

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

936 A



FROM: TLMA - Transportation Dept.

SUBMITTAL DATE:
November 15, 2004

SUBJECT: Amendment Number One - Disadvantaged Business Enterprise (DBE) Program
(DOT Assisted Contracts)

RECOMMENDED MOTION:

That the Board of Supervisors adopt the submitted Amendment Number One to the "County of Riverside Transportation Department Disadvantaged Business Enterprise (DBE) Program" for Federal Department of Transportation Assisted Contracts.

BACKGROUND: The use of Federal Department of Transportation (DOT) funds, including Federal Highway Administration (FHWA) funds, requires that local agencies adopt a DBE policy that is consistent with Title 49 of the Code of Federal Regulations, Part 26. The Board of Supervisors adopted the "County of Riverside Transportation Department Disadvantaged Business Enterprise (DBE) Program" on January 9, 2001 (Agenda Item 3.45).

Departmental Concurrence

George A. Johnson
Director of Transportation

GAJ:sd

(Continued On Attached Page)

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2004/2005
SOURCE OF FUNDS:				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Policy
 Policy

Consent
 Consent

Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref. 1/9/01 (3.45)

District: ALL

Agenda Number:

3.31

The Honorable Board of Supervisors

RE: Amendment Number One - Disadvantaged Business Enterprise (DBE) Program
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Since the adoption of the program, Part 26.29 was added to Title 49 of the Code of Federal Regulations, and the County of Riverside is required by that statute to modify its contract requirements with regard to prompt payment to subcontractors of payments due and with regard to contract retainage.

The statute provides three options to the recipient of DOT funds to ensure prompt payment of contract funds that are withheld to ensure performance, which are summarized as follows:

1. Decline to hold retainage, and not allow retainage to be withheld from sub-contractors.
2. Decline to hold retainage, and require prompt payment of retainage by prime-contractors to sub-contractors.
3. Hold retainage, and provide for prompt and regular incremental acceptances of prime contract, and associated releases of retainage, and require prompt payment of retainage to sub-contractors.

The Transportation Department has reviewed this matter and has determined that it is in the best interest of the County to decline to hold retainage from prime contractors and prohibit prime contractors from holding retainage from subcontractors (Option no. 1). This approach is consistent with the method that Caltrans has chosen, and appears to be the most practical. Additional reviews of construction progress will be implemented, as feasible, prior to progress payments. The Department is also proposing to add a fixed-bid contract item for demobilization to ensure contract compliance and completion. The Department will evaluate the effectiveness of this method on an ongoing basis.

No financial impact is anticipated due to implementation of this policy.

Amendment Number One to the DBE Program has been approved as to legal form by the Office of County Counsel.

attachment:

- A. Amendment No. 1 to the Disadvantaged Business Enterprise (DBE) Program