

Construction Advisory

CA 2013-07
July 17, 2013

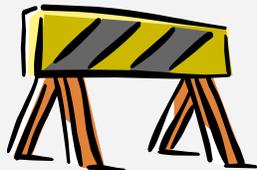
From Brenda O'Brien, Engineer of Construction Field Services

MDOT-Construction Field
Services Division
P.O. Box 30049
Lansing, Michigan 48909
Phone/517-322-1087
Fax/517-322-5664
www.michigan.gov/mdot/

Index: DBE/MBE/WBE/HBO

Questions regarding this
Construction Advisory
should be directed to:

Jason Gutting, Engineer of
Construction Operations at
517-636-6334 or
guttingj@michigan.gov



BJO:JJG

Disadvantaged Business Enterprise (DBE) Commercially Useful Function (CUF) Compliance

This construction advisory applies to all current federal aid construction projects that involve work performed by a Disadvantaged Business Enterprise (DBE) company.

DBE companies are required to perform a commercially useful function (CUF). This means that each DBE firm must be responsible for the execution of a contract or a distinct element of the contract work by actually performing, managing, and supervising the work involved using their own managers, workers, equipment, and materials ordered and paid for by the DBE company. A DBE company does not perform a CUF if their role is limited to that of an extra participant in a transaction through which funds are passed in order to obtain the appearance of DBE participation.

Construction staff must monitor and document that work committed to DBEs is actually performed by the DBE company. This will be accomplished through notations on Inspector's Daily Reports (IDR) as project inspectors must document the work of DBE companies and their CUF performance on their IDR. Documentation of work performed must also include DBE truckers, suppliers and other vendors where a subcontract is not required. In many cases construction staff will need to reference the DBE commitment information to ensure that the CUF performance of these companies is properly documented. Form 4109, Commercially Useful Function (CUF) Project Site Review has been established as a CUF worksheet and an optional form for field use to help in recording CUF performance. A certification statement by the engineer will be added to Form 1105, Final Estimate Package Memo.

A more detailed Bureau of Highway Instructional Memorandum is being developed regarding this topic.

Please share this advisory with local agencies and consultants in your area.