



ADDENDUM NO. 1
TO THE PLANS, SPECIFICATIONS, PROPOSAL AND CONTRACT
FOR CITY OF LACEY
CITYWIDE ITS DETECTION UPGRADE
LACEY CONTRACT NO. PW 2022-16

This addendum is made part of these contract documents as though it was originally included in the Contract. The Contractor shall note the location of the Addenda Receipt Acknowledgement on Page B-2 of the Contract Proposal.

Issued this 19th day of January 2023.

ITEM NO. 1-1: Advertisement for Bids

Any questions regarding this contract can be directed to Chris Stolberg at CStolber@ci.lacey.wa.us or Martin Hoppe at MHoppe@ci.lacey.wa.us. The phone number in the advertisement is incorrect.

ITEM NO. 1-2: Special Provisions

Add the following specification to the Special Provisions

1-07.11 Requirements for Nondiscrimination
(October 1, 2020 APWA GSP, Option B)

Supplement this section with the following:

Disadvantaged Business Enterprise Participation

The Disadvantaged Business Enterprise (DBE) requirements of 49 CFR Part 26 and USDOT's official interpretations (i.e., Questions & Answers) apply to this Contract. Demonstrating compliance with these Specifications is a Condition of Award (COA) of this Contract. Failure to comply with the requirements of this Specification may result in your Bid being found to be nonresponsive resulting in rejection or other sanctions as provided by Contract.

DBE Abbreviations and Definitions

Broker – A business firm that provides a bona fide service, such as professional, technical, consultant or managerial services and assistance in the procurement of essential personnel, facilities, equipment, materials, or supplies required for the performance of the Contract; or, persons/companies who arrange or expedite transactions.

Certified Business Description – Specific descriptions of work the DBE is certified to perform, as identified in the Certified Firm Directory, under the Vendor Information page.

Certified Firm Directory – A database of all Minority, Women, and Disadvantaged Business Enterprises currently certified by Washington State. The on-line Directory is available to Bidders for their use in identifying and soliciting interest from DBE firms. The database is located under the Firm Certification section of the Diversity Management and Compliance System web page at: <https://omwbe.diversitycompliance.com>.

Commercially Useful Function (CUF) – 49 CFR 26.55(c)(1) defines commercially useful function as: *“A DBE performs a commercially useful function 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 commercially useful function, 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 commercially useful function, 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.”*

Disadvantaged Business Enterprise (DBE) – A business firm certified by the Washington State Office of Minority and Women's Business Enterprises, as meeting the criteria outlined in 49 CFR 26 regarding DBE certification.

Force Account Work – Work measured and paid in accordance with Section 1-09.6.

Good Faith Efforts – Efforts to achieve the DBE COA Goal or other requirements of this part which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.

Manufacturer (DBE) – A DBE firm that operates or maintains a factory or establishment that produces on the premises the materials, supplies, articles, or equipment required under the Contract. A DBE Manufacturer shall produce finished goods or products from raw or unfinished material or purchase and substantially alters goods and materials to make them suitable for construction use before reselling them.

Reasonable Fee (DBE) – For purposes of Brokers or service providers a reasonable fee shall not exceed 5% of the total cost of the goods or services brokered.

Regular Dealer (DBE) – A DBE firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for the performance of a Contract are bought, kept in stock, and regularly sold to the public in the usual course of business. To be a Regular Dealer, the DBE firm must be an established regular business that engages in as its principal business and in its own name the purchase and sale of the products in question. A Regular Dealer in such items as steel, cement, gravel, stone, and petroleum products need not

own, operate or maintain a place of business if it both owns and operates distribution equipment for the products. Any supplementing of regular dealers' own distribution equipment shall be by long-term formal lease agreements and not on an ad-hoc basis. Brokers, packagers, manufacturers' representatives, or other persons who arrange or expedite transactions shall not be regarded as Regular Dealers within the meaning of this definition.

DBE Commitment – The scope of work and dollar amount the Bidder indicates they will be subcontracting to be applied towards the DBE Condition of Award Goal as shown on the DBE Utilization Certification Form for each DBE Subcontractor. This DBE Commitment amount will be incorporated into the Contract and shall be considered a Contract requirement. The Contractor shall utilize the COA DBEs to perform the work and supply the materials for which they are committed. Any changes to the DBE Commitment require the Engineer's prior written approval.

DBE Condition of Award (COA) Goal – An assigned numerical amount specified as a percentage of the Contract. Initially, this is the minimum amount that the Bidder must commit to by submission of the Utilization Certification Form and/or by Good Faith Effort (GFE).

DBE COA Goal

The Contracting Agency has established a DBE COA Goal for this Contract in the amount of: * 12%*****

Crediting DBE Participation

Subcontractors proposed as COA must be certified prior to the due date for bids on the Contract. All non-COA DBE Subcontractors shall be certified before the subcontract on which they are participating is executed.

DBE participation is only credited upon payment to the DBE.

The following are some definitions of what may be counted as DBE participation.

DBE Prime Contractor

Only take credit for that portion of the total dollar value of the Contract equal to the distinct, clearly defined portion of the Work that the DBE Prime Contractor performs with its own forces and is certified to perform.

DBE Subcontractor

Only take credit for that portion of the total dollar value of the subcontract that is equal to the distinct, clearly defined portion of the Work that the DBE performs with its own forces and is certified to perform. The value of work performed by the DBE includes the cost of supplies and materials purchased by the DBE and equipment leased by the DBE, for its work on the contract. Supplies, materials or equipment obtained by a DBE that are not utilized or incorporated in the contract work by the DBE will not be eligible for DBE credit.

The supplies, materials, and equipment purchased or leased from the Contractor or its affiliate, including any Contractor's resources available to DBE subcontractors at no cost, shall not be credited.

DBE credit will not be given in instances where the equipment lease includes the operator. The DBE is expected to operate the equipment used in the performance of its work under the contract with its own forces. Situations where equipment is leased and used by the DBE, but payment is deducted from the Contractor's payment to the DBE is not allowed.

When the subcontractor is part of a DBE Commitment, the following apply:

1. If a DBE subcontracts a portion of the Work of its contract to another firm, the value of the subcontracted Work may be counted toward the DBE COA Goal only if the Lower-Tier Subcontractor is also a DBE.
2. Work subcontracted to a Lower-Tier Subcontractor that is a DBE, may be counted toward the DBE COA Goal.
3. Work subcontracted to a non-DBE does not count towards the DBE COA Goal.

DBE Subcontract and Lower Tier Subcontract Documents

There must be a subcontract agreement that complies with 49 CFR Part 26 and fully describes the distinct elements of Work committed to be performed by the DBE.

DBE Service Provider

The value of fees or commissions charged by a DBE firm behaving in a manner of a Broker, or another service provider for providing a bona fide service, such as professional, technical, consultant, managerial services, or for providing bonds or insurance specifically required for the performance of the contract will only be credited as DBE participation, if the fee/commission is determined by the Contracting Agency to be reasonable and the firm has performed a CUF.

Force Account Work

When the Bidder elects to utilize force account Work to meet the DBE COA Goal, as demonstrated by listing this force account Work on the DBE Utilization Certification Form, for the purposes of meeting the DBE COA Goal, only 50% of the Proposal amount shall be credited toward the Bidder's Commitment to meet the DBE COA Goal.

One hundred percent of the actual amounts paid to the DBE for the force account Work shall be credited towards the DBE COA Goal or DBE participation.

Temporary Traffic Control

If the DBE firm only provides "Flagging", the DBE firm must provide a Traffic Control Supervisor (TCS) and flagger, which are under the direct control of the DBE. The DBE firm shall also provide all flagging equipment for its employees (e.g. paddles, hard hats, and vests).

If the DBE firm provides "Traffic Control Services", the DBE firm must provide a TCS, flaggers, and traffic control items (e.g., cones, barrels, signs, etc.) and be in total control of all items in implementing the traffic control for the project.

Trucking

DBE trucking firm participation may only be credited as DBE participation for the value of the hauling services, not for the materials being hauled unless the

trucking firm is also certified as a supplier of those materials. In situations where the DBE's work is priced per ton, the value of the hauling service must be calculated separately from the value of the materials in order to determine DBE credit for hauling

The DBE trucking firm must own and operate at least one licensed, insured and operational truck on the contract. The truck must be of the type that is necessary to perform the hauling duties required under the contract. The DBE receives credit for the value of the transportation services it provides on the Contract using trucks it owns or leases, licenses, insures, and operates with drivers it employs.

The DBE may lease additional trucks from another DBE firm. The DBE who leases additional trucks from another DBE firm receives credit for the value of the transportation services the lessee DBE provides on the Contract.

The trucking Work subcontracted to any non-DBE trucking firm will not receive credit for Work done on the project.

The DBE may lease trucks from a truck leasing company (recognized truck rental center), but can only receive credit towards DBE participation if the DBE uses its own employees as drivers.

DBE Manufacturer and DBE Regular Dealer

One hundred percent (100%) of the cost of the manufactured product obtained from a DBE manufacturer may count towards the DBE COA Goal.

Sixty percent (60%) of the cost of materials or supplies purchased from a DBE Regular Dealer may be credited towards the DBE Goal. If the role of the DBE Regular Dealer is determined to be that of a Broker, then DBE credit shall be limited to the fee or commission it receives for its services. Regular Dealer status and the amount of credit is determined on a Contract-by-Contract basis.

DBE firms proposed to be used as a Regular Dealer must be approved before being listed as a COA/used on a project. The WSDOT Approved Regular Dealer list published on WSDOT's Office of Equal Opportunity (OEO) web site must include the specific project for which approval is being requested. For purposes of the DBE COA Goal participation, the Regular Dealer must submit the Regular Dealer Status Request form a minimum of five calendar days prior to bid opening.

Purchase of materials or supplies from a DBE which is neither a manufacturer nor a regular dealer, (i.e. Broker) only the fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on the job site, may count towards the DBE COA Goal provided the fees are not excessive as compared with fees customarily allowed for similar services. Documentation will be required to support the fee/commission charged by the DBE. The cost of the materials and supplies themselves cannot be counted toward the DBE COA Goal.

Note: Requests to be listed as a Regular Dealer will only be processed if the requesting firm is a material supplier certified by the Office of Minority and Women's Business Enterprises in a NAICS code that falls within the 42XXXX NAICS Wholesale code section.

Disadvantaged Business Enterprise Utilization

To be eligible for award of the Contract, the Bidder shall properly complete and submit a Disadvantaged Business Enterprise (DBE) Utilization Certification with the Bidder's sealed Bid Proposal, as specified in Section 1-02.9 Delivery of Proposal. The Bidder's DBE Utilization Certification must clearly demonstrate how the Bidder intends to meet the DBE COA Goal. A DBE Utilization Certification (WSDOT Form 272-056) is included in the Proposal package for this purpose as well as instructions on how to properly fill out the form.

The Bidder is advised that the items listed below when listed in the Utilization Certification must have their amounts reduced to the percentages shown and those reduced amounts will be the amount applied towards meeting the DBE COA Goal.

- Force account at 50%
- Regular dealer at 60%

In the event of arithmetic errors in completing the DBE Utilization Certification, the amount listed to be applied towards the DBE COA Goal for each DBE shall govern and the DBE total amount shall be adjusted accordingly.

Note: The Contracting Agency shall consider as non-responsive and shall reject any Bid Proposal submitted that does not contain a DBE Utilization Certification Form that accurately demonstrates how the Bidder intends to meet the DBE COA Goal.

Disadvantaged Business Enterprise Written Confirmation Document(s)

The Bidder shall submit an Disadvantaged Business Enterprise (DBE) Written Confirmation Document (completed and signed by the DBE) for each DBE firm listed in the Bidder's completed DBE Utilization Certification submitted with the Bid. Failure to do so will result in the associated participation being disallowed, which may cause the Bid to be determined to be nonresponsive resulting in Bid rejection.

The Confirmation Documents provide confirmation from the DBEs that they are participating in the Contract as provided in the Bidder's Commitment. The Confirmation Documents must be consistent with the Utilization Certification.

A DBE Written Confirmation Document (WSDOT Form 422-031) is included in the Proposal package for this purpose.

The form(s) shall be received as specified in the special provisions for Section 1-02.9 Delivery of Proposal.

It is prohibited for the Bidder to require a DBE to submit a Written Confirmation Document with any part of the form left blank. Should the Contracting Agency determine that an incomplete Written Confirmation Document was signed by a DBE, the validity of the document comes into question. The associated DBE participation may not receive credit.

Selection of Successful Bidder/Good Faith Efforts (GFE)

The successful Bidder shall be selected on the basis of having submitted the lowest responsive Bid, which demonstrates a good faith effort to achieve the DBE COA Goal. The Contracting Agency, at any time during the selection process, may request a breakdown of the bid items and amounts that are counted towards the overall contract goal for any of the DBEs listed on the DBE Utilization Certification.

Achieving the DBE COA Goal may be accomplished in one of two ways:

1. By meeting the DBE COA Goal
Submission of the DBE Utilization Certification, supporting DBE Written Confirmation Document(s) showing the Bidder has obtained enough DBE participation to meet or exceed the DBE COA Goal, the DBE Bid Item Breakdown and the DBE Trucking Credit Form, if applicable.
2. By documentation that the Bidder made adequate GFE to meet the DBE COA Goal
The Bidder may demonstrate a GFE in whole or part through GFE documentation ONLY IN THE EVENT a Bidder's efforts to solicit sufficient DBE participation have been unsuccessful. The Bidder must supply GFE documentation in addition to the DBE Utilization Certification, supporting DBE Written Confirmation Document(s), the DBE Bid Item Breakdown form and the DBE Trucking Credit Form, if applicable.

Note: In the case where a Bidder is awarded the contract based on demonstrating adequate GFE, the advertised DBE COA Goal will not be reduced. The Bidder shall demonstrate a GFE during the life of the Contract to attain the advertised DBE COA Goal.

GFE documentation, the DBE Bid Item Breakdown form, and the DBE Trucking Credit Form, if applicable, shall be submitted as specified in Section 1-02.9.

The Contracting Agency will review the GFE documentation and will determine if the Bidder made an adequate good faith effort.

Good Faith Effort (GFE) Documentation
GFE is evaluated when:

1. Determining award of a Contract that has COA goal,
2. When a COA DBE is terminated and substitution is required, and
3. Prior to Physical Completion when determining whether the Contractor has satisfied its DBE commitments.

49 CFR Part 26, Appendix A is intended as general guidance and does not, in itself, demonstrate adequate good faith efforts. The following is a list of types of actions, which would be considered as part of the Bidder's GFE to achieve DBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

1. Soliciting through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capability to perform the Work of the Contract. The Bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The Bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.

2. Selecting portions of the Work to be performed by DBEs in order to increase the likelihood that the DBE COA Goal will be achieved. This includes, where appropriate, breaking out contract Work items into economically feasible units to facilitate DBE participation, even when the Bidder might otherwise prefer to perform these Work items with its own forces.
3. Providing interested DBEs with adequate information about the Plans, Specifications, and requirements of the Contract in a timely manner to assist them in responding to a solicitation.
 - a. Negotiating in good faith with interested DBEs. It is the Bidder's responsibility to make a portion of the Work available to DBE subcontractors and suppliers and to select those portions of the Work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the Plans and Specifications for the Work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the Work.
 - b. A Bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as the DBE COA Goal into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a Bidder's failure to meet the DBE COA Goal, as long as such costs are reasonable. Also, the ability or desire of a Bidder to perform the Work of a Contract with its own organization does not relieve the Bidder of the responsibility to make Good Faith Efforts. Bidders are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.
4. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The Bidder's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the Bidder's efforts to meet the DBE COA Goal.
5. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or Bidder.
6. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.
7. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, State, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.
8. Documentation of GFE must include copies of each DBE and non-DBE subcontractor quotes submitted to the Bidder when a non-DBE subcontractor

is selected over a DBE for Work on the Contract. (ref. updated DBE regulations – 26.53(b)(2)(vi) & App. A)

Administrative Reconsideration of GFE Documentation

A Bidder has the right to request reconsideration if the GFE documentation submitted with their Bid was determined to be inadequate.

- The Bidder must request within 48 hours of notification of being nonresponsive or forfeit the right to reconsideration.
- The reconsideration decision on the adequacy of the Bidder's GFE documentation shall be made by an official who did not take part in the original determination.
- Only original GFE documentation submitted as a supplement to the Bid shall be considered. The Bidder shall not introduce new documentation at the reconsideration hearing.
- The Bidder shall have the opportunity to meet in person with the official for the purpose of setting forth the Bidder's position as to why the GFE documentation demonstrates a sufficient effort.
- The reconsideration official shall provide the Bidder with a written decision on reconsideration within five working days of the hearing explaining the basis for their finding.

DBE Bid Item Breakdown

The Bidder shall submit a DBE Bid Item Breakdown Form (WSDOT Form 272-054) as specified in the Special Provisions for Section 1-02.9, Delivery of Proposal.

DBE Trucking Credit Form

The Bidder shall submit a DBE Trucking Credit Form (WSDOT Form 272-058), as specified in the Special Provisions for Section 1-02.9, Delivery of Proposal.

Note: The DBE Trucking Credit Form is only required for a DBE Firm listed on the DBE Utilization Certification as a subcontractor for "Trucking" or "Hauling" and are performing a part of a bid item. For example, if the item of Work is Structure Excavation including Haul, and another firm is doing the excavation and the DBE Trucking firm is doing the haul, the form is required. For a DBE subcontractor that is responsible for an entire item of work that may require some use of trucks, the form is not required.

Procedures between Award and Execution

After Award and prior to Execution, the Contractor shall provide the additional information described below. Failure to comply shall result in the forfeiture of the Bidder's Proposal bond or deposit.

1. A list of all firms who submitted a bid or quote in attempt to participate in this project whether they were successful or not. Include the business name and mailing address.

Note: The firms identified by the Contractor may be contacted by the Contracting Agency to solicit general information as follows: age of the firm and average of its gross annual receipts over the past three years.

Procedures after Execution

Commercially Useful Function (CUF)

The Contractor may only take credit for the payments made for Work performed by a DBE that is determined to be performing a CUF. Payment must be commensurate with the work actually performed by the DBE. This applies to all DBEs performing Work on a project, whether or not the DBEs are COA, if the Contractor wants to receive credit for their participation. The Engineer will conduct CUF reviews to ascertain whether DBEs are performing a CUF. A DBE performs a CUF when it is carrying out its responsibilities of its contract by actually performing, managing, and supervising the Work involved. The DBE must be responsible for negotiating price; determining quality and quantity; ordering the material, installing (where applicable); and paying for the material itself. If a DBE does not perform "all" of these functions on a furnish-and-install contract, it has not performed a CUF and the cost of materials cannot be counted toward DBE COA Goal. Leasing of equipment from a leasing company is allowed. However, leasing/purchasing equipment from the Contractor is not allowed. Lease agreements shall be provided prior to the Subcontractor beginning Work. Any use of the Contractor's equipment by a DBE may not be credited as countable participation.

The DBE does not perform a CUF if its role is limited to that of an extra participant in a transaction, contract, or project through which the funds are passed in order to obtain the appearance of DBE participation.

In order for a DBE traffic control company to be considered to be performing a CUF, the DBE must be in control of its work inclusive of supervision. The DBE shall employ a Traffic Control Supervisor who is directly involved in the management and supervision of the traffic control employees and services.

The following are some of the factors that the Engineer will use in determining whether a DBE trucking company is performing a CUF:

- The DBE shall be responsible for the management and supervision of the entire trucking operation for which it is responsible on the contract. The owner demonstrates business related knowledge, shows up on site and is determined to be actively running the business.
- The DBE itself shall own and operate at least one fully licensed, insured, and operational truck used on the Contract. The drivers of the trucks owned and leased by the DBE must be exclusively employed by the DBE and reflected on the DBE's payroll.
- Lease agreements for trucks shall indicate that the DBE has exclusive use of and control over the truck(s). This does not preclude the leased truck from working for others provided it is with the consent of the DBE and the lease provides the DBE absolute priority for use of the leased truck.
- Leased trucks shall display the name and identification number of the DBE.

UDBE/DBE/FSBE Truck Unit Listing Log

In addition to the subcontracting requirements of Section 1-08.1, each DBE trucking firm shall submit supplemental information consisting of a completed Primary UDBE/DBE/FSBE Truck Unit Listing Log (WSDOT Form 350-077), copy of vehicle registrations, and all Rental/Lease agreements (if applicable). The supplemental information shall be submitted to the Engineer prior to any trucking services being performed for DBE credit. Incomplete or incorrect supplemental information will be returned for correction. The corrected Primary UDBE/DBE/FSBE Truck Unit Listing Log and any Updated Primary UDBE/DBE/FSBE Truck Unit Listing Logs shall be submitted and accepted by the Engineer no later than ten calendar days of utilizing applicable trucks. Failure to submit or update the DBE Truck Unit Listing Log may result in trucks not being credited as DBE participation.

Each DBE trucking firm shall complete a Daily UDBE/DBE/FSBE Trucking Unit Listing Log for each day that the DBE performs trucking services for DBE credit. The Daily UDBE/DBE/FSBE Trucking Unit Listing Log forms shall be submitted to the Engineer by Friday of the week after the work was performed.

Joint Checking

A joint check is a check between a Subcontractor and the Contractor to the supplier of materials/supplies. The check is issued by the Contractor as payer to the Subcontractor and the material supplier jointly for items to be incorporated into the project. The DBE must release the check to the supplier, while the Contractor acts solely as the guarantor.

A joint check agreement must be approved by the Engineer and requested by the DBE involved using the DBE Joint Check Request Form (form # 272-053) prior to its use. The form must accompany the DBE Joint Check Agreement between the parties involved, including the conditions of the arrangement and expected use of the joint checks.

The approval to use joint checks and the use will be closely monitored by the Engineer. To receive DBE credit for performing a CUF with respect to obtaining materials and supplies, a DBE must "be responsible for negotiating price, determining quality and quantity, ordering the material, installing and paying for the material itself." The Contractor shall submit DBE Joint Check Request Form to the Engineer and be in receipt of written approval prior to using a joint check.

Material costs paid by the Contractor directly to the material supplier are not allowed. If proper procedures are not followed or the Engineer determines that the arrangement results in lack of independence for the DBE involved, no DBE credit will be given for the DBE's participation as it relates to the material cost.

Prompt Payment

Prompt payment to all subcontractors shall be in accordance with Section 1-08.1. Prompt payment requirements apply to progress payments as well as return of retainage.

Subcontracts

Prior to a DBE performing Work on the Contract, an executed subcontract between the DBE and the Contractor shall be submitted to the Engineer. The executed subcontracts shall be submitted by email to the following email address

*** ORegionOEO@wsdot.wa.gov ***

The prime contractor shall notify the Engineer in writing within five calendar days of subcontract submittal.

Reporting

The Contractor and all subcontractors/suppliers/service providers that utilize DBEs to perform work on the project, shall maintain appropriate records that will enable the Engineer to verify DBE participation throughout the life of the project.

Refer to Section 1-08.1 for additional reporting requirements associated with this contract.

Changes in COA Work Committed to DBE

The Contractor shall utilize the COA DBEs to perform the work and supply the materials for which each is committed unless prior written approval by the Engineer is received by the Contractor. The Contractor shall not be entitled to any payment for work or material completed by the Contractor or subcontractors that was committed to be completed by the COA DBEs in the DBE Utilization Certification form.

Owner Initiated Changes

In instances where the Engineer makes changes that result in changes to Work that was committed to a COA DBE the Contractor may be directed to substitute for the Work.

Contractor Initiated Changes

The Contractor cannot change the scope or reduce the amount of work committed to a COA DBE without good cause. Reducing DBE Commitment is viewed as partial DBE termination, and therefore subject to the termination procedures below.

Original Quantity Underruns

In the event that Work committed to a DBE firm as part of the COA underruns the original planned quantities the Contractor may be required to substitute other remaining Work to another DBE.

Contractor Proposed DBE Substitutions

Requests to substitute a COA DBE must be for good cause (see DBE termination process below), and requires prior written approval of the Engineer. After receiving a termination with good cause approval, the Contractor may only replace a DBE with another certified DBE. When any changes between Contract Award and Execution result in a substitution of COA DBE, the substitute DBE shall have been certified prior to the bid opening on the Contract.

DBE Termination

Termination of a COA DBE (or an approved substitute DBE) is only allowed in whole or in part for good cause and with prior written approval of the Engineer. If the Contractor terminates a COA DBE without the prior written approval of the Engineer, the Contractor shall not be entitled to payment for work or material committed to, but not performed/supplied by the COA DBE. In addition, sanctions may apply as described elsewhere in this specification.

Prior to requesting approval to terminate a COA DBE, the Contractor shall give notice in writing to the DBE with a copy to the Engineer of its intent to request to terminate DBE Work and the reasons for doing so. The DBE shall have five (5) days to respond to the Contractor's notice. The DBE's response shall either support the termination or advise the Engineer and the Contractor of the reasons it objects to the termination of its subcontract.

If the request for termination is approved, the Contractor is required to substitute with another DBE to perform at least the same amount of work as the DBE that was terminated (or provide documentation of GFE). A plan to replace the COA DBE Commitment amount shall be submitted to the Engineer within 2 days of the approval of termination. The plan to replace the Commitment shall provide the same detail as that required in the DBE Utilization Certification.

The Contractor must have good cause to terminate a COA DBE.

Good cause typically includes situations where the DBE Subcontractor is unable or unwilling to perform the work of its subcontract. Good cause may exist if:

- The DBE fails or refuses to execute a written contract.
- The DBE fails or refuses to perform the Work of its subcontract in a way consistent with normal industry standards.
- The DBE fails or refuses to meet the Contractor's reasonable nondiscriminatory bond requirements.
- The DBE becomes bankrupt, insolvent, or exhibits credit unworthiness.
- The DBE is ineligible to work on public works projects because of suspension and debarment proceedings pursuant to federal law or applicable State law.
- The DBE is ineligible to receive DBE credit for the type of work involved.
- The DBE voluntarily withdraws from the project and provides written notice of its withdrawal.
- The DBE's work is deemed unsatisfactory by the Engineer and not in compliance with the Contract.
- The DBE's owner dies or becomes disabled with the result that the DBE is unable to complete its Work on the Contract.

Good cause does not exist if:

- The Contractor seeks to terminate a COA DBE so that the Contractor can self-perform the Work.
- The Contractor seeks to terminate a COA DBE so the Contractor can substitute another DBE contractor or non-DBE contractor after Contract Award.

- The failure or refusal of the COA DBE to perform its Work on the subcontract results from the bad faith or discriminatory action of the Contractor (e.g., the failure of the Contractor to make timely payments or the unnecessary placing of obstacles in the path of the DBE's Work).

Decertification

When a DBE is "decertified" from the DBE program during the course of the Contract, the participation of that DBE shall continue to count as DBE participation as long as the subcontract with the DBE was executed prior to the decertification notice. The Contractor is obligated to substitute when a DBE does not have an executed subcontract agreement at the time of decertification.

Consequences of Non-Compliance

Breach of Contract

Each contract with a Contractor (and each subcontract the Contractor signs with a Subcontractor) must include the following assurance clause:

The Contractor, subrecipient, 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.

Notice

If the Contractor or any Subcontractor, Consultant, Regular Dealer, or service provider is deemed to be in non-compliance, the Contractor will be informed in writing, by certified mail by the Engineer that sanctions will be imposed for failure to meet the DBE COA Commitment and/or submit documentation of good faith efforts. The notice will state the specific sanctions to be imposed which may include impacting a Contractor or other entity's ability to participate in future contracts.

Sanctions

If it is determined that the Contractor's failure to meet all or part of the DBE COA Commitment is due to the Contractor's inadequate good faith efforts throughout the life of the Contract, including failure to submit timely, required Good Faith Efforts information and documentation, the Contractor may be required to pay DBE penalty equal to the amount of the unmet Commitment, in addition to the sanctions outlined in Section 1-07.11(5).

January 19, 2023

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Payment

Compensation for all costs involved with complying with the conditions of this Specification and any other associated DBE requirements is included in payment for the associated Contract items of Work, except otherwise provided in the Specifications.


for Scott Egger, P.E.
Public Works Director