

Commercially Useful Function (CUF) Review

Per 49 CFR 26.55(c) "A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved... 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 is for the purpose of reviewing DBEs for compliance with the CUF requirements for credit.

INSTRUCTIONS:

- CUF review must be performed a minimum of one time during the contract period for each DBE.
- CUF must be completed within 30 days of the DBE starting the work.
- Submission form must have signature and date of the compliance review.

Project ID: _____	Reviewer: _____
County: _____	Reviewer's Title: _____
Subrecipient: _____	Review Date: _____
Name of DBE: _____	Date DBE started work: _____

DBE is performing as: Prime Contractor Subcontractor Other Tier Subcontractor
 Material Supplier: Manufacturer Regular Dealer Broker

Provide a brief description of the DBE's scope of work. (Obtain a copy of the Subcontractor Agreement and/or Purchase Order if needed.)

COMMENSURATE	Yes	No
Is the payment received by the DBE commensurate with the work being performed?	<input type="checkbox"/>	<input type="checkbox"/>
PERFORMING	Yes	No
Does the DBE have employees on the job to perform the work?	<input type="checkbox"/>	<input type="checkbox"/>
Do the DBE employees exclusively work for the DBE?	<input type="checkbox"/>	<input type="checkbox"/>
Is the DBE working without assistance from the prime contractor or another subcontractor? (Use of prime's equipment in an emergency is allowed but the cost associated with the use of the equipment cannot be credited towards the goal.)	<input type="checkbox"/>	<input type="checkbox"/>
Is the DBE only using equipment it owns, rents, or leases?	<input type="checkbox"/>	<input type="checkbox"/>
Is the DBE performing at least 30% of their work?	<input type="checkbox"/>	<input type="checkbox"/>
HAULING	N/A <input type="checkbox"/>	
Does the DBE hauling firm own or lease their trucks? (If yes, obtain verification of ownership or lease documents in the name of the DBE)	<input type="checkbox"/>	<input type="checkbox"/>
Does the DBE employ drivers for trucks owned by the company? (If leased trucks include operators, this should be indicated in the agreement)	<input type="checkbox"/>	<input type="checkbox"/>
Does a review of the haul tickets associated with the project indicate that hauling is being performed by the DBE?	<input type="checkbox"/>	<input type="checkbox"/>
MATERIALS	Yes	No
Does the DBE's name appear on all invoices, haul tickets, and/or bills of lading?	<input type="checkbox"/>	<input type="checkbox"/>

Commercially Useful Function (CUF) Review

SUPERVISING	Yes	No
Is the DBE supervising its employees and their work?	<input type="checkbox"/>	<input type="checkbox"/>
Is the supervisor an employee of the DBE?	<input type="checkbox"/>	<input type="checkbox"/>
Description of supporting documentation that was reviewed (invoices, lease documents, payrolls, etc.)		
CUF	Yes	No
Does the DBE appear to be performing a Commercially Useful Function (CUF)?	<input type="checkbox"/>	<input type="checkbox"/>
If no, provide comments:		
Additional Comments:		

Reviewer's Signature:

Date:

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CUF DETERMINANTS

PERFORMING

- DBE must be responsible for performing its own work on the project
- At least 30% of the work must be performed by the DBE with its own workforce
- The DBE keeps a regular workforce and has its own employees
- The DBE is utilizing its own equipment

RED FLAGS

- A portion of the DBE's work is being done by the Prime Contractor or jointly with another contractor
- Employee working for both the Prime and the DBE
- Equipment used by DBE belongs to the Prime Contractor or another contractor with no formal lease agreement
- Equipment signs and markings cover another contractor's identity

Records/Documents

- Subcontractor Agreement or Purchase Order
- Equipment ownership, rental, or lease documents
- Certified payrolls

MATERIALS (For Material Credit)

- DBE is responsible for delivery of the materials
- DBE is ordering the material and invoices indicate that DBE is the customer
- Material invoices indicate that DBE owner of Superintendent is the contact person

RED FLAGS

- Materials for DBE credited work are delivered by the Prime Contractor
- Materials are ordered, billed to, and/or paid by the Prime Contractor
- Invoices do not indicate that DBE is the customer
- Prime's employee is listed as the contact person on invoices
- Materials from Prime's stockpiles

Records/Documents

- Invoices
- Haul Tickets or Bills of Lading
- Material on Hand documentation
- Joint check agreement
- Cancelled Checks

SUPERVISING

- DBE supervisor is a full time employee for the DBE
- Employees are being supervised by the DBE Supervisor
- DBE is scheduling work operations

Commercially Useful Function (CUF) Review

Red Flags

- DBE's employees are being supervised by Prime Contractor or another contractor
- DBE provides little or no supervision of work
- DBE supervisor is not a full-time employee of the DBE

Records/Documents

- Certified Payrolls
- Document communication with DBE owner or Superintendent