and
- (2) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

DBE applicant means one who submits an application for DBE certification to the Department.

DOT-assisted contract means any contract between a recipient and a contractor (at any tier) funded in whole or in part with DOT financial assistance, including letters of credit or loan guarantees, except a contract solely for the purchase of land.

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 Aviation Administration (FAA).

Good faith efforts (GFE) means efforts to achieve a DBE goal or other requirement of 49 CFR Part 26 which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.

Home state means the state in which a DBE firm or applicant for DBE certification maintains its principal place of business.

Immediate family member means father, mother, husband, wife, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, sister-in-law, brother-in-law, and domestic partner and civil unions recognized under State law.

Indian tribe means any Indian tribe, band, nation, or other organized group or community of Indians, including any ANC, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or is recognized as such by the State in which the tribe, band, nation, group, or community resides. See also definition of “tribally-owned concern.”

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 the 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.

Liabilities means financial or pecuniary obligations. This includes, but is not limited to, accounts payable, notes payable to bank or others, installment accounts, mortgages on real estate, and unpaid taxes.

Native Hawaiian means any individual whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

Native Hawaiian Organization means any community service organization serving Native Hawaiians in the State of Hawaii which is a not-for-profit organization chartered by the State of Hawaii, is controlled by Native Hawaiians, and whose business activities will principally benefit such Native Hawaiians.

Non-compliance means that a recipient has not correctly implemented the requirements of 49 CFR Parts 23 or 26.

Operating Administration or OA means any of the following parts of DOT: the Federal Aviation Administration (FAA), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA). The "Administrator" of an operating administration includes his or her designees.

Personal net worth means the net value of the assets of an individual remaining after total liabilities are deducted. An individual's personal net worth does not include: the individual's ownership interest in an applicant or participating DBE firm or the individual's equity in his or her primary place of residence. An individual's personal net worth includes only his or her own share of assets held jointly or as community property with the individual's spouse.

Primary industry classification means the most current North American Industry Classification System (NAICS) designation which best describes the primary business of a firm. The NAICS is described in the North American Industry Classification Manual-United States, which is available on the Internet at the U.S. Census Bureau Web site: <http://www.census.gov/eos/www/naics/>.

Primary recipient means a recipient which receives DOT financial assistance and passes some or all of it on to another recipient.

Principal place of business means the business location where the individuals who manage the firm's day-to-day operations spend most working hours and where top management's business records are kept. If the offices from which management is directed and where business records are kept are in different locations, the recipient will determine the principal place of business for DBE program purposes.

Program means any undertaking on a recipient's part to use DOT financial assistance, authorized by the laws to which 49 CFR Part 26 applies.

Race/gender conscious measure or program (RGC) is one that is focused specifically on assisting only DBEs, including women-owned DBEs.

Race/gender neutral measure or program (RGN) is one that is, or can be, used to assist all small businesses. For the purposes of 49 CFR Part 26, *race/gender neutral* includes gender neutrality.

Recipient is any entity, public or private, to which DOT financial assistance is extended, whether directly or through another recipient, through the programs of the FAA, FHWA, or FTA, or who has applied for such assistance.

Responsive approach requires all bidders to submit the DBE participation information and other GFE documentation required by 49 CFR 26.53 at the time of bid submission.

Responsibility approach allows all bidders to submit the required GFE information at some point before a commitment to perform the contract is made to a particular bidder (e.g., before contract award).

Secretary means the Secretary of Transportation or his/her designee.

Set-aside means a contracting practice restricting eligibility for the competitive award of a contract solely to DBE firms.

Small Business Administration or SBA means the U.S. Small Business Administration.

SBA certified firm refers to firms that have a current, valid certification from or recognized by the SBA under the 8(a) BD or SBD programs.

Small business concern means, with respect to firms seeking to participate as DBEs in DOT-assisted contracts, a small business concern as defined pursuant to section 3 of the Small Business Act and Small Business Administration regulations implementing it (13 CFR Part 121) that also does not exceed the cap on average annual gross receipts specified in 49 CFR Part 26.65(b).

Socially and economically disadvantaged individual means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of groups and without regard to his or her individual qualities. The social disadvantage must stem from circumstances beyond the individual's control.

(1) Any individual who a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis. An individual must demonstrate that he or she has held himself or herself out, as a member of a designated group if you require it.

(2) Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:

(i) "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;

(ii) "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

(iii) "Native Americans," which includes persons who are enrolled members of a federally or State recognized Indian tribe, Alaska Natives, or Native Hawaiians;

(iv) "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), Republic of the Northern Marianas Islands, Samoa, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong;

(v) "Subcontinent Asian Americans," which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;

(vi) Women;

(vii) Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

(3) Being born in a particular country does not, standing alone, mean that a person is necessarily a member of one of the groups listed in this definition.

Spouse means a married person, including a person in a domestic partnership or a civil union recognized under State law.

Transit vehicle manufacturer means any manufacturer whose primary business purpose is to manufacture vehicles specifically built for public mass transportation. Such vehicles include, but are not limited to: Buses, rail cars, trolleys, ferries, and vehicles manufactured specifically for paratransit purposes. Producers of vehicles that receive post-production alterations or retrofitting to be used for public transportation purposes (e.g., so-called cutaway vehicles, vans customized for service to people with disabilities) are also considered transit vehicle manufacturers. Businesses that manufacture mass-produce, or distribute vehicles solely for personal use and for sale “off the lot” are not considered transit vehicle manufacturers.

Tribally-owned concern means any concern at least 51 percent owned by an Indian tribe as defined in this section.

Unified Certification Program (UCP) means the interagency organization that makes all certification decisions on behalf of FHWA, FAA, and FTA recipients. Certification decisions under the UCP are binding on all DOT recipients in North Dakota.

NONDISCRIMINATION (49 CFR §26.7)

The Department will not exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against any person in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, national origin, or sex.

In administering its DBE program, the Department will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, national origin, or sex.

INFORMATION COLLECTION/REPORTING (49 CFR §26.11)

Maintaining Records and Tracking Payments

The Department will require prime contractors, subcontractors, consultants, and subconsultants to maintain records and documents of payments to DBEs for three years following the final payment on the contract. These records will be made available for inspection, upon request, by any authorized representative of the Department or DOT. This reporting requirement also applies to any certified DBE.

Prime contractors and subcontractors must keep a running tally of actual payments to DBEs for work committed to them at any time during the life of the contract. Prime contractors and subcontractors will be required to complete and submit a Monthly Record of DBE Project Payments ([SFN 60638](#)) ([Resource Link B](#)) for every DBE on Form C at the time of Award and any DBE added during the life of

the project by the 15th calendar day of each month. This report must indicate the amount(s) paid to each DBE in the previous calendar month until the DBEs contracted work is complete.

Consultants and subconsultants must keep a running tally of actual payments to DBEs and non-DBEs for work performed during the life of a contract. Consultants and subconsultants will be required to complete the Record of Consultant Project Payments, (SFN 54428) ([Resource Link C](#)) on a semi-annual basis.

These forms must be submitted to the Department by the tenth calendar day after the October-March period, and the tenth calendar day after the April-September period. The form must be signed by a company representative. The form is sent to the Civil Rights Division, North Dakota Department of Transportation, 608 East Boulevard Avenue, Bismarck, ND 58505-0700, or fax to (701) 328-0343.

The Department may perform interim audits of contract payments to DBEs to ensure that the actual amount paid to DBEs equals or exceeds the dollar amount stated on Form C.

The Department is implementing the Civil Rights Certification & Compliance System (CRCCS) through which contractors, subcontractors, consultants, subconsultants, suppliers, regular dealers, manufacturers and brokers will begin to enter information such as certified payrolls, payments, acknowledgement of payment receipt, and track other DBE and non-DBE project information. Until the CRCCS is fully operational, the Department will run parallel systems in which those vendors who volunteer to test the system will use the electronic tracking system. The compliance functionality of system will be voluntary until a time in the future when training, orientation, and Departmental systems are working together. Thereafter, the electronic CRCCS will be a requirement.

Commercially Useful Function (CUF)

The Department requires CUF reviews on the work of every DBE to maintain DBE program integrity.

Construction DBE Firms – CUF

Prime contractors, subcontractors, and DBEs working on the project are required to complete SFN 60597 DBE Performance - Commercially Useful Function Certification (Rev. 01-2015) ([Resource Link Q](#)) to certify that the DBE is performing a commercially useful function. The CUF review must be done within the first five days of the DBEs work commencing on the project. To be valid, a CUF is performed while the DBE is actively working on the project.

An on-job site CUF review will be conducted by the Department's DBE Supportive Services consultant (DBESS) with all newly certified DBE firms who have contracts with the Department on transportation related projects.

Consultant DBE Firms – CUF

Prime consultants and subconsultants certify that they are performing a commercially useful function when they complete and submit SFN 60233A DBE Consultant – Commercially Useful Function (CUF) Certification to Environmental Transportation Services Division, Consultant Administrative Services section (CAS). (A new form has been requested for design from Records Center.)

The process mirrors the Construction DBE Firms' CUF. The CUF certification is due with the prime consultants request to sublet. Upon receipt of the Consultant CUF

Certification, CAS will review the type and scope of work being subcontracted. The responsible CAS staff member will sign the CUF Certification and place it into Contract Management System as a part of the project record. The CAS signature indicates the review has been performed and guarantees the work is essential to the project's successful outcome, is not a pass-through, and the DBE is serving a commercially useful function on the project.

Reporting to DOT

Uniform Report of DBE Commitments/Awards and Payments

The Department will submit an accurate and timely report of DBE participation to FHWA semi-annually, each year by June 1 and December 1, using DOT form, Uniform Report of DBE Commitments/Awards and Payments. The DBE Uniform Report for FTA projects is submitted semi-annually using TEAM.

The Department's Civil Rights Certification & Compliance System (CRCCS) will track contract commitments, DBE contract commitments by ethnicity, ongoing contract dollars, and contracts completed during each reporting period. The system when fully in use will track all payments to prime contractors and prime consultants as well as the share of each contract that utilized DBE and non-DBE subcontractors, subconsultants, suppliers, regular dealers, manufacturers and brokers. Until the CRCCS is fully operational, the Department will run parallel systems in which those vendors who volunteer to test the system will use the electronic tracking system. The electronic CRCCS is bringing together multiple data storage and reporting systems currently operated by the Department. When the use of electronic CRCCS is mandatory, the Uniform Report and other reporting will be less time consuming and more accurate.

The compliance functionality of the system will be voluntary until a time in the future when training, orientation, and Departmental systems are working together. Thereafter, the electronic CRCCS will be a requirement.

The Department will use the required DOT report form without revision. The new form, adopted with the October 4, 2014 rule changes, was used initially for the June 1, 2015 report. The report template is located at: <F:\CRO\18 Civil Rights\DBE\DBE FHWA Semi-Annual Report\Original forms\FY 2015 Uniform Report Template.xlsx>

DBE Data Report

The Department will report to DOT's Office of Civil Rights, by January 1 of each calendar year, the percentage and location in the North Dakota of certified DBE firms in the UCP Directory controlled by the following:

- Women;
- Socially and economically disadvantaged individuals (other than women); and
- Individuals who are women and are otherwise socially and economically disadvantaged individuals.

The 2015 report submission was generated by the Civil Rights Certification & Compliance System and is located at <file:///F:\CRO\18%20Civil%20Rights\DBE\DBE%20MAP-21%20Data%20Reports\2015%20NDDOT%20MAP-21%20DBE%20Data.xlsx>

CRCCS quickly and accurately pulls the ethnicity information from Certification data.

DBE Records Retention

The Department will maintain records documenting a DBE firm's compliance with 49 CFR 26.11. Complete application packages for each certified firm and all affidavits of no-change, change notices, and Home Office (on site) Reviews, and other certification and compliance related records will be retained for a minimum of three (3) years after the DBE is no longer certified unless otherwise provided by applicable record retention requirements for the Department's financial assistance agreement, whichever is longer.

Bidders List

The Department's bidders list consists of all DBE and non-DBE contractors and subcontractors who seek work on the Department's federally-assisted contracts. The list represents all bidders and quoters who seek work on the Department's federally-assisted contracts regardless of whether the firm is selected to do the work or simply submits bids or quotes. This data is used to determine the pool of ready, willing, and able bidders and quoters, for Step 1, of the Department's triennial DBE goal setting methodology.

The DBE special provisions require each bidder to provide the Department copies of all quotes they received for each project or a completed Form B ([Resource Link U](#)) within 7 calendar days after each bid opening. The DBE race/gender conscious special provision ([Resource Link L](#)) also requires suppliers, subcontractors, vendors, manufacturers, and regular dealers to submit copies of all their quotes to the Department the night before each bid opening. From this information a bidders list will be developed which will count all firms that are participating, or attempting to participate, on DOT-assisted contracts. The list will include all firms that bid on prime contracts or quote to subcontractors or primes, on DOT-assisted projects, including both DBEs and non-DBEs.

During the selection process, the Environmental & Transportation Services (ETS) Division staff will ask consultants to provide the types of work and the names of potential subconsultants they might subcontract to should they be awarded the contract. ETS will develop the list of names for the consultant section of the bidders list.

From these sources the Department will collect the following information, from the bids or quotes, to create the bidders list:

- Firm name
- Firm address
- Firm's status as a DBE or non-DBE.

All firms whose names are gathered by the above processes will be queried by a survey using the Bidders List Information (SFN 58509) ([Resource Link D](#)) form to determine the following:

- The age of the firm and
- The annual gross receipts of the firm.

The CRCCS Vendor Registration Module when fully implemented will replace the Bidders List Process. Bidder Pre-Qualification and Subcontractor Registration processes will be carried out through the Vendor Registration Module. A CRCCS Bidders List Report will eventually replace the necessity of distributing, retrieving, and manually entering Bidder's List data from the paper form.

ASSURANCES (49 CFR §26.13)

The Director has signed the following assurance, applicable to all DOT-assisted contracts and their administration:

The Department shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Department shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The Department's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Department of its failure to carry out its approved program, the DOT may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

The Department will ensure that the following clause is placed in every DOT-assisted contract and subcontract:

The contractor, subrecipient or subcontractor, shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor 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, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanctions;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor from future bidding as non-responsible.

PART 26 SUBPART B - ADMINISTRATIVE

NDDOT DBE PROGRAM (49 CFR §26.21)

As a FHWA primary recipient and a FTA recipient receiving more than \$250,000, the Department has instituted the DBE Program and will carry out this program until it has spent all available funds from DOT. The Department will seek approval from DOT prior to making significant program changes and ensures its subrecipients will follow the program.

DBE LIAISON OFFICER (49 CFR §26.25)

The Director has designated Ramona Bernard as the Department DBE Liaison Officer (DBELO). Ms. Bernard can be contacted at the Civil Rights Division (CRD), North Dakota Department of Transportation, 608 East Boulevard Avenue, Bismarck, ND 58505-0700, or rbernard@nd.gov, phone (701) 328-2576 or fax (701) 328-0343. She is the CRD Director and is responsible for implementing all aspects of the DBE program and ensuring that the Department complies with all provisions of 49 CFR Part 26. [Link to the Policy Document.](#)

Ms. Bernard has direct and independent access to the Department Director concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found at <http://www.dot.nd.gov/divisions/exec/docs/nddot.pdf> and at [Resource Link A](#) to this program.

The DBELO is responsible for developing, implementing, and monitoring the DBE program, in coordination with other Department staff, on a day-to-day basis. Duties and responsibilities include, but are not limited to:

- With appropriate Department staff, developing the Department's DBE program
- Coordinating the program with all applicable Department employees, contractors, subcontractors, consultants, subconsultants, minority and women's interest groups, and other appropriate public and private agencies
- Monitoring the implementation of all facets of the Department's DBE program
- Collecting and analyzing pertinent data received regarding program participation
- Monitoring Department progress toward achieving its overall annual goal and the effectiveness of the DBE program
- Providing technical assistance and training to Department personnel, DBE firms, contractors, subcontractors, consultants, subconsultants, and subrecipients
- Disseminating program information to DBE firms regarding contracting opportunities
- Developing annual DBE supportive services work statement, request for proposal, and contract
- As contracting officer for the DBE supportive services contract, monitor its implementation and meet periodically with the contractor
- Providing program reports as required by the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA)
- Chairing the DBE Unified Certification Board and the DBE Participation Review Committee
- Reporting regularly to the Director on the progress and achievements of the program
- Identifying problems or deficiencies and making recommendations for improvement or change

- Monitoring national best practices and using the information to upgrade the DBE program
- Building support for the program within the Department and the industry
- Maintaining communication to help resolve issues and increase program effectiveness

The DBELO has a staff of three Civil Rights Program Administrators (CRPA) and an Administrative Assistant (AA). One CRPA is assigned to the DBE program as part of the job description. The AA serves as backup on the DBE program. The CRPA is a member of the DBE Participation Review Committee. The CRPA analyzes the DBE participation and good faith effort documentation of contractors, as required by the DBE race/gender conscious and DBE race/gender neutral special provisions ([Resource Link L](#)), and presents a step-by-step summation to the DBE Participation Review Committee. The CRPA is a member of the DBE Unified Certification Board, processes DBE applications, compiles data for the DBE Directory ([Resource Link G](#)), conducts DBE project site and home office reviews, conducts and writes the annual review of the supportive services contractor, and prepares statistical data for various reports. The CRPA updates the DBE Directory, gathers data relative to DBE goal setting, DBE participation, the bidders list, and good faith efforts review process.

Division Directors and District Engineers are responsible for carrying out all facets of the DBE program within their respective areas. They ensure appropriate division or district personnel are familiar with the requirements of 49 CFR Part 26, the Department's DBE Program Administration Manual, and the specific division's or district's responsibilities relative to the program. The Division Directors and District Engineers (or their designees) meet periodically with the DBELO to evaluate the progress and achievements of the program and to identify program problems or deficiencies. The DBELO makes recommendations to the Director concerning necessary program changes and improvements.

Additionally, the NDDOT Local Government Division's Transit Section is responsible to oversee the FTA Elderly and Persons with Disabilities assistance program and the Rural Public Transportation assistance program (Sections 5310 and 5311 respectively). The Transit Section is responsible for and will ensure that appropriate DBE requirements are included in all relevant transit documents, such as program guidelines, grant applications, and specifications for bus and equipment purchases.

DBE FINANCIAL INSTITUTIONS (49 CFR §26.27)

It is Department policy to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, and to encourage prime contractors on DOT-assisted contracts to make use of these institutions.

To determine which financial institutions are owned and controlled by socially and economically disadvantaged individuals, the Department contacted the following organizations:

- North Dakota Bankers Association
- North Dakota Department of Banking and Financial Institutions, and
- Independent Bankers Association

To date, one such institution has been identified. Turtle Mountain State Bank opened its doors on December 3, 2007 as the first privately owned Native American bank on a federally recognized Indian Reservation. <http://www.tmstatebank.com/>

PROMPT PAYMENT - RETAINAGE (49 CFR §26.29)

The Department will include the following clauses, which apply to both DBE and non-DBEs, in each DOT-assisted prime contract. ([Resource Link E](#))

The prime contractor must pay the subcontractor the amount due for work done or services rendered, less applicable retainage not to exceed 2 percent, from the current progress payment within 20 calendar days of receipt of payment from the Department or owning agency, unless the prime contractor has just cause to not make payment. If the prime contractor withholds payment from the subcontractor, the prime contractor must immediately notify the subcontractor and the project engineer, in writing, the reasons for withholding payment. The subcontractor may also notify the engineer if prompt payment has not been made.

If the Department or owning agency determines the prime contractor is withholding payment without just cause, interest will accrue at the rate provided by North Dakota Century Code 13-01.1-02. The prime contractor is responsible for paying the accrued interest starting on the 21st calendar day after the prime contractor receives payment. If the prime contractor is withholding subcontractor payments without just cause the Department or owning agency may suspend all payments due to the prime contractor until the subcontractor is properly paid and the contractor agrees to make payments as specified. If the Department or owning agency determines there is just cause for withholding payment, interest will not accrue on the amount due.

These prompt payment procedures apply to all tiers of subcontracts and are based on 49 CFR 26.29.

The Department or owning agency will determine whether the subcontractor's work has been "satisfactorily completed." A subcontractor's work is satisfactorily completed when all of the tasks called for in the subcontract have been accomplished, documented in accordance with the contract, and paid for on a pay estimate. To be satisfactorily complete, a subcontractor must provide all necessary final documentation required in the contract. Final documentation may include, but is not limited to: certified payrolls, materials certification, haul road releases, pit receipts of payment, pit releases, night watchman reports, warranties, operating manuals, product literature, and verification of final quantities, and the DBE Participation Certification (SFN 14268). ([Resource Link F](#)).

When fully implemented, the use of CRCCS will eliminate the necessity for the DBE Participation Certification form. All payments, acknowledgement of payment receipts, and other DBE and non-DBE project payment information will be tracked through the system on a "real-time" basis. Contractor payments made to all tiers involved with the prime contract will be tracked through the system. Until the CRCCS is fully operational, the Department will run parallel systems in which those vendors who volunteer to test the system will use the electronic tracking system. The system will be voluntary until a time in the future when training, orientation, and Departmental systems are working together. Thereafter, the electronic CRCCS will be a requirement.

If the prime contractor elects to use retainage on subcontract work, prompt payment must also include the release of retainage monies that have been withheld from the subcontractor, within 20 days after the subcontractor's work is satisfactorily completed. Non-bonded subcontractors must submit proof of payment for all material bills and wages to the prime contractor before the prime contractor is required to pay the retainage. If retainage is not released as per this provision, interest will accrue at the rate provided by North Dakota Century Code 13-01.1-02 beginning the 21st calendar day after the subcontractor's work is satisfactorily completed.

The release of retainage applies to all tiers of subcontracts. For bids after October 1, 2016, contractors' use of the Department's Civil Rights Certification and Compliance System will be required to report payments to all subcontractors on their projects. This system is designed to notify the Department when payments are made. Regular reports will flag non-payment and late payment of subs whose work has been completed. Once the system is in place, project engineers and Civil Rights Division's DBE program administrator will monitor and enforce the payment of retainage upon completion of each subcontractors' work.

No Circumvention

On federal-aid contracts the contractor shall not include any provision in its subcontract that would circumvent 49 CFR Part 26.29.

Sanctions

If a prime contractor does not pay the subcontractor in a timely manner, or have the disadvantaged business enterprise perform the specified dollar amount of work (subject to plan quantity changes), or fulfill the requirements of the DBE special provisions, the Department will take certain actions. After determining that any one of these requirements has not been met, the Department will provide written notice that the prime contractor has 14 calendar days, from receipt of the certified notification, to make a written request for a hearing. If a written request is not received, or if the prime contractor does not provide sufficient evidence at the hearing that the provisions have been met, the Department may:

- Withhold the prime contractor's progress payment until the prime contractor complies with all DBE special provisions
- Deduct, from the prime contractor's progress payments, the dollar amount of DBE participation committed to, but not achieved by the prime contractor
- Find the prime contractor in default
- Disallow the prime contractor to bid in one or more scheduled bid openings after the date the sanction is imposed
- Disqualify the contractor from future bidding
- Other corrective action determined by the Department to be appropriate, or
- Any combination of the above.

DBE DIRECTORY (49 CFR §26.31)

Under the Department's Unified Certification Program (UCP), the Department's CRD maintains an online DBE Directory ([Resource Link G](#)) identifying all firms certified as DBEs under the UCP. The Directory lists the firm's name, owner's name, address, phone number, type of DBE designation, year formed, whether bonded, whether insured, area of work, labor force, equipment, NAICS code(s), and type of work the DBE firm has been certified to perform.

The Directory is published electronically and is located on the Department's Certification & Compliance System website at:

<https://dotnd.diversitycompliance.com/FrontEnd/VendorSearchPublic.asp?TN=dotnd&XID=7375>. The

Directory is updated including additions, deletions, and other changes as they occur. The Directory's functionality allows users to export, download, and save DBE contact reports, the entire directory, a specific firms' information, or specific work categories.

The Directory is made available, electronically, to all DBE and non-DBE prime contractors, subcontractors, consultants, subconsultants, suppliers, vendors, manufacturers, regular dealers, county, city, and consulting engineers, tribal organizations, other minority and women's interest groups, Department staff, and, other state and federal agencies.

OVERCONCENTRATION (49 CFR §26.33)

The Department is not aware of overconcentration in any work area. However, any firm working for, or attempting to seek work with, the Department that feels its opportunity to participate in a federal aid contract has been unduly burdened because of an overconcentration of DBE firms in a specific type of work may file a complaint with the Department. The complaint must be submitted in writing and include examples of how the firm's opportunity to obtain work has been impaired, and the name(s) of DBE firms that have affected their ability to obtain work with the Department. The Department will review all pertinent records, and, if necessary, solicit additional information from other contractors and DBE firms to determine if the burden is a result of overconcentration. Any determination of overconcentration and subsequent remedy will be reviewed and approved by FHWA or FTA to ensure that changes do not result in disparate treatment.

Should a determination be made that there are too many DBEs in a certain type of work as to unduly burden the opportunity of non-DBE firms to participate in this type of work; the Department will devise appropriate measures to address this overconcentration. Once the appropriate measures have been determined they will be forwarded to the relevant USDOT modal for approval.

MONITORING AND ENFORCEMENT MECHANISMS (49 CFR §26.37)

By the Department's Civil Rights Division – Construction Projects

Copies of approved Prime Contractor's Request to Sublet (SFN 5682) ([Resource Link H](#)) and DBE Participation Certification (SFN 14268) ([Resource Link F](#)) are entered into FileNet by the project engineers. Hard copies of the documentation are reviewed by CRD when received from Construction Services Division.

As these forms are received, they are compared with the commitments made by the apparent low bidder, on Form C, prior to award, to use either the DBE or Non-DBE/BD. Notification of Intent to Use (SFN 52160) or Form C ([Resource Link V](#)) is used on either RGN or RGC projects.

The DBELO or CRPA brings any noted discrepancies to the attention of the Assistant District Engineer (ADE) of the relevant district; the ADE works with the project engineer to resolve the issue.

Annually, projects are selected for in-depth contractor compliance reviews. Part of the contractor compliance review is to verify the contractor's performance regarding the DBE race/gender neutral and DBE race/gender conscious special provisions. The review may also include interviews with Department or other owning agency, contractor, and DBE project personnel and an inspection of any statistical or documentary materials relevant to the contractor's performance.

The Department established a “Locally Bid Project” Special Provision in 2014 to cover DBE Program responsibilities required of subrecipients and their contractors. Locally Bid Projects are Race/Gender Neutral. The Locally Bid Project SP directs contractors to submit documentation and track participation as required to the project owner. The project owner reports any participation to Local Government Division; Local Government Division reports any DBE participation to the Civil Rights Division upon award of the contract.

Subrecipients required to use the Locally Bid Projects SP and track participation are cities, municipalities, counties, and other political subdivisions that let their projects to bid locally instead of going through the Department’s bid opening process.

By the Department’s Civil Rights Division – Consultant Projects

Copies of approved Prime Consultant Request to Sublet (SFN 60233) ([Resource Link Y](#)) are entered into Contract Management System by Consultant Administrative Services section.

On-Site Project Monitoring by Project Engineer

Project engineers and ADEs in each District verify the amount of DBE work performed by DBEs or non-DBEs/BD, on the project. This is accomplished by comparing the monetary and materials amounts shown on Prime Contractor’s Request to Sublet (SFN 5682) ([Resource Link H](#)) forms with the DBE or Non-DBE/BD commitment on Form C, provided by the CRD. Any discrepancies found between these documents are addressed with the prime contractor. Any issues not resolved must be routed from the project engineer to the ADE who reports the issue to CRD for resolution.

A DBE Participation Review package identifies documented DBE commitments at the time of award and is available in FileNet for use in monitoring each project. As changes are approved on DBE participation, the DBE Participation Review package is updated and stored in FileNet (also available through CARS).

DBE items discussed at the pre-construction conferences include:

- Participating DBEs or non-DBE/BDs and the work they are to perform
- Time period for the work to be performed
- Prompt payment and retainage (both DBEs and non-DBEs) ([Resource Link E](#))
- DBE race/gender conscious special provision (notice of intent to terminate, default by prime, DBE, or non-DBE/BD) ([Resource Link L](#))
- Process for requesting replacement approval using SFN 60595 ([Resource Link S](#))
- Leasing or renting of equipment; and,
- DBEs line of communication for raising issues or concerns.

Activities and procedures monitored by the project engineer include:

- Signed Prime Contractor’s Request to Sublet (SFN 5682) ([Resource Link H](#))

- Signed DBE Performance - Commercially Useful Function Certification (SFN 60597) ([Resource Link Q](#))
- Completion of DBE Performance - Project Engineer on-Site Work Confirmation (SFN 60596) ([Resource Link R](#))
- DBE firm's or non-DBE/BD's equipment and work force
- Item(s) of work to be performed by either DBE or non-DBE/BD
- Leased or rented equipment and required agreements
- DBE supervision on the project
- Employee sharing between DBE firms and prime contractors or other subcontractors
- Payrolls
- Pay estimates for subcontracted work items
- Prompt payment and retainage complaint
- DBE race/gender conscious and DBE race/gender neutral special provisions ([Resource Link L](#)) compliance by prime contractors, subcontractors, suppliers, regular dealers, and DBEs; and
- Completion of the DBE Participation Certification form (SFN 14268). ([Resource Link F](#))

Proper documentation concerning the above items is made and kept in project records and diaries. The project engineer immediately notifies the ADE of:

- Questions concerning discrimination of any kind; and
- Labor compliance issues.

The DBELO will address these issues.

Resolution of Nondiscriminatory DBE Issues and Concerns

Issues and concerns raised by DBEs and contractors during the life of the project are brought to the attention of the project engineer. If the project engineer is unable to resolve the issue at the project site, she or he contacts the ADE. If the ADE is unable to resolve the issue or concern, she/he may contact CRD.

The procedures for resolving nondiscriminatory DBE issues and concerns which were not resolved at the district level are as follows:

The party making a complaint provides written notice to the project engineer, which must include:

- A statement concerning the nature of complaint;
- The name of the person or company against whom the complaint is being filed;
- The date the complaint occurred;
- The projects where the complaint occurred; and
- The name of the person filing the complaint.

The ADE notifies the DBELO of the complaint. The DBELO notifies FHWA.

Oral complaints are accepted, but are not formally acted upon until a written notice of complaint is received.

- If the complaint is incomplete, the person filing the complaint is asked to provide additional information.
- If the complaint is complete, it is categorized by the DBELO as:

1. A contract administration issue when it involves:
 - a. A commercially useful function (work performed, materials, personnel, or equipment);
 - b. Honoring commitment to DBE;
 - c. Honoring commitment to contractor;
 - d. DBE substitution;
 - e. Good faith efforts;
 - f. Timely payment to a DBE or non-DBE subcontractor; or
 - g. Default by DBE or contractor.
2. A Title VI issue if the individual filing the complaint feels she or he has been discriminated against. The individual will then be instructed to follow the Title VI complaint process ([Resource Link I](#)).
3. Other

A review team consisting of Department staff from the CRD and the District is assembled. The review team is headed by the DBELO when the issue concerns discrimination and by the District when the issue concerns contract administration.

If it is a Title VI complaint, the Title VI complaint procedures will be followed. Title VI complaints filed against the Department will be immediately forwarded to FHWA or FTA for investigation and resolution. Title VI issues filed against a contractor on the project will be investigated by the Department. The Department may also request an informal hearing between the affected parties.

If it is a contract administration complaint, the steps identified in the following paragraphs will be taken.

The review team defines the issues, identifies applicable laws, procedures, contract requirements, etc., that may have been violated, and determines if the alleged complaint is supported by the facts.

The review team makes a recommendation, for non-Title VI issues, to the Director, for corrective action to be taken or for sanctions against either party to be invoked.

- Both parties are notified of the proposed corrective action or sanctions and of their right to request a hearing. They are given 14 calendar days in which to request a hearing. If a hearing is requested, the hearing is held before the Office of Operations Director. Only information or arguments not previously heard by the review team may be presented.

The hearing is recorded.

After the hearing, or if no hearing is requested, the Office of Operations Director makes a final recommendation to the Director, for the corrective action to be taken or sanctions to be invoked.

The Director makes the final decision and notifies both parties, in writing, by certified mail. The parties are notified of their rights to appeal decisions on discrimination issues only. Decisions on contract administration issues are non-appealable.

FOSTERING SMALL BUSINESS PARTICIPATION (49 CFR §26.39)

The implementation of a small business program is intended to facilitate compliance with the twin obligations in 49 CFR Part 26.51: (1) to meet the maximum feasible portion of the overall goal by using

race/gender neutral means of obtaining DBE participation and (2) to establish DBE contract goals to meet any portion of the overall goal the Department is unable to meet using race/gender neutral means.

The Department will continue to facilitate competition by small businesses by taking all reasonable steps to eliminate obstacles such as unnecessary or unjustified bundling or other contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors. This is accomplished by streamlining paperwork and requirements. Specifications include language and requirements detailed by the FHWA and the State of North Dakota to meet procurement regulations. The Department does not add additional requirements that are not specified by FHWA or the State of North Dakota.

The Department will continue to expand its processes that assist small business enterprises to further foster small business participation. These processes include the following:

- All projects are initially reviewed and most are of a size that small businesses can reasonably perform either as a prime contractor or as a subcontractor. Very few projects last longer than one construction season. North Dakota is largely a rural state and as a state agency our appropriations for transportation projects are small.
- All projects are reviewed, in the development stage, to determine if it is feasible to unbundle large projects to such a size that small businesses can reasonably perform.
- In the actual bidding process small businesses are afforded the opportunity to retrieve a pre-bid report throughout the week prior to the bid opening. The report lists the projects all prime contractors and subcontractors intend to submit bids or quotes on. The report is final the day before the bid opening at 11 a.m. Central Time.
- All small business enterprises have the ability to access the CRD's Listserv which posts the pre-bid addendums, notification of projects being let by other local, state, and federal agencies, and other pertinent notifications regarding the Department's bid opening process.
- All small business enterprises have the ability to sign-in and advertise on the Department's Online Contractor Sign-In and Advertisement Systems.
 - Prime contractors and subcontractors wishing to receive or provide quotes may use the Contractor Advertisement System to solicit quotes, and provide contact information to enhance contracting opportunities for small businesses
 - Prime contractors and subcontractors wishing to receive or provide quotes may use the Contractor Sign-In System to also provide contact information to enhance contracting opportunities for small businesses
- All small business enterprises may receive or view the DBE Newsletter, via the ListServ or on the Department's website
 - A means by which primes and subcontractors solicit participation on both race/gender conscious and race/gender neutral projects.
 - Training opportunities relative to performing on transportation projects or to aid small businesses enterprises in all facets of their business.
 - List of contacts for the Civil Rights Division.
 - Small business related articles and information.
- Department training offered to small business enterprises.
- All small business enterprises are covered under the Department's Prompt Payment and Retainage specification.

In the Department's initial Small Business Element, it was determined to base our assistance of small business enterprises by gauging the number of contracts under \$500,000. From April 1, 2013, to March

31, 2014, 92.5% of the Department's federal-aid prime contracts have been awarded at less than \$5 Million and 53.8% have been less than \$1 Million and 35.8% have been less than \$500,000.

In the same time period, the Department's subcontracted work on federal-aid projects showed 91.4% were less than \$500,000, which represented 978 of a total of 1,070 subcontracts.

North Dakota's harsh winters and shortened construction seasons necessitate efficient use of resources so projects can be completed in one construction season. Additionally, very small projects are sometimes combined to effectively leverage the capacity of project management staff.

The small business community in rural North Dakota are then able to successfully bid on projects in their "backyards".

PART 26 SUBPART C

GOALS, GFE, COUNTING

QUOTAS (49 CFR §26.43)

The Department will not use quotas in any way in administering this DBE program.

OVERALL ANNUAL GOAL (49 CFR §26.45)

Process

The Department submits its overall goal to DOT on August 1, on a triennial basis. The next submission of NDDOT's Goal Setting Methodology is due August 1, 2017 for the 2018-2020 fiscal years.

The Department will base its Goal Setting Methodology on the DOT's website:

<http://www.dot.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>.

Before establishing the overall triennial goal, the Department consults with minority and women's interest groups, DBEs, and non-DBEs, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses and the effects of discrimination on opportunities for DBEs.

Following this consultation, the Department will publish a notice of the proposed overall triennial goal, informing the public that the proposed overall triennial goal and its rationale are available for inspection during normal business hours at the CRD for 30 days following the date of the notice. The Department and DOT will accept comments on the goal for 30 days from the date of the notice. This advertisement will run two times in the ten major newspapers and all tribal newspapers. The goal will also be posted on the Department's web page. Copies will be provided electronically to all registered for the CRD listserv and anyone else requesting it. The notice will include addresses to which comments may be sent, including offices and websites, where the proposed overall triennial goal may be reviewed.

Our overall triennial goal submission to DOT will include a summary of information and comments received during this public participation process and the Department's responses.

The Department implements the overall goal on October 1, on a triennial basis. ([Resource Link J](#))

Goals will be assigned on construction projects to achieve the overall goal through race/gender conscious and race/gender neutral means. Consultant participation will be achieved through race/gender neutral participation.

SHORTFALL ANALYSIS (49 CFR §26.47)

The Department will make every effort to encourage contractors to meet project goals on Race/Gender Conscious projects and achieve participation on Race/Gender

Neutral projects. Based on revisions to the federal regulations that took effect Jan. 28, 2011, if NDDOT does not meet its projected overall DBE goal at the end of a fiscal year, the reasons for not achieving the goal must be analyzed and specific steps taken in order to fully meet the goal in the new fiscal year. The analysis and corrective actions must be submitted within 90 days of the end of the fiscal year to the appropriate US DOT operating authority.

The Department will determine a process to submit a shortfall analysis by December 31 each year if the DBE goal is not met.

CONTRACT GOALS (49 CFR §26.51)

The Department will meet the maximum feasible portion of its overall goal by using race/gender neutral means of facilitating race/gender neutral DBE participation.

The Department will use race/gender conscious contract goals to meet any portion of the overall goal that it does not project being able to meet using race/gender neutral means. The Department will establish contract goals only on DOT-assisted contracts where subcontracting opportunities are specifically identified. The Department will not necessarily establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each contract (e.g., type and location of work and availability of DBEs to perform the particular type of work).

DBE PROJECT GOAL SETTING RESPONSIBILITIES

The DBELO or her designee sets project goals. Goals are approved by the Office of Operations Director or a designee.

Approximately nine weeks prior to each bid opening, each federally-funded project is reviewed and data is compiled by staff from the Design Division or Local Government Division relative to specific bid items previously quoted on by DBEs, including quantities, projected costs, and the location of the project. This information is then provided to the CRD for analysis and setting of project goals.

The Department will express its contract goals as a percentage of the federal aid share of a DOT-assisted contract.

The Department will bring to the attention of the DOT any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 49 CFR Part 26.109. The Department will also consider similar action under its own legal authorities, including responsibility determinations in future contracts.

DBE PARTICIPATION REVIEW COMMITTEE

The DBE Participation Review Committee (Committee) is made up of three voting members: one member each from the CRD, Construction Services Division, and Financial Management Division. The DBELO, or her designee, chairs this committee.

If the bidder does not meet the project goal, the CRPA compiles, analyzes, presents data, and prepares the DBE Participation Review form to be heard by the Committee. Construction Services Division reviews the CRPA's statistical analysis of quotes.

Bidders and quoters on a project on which the DBE goal is not met must demonstrate and document that they have made every reasonable effort in good faith to meet the project goal within seven (7) calendar days of the bid opening and submit the required SFN 60829 Contractor Good Faith Efforts Documentation ([Resource Link W](#)) as required by the DBE race/gender conscious special provision ([Resource Link L](#)) after bid submittal.

The Committee is responsible for determining whether the bidder's good faith efforts are sufficient and notifying the Director of its determination of whether a bidder has documented a responsible proposal.

The Department will ensure that all information is complete, accurate, and adequately documents the bidder's good faith efforts before the Department commits to the performance of the contract by the bidder.

GOOD FAITH EFFORTS (49 CFR §26.53)

This Good Faith Efforts process is for low bid and/or design, bid, build contracting methods. Should the department utilize an innovative construction method, such as design build, a good faith efforts process will be adjusted as needed.

Bidders' and Quoters' Compliance

The Department uses the **Responsibility Approach** to the bidder's compliance with good faith efforts requirements. As such, all required documentation must be submitted no later than 4 p.m. Central Time seven (7) calendar days after the bid opening. Additionally, if the goal is not met at the time of bid, the apparent low bidder has the seven day window to cultivate additional participation to achieve the goal. The DBE race/gender conscious and race/gender neutral special provisions ([Resource Link L](#)) require bidders and quoters to comply with required documentation, regardless of whether they are the successful bidder or quoter. The appropriate DBE special provision is included in all DOT-assisted transportation contracts.

All bidders electronically complete and submit Form A ([Resource Link T](#)) at the time of bid, replacement copies are found in ([Resource Link L](#)). Form A contains:

- The name, address, and phone number of the DBEs quoting the project
- The name, address, and phone number of the DBEs being used
- The specific specification and code number for the services or products to be supplied
- The total dollar value of the work to be performed.
- The percentage of the dollar value being performed by the DBE

The proposal submitted by the bidder contains a clause binding the bidder to perform all the special provisions included in the contract. This is considered the bidder's written commitment to use the DBE listed on Form A.

The 7 calendar days will be reduced to 5 calendar days on January 1, 2017.

Demonstrating Good Faith Efforts on Projects with Assigned Goals

If the project goal is not met within seven (7) calendar days of the bid opening, bidders must demonstrate and document that they have made a good faith effort to meet the contract goal as required in the race/gender conscious special provision. Examples of good faith efforts are found in Appendix A to 49 CFR Part 26 and the race/gender conscious special provision. ([Resource Link L](#)) Documentation required for a contractor's good faith efforts toward meeting the project goal are spelled out in the RGC SP and in SFN 60829 ([Resource Link W](#)).

The Department will scrutinize a bidder's documented good faith efforts. When the apparent low bidder fails to meet the contract goal, but others meet it, it is reasonable to question whether the apparent low bidder made good faith efforts to meet the goal. (Appendix A to 49 CFR § 26 V) When evaluating the efforts of the low bidder to meet the contract goal, the Department will review the performance of other bidders.

A bidder will not be deemed to demonstrate good faith if he or she rejects a DBE simply because it is not the low bidder, or if the bidder is unable to find a replacement DBE at the original price.

The bidder must show that it took all necessary and reasonable actions to achieve a DBE goal which, by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient DBE participation, even if the bidder's actions were not fully successful.

If the bidder indicates that it intends to self-perform work quoted by a DBE, a written comparison between the prime's cost of performing the specific spec/code item and the DBE's quote must accompany SFN 60829 according to this Special Provision. The prime must fully detail the methodology applied in calculating the cost of their self-performed work items.

Appropriate evidence documenting solicitation to DBE contractors must be submitted if the goal is not met. SFN 60829 Contractor Good Faith Efforts Documentation ([Resource Link W](#)) guides the bidder through the required steps for submission. The Department's evaluation of the efforts will be based on the bidder's submitted documentation.

Department's Evaluation of Good Faith Efforts

- If the apparent low bidder fails to achieve the project goal and fails to provide acceptable GFE documentation by the deadline, the DBE Participation Review Committee (Committee) will notify the Director or a designee that the bidder failed to demonstrate GFE and recommend to "not award" the project to the bidder. The Department may reject the proposal.
- For apparent low bidders who have not met the project goal but have provided all required documentation, the Committee will evaluate the bidder's DBE participation and thereafter make a determination on whether the bidder adequately demonstrated GFE. The Committee will communicate its determination in writing to the Office of Operations Director (Operations).
- If it appears to the Department that a DBE quote was reasonable but not used, Operations will provide the bidder the opportunity to commit to use the DBE or DBE performing another type of

work to increase participation. A corrected Form A and completed Form C with the DBE must be submitted prior to award. The bidder is responsible for all additional costs incurred.

If the Department determines that a Non-DBE's quote is reasonable, the low bidder and Non-DBE/BD must both sign and submit a Form C prior to award. Faxed or photocopied signatures are acceptable.

Administrative Reconsideration 49 CFR § 26.53 (d)

Administration Reconsideration is the process that follows the DBE Participation Review Committee's "not award" determination which is made when the bidder has not met its assigned goal and has not demonstrated sufficient good faith efforts in attempting to meet the goal.

The Race/Gender Conscious SP specifies this process. Effectively, Administrative Reconsideration allows a bidder to make its case to executive management for not having met the goal or for not using a DBE. In this process:

- The ALB has two calendar days to respond with documentation or argument(s) concerning whether its good faith efforts to meet the goal were adequate.
 - An in-person reconsideration meeting is available at the ALB's request.
- The Director's designee(s) will consider any information submitted.
- The NDDOT reconsideration decision will be made by the Director's designee(s), who will not have taken part in the original determination.
 - If the Director's designee(s) determines the ALB made adequate good faith efforts to meet the goal, the job will be recommended for award.
 - If the Director's designee(s) determines that the ALB has failed to sway the decision from "Not Award", the ALB will receive written notice of the decision.
- The Director will make the final decision and may exercise such discretion as deemed appropriate.
- The result of the reconsideration process is not administratively appealable to the US Department of Transportation.

Contract Compliance After the Time of Award

49 CFR 26.53(f)(1) i. states the prime contractor shall not terminate a DBE subcontractor listed at the time of award (or an approved substitute DBE firm) without the Department's prior written consent. 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.

Additionally, on replacing a DBE, primes are required to find a replacement to perform at least the same dollar amount of work under the contract to meet the contract goal (see Appendix A to Part 26-New Guidance Concerning Good Faith).

The Department includes in each prime contract a provision stating:

(A) That the contractor must utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains written consent; and

(B) That, unless the Department's consent is provided, the contractor must not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

Exception for Replacements Due To Public Necessity

When replacement work is required as a matter of public necessity, (e.g., safety, storm water issues), the contractor must immediately notify the project engineer and the DBE or Non-DBE/BD intended at the time of award. If the DBE or Non-DBE/BD is unable to perform the work within the time specified by permit or administrative rule, the DBE or Non-DBE/BD must notify the prime immediately; and, within one business day, a written explanation must be submitted to the prime with a copy to the project engineer. The project engineer refers all replacement approval requests to the ADE. In a case of public necessity, the ADE has the authority to allow the contractor to self-perform the replacement work or to find another contractor to complete it.

Termination for Cause

A DBE or Non-DBE/BD may not be terminated without the Department's prior written consent.

The Department will provide such written consent if the Department agrees that the contractor or subcontractor has good cause to terminate the DBE firm or Non-DBE/BD.

Circumstances which may be considered good cause for termination include when the listed DBE or Non-DBE/BD:

- Fails or refuses to execute a written contract
- Fails or refuses to perform the work of its subcontract in a way consistent the Department's Standard Specifications and/or with normal industry standards, provided, that good cause does not exist if the failure or refusal of the listed DBE or Non-DBE/BD to perform its work on the subcontract results from the bad faith or discriminatory action of the prime or subcontractor
- Fails or refuses to meet the prime contractor's reasonable nondiscriminatory bond requirements
- Becomes bankrupt, insolvent, or exhibits credit unworthiness
- 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
- Is ineligible to receive DBE credit for the type of work required
- Dies or becomes disabled with the result that the listed DBE or Non-DBE/BD is unable to complete its work on the contract
- Other documented good cause that the Department determines compels the termination of the listed DBE or Non-DBE/BD

Good cause does not exist if the prime contractor or subcontractor seeks to terminate a DBE or Non-DBE/BD which was relied upon to obtain the contract so that the contractor can self-perform the work for which the DBE or Non-DBE/BD was engaged or so that the contractor can substitute another DBE or Non-DBE contractor after contract award.

The contractor must immediately give written termination notice to DBE or the Non-DBE/BD. At the same time, SFN60595 ([Resource Link S](#)) and its supporting documentation must be provided to the project engineer for review and analysis of the reasons for the intended termination.

The contractor must give the DBE or Non-DBE/BD five calendar days to respond to the termination notice. Within that time, the DBE or Non-DBE/BD should respond with a written explanation of their reasons and/or objections to the proposed termination and specifically address why the Department should deny the contractor's request. This explanation should be submitted in reply to the contractor with a copy to the project engineer.

The project engineer will send the contractor's SFN60595, ([Resource Link S](#)) the DBE or Non-DBE/BD's written response(s) and any other accompanying documentation to the Civil Rights Division (CRD). If the CRD concurs that a termination is warranted, the contractor must seek a DBE to perform the work.

All DBEs currently certified in the specific area of work to be performed, must be contacted in writing or by phone, and quotes solicited. If available, a DBE will be selected to perform a dollar value of work, equal to the value of the commitment not achieved, unless the contractor can demonstrate the DBE quote is unreasonable, using the same comparison in section "Good Faith Efforts Documentation."

Upon receipt of appropriate written GFE documentation, and prior to commencement of any replacement work, CRD will consider the contractor's efforts and provide a final written decision to the project engineer.

In instances where trucking replacements are sought, DBEs and/or Non-DBEs as allowed by regulation must be selected to cover all the trucking required until sufficient participation is met.

Unfulfilled Obligations

If the goal has not been met at the time of award, the contractor must continue to make good faith efforts throughout the duration of the contract, that is, from the time of award until completion of the contract.

The Department requires SFN60595 ([Resource Link S](#)) and its supporting documentation when a contractor, DBE, or Non-DBE/BD does not fulfill her or his obligations in any of the following situations:

- The prime contractor is unable to perform the full amount of work committed to be completed, by the prime's workforce and equipment, at the time of award, or
- The Non-DBE/BD to which the prime contractor committed using at the time of award, is unable to perform the full amount of work, or
- The DBE or Non-DBE/BD withdraws voluntarily from the project and provides to the prime written notice of its withdrawal.

SFN60595 ([Resource Link S](#)) and its supporting documentation must be provided to the project engineer for review and analysis. If the DBE or Non-DBE/BD is not able to perform, the prime contractor must provide written documentation from the DBE or Non-DBE/BD as to the reasons. The project engineer refers all replacement approval requests to the ADE.

If the Department concurs that a substitution is warranted, the prime contractor will seek a DBE to perform the work. All DBEs currently certified in the specific area of work to be performed, must be contacted in writing or by phone, and quotes solicited. If available, a DBE will be selected to perform a dollar value of work, equal to the value of the commitment not achieved, unless the contractor can demonstrate the DBE quote is unreasonable, using the same bid differential comparison in section "Good Faith Efforts Documentation."

In instances where trucking replacements are sought, DBEs and/or Non-DBEs as allowed by regulation must be selected to cover all the trucking required until sufficient participation is met.

The Civil Rights Division will provide a written final determination to the project engineer.

The prime contractor is responsible for any additional costs incurred as a result of the prime contractor's failure to fulfill the original commitment or the DBE or Non-DBE/BD's failure to perform.

Good Faith Efforts in the event of Significant Change Orders

Change orders over \$500,000 that will significantly change the project have an impact on the project goal, the contractor's goal achievement, and the contracting opportunities available to DBE and other small businesses.

The Department processes change orders per the purchasing procedures in North Dakota Century Code CHAPTER 54-44.4 STATE PURCHASING PRACTICES NDDOT Construction Manual Section 5 Contract Changes/Estimates page 8 outlines the Department's procedures to process change orders and the values various personnel are authorized to approve.

Change orders over \$500,000 are considered a Major Change/Major Extra Work and must be authorized by the Office of Operations Director. (See page 8 NDDOT Construction Manual Section 5)

If the project has an assigned DBE goal, the prime must submit SFN60595 to document its good faith efforts to solicit and hire DBEs to perform the work and increase their participation toward the new project goal amount.

The Office of Operations and Civil Rights Division will evaluate the specific changes in cost, character, or scope of work. When a Major Change/Major Extra Work change order is presented to the Office of Operations, Civil Rights Division will be notified. Following notification, Civil Rights Division and Office of Operations will meet to consider the following.

1. How does the change in value affect the prime's goal achievement?
2. Will the prime's current participation including the new amount meet the goal?
 - i. If not, how much more participation is needed to achieve the goal with the new amount?
3. Are there DBEs currently on the project who could be hired to do the work?
 - i. If so, has a quote from the DBE been solicited?
4. Is this new work? Are subcontractors new to the project required?
 - i. If so, did the prime provide adequate GFE documentation?
5. Are there DBEs in the DBE Directory who are certified to perform the work being changed?
 - i. If so, did the prime provide adequate GFE documentation?
 - ii. If not, no further Good Faith Efforts are required.

After review of the above, the Office of Operations Director will determine whether to approve the change order. If approved, the project's change order will be entered into the CRCCS online software.

Non-Compliance, Failure to Perform and Sanctions

Contractors who repeatedly fail to perform the contract requirements, make late contract-related payments, or employ fraudulent practices risk sanctions which may include, but are not limited to:

- (1) Withholding monthly progress payments;
- (2) Deducting the DBE participation dollar amount (difference between committed to and achieved);
- (3) Finding the contractor in default;
- (4) Assessing sanctions;
- (5) Liquidated damages; and/or
- (6) Disqualifying the contractor from future bidding as non-responsible;
- (7) Any combination of the above.

COUNTING DBE PARTICIPATION (49 CFR §26.55)

The Department will count DBE participation toward our overall annual goal as provided in 49 CFR Part 26.55 as noted in either Special Provision - Race/Gender Conscious (page 11) or Race/Gender Neutral (page 6) as specified under Counting DBE Participation.

No DBE credit is given toward any goals if the firm is not certified at the time of the execution of the contract.

Dollar value of work performed by a DBE after it has ceased to be certified is not counted toward a project's goal or the Department's overall goal.

The Department does not count the participation of a DBE subcontractor toward a contractor's final compliance with its DBE obligations on a contract until the amount being counted has actually been paid to the DBE.

The Department counts DBE participation as follows:

Manufacturer: Materials or supplies obtained from a DBE manufacturer, count 100 percent of the cost of materials or supplies toward DBE goals.

Regular Dealers: Materials or supplies purchased from a DBE regular dealer, count 60 percent of the cost of the materials or supplies toward DBE goals.

Regular Dealers vs. Brokers/Expeditors/Facilitators: On a case-by-case basis, DBE regular dealers may count only the fees/commissions charged for providing procurement assistance as a manufacturers' representative or expeditor of transactions. The key factor in this determination is whether the prime and/or its subcontractors could have ordered the materials without the DBE's assistance. If a non-DBE contractor could have procured the materials or supplies without the intervention of the DBE, the DBE is not performing a regular dealer capacity. To

assist in determining the difference, the Department will poll each regular dealer to request their ordering and delivery process.

Joint Ventures: When a DBE performs as a participant in a joint venture, the Department will count only 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.

Trucking: The Department counts DBE trucking on a one-for-one basis. A DBE, on each of its contracts, must first own and operate at least one fully licensed, insured and operational truck. A DBE may then supplement its fleet using lease/broker agreements. Full credit is given for the transportation value of leased/brokered trucks owned, operated and insured by other DBEs. A DBE trucker may lease/broker trucks from non-DBEs, except the prime or prime affiliates, as long as the lease shows the DBE has exclusive use and control of the truck. A DBE who leases/brokers trucks from other DBEs may take full credit for leasing an equal number of non-DBE trucks. If a DBE leases trucks from non-DBEs, the total value of trucking services provided by non-DBEs cannot exceed the value of trucking services provided by DBEs. When a DBE leases more non-DBE than DBE trucks, only the fee or commission the DBE trucker receives is credited for the extra non-DBE trucks. A DBE trucker is responsible for identifying the number of trucks to be used on a project for DBE participation credit. The DBE must provide a DBE Weekly Trucking Report to the prime (with a copy to the project engineer) which will indicate the number of DBE-owned trucks and the number of non-DBE trucks the DBE has provided for use on the contract.

For further detail, see either DBE Special Provision.

PART 26 SUBPART D – CERTIFICATION STANDARDS

BURDENS OF PROOF (49 CFR §26.61)

A firm seeking certification has the burden of demonstrating, by a preponderance of the evidence, that it meets the requirements of Part 26 Subpart D concerning group membership or individual disadvantage, business size, ownership, and control.

Members of the designated groups identified in 26.67(a) are presumed to be socially and economically disadvantaged. Applicants in the designated groups must submit a signed, notarized statement that they are a member of one of the groups noted in 26.67(a).

Individuals who are not members of the designated groups, have the burden of proving, by a preponderance of the evidence, that they are socially and economically disadvantaged.

Determinations on whether individuals and firms have met their burden of demonstrating group membership, ownership, control, and social and economic disadvantage (where disadvantage must be demonstrated on an individual basis) by considering all the facts in the record, viewed as a whole.

GROUP MEMBERSHIP (49 CFR §26.63)

Members of the designated groups identified in 26.67(a) are presumed to be socially and economically disadvantaged. Applicants in the designated groups must submit a signed, notarized statement that they are a member of one of the groups noted in 26.67(a).

In making such a determination, the Department will consider whether the person has held himself out to be a member of the group over a long period of time prior to application for certification and whether the person is regarded as a member of the group by the relevant community.

To prove their membership in a designated group, individuals may provide documentation of memberships in ethnic organizations, i.e., the Black Chamber of Commerce; birth certificates that indicate an individual's parentage; an individual

with disabilities may provide loan application denials or other supporting documentation which shows the inability to access capital.

BUSINESS SIZE DETERMINATIONS (49 CFR §26.65)

To be an eligible DBE, a firm (including its affiliates) must be an existing small business as defined by Small Business Administration (SBA) standards.

The Department will apply current SBA business size standards found in 13 CFR part 121 appropriate to the types of work a firm seeks to perform in DOT-assisted contracts, including the primary industry classification of the applicant.

The firm is not an eligible DBE in any Federal fiscal year if the firm has had average annual gross receipts over the firm's previous three fiscal years, in excess of \$23.98 million. The financial management subject matter expert reviews the firm and its affiliates to determine whether their gross receipts average complies with the regulation.

SOCIAL AND ECONOMIC DISADVANTAGE (49 CFR §26.67)

The Department presumes that members of the designated groups identified in 26.67(a) are socially and economically disadvantaged. Applicants in the designated groups must submit a signed, notarized statement that they are a member of one of the groups noted in 26.67(a).

The Department requires each individual owner of a firm applying to participate as a DBE, whose ownership and control are relied upon for DBE certification, to certify that he or she has a personal net worth that does not exceed \$1.32 million. The applicant owner must submit their supporting documentation through the online application system. The online personal net worth form mirrors the DOT Personal Net Worth Statement and is in full compliance with the federal rule requiring the use of the form with no revisions. The financial statement and tax documentation is reviewed by a financial management subject matter expert for compliance with the regulation governing economic disadvantage.

OWNERSHIP (49 CFR §26.69)

To be an eligible DBE, a firm must be at least 51 percent owned by socially and economically disadvantaged individuals. The financial management subject matter expert reviews whether the applicant's capital or expertise to acquire their

ownership interests is real, substantial, and continuing. To make that determination, the financial management subject matter expert reviews debt instruments, loan documents, the firm's value vs. contributions, transfers, bank signature cards and contracts among other submitted documentation.

CONTROL (49 CFR §26.71)

A DBE applicant firm must prove its independence from other firms, employee/employee relationships between disadvantaged owners of the potential DBE and non-DBE firms or people associated with non-DBE firms. The applicant's control of the firm is reviewed and scrutinized in accordance with 26.71.

The Department will grant certification for only those specific types of work in which the socially and economically disadvantaged owner has the ability to control the firm with respect to that type of work. The Department will assign the NAICS code(s) and descriptor(s) that most narrowly and specifically describe the work being requested for certification and performance on federally-assisted contracts. Firms may request and be certified in multiple NAICS codes where appropriate. When an existing DBE firm requests to be certified to perform additional services beyond their existing certified services, the new NAICS code(s) will also be as specific as possible for the work being requested.

The firm bears the burden of providing detailed company information needed to make an appropriate NAICS code designation.

OTHER RULES (49 CFR §26.73)

The Department will not include requirements outside of the scope of DBE certification such as prequalification status, state business licenses, or whether the applicant's type of work is likely to be performed in the state.

PART 26 SUBPART E – CERTIFICATION PROCEDURES

UNIFIED CERTIFICATION PROGRAM (49 CFR §26.81)

The Department, under its Unified Certification Program (UCP) agreement, makes all certification decisions on behalf of FHWA, FAA, and FTA recipients. Certification decisions under the UCP are

binding on all DOT recipients in North Dakota. An applicant is only required to apply to the Unified Certification Board for DBE certification and once certified, the certification will be honored by all DOT recipients in North Dakota. The Department coordinates the UCP responsibilities for FHWA, FAA, and FTA recipients. There is no cost to FTA or FAA for these coordinated efforts.

Under the UCP, the DBE certification standards of 49 CFR Subpart D of Part 26, and the DBE certification procedures of Subpart E of Part 26, and Part 23 for airport concessions, are used to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. Certification decisions will be based on the facts as a whole.

The UCP will cooperate fully with oversight, review, and monitoring activities of the DOT and its operating administrations. The Department will implement DOT directives and guidance concerning certification matters. The Department will carry out all obligations with respect to certification and nondiscrimination requirements contained in 49 CFR Part 26 and Part 23.

The Department certifies the eligibility of DBE firms for purposes of this program. The Department certifies eligible firms that primarily provide services and/or products related to the development, construction, maintenance, and operation of a transportation system. It is the responsibility of the applicant to provide the necessary information as requested by the Department. The burden of proof of eligibility within the program is upon the applicant, not the Department. Prior certification by another state or agency does not ensure certification by the Department.

Only firms certified by the Department at the time of the execution of the contract can be counted for participation toward meeting any DBE goals except as provided for in 49 CFR Part 26.87.

[Image Viewer - \[UCP Agreement for DBE between DOT and all ND Airport Authorities 2002.pdf\]](#)

Staffing

The DBELO has a Civil Rights Program Administrator (CRPA) and an Administrative Assistant (AA) assigned to the DBE program as part of their duties. The CRPA serves as a non-voting member of the DBE Participation Review Committee (unless designated by the DBELO) and is a member of the DBE Unified Certification Board (Board) and processes DBE applications, compiles data for the DBE Directory ([Resource Link G](#)), may conduct DBE project site and home office reviews, conducts and writes the annual review of the supportive services contractor, prepares statistical data for various reports, and updates the DBE Directory as needed.

Should an applicant apply for certification as a concessionaire, the ND Aeronautics Commissioner provides a designee to serve as a voting member of the Board.

New members to the Board are provided training. Full time members from the CRD, Construction Services Division, and Financial Management Division generally sit in as an observer for approximately 2-3 months before they become a voting member. Other division representatives serve as subject matter experts on an as needed basis.

All costs to support the unified certification program have been, and will continue to be, included in the CRD annual budget. The ND Aeronautics Commission designee will serve on the Board at no cost to the Department.

DBE UNIFIED CERTIFICATION BOARD

The DBE Unified Certification Board is made up of any three voting members; one from the CRD, one from the Financial Management Division, and one subject matter expert representing any of the following divisions: Bridge, Communications, Construction Services, Design, Environmental and Transportation Services, Information Technology, Human Resources, Local Government, Maintenance, Materials and Research, Planning & Asset Management, or Programming. The North Dakota Aeronautics Commission provides a member for airport related applicants. The DBELO, CRD, or her designee, chairs the Board. In the case of an interstate certification applicant where subject matter expertise is not readily available within the Department, contact with the home state to determine the means used to establish expertise is appropriate.

The CRPA and DBESS prescreen DBE applications before they are presented to the board. The CRPA reviews, analyzes, compiles, and presents data, and prepares the DBE Certification recommendation form for signature by the applicable board members. (In house forms - SFN 17539-renewal, SFN 14853-new.)

The CRD division director or designee reviews the application as a whole as it relates to the regulations. The application's financials are reviewed by the Financial Management Division member. The subject matter expert member serves in an ad hoc role depending on the applicant's type of work.

DBE DIRECTORY (49 CFR §26.81)

See 49 CFR §26.31 DBE Directory Section on Page 19 of this manual and ([Resource Link G](#)).

CERTIFICATION DECISION PROCEDURES (49 CFR §26.83)

North Dakota firms wishing to participate as DBE contractors, subcontractors, manufacturers, regular dealers, joint ventures, or mentor-protégées in any project using federal funds from the FHWA, FTA, or FAA must be certified by the Department's UCP. To this end, the Department has established the following procedures to be followed in the certification of these in-state firms.

DBE Application

Each business, including the DBE partner in a joint venture, wishing to participate as a DBE must complete and submit the DBE Uniform Certification Application through CRCCS. The Department does not accept paper/hard copy applications or any electronic versions other than through CRCCS.

The UCP requires an applicant to submit the federal Uniform Certification Application and Personal Net Worth Statement without modification. The electronic online system application mirrors the required USDOT DBE Application and Personal Net Worth Statement and is in full compliance with the federal rule requiring the use of the form with no revisions.

The online certification system allows electronic signatures of the owner(s) applicant(s); however, any documents which must be signed before a notary public must be scanned and uploaded to the system.

The application may be launched either from the Department's web page at <http://www.dot.nd.gov/divisions/civilrights/dbecert.htm> or by navigating directly to: <https://dotnd.diversitycompliance.com/> ([Resource Link N](#))

All communication with applicants is exchanged within the system. All requests for supporting documentation and answers to questions regarding the application is exchanged through the system. Each member of the UCP has access to the system. Certification decisions are based solely on the application, its documentation, and the interview (a recording of which is also stored in the applicant's record).

In accordance with 49 CFR §26.83 (c)(2), the Department requests supplemental documents to be uploaded depending on the type of business seeking certification - SFN 17542 – Checklist of Services. (<http://www.dot.nd.gov/forms/SFN17542.pdf>) is located on the Department's DBE forms webpage. SFN 17642 will allow the UCP to easily identify the services an applicant wishes to be certified to perform. In the case of an interstate certification, an "affidavit of correct and current application" is required ([Resource Link X](#)).

The Department's DBE Program home page includes instructions, links, Frequently Asked Questions, and other resources for applicants.

Documentation may be required to verify applicant's assertions of fact such as copies of contracts, copies of commercial driver's licenses, or spousal renunciation, if a reasonable person would require additional information.

The applicant's record once started, is saved into the system. The applicant may continue with the application at any time by simply logging in to the account record. Therefore, an applicant has the option of entering and saving information over time. The system allows the applicant to print any page, instruction, or make a screen capture for later use and reference.

Each entity wishing to participate as a DBE joint venture must complete and upload the Application for Determining Joint Venture Eligibility (SFN 6805) ([Resource Link O](#)).

All North Dakota-based certification applications (DBE or ACDBE - airport concessionaire applicants) will be handled in the same manner. The Department will not accept SBA certification documentation as substitutions for the DBE Uniform Certification Application.

Applicants wishing to apply for DBE status or DBE joint venture eligibility may do so through the CRCCS system.

DBE Applicant Assistance

With access to CRCCS, DBE Supportive Services Consultants are able to identify when new applicants establish an account and begin their work. Thereafter, DBESS contacts the applicant to offer assistance in completing the application or in answering any questions regarding the certification process.

A list of the documentation required to complete the application is located in the applicant's CRCCS account record and in the Resources section of the DBE home page. ([Resource Link K](#))

On-site/home-office and/or project site reviews are conducted on all in-state applicants prior to their oral interview with the Board. Out-of-state applicant's home office reviews are requested from their home-state Department of Transportation. The Department is not required to process an application for certification from a firm having its principal place of business outside the state if the firm is not first certified by the UCP in the state in which it maintains its principal place of business. (§26.81(d)) Therefore, applicants must be certified in their home state before applying for certification in North Dakota.

Oral Interview

The DBE Application and any Applications for Determining Joint Venture Eligibility ([Resource Links M](#) and [N](#)) are reviewed by the Board. All applicants applying for certification will be invited to participate in an oral interview (either face-to-face or via electronic means) with the Board. If this proves to be a hardship for an applicant, the Board will make other arrangements for the oral interview on a case-by-case basis.

Interviews are conducted with each applicant(s) making up at least 51 percent ownership. The interviews are scheduled as needed to accommodate applicants in their process in a timely manner. The questions asked of the applicant(s) concern ownership, financial arrangements, day-to-day management and control, expertise in the area(s) in which the applicant is seeking certification, or any other questions the Board deems appropriate. All oral interviews are recorded.

In instances where the applicant is an airport concessionaire, the representative from the ND Aeronautics Commission will ask the expertise questions during the oral interview.

Under §26.83 (k), the Department must make decisions on applications for certification within 90 days of receiving, from the applicant firm, all information required in the certification process. This time may be extended for no more than an additional 60 days upon written notice to the firm explaining fully and specifically the reasons for the extension. The Department's failure to make a decision by the applicable deadline is deemed a constructive denial of the application, on the basis of which the firm may appeal to DOT under 49 CFR Part 26.89.

The Department will advise each applicant within 30 days from the receipt of the application whether the application is complete and suitable for evaluation, and if not, what additional information or action is requested.

The Board determines whether to certify the firm based on its application as a whole. If the Board determines the firm is to be certified, a letter is sent to the applicant firm notifying them of the Board's determination. If the Board determines the firm is to be denied, it will make a recommendation to the Office of Operations Director to deny certification of an applicant based on the information provided, the oral interview, 49 CFR Part 26 and Part 23, and the Department's DBE program. The Office of Operations Director makes the decision to deny certification to the applicant(s).

The Department makes all necessary and reasonable efforts to expedite the certification process. Where applicable, FTA and FAA recipients will be notified of certification actions for applicants in their field. All certification decisions by the Board are binding on all Department recipients.

The Department may make additional on-site/home office reviews or project-site reviews at random to determine the continuing eligibility of a DBE firm.

State DOTs/UCPs are encouraged to perform onsite reviews on a regular basis. The Department's Statewide DBE SS will review up to 10 North Dakota-based DBEs on an annual basis. During these onsite reviews, the State DOT/UCP will review relevant documents as long as such requests are reasonable.

The Department safeguards from disclosure to unauthorized persons information gathered as part of the certification process that may reasonably be regarded a proprietary or other confidential business information, consistent with applicable federal, state, and local law.

Notice of Changes and Annual Affirmation of DBE Program Eligibility

DBE firms are required to notify the Department in a written affidavit, of any change in circumstances affecting its ability to meet size, disadvantaged status, ownership or control criteria of 49 CFR Part 26, or of any material changes in the information provided with the specific DBE's application for certification.

DBEs are required to submit the affidavit and its accompanying documentation (business tax returns) through the CRCCS system. With any material changes in management responsibility among members of a limited liability company, the DBE must notify the Department and provide supporting documentation describing in detail the nature of such changes. DBE firms must submit the written notification within 30 days of the occurrence of the change. If the DBE firms fails to make timely notification of such a change, the firm will be deemed to have failed to cooperate under 49 CFR Part 26.109(c).

DBE firms are required to annually submit a Notice of Changes and Annual Affirmation of DBE Program Eligibility (SFN 52158) ([Resource Link P](#)) (also known in other states as Affidavit of No Change), to the Department on the anniversary date of certification. The affidavit must comply with the requirements of 49 CFR 26.83(j). CRCCS will send DBEs whose annual affidavit of no change is due email notices of the date due 90, 60, and 30 days in advance of the due date. The emails will contain instructions and a link to the system.

INTERSTATE CERTIFICATION (49 CFR §26.85)

49 Code of Federal Regulations §26.85(c) states that any firm that is currently certified in its home state and wishes to become certified as a DBE in North Dakota, must provide the following information through the CRCCS online system. Any notarized documentation must be scanned and submitted by fax or attached online through the system.

In the case of DBEs applying for interstate certification, the Department will make every effort to facilitate the application.

The Department will not require a new application from a DBE currently certified in its home state. In addition to DBE Supportive Services, interstate certification applicants have access to numerous resources on the DBE home page. ([Resource Link K](#))

In order to be certified:

- (1) The applicant must provide to the NDDOT UCP a copy of its home state certification letter, a complete copy of its home state application form with all supporting documents, and any non-duplicative information submitted to any other state for the purpose of certification. "Supporting documents" refers to all documents submitted to the home state as part of the firm's initial certification application package. This includes any notices of changes (§26.83(i)), affidavits of no change (see §26.83(j)) and the accompanying federal tax returns submitted to the home state to support its continuing DBE Program eligibility. The applicant must submit any correspondence with their home state (or any other recipient) concerning an application or their status as a DBE firm.
- (2) The applicant must also provide to NDDOT any notices or correspondence from states other than the home state relating to its status as an applicant or certified DBE in those states. For example, if the applicant has been denied certification or decertified in a state other than the home state, or subject to a decertification action there, the applicant must inform NDDOT of this fact and provide all documentation concerning this action to NDDOT.
- (3) If the applicant has filed a certification appeal with DOT (see §26.89), it must inform NDDOT of the fact and provide NDDOT with the letter of appeal and DOT's response.
- (4) The applicant must submit an affidavit ([Resource Link X](#)) sworn to by the firm's owners before a person who is authorized by State law to administer oaths or an unsworn declaration executed under penalty of perjury of the laws of the United States to affirm that all the information required by 49 CFR 26.85(c) has been submitted, that the information is complete and, in the case of the information required above (§26.85(c)(1)), is an identical copy of the information submitted to the home state.

For purposes of categorizing the work to be certified and to define the equipment, especially trucks, to be included on the DBE Directory, out-of-state DBE applicants are also asked to include:

- A current Checklist of Services - specific services being requested for certification (<http://www.dot.nd.gov/forms/SFN17542.pdf>), NAICS codes being requested, and a narrative on the services an applicant proposes to be certified to perform.
- A current list of Equipment to be used working in North Dakota so that appropriate participation may be counted toward the state's DBE Goal Achievement. The Department does not have a reciprocity agreement with any other UCP.

NDDOT will schedule an oral interview for out of state applicants to verify expertise, identify Department resources, and answer questions.

When the Department receives from an applicant firm all the information listed in the section above, the Department must take the following actions:

Request for Home State Site Visit Review

Within seven working days of receiving the out-of-state DBE's application, CRD will contact the home state and request a copy of the home-office/site visit review report for the applicant, any updates to the review report for the applicant, and any evaluation of the firm based on the site visit. According to 29 CFR § 26.85(d)(1), the home state must transmit this information to the Department within seven days of

receiving the Department's request. A pattern of the home state not complying with such requests in a timely manner is noncompliance with this Part.

If the Department has not received a copy of the site visit review report from the home state by 14 working days after making a timely request for it, the Department may hold action required by 49 CFR part 26.85(d)(2-4) in abeyance pending receipt of the site visit review report. In this event, the Department must no later than 30 days from the date on which it received from an applicant firm all the information required in 49 CFR Part 26.85(d), notify the firm in writing of the delay in the process and the reason for it.

The Board may request clarification from the applicant as necessary.

After reviewing all the documentation provided, the Board will determine whether there is good cause to believe that the home-state's certification of the firm is erroneous or should not apply in North Dakota.

Reasons for making such a determination may include the following:

- Evidence that the home state certification was obtained by fraud
- New information not available to the home state at the time of its certification, showing that the firm does not meet all eligibility criteria
- The home state's certification was factually erroneous or was inconsistent with the requirements of this part
- North Dakota state law requires a result different from that of the state law of the home state
- The information provided by the applicant firm did not meet the requirements of 49 CFR Part 26.85(c).

Unless there is good cause to believe that the home state's certification is erroneous or should not apply, the Department must, no later than 60 days from the date on which the Department received from the applicant firm all the information required by 49 CFR Part 26.85(c), send the applicant firm a notice that it is certified and place the firm on the Department's directory of certified firms.

If the Department has determined that there is good cause to believe that the home state's certification is erroneous or should not apply, the Department will, no later than 60 days from the date on which the Department received from the applicant firm all the information required by 49 CFR Part 26.85(c), send the applicant firm a notice stating the reasons for the determination.

The notice must state with particularity the specific reasons why the Department believes that the firm does not meet the requirements of 49 CFR Part 23 or 26 for DBE eligibility and must offer the firm an opportunity to respond to the Department with respect to those reasons.

- The firm may elect to respond in writing, to request an in-person meeting with the **UCP Board** (the Department's decision maker) to discuss its objections to the firm's eligibility, or both. If the firm requests a meeting, the Department must schedule the meeting to take place within 30 days of receiving the firm's request.
- The firm bears the burden of demonstrating, by a preponderance of evidence, that it meets the requirements of 49 CFR Part 23 or 26 with respect to the particularized issues raised by the Department's notice. The firm is not otherwise responsible for further demonstrating eligibility to the Department.
- The **UCP** is thoroughly familiar with the provisions of 49 CFR Part 23 or 26 concerning certification.

- The Department must issue a written decision within 30 days of the receipt of the written response from the firm or the meeting with the **UCP**, whichever is later.
- The firm's application for certification is stayed pending the outcome of this process.
- A decision under this section may be appealed to the Departmental Office of Civil Rights, USDOT, under 49 CFR Part 26.89.

DOCR Ineligibility Determination Online Database

As a UCP, when the Department denies a firm's application, rejects the application of a firm certified in their home state or any other state in which the firm is certified, through the procedures of 49 CFR Part 26.85(d)(4) or decertifies a firm, NDDOT must make an entry in the Department of Transportation, Office of Civil Rights' (DOCR's) Ineligibility Determination Online Database located on the web at:

<https://www.civilrights.dot.gov/user>

The Department must enter the following information:

- The name of the firm
- The names(s) of the firm's owner(s)
- The type and date of the action
- The reason for the action.

As a UCP, the Department must check the DOCR website at least once every month to determine whether any firm that is applying to the Department for certification or that the Department has already certified is on the list.

For any such firm that is on the list, we will promptly request a copy of the listed decision from the UCP that made it. As the UCP receiving such a request, the Department must provide a copy of the decision to the requesting UCP within seven days of receiving the request. As the UCP receiving the decision, the Department must then consider the information in the decision in determining what, if any, action to take with respect to the certified firm or applicant.

DENIAL OF INITIAL CERTIFICATION REQUEST (49 CFR §26.86)

When the Department denies a request by a firm, which is not currently certified with the Department, to be certified as a DBE, the Department must provide the firm a written explanation of the reasons for the denial, specifically referencing the evidence in the record that supports each reason for the denial. All documents and other information on which the denial is based must be made available to the applicant, on request.

When the Department denies DBE certification to a firm certified by the SBA, the Department must notify the SBA in writing including the reasons for the denial.

Applicants are also advised of their right, as provided for in 49 CFR Part 26.89, to appeal to the U.S. Department of Transportation.

The determination of ineligibility of certification is effective immediately and remains in effect until and unless the DOT makes a determination reversing the Department's action.

Applicants may correct identified deficiencies any time with no waiting period. To provide access the submitted application, Civil Rights Division will return the applicant's record for amendment through the online Civil Rights Certification and Compliance System. The applicant may then update the application in the system and submit it. ([Resource Link M](#)). DBESS will review the application for completeness and provide a recommendation to CRD.

REMOVING DBE ELIGIBILITY (49 CFR §26.87)

Third Party-Initiated Ineligibility Complaints

Any person may file a written complaint with the Department alleging that a currently-certified DBE is ineligible and specifying the alleged reasons why the firm is ineligible. The Department is not required to accept a general allegation that a firm is ineligible or an anonymous complaint.

The complaint may include any information or arguments supporting the complainant's assertion that the firm is ineligible and should not continue to be certified. Confidentiality of complainant's identities will be protected as required by 49 CFR Part 26.109(b).

The Department must review its records concerning the firm, any material provided by the firm and the complainant, and other available information. The Department may request additional information from the firm or conduct any other investigation deemed necessary.

If the Department determines, based on this review, that there is reasonable cause to believe that the firm is ineligible, the Department must provide written notice to the firm that the Department proposes to find the firm ineligible, setting forth the reasons for the proposed determination. If the Department determines that such reasonable cause does not exist, the Department must notify the complainant and the firm in writing of this determination and the reasons for it. All statements of reasons for findings on the issue of reasonable cause must specifically reference the evidence in the record on which each reason is based.

Department-Initiated Proceedings

If, based on notification by the firm of a change in its circumstances or other information that comes to the Department's attention, the Department determines that there is reasonable cause to believe that a currently certified firm is ineligible, the Department must provide written notice to the firm that it proposes to find the firm ineligible, setting forth the reasons for the proposed determination. The statement of reasons for the finding of reasonable cause must specifically reference the evidence in the record on which each reason is based.

DOT Directive to Initiate Proceeding

If the DOT determines that information in the Department's certification records, or other information available to the DOT, provides reasonable cause to believe that a firm the Department certified does not meet the eligibility criteria of 49 CFR Part 26, the DOT may direct the Department to initiate a proceeding to remove the firm's certification.

The DOT must provide the Department and the firm a notice setting forth the reasons for the directive, including any relevant documentation or other information.

The Department must immediately commence and prosecute a proceeding to remove eligibility.

Hearing

When the Department notifies a firm that there is reasonable cause to remove its eligibility, as provided for in 49 CFR Part 26.89(a-c), the Department must give the firm an opportunity for an informal hearing, at which the firm may respond to the reasons for the proposal to remove its eligibility in person and provide information and arguments concerning why it should remain certified.

In such a proceeding, the Department bears the burden of proving, by a preponderance of the evidence, that the firm does not meet the certification standards of 49 CFR Part 26.

The Department must maintain a complete record of the hearing, by any means acceptable under state law for the retention of a verbatim record of an administrative hearing. If there is an appeal to DOT under 49 CFR Part 26.89, the Department must provide a transcript of the hearing to DOT and, on request, to the firm. The Department must retain the original record of the hearing. The Department may charge the firm only for the cost of copying the record.

The firm may elect to present information and arguments in writing, without going to a hearing. In such a situation, the Department bears the same burden of proving, by a preponderance of the evidence, that the firm does not meet the certification standards, as the Department would during a hearing.

Separation of Functions

The Department must ensure that the decision in a proceeding to remove a firm's eligibility is made by an office and personnel that did not take part in actions leading to or seeking to implement the proposal to remove the firm's eligibility and are not subject, with respect to the matter, to direction from the office or personnel who did take part in these actions.

The decision maker must be an individual who is knowledgeable about the certification requirements of the Department's DBE program and 49 CFR Part 26.

Grounds for Decision

The Department must not base a decision to remove eligibility on a reinterpretation or changed opinion of information available to the recipient at the time of its certification of the firm. The Department may base such a decision only on one or more of the following:

- Changes in the firm's circumstances since the certification of the firm by the Department that render the firm unable to meet the eligibility standards of 49 CFR Part 26
- Information or evidence not available to the Department at the time the firm was certified
- Information that was concealed or misrepresented by the firm in previous certification actions by a recipient
- A change in the certification standards or requirements of the DOT since the Department certified the firm; or
- A documented finding that the Department's determination to certify the firm was factually erroneous.

Notice of Decision

Following its decision, the Department must provide the firm written notice of the decision and the reasons for it, including specific references to the evidence in the record that supports each reason for the decision. The notice must inform the firm of the consequences of the Department's decision and of the availability of an appeal to the U.S. Department of Transportation under 49 CFR Part 26.89. The Department must send copies of the notice to the complainant in an ineligibility complaint or the concerned operating administration that had directed the Department to initiate the proceeding.

Status of the Firm During Proceedings

A firm remains an eligible DBE during the pendency of the Department's proceeding to remove its eligibility.

The firm does not become ineligible until the issuance of the notice provided for in 49 CFR Part 26.87.

Effects of Removal of Eligibility

When the Department removes a firm's eligibility, the Department must take the following action:

- When a prime contractor has made a commitment to using the ineligible firm, or the Department has made a commitment to using a DBE prime contractor, but a subcontract or contract has not been executed before the Department issues the decertification notice in 49 CFR Part 26.87(g), the ineligible firm does not count toward the contract goal or overall [aspirational] goal. The Department must direct the prime contractor to meet the contract goal with an eligible DBE firm or demonstrate to the Department that it has made a good faith effort to do so.
- If a prime contractor has executed a subcontract with the firm before the Department has notified the firm of its ineligibility, the prime contractor may continue to use the firm on the contract and may continue to receive credit toward its DBE goal for the firm's work. In this case, or in a case where the Department has let a prime contract to the DBE that was later ruled ineligible, the portion of the ineligible firm's performance of the contract remaining after the Department issued the notice of its ineligibility must not count toward the Department's overall [aspirational] goal, but may count toward the contract goal.
- Exception: If the DBE's ineligibility is caused solely by its having exceeded the size standard during the performance of the contract, the Department may continue to count its participation on that contract toward overall [aspirational] and contract goals.

Availability of Appeal

When the Department makes an administratively final removal of a firm's eligibility, the firm may appeal the removal to the U.S. Department of Transportation under 49 CFR Part 26.89.

Appeal to DOT

A firm may immediately appeal a determination of ineligibility of certification to the DOT without going through the Department's administrative reconsideration procedure.

Further instructions are found in the Certification Appeal to the DOT 49 CFR Part 26.89.

SUMMARY SUSPENSION OF CERTIFICATION (49 CFR §26.88)

The Department shall immediately suspend a DBE's certification without adhering to the requirements in §26.87(d) when an individual owner whose ownership and control of the firm are necessary to the firm's certification dies or is incarcerated.

The Department may immediately suspend a DBE's certification without adhering to the requirements in §26.87(d) when there is adequate evidence to believe that there has been a material change in circumstances that may affect the firm's DBE program eligibility, or when the DBE fails to notify the Department in writing of any material change in circumstances as required by §26.83(i) of this part or fails to timely file an affidavit of no change under §26.83(j).

The Department will consider all relevant factors, including how much information is available, the credibility of the information and allegations given the circumstances, whether or not important allegations are corroborated, and what inferences can reasonably be drawn as a result.

When a firm is suspended under §26.88, the Department will immediately notify the DBE of the suspension by certified mail, return receipt requested, to the last known address of the DBE owner(s). The suspension is temporary pending an expedited proceeding (under §26.87) to determine whether the DBE is eligible to participate in the program.

Suspension is a temporary status of ineligibility pending a hearing/proceeding as outlined in §26.87 to determine whether the DBE is eligible to participate in the program or should be removed. The suspension takes effect when the DBE receives, or is deemed to have received, the Notice of Suspension.

While suspended, the DBE may not be considered to meet a contract goal on a new contract, and any work it does on a contract received during the suspension shall not be counted toward the Department's overall goal. The DBE may continue to perform under an existing contract executed before the DBE received a Notice of Suspension and may be counted toward the contract goal during the period of suspension as long as the DBE is performing a commercially useful function under the existing contract.

Following receipt of the Notice of Suspension, if the DBE believes it is no longer eligible, it may voluntarily withdraw from the program, in which case no further action is required. If the DBE believes that its eligibility should be reinstated, it must provide to the Department any information demonstrating that the firm is eligible notwithstanding its changed circumstances. Within 30 days of receiving this information, the Department will either lift the suspension and reinstate the firm's certification or commence a decertification action under §26.87. If the recipient commences a decertification proceeding, the suspension remains in effect during the proceeding.

The decision to immediately suspend a DBE under these circumstances is not appealable to the US Department of Transportation. However, the failure of a recipient to lift the suspension or reinstate the firm or commence a decertification proceeding, is appealable to the U.S. Department of Transportation under §26.89, as a constructive decertification.

CERTIFICATION APPEAL TO THE DOT (49 CFR §26.89)

Filing an Appeal

A firm that is denied certification or whose eligibility is removed by the Department may make an administrative appeal to the DOT.

Complainants in an ineligibility complaint to the Department, including those directed by the FHWA, FTA, or FAA in the circumstances provided in 49 CFR Part 26.87(c), may appeal to the DOT if the Department does not find reasonable cause to propose removing the firm's eligibility or, following a removal of eligibility proceeding, determines that the firm is eligible.

Appeals are to be sent to the following address: U.S. Department of Transportation, Departmental Office of Civil Rights, 1200 New Jersey Avenue, SE, Washington, D.C. 20590-0001.

Pending the DOT's decision in the matter, the Department's decision will remain in effect. The DOT does not stay the effect of the Department's decision while it is considering an appeal.

To file an appeal, a letter must be sent to the DOT within 90 days of the date of the Department's final decision, containing information and arguments concerning why the Department's decision should be reversed. The DOT may accept an appeal filed later than 90 days after the date of the decision if the DOT determines that there was good cause for the late filing of the appeal or in the interest of justice.

When it receives an appeal, the DOT requests a copy of the recipient's complete administrative record in the matter. The Department will provide the administrative record, including a hearing transcript, within 20 days of the DOT's request. The DOT may extend this time period on the basis of the Department's showing of good cause. To facilitate the DOT's review of the Department's decision, the Department will ensure that such administrative records are well organized, indexed, and paginated. Records that do not comport with these requirements are not acceptable and will be returned to the Department to be corrected immediately. If an appeal is brought concerning the Department's certification decision concerning a firm, and the Department relied on the decision and/or administrative record of another recipient, this requirement applies to both recipients involved.

The DOT makes its decision based solely on the entire administrative record. The DOT does not make a de novo review of the matter and does not conduct a hearing. The DOT may supplement the administrative record by adding relevant information made available by the DOT Office of Inspector General, federal, state, or local law enforcement authorities, officials of a DOT operating administration or other appropriate DOT office, a recipient; or a firm or other private party.

As a recipient, when the Department provides supplementary information to the DOT, the Department must also make this information available to the firm and any third-party complainant involved, consistent with federal or applicable state laws concerning freedom of information and privacy. The DOT makes available, on request by the firm and any third-party complainant involved, any supplementary information it receives from any source.

The DOT affirms the Department's decision unless it determines, based on the entire administrative record, that the Department's decision is unsupported by substantial evidence or inconsistent with the substantive or procedural provisions of 49 CFR Part 26 concerning certification.

If the DOT determines, after reviewing the entire administrative record, that the Department's decision was unsupported by substantial evidence or inconsistent with the substantive or procedural provisions of 49 CFR Part 26 concerning certification, the DOT reverses the Department's decision and directs the Department to certify the firm or remove its eligibility, as appropriate. The Department must take the action directed by the DOT's decision immediately upon receiving written notice of it.

The DOT is not required to reverse the Department's decision if the DOT determines that a procedural error did not result in fundamental unfairness to the appellant or substantially prejudice the opportunity of the appellant to present its case.

If it appears that the record is incomplete or unclear with respect to matters likely to have a significant impact on the outcome of the case, the DOT may remand the record to the Department with instructions seeking clarification or augmentation of the record before making a finding. The DOT may also remand a case to the Department for further proceedings consistent with DOT instructions concerning the proper application of the provisions of 49 CFR Part 26.

The DOT does not uphold the decision based on grounds not specified in the Department's decision.

The DOT's decision is based on the status and circumstances of the firm as of the date of the decision being appealed.

The DOT provides written notice of its decision to the Department, the firm, and the complainant in an ineligibility complaint. A copy of the notice is also sent to any other recipient whose administrative record or decision has been involved in the proceeding. The notice includes the reasons for the DOT's decision, including specific references to the evidence in the record that supports each reason for the decision.

The DOT's policy is to make its decision within 180 days of receiving the complete administrative record. If the DOT does not make its decision within this period, the DOT provides written notice to concerned parties, including a statement of the reason for the delay and a date by which the appeal decision will be made.

All decisions made pursuant to 49 CFR Part 26.85, are administratively final and are not subject to petitions for reconsideration.

ACTIONS TAKEN FOLLOWING DOT CERTIFICATION APPEAL DECISIONS (49 CFR §26.91)

If the Department is the recipient from whose action an appeal under 49 CFR Part 26.89 is taken, the decision is binding on the Department which includes all recipients in North Dakota pursuant to the UCP. It is not binding on recipients not subject to the UCP (i.e., recipients or UCPs in other states).

If Department is the recipient to which a DOT determination under 49 CFR Part 26.89 is applicable, the following action must be taken:

- If the DOT determines that the Department erroneously certified a firm, the Department *must* remove the firm's eligibility on receipt of the determination, without further proceedings on its part. Effective on the date of the Department's receipt of the DOT's determination, the consequences of a removal of eligibility set forth in 49 CFR Part 26.87 will take effect.
- If the DOT determines that the Department erroneously failed to find reasonable cause to remove the firm's eligibility, the Department must expeditiously commence a proceeding to determine whether the firm's eligibility should be removed, as provided in 49 CFR Part 26.87.
- If the DOT determines that the Department erroneously declined to certify or removed the eligibility of the firm, the Department must certify the firm, effective on the date of the Department's receipt of the written notice of DOT's determination.

- If the DOT determines that the Department erroneously determined that the presumption of social and economic disadvantage either should or should not be deemed rebutted, the Department must take appropriate corrective action as determined by the DOT
- If the DOT affirms the Department's determination, no further action is necessary.

A: ORGANIZATION CHART

To access NDDOT's Organization Chart, click:

<http://www.dot.nd.gov/divisions/exec/docs/nddot.pdf>

**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
ORGANIZATION CHART
June 11, 2015**

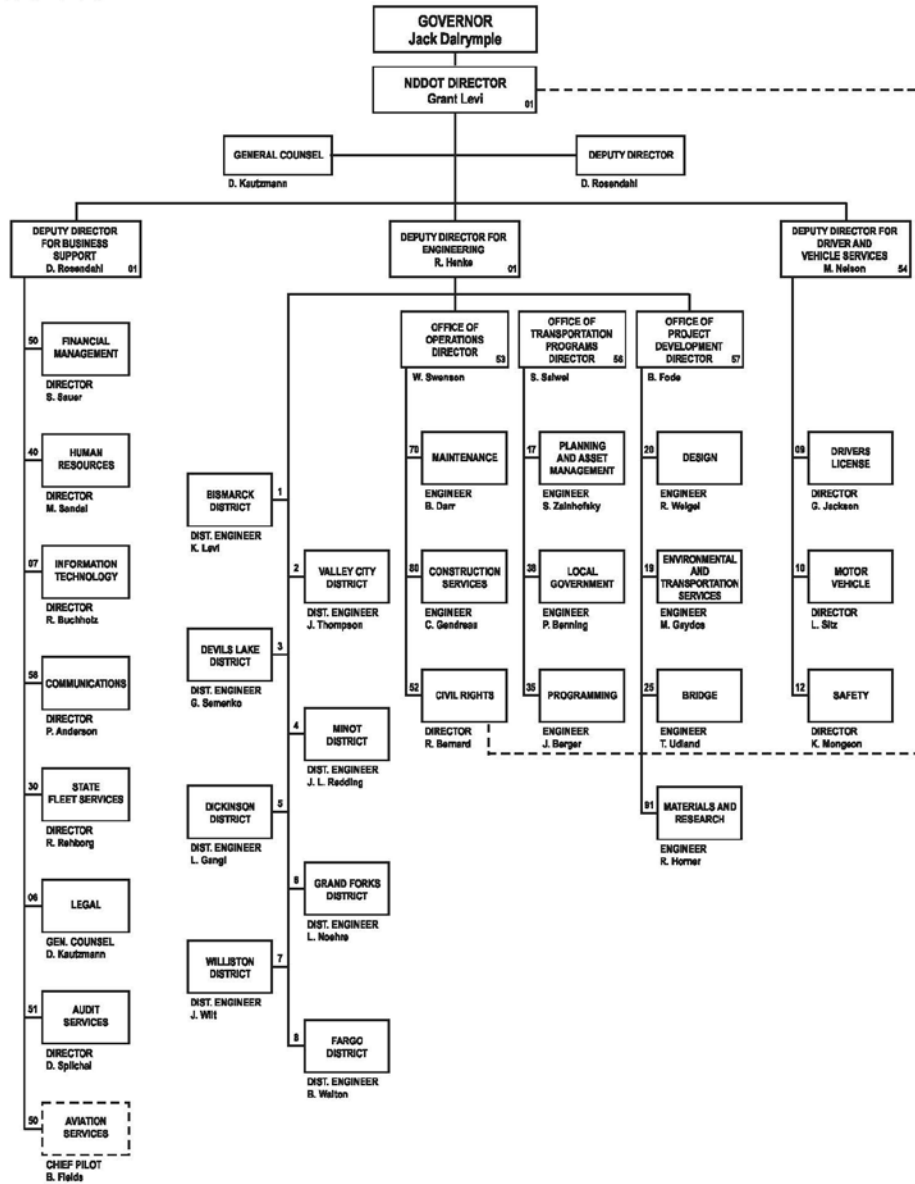


FIGURE 1 NDDOT ORGANIZATION CHART

B: MONTHLY RECORD OF DBE PROJECT PAYMENTS

To access SFN 60638 (01-2015), click: <http://www.dot.nd.gov/forms/sfn60638.pdf>

C: RECORD OF CONSULTANT PROJECT PAYMENTS

To access SFN 54428 (03-2013), click: <http://www.dot.nd.gov/forms/sfn54428.pdf>

D: BIDDERS LIST INFORMATION

To access SFN 58509 (05-2016), click: <http://www.dot.nd.gov/forms/sfn58509.pdf>

E: PROMPT PAYMENT & RETAINAGE SPECIFICATION

To access NDDOT Prompt Payment and Retainage Specification, click the link and go to page 120, Section 109.04 D & E

<https://www.dot.nd.gov/divisions/environmental/docs/supspecs/2014StandardSpecifications.pdf>

F: DBE PARTICIPATION CERTIFICATION

To access SFN 14268 (Rev. 03-2015), click: <http://www.dot.nd.gov/forms/sfn14268.pdf>

G: DBE DIRECTORY

To access NDDOT's DBE Directory, click "DBE Directory" at: <https://dotnd.diversitycompliance.com/>

H: PRIME CONTRACTOR'S REQUEST TO SUBLET

To access SFN 5682 (Rev. 04-2016), click: <http://www.dot.nd.gov/forms/sfn05682.pdf>

I: TITLE VI COMPLAINT FORM

To access SFN 51795 (Rev. 11-2014), click: <http://www.dot.nd.gov/forms/sfn51795.pdf>

To access the Title VI Complaint Procedure, click:

<http://www.dot.nd.gov/divisions/civilrights/docs/titlevi/nddot-title-vi-complaint-process.pdf>

J: FHWA TRIENNIAL DBE GOAL SETTING – FY 2015-2017

To access NDDOT's Goal Setting Methodology, click:

<https://www.dot.nd.gov/divisions/civilrights/docs/dbe/FHWA15-17ProposalForPublicationDbeGoalSettingMethodology.pdf>

K: NDDOT DBE PROGRAM HOMEPAGE

To access NDDOT's DBE Homepage, click: <http://www.dot.nd.gov/divisions/civilrights/dbeprogram.htm>

L: NDDOT SPECIAL PROVISIONS

To access Special Provisions, click the home page link (above), scroll down to mid page. Select a published date from the applicable drop-down list:

2-8-2016 Version of RGC Special Provision:

<https://www.dot.nd.gov/divisions/civilrights/docs/dbe/racecons20160208.pdf>

12-20-2012 Version of RGC Special Provision:

<http://www.dot.nd.gov/divisions/civilrights/docs/dbe/racecons20121220.pdf>

2-8-2016 Version of RGN Special Provision:

<https://www.dot.nd.gov/divisions/civilrights/docs/dbe/raceneutral20160208.pdf>

11-09-2012 Version of RGN Special Provision:

<http://www.dot.nd.gov/divisions/civilrights/docs/dbe/raceneutral20120911.pdf>

M: DBE UNIFORM CERTIFICATION APPLICATION

All new certification applications must be submitted through the NDDOT Civil Rights Certification & Compliance System at: <https://dotnd.diversitycompliance.com/>

The Federal Uniform Certification Application is mirrored in NDDOT's online application process and complies with the standard application. Access: <http://www.transportation.gov/osdbu/disadvantaged-business-enterprise/dbe-uniform-certification-program-ucp> for more information about the DBE Program and its required documentation and forms.

N: DBE CERTIFICATION & COMPLIANCE SYSTEM

All new certification applications must be submitted through the NDDOT Civil Rights Certification & Compliance System at: <https://dotnd.diversitycompliance.com/> No hard copy applications or emailed documents will be accepted.

O: APPLICATION FOR DETERMINING JOINT VENTURE ELIGIBILITY

To access SFN 6805 (Rev. 02-2015), email: DBE@nd.gov to request one. Joint Venture applications must be submitted as “additional documents” through the NDDOT Civil Rights Certification & Compliance System at: <https://dotnd.diversitycompliance.com/>

P: NO CHANGE AFFIDAVIT FOR DBE PROGRAM ELIGIBILITY

The NDDOT Civil Rights Certification & Compliance System stores SFN 52158 (Rev. 08-2015). When completing the No Change Affidavit and Annual Update the form is available to be filled in, signed, and notarized. Log in to the NDDOT Civil Rights Certification & Compliance System at: <https://dotnd.diversitycompliance.com/>

Q: DBE PERFORMANCE - CUF REVIEW

To access SFN 60597 (Rev. 01-2015), click the following link: <http://www.dot.nd.gov/forms/sfn60597.pdf>

R: DBE CUF - PROJECT ENGINEER ON-SITE WORK CONFIRMATION

To access SFN 60596 (Rev. 01-2015), click the following link: <http://www.dot.nd.gov/forms/sfn60596.pdf>

S: REPLACEMENT APPROVAL REQUEST

To access SFN 60595 (Rev. 01-2015), click the following link: <http://www.dot.nd.gov/forms/sfn60595.pdf>

T: DBE PARTICIPATION REPORT – FORM A

To access RGC Form A - SFN 52750 (Rev. 01-2015), click the following link: <http://www.dot.nd.gov/forms/sfn52750.pdf>

To access RGN Form A - SFN 52012 (Rev. 01-2015), click the following link: <http://www.dot.nd.gov/forms/sfn52012.pdf>

U: LIST OF DBES SUBMITTING QUOTES – FORM B

To access SFN 52013 (Rev. 01-2015), click the following link: <http://www.dot.nd.gov/forms/sfn52013.pdf>

V: NOTIFICATION OF INTENT TO USE – FORM C

To access SFN 52160 (Rev. 01-2015), click the following link: <http://www.dot.nd.gov/forms/sfn52160.pdf>

W: CONTRACTOR GOOD FAITH EFFORTS DOCUMENTATION

To access SFN 60829 (Rev. 04-2015), click the following link: <http://www.dot.nd.gov/forms/sfn60829.pdf>

X: AFFIDAVIT OF CORRECT & CURRENT APPLICATION

ACCEPTABLE EXAMPLE:

STATE OF _____)

AFFIDAVIT OF CORRECT AND
CURRENT APPLICATION FOR
ND INTERSTATE DBE CERTIFICATION

County of _____)

Applicant Name: _____

Owner of: (Name of Firm) _____

PERSONALLY APPEARED BEFORE ME the undersigned, who being duly sworn, says that:

(1) I am the majority owner of the above firm and I control the firm as required by the DBE regulations set forth in 49 CFR part 26.

(2) There have been no changes in the circumstances of the firm since the date it was certified which would affect its ability to meet the DBE eligibility requirements concerning size, disadvantaged status, ownership, or control as set forth in 49 CFR § 26.

(3) There have been no material changes in the information provided in the firm's initial application for certification with _____
(Home State DOT/UCP)

SWORN TO BEFORE ME THIS _____ day of _____, 20__

_____ (Print name of owner)

_____ (Signature of owner)

_____ (Affix Seal)

NOTARY PUBLIC FOR _____

My commission expires: _____

Y: PRIME CONSULTANT REQUEST TO SUBLET

To access SFN 60233 (Rev. 01-2015), click: <http://www.dot.nd.gov/forms/sfn60233.pdf>