

**HAWAII DEPARTMENT OF TRANSPORTATION
COMMERCIALLY USEFUL FUNCTION (CUF)
PROJECT SITE REVIEW**

Purpose: To review the performance of DBEs on federal-aid projects for compliance with the commercially useful function (CUF) requirements for DBE credit, and to ensure that work committed to DBEs are actually performed by DBEs. The Project Manager and/or his/her designee shall perform CUF reviews on **all** federally-assisted construction projects with DBE participation. The review should be conducted when the DBE begins work on the project.

Instructions: Interview the DBE owner or his/her designee on project's site. It may not be necessary to review all records/documents listed on this checklist if not readily available. However, if it cannot be determined that the DBE firm is performing a commercially useful function, then an examination of the documents listed below may be necessary. If so, and at the discretion of the HDOT's representative, a review of said documents at the DBE's or prime contractor's place of business may be performed.

Commercially Useful Function Definition: Per 49 CFR 26.55(c) (1), A DBE performs a CUF when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a CUF, the DBE must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether a DBE is performing a CUF, you must evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing and the DBE credit claimed for its performance of the work, and other relevant factors."

Project No(s): _____

Resident Engineer: _____

Prime Contractor: _____

HDOT Reviewer: _____

Prime Contractor License No: _____

Reviewer Title: _____

DBE Superintendent/Foreman: _____

Review Date: _____

DBE Start Date: _____

DBE Anticipated Completion Date: _____

DBE Name, address and phone number:

Other Subcontractors listed in contract:

Scope of Work

1. Subcontract reviewed between prime contractor & DBE and includes all Federal Aid Regulatory requirements.

Yes

No

2. Was DBE responsible for negotiating subcontract?

3. **DBE Certified?** _____ **NAICS Code:** _____

Provide a brief description of the DBE's scope of work:

Purchasing of Materials & Supplies

Yes

No

1. Is DBE firm responsible for ordering materials and supplies?

a. If not the DBE firm, then who orders the materials and supplies? _____

2. Are materials or supplies purchased from the prime contractor?

a. If so, list type and quantity of materials and/or supplies. _____

<p>3. Are joint checks allowed to purchase materials and/or supplies?</p> <p>a. If so, who is the payer? _____</p> <p>b. Who are the payees? _____</p> <p>c. Did the DBE release the check to the supplier/regular dealer?</p> <p>d. Was the use of joint checks approved by HDOT for this project?</p> <p style="text-align: center;"><u>RECORDS/DOCUMENTS</u></p> <ul style="list-style-type: none"> ▪ Invoices ▪ Haul tickets or Bills of Lading ▪ Material on hand documentation ▪ Joint check agreement ▪ Cancelled checks ▪ Contractors diary ▪ Daily inspection report ▪ Lease agreements 	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
<p><u>Supervision</u></p> <p>1. Does the DBE have a superintendent/foreman on project?</p> <p>2. Does the superintendent/foreman work exclusively for the DBE?</p> <p>a. If not, who does he/she work for? _____</p> <p>3. Who does the superintendent/foreman report to? _____</p> <p style="text-align: center;"><u>RECORDS/DOCUMENTS</u></p> <ul style="list-style-type: none"> ▪ Certified Payrolls ▪ Document communication with DBE owner or Superintendent ▪ Monthly utilization form. 	<p>Yes</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p><u>Employees</u></p> <p>1. Does the DBE have employees on the job?</p> <p>2. Do they appear on DBE payrolls?</p> <p>a. If not, why? _____</p> <p>3. Do they appear on prime contractor's payroll?</p> <p>4. Who assigns work to them? _____</p>	<p>Yes</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p><u>Performance</u></p> <p>1. Does the DBE firm perform or exercise responsibility for at least 30% of the total cost of the contract with its own workforce?</p> <p>2. Does the DBE firm subcontract a greater portion of the work than would be expected on the basis of normal industry practice for this type of work?</p> <p>3. Has any other contractor performed any of the DBE's work that it was contracted to perform?</p> <p>a. If yes, who performed the work and for which work items? _____</p> <p>4. Is this DBE providing trucking services? →</p> <p style="text-align: center;"><u>RECORDS/DOCUMENTS</u></p> <ul style="list-style-type: none"> ▪ Subcontract Agreement or Purchase Order ▪ Equipment ownership, rental, or lease documents ▪ Certified payrolls 	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>

