

DBE PROGRAM POLICY STATEMENT

Section 26.1, 26.23 Objectives/Policy Statement

The County of Sacramento Department of Airports (County), operator of Sacramento International Airport (SMF), Sacramento Executive Airport (SAC), Mather Airport (MHR), and Franklin Field (F72) 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 County has received federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the County has signed an assurance that it will comply with 49 CFR Part 26 (hereafter referred to as "Part 26").

It is the policy of the County to ensure that DBEs as defined in Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also the County's policy to engage in the following actions on a continuing basis:


1. Ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. Ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove barriers to the participation of DBEs in DOT-assisted contracts;
6. Promote the use of DBEs in all types of federally-assisted contracts and procurement activities;
7. Assist the development of firms that can compete successfully in the market place outside the DBE Program; and
8. Make appropriate use of the flexibility afforded to recipients of federal financial assistance in establishing and providing opportunities for DBEs.

Renata Romero, Airport Economic Development Specialist, has been delegated as the DBE Liaison Officer. In that capacity, Renata Romero is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as

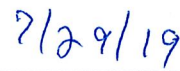
compliance with all other legal obligations incurred by the County in its financial assistance agreements with the Department of Transportation.

The County has disseminated this policy statement to the Sacramento County Board of Supervisors and all of the components of the organization. This statement has been distributed to DBE and non-DBE business communities that may perform work on the County's DOT-assisted contracts by the following:

1. A copy of this policy statement will be posted on the Airport website (www.sacramento.aero/scas/opportunities/dbe/).
2. A copy of this policy will be made available to each attendee of all informational and pre-bid meetings dealing with Airport opportunities.



Cynthia A. Nichol, Director
Department of Airports



Date

GENERAL REQUIREMENTS

Section 26.1 Objectives

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

Section 26.3 Applicability

The County is the recipient of federal airport funds authorized by 49 U.S.C. 47101, *et seq.*

Section 26.5 Definitions

The County will use terms in this program that have their meanings defined in Part §26.5

Section 26.7 Non-discrimination Requirements

The County 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 County 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

The County will provide data about its DBE Program to DOT as directed by DOT operating administrations.

DBE participation will be reported to DOT/Federal Aviation Administration (FAA) as follows:

The County will transmit to FAA annually, by or before December 1, the information required for the "Uniform Report of DBE Awards or Commitments and Payments", as described in Appendix B to Part 26. The County will similarly report the required information about participating DBE firms. All reporting will be done through the FAA's official reporting system, or another format acceptable to FAA as instructed thereby.

Records retention and reporting:

The County will maintain records documenting a firm's compliance with the requirements of this part. At a minimum, the County will keep a complete

application package for each certified firm and all affidavits of no-change, change notices, and on-site reviews. These records will be retained for a minimum of three (3) years unless otherwise provided by applicable record retention requirements for the financial agreement, whichever is longer.

Section 26.13 Federal Financial Assistance Agreement

The County has signed the following assurances, applicable to all DOT-assisted contracts and their administration:

Assurance: Each financial assistance agreement the County signs with a DOT operating administration (or a primary recipient) will include the following assurance:

The County 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 County 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 County'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 County of its failure to carry out its approved program, the Department may impose sanctions as provided for under 49 CFR 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.).

Contract Assurance: The County will ensure that the following clause is included in each DOT-funded contract it signs with a contractor (and each subcontract the prime contractor signs with a subcontractor):

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 County deems appropriate, which may include, but is not limited to:

1. Withholding monthly progress payments;
2. Assessing sanctions;
3. Applying liquidated damages; and/or
4. Disqualifying the contractor from future bidding as non-responsible.

ADMINISTRATIVE REQUIREMENTS

Section 26.21 DBE Program Updates

The County is required to have a DBE program meeting the requirements of this part as it will receive grants for airport planning or development and will award prime contracts, cumulative total value of which exceeds \$250,000 in FAA funds in a federal fiscal year. The County is not eligible to receive DOT financial assistance unless DOT has approved this DBE program and the County is in compliance with it and Part 26. The County will continue to carry out this program until all funds from DOT financial assistance have been expended. The County does not have to submit regular updates of the DBE program, as long as it remains in compliance. However, significant changes to the program, including those required by regulatory updates, will be submitted for DOT approval.

Section 26.23 Policy Statement

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

Section 26.25 DBE Liaison Officer (DBELO)

The following individual has been designated as the DBE Liaison Officer for the County:

Renata Romero
Airport Economic Development Specialist
Sacramento County Department of Airports
6900 Airport Blvd.
Sacramento, CA 95837
(916) 874-0914
romerore@saccounty.net

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the County complies with all provision of 49 CFR Part 26. The DBELO has direct, independent access to the Director of Airports concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found in Attachment 1 to this program.

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

1. When relevant, reviews third party contracts and purchase requisitions for compliance with this program.
2. Works with all departments to set overall annual goals.

3. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
4. Identifies contracts and procurements so that DBE goals are included in solicitations and monitors results.
5. Analyzes the County's progress toward attainment and identifies ways to improve progress.
6. Participates in pre-bid meetings.
7. Advises the governing body of the County on DBE matters and achievement.
8. Determines contractor compliance with good faith efforts.
9. Plans and participates in DBE training seminars.
10. Provides outreach to DBEs and community organizations to advise them of opportunities.

Section 26.27 DBE Financial Institutions

It is the policy of the County 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 contracts to make use of these institutions.

Bids are posted electronically on sources that include financial institutions as a DBE resource.

Section 26.29 Prompt Payment Mechanisms

The County requires that all subcontractors performing work on DOT-assisted contracts shall be promptly paid for work performance pursuant to their agreements, in accordance with all relevant federal, State, and local laws.

In accordance with 49 CFR §26.29, the County established a contract clause implementing this requirement and requires prime contractors to pay subcontractors for satisfactory performance of their contracts no later than thirty (30) days from the prime contractor's receipt of each payment from the County.

The County ensures prompt and full payment of retainage from the prime contractor to the subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed. Pursuant to §26.29, the County has selected the following method to comply with this requirement:

Hold retainage from prime contractors and provide for prompt and regular incremental acceptances of portions of the prime contract, pay retainage to prime contractors based on these acceptances, and require a contract clause obligating the prime contractor to pay all retainage owed to the subcontractor for satisfactory completion of the accepted work within thirty (30) days after payment to the prime contractor.

To implement this measure, the County includes the following clause from FAA Advisory Circular 150/5370-10 in each DOT-assisted prime contract:

Section 90-06 Partial payments: Partial payments will be made to the contractor at least once each month as the work progresses. Said payments will be based upon estimates, prepared by the engineer, of the value of the work performed and materials complete and in place, in accordance with the contract, plans, and specifications. Such partial payments may also include the delivered actual cost of those materials stockpiled and stored in accordance with the subsection 90-07 titled PAYMENT FOR MATERIALS ON HAND of FAA Advisory Circular 150/5370-10. No partial payment will be made when the amount due to the contractor is less than five hundred dollars (\$500.00).

The contractor is required to pay all subcontractors for satisfactory performance of their contracts no later than thirty (30) days after the contractor has received a partial payment. The County must ensure prompt and full payment of retainage from the prime contractor to the subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed. A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the County. When the County has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.

From the total of the amount determined to be payable on a partial payment, ten percent (10%) of such total amount will be deducted and retained by the County until the final payment is made, except as may be provided (at the contractor's option) in the subsection 90-08 titled PAYMENT OF WITHHELD FUNDS of FAA Advisory Circular 150/5370-10. The balance ninety percent (90%) of the payable balance, less all previous payments, shall be certified for payment. Should the contractor exercise his or her option, as provided in the subsection 90-08 titled PAYMENT OF WITHHELD FUNDS of FAA Advisory Circular 150/5370-10, no such percent retainage shall be deducted.

When at least ninety-five percent (95%) of the work has been completed, the engineer shall, at the County's discretion and with the consent of the surety, prepare estimates of both the contract value and the cost of the remaining work to be done.

The County may retain an amount not less than twice the contract value or estimated cost, whichever is greater, of the work remaining to be done. The remainder, less all previous payments and deductions, will then be certified for payment to the contractor.

It is understood and agreed that the contractor shall not be entitled to demand or receive partial payment based on quantities of work in excess of those provided in the proposal or covered by approved change orders or supplemental agreements, except when such excess quantities have been determined by the engineer to be a part of the final quantity for the item of work in question.

No partial payment shall bind the County to the acceptance of any materials or work in place as to quality or quantity. All partial payments are subject to correction at the time of final payment as provided in the subsection 90-09 titled ACCEPTANCE AND FINAL PAYMENT of FAA Advisory Circular 150/5370-10.

The contractor shall deliver to the County a complete release of all claims for labor and material arising out of this contract before the final payment is made. If any subcontractor or supplier fails to furnish such a release in full, the contractor may furnish a bond or other collateral satisfactory to the County to indemnify the County against any potential lien or other such claim. The bond or collateral shall include all costs, expenses, and attorney fees the County may be compelled to pay in discharging any such lien or claim.

Section 26.31 Directory

The County uses the State of California DBE directory, maintained by the State identifying all firms eligible to participate as DBEs, which contains all the elements required by §26.31. DBE Directory link <https://dot.ca.gov/programs/business-and-economic-opportunity/dbe-search>.

Section 26.33 Over-concentration

The County has not identified that over-concentration exists in the types of work that DBEs perform.

Section 26.35 Business Development Programs

The County has not established a Business Development Program (BDP). BDP assists firms in gaining the ability to compete successfully in the marketplace outside the DBE Program.

Section 26.37 Monitoring Responsibilities

The County implements and carries out appropriate mechanisms to ensure compliance with 49 CFR Part 26 program requirements by all program participants, including prompt payment, and describes and sets forth these mechanisms in the County's DBE program.

The County actively monitors participation by maintaining a running tally of actual DBE attainments (e.g., payments actually made to DBE firms), including a means of comparing these attainments to commitments.

Monitoring Payments to DBEs and Non-DBEs

The County undertakes ongoing monitoring of prime payments to subcontractors over the course of any covered contract. Such monitoring activities will be accomplished through the following method(s):

1. The County will bring to the attention of the DOT 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 §26.107.
2. The County will implement similar action under legal authorities, including responsibility determinations in future contracts. Attachment 2 DBE Monitoring & Enforcement Mechanisms, lists the regulation, provisions, and contract remedies available in the event of non-compliance with the DBE regulation by a participant in the DBE Program.
3. The County will implement a monitoring and enforcement mechanism to ensure that work committed to DBEs at contract award or subsequently (i.e., as the result of modification to the contract) is actually performed by the DBEs to which the work was committed.
4. The County will implement a monitoring and enforcement mechanism that will include written certification that the County has reviewed contracting records and monitored work sites for this purpose.
5. The County will implement a mechanism that will provide for a running tally of actual DBE attainments (e.g., payment actually made to DBE firms), including a means of comparing these attainments to commitments. In reports of DBE participation to DOT, the County will show both commitments and attainments, as required by the DOT uniform reporting form.

Section 26.39 Fostering small business participation

The County has created a Small Business Element which promotes and enhances the utilization of local and small business enterprises in the County's procurement and contracting processes. The Small Business Element structures contracting requirements to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.

The Small Business Element is incorporated as Attachment 3 to this DBE Program. The program elements will be actively implemented to foster small business participation. **Implementation of the small business element is required in order for the County to be considered by DOT as implementing this DBE program in good faith.**

SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 26.43 Set-asides or Quotas

The County does not use quotas in any way in the administration of this DBE program.

Section 26.45 Overall Goals

The County will establish an overall DBE goal covering a three-year federal fiscal year period if the County anticipates awarding DOT funded prime contracts the cumulative total value of which exceeds \$250,000 in DOT funds during any one or more of the reporting fiscal years within the three-year goal period. In accordance with §26.45(f), the County will submit its Overall Three-year DBE Goal to the FAA by August 1st of the year in which the goal is due, as required by the schedule established by and posted to the website of the FAA.

FAA:

[https://www.faa.gov/about/office org/headquarters offices/acr/bus ent program/media/Schedule of DBE and ACDBE Reporting Requirements Dec 2017 Issue.pdf](https://www.faa.gov/about/office_org/headquarters_offices/acr/bus_ent_program/media/Schedule_of_DBE_and_ACDBE_Reporting_Requirements_Dec_2017_Issue.pdf)

The DBE goals will be established in accordance with the 2-step process as specified in 49 CFR Part 26.45 and detailed below. If the County does not anticipate awarding prime contracts the cumulative total value of which exceeds \$250,000 in DOT funds during any of the years within the three-year reporting period, an overall goal will not be developed. However, this DBE Program will remain in effect and the County will seek to fulfill the objectives outlined in 49 CFR Part 26.1.

Step 1: The first step is to determine a base figure for the relative availability of DBEs in the market area. The County will use DBE Directories and Census Bureau Data as a method to determine the base figure. The County understands that the exclusive use of a list of prequalified contractors, plan holders or a bidder's list that does not comply with the requirements of 49 CFR Part 26.45 (c) (2), is not an acceptable alternative means for determining the availability of DBEs.

Step 2: The second step is to adjust, if necessary, the base figure percentage from Step 1 so that it reflects as accurately as possible the DBE participation the recipient would expect in the absence of discrimination. Adjustments may be made based on past participation, information from a disparity study (to the extent it is not already accounted for in the base goal), and/or information about barriers to entry to past competitiveness of DBEs on contracts. The County will examine all of the evidence available in its jurisdiction to determine what adjustment, if any, is needed. If the evidence does not suggest an adjustment is necessary, then no adjustment shall be made.

Any methodology selected will be based on demonstrable evidence of local market conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of DBEs in the County's market.

In establishing the overall goal, the County will publish a notice announcing the proposed overall goal before submission to the FAA on August 1st. The notice will be posted on the County's Department of Airports official internet web site and may be posted in other sources (e.g. minority-focused media, trade association publications). If the proposed goal changes following review by the FAA, the revised goal will be posted on the official internet web site.

The Overall Three-Year DBE Goal submission to the FAA will include a summary of information and comments received, if any, during this public participation process and the County responses.

The County will begin using the overall goal on October 1 of the relevant period, unless other instructions from the FAA have been received.

Project Goals

If permitted or required by the FAA Administrator, an overall goal may be expressed as a percentage of funds for a particular grant, project or group of grants and/or projects, including entire projects. Like other overall goals, a project goal may be adjusted to reflect changed circumstances, with the concurrence of the appropriate operating administration. A project goal is an overall goal, and must meet all of the substantive and procedural requirements of this section pertaining to overall goals. A project goal covers the entire length of the project to which it applies. The project goal will

include a projection of the DBE participation anticipated to be obtained during each federal fiscal year covered by the project goal. The funds for the project to which the project goal pertains are separated from the base from which the regular goal, applicable to contracts not part of the project covered by a project goal, is calculated.

If a goal is established on a project basis, the goal will be used by the time of the first solicitation for a DOT-assisted contract for the project.

Prior Operating Administration (FAA) Concurrence

The County understands that prior FAA concurrence with the overall goal is not required. However, if the FAA review suggests that the overall goal has not been correctly calculated or that the method employed by the County for calculating goals is inadequate, the FAA may, after consulting with the County, adjust the overall goal or require that the goal be adjusted by the County. The adjusted overall goal is binding. In evaluating the adequacy or soundness of the methodology used to derive the overall goal, the DOT operating administration will be guided by the goal setting principles and best practices identified by the DOT in guidance issued pursuant to §26.9.

A description of the methodology to calculate the overall goal and the goal calculation can be found in Attachment 4 to this program, Overall DBE Three-Year Goal Methodology.

Section 26.47 Failure to meet overall goals

The County cannot be penalized, or treated by the DOT as being in noncompliance with Part 26, because DBE participation falls short of an overall goal, unless the County fails to administer its DBE program in good faith.

The County understands that to be considered in compliance with this part, an approved DBE Program and overall DBE goal, if applicable, must be maintained, and this DBE Program must be administered in good faith.

The County understands that if the awards and commitments shown on the Uniform Report of Awards or commitments and Payments at the end of any federal fiscal year are less than the overall goal applicable to that fiscal year, the following County actions must be taken in order to be regarded by the DOT as implementing this DBE Program in good faith:

1. Analyze in detail the reasons for the difference between the overall goals and the awards and commitments in that fiscal year;
2. Establish specific steps and milestones to correct the problems identified in the analysis to enable the goal for the new fiscal year to be fully met;

3. Prepare, within ninety (90) days of the end of the fiscal year, the analysis and corrective actions developed under paragraph (c) (1) and (2) of this section. The County will retain copy of analysis and corrective actions in records for a minimum of three years, and will make it available to the FAA upon request.

Section 26.51 Means Recipients Use to Meet Overall Goals

Breakout of Estimated Race-Neutral & Race-Conscious Participation

The County will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating race-neutral DBE participation. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does not carry a DBE contract goal.

The meaning of Race-neutral includes, but not limited to the following:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39.
2. Providing assistance in overcoming limitations such as inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBEs, and other small businesses, obtain bonding and financing) through website referrals;
3. Providing technical assistance and other services through referrals;
4. Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; providing information in languages other than English, where appropriate);
5. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. Providing services to help DBEs, and other small businesses, improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly

- significant projects, and achieve eventual self-sufficiency;
7. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
 8. Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors; and
 9. Assisting DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.

The breakout of estimated race-neutral and race-conscious participation can be found in Attachment 4, to this program, Overall DBE Three-Year Goal Methodology.

The County will arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39.

Contract Goals

If the approved projection under paragraph (c) of §26.51 estimates that the entire overall goal for a given year can be met through race-neutral means, contract goals will not be set during that year, unless the use of contract goals becomes necessary in order to meet the overall goal.

Contract goals will be established only on those DOT-assisted contracts that have subcontracting possibilities. A contract goal need not be established 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).

Contract goals will be expressed as a percentage of the total amount of a DOT-assisted contract.

Section 26.53 Good Faith Effort Procedures in Situations where there are Contract Goals

Demonstration of good faith efforts (pre-award)

In cases where a contract goal has been established, the contract in question will only be awarded to a bidder/offeror that has made good faith efforts to meet the contract goal. The bidder/offeror can demonstrate that it has made good faith efforts by either meeting the contract goal or documenting that it has made adequate good faith efforts to do so. Examples of good faith efforts are found in Appendix A to Part 26.

Renata Romero or designee is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive or responsible.

The County will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before committing to the performance of the contract by the bidder/offeror.

In all solicitations for DOT-assisted contracts for which a contract goal has been established, the following information will be required of every bidder/offeror:

1. Award of the contract will be conditioned on meeting the requirements of this section;
2. All bidders or offerors will be required to submit the following information to the recipient, at the time provided in paragraph 3 of this section;
 - a. The names and addresses of DBE firms that will participate in the contract; and
 - b. A description of the work that each DBE will perform. To count toward meeting a goal, each DBE firm must be certified in a North American Industry Classification System (NAICS) code applicable to the kind of work the firm would perform on the contract; and
 - c. The dollar amount of the participation of each DBE firm participating; and
 - d. Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet a contract goal; and
 - e. Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment.
 - f. If the contract goal is not met, evidence of good faith efforts (as elaborated in Appendix A of Part 26). The documentation of good faith efforts Attachment 5, Demonstration of Good Faith Efforts, must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract; and
3. The bidder/offeror will be required to present the information stipulated in paragraph 2 of this section under sealed bid procedures,

as a matter of responsiveness, or with initial proposals, under contract negotiation procedures.

Administrative reconsideration

Within seven (7) business days of being informed by the County that it is not responsive because it has not documented adequate good faith efforts, a bidder/offeror may request administrative reconsideration. Bidder/offerors should make this request in writing to the following reconsideration official:

Donna Scranton
Manager of Properties, Commercial and Business Development
Sacramento County Department of Airports
6900 Airport Blvd.
Sacramento, CA 95837
(916) 874-0910
scrantond@saccounty.net

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 the reconsideration official to discuss the issue of whether the goal was met or the bidder/offeror made adequate good faith efforts to do. The bidder/offeror will be sent 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 DOT.

Good Faith Efforts procedural requirements (post-solicitation)

The awarded contractor will be required to make available upon request a copy of all DBE subcontracts. The contractor shall ensure that all subcontracts or agreements with DBEs to supply labor or materials include all required contract provisions and mandate that the subcontractor and all lower tier subcontractors perform in accordance with the provisions of Part 26.

Prime contractors will be prohibited from terminating a DBE subcontractor listed in response to a covered solicitation (or an approved substitute DBE firm) without the prior written consent of the County. This includes, but not limited to, instances in which a prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

Such written consent will be provided only if the County agrees, for reasons stated in the concurrence document, that the prime contractor has good cause to terminate the DBE firm. For purposes of this paragraph, good cause includes the following circumstances:

1. The listed DBE subcontractor fails or refuses to execute a written contract;
2. The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor;
3. The listed DBE subcontractor fails or refuses to meet the prime contractor's reasonable, non-discriminatory bond requirements;
4. The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness;
5. The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant to 2 CFR Parts 180, 215 and 1,200 or applicable State law;
6. The County has determined that the listed DBE subcontractor is not a responsible contractor;
7. The listed DBE subcontractor voluntarily withdraws from the project and provides the County written notice of its withdrawal;
8. The listed DBE is ineligible to receive DBE credit for the type of work required;
9. A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract;
10. Other documented good cause that the County has determined compels the termination of the DBE subcontractor. Provided, that good cause does not exist if the prime contractor seeks to terminate a DBE it relied upon to obtain the contract so that the prime contractor can self-perform the work for which the DBE contractor was engaged or so that the prime contractor can substitute another DBE or non-DBE contractor after contract award.

Before transmitting to the County a request to terminate and/or substitute a DBE subcontractor, the prime contractor must give notice in writing to the

DBE subcontractor, with a copy to the County, of its intent to request to terminate and/or substitute the DBE, and the reason(s) for the request.

The prime contractor must give the DBE five (5) days to respond to the prime contractor's notice and advise the County and the prime contractor of the reasons, if any, why the DBE objects to the proposed termination of its subcontract and why the prime contractor's action should not be approved. If required in a particular case as a matter of public necessity (*e.g.*, safety), a response period shorter than five (5) days may be provided.

In addition to post-award terminations, the provisions of this section apply to pre-award deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.

Each prime contract will include a provision stating:

The contractor shall utilize the specific DBEs listed in the contractor's solicitation response to perform the work and supply the materials for which each is listed unless the contractor obtains prior written consent of the County as provided in 49 CFR Part 26, § 26.53 (f). Unless such consent is provided, the contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

The County 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. These good faith efforts shall be directed at finding another DBE to perform at least the same amount of work under the contract as the DBE that was terminated, to the extent needed to meet the contract goal the County established for the procurement. The good faith efforts shall be documented by the contractor. If the County requests documentation from the contractor under this provision, the contractor shall submit the documentation to the County within seven (7) days, which may be extended for an additional seven (7) days if necessary at the request of the contractor, and the County shall provide a written determination to the contractor stating whether or not good faith efforts have been demonstrated.

If the contractor fails or refuses to comply in the time specified, the contracting office/representative of the County may 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.

Section 26.55 Counting DBE Participation

DBE participation will be counted toward overall and contract goals as provided in §26.55. The participation of a DBE subcontract will not be

counted toward a contractor's final compliance with its DBE obligations on a contract until the amount being counted has actually been paid to the DBE.

In the case of post-award substitutions or additions, if a firm is not currently certified as a DBE in accordance with the standards of subpart D of this part at the time of the execution of the contract, the firm's participation will not be counted toward any DBE goals, except as provided for in §26.87(j).

SUBPART D – CERTIFICATION STANDARDS

Section 26.61 – 26.73 Certification Process

The County is a non-certifying member of the California Unified Certification Program (UCP) as found in Attachment 7 to this program, State's UCP Agreement. The UCP will use the certification standards of Subpart D of Part 26 to determine eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. Certifying California UCP members make all certification decisions based on the facts as a whole.

For information about the certification process or to apply for certification, firms should contact:

California Department of Transportation
Office of Business and Economic Opportunity
Certification Unit
1120 N Street
Sacramento, CA 95814
(916) 324-1700
DBE.Certification@dot.ca.gov

The DBE Certification Application form and documentation requirements are found in Attachment 6 to this program, DBE Certification Application Form.

SUBPART E – CERTIFICATION PROCEDURES

Section 26.81 Unified Certification Programs

The County is a member of the UCP administered by Caltrans. The UCP will meet all of the requirements of this section.

SUBPART F – COMPLIANCE AND ENFORCEMENT

Section 26.101 Compliance Procedures Applicable to the County

The County understands that if it fails to comply with any requirement of this part, the County may be subject to formal enforcement action under §26.103 or §26.105 or appropriate program sanctions by the concerned operating administration, such as the suspension or termination of federal funds, or refusal to approve projects, grants or contracts until deficiencies

are remedied. Program sanctions may include, in the case of the Federal Highway Administration program, actions provided for under 23 CFR 1.36; in the case of the FAA program, actions consistent with 49 U.S.C. 47106(d), 47111(d), and 47122; and in the case of the Federal Transit Administration (FTA) program, any actions permitted under 49 U.S.C. chapter 53 or applicable FTA program requirements.

Section 26.109 Information, Confidentiality, Cooperation and intimidation or retaliation

Information that may be reasonably regarded confidential business information, consistent with federal, State, and local laws will be safeguarded from disclosure to third parties.

Notwithstanding any provision of federal or State law, information that may reasonably be construed as confidential business information will not be released to any third party without the written consent of the firm that submitted the information, including applications for DBE certification and supporting information. However, this information will be transmitted to DOT in any certification appeal proceeding under § 26.89 or to any other state to which the individual's firm has applied for certification under § 26.85.

All participants in the DOT's DBE program (including, but not limited to, recipients, DBE firms and applicants for DBE certification, complainants and appellants, and contractors using DBE firms to meet contract goals) are required to promptly cooperate fully with DOT and recipient compliance reviews, certification reviews, investigations, and other requests for information. Failure to do so shall be grounds for appropriate action against the party involved (e.g., with respect to recipients, a finding of noncompliance; with respect to DBE firms, denial of certification or removal of eligibility and/or suspension and debarment; with respect to a complainant or appellant, dismissal of the complaint or appeal; with respect to a contractor which uses DBE firms to meet goals, findings of non-responsibility for future contracts and/or suspension and debarment).

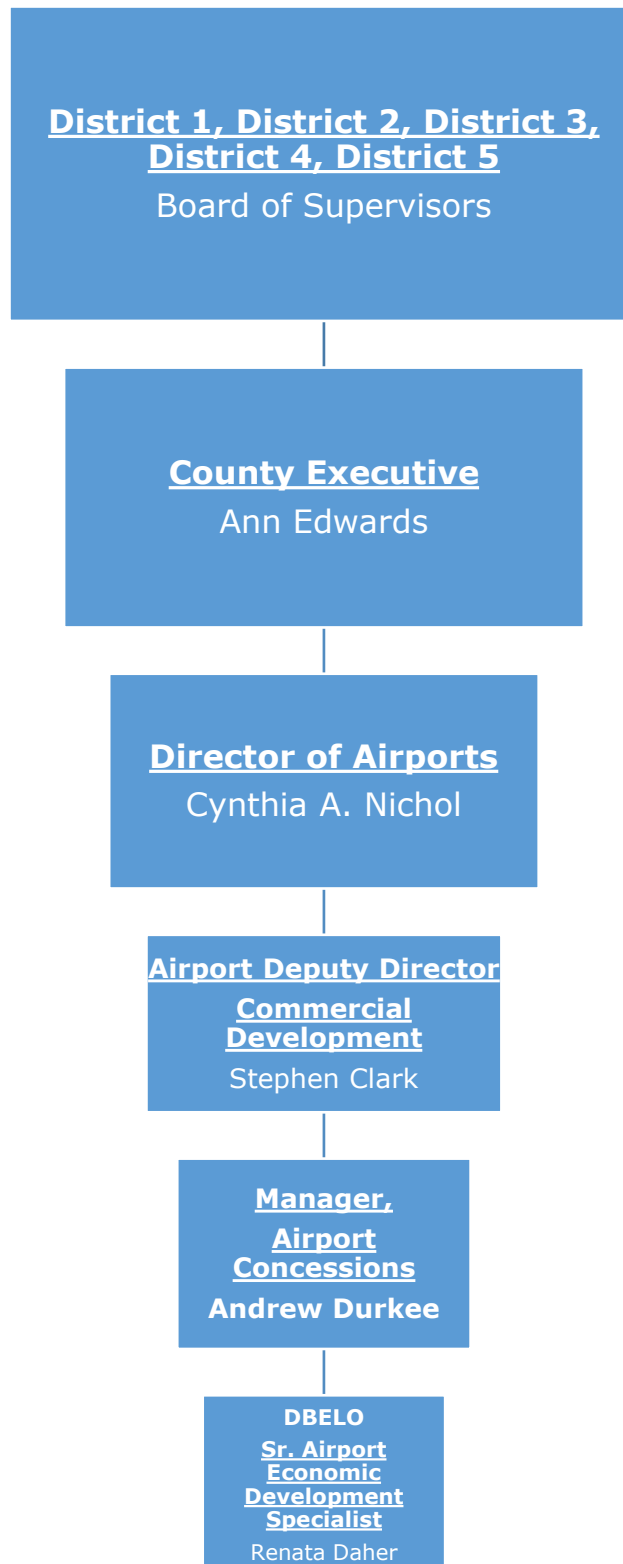
The County, contractor, or any other participant in the program will not intimidate, threaten, coerce, or discriminate against any individual or firm for the purpose of interfering with any right or privilege secured by this part or because the individual or firm has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this part. The County understands that it is in noncompliance with Part 26 if it violates this prohibition.

ATTACHMENTS

Attachment 1	Organizational Chart
Attachment 2	DBE Monitoring and Enforcement Mechanisms
Attachment 3	Small Business Element
Attachment 4	Overall DBE Three-Year Goal Methodology
Attachment 5	Demonstration of Good Faith Efforts: Form 1-Disadvantage Business Enterprise Utilization and Form 2-Letter of Intent
Attachment 6	DBE Certification Application Form
Attachment 7	State's Unified Certification Program Agreement

ATTACHMENT 1

Organizational Chart



ATTACHMENT 2

DBE Monitoring and Enforcement Mechanisms

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

1. Breach of contract action, pursuant to the terms of the contract;
2. Breach of contract action, pursuant to all applicable State laws; and
3. All other available legal remedies.

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

1. Suspension or debarment proceedings pursuant to 49 CFR part 26 and 2 CFR parts 180 and 1200
2. Enforcement action pursuant to 49 CFR part 31; and
3. Prosecution pursuant to 18 USC 1001.

The County will implement various mechanisms to monitor program participants to ensure they comply with Part 26, including, but not limited to, verification of DBE certification status, request for revenue statements, and regular review of agreement terms and conditions for compliance.

Link to Regulation: 49CFR Part 26

<https://www.ecfr.gov/cgi-bin/text-idx?SID=f492fda3072f9eefab0a0de87fa77a5a&mc=true&node=pt49.1.26&rgn=div5>

ATTACHMENT 3

SMALL BUSINESS ELEMENT

SACRAMENTO COUNTY PROCUREMENT OPPORTUNITIES PROGRAM LOCAL AND MICRO-BUSINESS VENDOR PREFERENCES

PURPOSE

The purpose of the Procurement Opportunities Program is to promote and enhance the utilization of local and small business enterprises in the County's procurement and contracting processes. Small businesses contribute to the overall economic health of the community. Therefore, government has a compelling interest to provide economic opportunity to small businesses. The economic health of the community is dependent upon an active and thriving business community, including both large and small businesses. For this reason, the program is designed to provide procedural assistance and contracting information to any firm wishing to do business with the County. This program is not, however, intended to become a separate activity within the County's procurement and contracting process. It is intended to be an integral part of the County's standard procurement and contracting process.

INCENTIVES

Service and supply acquisition: For material, supply, construction and/or non-professional service contracts of less than \$1,000,000 processed through the Department of General Services, Contract and Purchasing Services Division, or through the Delegated Purchase Order (DPO) Program. The County of Sacramento will award a two-percent (2%) price or point micro-business preference to State Certified Micro-Business enterprises located within the Sacramento Regional Market Area (Sacramento, El Dorado, Placer, Sutter, Yolo and Yuba Counties), and/or a five-percent (5%) price or point local business preference.

The Delegated Purchase Order program (a delegated purchasing program utilized by department "DPO Buyers") includes a provision requiring the departments to obtain multiple quotes based on the dollar amount of the purchase. This program will eliminate the quoting requirement if the DPO Buyer issues a DPO to a certified micro-business in the Sacramento Regional Market Area. When obtaining multiple quotes, the DPO Buyer shall apply all applicable preferences stipulated in this program.

CERTIFICATION OF SMALL BUSINESS ENTERPRISES

Most County contracts are open to competitive bidding. It is the policy of the County to actively solicit participation by small business enterprises in its procurement and contracting activities. In order for the County to readily find small businesses to solicit, businesses should (1) be certified with the State of California, Office of Small Business and DVBE Services, or reciprocal agency, and (2) register with the State of California, Department of General Services.

For a firm to be eligible for a two-percent (2%) price preference, it must be a formally certified micro-business AND located in the Sacramento Regional Market Area (Sacramento, El Dorado, Placer, Sutter, Yolo and Yuba Counties). The County will accept certifications from the State of California, Office of Small Business and DVBE Services, or reciprocating governmental agencies. The County will accept formal certifications from other agencies within the State of California for documentation purposes.

Complete information regarding this program is located on the following website:

<http://www.saccountybids.net/>

LOCAL VENDOR PREFERENCE QUALIFICATIONS

Pursuant to Sections 2.56.420 and 2.56.440 of the Sacramento County Code, where applicable, a local price or point preference credit of 5% shall be granted to Local Business Enterprises on supply and non-professional service contracts of less than one million dollars (\$1,000,000) to business enterprises located within Sacramento County when evaluating bids for material, supply, construction, and/or non-professional services acquisitions processed through the Department of General Services, Contract and Purchasing Services Division or through the Delegated Purchase Order Program. In order to qualify for local preference, a vendor must meet all of the following criteria (as defined in SCC 2.56.420):

1. The business maintains its Principal Place of Business within the geographic boundaries of the County of Sacramento.
 - (a) Suppliers and professional truck drivers are not required to maintain their principal place of business within the County, but must maintain a Fixed Office within the County. Suppliers must also maintain a continuously stocked inventory within the County consistent with the type of goods for which the business is seeking a local preference. Professional truck drivers must also park their registered vehicles and trailers within the County when not under contract for use. The business may be required to submit to the County a copy of its rental or lease agreement evidencing its Fixed Office location.
2. The business must provide 50 percent or more of the contracted product from its own local inventory.
3. The business must possess a current County of Sacramento business license or a business license from a city within the County. If the business's Fixed Office is located in a city that does not issue business licenses, the business must be current with the city's business operations taxes or other business regulations.
4. The business has been established and conducting business activities in the County for at least six months preceding the due date of the bid/proposal for which a local preference is being sought. The business may be required to submit to the County evidence of its business activities within the Sacramento area during the preceding six months.
5. The business must have paid sales tax to either a city located within the County or to the County of Sacramento. The business may be required to submit to the County copies of its State of California Board of Equalization sales and use tax returns.

This preference shall also be provided to Sacramento Regional Market Area businesses that meet the criteria of a Local Business Enterprise for the county in which they are located, provided that:

- (a) Those criteria are at least as stringent as section 2.56.420(d); and
- (b) The county in which such businesses are located also provides pricing preferences to businesses located within Sacramento County.

Bidders claiming local vendor preference for any Request for Bid, Price Quote, or Request for Proposal must submit an Affidavit of Eligibility (see page 3) with their bid, quote or proposal response, unless an approved affidavit is already on file.

For questions or assistance relating to the County of Sacramento's Local Vendor Preference Policy, call the Contract & Purchasing Services Division at 916-876-6360 or visit our website at www.sacountybids.net.

ATTACHMENT 5

Demonstration of Good Faith Efforts - Forms 1 & 2

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 and should submit 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:

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 and that the firm is DBE certified to perform the specific trades.

By _____
(Signature)

Date: _____

(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.

ATTACHMENT 6

DBE Certification Application Form

[HTTPS://WWW.TRANSPORTATION.GOV/SITES/DOT.GOV/FILES/DOCS/MISSION/CIVIL-RIGHTS/DISADVANTAGED-BUSINESS-ENTERPRISE/305271/UNIFORM-CERTIFICATION-APPLICATION.PDF](https://www.transportation.gov/sites/dot.gov/files/doCS/MISSION/CIVIL-RIGHTS/DISADVANTAGED-BUSINESS-ENTERPRISE/305271/UNIFORM-CERTIFICATION-APPLICATION.PDF)

ATTACHMENT 7

State's Unified Certification Program Agreement

<https://dot.ca.gov/programs/business-and-economic-opportunity/db>