



**STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES**

**FTA Subrecipient – Disadvantaged Business Enterprise (DBE)
Commercially Useful Function (CUF) Review and Worksite Visit**

49 CFR §26.55(c): Count expenditures to a Disadvantaged Business Enterprise (DBE) contractor toward DBE goals only if the DBE is performing a commercially useful function on that contract. (1) 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 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.... (2) A 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 funds are passed in order to obtain the appearance of DBE participation.

This form must be submitted to the Alaska DOT&PF, Civil Rights Office annually for all DBEs that are working in Alaska.

Transit Agency Name:		Transit Representative:	
Agreement #:	Grant #:	Start to End Dates:	
DBE Business Name:		DBE Representative:	
DBE Phone Number:		DBE Email:	
Start Date of Work:		End Date of Work:	

Describe the work DBE performed:

Amount Invoiced:		Amount Paid:	
Is the work on the contract complete?	Yes No N/A		
Is the invoice/receipt attached with this form?	Yes No N/A		

If not, explain the reason (attach separate sheet if needed):

Employees:

Does the DBE have employees on the job?	Yes No N/A
Does the DBE assign work to them?	Yes No N/A

Performance:

Has any other contractor performed any of the DBE's work? If yes, explain below.	Yes No N/A
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CUF Verification:

Does it appear the DBE is performing a CUF? (See explanation on back of form)	Yes No N/A
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Comments/Explanation:

Signature (By signing this application, I certify that the information provided is true and accurate):

Transit Agency Representative:		Date:	
DBE Representative:		Date:	

FTA Subrecipient – Disadvantaged Business Enterprise (DBE) Commercially Useful Function (CUF) Instructions & Review and Worksite Visit

Purpose: Federal Transit Administration (FTA) subrecipients are required to verify that each Disadvantaged Business Enterprise (DBE) participating in an FTA-assisted contract is performing a Commercially Useful Function (CUF), in accordance with [49 CFR §26.55\(c\)](#). A DBE performs a CUF when it executes the work of the contract by managing, supervising, and performing its assigned tasks using its own labor, equipment, and resources. This form must be completed annually for each DBE working on a transit project in Alaska and submitted to the Alaska Department of Transportation & Public Facilities (Alaska DOT&PF) Civil Rights Office (CRO).

When to complete and submit: FTA subrecipients must start filling out the CUF form for each DBE at the start of the firm's work and complete when all work is performed. Submit the form within 10 days of the firm's completion and/or at the time of the Semi-Annual Uniform Report.

Where to submit: DOT.CRO.ProjectsDocs@alaska.gov

General information: Provide the name of your transit agency and your name as the transit representative completing the form. Include the name and contact information of the DBE firm, along with the names of both representatives. Specify the start and end dates of the DBE's participation on the project.

Work performed and payment information: Describe the scope of work the DBE performed in your own words, ensuring the description matches the contract or subcontract. Then indicate the amount the DBE invoiced, and the amount paid to date. State whether the work is complete. If it is not, provide an explanation, attach a separate page if more detail is needed. Attach invoice and or receipt with the completed CUF.

Employee information: Verify whether the DBE had their own employees on-site. If yes, confirm that the DBE was responsible for assigning and supervising their work. This section ensures the DBE is actively managing its own labor force.

Performance by other contractors: Indicate whether any other contractor performed work that was contracted to the DBE. If another contractor did perform any part of the DBE's work, you must explain why and under what circumstances.

CUF determination: Based on your observations and the information collected, determine whether the DBE appears to be performing a commercially useful function. Use the CUF guidance and red flags listed below to inform your judgment. Provide additional explanation or justification if needed.

CUF Criteria: According to 49 CFR §26.55(c), a DBE is considered to be performing a CUF when it is responsible for:

- Executing its scope of work under the contract,
- Managing and supervising its own employees,
- Using its own equipment, and
- Ordering, negotiating for, paying for, and (if applicable) installing its own materials.

A DBE does NOT perform a CUF if it is acting merely as a pass-through or broker to artificially appear on a contract without fulfilling substantial responsibilities. This is considered DBE fraud.

Common CUF Red Flags: Identifying a red flag does not automatically mean the DBE is in violation, but each concern should be documented and evaluated.

- Management Concerns:
 - DBE work is being supervised by someone from another company.
 - DBE does not provide consistent supervision or lacks a dedicated supervisor on site.
 - The DBE has no contract or purchase order for the work being performed.
 - DBE owner is not knowledgeable about the project or rarely seen on site.
- Equipment Issues:
 - DBE uses equipment owned by another contractor without a formal lease.
 - Equipment bears another contractor's logos or is disguised.
- Workforce Issues:
 - Employees are unfamiliar with DBE management.
 - Workers are shifted between contractors without explanation.
- Material Handling Concerns:
 - Materials are ordered or paid for by the prime contractor.
 - Joint checks are issued without the DBE's knowledge or involvement.
 - Materials are delivered to another contractor rather than the DBE.
- Performance Issues:
 - DBE does not have a signed subcontract.
 - The scope of work exceeds the DBE's known qualifications.
 - DBE subcontracts more than 30% of its work without justification.
 - DBE appears dependent on one prime contractor for most or all contracts.

Documentation:

- Always retain supporting documentation, such as subcontracts, equipment leases, and invoices, to verify CUF compliance (if applicable).
- Alaska DOT&PF CRO may request additional records or conduct follow-up monitoring.

Certification and signatures: Both the transit agency representative and the DBE representative must sign and date the form, certifying that all information provided is true and accurate to the best of their knowledge.

If you have questions about CUF determinations or how to complete the form, contact the CRO at the email listed above.