

**LA CROSSE MUNICIPAL TRANSIT UTILITY DISADVANTAGED BUSINESS  
ENTERPRISE PROGRAM INCLUDING SMALL BUSINESS ELEMENT**

**POLICY STATEMENT**

Section 26.1, 26.23      **Objectives/Policy Statement**

The La Crosse Municipal Transit Utility (MTU) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The La Crosse MTU has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the La Crosse MTU has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the La Crosse MTU to ensure that DBEs as defined in part 26, and small business concerns have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of DOT – assisted contracts;
2. To create a level playing field on which DBEs and small businesses can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs and small businesses in DOT assisted contracts;
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

*James Krueger, MTU Operations Manager* has been delegated as the DBE Liaison Officer. In that capacity, Keith Lee is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the La Crosse MTU in its financial assistance agreements with the Department of Transportation.

*The La Crosse MTU* has disseminated this policy statement to the La Crosse MTU Board and all of the components of our organization. We have distributed this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts by including it on our web site.

## **SUBPART A – GENERAL REQUIREMENTS**

### **Section 26.1 Objectives**

The objectives are found in the policy statement on the first page of this program.

### **Section 26.3 Applicability**

The La Crosse MTU is the recipient of federal transit funds authorized by Titles I, III, V, and VI of ISTEA, Pub. L. 102-240 or by Federal transit laws in Title 49, U.S. Code, or Titles I, II, and V of the Teas-21, Pub. L. 105-178.

### **Section 26.5 Definitions**

The La Crosse MTU will adopt the definitions contained in Section 26.5 for this program.

### **Section 26.7 Non-discrimination Requirements**

The La Crosse MTU will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, the La Crosse MTU will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

### **Section 26.11 Record Keeping Requirements**

#### **Reporting to DOT: 26.11(b)**

We will report DBE participation to DOT as follows:

We will report DBE participation on a quarterly basis, using DOT Form 4630. These reports will reflect payments actually made to DBEs on DOT-assisted contracts.

### Bidders List: 26.11(c)

The La Crosse MTU will maintain a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on DOT-assisted contracts. The purpose of this requirement is to allow use of the bidder's list approach to calculating overall goals. The bidder list will include the name, address, DBE non-DBE status, age, and annual gross receipts of firms.

### **Section 26.13 Federal Financial Assistance Agreement**

*La Crosse MTU* has signed the following assurances, applicable to all DOT-assisted contracts and their administration:

#### Assurance: 26.13(a)

*La Crosse MTU* shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT assisted contract or in the administration of its DBE Program or the requirements of 49 CFR part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT assisted contracts. The recipient's DBE Program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the [Recipient] of its failure to carry out its approved program, the Department may impose sanction as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 *et seq.*).

This language will appear in financial assistance agreements with sub-recipients.

#### Contract Assurance: 26.13b

We will ensure that the following clause is placed in every DOT-assisted contract and subcontract:

The contractor, sub-recipient, 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.

## **SUBPART B - ADMINISTRATIVE REQUIREMENTS**

### **Section 26.21 DBE Program Updates**

Since the La Crosse MTU is expected to receive \$250,000 or more in FTA planning capital, and or operating assistance in a federal fiscal year, we will continue to carry out this program until all funds from DOT financial assistance have been expended. We will provide to DOT updates representing significant changes in the program.

### **Section 26.23 Policy Statement**

The Policy Statement is elaborated on the first page of this program.

### **Section 26.25 DBE Liaison Officer (DBELO)**

We have designated the following individual as our DBE Liaison Officer:

*James R Krueger Jr., Operations Manager  
La Crosse Municipal Transit Utility  
2000 Marco Drive  
La Crosse WI 5460  
608-789-7350  
[KRUEGERJ@CITYOFLACROSSE.ORG](mailto:KRUEGERJ@CITYOFLACROSSE.ORG)*

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the La Crosse MTU complies with all provision of 49 CFR Part 26. The DBELO has direct, independent access to the Transit Manager concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found in Attachment \_\_\_to this program.

The DBELO is responsible for developing, implementing and monitoring the DBE program, in coordination with other appropriate officials. The duties and responsibilities include the following:

7. Gathers and reports statistical data and other information as required by DOT.
8. Reviews third party contracts and purchase requisitions for compliance with this program.
9. Works with all departments to set overall annual goals.
10. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
11. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals attainment and identifies ways to improve progress.
12. Analyzes La Crosse MTU's progress toward attainment and identifies ways to improve progress.

7. Participates in pre-bid meetings.
13. Advises the CEO\governing body on DBE matters and achievement.
14. Chairs the DBE Advisory Committee.
  1. Participates in pre-bid meetings.
  2. Provides DBEs with information and assistance in preparing bids, obtaining bonding and insurance.
  3. Plans and participates in DBE training seminars.
  4. Certifies DBEs according to the criteria set by DOT and acts as liaison to the Uniform Certification Process in Wisconsin.
  5. Provides outreach to DBEs and community organizations to advise them of opportunities.
  6. Maintains the La Crosse MTU updated directory on certified DBEs.

### **Section 26.27 DBE Financial Institutions**

It is the policy of the La Crosse MTU to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contract to make use of these institutions. We have identified the following DBE directory web links:

Information on the availability of such institutions can be obtained from the DBE Liaison Officer.

### **Section 26.29 Prompt Payment Mechanisms**

The La Crosse MTU will include the following clause in each DOT-assisted prime contract:

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contract receives from La Crosse MTU. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractors work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the La Crosse MTU. This clause applies to both DBE and non-DBE subcontracts.

### **Section 26.31 Directory**

The La Crosse MTU maintains a directory identifying all firms eligible to participate as DBEs. The directory lists the firm's name, address, phone

number, date of the most recent certification, and the type of work the firm has been certified to perform as a DBE.

### **Section 26.33 Overconcentration**

La Crosse MTU has not identified that overconcentration exists in the types of work that DBEs perform.

### **Section 26.35 Business Development Programs**

*La Crosse MTU* has not established a business development program.

### **Section 26.37 Monitoring and Enforcement Mechanisms**

The La Crosse MTU will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26.

7. We will bring to the attention of the Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 26.109.
8. We will consider similar action under our own legal authorities, including responsibility determinations in future contracts.
9. We will also provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is actually performed by the DBEs.
10. We will keep a running tally of actual payments to DBE firms for work committed to them at the time of contract award.

### **Section 26.39 Fostering Small Business Participation**

Small businesses, as defined by the Small Business Administration, are eligible to participate in this program, and will be verified for participation.

The La Crosse MTU will take the following steps to implement a small business participation program to ensure compliance with 49 CFR Part 26.

11. Take all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that preclude small business participation in procurements as prime or subcontractors.
12. Requiring prime contractors to provide subcontracting opportunities of the type and size that small businesses, including DBEs can reasonably perform.

3. Provide a reasonable number of prime contracts available for small business.
1. Take a yearly assessment of contracts.
2. Work with U.S. Small Business Administration to identify available Small Businesses available to bid on contracts.
3. Allow consortia or joint ventures of small businesses to bid as prime contractors.
4. Work with Small Business Development Centers to identify contract needs.

## **SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING**

### **Section 26.43 Set-asides or Quotas**

The La Crosse MTU does not use quotas in any way in the administration of this DBE program.

### **Section 26.45 Overall Goals**

In accordance with Section 26.45(f) the La Crosse MTU will submit its overall goal to DOT on August 1<sup>st</sup>, every three years. Before establishing the overall goal, La Crosse MTU will consult with the Wisconsin Department of Transportation to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the La Crosse MTU efforts to establish a level playing field for the participation of DBEs.

The La Crosse MTU will publish a notice of the proposed overall goals, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at your principal office for 30 days following the date of the notice, and informing the public that you and DOT will accept comments on the goals for 45 days from the date of the notice. Normally, they will issue this notice by June 1 of each year. The notice must include addresses to which comments may be sent and addresses (including offices and websites) where the proposal may be reviewed.

Our overall goal submission to DOT will include a summary of information and comments received during this public participation process and our responses.

We will begin using our overall goal on October 1 of each year, unless we have received other instructions from DOT. If we establish a goal on a project basis, we will begin using our goal by the time of the first solicitation for a DOT-assisted contract for the project.

### **Section 26.49 Transit Vehicle Manufacturers Goals**

*La Crosse MTU* will require each transit vehicle manufacturer, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, to certify that it has complied with the requirements of this

section. Alternatively, La Crosse MTU may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program.

### **Section 26.51(d-g) Contract Goals**

The La Crosse MTU will not use contract goals to meet any portion of the overall goal. The La Crosse MTU does project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work.)

We will express our contract goals as a percentage of *the Federal share of a DOT-assisted contract*.

### **Section 26.53 Good Faith Efforts Procedures**

#### Demonstration of good faith efforts (26.53(a) & (c))

The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts. Examples of good faith efforts are found in Appendix A to Part 26.

We will ensure that all information is complete and accurate and adequately documents the bidder/offer's good faith efforts before we commit to the performance of the contract by the bidder/offeror.

#### Information to be submitted (26.53(b))

*La Crosse MTU* treats bidder/offers' compliance with good faith efforts' requirements as a matter of responsibility.

Each solicitation for which a contract goal has been established will require the bidders/offers to submit the following information:

1. The names and addresses of DBE firms that will participate in the contract;



2. A description of the work that each DBE will perform;
15. The dollar amount of the participation of each DBE firm participating;
16. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;
17. Written and signed confirmation from the DBE that it is participating in the contract as provided in the prime contractors commitment and
18. If the contract goal is not met, evidence of good faith efforts.

#### Administrative reconsideration (26.53(d))

Within 30 days of being informed by the La Crosse MTU that it is not responsible because it has not documented sufficient good faith efforts, a bidder/offeror may request administrative reconsideration. Bidder/offerors should make this request in writing to the following reconsideration official: *Adam Lorentz, Transit Manager, 2000 Marco Drive La Crosse Wisconsin, 54601, 608-789-7350, [lorentza@cityoflacrosse.org](mailto:lorentza@cityoflacrosse.org)*. The reconsideration official will not have played any role in the original determination that the bidder/offeror did not document sufficient good faith efforts.

As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with our reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do. We will send the bidder/offeror a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transportation.

#### Good Faith Efforts when a DBE is replace on a contract (26.53(f))

*La Crosse MTU* will require a contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. We will require the prime contractor to notify the DBE Liaison officer immediately of the DBE's inability or unwillingness to perform and provide reasonable documentation.

In this situation, we will require the prime contractor to obtain our prior approval of the substitute DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts.

If the contractor fails or refuses to comply in the time specified, our contracting office will issue an order stopping all or part of payment/work until

satisfactory action has been taken. If the contractor still fails to comply, the contracting officer may issue a termination for default proceeding.

### Sample Bid Specification:

The requirements of 49 CFR Part 26, Regulations of the U.S. Department of Transportation, apply to this contract. It is the policy of the [Name of Recipient] to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this contract will be conditioned upon satisfying the requirements of this bid specification. These requirements apply to all bidders/offers, including those who qualify as a DBE. A DBE contract goal of .29% percent has been established for this contract. The bidder/offeror shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26 (Attachment 1), to meet the contract goal for DBE participation in the performance of this contract.

The bidder/offeror will be required to submit the following information: (1) the names and addresses of DBE firms that will participate in the contract; (2) a description of the work that each DBE firm will perform; (3) the dollar amount of the participation of each DBE firm participating; (4) Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet the contract goal; (5) Written confirmation from the DBE that it is participating in the contract as provided in the commitment made under (4); and (5) if the contract goal is not met, evidence of good faith efforts.

### **Section 26.55 Counting DBE Participation**

We will count DBE participation toward overall and contract goals as provided in 49 CFR 26.55.

### **SUBPART D – CERTIFICATION STANDARDS**

### **Section 26.61 – 26.73 Certification Process**

*La Crosse MTU is not a certifying agency and uses the Wisconsin Department of Transportation for certifying agencies*

## **SUBPART F – COMPLIANCE AND ENFORCEMENT**

### **Section 26.109 Information, Confidentiality, Cooperation**

We will safeguard from disclose to third parties information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law.

Notwithstanding any contrary provisions of state or local law, we will not release personal financial information submitted in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the submitter.

#### **Monitoring Payments to DBEs**

We will require prime contractors to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the *[Recipient]* or DOT. This reporting requirement also extends to any certified DBE subcontractor.

We will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts states in the schedule of DBE participation.

### **ATTACHMENTS**

- Attachment 1 Organizational Chart
- Attachment 2 Monitoring and Enforcement Mechanisms
- Attachment 3 Overall Goal Calculation
- Attachment 4 Form 1 & 2 for Demonstration of Good Faith Efforts
- Attachment 5 Certification Application Forms

#### **Attachment 1**

#### **Organizational Chart**

MTU Board

Transit Manager

Operations Manager

DBE Liaison Officer

## **Attachment 2**

### **Monitoring and Enforcement Mechanisms**

The Transit Utility has available several remedies to enforce the DBE requirements contained in its contracts, including, but not limited to, the following:

5. Breach of contract action, pursuant to the terms of the contract;
6. Breach of contract action, pursuant to [State Code Section X];

In addition, the federal government has available several enforcement mechanisms that it may apply to firms participating in the DBE problem, including, but not limited to, the following:

7. Suspension or debarment proceedings pursuant to 49 CFR part 26
8. Enforcement action pursuant to 49 CFR part 31
9. Prosecution pursuant to 18 USC 1001.

## **Attachment 4**

### **Section 26.45: Overall Goal Calculation**

#### **Amount of Goal**

.La Crosse Municipal Transit's overall goal for FY 2017 is the following:  
.29% of the Federal Financial assistance we will expend in DOT-assisted contracts. *Exclusive of FTA funds to be used for the purchase of transit vehicles.*

#### **Methodology used to Calculate Overall Goal**

##### **Step 1: 26.45(c)**

Determine the base figure for the relative availability of DBEs.

The base figure for the relative availability of DBE's was calculated as follows:

Base figure = 
$$\frac{\text{Ready, willing, and able DBEs}}{\text{All firms ready, willing and able}}$$

The data source or demonstrable evidence used to derive the numerator was: Iowa, Minnesota & Wisconsin DBEs x weighted ratio.

The data source or demonstrable evidence used to derive the denominator was: All Iowa, Minnesota & Wisconsin businesses.

When we divided the numerator by the denominator we arrived at the base figure for our overall goal and that number was

##### **Step 2: 26.45(d)**

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment was needed to the base figure in order to arrive at the overall goal.

In order to reflect as accurately as possible the DBE participation we would expect in the absence of discrimination we have adjusted our base figure by   0  %.

## **Public Participation**

We published our goal information in La Crosse Tribune

We received no comments.

**Attachment 6**

**Forms 1 & 2 for Demonstration of Good Faith Efforts**

*[Forms 1 and 2 should be provided as part of the solicitation documents.]*

**FORM 1: DISADVANTAGED BUSINESS ENTERPRISE (DBE)  
UTILIZATION**

The undersigned bidder/offeror has satisfied the requirements of the bid specification in the following manner (please check the appropriate space):

\_\_\_\_\_ The bidder/offeror is committed to a minimum of \_\_\_\_\_ % DBE utilization on this contract.

\_\_\_\_\_ The bidder/offeror (if unable to meet the DBE goal of \_\_\_\_\_%) is committed to a minimum of \_\_\_\_\_% DBE utilization on this contract a submits documentation demonstrating good faith efforts.

Name of bidder/offeror's firm: \_\_\_\_\_

State Registration No. \_\_\_\_\_

By \_\_\_\_\_  
(Signature)

Title



**FORM 2: LETTER OF INTENT**

Name of bidder/offeror's firm: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name of DBE firm: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

Description of work to be performed by DBE firm:

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The bidder/offeror is committed to utilizing the above-named DBE firm for the work described above. The estimated dollar value of this work is \$ \_\_\_\_\_ .

**Affirmation**

The above-named DBE firm affirms that it will perform the portion of the contract for the estimated dollar value as stated above.

By \_\_\_\_\_  
(Signature) (Title)

**If the bidder/offeror does not receive award of the prime contract, any and all representations in this Letter of Intent and Affirmation shall be null and void.**

(Submit this page for each DBE subcontractor.)

