



DBE 101: Program Overview

Presenter: Mr. Frank Knorek, LCTA Compliance Analyst & DBELO

LCTA operates its programs and services without regard to race, color, and national origin in accordance with Title VI of the Civil Rights Act.

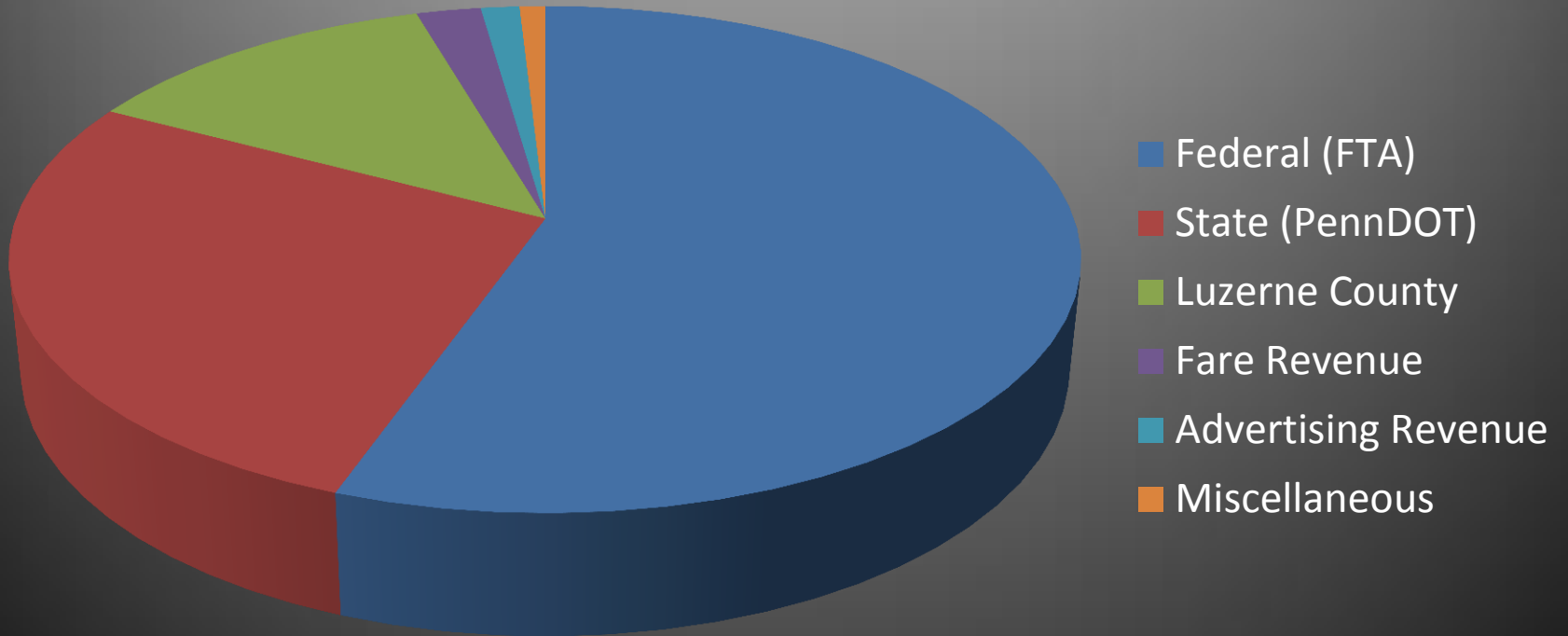
Overview

The U.S. Department of Transportation (DOT) DBE regulations (49 CFR Part 26) require state and local transportation agencies that receive DOT/FTA financial assistance (\$250K +), to establish goals for the participation of DBEs. Each DOT-assisted state and local transportation agency is required to establish annual DBE goals, and review the scopes of anticipated large prime contracts throughout the year and establish contract-specific DBE subcontracting goals.

LCTA Funding Matrix

(Image used for illustrative purposes only.)

Funding Source



Federal vs. State Programs

- Procurement Mechanism (100% Funded Contract)
- DBE = Federal Government-Assisted Contracts (DOT/FTA) (49 CFR Part 26)
- DB = Commonwealth of PA-Assisted Contracts (Penn DOT) (PA Title 74, Section 303)

What is a DBE/DB?

- A for-profit small business where socially and economically disadvantaged individuals own at least a 51% interest, and also control management and daily business operations.
- Consist of the following ownership arrangements: Minority-owned or woman-owned business or service-disabled veteran-owned business
- Certified by the Pennsylvania Uniform Certification Program (PA UCP).
- To be regarded as economically disadvantaged, an individual must have a personal net worth that does not exceed \$1.32 million. To be seen as a small business, a firm must meet SBA size criteria and have an average annual gross receipts not to exceed \$22.41 million.

DBE Contractor Types

- **Prime Contractor**: A business entity that has entered into an agreement to provide goods or services to a government agency, and has the full responsibility for completion of the contract. A prime contractor may employ (and manage) one or more subcontractors to carry out specific parts of a contract.
- **Sub Contractor**: A business entity that carries out a commercially useful function (work) for a company (Prime Contractor) as part of a larger project.

How can my business become PA UCP certified as a DBE?

- PennDOT Bureau of Equal Opportunity/PA UCP.
- LCTA does not certify DBE firms.
- LCTA utilizes the Pennsylvania Unified Certification Program (PA UCP) to certify DBE applicants in accordance with 49 CFR Part 26. certification that will be honored by all recipients in the Commonwealth of Pennsylvania.
- The cost to gain certification is free of charge.
- Upon certification, firms are listed in the PA UCP Directory. On an annual basis, the PA UCP releases a DBE directory of certified firms, and updates it throughout the year to include newly certified or decertified entities.

Pennsylvania UCP Contact Information

Pennsylvania Department of Transportation
Bureau of Equal Opportunity
Attn: UCP Certification
P.O. Box 3251
Harrisburg, PA 17105-3251

Phone: 717-787-5891

Fax: 717-772-4026

Email: penndotucpinfo@pa.gov

Web: <https://www.paucp.com>

DBE Program Products and Services

(100% FTA Funded Procurements)

Construction Projects

Trade Contractors
Materials

Professional Services

Legal
Accounting
Planning
Engineering
Insurance
Training
Security
Marketing/PR
Environmental Services
Janitorial
Landscaping
Motor Vehicle Repair
Drug Testing
Consulting

Durable Goods

Signage
Non-Revenue Vehicles
Office Equipment and Supplies
IT Equipment and Software
Fuels and Lubricants
Vehicle Parts

Leases

Real Estate

Sub-Contractors

Paratransit Transportation
Fixed Route Transportation
Motor Vehicle Repair/Maintenance

DB Program Products and Services

(100% State Funded Procurements)

- **Construction Projects**
 - Materials
 - Trade Contractors
- **Professional Services**
 - Design Services and Consulting
 - Legal Services
 - Advertising or Public Relations
 - Accounting, Auditing or actuarial Services
 - Security Consulting
 - Computer and IT Services
 - Insurance Underwriting Services

DBE Participation Goal

For LCTA Fiscal Years 2015-2017 (July 1, 2014-June 30, 2017), LCTA's overall goal is 0.56 percent. LCTA has currently implemented a race-neutral DBE program.

Under a race-neutral DBE program, there are no specific contract goals for DBE participation. Instead, LCTA uses various outreach measures aimed at increasing DBE and other small business participation on its DOT-assisted contracts.

Roles and Responsibilities of State and Local Transportation Agencies

As recipients of DOT financial assistance, state and local transportation agencies are responsible to:

- Certify the eligibility of DBE firms to participate in their DOT-assisted contracts;
- Establish narrowly tailored goals for the participation of disadvantaged entrepreneurs; and
- Evaluate their DOT-assisted contracts throughout the year and establish contract-specific DBE subcontracting procurement mechanisms, as necessary, to achieve the overall goal of the agency.

Regulatory Compliance

(DBE Program Public Notice)

Applies to both Prime Contractors and Sub-Contractors

- **Contract Assurance**: Non-Discrimination in performance of contractual obligations.
- **Prompt Payment**: Invoices paid with Net 30 Terms.
- **Return of Retention**: Payment is made only when service or product is completed or delivered.
- **Legal Remedies**: Applied to breach of contract.
- **Termination**: A prime contractor cannot terminate a DBE sub-contractor without the prior written approval of LCTA.
- **Post-Award Monitoring**: Site visits. Documentation of performance by prime contractor, reporting, and prompt payment to sub-contractors.

Contract Fraud, Waste and Abuse

Investigative Jurisdiction: FTA Office of Inspector General

- Bid Rigging
- Conflict of Interest
- DBE Certification Fraud
- Debris Removal Fraud
- Kickbacks
- Materials Overcharging
- Product Substitutions
- Quality Control Testing
- Time Overcharging
- Bribery
- Fraud

Reporting Concerns About Fraud, Waste, Abuse, and Other Irregularities

OIG maintains a hotline to report allegations of fraud, waste, abuse, and other irregularities in USDOT programs or operations. Allegations may be reported by USDOT employees, contractors, or the public. The OIG Hotline is available 24 hours a day, 7 days a week. Issues that should be reported include the following:

- ✓ Contract, procurement, and grant fraud
- ✓ Environment, health, and safety violations
- ✓ Computer crimes
- ✓ Product substitution, including suspected unapproved and counterfeit aircraft parts
- ✓ Bribery, kickbacks, and gratuities
- ✓ False statements and false claims
- ✓ Conflicts of interest and ethics violations
- ✓ Travel fraud, theft, and/or abuse of Government property
- ✓ Other violations of Federal laws and regulations

Contact OIG using any of the following methods:

Online complaint form: www.oig.dot.gov/dot-oig-hotline-complaint-form

Telephone: (800) 424-9071

Fax: (704) 556-0732

E-mail: hotline@oig.dot.gov

Mail: USDOT Inspector General
1200 New Jersey Ave. S.E., Room W73-104A
Washington, DC 20590

Note: The OIG Hotline is obligated to expeditiously forward all safety-related complaints to USDOT's safety regulatory agencies for action, as appropriate.



Program Contacts

Luzerne County Transportation Authority
Attn: Mr. Frank Knorek, Compliance Analyst/DBELO
315 Northampton Street
Kingston, PA 18704

Phone: 570-288-9356 x204
Email: fknorek@lctabus.com
Web: www.lctabus.com

United States Department of Transportation
Federal Transit Administration
Region 3 - Philadelphia Metropolitan Office
Office of Civil Rights
1760 Market Street, Suite 500
Philadelphia, PA 19103-4124

Phone: 215-656-7100
Fax: 717-772-4026
Web: www.transit.dot.gov

Luzerne County Transportation Authority
Attn: Mr. Lou Uritz, Procurement Manager
315 Northampton Street
Kingston, PA 18704

Phone: 570-288-9356 x210
Email: luritz@lctabus.com

Pennsylvania Department of Transportation
Bureau of Equal Opportunity
Attn: DB Program Administrator
400 North Street, 5 West
Harrisburg, PA 17120-0041

Phone: 717-395-9199
Fax: 215-656-7260

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