

Doing Business with CDOT

Small Business Forum



What Subs Need to Know

- Project & Bidding Info
- Contract Requirements
- Common Issues
- State vs. Federal Funds
- Certified Payroll
- Fringe & Deductions
- EEO
- Compliance Reviews
- DBE & OJT Programs



Subcontracting with CDOT

- Contractor registration (B2G)
- Standard specifications (2017 - Red Book)
- Standard special provisions
- Project special provisions
- M&S standards
- Bid rules
- Prequalification
- DBE & ESB Certifications

Contract Requirements

- Insurance (e.g., General Liability, Automobile)
- Contractor licenses (e.g., CDL, construction)
- Bonding (bid, performance)
- Prevailing wage (Davis-Bacon Act)
- Certified payroll (LCPTracker)
- Buy American Act
- FHWA Form 1273
- DBE & OJT Programs & Goals

Common Issues

- Don't know if project is governed by federal or state regulations
- Didn't read the contract
- Didn't realize that specifications are non-negotiable
- Don't know if wage decisions apply or which one to use
- Think it's okay to pay employees every 2 weeks
- Don't report fringe benefits and deductions correctly
- Not prepared for a compliance review or audit
- Don't understand EEO requirements
- Don't have a policy or process to deal with "non-overt" harassment
- Don't understand DBE regulations for job performance
- Failed to communicate

State vs. Federal Funding

- About 90% of CDOT construction projects are federally-assisted
- Any project > \$2,000 with at least \$1 of federal funds must adhere to federal regulations such as:
 - Davis-Bacon Act
 - DBE & OJT Goals
 - FHWA Form 1273
 - EEO
- State funded projects have less and sometimes different regulations
- If you don't know, ask!

Read the Contract!

- Prime contractors pass down terms and conditions
- Project specifications and special provisions will be included with project documents
- Wage decision will be included with project documents
- Bid should take into consideration all requirements and specs
- Liquidated damages can add up quickly – disputes rarely favor the contractor
- If you don't know, ask!

Certified Payroll

- Subs are required to pay employees every week and submit certified payrolls in LCPTracker
- Subs are responsible for monitoring and certifying all jobsite personnel are being paid prevailing wages
- Subs must ensure Davis Bacon requirements are included in all applicable lower-tier subcontracts
- Failure to submit certified payroll is the top reason for delayed subcontractor payments
- Sanctions may be applied to the prime and its subcontractors for failure to meet Davis Bacon requirements – repeat violations could result in debarment
- If you don't know, ask!

Fringe Benefits & Deductions

- Davis-Bacon Act requires contractors to pay employees a “prevailing wage” including the “anticipated cost of prevailing benefits”
- Fringe benefits may be paid as additional cash wages or through a bona fide benefit plan
- Fringe paid in cash must be reported
- Reported cash payments for fringe must actually be paid
- Fringe applies to overtime but cash payments of fringe are not included in the base rate when calculating the overtime rate
- Check with accountant about benefits of a plan vs. cash
- If you don't know, ask!

Equal Employment Opportunity

- Subs required to comply with federal EEO policies
- Must have EEO statement on all marketing materials
- Some EEO elements, e.g., posters, are not required of subs but they must allow employees to access/view
- EEO includes anti-harassment and discrimination policies
- Zero tolerance – there is no line to cross
- Compliance rules are different for state funded contracts
- If you don't know, ask!

Compliance Reviews & Audits

- Expect an onsite compliance review – it will happen!
- Ensure all documentation is up to date and available
- Subs mostly held to same compliance standards as prime
- Do your part to make sure contract requirements are met
 - B2G audit (prompt payment)
 - Certified payrolls
 - EEO
 - DBE
- If you don't know, ask!

DBE Program

- DBE subs should understand regulations for compliance
- DBE participation only counts for work performed in certified work codes
- DBE may submit work code change request to certifying agency
- DBE must perform a commercially useful function (CUF)
- DBE must perform according to contract
- DBE can be terminated for good cause
- If you don't know, ask!

OJT Program

- Subs can have an OJT Program to assist prime with meeting goal
- Competitive advantage if you can provide OJT trainees to prime on project
- CDOT in the process of updating specification
- “Out of box” OJT plan will make it easier for small businesses to have a program
- If you don’t know, ask!

Resources

CDOT Civil Rights & Business Resource Center (CRBRC)

- [CDOT small business specialists](#)
- Certify DBE and ESB firms
- Approve OJT plans
- Assist with understanding regulations and compliance
- Internal training and small business forums

CDOT Region Civil Rights Managers (RCRM)

- [Local CDOT representative](#) in each of the 5 CDOT Regions
- Set DBE and ESB goals on projects
- Provide support for local OJT initiatives
- Assist subcontractors with project-related issues
- Coordinate local outreach and project events

Connect2DOT

Free Services Provided:

- One-on-one consulting
- Workshops and training
- One-stop website (connect2dot.org)
- Project notifications (Bid Matching Service)
- Connections to CDOT Staff and Primes
- Networking and project events
- Access to Bid Express and project plans
- Email news and information
- Industry event calendar



225 statewide business consultants, 15 transportation consultants and 8 former CDOT engineers available to help you immediately!





Questions & Open Discussion

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