

CITY OF CHICAGO
PART 26
DISADVANTAGED BUSINESS ENTERPRISE
PROGRAM DOCUMENT

Lori E. Lightfoot
Mayor

Updated May 2020

SUBPART A . GENERAL REQUIREMENTS

Section 26.1 Objectives

The objectives are found in the policy statement attached as Attachment A to this program.

Section 26.3 Applicability

The City of Chicago ("City") is the recipient of federal financial assistance from the U.S. Department of Transportation ("DOT").

Section 26.5 Definitions

The terms in this program have the meaning defined in 49 CFR Section 26.5. References in this program to "Part 26" refer to 49 C.F.R. Part 26.

Section 26.7 Non-Discrimination Requirements

The City will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its Disadvantaged Business Enterprise ("DBE") program, the City 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, sex, or national origin.

Section 26.11 Record Keeping Requirements

Reporting DBE participation to DOT

- i. The City will transmit to FAA annually on December 1st, the "Uniform Report of DBE Awards or Commitments and Payments" form, found in Appendix B to Part 26, as modified for use by FAA recipients by the FAA, if applicable. This report will reflect payments actually made to DBEs on FAA DOT-assisted contracts. We will also report the DBE Contractor firms' contact information either on the FAA DBE Contractor's Form or other similar format or as otherwise directed by DOT operating administrators.
- ii. We will report DBE participation on a semi-annual basis to the FTA using the "Uniform Report of DBE Awards or Commitments and Payments" form found in Appendix B to Part 26. Reports will be submitted on or before June 1st and December 1st of each federal fiscal year. These reports will reflect payments actually made to DBEs on FTA DOT-assisted contracts.
- iii. The City will cooperate with the Illinois Unified Certification Program ("IL UCP") in fulfilling the State's annual obligation to report the percentage of certified DBE firms controlled by (1) women, (2) socially and economically disadvantaged individuals (other than women), and (3) individuals who are women and are otherwise socially and economically disadvantaged individuals, using the "Uniform Report of DBE Awards or Commitments

and Payments” form found in Appendix B to Part 26. Reports will be submitted on or before June 1st and December 1st of each federal fiscal year. These reports will reflect payments actually made to DBEs on FHWA DOT-assisted contracts.

Bidders List

The City will create a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on DOT-assisted contracts. The purpose of this requirement is to allow use of the bidders' list approach to calculating overall goals. The bidders list will include the name, address, DBE/non-DBE status, age, and annual gross receipts of firms.

We will collect this information in the following ways:

- i. We will include in the bid or proposal documents a request that bidders/proposers list the names and addresses of subcontractors that quoted on the contract; this request will inform bidders/proposers that failure to respond may result in the firm being deemed non-responsible for the contract for which the bidder/proposer has submitted a bid/proposal and future contracts;
- ii. We will supplement the information provided by bidders with follow-up surveys or questionnaires to obtain the names and addresses of subcontractors that quoted on the contract as needed.

Documentation of Firm's Compliance

The City will maintain records documenting the various firm's compliance with the requirements of 49 CFR Part 26. We will keep a complete application package for each certified firm and all affidavits of no-change, change notices, and on-site reviews. These records, and other certification and compliance-related records, will be maintained for at least three years or as required by record retention requirements for the applicable financial assistance agreement, whichever is longer.

We will require prime contractors to maintain records and documents of payments to DBEs for at least three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City or DOT. This reporting requirement also extends to any certified DBE subcontractor.

Demographic Data

The City will, as a member of the IL UCP, cooperate with the IL UCP's report to DOT's Office of Civil Rights, each January 1st, the percentage and location of certified DBE firms in the state controlled by (1) women, (2) socially and economically disadvantaged individuals (other than women), and (3) individuals who are women and are otherwise socially and economically disadvantaged individuals.

Section 26.13 Federal Financial Assistance Agreement

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

Assurance: 26.13(a) - Each financial assistance agreement we sign with a DOT operating administration (or a primary recipient) will include the following assurance:

The City 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 City 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 City'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 City of its failure to carry out its approved program, the Department 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.*).

Contract Assurance: 26.13(b)

The City will ensure that the following clause is included in each contract we sign with a contractor and each subcontract the prime contractor signs with a subcontractor:

The contractor, sub-recipient 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.

SUBPART B - ADMINISTRATIVE REQUIREMENTS

Section 26.21 DBE Program Updates

The City will receive grant(s) from DOT the cumulative total value of which exceeds \$250,000 or more in a federal fiscal year. We will continue to carry out this DBE Program until all funds from DOT financial assistance have been expended. We will provide to DOT updates representing significant changes in the program for approval.

Section 26.23 Policy Statement

The Policy Statement is attached as Attachment A.

Section 26.25 DBE Liaison Officer (DBELO)

We have designated the following individual as our DBE Liaison Officer:

Shannon E. Andrews
Chief Procurement Officer
City of Chicago
Department of Procurement Services
121 N. LaSalle, Room 806 Chicago, Illinois 60602
(312) 744-4900

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the City complies with all provision of 49 CFR Part 26. The Chief Procurement Officer, who has been designated as DBELO, is the head of the Department of Procurement Services (DPS) and pursuant to the Municipal Code of Chicago (MCC), has direct, independent access to the Mayor and responsibility for both procurement and the City's minority- and women-owned business programs, and therefore for the DBE program. For most functions relating to the DBE program, staff separate from those who are involved in bids and contracting are used. This separation of personnel helps avoid potential conflicts of interest. See attached organizational chart as Attachment B.

The DBELO is responsible for developing, implementing and monitoring the DBE program, in coordination with other appropriate officials. As shown in the attached organizational chart, the DBELO has a staff to assist in the administration of the program. Other City departments not under the supervision of the DBELO also provide additional resources relating to the DBE program with respect to infrastructure projects under their purview, particularly the departments of Aviation, Fleet and Facilities Management, Transportation, and Water Management. The duties and responsibilities of the DBELO and her staff include the following:

1. Gathers and reports statistical data and other information as required by DOT.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Works with all departments to set DBE overall goals on a triennial basis.
4. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
5. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals) and monitors results.
6. Analyzes City's progress toward attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advises the CEO\governing body on DBE matters and achievement.
9. Chairs the DBE Advisory Committee.
10. Determine contractor compliance with good faith efforts.
11. Provides DBEs with information and assistance in preparing bids, obtaining bonding and insurance.
12. Plans and participates in DBE training seminars.
13. Acts as liaison to the Uniform Certification Process in Illinois.
14. Provides outreach to DBEs and community organizations to advise them of opportunities.
15. Maintains the City's updated directory on certified DBEs.

Section 26.27 DBE Financial Institutions

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

We have made the following efforts to identify and use such institutions:

- A. We include in all of our DOT-assisted contracts the following provision encouraging prime contractors to make use of these institutions:

Contractor is encouraged to utilize financial institutions owned and controlled by socially and economically disadvantaged individuals. Use of such institutions may be considered by the City as evidence of Contractor's willingness to do business with DBEs.

- B. Attachment C contains information on how to locate the City's current list of minority and women-owned financial institutions, which may be updated from time to time.
- C. Each year the City invites eligible banks and savings and loan associations to submit proposals to become municipal depositories of the City ("Municipal Depository Program"). In accordance with Section 2-32-410 of the MCC, the proposers are required to be federally-insured national or state banks, or federally-insured federal or state savings and loan associations, located in the City. The City invests excess funds with eligible financial institutions that have been approved for that purpose by the Chicago City Council. A Senior Fiscal Policy Analyst actively seeks interested businesses by sending letters, advertising once a year for a Request for Proposals, and reviewing current bank directories to ascertain those institutions that are located in Chicago or have full size branches within the City.

Section 26.29 Prompt Payment Mechanisms

The City has established, as part of its DBE Program, a contract clause to require prime contractors to pay subcontractors for satisfactory performance of their contracts within seven days from receipt of each payment issued to the prime contractor.

We will ensure prompt and full payment of retainage from the prime contractor to the subcontractor within seven days or less after the subcontractor's work is satisfactorily completed.

We will use these methods to comply with this requirement:

FAA and FTA funded contracts:

The City declines to hold retainage from prime contractors and prohibit prime contractors from holding retainage from subcontractors.

When implementing this measure for FAA funded contracts, the City includes provisions consistent with the language from FAA Advisory Circular 150/5370-10 in each DOT-assisted prime contract as follows:

- The Contractor is required to pay all subcontractors for satisfactory performance of their contracts no later than 7 days after the Contractor has received a partial payment. A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the City. When the City has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.
- Retainage will not be withheld on this project. No retainage will be withheld by the City from progress payments due the prime Contractor. Retainage by the prime or subcontractors is prohibited, and no retainage will be held by the prime from progress due subcontractors.
- When at least 95% of the work has been completed, at the City's discretion and with the consent of the surety, the City shall have the engineer/architect prepare estimates of both the contract value and the cost of the remaining work to be done.

FHWA funded contracts:

Decline to hold retainage from prime contractors and prohibit prime contractors from holding retainage from subcontractors.

Section 26.31 Directory

The City is a certifying member of the Illinois Unified Certification Program ("UCP"). The City uses the Illinois UCP DBE Directory, which is maintained by the Illinois UCP and can be found at: <http://www.idot.illinois.gov/doing-business/certifications/disadvantaged-business-enterprise-certification/il-ucp-directory/index>. This directory contains all the elements required by §26.31, including the firm's name, address, phone number, date of the most recent certification, and the type of work the firm has been certified to perform as a DBE. In addition, this directory lists each type of work for which a firm is eligible to be certified by using the most specific NAICS code available to describe each type of work.

Section 26.33 Over-concentration

To date, the City has not found any areas of overconcentration. In the event that overconcentration does occur, the City will devise appropriate measures to address overconcentration, and will obtain the approval of the concerned DOT operating administration for our determination of overconcentration and the measures we devise to address it.

Section 26.35 Business Development Programs

The City has not established a business development program for DBEs. However, it conducts frequent outreach events, training seminars and meetings.

Section 26.37 Monitoring Responsibilities

The City implements and carries out appropriate mechanisms to ensure compliance with 49 CFR Part 26 program requirements by all program participants, including prompt payment, and describes and set forth these mechanisms below.

Monitoring Payments to DBEs (Section 26.36(b) & (c))

The City undertakes ongoing monitoring of prime payments to subcontractors over the course of any covered contract. Such monitoring activities will be accomplished through the following methods:

- The City actively monitors participation by maintaining a running tally of actual DBE attainments (e.g., payments actually made to DBE firms), including a means of comparing these attainments to commitments.
- Information about reported contractor payments to subcontractors on construction contracts is available on the City's website for public viewing. This empowers subcontractors to notify the City of discrepancies. The information may be found here: <https://webapps1.chicago.gov/vcsearch/>.

We will require prime contractors to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City of Chicago or DOT. This reporting requirement also extends to any certified DBE subcontractor.

We will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

Prompt Payment Dispute Resolution

To resolve prompt payment disputes, including whether work has been satisfactorily completed for purposes of Section 26.29, the City utilizes the following process. The City notifies the contractor once it receives a report of a failure to pay from a subcontractor. The City then provides the contractor with an opportunity to demonstrate reasonable cause for failing to make payment within the applicable period set forth in the contract. The CPO, in her sole judgment, determines whether any cause for nonpayment provided by a contractor is reasonable. If the contractor fails to demonstrate reasonable cause for failure to make payment, the City may pursue any rights and/or remedies available, including assessing liquidated damages as specified in the contract.

In addition to the contract clauses specified above in "Section 26.29 Prompt Payment Mechanisms" the City also uses contract clause(s), which in effect provide that failure to pay subcontractors as required by law and the contract may result in the City suspending payments to Contractor and making direct payments to subcontractors that shall be from funds due and owing the contractor.

Prompt Payment Complaints

The City will consider a subcontractor's work as satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the City. When City has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.

The City will provide appropriate means to enforce the requirements of this section. This includes providing an online database of payments to prime contractors, including payment date and reported payments to subcontractors empowering subcontractors to verify that they are being timely paid. Subcontractors may report late payments to DPS for appropriate action, and liquidated damages may be imposed on contractors for unexcused failure to promptly pay. The online database may be accessed here: <https://webapps1.chicago.gov/vcsearch/>.

The prime contract will provide that any delay or postponement of payment from the above referenced timeframe may occur only for reasonable cause following written approval of the City. These clauses will apply to both DBE and non-DBE subcontractors.

FAA Funded Contracts

- Pursuant to Sec. 157 of the FAA Reauthorization Act of 2018, all complaints related to prompt payment will be reported in a format acceptable to the FAA, including the nature and origin of the complaint and its resolution.

Enforcement Actions for Noncompliance of Participants

The City will provide appropriate means to enforce the requirements of Section 26.29. These means include:

1. Failure of a contractor to use a DBE subcontractor to the extent contractor committed to use a DBE in a contract with contract goals, gives the underutilized DBE specific contract remedies, including, in the context of FAA-funded projects, the right to resolve the dispute by binding arbitration before an independent arbitrator and to recover the prevailing DBE's reasonable expenses in accordance with City of Chicago regulations. Additionally, provisions in our DOT-assisted contracts allow the City to assess liquidated damages against the contractor in the event of DBE underutilization under certain circumstances where the contractor has not made a good-faith effort to meet the contract goal.
2. We 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 26.107. We also will consider similar action under our own legal authorities, including responsibility determinations in future contracts.
3. The contractor must (absent good cause such as subcontractor refusal to honor its proposal), within fifteen working days after receiving the awarded contract, execute a formal subcontract or purchase order with the DBEs which were proposed, all in accordance with the terms of the contractor's bid proposal and DBE assurances, and must promptly submit to the City upon request a copy of the DBE subcontracts or purchase orders, each showing acceptance of the subcontract or purchase order by the DBE.
4. The contractor must report to the City's compliance officers periodically on all expenditures made to achieve compliance with the foregoing provisions. The reports must include the name and business address of each DBE solicited by the contractor to work as a

subcontractor on the contract and the responses received by the contractor to the solicitation, the name and business address of DBEs actually involved in the contract, a description of the work performed and/or product or service supplied by each such DBE, the date and amount of each expenditure, and such other information as may assist the compliance officer in determining the contractor's compliance with the provisions and the status of any DBE performing any portion of the contract.

5. Provisions in our DOT-assisted contracts allow the compliance officer access to the contractor's books and records, including without limitation, payroll records, tax returns and records, and books of account, on 5 business days' notice, to allow the officer to determine the contractor's compliance with its commitment to DBE participation and the status of any DBB performing any portion of the contract.
6. The Contractor must maintain records of all relevant data with respect to the utilization of DBEs, retaining these records for a period of at least 3 years after final acceptance of the work on each project. Full access to records on each project must be granted to the City, federal or state authorities.
7. Attachment D lists the general contract remedies available to us in the event of noncompliance with the DBE regulation by a participant in our procurement activities.
8. As provided in Section 26.53 Good Faith Efforts Procedures of this program, below, and in 49 CFR 26.13(b), 26.29(d) and 26.37, the City may impose reasonable penalties, including administrative fines for noncompliance with DBE requirements.
10. The City may also recover reasonable court costs, attorneys' fees, and disbursements associated with enforcing the requirements of this Program or Part 26.
11. In addition, the Federal government has available several enforcement mechanisms that it may apply to firms participating in the DBE program, including, but not limited to, the following: Suspension or debarment proceedings pursuant to 49 CFR Part 26, Enforcement action pursuant to 49 CFR Part 31, and Prosecution pursuant to 18 USC 1001.

Monitoring Contracts and Work Sites

The Compliance Division reports to the DBE Liaison Officer and has the responsibility of ensuring that contractors and subcontractors are in compliance with contract requirements and stated goals. The division accomplishes this objective by site visits during the contract period, monitoring and review of utilization plans during the contract period, and final documentation of utilization and payments to contractors and subcontractors. The City will maintain written certification that contracting records have been reviewed and work sites have been monitored for this purpose.

Section 26.39 Fostering small business participation.

The City has created a Small Business element to structure contracting requirements to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.

The City's small business program element is incorporated as Attachment E to this DBE Program.

We will actively implement the program elements to foster small business participation, doing so is a requirement of good faith implementation of our DBE program.

Many of the City's business outreach events, training seminars and meetings are open to small businesses.

Additionally, the City has established Small Business Loan Programs. For more information, see Attachment C and visit the City's resource hub for small business owners seeking financial assistance at: www.chicago.gov/city/en/depts/bacp/sbc/financial_resourcehome.html.

SUBPART C - GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 26.43 Set-asides or Quotas

The City does not use quotas in any way in the administration of this DBE program.

Section 26.45 Overall Goals

If the City anticipates awarding FAA or FTA funded prime contracts exceeding \$250,000 (excluding transit vehicle purchases for FTA funded projects) during any one or more of the reporting fiscal years within the three-year goal period, we will develop overall FAA or FTA DBE goals, respectively, covering a three-year federal fiscal year period. If the City does not anticipate awarding FAA or FTA prime funded contracts the cumulative total value of which exceeds \$250,000 during any of the years within the three-year reporting period, an overall goal will not be developed. However, this DBE Program will remain in effect and the City will seek to fulfill the objectives outlined in 49 CFR Part 26.1.

The goal will be due on August 1st in three-year intervals in accordance with the schedule established by the applicable operating administration and posted to their website:

FAA:

https://www.faa.gov/about/office_org/headquarters_offices/acr/bus_ent_program/media/DBE%20and%20ACDBE%20Reporting%20Requirements%20for%20Airport%20Grant%20Recipients.pdf

FTA:

<https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/dbe-three-year-goal-setting-submission-schedules>

FHWA:

<https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/dbe-three-year-goal-setting-submission-schedules>

A description of the methodology to calculate the overall goal and the goal calculations can be found in Attachment F to this program and is in accordance with the two-step process as specified in 49 CFR Part 26.45.

We will begin using our overall goal on October 1st of the reporting period, unless we have received other instructions from DOT.

Section 26.45(f) - Prior Operating Administration Concurrence

The City understands that we are not required to obtain prior concurrence of the operating administration with our overall goal before implementing it. However, if the operating administration's review suggests that our overall goal has not been correctly calculated or that our method for calculating goals is inadequate, the operating administration may, after consulting with us, adjust our overall goal or require that we do so. The adjusted overall goal is binding. In evaluating the adequacy or soundness of the methodology used to derive the overall goal, the DOT operating administration will be guided by the goal setting principles and best practices identified by the DOT in guidance issued pursuant to Section 26.9.

Section 26.47 Failure to meet overall goals.

The City cannot be penalized, or treated by DOT as being in noncompliance with Part 26, because DBE participation falls short of an overall goal, unless the City fails to administer its DBE program in good faith.

The City will maintain an approved DBE Program and overall DBE goal, if applicable as well as administer our DBE Program in good faith in order to be considered in compliance with this part. If the City awards and commitments shown on our Uniform Report of Awards or Commitments and Payments at the end of any fiscal year are less than the overall goal applicable to that fiscal year, we will do the following in order to be regarded by the DOT as implementing this DBE Program in good faith:

- (1) Analyze in detail the reasons for the difference between the overall goal and our awards and commitments in that fiscal year;
- (2) Establish specific steps and milestones to correct the problems we have identified in our analysis and to enable us to meet fully your goal for the new fiscal year;
- (3) City will submit, within 90 days of the end of the fiscal year, the analysis and corrective actions developed under paragraphs (c) (1) and (2) of this section to the FAA, FHWA, or FTA for approval.

Section 26.49 Goals for transit vehicle manufacturers.

The City does not procure transit vehicles with FTA funds. In the event the City procures transit vehicles with FTA funds, we will require that each transit vehicle manufacturer, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, certify that it has complied with the requirements of 49 CFR 26.49. Alternatively, we may, at our discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the transit vehicle manufacturer complying with this element of the program.

Section 26.51 Means recipients use to meet overall goals.

Breakout of Estimated Race-Neutral & Race-Conscious Participation

The City will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating race-neutral DBE participation, including those set out in Section 26.51(b). Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does

not carry a DBE contract goal.

Race-neutral means utilized by the City are set forth in Attachment F.

The breakout of estimated race-neutral and race-conscious participation can be found in Attachment F to this program.

The City will arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under Section 26.39.

Contract Goals

If our approved projection under paragraph (c) of Section 26.51 estimates that we can meet our entire overall goal for a given year through race-neutral means, we will implement our program without setting contract goals during that year, unless it becomes necessary in order meet our overall goal.

We will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work.)

We will express our contract goals as a percentage of the total amount of a DOT-assisted contract.

Section 26.53 Good Faith Efforts Procedures

Demonstration of good faith efforts (26.53(a) & (c))

The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts. Examples of good faith efforts are found in Appendix A to Part 26.

The DBELO, as Chief Procurement Officer, is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded Responsive.

We will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before we commit to the performance of the contract by the bidder/offeror.

Information to be submitted (26.53(b))

The City treats bidder/offeror's compliance with good faith efforts' requirements as a matter of responsiveness.

Responsiveness - Each solicitation for which a contract goal has been established will require all bidders/offerors to submit at the time of bid a compliance plan demonstrating how the bidder/proposer plans to meet the contract goal and/or documentation of good faith efforts. They

must submit:

1. The names and addresses of DBE firms that will participate in the contract;
2. A description of the work that each DBE will perform (to count toward meeting a goal, each firm must be certified in a NAICS code applicable to the kind of work the firm would perform on the contract);
3. The dollar amount of the participation of each DBE firm participating;
4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;
5. Written and signed confirmation from the DBE that it is participating in the contract in the kind and amount of work provided for in the prime contractor's commitment;
6. If the contract goal is not met, evidence of good faith efforts. Documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract.

Provided that in a negotiated procurement the bidder/offeror may make a contractually binding commitment to meet the goal at the time of bid submission, or the presentation of initial proposals, but provide the information required by (1)-(6) above before the final selection for the contract is made by the recipient.

In order to effectuate the purposes of the DBE program, prior to contract award the City may require the bidder/offeror to correct mistakes in a compliance plan, or may entertain requests for changes in anticipation of DBE substitution requests that would likely arise shortly after award.

This may include, but is not limited to, entertaining requests for pre-award substitution of a proposed DBE subcontractor on non-negotiated procurements using a procedure similar to that which would be used in the case of a contractor post-award request for substitution pursuant to 49 CFR 26.53(f)(2), for a good cause set forth at 49 CFR 26.53(f)(3).

Administrative reconsideration (26.53(d))

Within 5 business days of being informed by City of Chicago that it is not responsive because it has not documented sufficient good faith efforts, a firm (e.g. a bidder, proposer, or contractor) may request administrative reconsideration. The firm should make this request in writing to the Chief Procurement Officer:

Chief Procurement Officer
Department of Procurement Services City Hall Room 806
121 N. LaSalle Street
Chicago, IL 60602

The Chief Procurement Officer will appoint a reconsideration official who will not have played any role in the original determination that the firm did not make sufficient good faith efforts.

As part of this reconsideration, the firm will have the opportunity to provide written documentation or argument concerning whether it met the goal or made adequate good faith efforts to do so. The firm will have the opportunity to meet in person with our reconsideration official to discuss whether it met the goal or made adequate good faith efforts to do. We will send the firm a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal or

make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to DOT.

Good Faith Efforts procedural requirements (post-solicitation)

The awarded contractor will be required to make available upon request a copy of all DBE subcontracts. The contractor shall ensure that all subcontracts or agreements with DBEs to supply labor or materials include all required contract provisions and mandate that the subcontractor and all lower tier subcontractors perform in accordance with the provisions of Part 26.

We will require the prime contractor to notify the DBE Liaison officer immediately of the DBE's inability or unwillingness to perform and provide reasonable documentation. In this situation, we will require the prime contractor to obtain our prior approval of the substitute DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts. Unless the prime contractor obtains our consent, the contractor shall not be entitled to any payment for work or material unless it was performed by the listed DBE.

We will provide such written consent only if we agree, for reasons stated in our concurrence document, that the prime contractor has good cause to terminate the DBE firm. For purposes of this paragraph, good cause includes the following circumstances:

- (1) The listed DBE subcontractor fails or refuses to execute a written contract;
- (2) The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor;
- (3) The listed DBE subcontractor fails or refuses to meet the prime contractor's reasonable, non-discriminatory bond requirements;
- (4) The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness;
- (5) The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant to 2 CFR Parts 180, 215 and 1,200 or applicable state or local law;
- (6) We have determined that the listed DBE subcontractor is not a responsible contractor;
- (7) The listed DBE subcontractor voluntarily withdraws from the project and provides to us written notice of its withdrawal;
- (8) The listed DBE is ineligible to receive DBE credit for the type of work required;
- (9) A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract;
- (10) Other documented good cause that we have determined compels the termination of the DBE subcontractor. Provided, that good cause does not exist if the prime contractor seeks to terminate a DBE it relied upon to obtain the contract so that the prime contractor can self-perform the work for which the DBE contractor was engaged or so that the prime contractor can substitute another DBE or non-DBE contractor after contract award.

Prior to transmitting its request to terminate or substitute a DBE contractor, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to us, notifying the DBE subcontractor of its intent to terminate or substitute and the reason for the request. The prime contractor must give the DBE subcontractor five days to respond to the notice and advise us and the prime contractor why we should not approve this action. If required in a particular case as a matter of public necessity (e.g., safety) we may provide a response period shorter than five days. These procedures will also apply to pre-award deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.

The City will require a contractor to make good faith efforts to replace a DBE that it seeks to terminate or that has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. These good faith efforts shall be directed at finding another DBE to perform at least the same amount of work under the contract as the DBE that was terminated, to the extent needed to meet the contract goal that was established for the procurement. The good faith efforts shall be documented by the contractor. If the contractor submits documentation of good faith efforts rather than finding another DBE subcontractor to substitute for the original DBE, we will provide a written determination to the contractor whether good faith efforts have been demonstrated. If we request documentation, the prime contractor must provide it within seven days, which may be extended for an additional seven days at the request of the contractor.

If the Contractor fails to comply with these requirements, the City may consider such non-compliance as an event of default under the terms of the contract. Attachment D sets forth general remedies available to the City in the event of default on the part of the Contractor; Attachment G includes specific remedies available in the event of noncompliance with this part.

Section 26.55 Counting DBE Participation

We will count DBE participation toward overall and contract goals as provided in 49 CFR 26.55.

We will not count the participation of a DBE subcontract 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.

In the case of post-award substitutions or additions, if a firm is not currently certified as a DBE in accordance with the standards of subpart D of this part at the time of the execution of the contract, the firm's participation will not be counted toward any DBE goals, except as provided for in §26.87(j).

FAA Funded Contracts

Pursuant to Sec. 150 of the FAA Reauthorization Act of 2018, DBE firms certified with NAICS code 237310 that exceed the business size standard in Section 26.65(b) will remain eligible for DBE credit for work in that category as long as they do not exceed the small business size standard for that category, as adjusted by the United States Small Business Administration.

SUBPART D - CERTIFICATION STANDARDS

Section 26.61-26.73 Certification Process

The City will use the certification standards of Subpart D of Part 26 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. We will make our certification decisions based on the facts as a whole.

For information about the certification process or to apply for certification, firms should visit the City's website at <https://www.chicago.gov/city/en/depts/dps/provdrs/cert.html> or contact:

Department of Procurement Services Certification and Compliance Unit
City Hall Room 806
121 N. LaSalle Street Chicago, IL 60602
312-744-4900
dps.certification@cityofchicago.org

Firms can apply for certification through the City's website at the following link:
<https://chicago.mwdbe.com/>

Additional information, including the City's certification application forms and documentation requirements are established by the Illinois UCP and available through the City's website at https://www.chicago.gov/city/en/depts/dps/provdrs/cert/supp_info/mbe_wbe_certificationformsanddocuments.html.

The Illinois UCP uses the form included in Appendix F to Part 26 as its Unified Certification Application Form, a copy of which is attached as Attachment H to this Program.

SUBPART E - CERTIFICATION PROCEDURES

Section 26.81 Unified Certification Programs

The City is the member of a Unified Certification Program (UCP) administered by the Illinois UCP. The UCP will meet all of the requirements of this section. A copy of the version of the "Illinois Unified Certification Program Procedures" in effect as of the date of this Program Document is attached as Attachment I.

Section 26.83 Procedures for Certification Decisions

We will ensure that only firms certified as eligible DBEs under this section participate as DBEs in our program. The City will take the required steps outlined in 49 CFR 26.83(c) in determining whether a DBE firm meets the standards of 49 CFR Part 26 Subpart D.

Once a firm has been certified as a DBE, it will remain certified unless we remove its certification in accordance with 49 CFR 26.87 as described further below, or pursuant to 49 CFR 26.67(b)(i).

DBEs will not be required to reapply for certification or undergo a recertification process. However, a certification review of a certified DBE firm may be conducted, including a new onsite

review, if appropriate in light of changed circumstances (e.g., of the kind requiring notice under paragraph (i) of this section or relating to suspension of certification under §26.88), a complaint, or other information concerning the firm's eligibility. If information comes to the attention of the City that leads to questions regarding the firm's eligibility, an on-site review may be conducted on an unannounced basis, at the firm's offices and job sites. The City will conduct certification reviews when appropriate, as provided by Section 26.83(h).

"No Change" Affidavits and Notices of Change (26.83(j))

The UCP requires all DBEs owners to inform us, in a written affidavit, of any change in its 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 application for certification.

The UCP also requires all DBE owners we have certified to submit every year, on the anniversary date of their certification, a "no change" affidavit meeting the requirements of 49 CFR 26.83(j). A sample of this affidavit may be found as Attachment J.

The UCP requires DBEs to submit with this affidavit documentation of the firm's size and gross receipts (e.g., submission of Federal tax returns). Information regarding how and when DBEs will be notified of these obligations by the UPC can be found in Attachment I.

In accordance with the "Illinois United Certification Program Procedures," the UCP will notify all currently certified DBE firms of these obligations. This notification will inform DBEs that to submit the "no change" affidavit, their owners must swear or affirm that they meet all regulatory requirements of Part 26, including personal net worth. Likewise, if a firm's owner knows or should know that he or she, or the firm, fails to meet a Part 26 eligibility requirement (e.g. personal net worth, business size), the obligation to submit a notice of change applies.

Section 26.85 Interstate Certification

When a firm currently certified in another state applies to us for DBE certification, in accordance with IL UCP policy, we will not accept the other state's certification without further procedures. The procedures we will follow are specified in the IL UCP and 49 CFR 26.85.

Section 26.86 Denials of Initial Requests for Certification

If we deny a firm's application or decertify it, it may not reapply until twelve months have passed from our action. The time period for reapplication begins to run on the date the explanation required by paragraph (a) of §26.86 is received by the firm. An applicant's appeal of our decision to the DOT pursuant to §26.89 does not extend the waiting period.

Section 26.87 Removal of a DBE's Eligibility

In the event we propose to remove a DBE's certification, we will follow procedures consistent with 49 CFR 26.87. Attachment I, "Illinois Unified Certification Program Procedures," to this program sets forth these procedures in detail. To 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

appeals are forwarded to the City's Department of Law or outside counsel retained by the Department of Law (collectively referred to as "DOL") to provide a Hearing Officer.

None of the attorneys at DOL have taken part in any actions or decisions leading to or seeking to implement the proposal to remove the firm's eligibility. The Hearing Officers will render an independent decision as to the appeal without any direction from DPS or the DBELO. DOL is knowledgeable about the certification requirements of the DBE program and the DBE regulations. Upon receiving a request from the firm for an informal hearing or a written appeal, the City will immediately transfer the file to DOL. DOL will schedule the informal hearing within thirty days, if so requested. DOL will render a decision within sixty days following the informal hearing or the receipt of the written appeal.

Section 26.88 Summary Suspension of Certification

The City will follow procedures consistent with 49 CFR 26.88 regarding the suspension of a DBE's certification.

We will suspend a DBE's certification immediately without adhering to the requirements in Section 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.

We may suspend a DBE's certification immediately without adhering to the requirements in Section 26.87(d) when:

- (i) there is adequate evidence to believe that there has been a material change in circumstances that may affect the eligibility of the DBE firm to remain certified, or
- (ii) when the DBE fails to notify the City or the UPC in writing of any material change in circumstances as required by §26.83(i) or fails to timely file an affidavit of no change under §26.83(j).

When a firm is suspended, we will immediately notify the DBE of the suspension by certified mail, return receipt requested, to the last known address of the owner(s) of the DBE. Suspension is a temporary status of ineligibility pending an expedited show cause hearing/proceeding under §26.87 of Part 26 to determine whether the DBE is eligible to participate in the program and consequently 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 a recipient'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 City information demonstrating that the firm is eligible notwithstanding its changed circumstances as provided in 49 CFR 26.88. Within 30 days of receiving this information, the suspension will either be lifted and the firm's certification reinstated, or a decertification action under §26.87 of this part will be

initiated. If a decertification proceeding is commenced, the suspension remains in effect during the proceeding. The decision to immediately suspend a DBE under §26.88(a) or (b) is not appealable to the U.S. DOT.

If the City fails to lift the suspension and reinstate the firm or commence a decertification proceeding, as required by 49 CFR 26.88(g), is appealable to the U.S. DOT as a constructive decertification.

Section 26.89 Certification Appeals

Any firm or complainant may appeal our decision in a certification matter to DOT. Such appeals may be sent to:

U.S. Department of Transportation
Departmental Office of Civil Rights
1200 New Jersey Ave., S.E.
Washington, DC 20590-0001

Additional information on filing appeals may be found at the following website:
<https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/filing-appeal>

The U.S. DOT makes its decision based solely on the entire administrative record as supplemented by the appeal. The U.S. DOT does not make a de novo review of the matter and does not conduct a hearing. The U.S. DOT may also 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.

The UCP will promptly implement any DOT certification appeal decisions affecting the eligibility of DBEs for our DOT-assisted contracting (e.g., certify a firm if DOT has determined that our denial of its application was erroneous).

SUBPART F. COMPLIANCE AND ENFORCEMENT

Section 26.101 Compliance Procedures Applicable to the City

The City understands that if it fails to comply with any requirement of this part, the City may be subject to formal enforcement action under §26.103 or §26.105 or appropriate program sanctions by the concerned operating administration, such as the suspension or termination of Federal funds, or refusal to approve projects, grants or contracts until deficiencies are remedied. Program sanctions may include, in the case of the FHWA program, actions provided for under 23 CFR 1.36; in the case of the FAA program, actions consistent with 49 U.S.C. 47106(d), 47111(d), and 47122; and in the case of the FTA program, any actions permitted under 49 U.S.C. chapter 53 or applicable FTA program requirements.

Section 26.109 Information, Confidentiality, Cooperation, and Intimidation or Retaliation

We will safeguard from disclosure to third parties' information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law.

Pursuant to Section 2-156-070 of the MCC, City employees may not use or disclose, other than in the performance of their official duties and responsibilities, or as may be required by law, confidential information gained in the course of an investigation or by reason of his or her position or employment.

The Illinois Freedom of Information Act ("FOIA"), 5 ILCS 140/1 et seq., in general, permits access to information regarding the affairs of government and the official acts and policies of those who represent them as public officials.

Notwithstanding any provision of Federal or state law, we will not release any information that may reasonably be construed as confidential business information to any third party without the written consent of the firm that submitted the information. This includes applications for DBE certification and supporting information. However, pursuant to Section 26.67, which is specifically intended to preempt Illinois FOIA, we will transmit this information, including a personal net worth statement or documents pertaining to it, to DOT in any certification appeal proceeding under Section 26.89 of 49 CFR Part 26 or to any other state to which the individual's firm has applied for certification under Section 26.85 of Part 26.

All participants in the City's DBE program (including, but not limited to, recipients, DBE firms and applicants for DBE certification, complainants and appellants, and contractors using DBE firms to meet contract goals) are required to cooperate fully and promptly with DOT and City compliance reviews, certification reviews, investigations, and other requests for information. Failure to do so shall be a ground for appropriate action against the party involved (e.g., with respect to the City, a finding of noncompliance; with respect to DBE firms, denial of certification or removal of eligibility and/or suspension and debarment; with respect to a complainant or appellant, dismissal of the complaint or appeal; with respect to a contractor which uses DBE firms to meet goals, findings of non-responsibility for future contracts and/or suspension and debarment).

The City, contractor, or any other participant in the program will not intimidate, threaten, coerce, or discriminate against any individual or firm for the purpose of interfering with any right or privilege secured by 49 CFR Part 26 or because the individual or firm has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under Part 26. If we violate this prohibition, we are in noncompliance with Part 26.

- END -

Updated May 9, 2020

ATTACHMENTS

Attachment A City of Chicago Disadvantaged Business Enterprise Policy Statement
Attachment B Organizational Chart
Attachment C List of Minority and Woman-Owned Financial Institutions
Attachment D Contract Remedies
Attachment E Small Business Program
Attachment F Overall Goal Calculations
Attachment G Special Conditions Regarding Disadvantaged Business Enterprise Commitment
Attachment H Unified Certification Application Form
Attachment I Illinois Unified Certification Program Procedures
Attachment J Sample "No Change" Affidavit

NOTE: 49 CFR Part 26, Participation By Disadvantaged Business Enterprises In Department of Transportation Financial Assistance Programs" may be found at: http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title49/49cfr26_main_02.tpl

ATTACHMENT A
City of Chicago Disadvantaged Business Enterprise Policy Statement



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

City of Chicago
Disadvantaged Business Enterprise
Policy Statement

The City of Chicago (City) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The City has received Federal financial assistance from the Department of Transportation, and as a condition of receiving that assistance, the City has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the City to ensure that Disadvantaged Business Enterprises (DBEs), as defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

- To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
- To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
- To help remove barriers to the participation of DBEs in DOT assisted contracts; and
- To assist the development of firms that can compete successfully in the market place outside the DBE Program.

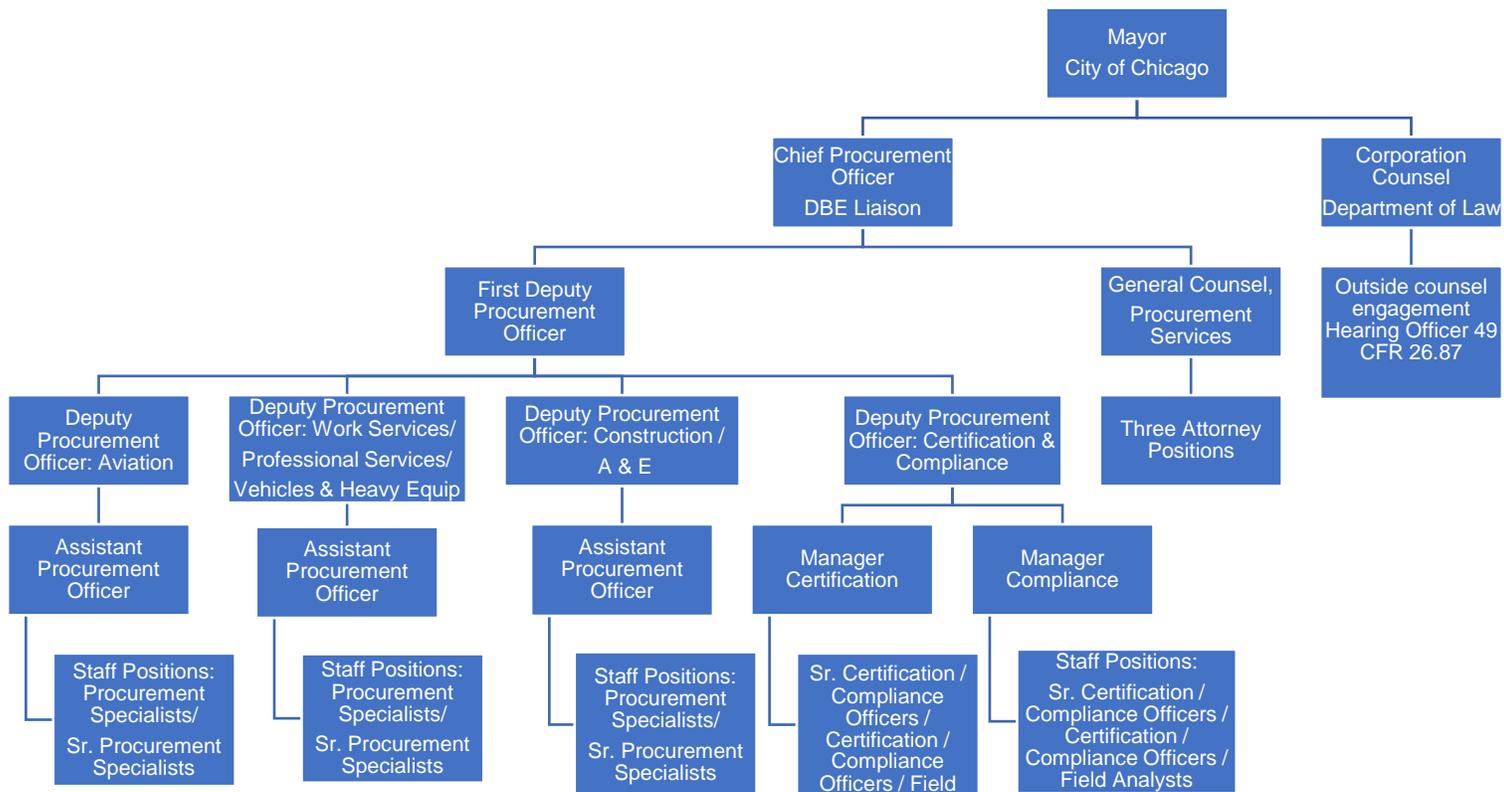
The City's Chief Procurement Officer is designated as the DBE Liaison Officer. In that capacity, the DBE Liaison Officer is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the City of Chicago in its financial assistance agreements with the Department of Transportation.

The City of Chicago has disseminated this policy statement to the heads of the City's executive departments ("Department Heads") and all the components of our organization. We have distributed this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts. A copy of the City's DBE program document will be maintained for public examination in the Department of Procurement Services, City Hall, 121 N. LaSalle St., Room 806, Chicago, Illinois, 60602.

Rahm Emanuel
Mayor
City of Chicago

Date: 3-8-2013

ATTACHMENT B
DBE Program Organizational Chart
City of Chicago, April 2020



ATTACHMENT C
List of Minority and Women-Owned Financial Institutions

Financial Institutions

Updated listings of financial institutions and other businesses certified as a DBE or ACDBE can be found online at: <https://webapps.dot.illinois.gov/UCP/ExternalSearch>.

Separate from the DBE program, the City also certifies financial institutions under its local Minority- and Women-owned Business Enterprise Program ("M/WBE Program") pursuant to MCC Section 2-92-420 et seq. and encourages their use on locally-funded contracts. Listings may be found at:

<https://chicago.mwdbe.com/>.

Small Business Loan Programs

The City offers several loan programs available to small businesses, which include the following:

Small Business Microlending

Microloans are business loans provided by community oriented financial institutions that help new and existing businesses get the capital they need to succeed.

Small Business Improvement Fund

The City of Chicago's Small Business Improvement Fund (SBIF) helps make improvements to small business properties in select Chicago neighborhoods. The program uses tax increment financing (TIF) revenues to help owners of commercial and industrial properties within specific TIF districts to repair or remodel their facilities for their own business or on behalf of tenants.

SBA Lenders

On September 27, 2010, President Obama signed the Small Business Jobs Act of 2010 (the "Small Business Jobs Act"). The Small Business Jobs Act makes significant changes to the amounts that a small business may borrow through the 7(a) loan program, increasing the overall 7(a) loan limit from \$2 million to \$5 million.

For more information regarding these small business loan programs and others provided by the City, please visit the City's resource hub for small business owners seeking financial assistance at: www.chicago.gov/city/en/depts/bacp/sbc/financial_resourcehome.html.

ATTACHMENT D
Contract Remedies

The following is a list of contractual remedies that are generally available to the City in the event of default on the part of the contractor. These remedies include, but are not limited to the following:

1. The right to take over and complete the work or any part of it as agent for contractor, either directly or through others. Contractor has, in that event, the right to offset from the cost the amount it would have cost the City under the terms and conditions of this agreement, had contractor completed the work.
2. The right to terminate the contract as to any or all of the work yet to be performed effective at a time specified by the City.
3. The right of specific performance, an injunction or any other appropriate equitable remedy.
4. The right to money damages.
5. The right to withhold all or any part of contractor's compensation under the contract.
6. The right offset off against any payments due or to become due to the contractor or the retention.
7. The right to deem the contractor non-responsible in future contracts to be awarded by the City.
8. The right to take over and complete the work, or contract with another contractor, including, but not limited to, any subcontractor, and hold contractor liable for any amounts paid for such work above what the City would have paid the contractor for that same work. Upon request of the City, contractor will assign any of its subcontracts to the City that the City may request.

ATTACHMENT E
Small Business Program



DEPARTMENT OF PROCUREMENT SERVICES
CITY OF CHICAGO

February 28, 2012

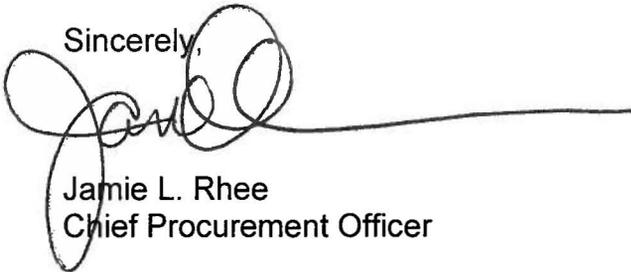
Dwight B. Sinks
Federal Transit Administration
Region V Office
200 West Adams Street, Suite 320
Chicago, Illinois 60606

Dear Mr. Sinks:

Per 49 CFR Part 26, the City of Chicago is pleased to present its DBE Small Business Participation (SBP) Program for your review and approval.

If you have any questions or need further assistance regarding our proposed SBP Program, please contact Monica Jimenez at (312) 744-0845 or via email at monica.jimenez@cityofchicago.org.

Sincerely,



Jamie L. Rhee
Chief Procurement Officer

JLR:mj

Enclosure

City of Chicago
DBE Small Business Participation Program (SBP)
(49 CFR Part 26.39)

A. Introduction

Recognizing that the DBE Program goals should be met through a mixture of race conscious and race neutral methods and, that by definition, DBE firms are small businesses, the City of Chicago seeks to implement a small business element into its current DBE policy in accordance with applicable law. The City of Chicago is including this element to facilitate competition by small business enterprises and increase contracting opportunities with the City of Chicago. The City of Chicago is committed to taking all reasonable steps to eliminate obstacles to small businesses that may preclude their participation in procurements as prime contractors or subcontractors.

B. Definitions

1. **Disadvantaged Business Enterprise (“DBE”)**: Disadvantaged business enterprise or “DBE” means a for-profit small business concern (as defined by the Small Business Administration) 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.
 - Is one whose socially and economically disadvantaged owners do not exceed the personal net (PNW) standard described in 49 C.F.R. Part 26. The current PNW is \$1.32 million.
 - Is one whose average annual gross receipts, as defined by SBA regulations over the firm’s previous three fiscal years is less than \$22.41 million.
 - Is one whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged owners.and
 - Has been certified as a DBE by the Illinois UCP in accordance with 49 C.F.R. Part 26.
2. **Set Aside**: the reserving of a contract or a portion of a contract exclusively for participation by small businesses. A small business set-aside is open to all small businesses regardless of the owner’s gender, race or geographic location.

3. **Small Business Enterprise (“SBE”)**: a small business as defined by the U.S. Small Business Administration, pursuant to the business size standards found in 13 C.F.R. Part 121, relevant to the scope(s) of work the firm seeks to perform on City contracts. A firm is not an eligible small business enterprise in any fiscal year in which its gross receipts, averaged over the firm’s previous three fiscal years, or its number of employees, per pay period averaged over the past twelve months, exceed the size standards of 13 C.F.R. Part 121.

C. Eligibility

1. To qualify for the Small Business Participation Program, a business must meet the definition of a small business as defined by the U.S. Small Business Administration, pursuant to the business size standards found in 13 C.F.R. Part 121. In making a determination as to whether a business meets that definition, the Chief Procurement Officer will consider, among other factors, whether the business:
 - Has been in business for at least one (1) year;
 - Will perform the majority of the work with its own forces and/or subcontractors who are also small business enterprises;
 - Is independent, and not an affiliate or subsidiary of any other business, other than businesses that, considered together, would meet the definition of a small business.
 - Has gross receipts, averaged over the previous three fiscal years, or its number of employees, per pay period averaged over the past twelve months, that do not exceed the size standards of 13 C.F.R. Part 121.
2. Independence of a business is determined solely by the Chief Procurement Officer or his or her designee. Indicia of independence include the ability of the applicant to perform satisfactorily in its area(s) of specialty without substantial reliance upon finances, resources, bonding, expertise, staff, facilities, or equipment of another individual or business. Recognition of the applicant as a separate and distinct entity by governmental taxing authorities is not dispositive of the applicant’s assertion of independence. Independence will be evaluated as of the date the applicant was established through and including the application to the SBP.
3. The DBE small business participation program is race and gender neutral. Any small business that meets the definition of a small business as defined by the U.S. Small Business Administration is eligible to bid on a DBE small business participation program contract.

4. The City of Chicago will issue a form of affidavit for firms that have not been certified as DBE's to attest that they meet the definition of a Small Business Enterprise. The Chief Procurement Officer reserves the right to conduct investigations to determine the accuracy of the information provided in such affidavits. (See Exhibit 1).

D. Methods and Strategies

1. **Set Asides:** Where feasible, the City of Chicago will establish a percentage of the total value of all prime contract and subcontract awards to be set aside for participation by Small Business Enterprises on federally funded contracts. The Department of Procurement Services (DPS) will identify federally funded projects in the City's Buying Plan, updated each quarter, which will be offered exclusively to Small Business Enterprises. The projects will be sized appropriately for small businesses and typically will be limited to estimated project costs of \$3 million or less. This set aside shall be in addition to the DBE contract goals which may be required pursuant to applicable law or policy.
2. **Unbundling:** The City of Chicago, where feasible may "unbundle" projects or separate large contracts into smaller contracts which may be more suitable for small business participation. The City of Chicago will conduct contract reviews on each federally funded project to determine whether portions of the project could be "unbundled" or bid separately. The City of Chicago will also encourage its prime contractors or prime consultants to unbundle contracts to facilitate participation by small businesses.
3. For those bidders who have not already been determined to be Small Business Enterprises, the bid package for each DBE small business participation program procurement will contain the affidavit referred to in Section C.4. above to be completed by the bidder.

E. Certification and Verification Procedures

The City of Chicago will recognize and accept certifications issued by those agencies that utilize the Illinois Unified Certification Program Application and which certify minority and women owned firms pursuant to the eligibility standards set forth by the U.S. Department of Transportation (USDOT) Regulation 49 CFR Part 26 and the procedures established under the IL UCP. Certifications issued by the following agencies will be accepted:

- Illinois Department of Transportation
- Chicago Transit Authority
- Pace
- Metra

F. Implementation Schedule

The City of Chicago will implement this small business element within three months of the approval of this document.

EXHIBIT 1

DBE SMALL BUSINESS PARTICIPATION PROGRAM (SBP) AFFIDAVIT OF SMALL BUSINESS STATUS

Project Description:
Specification Number:

State of _____
County (City) of _____

I HEREBY DECLARE AND AFFIRM that I am the duly authorized representative of:

Name of Bidder/Proposer ("Affiant")

and that I have personally reviewed the material and facts set forth herein describing our Affiant's status as a Small Business Enterprise within the requirements of the City of Chicago, DBE Small Business Participation Program, and thereby Affiant's eligibility for award of the contract for the project and specification set forth above.

- I. To qualify as a Small Business Enterprise for this Program, a business must meet the definition of a small business as defined by the U.S. Small Business Administration, pursuant to the business size standards found in 13 C.F.R. Part 121. In making a determination as to whether a business meets that definition, the Chief Procurement Officer will consider, among other factors, whether the business:
- Has been in business for at least one (1) year;
 - Will perform the majority of the work with its own forces and/or subcontractors who are also small business enterprises;
 - Is independent, and not an affiliate or subsidiary of any other business;
 - Has gross receipts, averaged over the previous three fiscal years or its number of employees, per pay period averaged over the past twelve months, that do not exceed, the size standards of 13 C.F.R. Part 121.

By its signature below, the Affiant states, represents, warrants and affirms that it meets the foregoing criteria, and that it will perform the majority of the work on the project with its own forces and/or subcontractors who are also small business enterprises as defined by 13 C.F.R. Part 121. Affiant states, represents, warrants and affirms that the subcontractors listed on Affiant's Schedule D are also small business enterprises. (Affidavits of Small Business Status attached).

The Affiant designates the following person as their Small Business Participation Program Compliance Liaison Officer:

Name: _____
Phone Number: _____

II. False statements made in connection with this Affidavit, including statements in, omissions from and failures to timely update the Economic Disclosure Statement, as well as in any other affidavits, statements or contract documents constitute a material breach of any contract for which this Affidavit is provided. Any such misrepresentation renders the contract voidable at the option of the City, notwithstanding any prior review or acceptance by the City of any materials containing such misrepresentation. In addition, the City may debar Affiant, assert any contract claims or seek other civil or criminal remedies as a result of a misrepresentation (including costs of replacing a terminated Affiant pursuant to Chicago Municipal Ordinance 1-21-010).

The City may, in its sole discretion, audit the records of Affiant at any time during the term of any Contract for which this Affidavit is submitted or within five (5) years after the date of this Affidavit, in connection with the representations, statements and affirmations made herein. Each calendar year or partial calendar year is considered an audited period. If, as a result of such an audit, it is determined that Contractor has made any false statements to the City, the City will so notify Contractor.

III. To the best of Affiant's knowledge, information and belief, the facts and representations contained in this Affidavit are true, and no material facts have been omitted. On behalf of Affiant, I do solemnly declare and affirm under penalties of perjury that the contents of the foregoing document are true and correct, and that I am authorized, on behalf of the Contractor, to make this affidavit.

Signature of Affiant: _____ Date: _____

Affiant's SBA Specialty Area: _____

NAICS Code(s): _____

State of _____

County _____

The instrument was acknowledged before me on _____ (date)

by _____ (name/s of person/s)

as _____ (type of authority, e.g. officer, trustee, etc.)

of _____ (name of party on behalf of whom instrument was executed)

Notary Public Signature: _____

(Seal)

Commission Expires: _____



U.S. Department
of Transportation
**Federal Aviation
Administration**

Western-Pacific Region
Office of Civil Rights
P. O. Box 92007
Los Angeles, CA 90009-2007

Reply to:
Great Lakes Region
2300 E. Devon Avenue, Room 440
Attn: Nancy Cibic
Des Plaines, IL 60018

July 13, 2012

Ms. Jamie L. Rhee
Chief Procurement Officer
City of Chicago
Department of Procurement Services
121 North LaSalle Street
Room 403
Chicago, IL 60602

Dear Ms. Rhee:

This letter is to notify you that we concur with the City of Chicago's Small Business Element (SBE) which was submitted as part of the Authority's overall DBE program. Please note that your SBE must be implemented within nine (9) months after receipt of this letter.

As a reminder, Federal Regulation 49 CFR Part 26 requires airport grant recipients that award prime contracts during a fiscal year in excess of \$250,000 or more to submit DBE goals. 49 CFR 26.11 specifically requires airport grant recipients to annually submit the Uniform Report of DBE Awards or Commitments and Payments associated with the contracts awarded during the fiscal year. For, FAA, these reports are due December 1 for the prior fiscal year. The race and gender neutral DBE participation on federally-funded projects that is achieved through the small business element should be reported in the same annual Uniform Report of DBE Awards or Commitments and Payments.

Thank you for your continued attention to and support of the very important DBE program. If you have any questions or need any other assistance, please contact Nancy Cibic, FAA Great Lakes Region Compliance Specialist at nancy.cibic@faa.gov, or 847-294-7182.

Sincerely,

Nancy A. Cibic

for
Michael D. Freilich, Director
Civil Rights and DBE Compliance
Western Pacific Region

cc:

Ms. Monica Jimenez
City of Chicago
Contract Compliance
121 North LaSalle Street, Room 403
Chicago, Illinois 60602

ATTACHMENT F
DBE Goal Document



City of Chicago

Federal Aviation Administration

DBE METHODOLOGY AND GOAL

O'HARE INTERNATIONAL AIRPORT

FISCAL YEARS 2020-2022

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**DISADVANTAGED BUSINESS ENTERPRISE GOAL AND
GOAL SETTING METHODOLOGY
FISCAL YEARS 2020-2022**

I. SUMMARY

The City of Chicago (City) has prepared this document to describe the methodology used to establish its overall Disadvantaged Business Enterprise (DBE) goal for Federal Aviation Administration (FAA) assisted contracts. The DBE overall goal setting methodology is a requirement set forth in the United States Department of Transportation (USDOT) DBE regulations. The City performed a thorough analysis of the relative availability of DBEs to participate in our DOT-assisted contracts by using historical contract and payment data, the IL UCP Directory of Certified DBEs, and the Census Bureau’s County Business Pattern database to arrive at its overall goal of 25.78 percent. The City followed the regulations and guidance contained in the USDOT DBE regulations, 49 CFR Part 26.

II. PROPOSED OVERALL GOAL FOR Federal Fiscal Year (FFY) 2020-2022

The City will use an overall DBE goal for the three-year FFY period 2020-2022 (October 1, 2019 to September 30, 2022) of 25.78%, to be accomplished through 25.10% race-conscious and 0.68% race-neutral measures. This goal will apply to all FAA-assisted contracts and represents the relative availability of DBEs based on evidence of ready, willing and able DBEs in relationship to all comparable businesses, which are known to be available to compete in FAA-assisted contracts. The overall DBE goal reflects City staff’s determination of the level of DBE participation, which would be expected absent the effects of discrimination.¹ The total FAA-assisted contract amounts the City expects to bid out in the next three years is as follows:

Table 1: Anticipated FAA -Assisted Contracts Annual Spending

Federal Fiscal Year	Dollar Amount
2020	\$70,000,000
2021	\$70,500,000
2022	\$33,000,000

¹ Goal for individual projects will be assessed on a case-by-case basis to determine if adjustments are required given the scopes of work included and DBE availability.

III. DBE GOAL SETTING METHODOLOGY

The USDOT DBE regulations, 49 CFR Part 26 require using a two-step process for setting the overall DBE goal that reflects the level of DBE participation. The first step is the calculation of a base figure for the relative availability of DBEs in the relevant market area. The second step requires examining all relevant evidence to determine what adjustment, if any, is needed to the base figure in order to arrive at an overall goal. Once the adjusted overall goal is determined, the process requires considering what portion of the goal will be met by race and gender-neutral measures.

In order to establish an overall goal consistent with the process in 49 CFR Part 26, the City began by defining its local market for FAA-assisted contracts through collecting and analyzing data from the IL UCP Directory of Certified DBEs, bidder’s list and U.S. Census Data. The City’s Uniform Report of DBE awards, commitments and payment reports were also used in determining the City’s overall DBE goal.

Based on available data from the City’s FAA-assisted contracts, the City determined that virtually all DBEs performed (either as prime contractors or subcontractors) in the following North American Industry Classification System (NAICS) Codes:

Table 2: Anticipated NAICS Codes and Description

NAICS CODE	TITLE
237110	Water and Sewer Line and related structures
237310	Highway, Street, and Bridge Construction
237990	Other Heavy and Civil Engineering Construction
238110	Poured Concrete Foundation and Structure Contractors
238120	Structural Steel and Precast Concrete Contractors
238130	Framing Contractors
238210	Electrical Contractors and Other Wiring Installation Contractors
238310	Drywall and Insulation Contractors
238320	Painting and Wall Covering Contractors
238350	Finish Carpentry Contractors
238910	Site Preparation Contractors
238990	All Other Specialty Trade Contractors
327320	Ready-Mix Concrete Manufacturing

NAICS CODE	TITLE
332323	Ornamental and Architectural Metal Work Manufacturing
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
423730	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers
424720	Petroleum and Petroleum Products Merchant Wholesalers (except bulk stations and terminals)
484110	General Freight Trucking, Local
541330	Engineering Services
541370	Surveying and Mapping (except Geophysical) Services
541690	Other Scientific and Technical Consulting Services
561730	Landscaping Services
561990	Flagging (i.e., traffic control) services

IV. STEP 1. BASE FIGURE

To determine the preliminary DBE goal base figure, the analyses and calculations described on the following pages were conducted in accordance with 49 CFR Part 26.45:

a) Anticipated FAA Funding

FAA-assisted contracting for Fiscal Years 2020 – 2022 is expected to consist of fifteen (15) projects from the Chicago Department of Aviation. Additional projects may be undertaken if additional revenue becomes available (the overall DBE goal will be adjusted if necessary). These fifteen (15) anticipated contracts with the calculated percentage of federal dollars allocated to each project category are listed in **Table 3**.

Table 3: Anticipated FAA-Assisted Contracts for FY 2020 – 2022

Projects	FAA Funds
1) East Taxiway G and G3 Relocation	\$ 6,500,000
2) Runway 9R/27L Rehabilitation	\$ 11,000,000
3) Taxiway Y and Exit Taxiways Rehabilitation	\$ 13,500,000
4) Proposed Taxiway V6	\$ 4,000,000
5) Taxiway G Rehabilitation (Formerly Taxiway H Rehabilitation)	\$ 11,500,000

Projects	FAA Funds
6) Taxiway LL – Phase 2 (Between Taxiway EE and Taxiway Y)	\$ 55,000,000
7) Taxiway A and B Rehabilitation between Concourse K and Taxiway Bridges	\$20,000,000
8) Taxiway YY Rehabilitation	\$ 13,000,000
9) O’Hare Phase 17 Bid Package 3 - Sound Insulation of 131 historic homes in	\$8,000,000
10) O’Hare Phase 18A – Sound insulation of 250 homes	\$ 5,000,000
11) O’Hare Phase 18B – Sound insulation of 278 homes	\$ 6,000,000
12) O’Hare Phase 19A – Sound insulation of 250 homes	\$ 5,000,000
13) O’Hare Phase 19B – Sound insulation of 250 homes	\$ 5,000,000
14) O’Hare Phase 19C – Sound insulation of 250 homes	\$ 5,000,000
15) O’Hare Phase 19D – Sound insulation of 254 homes	\$ 5,000,000
	\$173,500,000

b) Assignment of Work Codes/NAICS Codes

The study next analyzed the scope of work of each project category and identified NAICS codes by project and description, as shown in **Table 4**.

Table 4: Anticipated FAA -Assisted Contracts Classified by NAICS Codes and Description

Projects	NAICS	NAICS Description
1) East Taxiway G and G3 Relocation (Formerly Taxiway H and H2 Relocation)	237310	Highway, street and Bridge Construction
	237110	Water and Sewer Line and Related Structures Construction
2) Runway 9R/27L Rehabilitation	237990	Other Heavy and Civil Engineering Construction
3) Taxiway Y and Exit Taxiways Rehabilitation	238110	Poured Concrete Foundation and Structure Contractors
	238120	Structural Steel and Precast Concrete Contractors
4) Proposed Taxiway V6	238210	Electrical Contractors and other wiring installation
5) Taxiway G Rehabilitation (formerly Taxiway H Rehabilitation)	238910	Site preparation contractors
	238990	All Other Specialty Trade Contractors
6) Taxiway LL – Phase 2 (Between Taxiway EE and Taxiway Y)	327320	Ready Mix Concrete Manufacturing
	332323	Ornamental and Architectural Metal Work Manufacturing

Projects	NAICS	NAICS Description	
7) Taxiway A and B Rehabilitation between Concourse K and Taxiway Bridges A/B	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	
8) Taxiway YY Rehabilitation	424720	Petroleum and Petroleum Products Merchant Wholesalers (except bulk stations and terminals)	
	484110	General Freight Trucking Local	
	541330	Engineering Services	
	541690	Other Scientific and Technical Consulting Services	
	561730	Landscaping Services	
	561990	All other support Services	
	9) O'Hare Phase 17 Bid Package 3 Sound insulation of homes	238130	Framing Contractors
238210		Electrical Contractors and Others Wiring Installation Contractors	
238310		Drywall and Insulation Contractors	
238320		Painting and Wall Covering Contractors	
238350		Finish Carpentry Contractors	
238910		Site Preparation Contractors	
423310		Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	
423730		Supplier – HVAC Equipment	
541370		Surveying and Mapping Services	
10) O'Hare Phase 18A			
11) O'Hare Phase 18B			
12) O'Hare Phase 19A			
13) O'Hare Phase 19B			
14) O'Hare Phase 19C			
15) O'Hare Phase 19D			

c) Determination of Market Area

For purposes of DBE goal-setting, the Chicago market area was defined as the Six-County region including Cook, DuPage, Kane, Lake, McHenry, and Will Counties, based on City service area and bidder/vendor database profiles.

d) Calculation of Relative Availability

49 CFR Part 26.45 Section (c) states that Step 1 must begin by determining a base figure for Relative Availability of DBEs, and that any percentage figure derived is considered a basis to begin examining all evidence available within the jurisdiction. The City calculated Relative Availability of DBE firms using the following sources of information:

- The *Illinois UCP Directory* was used to identify the number of certified DBEs willing to perform work in the City's market area for each NAICS code identified in the fifteen contracts included in the analysis.

- The *U.S. Census Bureau’s County Business Patterns (CBP) database* was used to identify the total number of businesses available in the City’s market area to work on each of the NAICS codes identified for the anticipated contracts. For this analysis, the most recent available (2017) data from the CBP was used.

The relative availability was calculated by dividing the number of DBEs (numerator) by the number of all businesses (denominator) for each NAICS code. The calculations yielded the following percentages (noted as “DBE% Relative Availability” **Table 5**).

$$\text{Relative Base Figure} = \frac{\text{Ready, Willing and Able DBEs}}{\text{All Ready, Willing and Able Businesses (including DBEs and non-DBEs)}}$$

$$\text{Relative Base Figure of } \mathbf{15.63\%} = \frac{\mathbf{1,916 \text{ DBEs}}}{\mathbf{12,261 \text{ Total Businesses}}}$$

Table 5: Relative Availability

NAICS CODE	Number of Available Businesses		Percentage of Available Businesses		
	DBEs	All	DBEs	Non-DBE's	All
237110	36	92	0.29%	0.49%	0.75%
237310	283	103	2.31%	-1.47%	0.84%
237990	82	68	0.67%	-0.11%	0.55%
238110	155	249	1.26%	0.77%	2.03%
238120	25	31	0.20%	0.05%	0.25%
238130	141	181	1.15%	0.33%	1.48%
238210	91	1303	0.74%	9.89%	10.63%
238310	48	211	0.39%	1.33%	1.72%
238320	101	955	0.82%	6.97%	7.79%
238350	72	852	0.59%	6.36%	6.95%

NAICS CODE	Number of Available Businesses		Percentage of Available Businesses		
	DBEs	All	DBEs	Non-DBE's	All
238910	113	294	0.92%	1.48%	2.40%
238990	100	750	0.82%	5.30%	6.12%
327320	5	24	0.04%	0.15%	0.20%
332323	11	15	0.09%	0.03%	0.12%
423310	5	53	0.04%	0.39%	0.43%
423610	44	206	0.36%	1.32%	1.68%
423730	12	71	0.10%	0.48%	0.58%
424720	13	22	0.11%	0.07%	0.18%
484110	47	2551	0.38%	20.42%	20.81%
541330	208	815	1.70%	4.95%	6.65%
541370	51	73	0.42%	0.18%	0.60%
541690	117	530	0.95%	3.37%	4.32%
561730	104	2596	0.85%	20.32%	21.17%
561990	52	216	0.42%	1.34%	1.76%
TOTAL	1916	12,261	15.63%	84.37%	100.00%

e) Weighted Base Figure

Following the FAA recommendations from the “Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program” the relative availability was weighted based on the dollar amount projected to be spent on each NAICS code. This part of the process emphasizes contracting opportunities based on relative importance to the City’s needs.

A weight was calculated based on the projected dollars assigned to each NAICS code. Then, for each NAICS code, the percentage of relative DBE availability was multiplied times the corresponding weight. Because the City’s federally funded contracts are identified on a contract-by-contract basis after federal funding is received, weights cannot be calculated based on anticipated contracts. As shown in **Table 6**, the weighted DBE availability is 23.77%.

$$\text{Weighted Base Figure} = \text{Weight} \times \text{Relative Availability}$$

Table 6: Weighted Base Figure

NAICS CODE	Number of Available Businesses		Anticipated Contracted Amount	Weight	Weighted DBE Availability
	DBEs	All			
Industry: Construction					
237110	36	92			
237310	283	103			
237990	82	68			
238110	155	249			
238120	25	31			
238130	141	181			
238210	91	1303			
238310	48	211			
238320	101	955			
238350	72	852			
238910	113	294			
238990	100	750			
Subtotals ...	1247	5089	\$ 135,330,000	78.00%	19.11%
Industry: Nonmetallic Mineral Product Manufacturing					
327320	5	24			
Subtotals ...	5	24	\$ 10,410,000	6.00%	1.25%
Industry: Fabricated Metal Product Manufacturing					
332323	11	15			
Subtotals ...	11	15	\$ 5,205,000	3.00%	2.20%
Industry: Merchant Wholesalers, Durable Goods					
423310	5	53			
423610	44	206			
423730	12	71			
424720	13	22			
Subtotals ...	74	352	\$ 1,735,000	1.00%	0.21%
Industry: Truck Transportation					
484110	47	2551			
Subtotals ...	47	2551	\$ 13,880,000	8.00%	0.15%

NAICS CODE	Number of Available Businesses		Anticipated Contracted Amount	Weight	Weighted DBE Availability
	DBEs	All			
Industry: Professional, Scientific and Technical Services					
541330	208	815			
541370	51	73			
541690	117	530			
Subtotals ...	376	1418	\$ 5,205,000	3.00%	0.80%
Industry: Administrative and Support Services					
561730	104	2596			
561990	52	216			
Subtotals ...	156	2812	\$ 1,735,000	1.00%	0.06%
TOTAL ...	1916	12,261	\$ 173,500,000	100%	23.77%

V. STEP 2. BASE FIGURE ADJUSTMENT

Per 49 CFR 26.45(d), following calculation of a base figure, all available evidence must be examined to determine what adjustment, if any, is needed to the base figure to make the DBE goals as precise as possible. This adjustment can be made if relevant and reliable data is available. The consideration of an adjustment is intended to account for any impact the relevant factors may have on a DBE's contracting opportunities with the City.

After calculating a base figure of the relative availability of DBE's, evidence was examined to determine what adjustment (if any) was needed to the base figure in order to arrive at the overall goal. Table 7 details DBE utilization, measured by actual awards to DBE on contracts awarded from 2015 to 2019. The data used to determine the adjustment to the base figure was the median of historical DBE participation which ranged from 27.41% to 29.91% (see **Table 7** below).

Table 7: Dollar Value of Past DBE Awards ~~Participation~~

FY	Final Contract Value (\$)	DBE Participation (\$)	DBE Participation (%)
2015	79,784,715	22,612,502	28.34
2016	90,727,425	27,134,056	29.91
2017	60,000,000	16,678,329	27.80
2018	65,000,000	17,818,515	27.41
2019	75,717,636	20,834,556	27.52

FYY	Final Contract Value (\$)	DBE Participation (\$)	DBE Participation (%)
Median DBE Participation within the past five years			27.80%

The median past participation for these years is 27.80%. The difference between the Step One weighted base figure (23.77%) and median past DBE participation (27.80%) indicates that DBEs have the capacity to perform Aviation work and suggests that an adjustment of the Step One base figure is warranted. By calculating the average of the Step One weighted base figure and the average median of past participation, the City determined an adjusted base figure of 25.78%. This is an overall goal for the O’Hare International Airport.

VI. USE OF RACE-NEUTRAL METHODS AND DBE CONTRACT GOALS

Table 8 details DBE utilization, measured by actual commitments on contracts completed from 2015 to 2019. The median race and gender-neutral DBE utilization achieved by City was 0.68%. **Table 8** also demonstrates past utilization as reported as achievements on the City’s Uniform Report. The overall median past utilization is 25.78% for the same time period of 2015 – 2019.

YEAR	Total Final Contract Value \$	Race Neutral DBE Achievement \$/%	Overall DBE Achievement \$/%
2015	79,784,715	1,266,592	1.59
2016	90,727,425	1,872	0.003
2017	60,000,000	1,680,000	2.80
2018	65,000,000	427,644	0.66
2019	75,717,636	520,864	0.69

Table 8: Dollar Value of Past Race-Neutral Participation

The City will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating race-neutral DBE participation, including those set out in Section 26.51(b). Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on prime contract that does not carry a DBE contract goal.

Race-neutral means include, but are not limited to the following:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitation participation by DBEs and other small businesses and by

making contracts more accessible to small businesses, by means such as those provided under §26.39.

2. Provide assistance in overcoming limitations such as the inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBE's, and other small businesses, obtaining bonding and financing);
3. Providing technical assistance and other services;
4. Carrying out information and communications programs on contracting procedures and specific goal opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing list for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);
5. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. Providing services to help DBEs, and other small businesses, improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
7. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
8. Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors; and
9. Assisting DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.

The City estimates that in meeting the established overall goal of 25.78%. It will obtain 0.68% from race-neutral participation and 25.10% through race-conscious measures.

The City will adjust the estimated breakout of race-neutral and race-conscious DBE participation as needed to reflect actual DBE participation and will track and report race-conscious and race-neutral participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to the following: DBE participation through a prime contract obtained through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal, DBE participation on a prime contract exceeding a contract goal, and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

VII. CONTRACT GOALS

Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the City's overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those FAA-assisted contracts that have subcontracting possibilities. We need to establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work). We will express our contract goals as a percentage of the total amount of DOT-assisted contracts.

VIII. GOOD FAITH EFFORTS

The City handles bidder's/respondent's compliance with good faith efforts requirements as a matter of responsiveness. Each solicitation for which the contract goal has been established will require the bidder/respondent to submit the following at the time of bid submission:

- a. Names and addresses of DBE firms that were solicited for potential DBE and non-DBE participation as subcontractor.
- b. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits in order to meet the contract goal.
- c. A description of the work that each DBE will perform.
- d. Dollar amount of participation of each DBE firm performing work.
- e. Written and signed confirmation from the DBE that is participating in the contract as provided in the prime contractor's commitment.
- f. If a commitment to the contract goal could not be met, evidence of good faith efforts must be fully documented and submitted to the City for review and approval.

Provided that in a negotiated procurement the bidder/offeror may make a contractually binding commitment to meet the goal at the time of bid submission, or the presentation of initial proposals, but provide the information required by (a)-(f) above before the final selection for the contract is made by the recipient.

IX. PROCESS AND NOTICE OF GOAL

On May 19, 2020, the Department of Procurement Services (DPS) notified the public via a DPS news alert that the City's Disadvantaged Business Enterprises (DBE) overall goals and methodology for Fiscal Years 2020, 2021, and 2022 for Federal Aviation Administration (FAA) funded projects (Midway and O'Hare) were available for public review and comment at the following link:

[City of Chicago DBE Program Document.](#)

The public comment period was open for thirty (30) days. Interested parties were directed to send their comments to Jacquelyn Charleston. As of today's date, no comments were received by DPS.

A DPS alert was announcing the posting of the revised DBE Program and overall goals and methodology. DPS also discussed the revised DBE Program and overall goals and methodology with stakeholders and partners at the June 4, 2020 GPC meeting. Participants at the GPC meeting included representatives from assist agencies that represent the minority, women's and general contractor groups, and other government entities such as the Illinois Tollway, IDOT, Cook County, and the City's Sister Agencies.



City of Chicago

Federal Aviation Administration

DBE METHODOLOGY AND GOAL

MIDWAY AIRPORT

FISCAL YEARS 2020-2022

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Table 7: Dollar Value of Past DBE Participation

Table 8: Dollar Value of Past Race-Neutral Participation

**DISADVANTAGED BUSINESS ENTERPRISE GOAL AND
GOAL SETTING METHODOLOGY
FISCAL YEARS 2020-2022**

I. SUMMARY

The City of Chicago (City) has prepared this document to describe the methodology used to establish its overall Disadvantaged Business Enterprise (DBE) goal for Federal Aviation Administration (FAA) assisted contracts. The DBE overall goal setting methodology is a requirement set forth in the United States Department of Transportation (USDOT) DBE regulations. The City performed a thorough analysis of the relative availability of DBEs to participate in our DOT-assisted contracts by using historical contract and payment data, the IL UCP Directory of Certified DBEs, and the Census Bureau’s County Business Pattern database to arrive at its overall goal of 29.3 percent. The City followed the regulations and guidance contained in the USDOT DBE regulations, 49 CFR Part 26.

II. PROPOSED OVERALL GOAL FOR FFY 2020-2022

The City will use an overall DBE goal for the three Federal Fiscal Year (FFY) period 2020-2022 (October 1, 2019 to September 30, 2022) of 29.3%, to be accomplished through 27.57% race-conscious and 1.73% race-neutral measures. This goal will apply to all FAA-assisted contracts and represents the relative availability of DBEs based on evidence of ready, willing and able DBEs in relationship to all comparable businesses, which are known to be available to compete in FAA-assisted contracts. The overall DBE goal reflects City staff’s determination of the level of DBE participation, which would be expected absent the effects of discrimination.¹ The total FAA-assisted contract amounts the City expects to bid out in the next three years are as follows:

Table 1: Anticipated FAA -Assisted Contracts Annual Spending

Federal Fiscal Year	Dollar Amount
2020	\$12,000,000
2021	\$45,500,000
2022	\$25,200,000

¹ Goals for individual projects will be assessed on a case-by-case basis to determine if adjustments are required given the scopes of work included and DBE availability.

III. DBE GOAL SETTING METHODOLOGY

The USDOT DBE regulations, 49 CFR Part 26 requires using a two-step process for setting the overall DBE goal that reflects the level of DBE participation. The first step is the calculation of a base figure for the relative availability of DBEs in the relevant market area. The second step requires examining all relevant evidence to determine what adjustment, if any, is needed to the base figure in order to arrive at an overall goal. Once the adjusted overall goal is determined, the process requires considering what portion of the goal will be met by race and gender-neutral measures.

In order to establish an overall goal consistent with the process in 49 CFR Part 26, the City began by defining its local market for FAA-assisted contracts through collecting and analyzing data from the IL UCP Directory of Certified DBEs, bidder’s list and U.S. Census Data. The City’s Uniform Report of DBE awards, commitments and payment reports were also used in determining the City’s overall DBE goal.

Based on available data from the City’s FAA-assisted contracts, the City determined that virtually all DBEs performed (either as prime contractors or subcontractors) in the following North American Industry Classification System (NAICS) Codes:

Table 2: Anticipated NAICS Codes and Descriptions

NAICS CODE	TITLE
237110	Water and Sewer Line and related structures
237310	Highway, Street, and Bridge Construction
237990	Other Heavy and Civil Engineering Construction
238110	Poured Concrete Foundation and Structure Contractors
238120	Structural Steel and Precast Concrete Contractors
238210	Electrical Contractors and Other Wiring Installation Contractors
238910	Site Preparation Contractors
238990	All Other Specialty Trade Contractors
327320	Ready-Mix Concrete Manufacturing
332323	Ornamental and Architectural Metal Work Manufacturing
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
424720	Petroleum and Petroleum Products Merchant Wholesalers (except bulk stations and terminals)

NAICS CODE	TITLE
484110	General Freight Trucking, Local
541330	Engineering Services
541370	Surveying and Mapping (except Geophysical) Services
541690	Other Scientific and Technical Consulting Services
561730	Landscaping Services
561990	Flagging (i.e., traffic control) services

IV. STEP 1. BASE FIGURE

To determine the preliminary DBE goal base figure, the analyses and calculations described on the following pages were conducted in accordance with 49 CFR Part 26.45:

a) Anticipated FAA Funding

FAA-assisted contracting for Fiscal Years 2020 – 2022 is expected to consist of four (4) main projects from the Chicago Department of Aviation. Additional projects may be undertaken if revenue becomes available and the overall DBE goal will be adjusted if necessary. These four (4) anticipated contracts with the calculated percentage of federal dollars allocated to each project category are listed in **Table 3**.

Table 3: Anticipated FAA-Assisted Projects for FY 2020 – 2022

Projects	FAA Funds
1) Terminal Ramp Improvements	\$ 12,000,000
2) Runway 13C/31C Pavement Rehabilitation	\$ 34,500,000
3) Taxiway Y Pavement Rehabilitation – Intersection of Runway 113L to Approach Threshold of Runway 4R	\$ 11,000,000
4) Runway 4R/22L and Taxiway P Pavement Rehabilitation	\$ 25,200,000
	\$82,700,000

b) Assignment of Work Codes/NAICS Codes

The study next analyzed the scope of work of each project category and identified NAICS codes by project and description, as shown in **Table 4**.

Table 4: Anticipated FAA -Assisted Projects Classified by NAICS Codes and Description

Projects	NAICS	NAICS Description
1) Terminal Ramp Improvements 2) Runway 13C/31C Pavement Rehabilitation 3) Taxiway Y Pavement Rehabilitation Intersection of Runway 13L to Approach Threshold of Runway R 4) Runway 4R/22L and Taxiway P Pavement Rehabilitation	237310	Highway, street and Bridge Construction
	237110	Water and Sewer Line and Related Structures Construction
	237990	Other Heavy and Civil Engineering Construction
	238110	Poured Concrete Foundation and Structure Contractors
	238120	Structural Steel and Precast Concrete Contractors
	238210	Electrical Contractors and other wiring installation
	238910	Site preparation contractors
	238990	All Other Specialty Trade Contractors
	327320	Ready Mix Concrete Manufacturing
	332323	Ornamental and Architectural Metal Work Manufacturing
	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
	424720	Petroleum and Petroleum Products Merchant Wholesalers (except bulk stations and terminals)
	484110	General Freight Trucking Local
	541330	Engineering Services
	541370	Surveying and Mapping (except Geophysical) Services
	541690	Other Scientific and Technical Consulting Services
	561730	Landscaping Services
561990	All other support Services	

c) Determination of Market Area

For purposes of DBE goal-setting, the Chicago market area was defined as the Six-County region including Cook, DuPage, Kane, Lake, McHenry, and Will Counties, based on City service area and bidder/vendor database profiles.

d) Calculation of Relative Availability

49 CFR Part 26.45 Section (c) states that Step 1 must begin by determining a base figure for Relative Availability of DBEs, and that any percentage figure derived is considered a basis to begin examining all evidence available within the jurisdiction. The City calculated Relative Availability of DBE firms using the following sources of information:

- a. The *Illinois UCP Directory* was used to identify the number of certified DBEs willing to perform work in the City’s market area for each NAICS code identified in the four (4) contracts included in the analysis.
- The *U.S. Census Bureau’s County Business Patterns (CBP) database* was used to identify the total number of businesses available in the City’s market area to work on each NAICS code identified for the anticipated contracts. For this analysis, the most recent available (2017) data from the CBP was used.

The relative availability was calculated by dividing the number of DBEs (numerator) by the number of all businesses (denominator) for each NAICS code. The calculations yielded the following percentages (noted as “DBE% Relative Availability” **Table 5**).

$$\text{Relative Base Figure} = \frac{\text{Ready, Willing and Able DBEs}}{\text{All Ready, Willing and Able Businesses (including DBEs and Non-DBEs)}}$$

$$\text{Relative Base Figure of } 15.47\% = \frac{1,537 \text{ DBEs}}{9,938 \text{ Total Businesses}}$$

Table 5: Relative Availability

NAICS CODE	Number of Available Businesses		Percentage of Available Businesses		
	DBEs	All	DBEs	Non-DBE's	All
237110	36	92	0.29%	0.45%	0.74%
237310	283	103	2.27%	-1.45%	0.83%
237990	82	68	0.66%	-0.11%	0.55%
238110	155	249	1.25%	0.76%	2.00%
238120	25	31	0.20%	0.05%	0.25%
238210	91	1303	0.73%	9.74%	10.47%
238910	113	294	0.91%	1.45%	2.36%
238990	100	750	0.80%	5.22%	6.03%
327320	5	24	0.04%	0.15%	0.19%
332323	11	15	0.09%	0.03%	0.12%

NAICS CODE	Number of Available Businesses		Percentage of Available Businesses		
	DBEs	All	DBEs	Non-DBE's	All
423610	44	206	0.35%	1.30%	1.66%
424720	13	22	0.10%	0.07%	0.18%
484110	47	2551	0.38%	20.12%	20.49%
541330	208	815	1.67%	4.88%	6.55%
541370	51	73	0.41%	0.18%	0.59%
541690	117	530	0.94%	3.32%	4.26%
561730	104	2596	0.84%	20.02%	20.86%
561990	52	216	0.42%	1.32%	1.74%
TOTAL	1,537	9,938	15.47%	84.53%	100.00%

e) Weighted Base Figure

Following the FAA recommendations from the “Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program” the relative availability was weighted based on the dollar amount projected to be spent on each NAICS code. This part of the process emphasizes contracting opportunities based on relative importance to the City’s needs. A weight was calculated based on the projected dollars assigned to each NAICS code. Then, for each NAICS code, the percentage of relative DBE availability was multiplied times the corresponding weight. Due to the fact that the City’s federally funded contracts are identified on a contract-by-contract basis after federal funding is received, weights cannot be calculated based on anticipated contracts. As shown in **Table 6**, the weighted DBE availability is 28.5%.

$$\text{Weighted Base Figure} = \text{Weight} \times \text{Relative Availability}$$

Table 6: Weighted Base Figure

NAICS CODE	Number of Available Businesses		Anticipated Contracted Amount	Weight	Weighted DBE Availability
	DBEs	All			
Industry: Construction					
237110	36	92			
237310	283	103			

NAICS CODE	Number of Available Businesses		Anticipated Contracted Amount	Weight	Weighted DBE Availability			
	DBEs	All						
237990	82	68						
238110	155	249						
238120	25	31						
238210	91	1303						
238910	113	294						
238990	100	750						
Subtotals ...	885	2,890				\$ 55,409,000	67%	20.52%
Industry: Nonmetallic Mineral Product Manufacturing								
327320	5	24						
Subtotals ...	5	24				\$ 3,308,000	4%	0.83%
Industry: Fabricated Metal Product Manufacturing								
332323	11	15						
Subtotals ...	11	15				\$ 2,481,000	3%	2.20%
Industry: Merchant Wholesalers, Durable Goods								
423610	44	206						
424720	13	22						
Subtotals ...	74	352				\$ 4,962,000	6%	1.50%
Industry: Truck Transportation								
484110	47	2551						
Subtotals ...	47	2551				\$ 4,962,000	6%	0.11%
Industry: Professional, Scientific and Technical Services								
541330	208	815						
541370	51	73						
541690	117	530						
Subtotals ...	376	1418				\$ 9,924,000	12%	3.18%
Industry: Administrative and Support Services								
561730	104	2596						
561990	52	216						
Subtotals ...	156	2812				\$ 1,654,000	2%	0.11%
TOTAL ...	1,537	9,938	\$ 82,700,000	100%	28.5%			

V. STEP 2. BASE FIGURE ADJUSTMENT

Per 49 CFR 26.45(d), following calculation of a base figure, all available evidence must be examined to determine what adjustment, if any, is needed to the base figure to make the DBE goals as precise as possible. This adjustment can be made if relevant and reliable data are available. The consideration of an adjustment is intended to account for any impact the relevant factors may have on a DBE’s contracting opportunities with the City.

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure in order to arrive at the overall goal. Table 7 details DBE utilization, measured by actual awards to DBE on contracts awarded from 2015 to 2019. The data used to determine the adjustment to the base figure was the median of historical DBE participation, which ranged from 0% to 39.2% (see **Table 7** below).

Table 7: Dollar Value of Past DBE Participation

FYY	Contract Awards (\$)	DBE Awards (Dollar Value)	DBE Participation (%)
2015	33,506,752	8,890,590	26.5
2016	31,347,499	12,274,273	39.2
2017	5,831,250	1,836,007	31.5
2018	3,518,597	1,063,320	30.2
2019	0	0	0.0
Median DBE Participation within the past five years			30.2%

The median past participation for these years is 30.2%. The difference between the Step One weighted base figure (28.5%) and median past DBE participation (30.2%) indicates that DBEs have the capacity to perform Aviation work and suggests that an adjustment of the Step One base figure is warranted. By calculating the average of the Step One weighted base figure and the average median of past participation, the City determined an adjusted base figure of 29.3%. This is the overall goal for the Midway Airport.

VI. USE OF RACE-NEUTRAL METHODS AND DBE CONTRACT GOALS

Table 8 details DBE utilization, measured by actual DBE commitments on contracts awarded from 2015 to 2019. The median race and gender-neutral DBE utilization achieved by City was 1.73%. **Table 8** also demonstrates past utilization as reported as achievements on the City’s Uniform Report. The overall median past utilization is 30.2% for the same time period of 2015 – 2019.

Table 8: Dollar Value of Past Race-Neutral Participation

YEAR	Total Contract Award \$	Race Neutral DBE Achievement \$		Overall DBE Achievement \$	
2015	33,506,752	2,166,114	6.46%	8,890,590	26.5%
2016	31,347,499	1,963,884	6.26%	12,274,273	39.2%
2017	5,831,250	100,980	1.73%	1,836,007	31.5%
2018	3,518,597	44,659	1.27%	1,063,320	30.2%
2019	0	0	0.00%	0	0.0%

The City will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating race-neutral DBE participation, including those set out in Section 26.51(b). Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on prime contract that does not carry a DBE contract goal.

Race-neutral means include, but are not limited to the following:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39.
2. Provide assistance in overcoming limitations such as the inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBE's, and other small businesses, obtaining bonding and financing);
3. Providing technical assistance and other services;
4. Carrying out information and communications programs on contracting procedures and specific goal opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing list for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);
5. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. Providing services to help DBEs, and other small businesses, improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant

projects, and achieve eventual self-sufficiency;

7. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
8. Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors; and
9. Assisting DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.

The City estimates that in meeting the established overall goal of 29.3%. It will obtain 1.73% from race-neutral participation and 27.57% through race-conscious measures.

The City will adjust the estimated breakout of race-neutral and race-conscious DBE participation as needed to reflect actual DBE participation and will track and report race-conscious and race-neutral participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to the following: DBE participation through a prime contract obtained through customary competitive procurement procedures, DBE participation through a subcontract on a prime contract that does not carry a DBE goal, DBE participation on a prime contract exceeding a contract goal, and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

VII. CONTRACT GOALS

Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those FAA-assisted contracts that have subcontracting possibilities. We need to establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work). We will express our contract goals as a percentage of the total amount of DOT-assisted contracts.

VIII. GOOD FAITH EFFORTS

The City handles bidder's/respondent's compliance with good faith effort requirements as a matter of responsiveness. Each solicitation for which the contract goal has been established will require the bidder/respondent to submit the following at the time of bid submission:

- a. Names and addresses of DBE firms that were solicited for potential DBE and non-DBE participation as subcontractor.
- b. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits in order to meet the contract goal.

- c. A description of the work that each DBE will perform.
- d. Dollar amount of participation of each DBE firm performing work.
- e. Written and signed confirmation from the DBE that is participating in the contract as provided in the prime contractor's commitment.
- f. If a commitment to the contract goal could not be met, evidence of good faith efforts must be fully documented and submitted to the City for review and approval.

Provided that in a negotiated procurement the bidder/offeror may make a contractually binding commitment to meet the goal at the time of bid submission, or the presentation of initial proposals, but provide the information required by (a)-(f) above before the final selection for the contract is made by the recipient.

IX. PROCESS AND NOTICE OF GOAL

On May 19, 2020, the Department of Procurement Services (DPS) notified the public via a DPS news alert that the City's Disadvantaged Business Enterprises (DBE) overall goals and methodology for Fiscal Years 2020, 2021, and 2022 for Federal Aviation Administration (FAA) funded projects (Midway and O'Hare) were available for public review and comment at the following link:

[City of Chicago DBE Program Document.](#)

The public comment period was open for thirty (30) days. Interested parties were directed to send their comments to Jacquelyn Charleston. As of today's date, no comments were received by DPS.

A DPS alert was announcing the posting of the revised DBE Program and overall goals and methodology. DPS also discussed the revised DBE Program and overall goals and methodology with stakeholders and partners at the June 4, 2020 GPC meeting. Participants at the GPC meeting included representatives from assist agencies that represent the minority, women's and general contractor groups, and other government entities such as the Illinois Tollway, IDOT, Cook County, and the City's Sister Agencies.

ATTACHMENT H
Unified Certification Application Form

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
Unified Certification Procedures

Illinois Unified Certification Program

UPDATED:
AUGUST 22, 2018

IL UCP PROCEDURES

Illinois Unified Certification Program

Pursuant to the requirements of the federal regulations, 49 CFR part 26, all recipients of federal-aid must implement a "one-stop" certification process for Disadvantaged Business Enterprises (DBE) and ACDBE.

As a result of this requirement, the following five entities have established the Illinois Unified Certification Program (IL UCP). The five certifying Illinois United States Department of Transportation (US DOT) direct recipients (Participants) are:

- **Illinois Department of Transportation (IDOT)**
- **City of Chicago**
- **Chicago Transit Authority (CTA)**
- **Commuter Rail Division of the Regional Transportation Authority (Metra)**
- **Suburban Bus Division of the Regional Transportation Authority (Pace)**

IL UCP PROCEDURES

Introduction

The IL UCP is based on the concept of reciprocity among the Participants. Pursuant to 49 CFR 26.81(b)(2), "one-stop shopping" will be provided to applicants for Disadvantaged Business Enterprises (DBE) certification, such that an applicant need only to apply once for DBE certification that will be honored by all recipients in the state of Illinois.

In order for the IL UCP to succeed and the Participants to maintain the level of trust needed to effectively comply with the IL UCP requirements, it is necessary to implement minimum program requirements for compliance, as well as a process for dealing with any Participant that is found to be in non-compliance. The specific minimum requirements are:

- All decisions and recommendations related to certification must be made in compliance with 49 CFR part 26.
- All Participants will abide by IL UCP determinations and use only IL UCP certified firms.
- All hearings *must* be decided by a third party who was not involved in the certification determination nor was a direct or indirect supervisor of the party involved in such decision.
- The IL UCP Participants must each have a US DOT-approved DBE program in place that clearly defines the role of the administrative staff. In addition, each Participant must have clearly defined processes and procedures related to administration of its DBE program and certification decisions.
- All IL UCP Participants agree to full disclosure of their complete applicant files and/or documentation when requested by any other IL UCP Participants.
- Any Participant with a DBE program administered in conjunction with a MBE/WBE program must have separate and clearly defined procedures and policies for the DBE program that comply with all requirements of 49 CFR part 26. This includes, but is not limited to, eligibility requirements, data tracking, and removal/denial of certification.
- All Participants understand that there are no "emergency" or "conditional" certifications pursuant to 49 CFR part 26. All certifications must be made final before the due date for bids or offers on a contract on which a firm seeks to participate as a DBE.
- All IL UCP Participants agree to safeguard from disclosure to unauthorized persons information gathered as part of the certification process that may

IL UCP PROCEDURES

reasonably be regarded as proprietary or other confidential business information, consistent with applicable federal, state, and local law.

Non-Compliance

If any IL UCP Participant believes that another Participant has failed to comply with its obligations under 49 CFR part 26, the complaining Participant may file a written complaint with the concerned operating administration's Office of Civil Rights.

Illinois UCP Interstate Certification Procedures (Initial Applications)

A. Out of State Firm:

It is the policy of the IL UCP not to accept an out of state firm's certification for review until the firm provides:

- 1) A complete copy of the firm's original application form and all supporting documents and any other information submitted to any state related to its certification. This includes No Change Affidavits and any notices of changes the firm submitted to any recipient concerning its application or status as a DBE;
- 2) Any notices or correspondence from states other than the firm's home state concerning its status as an applicant or a DBE (e.g., denial of certification or subject to decertification action);
- 3) If the firm has filed a certification appeal with DOT, it must disclose this and provide its appeal letter and DOT's response;
- 4) An affidavit sworn to by the firm's owner before a person authorized by state law to administer such oaths or an unsworn declaration under penalty of perjury that the firm's owner has submitted all information required by 49 C.F.R. § 26.85(c) (above) and the information is correct and that the information in 1 (above) is identical to the information submitted to its home state. If the firm's home state on-site report is more than three years old as of the date of the firm's application to the IL UCP, the IL UCP will require that the affidavit also affirm that the facts in the on-site report remain true and correct. NOTE: If the on-site is more than three years old and the IL UCP agency has eligibility concerns, the firm's home state may be requested to conduct a courtesy on-site interview.

IL UCP PROCEDURES

Processing: The IL UCP will take the following actions when it receives all the information listed above:

- 1) Within 7 days, the IL UCP agency will request a copy of the site visit report from the firm's home state, any updates to the site review and any evaluation based on the site visit. The firm's home state must transmit this information to the requesting IL UCP agency within 7 days of receiving the request. If the IL UCP agency does not receive a copy of the site visit report from the firm's home state within 14 days after it has made a timely request, the certification review process will be in abeyance pending receipt of this report. In this event, the IL UCP agency will notify the firm of this delay and the reason for it no later than 30 days from receipt of all the required information from the firm. Noncompliance with this timeframe may result in the application not being processed and returned to the applicant.

NOTE: When the firm's home state fails to provide a site visit report that is less than five years old or received within 45 days after all information is received from the firm, the application and all support information will be returned to the firm with an explanation as to why the IL UCP agency is unable to process the application.

- 2) The IL UCP agency will review all submitted information to determine whether it believes the home state's certification is erroneous or should not apply in Illinois. This determination will be based upon:
 - a) Fraud is involved in the certification;
 - b) Information not available when the home state certified the firm showing that the firm is not eligible;
 - c) The home state's certification is erroneous or was inconsistent with the requirements;
 - d) The state law of Illinois requires a different result than the home state's law.
 - e) The information provided by the firm does not meet the requirements listed in 1 through 4 above.
- Should the IL UCP agency determine that the home state's certification is consistent with the requirements of 49 CFR part 26; no later than 60 days from receipt of all the information required from the firm, send notification to the firm that it is certified and its information will be listed in the next issuance of the IL UCP DBE Directory.

IL UCP PROCEDURES

- Should the IL UCP agency determine the firm's home state certification is factually erroneous and inconsistent with the requirements of 49 CFR part 26, no later than 60 days from receipt of all the required information from the firm, send written notification to the firm stating the reasons for the determination and offer the firm an opportunity to respond. The firm will be given 20 days from receipt of the notification to respond, either in writing, request an in-person meeting with the IL UCP agency hearing officer, or both. The IL UCP agency hearing officer must be thoroughly familiar with the DBE certification requirements. If a meeting is requested, the IL UCP agency must schedule a meeting to take place within 30 days of receipt of the firm's request, and notify the home state of the determination.

The firm bears the burden of proof based upon a preponderance of the evidence with respect to the particular issues raised by the IL UCP agency. The IL UCP agency must issue a written decision within 30 days of receipt of the written response from the firm or meeting with the IL UCP agency hearing officer, whichever is later. The firm's certification application remains in pending status awaiting the outcome of this process. The decision by the IL UCP may be appealed to the US DOT Department of Civil Rights under § 26.89.

B. IL UCP certified firm seeking DBE status outside Illinois:

It is the policy of the IL UCP to cooperate fully and timely to process IL UCP certified firm's request for certification outside Illinois within 14 days receipt of the firm's written request.

- 1) Copy the firm's application and all supporting documentation and provide them to the firm.
- 2) Provide a copy of the site visit report to the requesting state within 7 days of receipt of the request.

NOTE: If the site visit report is more than three years old and the requesting state requires more current information, the IL UCP agency will conduct a courtesy review within 14 days after receipt of this notification from the requesting state.

IL UCP PROCEDURES

C. Ineligibility Determinations:

When an IL UCP agency denies a firm's application, rejects a firm certified in another state or removes a firm's eligibility in whole or in part, it must make an entry in the Department of Transportation Office of Civil Rights' (DOCR) Ineligibility Determination Online Database. The entry shall include:

- i) Firm's name;
- ii) Firm's owner(s) name(s);
- iii) Type and date of the action; and
- iv) Reason for the action.

The IL UCP agencies will check the DOCR website at least monthly to determine whether any firm that is applying for certification or has already been certified, is on the list. If such a firm is on the list, the IL UCP will promptly request a copy of the listed decision from the UCP that made it. The information will be considered in determining what action to take with respect to a DBE or applicant. A UCP receiving the request will provide a copy of the decision to the requesting UCP within 7 days.

Certification Process

The Participants must ensure that all certification procedures (Subpart E) and standards (Subpart D) under 49 CFR part 26 are followed in making eligibility decisions. **Note:** Each Participant will ensure that adequate training will be provided to their staff.

The certification process by each Participant includes the following:

A thorough, detailed and complete analysis of the application and supporting documentation must be performed, and an on-site visit at the offices and/or job site(s) of each applicant must be conducted by the certifying Participant. Following completion of the file analysis and on-site questionnaire (attached), a summary report is written by a certification analyst. The summary report provides the recommendation regarding the applicant's certification eligibility. The recommendation is presented to the analyst's supervisor, and then to the Participant's DBE Liaison Officer (DBELO) or designated individual, who makes the final decision regarding the firm's DBE program eligibility.

The certifying Participants have the responsibility to ensure a standardized approach to all certification decisions. The procedures outlined herein provide guidance and direction for completing the certification process. Additional information and regulatory requirements pertaining to the DBE program are contained in 49 CFR part 26, as well as 13 CFR part 121 and 49 CFR part 23.

IL UCP PROCEDURES

Decisions on applications for certification must be made by the certifying Participant within ninety (90) days of receiving all required information from the applicant firm. This time period may be extended once, for no more than an additional sixty (60) days, upon written notice to the firm, explaining fully and specifically the reasons for the extension. Failure to make a decision by the applicable deadline shall be deemed a constructive denial of the application, on the basis of which the firm may appeal to US DOT under 49 CFR 26.89.

Once a firm is certified, it shall remain certified until its certification has been removed through the procedures set forth in 49 CFR 26.87. A firm is not required to reapply for certification as a condition of continuing to participate in the program. However, a DBE-certified firm must provide a No Change Affidavit to the certifying IL UCP Participant every year on the anniversary of the date of its certification unless there are changes in the factual basis on which the certification was approved.

Any change in circumstances affecting a DBE firm's ability to meet size, disadvantaged status, ownership, or control requirements or any material change in the information previously provided must be provided by the DBE firm in writing to the certifying Participant within thirty (30) days of the occurrence of the change. Changes in management responsibility among members of a limited liability company are included in this requirement. Supporting documentation must be attached that describes in detail the nature of such changes. The notice must take the form of an *Affidavit* sworn to by the applicant before a person who is authorized by state law to administer oaths or of an unsworn declaration executed under penalty of perjury of the laws of the United States. If the DBE firm fails to make timely notification of such a change, it will be deemed to have failed to cooperate under 49 CFR 26.109(c).

Certification Procedures:

A. When a certification application is received:

1. Incoming certification application requests will be date/time stamped and logged.
2. The file is forwarded to the certification staff. Following receipt of the file, the certification staff will:
 - a) Perform a complete review of the application and supporting documentation against the completed checklist to ensure that all relevant documents have been submitted.

If there are questions/concerns, a Request for Information (RFI) letter is prepared within thirty (30) days, documenting the need for additional information. The initial RFI shall capture all missing and/or incomplete documentation.

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Applicants are given twenty (20) calendar days after receipt of the RFI letter to respond. If information is not received by the 20th calendar day, a follow-up RFI letter will be sent giving the firm ten (10) additional calendar days to respond. The letter may be sent by certified mail, return receipt requested, to the applicant. If an applicant requests an extension, ten (10) calendar days may be granted by the certification staff.

If, within the specified time period, no contact has been made with the applicant, the certification staff submits a memorandum to his/her supervisor recommending denial based on 49 CFR 26.109(c) - failure to cooperate. The certification staff prepares the denial letter and forwards it to the DBELO or designee for signature.

- b) Keep a record in the file of all contact with an applicant. This file information is a permanent record of activity with an applicant. The record should include the date of contact, contact person, questions asked and responses.
- c) Conduct an analysis to determine business size and personal net worth eligibility. In addition to submitting copies of their corporate tax returns or business tax returns and personal income tax returns, each individual owner of a firm applying to participate as a DBE must submit a signed, notarized statement of personal net worth, with personal income tax returns.

This step in the review process should precede all other document reviews. It will assist each agency to immediately render size determinations prior to expending unnecessary time and manpower for ineligible firms.

- 1) A firm (including its affiliates) must be an existing small business, as defined by Small Business Administration (SBA) standards. The Participant must apply current SBA business size standards and NAICS codes found in 13 CFR part 121 and 49 CFR part 26.71 (n)(1), appropriate to the type(s) of work the firm seeks to perform. Per 49 CFR Part 26.65, a firm is not an eligible DBE if it's (including its affiliates) average annual gross receipts over the previous three fiscal years have exceeded the DBE program cap of \$23,980,000, or \$56,420,000 for ACDBE, 49 CFR Part 23. The US DOT Secretary adjusts the cap for inflation from time to time.
- 2) The personal net worth (PNW) of each individual owner whose ownership and control are relied upon for DBE certification must be less than \$1,320,000 [see SBA regulation 13 CFR 124.104(c)(2)]. Personal net worth decisions will be based upon the standard accounting principal formula of Assets - Liabilities = Net Worth. Ownership interest in the applicant's firm and equity in the primary personal residence are excluded when determining personal net worth.

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While the concept that PNW under \$1,320,000 results only in a rebuttable presumption of economic disadvantage, the certifying participant should consider that the inquiry doesn't necessarily stop when the certification analyst/officer sees the PNW under \$1.32 million. In some cases, there should be further inquiry as described in the regulations at 49 CFR 26.67(b). The example given in the regulations is as follows:

Example to paragraph (b)(1)(i): An individual with very high assets and significant liabilities may, in accounting terms, have a PNW of less than \$1.32 million. However, the person's assets collectively (e.g., high income level, a very expensive house, a yacht, extensive real or personal property holdings) may lead a reasonable person to conclude that he or she is not economically disadvantaged. The recipient may rebut the individual's presumption of economic disadvantage under these circumstances, as provided in this section, even though the individual's PNW is less than \$1.32 million.

If the statement of personal net worth and supporting documentation that an individual submits under paragraph (a)(2) of this section demonstrates that the individual can accumulate substantial wealth, the individual's presumption of economic disadvantage is rebutted. In making this determination, as a certifying agency, you may consider factors that include, but are not limited to, the following:

- Whether the average adjusted gross income of the owner over the most recent three-year period exceeds \$350,000;
- Whether the income was unusual and not likely to occur in the future;
- Whether the earnings were offset by losses;
- Whether the income was reinvested in the firm or used to pay taxes arising in the normal course of operations by the firm;
- Other evidence that income is not indicative of lack of economic disadvantage; and
- Whether the total fair market value of the owner's assets exceed \$6 million.

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It may be appropriate from time to time to request an updated PNW from some firm owners to verify that not only is their PNW less than \$1.32 million, but that they are actually economically disadvantaged. If it looks like they might not be economically disadvantaged, you must have a proceeding under paragraph (b)(2) of this section to rebut the presumption of economic disadvantage.

- d) Perform subsequent analysis and review of the file. A subsequent RFI letter may be sent if necessary. This includes reviewing the information contained in the file, individually as well as collectively, and documenting the findings during the review.

Particular attention should be paid to the areas of special concern listed below while conducting the review of the file. **Note:** The first item listed below must be met before any consideration is given to an out-of-state firm's eligibility. The special concerns listed are not intended to be all-inclusive. They are meant to give direction and be a starting point for analysis and review of an application.

- The applicant, whose principal place of business is located in a state other than Illinois, must be certified by its home state US DOT-approved UCP, or certified as a DBE with a DOT recipient in the firm's home state, in accordance with 49 CFR part 26 prior to applying for IL UCP DBE certification.
- The applicant seeking certification in the work category of trucking must obtain proper intra-state authorization from the Illinois Commerce Commission (ILCC).
- The authorized/registered legal name of the firm should be verified for accuracy.
- The main address of the firm should be the actual physical location of the main or corporate office. Post office box numbers are not acceptable by themselves.
- The contact person should be an individual(s) the analyst can contact for answers to questions regarding the certification application.
- Ethnicity should be resolved early. In cases where the ethnicity status cannot be determined, additional documentation is required. Copies of one or more documents evidencing ethnicity are necessary, e.g.:

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- Birth certificate
- Membership letter or certificate from an ethnic organization
- Tribal certificate
- Bureau of Indian Affairs card
- Driver's license
- Passport
- Armed service discharge papers (D.D. 214)
- Baptismal certificate
- Any other document that provides evidence of ethnicity

NOTE: Make sure copies of all of the following relevant business documents (depending on type of firm) are included:

- Sole Proprietorship - A copy of the assumed name certificate issued by the county clerk's office to provide evidence of registration;
- Partnership - Copies of the original and amended partnership agreements and the assumed name certificate issued by the county clerk's office;
- Limited Liability Company - Copies of the original and amended administrative agreements and the assumed name certificate issued by the county clerk's office;
- Corporation:
 - Articles of incorporation - this document confirms that the business is incorporated. Information contained in this document should include:
 - names of incorporators
 - date of incorporation
 - state of incorporation
 - type of business in which the firm is authorized to engage, and
 - information concerning voting and non-voting stock in the firm.
 - First organizational meeting minutes - this document is a record of the first organizational meeting. It is reviewed to verify information contained in other documents. Pertinent information which can be verified by this document includes:
 - election of officers,
 - identity of board of directors,
 - purchase and issuance of stock, and
 - adoption of by-laws.

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- Corporate by-laws - this document explains how the corporation should function. Important information to be contained includes:
 - duties and responsibilities of the board of directors
 - the number of directors
 - duties and responsibilities of the officers
 - information concerning the voting stock of the firm
 - voting rights of the shareholders and directors
 - information about firm meetings, and
 - possible restrictive language affecting shareholders and directors.
- Stock certificate(s), signed on both sides, and documentation to substantiate stock purchases.
- Copy of the signed corporate bank resolution(s) and bank signature card(s).

Attention should be given to names appearing in the documents since the applicant's name may appear on different documents. Different names on different documents may indicate a relationship that affects the control of the firm by disadvantaged owners.

Also, evidence of the equity contribution by the disadvantaged owners must be examined closely. Among other documents, proof of contribution may be shown by copies of canceled checks (both sides), signed loan agreements, deposit slips, proofs of purchase and vehicle titles.

Tracing dates through the documentation is a good review technique. Conflicting dates/information must be resolved. Compare changes in financial position to check for possible effects on control.

NOTE: An organizational chart is helpful when there are changes or several companies with interlocking directors and/or officers. This will give a clearer picture of interlocking relationships (possible affiliations).

Reviews of equipment titles and registrations can be used to assist in determining ownership. Obtain or compile a list of the equipment owned by or available to the firm and the license(s) the firm and its key personnel possess to perform the requested work categories.

Review the resume(s) of the owner(s), officer(s), and member(s) of the board of directors and principal management and control personnel. Resumes may indicate technical competence based on experience in

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the industry and the degree of operational and/or managerial control to be exercised by the owner(s) and other principals within the firm.

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When reviewing the resumes, observe:

- present and prior occupations,
- length of time in the industry,
- areas of expertise, and
- relevant occupational licenses/certificates.

Operational and managerial control - "control" means that the disadvantaged owner(s) not only directs the management of the business, but also oversees its day-to-day operations.

Areas of consideration include:

- hiring and firing authority
- signature authority
- financial obligation authority
- contract negotiation authority
- bidding and estimating expertise
- firm policy development ability
- job selection authority, and
- day-to-day and long-term decision-making authority that affect the performance/operation of the firm.

Ownership (control) - means a firm must be at least 51 percent owned by socially and economically disadvantaged individuals

In the case of a corporation, such individuals must own at least 51 percent of each class of voting stock outstanding and 51 percent of the aggregate of all stock outstanding.

In the case of a partnership, socially and economically disadvantaged individuals must own 51 percent of each class of partnership interest. Such ownership must be reflected in the firm's partnership agreement.

Areas of consideration/concern include:

- previous employers, common to two or more principals of the firm
- previous employers who subcontract work with the firm
- interlocking directors/officers and the possible effect on control
- equipment/office/storage lease arrangements
- day-to-day operational decisions and responsibilities, and
- composition and responsibilities of the board of directors.

NOTE: Financial information - a close review of the financial statements is required to determine firm actions that may restrict or dilute the disadvantaged owner's effectiveness to control the business. Financial information is useful in resolving management, operational and ownership control concerns.

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Areas of consideration include:

- Financial statements:
 - end-of-year balance sheets and profit and loss statements over a three-year period
 - accounts/notes payable
 - notes and loans payable/receivable to/from stockholders and officers
 - accrued expenses
 - purchases/loans, and
 - footnotes to the financial statement.
- Expense statements:
 - salaries
 - rent expenses
 - lease expenses
 - payment to subcontractors, and
 - changes in financial position.
- Corporate tax returns:
 - salaries paid to officers
 - dividends paid, and
 - names of officers and stock ownership.
- Partnership/Third party agreements:
 - terms/purpose of agreement
 - parties to the agreement
 - duties and responsibilities of each Party, and
 - dollar investment/division of profits.

These documents explain the terms and conditions of the arrangement(s). Check to see if the firm's control is diluted or restricted by the agreement(s). If it is determined that a firm's average annual gross receipts over the preceding three (3) fiscal years exceed the DBE program size cap, the firm is not an eligible DBE.

Bonding capacity - Attention should be paid to the bonding capacity of the firm. The dollar amount should be in line with the work history of the firm, including contracts it has received and work it has completed.

Work Category(ies) and location(s) - The work category(ies) and location(s) the firm prefers should be included with the application, if applicable to the agency.

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

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On-Site Interview/Visit

The federal regulations [49 CFR 26.83(c)(1)] require the performance of an on-site visit to the offices of the firm seeking DBE certification. The site visit report of a DBE applicant by any other US DOT federal fund recipient may be relied upon to meet this requirement.

Procedure:

The on-site visit allows the analyst to conduct an interview while observing the firm's owner(s) in his/her own principal place of business in an effort to substantiate and clarify submitted documentation, while ascertaining the general pattern of operation of the business. In addition to reconciling information/concerns, the on-site visit will assist in detecting and eliminating "fronts" and "shams" (applicants that do not meet the eligibility standards set forth in the federal regulations). The procedures outlined herein provide guidance and direction for completing the on-site interview and visit. A sample on-site questionnaire form is attached. See Appendix E.

The on-site procedures are listed below:

1. Prepare standardized and specific questions for the on-site visit/interview. Questions for the interview should be determined in advance by reviewing and analyzing the application and supporting documentation. Any conflicting information brought out during the review should be questioned and clarified by staff. Additional questions may be raised during the on-site interview. In addition, staff should discuss any concerns with his/her supervisor prior to the visit.

Questions should also be devised in a manner that will evoke a coherent response. Questions should not be leading and the applicant should not be able to answer the question in one or two words.

Examples of typical interview questions include:

- "Explain the process used to monitor job costs."
- "Describe your corporate duties and responsibilities."
- "Explain and describe the bidding and estimating process."

The above questions are typical examples only. The questions developed should be unique to the particular file being reviewed. They should be prepared and based on information derived from the applicant file.

IL UCP PROCEDURES

2. Conduct an on-site visit/interview at the office(s) of the firm and any job site(s) in the Participant's jurisdiction or local area at which the firm is working at the time of the eligibility investigation. The principal officers and majority owners of the firm must be interviewed and their resumes and/or work histories reviewed. The interview is concluded after all questions/concerns have been addressed and the administrative process that follows the interview is explained.

NOTE: Depending on the circumstances, a firm may or may not be notified when an on-site visit/interview will be conducted.

3. Reconcile any concerns and questions regarding an application prior to making a recommendation.
4. Prepare the summary report following completion of the analysis and review of the file. The content of the summary report is very important. It must be accurate and complete and satisfy all areas addressed on the questionnaire form. See Appendix E.

The report should include the following:

- Name of the firm
- Date and location of the on-site visit/interview
- People present at the interview
- Information supplied to the applicant, and
- Questions asked and responses received.

A copy of the on-site questionnaire is attached to the summary report.

Summary reports written on "reapplication after denial" applications must include the issues and eligibility standards for which the firm was previously denied certification. In addition, the report should clearly indicate how the firm's operations/ownership/control have changed since the previous denial.

5. Forward the file and summary report to his/her supervisor, and then to the Participant's DBELO or designee, who makes the final decision regarding the firm's DBE program eligibility.

IL UCP Notification

Once an eligibility decision is rendered, the certifying Participant notifies the firm in writing. Information regarding approved DBE certifications is submitted for the IL UCP DBE Directory.

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IL UCP DBE Directory

The IL UCP Participants will maintain a unified DBE directory containing pertinent information on all firms certified by the IL UCP [including those from other states certified under the provisions of 49 CFR 26.81(d)]. The IL UCP Participants shall make the directory available to the public electronically on the Internet, as well as in print. The IL UCP Participants shall update both electronic and print versions by including additions, deletions, and other changes on a regular basis.

No Change Affidavits

To remain certified and in good standing, all DBE firms are required to submit an annual *No Change Affidavit*. The DBE firm is required to submit documentation of the firm's gross receipts and personal net worth of the qualifying owners with the *No Change Affidavit*.

In addition, the *No Change Affidavit* must affirm that there have been no changes in the firm's circumstances affecting its ability to meet:

- size,
- disadvantaged status,
- ownership,
- control

and any material changes in the information provided. If the DBE fails to provide this *No Change Affidavit* in a timely manner, the DBE will be deemed to have failed to cooperate under 49 CFR 26.109(c).

No Change Affidavit Process

1. Sixty (60) days prior to the anniversary date of a firm's DBE certification, the *No Change Affidavit* is sent to the firm. The forms will be sent with a cover letter explaining that the firm must complete the forms and file the requested supporting documentation in order to remain certified and in good standing with the IL UCP. If the firm has not responded after 30 calendar days, a follow up request is sent to the firm. If the firm fails to respond to the host agency's request for a No Change Affidavit by the firm's anniversary date, the firm will be issued a notice of proposed removal of DBE certification due to a lack of cooperation pursuant to 49 CFR part 26.109(c). The proposed removal will be in accordance with the procedures listed in I 49 CFR 26.87.

IL UCP PROCEDURES

2. Forms/Supporting Documentation Submitted Complete - When the completed forms and supporting documentation are submitted and reviewed/approved a document is prepared stating the firm remains in good standing. A notification of continued eligibility is sent to the DBE firm. The notification of continued eligibility, supporting documentation and the memo are placed in the firm's file.
3. Forms Submitted Incomplete - If the forms/supporting documentation have been submitted but are incomplete, a Request for Information letter that lists the deficiencies is sent to the firm. The firm is given **20 calendar days** upon receipt of the letter to submit the requested information. Once 20 calendar days has passed, a second request for the requested additional information is sent to the firm, giving them an additional **10 calendar days** upon receipt of the letter to submit the requested information. This second request will list the requested information and the date the firm will be denied if they do not respond to this request. If the firm does not respond in this time frame, or the firm's response is incomplete, the firm will be issued a notice of proposed removal of DBE certification due to a lack of cooperation pursuant to 49 CFR part 26.109(c). This proposed removal will be in accordance with the procedures listed in 49 CFR part 26.87.

Additional Reviews

Whenever an agency becomes aware of information that raises a question about the continued eligibility of a firm or there has been a material change in the DBEs circumstances, the agency may perform an additional review.

Eligibility Investigation

1. Summary Suspension - an agency shall immediately suspend a DBE's certification without adhering to the requirements in §26.87(d) of this part when:
 - An individual owner whose ownership and control of the firm are necessary to the firm's certification dies or is incarcerated;
 - There is adequate evidence to believe that there has been a material change in circumstances that may affect the eligibility of the DBE firm to remain certified;
 - When the DBE fails to notify the department or IL UCP in writing of any material change in circumstances;
 - Fails to timely file an affidavit of no change under §26.83(j).

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 agency information demonstrating that they are eligible, notwithstanding its changed circumstances. Within 30 days of receiving this information, the agency must either lift the suspension and

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reinstate the firm's certification or begin decertification procedures under §26.87 of this part. During the proceeding, the suspension remains in effect.

2. Third Party Challenge - the IL UCP Participants shall accept written complaints from any person alleging that a currently certified firm is ineligible (general allegations and anonymous complaints need not be considered). The complainant must state specific reasons for ineligibility, and any documentation in support of the complaint must be attached. The identity of the complainant will be kept confidential at all times.
3. US DOT Directive to Initiate Proceeding - if US DOT determines that information in certification records or other available information provides reasonable cause to believe that an IL UCP-certified DBE firm does not meet the eligibility criteria of 49 CFR part 26, US DOT may direct the certifying Participant to initiate a proceeding to remove the firm's certification.

The concerned operating administration must provide the certifying Participant and the firm a notice setting forth the reasons for the directive, including any relevant documentation or other information. The certifying Participant must immediately commence and prosecute a proceeding to remove eligibility, following the procedures set forth in the following paragraphs.

4. IL UCP Partner Challenge - if based on sections 1 or 2 above, and/or notification by a firm of a change in its circumstances or other information that of which an IL UCP Participant becomes aware, it is determined that there is reasonable cause to believe that a currently certified IL UCP firm is ineligible, the IL UCP Participant originally responsible for the certification shall thoroughly investigate the complaint/inquiry within sixty (60) days. The certifying Participant shall also notify the challenged firm in writing, giving the stated reasons and the relevant regulations.

Removal Process

The IL UCP-certifying Participant will review the records concerning the firm, any material provided by the challenged firm and other available information. The certifying Participant may request additional information from the firm or conduct any other investigation that it deems necessary.

If the IL UCP-certifying Participant determines that such reasonable cause does not exist, the IL UCP-certifying Participant must notify the complainant and the firm in writing of this determination and the reasons for its decision.

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If the IL UCP-certifying Participant finds reasonable cause to believe that the firm is ineligible, written notice must be provided to the firm that the IL UCP-certifying Participant proposes to find the firm ineligible, setting forth the reasons for the proposed determination. In this notice, the firm must be given 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, or in the alternative, the firm may choose to file a written appeal. The firm is given twenty (20) calendar days from the date of the notice of proposed removal to request an informal hearing or submit a written appeal (Request for Appeal), before the Hearing Officer. If the firm requests the opportunity to appeal in person the firm must also state whether the firm will be represented by counsel. The IL UCP-certifying Participant must notify all other Participants within two (2) calendar days of receipt of the request.

Pursuant to 49 CFR 26.87, the IL UCP-certifying Participant's Hearing Officer 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 US DOT under 49 CFR 26.89, the certifying Participant must provide the hearing transcript to US DOT; and on request to the firm. The original record of the hearing must be maintained. The firm may be charged only for the cost of copying the record.

The Hearing Officer must render a decision within sixty (60) days following receipt of the written appeal or informal hearing. The IL UCP-certifying Participant must provide the firm written notice of the decision in a timely manner, including the reasons for it and specific references to the evidence in the record that supports each reason for the decision. The IL UCP Participants are notified in writing within two (2) calendar days of the decision.

<u>Participant</u>	<u>Address</u>
1. <u>IDOT</u>	<u>2300 S Dirksen Parkway, Springfield, IL</u>
2. <u>City of Chicago</u>	<u>121 N. LaSalle, Room 806 Chicago, IL</u>
3. <u>CTA</u>	<u>567 W. Lake St, 4th Floor, Chicago, IL</u>
4. <u>Metra</u>	<u>547 W. Jackson, 5W Chicago, IL</u>
5. <u>Pace</u>	<u>550 W. Algonquin Rd Arlington Hts., IL</u>

IL UCP PROCEDURES

Grounds for Decision

A decision by any IL UCP Participant to remove eligibility must not be based on a reinterpretation or changed opinion of information available to the IL UCP-certifying Participant at the time of its certification of the firm. A decision may only be based on one or more of the following:

- Changes in the firm's circumstances since the certification of the firm that rendered the firm unable to meet the eligibility standards of 49 CFR part 26;
- Information or evidence not available at the time the firm was certified;
- Information that was concealed or misrepresented by the firm in previous certification actions;
- A change in US DOT's certification standards or requirements since the firm was certified; or
- A documented finding that the certifying Participant's determination to certify the firm was factually erroneous.
- The firm has failed to cooperate,
- The firm has exhibited a pattern of conduct indicating its involvement in attempts to subvert the intent or requirements of the DBE program; or
- The firm has been suspended or debarred for conduct related to the DBE program.

Status of Firm during Proceedings

A firm remains an eligible DBE during the pendency of proceedings to remove its eligibility. The firm does not become ineligible unless and until the notice removing its certification is issued.

US DOT Appeals

After the IL UCP Participant makes its final decision to remove a firm's eligibility, the firm may appeal the removal to US DOT under 49 CFR 26.89. The firm must file an appeal to US DOT within ninety (90) days of the date of the decision in flash format, with a short (paper or email) cover letter. The cover letter should provide contact information, certifier name, and date of the denial or decertification. The required statement of §26.89(c) appeal grounds, decision letter and all supporting materials should be on the flash drive. Pending US DOT's decision, the decision of the IL UCP Participant remains in effect.

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The IL UCP will promptly implement any US DOT certification appeal decisions affecting the eligibility of DBEs for the IL UCP's US DOT-assisted contracting.

Appeals should be sent to: United States Department of Transportation
Office of the Secretary
Department Office of Civil Rights (S-30)
1200 New Jersey Ave., SE
Suite W78-101
Washington, DC 20590-0001

Effects of Removal of Eligibility

If the certifying Participant removes a firm's eligibility, the firm may not reapply for certification within twelve (12) months from receipt of the certifying Participant's final denial decision.

When a firm's eligibility is removed, per 49 CFR 26.87(i)(1)(2)(3), the following action(s) must be taken:

When a prime contractor has made a commitment to use the ineligible firm, or the IL UCP Participant has made a commitment to use a prime contractor, but a subcontract or contract has not been executed before the decertification notice is issued, the ineligible firm does not count toward the contract goal or overall goal. The prime contractor must be directed to meet the contract goal with an eligible DBE firm or demonstrate that it has made a Good Faith Effort to do so.

If a prime contractor has executed a subcontract with the firm before the firm was notified 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 a prime contract was let to a DBE firm that was later ruled ineligible, the portion of the ineligible firm's performance of the contract remaining after the notice of its ineligibility was issued shall not count toward a Participant's overall goal, but may count toward the contract goal.

Exception: If the DBE firm's ineligibility is caused solely by its having exceeded the size standard during the performance of the contract, its participation may continue to be counted on that contract toward overall and contract goals.

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In Witness Whereof, the parties hereto have caused this Unified Certification Proposal to be executed by their respective authorized officials:

Illinois Department of Transportation

Date


City of Chicago *go*

12 September 2018

Date

Chicago Transit Authority

Date

Commuter Rail Division of the
Regional Transportation Authority (METRA)

Date

Suburban Bus Division of the
Regional Transportation Authority (PACE)

Date

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IL UCP Appendices

- A. DBE Certification Application**
- B. Social and Economic Disadvantage Disclosure**
- C. Personal Net Worth**
- D. No Change Affidavit**
- E. On-site Questionnaire**

ATTACHMENT I
Illinois Unified Certification Program Procedures



OMB APPROVAL NO:
2105-0510
Expiration Date: 10/31/2021

Appendix F

UNIFORM CERTIFICATION APPLICATION
DISADVANTAGED BUSINESS ENTERPRISE (DBE) /
AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)
49 C.F.R. Parts 23 and 26

Roadmap for Applicants

1. Should I apply?

You may be eligible to participate in the DBE/ACDBE program if:

- The firm is a for-profit business that performs or seeks to perform transportation related work (or a concession activity) for a recipient of Federal Transit Administration, Federal Highway Administration, or Federal Aviation Administration funds.
- The firm is at least 51% owned by a socially and economically disadvantaged individual(s) who also controls it.
- The firm's disadvantaged owners are U.S. citizens or lawfully admitted permanent residents of the U.S.
- The firm meets the Small Business Administration's size standard and does not exceed \$23.98 million in gross annual receipts for DBE (\$56.42 million for ACDBEs). (Other size standards apply for ACDBE that are banks/financial institutions, car rental companies, pay telephone firms, and automobile dealers.)

2. How do I apply?

First time applicants for DBE certification must complete and submit this certification application and related material to the certifying agency in your home state and participate in an on-site interview conducted by that agency. The attached document checklist can help you locate the items you need to submit to the agency with your completed application. If you fail to submit the required documents, your application may be delayed and/or denied. Firms already certified as a DBE do not have to complete this form, but may be asked by certifying agencies outside of your home state to provide a copy of your initial application form, supporting documents, and any other information you submitted to your home state to obtain certification or to any other state related to your certification.

3. Where can I send my application? [INSERT UCP PARTICIPATING MEMBER CONTACT INFORMATION]

4. Who will contact me about my application and what are the eligibility standards? A transportation agency in your state that performs certification functions will contact you. The agency is a member of a statewide Unified Certification Program (UCP), which is required by the U.S. Department of Transportation. The UCP is a one-stop certification program that eliminates the need for your firm to obtain certification from multiple certifying agencies within your state. The UCP is responsible for certifying firms and maintaining a database of certified DBEs and ACDBEs, pursuant to the eligibility standards found in 49 C.F.R. Parts 23 and 26.

5. Where can I find more information?

U.S. DOT—<https://www.transportation.gov/civil-rights> (This site provides useful links to the rules and regulations governing the DBE/ACDBE program, questions and answers, and other pertinent information)

SBA—Small Business Size Standards matched to the North American Industry Classification System (NAICS):
<http://www.census.gov/eos/www/naics/> and <http://www.sba.gov/content/table-small-business-size-standards>.

In collecting the information requested by this form, the Department of Transportation (Department) complies with the provisions of the Federal Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a). The Privacy Act provides comprehensive protections for your personal information. This includes how information is collected, used, disclosed, stored, and discarded. Your information will not be disclosed to third parties without your consent. The information collected will be used solely to determine your firm's eligibility to participate in the Department's Disadvantaged Business Enterprise Program as defined in 49 C.F.R. §26.5 and the Airport Concession Disadvantaged Business Enterprise Program as defined in 49 C.F.R. §23.3. You may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000 (65 FR 19477).

Under 49 C.F.R. §26.107, dated February 2, 1999 and January 28, 2011, if at any time, the Department or a recipient has reason to believe that any person or firm has willfully and knowingly provided incorrect information or made false statements, the Department may initiate suspension or debarment proceedings against the person or firm under 2 C.F.R. Parts 180 and 1200, No procurement Suspension and Department, take enforcement action under 49 C.F.R. Part 31, Program Fraud and Civil Remedies, and/or refer the matter to the Department of Justice for criminal prosecution under 18 U.S.C. 1001, which prohibits false statements in Federal programs.



**INSTRUCTIONS FOR COMPLETING THE
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)
UNIFORM CERTIFICATION APPLICATION**

NOTE: All participating firms must be for-profit enterprises. If your firm is not for profit, then you do NOT qualify for the DBE/ACDBE program and should not complete this application. If you require additional space for any question in this application, please attach additional sheets or copies as needed, taking care to indicate on each attached sheet/copy the section and number of this application to which it refers.

Section 1: CERTIFICATION INFORMATION

A. Basic Contact Information

- (1) Enter the contact name and title of the person completing this application and the person who will serve as your firm's contact for this application.
- (2) Enter the legal name of your firm, as indicated in your firm's Articles of Incorporation or charter.
- (3) Enter the primary phone number of your firm.
- (4) Enter a secondary phone number, if any.
- (5) Enter your firm's fax number, if any.
- (6) Enter the contact person's email address.
- (7) Enter your firm's website addresses, if any.
- (8) Enter the street address of the firm where its offices are physically located (not a P.O. Box).
- (9) Enter the mailing address of your firm, if it is different from your firm's street address.

B. Prior/Other Certifications and Applications

- (10) Check the appropriate box indicating whether your firm is currently certified in the DBE/ACDBE programs, and provide the name of the certifying agency that certified your firm. List the dates of any site visits conducted by your home state and any other states or UCP members. Also provide the names of state/UCP members that conducted the review.
- (11) Indicate whether your firm or any firms owned by the persons listed has ever been denied certification as a DBE/ACDBE, 8(a), or Small Disadvantaged Business (SDB) firm, or state and local MBE/WBE firm. Indicate if the firm has ever been decertified from one of these programs. Indicate if the application was withdrawn or whether the firm was debarred, suspended, or otherwise had its bidding privileges denied or restricted by any state or local agency, or Federal entity. If your answer is yes, identify the name of the agency, and explain fully the nature of the action in the space provided. Indicate if you have ever appealed this decision to the Department and if so, attach a copy of USDOT's final agency decision(s).

Section 2: GENERAL INFORMATION

A. Business profile:

- (1) Give a concise description of the firm's primary activities, the product(s) or services the company provides, or type of construction. If your company offers more than one product/service, list primary product or service first (attach additional sheets if necessary). This description may be used in our UCP online directory if you are certified as a DBE.

- (2) If you know the appropriate NAICS Code for the line(s) of work you identified in your business profile, enter the codes in the space provided.
- (3) State the date on which your firm was established as stated in your firm's Articles of Incorporation or charter.
- (4) State the date each person became a firm owner.
- (5) Check the appropriate box describing the manner in which you and each other owner acquired ownership of your firm. If you checked "Other," explain in the space provided.
- (6) Check the appropriate box that indicates whether your firm is "for profit." **If you checked "No," then you do NOT qualify for the DBE/ACDBE program** and should not complete this application. All participating firms must be for-profit enterprises. Provide the Federal Tax ID number as stated on your firm's Federal tax return.
- (7) Check the appropriate box that describes the type of legal business structure of your firm, as indicated in your firm's Articles of Incorporation or similar document. If you checked "Other," briefly explain in the space provided.
- (8) Indicate in the spaces provided how many employees your firm has, specifying the number of employees who work on a full-time, part-time, and seasonal basis. Attach a list of employees, their job titles, and dates of employment, to your application.
- (9) Specify the firm's gross receipts for each of the past three years, as stated in your firm's filed Federal tax returns. You must submit complete copies of the firm's Federal tax returns for each year. If there are any affiliates or subsidiaries of the applicant firm or owners, you must provide these firms' gross receipts and submit complete copies of these firm(s) Federal tax returns. Affiliation is defined in 49 C.F.R. §26.5 and 13 C.F.R. Part 121.

B. Relationships and Dealings with Other Businesses

- (1) Check the appropriate box that indicates whether your firm is co-located at any of its business locations, or whether your firm shares a telephone number(s), a post office box, any office space, a yard, warehouse, other facilities, any equipment, financing, or any office staff and/or employees with any other business, organization or entity of any kind. If you answered "Yes," then specify the name of the other firm(s) and fully explain the nature of your relationship with these other businesses by identifying the business or person with whom you have any formal, informal, written, or oral



agreement. Provide an explanation of any items shared with other firms in the space provided.

- (2) Check the appropriate box indicating whether any other firm currently has or had an ownership interest in your firm at present or at any time in the past. If you checked yes, please explain.
- (3) Check the appropriate box that indicates whether at present or at any time in the past your firm:
 - (a) ever existed under different ownership, a different type of ownership, or a different name;
 - (b) existed as a subsidiary of any other firm;
 - (c) existed as a partnership in which one or more of the partners are/were other firms;
 - (d) owned any percentage of any other firm; and
 - (e) had any subsidiaries of its own.
 - (f) served as a subcontractor with another firm constituting more than 25% of your firm's receipts.

If you answered "Yes" to any of the questions in (3)(a-f), you may be asked to explain the arrangement in detail.

Section 3: MAJORITY OWNER INFORMATION

Identify all individuals or holding companies with any ownership interest in your firm, providing the information requested below (if your firm has more than one owner, provide completed copies of this section for each owner):

A. Identify the majority owner of the firm holding 51% or more ownership interest

- (1) Enter the full name of the owner.
- (2) Enter his/her title or position within your firm.
- (3) Give his/her home phone number.
- (4) Enter his/her home (street) address.
- (5) Indicate this owner's gender.
- (6) Identify the owner's ethnic group membership. If you checked "Other," specify this owner's ethnic group/identity not otherwise listed.
- (7) Check the appropriate box to indicate whether this owner is a U.S. citizen or a lawfully admitted permanent resident. If this owner is neither a U.S. citizen nor a lawfully admitted permanent resident of the U.S., then this owner is NOT eligible for certification as a DBE owner.
- (8) Enter the number of years during which this owner has been an owner of your firm.
- (9) Indicate the percentage of the total ownership this person holds and the date acquired, including (if appropriate), the class of stock owned.
- (10) Indicate the dollar value of this owner's initial investment to acquire an ownership interest in your firm, broken down by cash, real estate, equipment, and/or other investment. Describe how you acquired your business and attach documentation substantiating this investment.

B. Additional Owner Information

- (1) Describe the familial relationship of this owner to each other owner of your firm and employees.
- (2) Indicate whether this owner performs a management or supervisory function for any other business. If you checked "Yes," state the name of the other business and this owner's function/title held in that business.

- (3) (a) Check the appropriate box that indicates whether this owner owns or works for any other firm(s) that has any relationship with your firm. If you checked "Yes," identify the name of the other business, the nature of the business relationship, and the owner's function at the firm.
 - (b) If the owner works for any other firm, non-profit organization, or is engaged in any other activity more than 10 hours per week, please identify this activity.
- (4) (a) Provide the personal net worth of the owner applying for certification in the space provided. Complete and attach the accompanying "Personal Net Worth Statement for DBE/ACDBE Program Eligibility" with your application. Note, complete this section and accompanying statement only for each owner applying for DBE qualification (i.e., for each owner claiming to be socially and economically disadvantaged).
- (b) Check the appropriate box that indicates whether any trust has been created for the benefit of the disadvantaged owner(s). If you answered "Yes," you may be asked to provide a copy of the trust instrument.
- (5) Check the appropriate to indicate whether any of your immediate family members, managers, or employees, own, manage, or are associated with another company. Immediate family member is defined in 49 C.F.R. §26.5. If you answered "Yes," provide the name of each person, your relationship to them, the name of the company, the type of business, and whether they own or manage the company.

Section 4: CONTROL

A. Identify the firm's Officers and Board of Directors

- (1) In the space provided, state the name, title, date of appointment, ethnicity, and gender of each officer.
- (2) In the space provided, state the name, title, date of appointment, ethnicity, and gender of each individual serving on your firm's Board of Directors.
- (3) Check the appropriate box to indicate whether any of your firm's officers and/or directors listed above performs a management or supervisory function for any other business. If you answered "Yes," identify each person by name, his/her title, the name of the other business in which s/he is involved, and his/her function performed in that other business.
- (4) Check the appropriate box that indicates whether any of your firm's officers and/or directors listed above own or work for any other firm(s) that has a relationship with your firm. (e.g., ownership interest, shared office space, financial investments, equipment leases, personnel sharing, etc.) If you answered "Yes," identify the name of the firm, the individual's name, and the nature of his/her business relationship with that other firm.

B. Duties of Owners, Officers, Directors, Managers and Key Personnel

- (1), (2) Specify the roles of the majority and minority owners, directors, officers, and managers, and key personnel who are responsible for the functions listed for the firm. Submit résumés for each owner and non-owner identified below. State the name of the individual, title, race



and gender and percentage ownership if any. Circle the frequency of each person's involvement as follows: "always, frequently, seldom, or never" in each area.

Indicate whether any of the persons listed in this section perform a management or supervisory function for any other business. Identify the person, business, and their title/function. Identify if any of the persons listed above own or work for any other firm(s) that has a relationship with this firm (e.g. ownership interest, shared office space, financial investment, equipment, leases, personnel sharing, etc.) If you answered "Yes," describe the nature of his/her business relationship with that other firm.

C. Inventory: Indicate firm inventory in these categories:

(1) Equipment and Vehicles

State the make and model, and current dollar value of each piece of equipment and motor vehicle held and/or used by your firm. Indicate whether each piece is either owned or leased by your firm or owner, whether it is used as collateral, and where this item is stored.

(2) Office Space

State the street address of each office space held and/or used by your firm. Indicate whether your firm or owner owns or leases the office space and the current dollar value of that property or its lease.

(3) Storage Space

State the street address of each storage space held and/or used by your firm. Indicate whether your firm or owner owns or leases the storage space and the current dollar value of that property or its lease. Provide a signed lease agreement for each property.

D. Does your firm rely on any other firm for management functions or employee payroll?

Check the appropriate box that indicates whether your firm relies on any other firm for management functions or for employee payroll. If you answered "Yes," you may be asked to explain the nature of that reliance and the extent to which the other firm carries out such functions.

E. Financial / Banking Information

State the name, City and State of your firm's bank. Identify the persons able to sign checks on this account. Provide bank authorization and signature cards.

Bonding Information. State your firm's bonding limits both aggregate and project limits.

F. Sources, amounts, and purposes of money loaned to your firm, including the names of persons or firms guaranteeing the loan.

State the name and address of each source, the name of person securing the loan, original dollar amount and the current balance of each loan, and the purpose for which each

loan was made to your firm. Provide copies of signed loan agreements and security agreements

G. Contributions or transfers of assets to/from your firm and to/from any of its owners or another individual over the past two years:

Indicate in the spaces provided, the type of contribution or asset that was transferred, its current dollar value, the person or firm from whom it was transferred, the person or firm to whom it was transferred, the relationship between the two persons and/or firms, and the date of the transfer.

H. Current licenses/permits held by any owner or employee of your firm.

List the name of each person in your firm who holds a professional license or permit, the type of permit or license, the expiration date of the permit or license, and issuing State of the license or permit. Attach copies of licenses, license renewal forms, permits, and haul authority forms.

I. Largest contracts completed by your firm in the past three years, if any.

List the name of each owner or contractor for each contract, the name and location of the projects under each contract, the type of work performed on each contract, and the dollar value of each contract.

J. Largest active jobs on which your firm is currently working.

For each active job listed, state the name of the prime contractor and the project number, the location, the type of work performed, the project start date, the anticipated completion date, and the dollar value of the contract.

Section 5: AIRPORT CONCESSION (ACDBE) APPLICANTS

Complete the entries in this section if you are applying for ACDBE certification. Indicate in Section A if you operate a concession at the airport, and/or supply a good or service to an airport concessionaire. Indicate in Section B whether the applicant firm owns or operates any off-airport locations, providing the type of business, lease information, address/location, and annual gross receipts generated. Provide similar information in section C for any airport concession locations the firm currently owns or operates. If the applicant firm has any affiliates, provide the requested information in Section D. Indicate whether the ACDBE firm is participating in any joint ventures, and if so, include the original and any amended joint venture agreements.

AFFIDAVIT & SIGNATURE

The Affidavit of Certification must accompany your application. Carefully read the attached affidavit in its entirety. Fill in the required information for each blank space, and sign and date the affidavit in the presence of a Notary Public, who must then notarize the form.



Section 1: CERTIFICATION INFORMATION

A. Basic Contact Information

I am applying for certification as DBE ACDBE

(1) Contact person and Title: _____

(2) Legal name of firm: _____

(3) Phone #: (____) _____ - _____ (4) Other Phone #: (____) _____ - _____ (5) Fax #: (____) _____ - _____

(6) E-mail: _____ (7) Firm Websites: _____

(8) Street address of firm (No P.O. Box): _____ City: _____ County/Parish: _____ State: _____ Zip: _____ - _____

(9) Mailing address of firm (if different): _____ City: _____ County/Parish: _____ State: _____ Zip: _____ - _____

B. Prior/Other Certifications and Applications

(10) Is your firm currently certified for any of the following U.S. DOT programs?

DBE ACDBE Names of certifying agencies: _____

⊗ If you are certified in your home state as a DBE/ACDBE, you do not have to complete this application for other states. Ask your state UCP about the interstate certification process.

List the dates of any site visits conducted by your home state and any other states or UCP members:

Date ___/___/___ State/UCP Member: _____ Date ___/___/___ State/UCP Member: _____

(11) Indicate whether the firm or any persons listed in this application have ever been:

- (a) Denied certification or decertified as a DBE, ACDBE, 8(a), SDB, MBE/WBE firm? Yes No
- (b) Withdrawn an application for these programs, or debarred or suspended or otherwise had bidding privileges denied or restricted by any state or local agency, or Federal entity? Yes No

If yes, explain the nature of the action. (If you appealed the decision to DOT or another agency, attach a copy of the decision)

Section 2: GENERAL INFORMATION

A. Business Profile: (1) Give a concise description of the firm's primary activities and the product(s) or service(s) it provides. If your company offers more than one product/service, list the primary product or service first. Please use additional paper if necessary. This description may be used in our database and the UCP online directory if you are certified as a DBE or ACDBE.

(2) Applicable NAICS Codes for this line of work include: _____

(3) This firm was established on ___/___/___ (4) I/We have owned this firm since: ___/___/___



(5) Method of acquisition (Check all that apply):

- Started new business Bought existing business Inherited business Gifted
- Merger or consolidation Other (explain) _____

(6) Is your firm "for profit"? Yes
Federal Tax ID# _____

No → **STOP!** If your firm is NOT for-profit, then you do NOT qualify for this program and should not fill out this application.

(7) Type of Legal Business Structure: (check all that apply):

- Sole Proprietorship
- Limited Liability Partnership
- Partnership Corporation
- Limited Liability Company Other, Describe _____

(8) Number of employees: Full-time _____ Part-time _____ Seasonal _____ Total _____
(Provide a list of employees, their job titles, and dates of employment, to your application).

(9) Specify the firm's gross receipts for the last 3 years. (Submit complete copies of the firm's Federal tax returns for each year. If there are affiliates or subsidiaries of the applicant firm or owners, you must submit complete copies of these firms' Federal tax returns).

Year _____	Gross Receipts of Applicant Firm \$ _____	Gross Receipts of Affiliate Firms \$ _____
Year _____	Gross Receipts of Applicant Firm \$ _____	Gross Receipts of Affiliate Firms \$ _____
Year _____	Gross Receipts of Applicant Firm \$ _____	Gross Receipts of Affiliate Firms \$ _____

B. Relationships and Dealings with Other Businesses

(1) Is your firm co-located at any of its business locations, or does it share a telephone number, P.O. Box, office or storage space, yard, warehouse, facilities, equipment, inventory, financing, office staff, and/or employees with any other business, organization, or entity? Yes No

If Yes, explain the nature of your relationship with these other businesses by identifying the business or person with whom you have any formal, informal, written, or oral agreement. Also detail the items shared

(2) Has any other firm had an ownership interest in your firm at present or at any time in the past?

Yes No If Yes, explain _____

(3) At present, or at any time in the past, has your firm:

- (a) Ever existed under different ownership, a different type of ownership, or a different name? Yes No
 - (b) Existed as a subsidiary of any other firm? Yes No
 - (c) Existed as a partnership in which one or more of the partners are/were other firms? Yes No
 - (d) Owned any percentage of any other firm? Yes No
 - (e) Had any subsidiaries? Yes No
 - (f) Served as a subcontractor with another firm constituting more than 25% of your firm's receipts? Yes No
- (If you answered "Yes" to any of the questions in (2) and/or (3)(a)-(f), you may be asked to provide further details and explain whether the arrangement continues).

Section 3: MAJORITY OWNER INFORMATION



A. Identify the majority owner of the firm holding 51% or more ownership interest.

(1) Full Name: _____ | (2) Title: _____ | (3) Home Phone #: _____
 _____ | _____ | () _____ - _____

(4) Home Address (Street and Number): _____ | City: _____ | State: _____ | Zip: _____
 _____ | _____ | _____ | _____ - _____

(5) Gender: Male Female

(6) Ethnic group membership (Check all that apply):

- Black
- Hispanic
- Asian Pacific
- Native American
- Subcontinent Asian
- Other (specify) _____

(7) U.S. Citizenship: U.S. Citizen
 Lawfully Admitted Permanent Resident

(8) Number of years as owner: _____
 (9) Percentage owned: _____ %
 Class of stock owned: _____ Date acquired _____

(10) Initial investment to acquire ownership interest in firm:	<u>Type</u>	<u>Dollar Value</u>
	Cash	\$ _____
	Real Estate	\$ _____
	Equipment	\$ _____
	Other	\$ _____

Describe how you acquired your business:
 Started business myself.
 It was a gift from: _____
 I bought it from: _____
 I inherited it from: _____
 Other _____
 (Attach documentation substantiating your investment)

B. Additional Owner Information

(1) Describe familial relationship to other owners and employees:

(2) Does this owner perform a management or supervisory function for any other business? Yes No
 If Yes, identify: Name of Business: _____ Function/Title: _____

(3)(a) Does this owner own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.) Yes No
 Identify the name of the business, and the nature of the relationship, and the owner's function at the firm:

(b) Does this owner work for any other firm, non-profit organization, or engage in any other activity more than 10 hours per week? If yes, identify this activity: _____

(4)(a) What is the personal net worth of this disadvantaged owner applying for certification? \$ _____

(b) Has any trust been created for the benefit of this disadvantaged owner(s)? Yes No
 (If Yes, you may be asked to provide a copy of the trust instrument).

(5) Do any of your immediate family members, managers, or employees own, manage, or are associated with another company? Yes No If Yes, provide their name, relationship, company, type of business, and indicate whether they own or manage the company: (Please attach extra sheets, if needed): _____

Section 3: OWNER INFORMATION, Cont'd.



A. Identify all individuals, firms, or holding companies that hold LESS THAN 51% ownership interest in the firm (Attach separate sheets for each additional owner)

(1) Full Name: _____	(2) Title: _____	(3) Home Phone #: () _____ - _____
(4) Home Address (Street and Number): _____	City: _____	State: _____
		Zip: _____ - _____

(5) Gender: Male Female

(6) Ethnic group membership (Check all that apply)

Black
 Hispanic
 Asian Pacific
 Native American
 Subcontinent Asian
 Other (specify) _____

(7) U.S. Citizenship:
 U.S. Citizen
 Lawfully Admitted Permanent Resident

(8) Number of years as owner: _____

(9) Percentage owned: _____ %
 Class of stock owned: _____ Date acquired _____

(10) Initial investment to acquire ownership interest in firm:

Type	Dollar Value
Cash	\$ _____
Real Estate	\$ _____
Equipment	\$ _____
Other	\$ _____

Describe how you acquired your business:
 Started business myself.
 It was a gift from: _____
 I bought it from: _____
 I inherited it from: _____
 Other _____

(Attach documentation substantiating your investment)

B. Additional Owner Information

(1) Describe familial relationship to other owners and employees:

(2) Does this owner perform a management or supervisory function for any other business? Yes No
 If Yes, identify: Name of Business: _____ Function/Title: _____

(3)(a) Does this owner own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.) Yes No
 Identify the name of the business, and the nature of the relationship, and the owner's function at the firm:

(b) Does this owner work for any other firm, non-profit organization, or is engaged in any other activity more than 10 hours per week? If yes, identify this activity: _____

(4)(a) What is the personal net worth of this disadvantaged owner applying for certification? \$ _____

(b) Has any trust been created for the benefit of this disadvantaged owner(s)? Yes No
(If Yes, you may be asked to provide a copy of the trust instrument).

(5) Do any of your immediate family members, managers, or employees own, manage, or are associated with another company? Yes No If Yes, provide their name, relationship, company, type of business, and indicate whether they own or manage: (Please attach extra sheets, if needed): _____

Section 4: CONTROL



A. Identify your firm's Officers and Board of Directors (If additional space is required, attach a separate sheet):

	Name	Title	Date Appointed	Ethnicity	Gender
(1) Officers of the Company	(a)				
	(b)				
	(c)				
	(d)				
(2) Board of Directors	(a)				
	(b)				
	(c)				
	(d)				

(3) Do any of the persons listed above perform a management or supervisory function for any other business?
 Yes No If Yes, identify for each:

Person: _____ Title: _____
 Business: _____ Function: _____

Person: _____ Title: _____
 Business: _____ Function: _____

(4) Do any of the persons listed in section A above own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.)

Yes No

If Yes, identify for each:

Firm Name: _____ Person: _____
 Nature of Business Relationship: _____

B. Duties of Owners, Officers, Directors, Managers, and Key Personnel

1. Complete for all Owners who are responsible for the following functions of the firm (Attach separate sheets as needed).

A= Always F = Frequently	S = Seldom N = Never	Majority Owner (51% or more)				Minority Owner (49% or less)			
		Name: _____	Title: _____	Percent Owned: _____		Name: _____	Title: _____	Percent Owned: _____	
Sets policy for company direction/scope of operations		A	F	S	N	A	F	S	N
Bidding and estimating		A	F	S	N	A	F	S	N
Major purchasing decisions		A	F	S	N	A	F	S	N
Marketing and sales		A	F	S	N	A	F	S	N
Supervises field operations		A	F	S	N	A	F	S	N
Attend bid opening and lettings		A	F	S	N	A	F	S	N
Perform office management (billing, accounts receivable/payable, etc.)		A	F	S	N	A	F	S	N
Hires and fires management staff		A	F	S	N	A	F	S	N
Hire and fire field staff or crew		A	F	S	N	A	F	S	N
Designates profits spending or investment		A	F	S	N	A	F	S	N
Obligates business by contract/credit		A	F	S	N	A	F	S	N
Purchase equipment		A	F	S	N	A	F	S	N
Signs business checks		A	F	S	N	A	F	S	N



2. Complete for all Officers, Directors, Managers, and Key Personnel who are responsible for the following functions of the firm. (Attach separate sheets as needed).

A= Always S = Seldom F = Frequently N = Never	Officer/Director/Manager/Key Personnel				Officer/Director/Manager/ Key Personnel			
	Name: _____				Name: _____			
	Title: _____				Title: _____			
	Race and Gender: _____				Race and Gender: _____			
	Percent Owned: _____				Percent Owned: _____			
Sets policy for company direction/scope of operations	A	F	S	N	A	F	S	N
Bidding and estimating	A	F	S	N	A	F	S	N
Major purchasing decisions	A	F	S	N	A	F	S	N
Marketing and sales	A	F	S	N	A	F	S	N
Supervises field operations	A	F	S	N	A	F	S	N
Attend bid opening and lettings	A	F	S	N	A	F	S	N
Perform office management (billing, accounts receivable/payable, etc.)	A	F	S	N	A	F	S	N
Hires and fires management staff	A	F	S	N	A	F	S	N
Hire and fire field staff or crew	A	F	S	N	A	F	S	N
Designates profits spending or investment	A	F	S	N	A	F	S	N
Obligates business by contract/credit	A	F	S	N	A	F	S	N
Purchase equipment	A	F	S	N	A	F	S	N
Signs business checks	A	F	S	N	A	F	S	N

Do any of the persons listed in B1 or B2 perform a management or supervisory function for any other business? If Yes, identify the person, the business, and their title/function: _____

Do any of the persons listed above own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.) If Yes, describe the nature of the business relationship: _____

C. Inventory: Indicate your firm's inventory in the following categories (Please attach additional sheets if needed):=

1. Equipment and Vehicles

Make and Model	Current Value	Owned or Leased by Firm or Owner?	Used as collateral?	Where is item stored?
1. _____				
2. _____				
3. _____				
4. _____				
5. _____				
6. _____				
7. _____				
8. _____				
9. _____				

2. Office Space

Street Address Owned or Leased by Firm or Owner? Current Value of Property or Lease

3. Storage Space (Provide signed lease agreements for the properties listed)



Street Address	Owned or Leased by Firm or Owner?	Current Value of Property or Lease
----------------	--------------------------------------	------------------------------------

D. Does your firm rely on any other firm for management functions or employee payroll? Yes No

E. Financial/Banking Information (Provide bank authorization and signature cards)

Name of bank: _____ City and State: _____
 The following individuals are able to sign checks on this account: _____

Name of bank: _____ City and State: _____
 The following individuals are able to sign checks on this account: _____

Bonding Information: If you have bonding capacity, identify the firm's bonding aggregate and project limits:
 Aggregate limit \$ _____ Project limit \$ _____

F. Identify all sources, amounts, and purposes of money loaned to your firm including from financial institutions. Identify whether you the owner and any other person or firm loaned money to the applicant DBE/ACDBE. Include the names of any persons or firms guaranteeing the loan, if other than the listed owner.
 (Provide copies of signed loan agreements and security agreements).

Name of Source	Address of Source	Name of Person Guaranteeing the Loan	Original Amount	Current Balance	Purpose of Loan
1. _____					
2. _____					
3. _____					

G. List all contributions or transfers of assets to/from your firm and to/from any of its owners or another individual over the past two years (Attach additional sheets if needed):

Contribution/Asset	Dollar Value	From Whom Transferred	To Whom Transferred	Relationship	Date of Transfer
1. _____					
2. _____					
3. _____					

H. List current licenses/permits held by any owner and/or employee of your firm
 (e.g. contractor, engineer, architect, etc.) (Attach additional sheets if needed):

Name of License/Permit Holder	Type of License/Permit	Expiration Date	State
1. _____			
2. _____			
3. _____			



I. List the three largest contracts completed by your firm in the past three years, if any:

Name of Owner/Contractor	Name/Location of Project	Type of Work Performed	Dollar Value of Contract
1. _____			
2. _____			
3. _____			

J. List the three largest active jobs on which your firm is currently working:

Name of Prime Contractor and Project Number	Location of Project	Type of Work	Project Start Date	Anticipated Completion Date	Dollar Value of Contract
1. _____					
2. _____					
3. _____					

Additional Information:



SECTION 5 - AIRPORT CONCESSION

(ACDBE APPLICANTS ONLY)

A. I am applying for ACDBE certification to: *(check all that apply)*

- Operate a concession at an airport Supply a good or service to an airport concessionaire

B. Does the applicant firm own/operate any off-airport locations? Yes No *If Yes, identify the following*

Type of Business (e.g., F&B, News & Gift, Retail, Duty Free, Advertising, etc.)	Lease Term (years)	Lease Start Date	Address / Location	Annual Gross Receipts Generated

C. Does the applicant firm currently own/operate any airport concession locations? Yes No *If Yes, supply the following information:*

Airport Name	Concession Type (e.g., F&B, News & Gift, Retail, Duty Free, Advertising, etc.)	Number of Leases	Number of Locations	Annual Gross Receipts Generated	Lease Type <i>(e.g. Direct Lease, Subcontract Management Agreement, etc. enter all that apply to the leases listed)</i>

D. Does the applicant firm have any affiliates? Yes No *If Yes, provide the following information concerning any locations owned/operated by affiliate firms.*

Airport Name	Concession Type (e.g., F&B, News & Gift, Retail, Duty Free, Advertising, etc.)	Number of Leases	Number of Locations	Annual Gross Receipts Generated	Lease Type <i>(e.g. Direct Lease, Subcontract Management Agreement, etc. enter all that apply to the leases listed)</i>

E. Is the ACDBE applicant firm a participant in any joint ventures? Yes No *If Yes, attach all original and any amended Joint Venture Agreements and any amendments to the agreements.*



AFFIDAVIT OF CERTIFICATION

This form must be signed and notarized for each owner upon which disadvantaged status is relied.

A MATERIAL OR FALSE STATEMENT OR OMISSION MADE IN CONNECTION WITH THIS APPLICATION IS SUFFICIENT CAUSE FOR DENIAL OF CERTIFICATION, REVOCATION OF A PRIOR APPROVAL, INITIATION OF SUSPENSION OR DEBARMENT PROCEEDINGS, AND MAY SUBJECT THE PERSON AND/OR ENTITY MAKING THE FALSE STATEMENT TO ANY AND ALL CIVIL AND CRIMINAL PENALTIES AVAILABLE PURSUANT TO APPLICABLE FEDERAL AND STATE LAW.

I _____ (full name printed),
swear or affirm under penalty of law that I am
_____ (title) of the applicant firm
_____ and that I
have read and understood all of the questions in this
application and that all of the foregoing information and
statements submitted in this application and its attachments
and supporting documents are true and correct to the best of
my knowledge, and that all responses to the questions are full
and complete, omitting no material information. The responses
include all material information necessary to fully and
accurately identify and explain the operations, capabilities and
pertinent history of the named firm as well as the ownership,
control, and affiliations thereof.

I recognize that the information submitted in this application is
for the purpose of inducing certification approval by a
government agency. I understand that a government agency
may, by means it deems appropriate, determine the accuracy
and truth of the statements in the application, and I authorize
such agency to contact any entity named in the application, and
the named firm's bonding companies, banking institutions,
credit agencies, contractors, clients, and other certifying
agencies for the purpose of verifying the information supplied
and determining the named firm's eligibility.

I agree to submit to government audit, examination and review
of books, records, documents and files, in whatever form they
exist, of the named firm and its affiliates, inspection of its
places(s) of business and equipment, and to permit interviews
of its principals, agents, and employees. I understand that
refusal to permit such inquiries shall be grounds for denial of
certification.

If awarded a contract, subcontract, concession lease or
sublease, I agree to promptly and directly provide the prime
contractor, if any, and the Department, recipient agency, or
federal funding agency on an ongoing basis, current, complete
and accurate information regarding (1) work performed on the
project; (2) payments; and (3) proposed changes, if any, to the
foregoing arrangements.

I agree to provide written notice to the recipient agency or
Unified Certification Program of any material change in the
information contained in the original application within 30
calendar days of such change (e.g., ownership changes,
address/telephone number, personal net worth exceeding \$1.32
million, etc.).

I acknowledge and agree that any misrepresentations in this
application or in records pertaining to a contract or subcontract
will be grounds for terminating any contract or subcontract
which may be awarded; denial or revocation of certification;
suspension and debarment; and for initiating action under
federal and/or state law concerning false statement, fraud or
other applicable offenses.

I certify that I am a socially and economically disadvantaged
individual who is an owner of the above-referenced firm seeking
certification as a Disadvantaged Business Enterprise or Airport
Concession Disadvantaged Business Enterprise. In support of my
application, I certify that I am a member of one or more of the
following groups, and that I have held myself out as a member of
the group(s): (Check all that apply):

- Female Black American Hispanic American
- Native American Asian-Pacific American
- Subcontinent Asian American Other (specify)

I certify that I am socially disadvantaged because I have been
subjected to racial or ethnic prejudice or cultural bias, or have
suffered the effects of discrimination, because of my identity
as a member of one or more of the groups identified above,
without regard to my individual qualities.

I further certify that my personal net worth does not exceed
\$1.32 million, and that I am economically disadvantaged
because my ability to compete in the free enterprise system has
been impaired due to diminished capital and credit
opportunities as compared to others in the same or similar line
of business who are not socially and economically
disadvantaged.

I declare under penalty of perjury that the information
provided in this application and supporting documents is true
and correct.

Signature _____ (Date) _____
(DBE/ACDBE Applicant)

NOTARY CERTIFICATE

UNIFORM CERTIFICATION APPLICATION SUPPORTING DOCUMENTS CHECKLIST



In order to complete your application for DBE or ACDBE certification, you must attach copies of all of the following REQUIRED documents. A failure to supply any information requested by the UCP may result in your firm denied DBE/ACDBE certification.

Required Documents for All Applicants

- Résumés (that include places of employment with corresponding dates), for all owners, officers, and key personnel of the applicant firm
- Personal Net Worth Statement for each socially and economically disadvantaged owners who the applicant firm relies upon to satisfy the Regulation's 51% ownership requirement.
- Personal Federal tax returns for the past 3 years, if applicable, for each disadvantaged owner
- Federal tax returns (and requests for extensions) filed by the firm and its affiliates with related schedules, for the past 3 years.
- Documented proof of contributions used to acquire ownership for each owner (*e.g., both sides of cancelled checks*)
- Signed loan and security agreements, and bonding forms
- List of equipment and/or vehicles owned and leased including VIN numbers, copy of titles, proof of ownership, insurance cards for each vehicle.
- Title(s), registration certificate(s), and U.S. DOT numbers for each truck owned or operated by your firm
- Licenses, license renewal forms, permits, and haul authority forms
- Descriptions of all real estate (including office/storage space, etc.) owned/leased by your firm and documented proof of ownership/signed leases
- Documented proof of any transfers of assets to/from your firm and/or to/from any of its owners over the past 2 years
- DBE/ACDBE and SBA 8(a), SDB, MBE/WBE certifications, denials, and/or decertification's, if applicable; and any U.S. DOT appeal decisions on these actions.
- Bank authorization and signatory cards
- Schedule of salaries (or other remuneration) paid to all officers, managers, owners, and/or directors of the firm
- List of all employees, job titles, and dates of employment.
- Proof of warehouse/storage facility ownership or lease arrangements

Partnership or Joint Venture

- Original and any amended Partnership or Joint Venture Agreements

Corporation or LLC

- Official Articles of Incorporation (*signed by the state official*)
- Both sides of all corporate stock certificates and your firm's stock transfer ledger
- Shareholders' Agreement(s)
- Minutes of all stockholders and board of director's meetings

- Corporate by-laws and any amendments
- Corporate bank resolution and bank signature cards
- Official Certificate of Formation and Operating Agreement with any amendments (for LLCs)

Optional Documents to Be Provided on Request

The certifying agency to which you are applying may require the submission of the following documents. If requested to provide these document, you must supply them with your application or at the on-site visit.

- Proof of citizenship
- Insurance agreements for each truck owned or operated by your firm
- Audited financial statements (if available)
- Trust agreements held by any owner claiming disadvantaged status
- Year-end balance sheets and income statements for the past 3 years (*or life of firm, if less than three years*)

Suppliers

- List of product lines carried and list of distribution equipment owned and/or leased

ATTACHMENT J
Sample "No Change" Affidavit

ILLINOIS UNIFIED CERTIFICATION PROGRAM DBE NO CHANGE AFFIDAVIT

Name of Firm: _____

Address: _____

City/State/Zip Code: _____

Telephone No.: () _____ - _____ Fax No.: () _____ - _____

E-mail: _____ Federal Employer ID. No.: _____

Contact Person: _____ Title: _____

List annual gross receipts for the last three years:

Year _____ \$ _____ Year _____ \$ _____ Year _____ \$ _____

List annual number of employees for the last three years:

Year _____ Employee No. _____ Year _____ Employee No. _____ Year _____ Employee No. _____

Identify any owner or management official of the applicant firm who has an ownership interest in any other firm. Provide information as to owner's title, address of firm, percent of ownership and product or service of the other firm.

Owner/Manager	Name and Address of Other Firm	Title in Other Firm	% of Ownership	Product or Service of Firm

SUBMISSION OF THE FOLLOWING DOCUMENTS IS REQUIRED FOR CONTINUING DBE CERTIFICATION STATUS

- Affidavit must be signed by all **individuals** whose socio and economic status is relied upon for certification (51% DBE Ownership required). **Affidavit must be notarized.**
- Personal Net Worth Statement for all individuals whose socio and economic status is relied upon for DBE certification (51% DBE ownership required)
- Current fiscal year end financial statements (including balance sheet, income statement and footnotes)
- Copy of last year's W-2 Forms (or 1099 Misc. Income forms) for all owners, officers, and managers.
- Signed copy of U.S. Federal Corporate Income Tax return including all schedules
- Signed copy of U.S. Individual Income Tax Return including all schedules for **all individuals** whose socio and economic status is relied upon for certification (51% DBE ownership required)

NOTE: For any additional specialty area you wish to apply for in which you were not previously certified, submit the necessary documentation, (licenses, resumes, previous contracts, etc.) demonstrating ability to perform commercially useful function in such additional area(s).

Upon penalty of perjury, the undersigned certifies that he/she is the _____
(Title in Firm)

of _____ and that he/she is authorize by the firm to execute this
(Firm Name)

affidavit in its behalf and attests to the accuracy and truthfulness of the information on the affidavit and its supporting documentation. Affiant(s) also understands that information provided herein may be audited, shared or verified by other means with other city, state or federal agencies as provided by law.

The applicant(s) also affirms that the disadvantaged, minority or women interest in the business constitutes 51%, majority control over business operations and further affirms that there have been no changes in the circumstances of _____ firm affecting its ability to meet size, disadvantaged status, ownership, or
(Firm Name)

control requirements of 49 CFR, part 26. There have been no material changes in the information provided with the original application for certification, except for any changes in which you have provided written notice under 49 CFR 26.83(1). The applicant and its affiliates continue to meet the Small Business Administration (SBA) criteria for being a small business concern and its average annual gross receipts (pursuant to SBA, NAICS size limits), in addition to ensuring the firm's previous three fiscal years, does not exceed the USDOT, **\$22.41 million size limit**. The undersigned also agrees to inform in writing of any circumstances affecting its ability to meet size, disadvantage status, ownership or control requirements of this part or any material change in the information provided in your application form. Change notices must take the form of a notarized affidavit, sworn to by the applicant, executed under penalty of perjury of the laws of the United States. **Applicant must provide written notification within 30 days of the occurrence of the change.** Failure to make timely notification of such changes will deem the firm to have failed to cooperate under section 26.109 (c).

Under SEC 26.107 of 49 C.F.R., Part 26: If at any time the Department or a Recipient has reason to believe that any firm that does not meet the eligibility criteria of Subpart D, Certification Standards, and attempts to participate in a DOT assisted program as a DBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, the Department may initiate suspension or debarment proceedings against you under 49CFR Part 29. The Department may also take enforcement action under 49CFR Part 31, Program Fraud and Civil Remedies, against any participant in the DBE program whose conduct is subject to such action. The Department may refer to the Department of Justice, for prosecution under U.S.C. 1001 or other applicable provisions of law, any person who makes a false or fraudulent statement in connection with participation of a DBE in any DOT assisted program or otherwise violates applicable Federal statutes.

I/We understand and acknowledge that to fraudulently obtain or retain certification or public monies, to willfully make a false statement to an official for the purpose of influencing certification eligibility or to obstruct or impede an official or employee who is investigating the qualifications of a business which has requested certification is a Class 2 felony subject to prosecution under 720 ILCS 5/33C of the Criminal Code of the State of Illinois. ANY MATERIAL MISREPRESENTATION OF INFORMATION IN THIS DOCUMENT WILL BE GROUNDS FOR: (1) DENIAL OF CERTIFICATION (2) DECERTIFICATION/REMOVAL OF ELIGIBILITY (3) DEBARMENT (4) TERMINATING ANY CONTRACT WHICH MAY BE AWARDED AND (5) INITIATING ACTION UNDER FEDERAL OR STATE LAWS CONCERNING FALSE STATEMENTS.

(Signature of Owner, Title) Date

Notary Seal: Subscribed and sworn to before me this _____ day of _____

Signed: _____ Notary Public in and for the

County of: _____ State: _____ Notary Seal

My commission expires: _____

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
PERSONAL FINANCIAL STATEMENT**

As of _____, _____

Complete this form for each socially disadvantaged proprietor(s), or socially disadvantaged limited and general partner(s) whose combined interest totals 51% or more, or socially disadvantaged stockholder(s) owning 51% or more of voting stock in the disadvantaged business enterprise.

Name	Business Phone
Residence Address	Residence Phone
City, State & Zip Code	
Business Name of Applicant/Borrower	

ASSETS (Omit Cents)	LIABILITIES (Omit Cents)
Cash on hand and in banks \$ _____	Accounts Payable \$ _____
Savings Accounts \$ _____	Notes Payable to Banks and Others \$ _____ (Describe in Section 2)
IRA/Other Retirement Accts \$ _____	Installment Account (Auto) \$ _____ (Monthly Payments \$ _____)
Accounts & Notes Receivable \$ _____	Installment Account (Other) \$ _____ (Monthly Payments \$ _____)
Life Insurance-Cash Surrender Value Only \$ _____ (Complete Section 8)	Loan on Life Insurance \$ _____
Stocks and Bonds \$ _____ (Describe in Section 3)	Mortgages on Real Estate \$ _____ (Describe in Section 4)
Real Estate \$ _____ (Describe in Section 4)	Unpaid Taxes \$ _____ (Describe in Section 6)
Automobile(s) - Present Value ... \$ _____	Other Liabilities \$ _____ (Describe in Section 7)
Other Personal Property \$ _____ (Describe in Section 5)	Total Liabilities \$ _____
Other Assets \$ _____ (Describe in Section 5)	Net Worth \$ _____
Total \$ _____	Total \$ _____

Section 1. Source of Income	Contingent Liabilities
Salary \$ _____	As Endorser or Co-Maker \$ _____
Net Investment Income \$ _____	Claims & Judgments \$ _____
Real Estate Income \$ _____	Provision for Federal Income Tax ... \$ _____
Other Income (Describe below)* .. \$ _____	Other Special Debt \$ _____

Description of Other Income in Section 1.

* Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted towards total income.

Section 2. Notes Payable to Banks and Others.

(Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds.

(Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned.

(List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets.

(Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency.)

Section 6. Unpaid Taxes.

(Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held.

(Give face amount and cash surrender value of policies - name of insurance company and beneficiaries.)

Section 9. Asset Transfers.

(Describe any transfer of assets between the disadvantaged individual and any individual or business within the past 2 years.)

I authorize the **ILLINOIS UNIFIED CERTIFICATION PROGRAM** to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of DBE certification. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature:

Date:

Social Security Number:

Signature:

Date:

Social Security Number:

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.