

# MICHIGAN DBE ACTIVITIES

Ted Burch  
FHWA-MI Division

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# DBE Activity In Michigan

- ▣ ARRA National Review Team (NRT) Reviews
- ▣ Three Year DBE Goals
- ▣ DBE Plan
- ▣ Prompt Pay Review
- ▣ FHWA 2011 Risk Management

# ARRA NRT Reviews

- ▣ Six NRT Reviews in MI
  - Plans Specifications & Estimate
  - DBE
  - Quality Assurance
  - Contract Administration
  - Local Public Agencies
  - Financial
- ▣ Three of the Six Review Teams had Findings Pertaining to DBE.

# ARRA NRT Findings

- ▣ Best Practice
  - DBE Conferences & Contractor Brochures
  - DBE Program Procedures Manual
- ▣ Improve MDOT Engineers' Engagement with the DBE Program
  - Provide Guidance and Training
- ▣ Annual Goal Shortfalls Should be Addressed
  - Develop Plan
- ▣ Closer Monitoring of Payments to DBE's
  - More Frequent Submittal of Form 0164 (Prime Contractor Statement of DBE Subcontractor Payments)

# Three-Year DBE Goals

- ▣ Requirement Change for this Fiscal Year
- ▣ Increase the Opportunity for MDOT to Manage Their Contract Goal Setting Process
- ▣ Requires MDOT to Review Goal Annually
- ▣ Does Not Require Update Unless There is Large Change in Funds Received etc.

# FHWA DBE Action Plan

- ▣ MI Division Annual Plan
- ▣ Increase Participation of FHWA Management in the DBE Program
- ▣ Bring Focus to DBE Program
- ▣ Insure Risks to the DBE Program are Being Addressed

# Prompt Pay Review

- ▣ Prompt Pay Identified as Top 10 Risk in 2010
- ▣ FHWA/MDOT Prompt Pay Review
  - Random draw of 25 Contracts from 184 2009 Projects
- ▣ 105 Payment Records Reported on 24 Subcontracts
- ▣ Retainage was found in 5 of the 38 Subcontracts

# 2011 Risk Management

- ▣ Two of Top Ten Risks in the DBE Program
  - Prompt Payment
    - ▣ Training of Engineers, FHWA, MDOT, LPA
    - ▣ Implement Prompt Pay Review recommendations
  - DBE Goal Non-attainment
    - ▣ Good Faith Efforts
    - ▣ Commercially Useful Function

**SUMMARY  
&  
QUESTIONS?**