

10-4 Complete Section D of CDOT Form 1432 (PE/PM)



Details

Responsible Parties

- CDOT Project Engineer/Project Manager (PE/PM)

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Document Owner

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Procedural Objective

This document is intended to assist the CDOT Project Engineer/Project Manager with conducting an analysis of the submitted CDOT Form 1432 and completing Section D of the CDOT Form 1432 for participating DBE firms.

Note 1: In order for a DBE to count as eligible participation toward a project DBE goal, a Commercially Useful Function (CUF) shall be conducted and approved. CUF credit is awarded when the DBE is responsible for the execution of the contract and for carrying out the responsibilities by performing, managing, and supervising the work involved on the project.

The Prime Contractor is required to submit a CDOT form 1432 for each DBE performing work or providing supplies under the NAICS codes in which they have been approved.

Note 2: The DBE owner or manager with contract signature authority shall complete Section B, DBE Questions, within 45 days of the DBE beginning work on the contract. This section of the form shall be completed prior to the DBE completing work per its contract/subcontract.

System Procedures

1. Upon receipt of the CDOT Form 1432 by the Prime Contractor (with Sections A, B, and C completed), the CDOT Project Engineer/Project Manager shall complete Section D of the CDOT Form 1432.

Section D. Project Engineer/Manager Questions
Instructions: The Project Engineer/Manager will complete this section of the Form 1432 using information from Section F. "CUF Guidance for Project Engineer/Manager". If the contract is using the B2GNow System, the Project Engineer/Manager will upload the completed form into the system.
30. Provide information related to what was observed on-site or what items were reviewed during the desk audit (include date of observation if selected).

Note: Please include the date of observation.

- The CDOT PE/PM shall review Section F, CUF Guidance for Project Engineer/Manager, of the CDOT Form 1432 and request any necessary information from the Prime Contractor to assist in determining a CUF.

COLORADO DEPARTMENT OF TRANSPORTATION
COMMERCIALLY USEFUL FUNCTION QUESTIONNAIRE
(CDOT Form 1432)
Section F. CUF Guidance for Project Engineer/Manager
General Information: The Project Engineer/Manager will evaluate whether a DBE firm participating on the contract (whether as a Contractor, subcontractor, trucker, regular dealer, manufacturer, or broker) is performing a Commercially Useful Function. In assessing whether a DBE is performing a Commercially Useful Function, the Project Engineer/Manager's evaluation should be based on a holistic review of the DBE's performance through a combination of on-site observation and desk audits/document review. The list below is intended to provide key areas for review and should not be treated as a comprehensive checklist. If red flags are observed, the Project Engineer/Manager will immediately contact the CDOT Region Civil Rights Office.

Note 1: At a minimum, it is recommended to request a copy of the subcontract or purchase order of the DBE firm being reviewed. For firms that are DBRA applicable, it is recommended to review LCPtracker to ensure certified payrolls have been completed and the work reported is appropriate. For firms that are not applicable to DBRA, it is recommended to request copies of invoices, or other documentation identified in Section F of the CDOT Form 1432. All backup documentation shall be attached to the Form 1432 and filed together.

Note 2: The PE/PM can also find additional guidance on the evaluation of a CUF by using the [tips](#) provided by FHWA.

- The main goal of the analysis is to determine if a CUF is in fact being performed by the DBE. Begin by reviewing the subcontract itself, specifically focusing on the description of the work being conducted by the DBE subcontractor to see if it may fall under the specifications of a CUF. It is recommended to also review the submitted CDOT Form 205 as well.
- Evaluate the provided information in order to identify key factors in identifying a CUF.

Key Factors in Determining a CUF:

- An evaluation of the amount of work being subcontracted and whether it is consistent with normal industry practices.
- Whether the amount that the subcontractor is paid under the contract commensurates with the work actually being performed.
- On projects where the DBE is supplying materials, the DBE is typically required to be responsible for negotiating the price, determining the quality and quantity of

materials, ordering materials, and paying for the materials for the contribution to qualify as a CUF. If the DBE is participating as a subcontractor, the DBE is typically required to be hired for both furnishing the materials for the project and installing them with their own provided labor to qualify as a CUF.

- Determine whether the DBE's role is limited to an extra participant in the transaction, contract, or project through which funds are passed to appear as if the DBE is participating in the required way. To do this, examine similar transactions, particularly those performed by non-DBE participants to see if they are comparable.

5. The Project Engineer/Project Manager shall complete Section E once a determination has been made. If the answer is "No," it does not appear that the DBE is performing a CUF, contact the Region Civil Rights Office for further assistance. If the answer is "Yes," proceed to the signature section.

Section E. Project Owner (CDOT or Subrecipient/Local Agency) Project Engineer/Manager Determination				
31. Does it appear that the DBE is performing a Commercially Useful Function?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
32. If no, please notify the CDOT Region Civil Rights Office.				
33. Project Engineer/Manager Signature				
a. Name	b. Title	c. Signature	d. Date	e. Phone Number

6. Provide the completed CDOT Form 1432 to the designated Region Civil Rights Office and the Prime Contractor for the project.
7. The CDOT Project Engineer/Manager has successfully completed Sections D, and E of the CDOT Form 1432.