

2023

SB Program Plan - Revised



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I. INTRODUCTION

A. Authority Board of Directors Resolution #HSRA-23-07

On November 2, 2023, the Board of Directors of the California High-Speed Rail Authority (Authority), by unanimous vote, resolved to adopt [Resolution #HSRA 23-07](#), which approved updating the Authority’s small business program goals. This approval authorized changes to the Authority’s “Revised Small and Disadvantaged Business Enterprise Program for Design Build Contracts” and the Authority’s “Revised Small and Disadvantaged Business Enterprise Program for Professional Services Contracts” established in August 2012. The Authority’s updated small business program plan, the “High-Speed Rail Business Program Plan” (HSR Business Program Plan), supersedes the above-referenced documents for new contracts.

All contracts and/or agreements executed prior to November 2, 2023, remain subject to the prior program plans listed below, as applicable:

- Revised Small & Disadvantaged Business Enterprise Program Plan for Professional Services Contracts (2012),
- Revised Small & Disadvantaged Business Enterprise Program Plan for Design Build Contracts (2012), and
- POLI-SB-01-15-01 - Management Memo (2015) – Revisions to Small & Disadvantaged Business Enterprise Program Plan (2012).

Additionally, procurements released prior to November 2, 2023, also remain subject to the program plans identified above.

For questions, concerns or clarifications as to which procurements, solicitations, contracts, and/or agreements are subject to this HSR Business Program Plan, please visit the [HSR Business Compliance webpage](#) or contact the HSR Business Compliance Manager at the [HSR Business Program Inbox](#)

B. Equity Commitment

As a public transportation agency, the Authority seeks to connect all of California through high-speed rail travel. At its core, high-speed rail has the potential to connect communities in California in a way unlike any other transportation mode currently available in the state. The High-Speed Rail (HSR) System will connect communities not only geographically, but also by advancing equity in state contracting to help all businesses and communities economically benefit from the building of the HSR.

The HSR Business Program is just one way the Authority is ensuring economic equity and inclusion in the construction of this project. The Authority’s [Community Benefits Agreement](#) (CBA), [National Targeted Hiring Initiative](#) (NTHI), [Environmental Justice](#) (EJ) and [Limited English Proficiency](#) (LEP) policies all work together to ensure that disadvantaged workers,

disadvantaged communities, individuals with limited English proficiency, and low-income households, have a voice and are included in the design and construction of the HSR System.

At the individual level, the Authority's CBA and national targeted hiring policy provide direct economic benefits to disadvantaged communities through the employment of socially and economically disadvantaged workers. In further alignment with the nondiscrimination requirements of [Title 49 Code of Federal Regulations \(CFR\), Part 26](#), and [California Assembly Bill \(AB\) 2019](#), all HSR Business Program activities and opportunities are shared broadly to the public and incorporated into the Outreach & Equity Plan. The Authority's Outreach & Equity Plan implements innovative public engagement strategies that specifically target businesses new to state contracting, as well as under-utilized businesses. As directed by [AB 2019](#), the Authority's outreach initiatives include distribution of tailored messages to individuals belonging to:

- Historically disadvantaged racial groups,
- LGBTQ groups,
- Women, and
- Veterans.

The Authority's [EJ Policy](#) considers environmental, social, and financial impacts of the HSR system for both current and future generations and is in compliance with the reporting requirements of the California Air Resources Board Greenhouse Gas Fund. The Authority's [EJ Policy](#) ensures that local communities surrounding the high-speed rail alignment benefit from the construction of the HSR System by identifying and addressing, as appropriate and when practicable, disproportionately high human health and environmental effects to under-represented, under-resourced, and low-income populations. In addition, the Authority provides free language assistance and translation services to individuals in alignment with its [LEP Policy](#). The Authority's LEP Policy ensures meaningful engagement, increases public access to HSR project information, and reduces language barriers for individuals with limited English proficiency.

C. HSR Business Program SB Reporting Policy

The Authority recognizes the joint responsibilities of all Authority units in successfully implementing the Authority's HSR Business Program. With few exceptions, the Authority's HSR Business Program goals are incorporated into all contracts involving work to be performed on the HSR Project. The HSR Business Program Reporting Policy assists Authority units in advancing and enforcing program objectives, including meeting and exceeding the established HSR Business Program goals. The most current publication of program goals and accepted business certifications for the HSR Business Program may be found on the [HSR Business Compliance Webpage](#).

The HSR Business Program Reporting Policy provides clarity, guidance and direction to Authority units to ensure compliance with all regulations involving or impacting the inclusion and participation of Small Businesses (including Microbusiness, Small Business, and Small Business for the Purpose of Public Works), Disabled Veteran Business Enterprises, and Disadvantaged Business Enterprises in state contracting. The business certifications accepted by the HSR Business Program are collectively referred to as SB/DVBE/DBE. As a state and federal assisted infrastructure project, the Authority is subject to the regulations and reporting requirements of multiple entities. The full copy of the HSR Business Program Reporting Policy may be accessed by clicking on the policy title.

D. HSR Business Program DBE Policy

The Authority is committed to creating a level playing field on which DBEs may fairly compete for Authority contracts. As a condition of federal financial assistance from the Federal Railroad Administration (FRA), the Authority signed an assurance to implement the best practices of [49 CFR 26](#), which pertains to the implementation of the U.S. Department of Transportation’s (USDOT) Disadvantaged Business Enterprise Program.

The Authority also provides assurance that all Authority activities are administered in good faith and without discrimination on the basis of race, color, sex or national origin, in alignment with [Title VI](#) and related statutes. Under the authority of [AB 2019](#), the Authority implements outreach strategies that specifically target and engage under-utilized businesses owned by individuals belonging to historically disadvantaged racial groups, individuals with disabilities, LGBTQ members, veterans, and women. The Authority’s race-neutral DBE Policy in combination with state and federal regulations provide an equal opportunity for DBEs to compete for and participate on federally assisted contracts and subcontracts.

E. HSR Business Program Plan Updates and Amendments

The HSR Business Program Plan is periodically updated to stay in compliance with amended, new or pending State and Federal regulations that affect implementation of the program. All updates to the HSR Business Program Plan will be posted on the Authority’s webpage where relevant sections are identified as “updated.”

If it is determined that the HSR Business Program Plan requires an amendment, such changes are proposed before the Authority Board of Directors (Board) for approval through a Board resolution. Once approved, amendments will be incorporated into the HSR Business Program Plan, published on the Authority’s website, and disseminated to relevant parties and entities for incorporation into solicitations and existing contracts.

1. Process for Proposed Changes to the Race-Neutral DBE Goal

The HSR Business Program team provides recommended changes to the DBE goal to the Authority Executive team, Board of Directors, SB/DVBE/DBE associations and to the small and disadvantaged business community for review, comment, and consultation. Following this consultation, the Authority posts a notice of the proposed DBE goal on the Authority’s website, informing the public that the proposed goal and its rationale are available for inspection over a 30-day comment period. The notice includes the HSR SB/DVBE/DBE Business Advocate (SB Advocate) and [HSR Business Program Inbox](#), where comments may be sent for consideration and discussion.

At the expiration of the public comment period, the HSR Business Program team makes a recommendation to the Board to render a decision to approve the recommended DBE goal. If approval is not granted, then resubmission of the recommendation is required. Resubmission of the recommendation is requested if the Board determines that specific elements of the proposed DBE goal require additional information, discussion and/or research. The proposed goal recommendation process will repeat as described above until the proposed goal is approved through a formal resolution by the Authority’s Board. The Authority will disseminate the resolution to federal agencies providing funding to the HSR Project.

II. CALIFORNIA HIGH-SPEED RAIL PROJECT & SYSTEM

The Authority is responsible for the planning, design, construction, and operation of the first HSR system in California. The system will run from San Francisco to the Los Angeles basin in less than three hours at speeds of over 200 miles per hour. The system will eventually extend to Sacramento and San Diego,



totaling 800 miles with up to 24 stations. In addition, the Authority is working with regional partners to implement a statewide rail modernization plan that will invest billions in local and regional rail lines to meet the State's 21st century transportation needs.

A. State Funding Sources

Sources of state funding include proceeds from California's Greenhouse Gas Reduction Fund (Cap-and-Trade) and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (2008 California Proposition 1A).

B. Federal Funding Sources

Federal funding for the planning, design, construction, and program implementation is provided with the U.S. Congress-approved American Recovery and Reinvestment Act of 2009 (ARRA). This funding is made available to the Authority through a grant agreement with the FRA. The FRA is one of the Operating Administrations of the USDOT.

III. OVERVIEW OF THE HSR BUSINESS PROGRAM

A. Program Summary

The Authority remains committed to ensuring that all California businesses have a fair opportunity to compete and participate on all Authority contracts. Therefore, in alignment with [AB 2019](#), the HSR Business Team implemented the Outreach & Equity Plan to ensure that all businesses, including SB/DVBE/DBEs earn an equitable share of California’s robust economy.

The purpose of the HSR Business Program Plan is to provide direction and guidance to all Authority Units, Consultants/Contractors, Subconsultants/Subcontractors, and any other interested parties performing work on the HSR System. The HSR Business Program Plan outlines the State and Federal regulations that require and/or impact the participation of SB/DVBE/DBEs on state and federal contracts.

This HSR Business Program Plan is accessible on the Authority’s HSR [Business Program Webpage](#), and is made available as an attachment and/or link in Authority solicitations and Consultant/Contractor Agreements. In collaboration with community partners, stakeholders, and advisory councils, the Authority developed the HSR Business Program Plan as a companion to the Authority’s POLI-1129 – DBE Policy and the Authority’s POLI-1003 - HSR Business Program Reporting Policy. Together the two policies replace the former Small and Disadvantaged Business Policy that was last updated in 2019.

B. Accepted Business Certifications

This HSR Business Program Plan uses the term “SB/DVBE/DBE” when referencing the collective of the State and Federal business certifications accepted for equity crediting in the HSR Business Program. In addition, the term “SBs” is used to reference the collective of small business certifications (MB, SB, and SB-PW) solely administered by the state of California.

The most current publication of accepted business certifications for the HSR Business Program may be found at the [HSR Business Compliance Webpages](#).

C. Program Goals Summary

Under the HSR Business Program Plan business participation goals are established for State certified SBs and DVBEs, and Federal certified DBEs. The Authority implements multiple goals intentionally to provide maximum practicable opportunities for small, disadvantaged, and disabled veteran business participation in state contracting. In addition, to maintain compliance with State and Federal regulations, the achievement of each HSR Business Program goal is measured independently of the other.

IV. HSR BUSINESS PROGRAM TEAM

Together, the SB Advocate with the support of the HSR Business Outreach (Business Outreach) and HSR Business Compliance (Business Compliance) teams identify and implement innovative strategies with the intent of increasing utilization of new businesses and under-utilized businesses. Such businesses include business owners who belong to historically disadvantaged groups, LGBTQ members, individuals with disabilities, Tribal groups, and women.

In addition, Authority personnel, and divisions, work together to support the implementation of the HSR Business Program. This collaborative approach ensures the effective administration and success of the HSR Business Program. The program support divisions and the HSR Business Program team are expected to give their full cooperation and active support to the SB Advocate in this effort.

A. SB Advocate

Designated by the Authority's Chief Executive Officer (CEO), the SB Advocate has direct, and independent access to the CEO concerning HSR Business Program matters. The SB Advocate administers the day-to-day operations, oversees outreach, and enforces compliance with the HSR Business Program. The SB Advocate is responsible for implementing all aspects of the HSR Business Program and ensuring that the Authority effectuates policies, procedures, and practices to achieve all program goals. The roles and responsibilities of the SB Advocate are in compliance with State and Federal laws and regulations, inclusive of the [Executive Order S-02-06, AB 2019](#), and [49 CFR Part 26.25](#).

The Authority personnel, divisions, and all members of the HSR Business Program team share in the responsibility of ensuring the effective implementation and success of the HSR Business Program.

The SB Advocate contact and department information is:

HSR SB Advocate

California High-Speed Rail Authority
770 L Street, Suite 620
Sacramento, CA 95814
(916) 431-2930
[HSR Business Program Inbox](#)

B. Outreach Team

The Business Outreach team strives to ensure that all California businesses, especially under-utilized businesses, are aware of Authority procurement and contract opportunities. In addition, the Business Outreach team conducts and/or promotes business training, education, resources,

and other supportive services (most of which are offered free of cost) that are available to Subconsultants/Subcontractors.

The HSR Business Program outreach focus is to meet Subconsultants/Subcontractors, including SB/DVBE/DBEs, where they are and tailor outreach efforts to meet the needs of each Subconsultant/Subcontractor. Realizing there is no “one size fits all” in providing support services to the Subconsultant/Subcontractor community, the Business Outreach team employs a variety of strategies to increase meaningful engagement, contract readiness, and Subconsultant/Subcontractor competitiveness.

C. Outreach & Equity Plan

The Authority reduces barriers for new businesses, and SB/DVBE/DBEs by implementing multi-layered communication and engagement platforms to make the HSR Business Program information and resources more accessible to California businesses. With the help of the Authority Strategic Communications & Media teams, the Business Outreach team uses social media platforms, newspapers, publications, webpages, radio outlets, and toll-free numbers to share and disseminate information, activities, trainings, and events that help to support and grow businesses. The HSR Business Outreach & Equity Plan may be found on the [HSR Business Program Webpages](#).

D. Business Outreach Activities

In broadening the reach of the HSR Business Program, the Business Outreach team necessarily rely on collaborations with stakeholders, and partners, such as the Business Advisory Council (BAC), the Department of General Services (DGS), Caltrans, SB/DVBE/DBE technical support resource partners, and more. The Authority also implemented and maintains a free online vendor registry, called [ConnectHSR](#), where businesses, large and small, may sign up to receive HSR business opportunities and have them delivered directly to their business or personal email inboxes. The Business Outreach strategies are flexible and are designed to adapt to the current needs of the SB/DVBE/DBE community. Current outreach tools include in the following:

1. Annual Diversity & Resources Fair

The annual Diversity and Resources Fair is a free networking event for individuals interested in starting a business, growing a business, or finding business opportunities for small, disadvantaged, and veteran-owned businesses. The Diversity and Resources Fair is a free event and is open to all businesses and individuals. This event provides attendees with the opportunity to:

- Attend panels on overcoming small business barriers and accessing capital and finance
- Network with business owners

- Meet one-on-one with Prime subcontractors that have current HSR contracts
- Learn about contract compliance, labor compliance, state contract audit, getting certified, getting paid timely, bid document review, and more.

2. *HSR Business Program Webpages*

The HSR Business Program webpages provide a wealth of information, resources, and support services for SB/DVBE/DBEs seeking to contract with the Authority or Authority Consultant/Contractors. Contracting opportunities, publications, upcoming events, and links to HSR Business Program partners and resources are found on the [HSR Business Program Webpage](#).

3. *HSR Business Program Newsletter*

The Authority's Strategic Communications & Media teams publishes a quarterly [Small Business Newsletter](#) that covers important issues impacting the SB/DVBE/DBE community, promotes outreach events, and includes a column dedicated to the SB Advocate. The newsletter also provides a space for Subconsultants/Subcontractors, including SB/DVBE/DBEs, to share their success stories to inspire other businesses.

4. *Connect HSR Vendor Registry*

The [Connect HSR Vendor Registry](#) (Vendor Registry), is a database comprised of businesses that intend to contract with the Authority and/or its prime Consultants/Contractors. The purpose of the Vendor Registry is to help Consultants/Contractors determine the availability of the businesses interested in providing services to the HSR project and provide potential and selected Consultants/Contractors with information on firms available for subcontracting opportunities. Businesses can access the Vendor Registry on the HSR website and at outreach events throughout California.

The Vendor Registry is available to the public, and includes the following information:

- Business name
- Contact information – address and phone numbers
- SB/DVBE/DBE certification type and status
- If the firm is not a SB/DVBE/DBE, their non-SB/DVBE/DBE status
- Type of business
- General or average annual gross receipts
- General business services
- Business's North American Industry Classification System (NAICS) Codes.

The Vendor Registry is available to prospective bidders and offerors to facilitate meeting the HSR Business Program goals. It is not a certification directory. SB/DVBE/DBE certification is validated through a recognized certifying agency. See [HSR Business Accepted Certifications & Program Goals Section](#) for more information about business certifications.

5. *HSR Business Assistance Requests*

The HSR Business Program provides multiple ways for Subconsultants/Subcontractors, including SB/DVBE/DBEs, to get assistance. Communication platforms include direct phone calls, email, video/audio conferencing or by USPS mail. Responding to the need for increased direct supportive services, the [HSR Business Assistance Form](#) was implemented and made available on the HSR Business Program webpage for businesses seeking tailored information and/or support.

Assistance requests are sent directly to the SB Advocate for review and assignment to the appropriate Authority staff. The [HSR Business Assistance Form](#) provides a direct line to the HSR Business Program team where Subconsultants/Subcontractors may:

- Request general information about the HSR Business Program;
- Submit disputes involving Authority Consultants/Contractors;
- Submit concerns involving payments;
- Escalate concerns regarding SB/DVBE/DBE utilization, and more.

V. PROGRAM SUPPORTIVE SERVICES & RESOURCE PARTNERS

A. Business Advisory Council (BAC)

On April 19, 2012 the Authority Board of Directors established and authorized the [Business Advisory Council](#) (BAC) to work in collaboration with the HSR Business Program team. This partnership is intended to ensure that the perspectives of the SB/DVBE/DBE community are given serious consideration in the planning, design and building of the HSR System. The BAC meets regularly and provides a forum for meaningful engagement with SB/DVBE/DBEs and ensure their equitable inclusion on the HSR project. The BAC also serves as a vehicle to disseminate Authority approved communications specific to HSR projects and programs.

The BAC is comprised of statewide construction and professional service business trade associations and SB/DVBE/DBE firms. Although it is not a decision-making body, in its advisory capacity, it provides the Authority with important input, feedback, and perspectives of California’s diverse SB/DVBE/DBE community that inform and impact the decisions made by the Authority Board. The collaboration and insight provided by the BAC serves to advance economic equity for Subconsultants/Subcontractors and assist the Authority in meeting the HSR Business Program goals.

B. Supportive Services

In effort to eliminate barriers that many Subconsultants/Subcontractors encounter, the HSR Business Program provides a variety of support services. These services include webinars, diversity and resource fairs, match-making activities with Consultants/Contractors, mentoring and partnering with government and nonprofit organizations. To leverage existing resources, the Authority works closely with the Small Business Development Centers and the USDOT Office of Small Disadvantaged Business Utilization. These partner agencies provide critical services in expanding the business capacity of new businesses and SB/DVBE/DBEs. The HSR Business Program partnerships bring a variety of resource support including help with accessing and securing business capital, insurance, and bonding.

The Authority implements strong outreach efforts to encourage businesses to get certified. The Business Compliance and Outreach teams also strongly urges businesses to pursue all certifications that are accepted by the HSR Business Program to which they are eligible.

Please visit the Authority’s [calendar of events](#) webpages to learn more about the latest HSR Business Program events.

C. Resource Partners

The State of California provides numerous resources available to assist SB/DVBE/DBEs at no cost. To leverage resources available to the HSR Business Program, the Authority executed

Memorandums of Understandings (MOUs) with such state entities and resource groups at the inception of the HSR project. The Authority executed the MOUs with the intention to provide comprehensive, wrap-around support services to Authority SB/DVBE/DBEs.

The Authority continues to work closely with small business development and technical assistance resource centers. The desired outcome of the Authority MOU partnerships is to increase SB/DVBE/DBEs access and utilization of these resources. When SB/DVBE/DBEs expand their capacity to bid the pool of eligible SB/DVBE/DBEs deepens and the Authority is better positioned to meet SB/DVBE/DBEs commitment and utilization goals.

The Authority's MOUs with industry, governments, and community partners are intended to provide supportive services in the following areas:

- Certification
- Capacity Building
- Communications
- Partnering
- Keys to Marketing and Negotiations
- Bonding and Insurance
- Contract Administration (including preparing schedules of values)
- Access to Capital
- Business Counseling and Training
- How to do Business with the Authority
- Networking
- Teaming and Joint Venturing

Please visit the Authority's [Resource Partners](#) webpage for a list of Authority resource partners.

VI. HSR BUSINESS PROGRAM NONDISCRIMINATION REQUIREMENTS

A. Federal Nondiscrimination Requirements

The Authority does not 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. In administering the HSR Business Program, and in compliance with applicable State and Federal law, the Authority does not directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing the accomplishment of the objectives of the HSR Business Program with respect to individuals of a particular race, color, sex, disability, or national origin.

In accordance with [Title VI](#) and related statutes, the Consultant/Contractor, regardless of tier, shall comply with the following nondiscrimination requirements:

1. Compliance with Regulations: The Consultant/Contractor shall comply with regulations relative to [Title VI of the Civil Rights Act of 1964](#) (nondiscrimination in federally funded programs of the USDOT - Title [49 CFR Part 21](#) and [Part 26.7](#). provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person shall, on the basis of race, color, sex or national origin, be excluded from participation in, denied the benefits of, or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.
2. Nondiscrimination: The Contractor, with regard to the work performed during the Agreement shall act in accordance with [Title VI](#). Specifically, the Consultant/Contractor shall not discriminate on the basis of race, color, sex or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Consultant/Contractor shall not participate either directly or indirectly in the discrimination prohibited by [49 CFR Part 21.5 et. seq.](#) of the USDOT's regulations, including employment practices.
3. Solicitations for subcontracts, including procurements of services, materials and equipment: In all solicitations, either by competitive bidding or negotiation made by the Consultant/Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Consultant/Contractor of the Consultant/Contractor's obligations under this Agreement and the regulations relative to nondiscrimination on the grounds of race, color, sex or national origin.
4. Information and reports: The Consultant/Contractor shall provide all information and reports required by the regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information,

and facilities as may be determined by the Authority or any duly authorized representative of the federal government to be pertinent to ascertain compliance with such regulations or directives. Where any information required of a Consultant/Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Consultant/Contractor shall so certify to the Authority, or any duly authorized federal agency as appropriate, and shall set forth what efforts it has made to obtain the information. As required in [49 CFR Part 26](#).

5. Sanctions for non-compliance: In the event of the Contractor's non-compliance with the nondiscrimination provisions of this Agreement, the Authority may impose such sanctions as it or any federal funding agency may determine to be appropriate, including, but not limited to:
 - i. Withholding of payments to the Consultant/Contractor under the Agreement until the Consultant/Contractor complies, including the suspension or termination of Federal funds, or refusal to approve projects, grants or contracts until deficiencies are remedied under [49 CFR 26.101\(a\)](#) and/or
 - ii. Cancellation, termination, or suspension of the Agreement, in whole or in part and/or
 - iii. Suspension or debarment under [49 CFR 26.107](#) and or civil penalties under [49 CFR 31](#).
6. Incorporation of provisions: The Consultant/Contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment. The Consultant/Contractor will take such action with respect to any subcontractor or procurement as the Authority or any federal funding agency may direct as a means of enforcing such provisions including sanctions for non-compliance.

Please refer to the appendix for the USDOT-assisted contracts clause that must be included in subcontract terms of all contracts funded with federally assisted dollars, regardless of tier.

B. Nondiscrimination Requirements for Federal Cooperative or Joint Development Agreements

In the case of cooperative or joint development agreements, including federal grant agreements, entered into with local governments or private entities, please defer to the requirements of the [California Public Utilities Code Section 185036](#), subsection (d) and [2 CFR 200.331](#) that regulate such agreements, including the imposition of a DBE utilization goal.

C. 100% State Funded Contracts Nondiscrimination Requirements

In accordance with State nondiscrimination requirements for any employer who is a Consultant/Contractor set forth in [Government Code Section 12990 et seq.](#) and Title 2, California Code of Regulations, Division 4, Chapter 5, Sections [8103](#), [8104](#), [8108](#) and [8113](#) (unless exempted pursuant to [Section 8115](#)), Consultants/Contractors or Subconsultants/Subcontractors with 50 or more employees shall provide a description of their firm's nondiscrimination plan designed to eliminate discrimination based on race, color, religion, age, sex, sexual orientation, disability or national origin.

Each Consultant/Contractor or Subconsultant/Subcontractor with fewer than 50 employees must provide a statement indicating that the firm has fewer than 50 employees and is therefore exempt from the requirement to provide a nondiscrimination plan.

1. *On-Site Performance Monitoring*

During the course of the contract, the Authority will perform periodic on-site monitoring to ensure that work committed to SB/DVBE/DBE firms is actually being performed by said firms. The Authority may also utilize the labor compliance field interview process as a secondary mechanism to verify that work awarded to SB/DVBE/DBE firms are actually being performed by each firm's own workforce. The interview results will be reconciled against the SB/DVBE/DBE Agreements submitted by the Consultant/Contractor and represented on the Form 103 reports.

2. *Written Certification*

As a part of the project/contract close-out process, the Authority will include a written certification that it has fully monitored the contract in accordance with the HSR Business Program policies and programs. The written certification will be maintained in the Authority's contract file and available upon request to the funding partner.

3. *General Administrative Remedies for Non-Compliance*

Areas of identified non-compliance will be subject to administrative or financial sanctions and may include termination of the contract. The Authority will consider all State and Federal regulatory options to impose administrative or financial sanctions.

All Consultants/Contractors deemed to be in non-compliance shall be informed in writing that administrative sanctions may be imposed for failure to comply with the HSR Business Program requirements. The Consultant/Contractor shall be given five (5) business-days from the date the notice was received to file a written appeal to the Authority. Failure to respond within the five (5) business-day period shall constitute a waiver of appeal. The notice shall state the specific administrative remedy to be imposed.

The Authority CEO or his/her designee, at his/her sole discretion, may schedule a hearing to gather additional facts and evidence and shall issue a final determination on the matter within five (5) business-days of receipt of the written appeal. The written decision of the CEO or designee is final and there is no further administrative appeal process.

VII. HSR BUSINESS ACCEPTED CERTIFICATIONS & PROGRAM GOALS

A. Accepted Business Certifications

The Authority accepts the business certifications listed in the table below for crediting in the HSR Business Program:

Table 1: Terms Used for Accepted Business Certification Types

Certification Name	Term	Jurisdiction	Certifying Agency
Microbusiness	MB	CA State	CA Department of General Services (DGS)
Small Business	SB	CA State	CA Department of General Services (DGS)
Small Business for Public Works	SBPW	CA State	CA Department of General Services (DGS)
Disadvantaged Business Enterprise	DBE	Federal	California Unified Certification Program (CUCP)
Disabled Veteran Business Enterprise	DVBE	CA State	CA Department of General Services (DGS)

Table 2: Terms Used for the Collective Business Certifications

Certification Types	Collective Term
<ul style="list-style-type: none">• MB,• SB, and• SBPW	SBs
<ul style="list-style-type: none">• MB, SB, SBPW• DVBE, and• DBE	SB/DVBE/DBE

B. Other Business Certifications Tracked & Reported

The Authority tracks and reports the commitment and utilization of other business certifications held by SB/DVBE/DBE Subconsultants/Subcontractors performing work on the project. All Subconsultants/Subcontractors are requested and encouraged to self-report all active certifications that they hold for federal and/or local business utilization programs, including:

- LGBTQ+ Business Enterprise
- Minority Business Enterprise (MBE)
- Service-Disabled Veteran Owned Small Business (SDVOSB)

- Veteran Owned Small Business (VOSB), and
- Woman Business Enterprise (WBE).

Authority Consultants/Contractors receive SB/DVBE/DBE commitment and utilization crediting only for accepted business certifications of the HSR Business Program. However, the HSR Business Team uses the certification data self-reported by Subconsultants/Subcontractors to identify opportunities to expand the program and further develop outreach strategies.

C. HSR Business Program Participation Goals

The Authority has established a comprehensive HSR Business Program to provide maximum practicable opportunities to certified SB/DVBE/DBE to fairly compete for state contracts. The Authority measures the progress of each program goal separately, as each goal is subject to the laws regulating each certification. Hence, the HSR Business Program is comprised of three goals with each goal expressed as an independent, and stand-alone goal. The three goals are tracked and monitored by the HSR Business Program team and include a state SB goal, a state DVBE goal, and a federal DBE goal. In addition, the state SB goal includes a MB carve-out goal which is included within and not in addition to the SB goal percentage. The most current publication of HSR Business Program Goals may be found on the Authority's [Business Compliance Webpage](#).

HSR BUSINESS PROGRAM GOALS		
State Goal	SB (MB carve-out – 3%)	25%
State Goal	DVBE	03%
Federal Goal	DBE	10%

State Small Business Goal 25%

With the passage of [AB 2019](#) and noncompliance with Executive Orders [D-37-01](#) (Davis) and [S-02-06](#) (Schwarzenegger), state agencies are directed to implement a 25 percent SB participation goal in state procurements and contracts that includes combined commitments to MB, SB, and SB-PW firms. The Authority is committed to achieve and even exceed the state SB participation goal.

The DGS, a California State agency, monitors the progress of the Authority and all other state agencies, departments, boards, and commissions in meeting the statewide SB participation goal. The SB goal is state specific, and the SB participation percentage is only applied toward total State dollars received by the Authority from the State. Therefore, the Authority does not apply the 25 percent state participation goal to the portion of Consultant/Contractor contract dollars that are funded with non-state dollars, including federally assisted dollars. The most current publication

of HSR Business Program Goals may be found on the Authority's [Business Compliance Webpage](#).

State Disabled Veteran Business Enterprise Goal **03%**

The HSR Business Program's DVBE goal is in compliance with the requirements of [Executive Order D-43-01](#) and [Military & Veterans Code 999](#), which require State agencies to take all practical actions necessary to meet or exceed the minimum three (3) percent DVBE participation goal. The DVBE goal is applied to all dollars that fund a contract. Therefore, the Authority applies the program's DVBE goal toward the total contract value of each Consultant/Contractor HSR agreement, which may include a combination of state and federally assisted dollars.

The DGS is the State agency responsible for monitoring the progress of all agencies, departments, boards, and commissions towards meeting the three (3) percent DVBE participation goal. To maximize opportunities for veteran owned small businesses, the Authority tracks and reports utilization of VOSBs and SDVOSBs. The most current publication of HSR Business Program Goals may be found on the Authority's [Business Compliance Webpage](#).

Federal Disadvantaged Business Enterprise Goal **10%**

Through [49 CFR Part 26.41\(a\)](#), the USDOT establishes a participation goal of not less than 10 percent for DBEs on projects receiving federal funding from a USDOT Administration. Therefore, as a recipient of FRA funding, the Authority implemented a wholly race-neutral DBE goal as a separate goal within its HSR Business Program, to which the Authority, and Authority Consultants/Contractors must demonstrate good faith efforts to achieve.

The FRA accepted the Authority's HSR Business Program (formerly named the Small and Disadvantaged Business Enterprise Program) that was adopted by the Authority Board in the approval of [Resolution #HSRA 12-21](#), including a race-neutral goal established for DBEs.

The HSR Business Program applies the race-neutral DBE goal toward the total contract value of each Consultant/Contractor HSR agreement, which may include a combination of state and federally assisted dollars. Federally assisted dollars may include FRA grants that require matching State funds, or other USDOT department funding. The most current publication of HSR Business Program goals may be found on the Authority's [Business Compliance Webpage](#).

VIII. STATE & FEDERAL DATA COLLECTION & REPORTING REQUIREMENTS

A. Authority SB/DVBE/DBE Reporting Requirements

1. Authority SBs and DVBE Reporting Requirements

- **Monthly Reports**

In accordance with the [Public Contract Code 10111](#) and in accordance with the reporting requirements of the Privacy Act of 1974, [5 U.S.C. Section 552\(a\)](#), the Business Compliance team reports SBs and DVBE commitments to the Authority's Board and designated Authority units. Business utilization data collected and compiled by the Authority Business Compliance team includes data reported by the Consultant/Contractors in their monthly SB/DVBE/DBE report (Form 103).

- **Annual Reports**

The Authority must also submit the Consolidated Annual Report (DGS PD 810) to DGS by October 1st of each year listing SBs, and DVBE contract and subcontract awards for the previous fiscal year on solely State funded contracts.

2. Authority Federal DBE Reporting Requirements

- **Bi-Annual Reports (Twice Per Year)**

The Authority reports DBE utilization on the USDOT Uniform Report of DBE Awards or Commitments and Payments Form (USDOT DBE Form) based on federal dollars received by the FRA. The Authority's DBE Report is submitted to the FRA on a semi-annual basis on June 1 and December 1 of each year. The June 1 report contains information for the period from October 1 through March 31. The December 1 report contains information for the period from April 1 through September 30.

The USDOT DBE Form captures DBE utilization on Authority USDOT-assisted contracts where all reported dollar amounts paid to the Authority Consultants/Contractors and Subconsultants/Subcontractors reflect only the federal share of such contracts.

The Authority, on an annual basis, reviews its DBE attainments in contrast to its DBE goal to determine if any measures, including Race-Conscious Measures would need to be instituted to effectively meet its established DBE goal. In the event the Authority does not meet its DBE goal at the end of the fiscal year, in conformance with USDOT guidance, the Authority will analyze the reasons for the shortfall and establish specific steps and milestones to correct problems identified. An effective analysis of the shortfall will enable the Authority to meet its goal in the new fiscal year. The Authority must submit the analysis and corrective actions within 90 days of

the end of the fiscal year for FRA approval.

When the FRA approves the report, the Authority is considered in compliance with the best practices of [49 CFR Part 26](#) for the remainder of the federal fiscal year. FRA may impose conditions on its approval, including the requirement to increase good faith efforts or modify the DBE Program race-neutral measures for the remainder of the federal fiscal year.

See sample forms in the [Attachments Section](#).

B. Consultant/Contractor Data Collection & Reporting Requirements

Consultants/Contractors must fully comply with the Authority's SB/DVBE/DBE activity reporting, ad-hoc reports, record keeping and report submittal requirements.

1. Monthly Narrative & Progress Report

Submit to: Business Compliance Manager
By the 15th of each month

Each Consultant/Contractor must submit a monthly narrative and progress report to the Business Compliance team that provides a written summary of their SB/DVBE/DBE commitment and utilization during the reporting period. This report is submitted to the Business Compliance Manager with each monthly invoice and is intended to be a companion report to the Form 103 that is due to the Business Compliance Manager by the 15th of each month.

Each Narrative and Progress Report must include a summary stating whether:

- The Consultant/Contractor is on target with respect to the HSR Business Program goals as set forth in the HSR Agreement;
- The Consultant/Contractor has exceeded each goal and if so, stating the amount of the excess or;
- The Consultant/Contractor is behind target, and if so, the amount of the deficit. If any progress report shows that the Consultant/Contractor is behind target or if the Consultant/Contractor anticipates being behind target, the report must include satisfactory evidence of all actions undertaken. The Consultant/Contractor must also specify additional steps to be taken to remedy deficiencies towards meeting the program goal(s). Following review and concurrence of such proposed additional actions by the Authority, the Consultant/Contractor shall modify and update its SB/DVBE/DBE utilization strategies and activities that address the deficiencies. For construction agreements that require the submission of a SB/DVBE/DBE Performance Plan (SB Performance Plan), this plan must also be modified or updated accordingly.

See sample forms in the [Attachments Section](#).

2. *SB/DVBE/DBE Utilization Form 103*

Submit to: Business Compliance Manager
By the 15th of each month

The HSR Business Form 103 (Form 103) captures SB/DVBE/DBE commitment and utilization data at all Subconsultant/Subcontractor tiers. The Business Compliance team will keep a running tally of actual and verified payments made to SB/DVBE/DBEs for contracted work.

Consultants/Contractors must submit the Form 103 to the Business Compliance Manager by the 15th of each month. The contract specifications shall describe the method in which to transmit the monthly report.

The Form 103 is designed to capture and report information inclusive of the following:

- i. Name of each SB/DVBE/DBE utilized by the Consultant/Contractor
- ii. Type of work assignment designated to each SB/DVBE/DBE.
- iii. The dollars committed to each SB/DVBE/DBE.
- iv. The dollars paid to each SB/DVBE/DBE during the reporting period.
- v. The dollars paid to date for each SB/DVBE/DBE.
- vi. The dollars paid to the SB/DVBE/DBE as a result of a change order or other cost modification.
- vii. The dollars paid to date as a percentage of the total commitment to each SB/DVBE/DBE.
- viii. Date of last progress payment to the Consultant/Contractor.
- ix. Invoice number corresponding to last payment to the Subconsultant/Subcontractor.
- x. An authorized Consultant/Contractor signature that certifies under penalty of perjury that it has complied with all the HSR Business Program requirements, including prompt payment and retainage requirements as required by state and federal laws.

Failure to submit Form 103 reports may result in the issuance of a non-compliance notice from the Business Compliance Manager. Form 103 reports more than 30 calendar days past due may be referred to the Authority Contract Manager and/or the Authority legal team for investigation and determination.

See sample forms in the [Attachments Section](#).

3. *Prompt Payment Report*

Submit to: Business Compliance Manager
By the 15th of each month

Each Consultant/Contractor must submit a monthly “Prompt Payment Report” to the SB Compliance Manager no later than the 15th of each month (and at more frequent intervals if

requested by the Authority). The Prompt Payment Report documents the Contractor's compliance with state and federal laws regulating Prompt Payment and Retainage. The Prompt Payment Report must detail:

- i. The date the Consultant/Contractor invoiced the Authority;
- ii. The date the Consultant/Contractor receives payment from the Authority;
- iii. The date the invoice is received from each lower-tier Subcontractor;
- iv. The amount invoiced by each lower-tier Subcontractor;
- v. The amount paid to each lower-tier Subcontractor;
- vi. The amount of retention, if any, withheld by the Consultant/Contractor;
- vii. The date the lower-tier Subconsultant/Subcontractor is paid.

The Authority shall use the monthly Prompt Payment Report to monitor and track the Consultant's/Contractor's compliance with prompt payment regulations. Evidence of payment made to subcontractors must be provided at the Authority's request. Credits to the Consultant/Contractor for progress toward the HSR Business Program goals are given based upon satisfactory evidence that payments were actually made to Subconsultants/Subcontractors.

See sample forms in the [Attachments Section](#).

4. *Annual Report*

Submit to: Business Compliance Manager
August 1 Annually

Each Consultant/Contractor must submit an Annual Report on or before August 1 of each year of the contract term that summarizes the Consultant's/Contractor's SB/DVBE/DBE utilization, performance over the prior year from January 1 through December 31, and plans for the upcoming year.

5. *Request to Add a Subconsultant/Subcontractor (RTA)*

Each Consultant/Contractor must submit a "Request to Add SB Subconsultant/Subcontractor" (RTA) for each new SB/DVBE/DBE Subconsultant/Subcontractor to which they have entered into an Agreement for work on this project. The RTA form, and supporting documentation is required to be submitted within 14 calendar days after the execution of the Subconsultant/Subcontractor Agreement. While retro-active crediting is provided, SB/DVBE/DBE utilization crediting does not get counted, verified or reported until approval of the RTA by the Business Compliance team. The RTA submission must:

- i. Include the executed Subconsultant/Subcontractor Agreement that has all flow-down provisions and terms of the HSR Agreement;

- ii. Show proof of valid SB/DBE/DVBE certification at the time the Agreement was executed;
- iii. List a NAICS and/or SBs Classification consistent with the Agreement scope of work.
- iv. List a scope of work that does not encroach upon the scope of work of a previously awarded Subconsultant/Subcontractor, including a bid-listed Subconsultant/Subcontractor that has not commenced work on the project.

RTAs are submitted within the Online Compliance Database as a “Sub Request”. More information on how to submit an RTA may be found on the [HSR Business Compliance Webpage](#).

See the [Addition or Amendment of a SB/DVBE/DBE Contract](#) Section for details regarding adding a new Subconsultant/Subcontractor.

6. *Request to Substitute or Terminate a Subcontractor*

Consultants/Contractors must submit required and complete information and documentation to formally request a substitution and/or termination of a SB/DVBE/DBE:

- Listed at the time of bid, or
- Approved post award.

The Authority must approve all SB/DVBE/DBE substitution and termination requests and provide written consent prior to the Consultant/Contractor implementing any substitution or termination.

Requests to Substitute or Terminate are submitted within the Online Compliance Database as a “Sub Request”. More information on how to submit a request may be found on the [HSR Business Compliance Webpage](#).

See [Addition or Amendment of a SB/DVBE/DBE Contract](#) Section for details regarding Substitution/Termination of a SB/DVBE/DBE Subcontractor.

7. *Workforce and Personnel Data Reporting*

The worker data provided by the Consultant/Contractor will be submitted under confidential cover and will be used to identify the total dollars paid and total hours worked by HSR Project workers who live in disadvantaged communities as determined by the California Environmental Protection Agency (CalEPA) and National Targeted Hiring Initiative (NTHI) guidelines.

Consultant/Contractors are required to submit:

- i. Monthly report for wages earned by each employee and/or owner using anonymous identifiers for all employees and/or owners – due on the 30th of each month (with the exception of January and July each year)

- ii. July Mid-Year report indicating total wages earned by each employee and/or owner over the first 6-months of the year for all employees and/or owners, using anonymous identifiers for all employees – due July 30th annually.
- iii. January Annual report that identifies the wages earned by each employee and/or owner for the preceding year from January-December, using anonymous identifiers for each employee and/or owner – due on July 30th of each year.
- iv. Unique anonymous identifiers for each employee and/or owner must include the employee and/or owners address for compliance with Cap & Trade fund reporting.
- v. This data will be used to provide a CalEnviroScreen map of HSR dollars at work across California communities.

The July Mid-Year Worker Data Report shall provide worker data for the first six months of the fiscal year and the January Annual Worker Report shall provide historical worker data from the commencement of the Contractor’s Agreement through the end of the reporting period.

Information to be submitted must contain all personnel data, inclusive of prevailing wage workers.

8. *Online Compliance Database Reporting*

The Authority uses an online compliance database (OCD). This diversity management and compliance software assists the Business Compliance Unit (BCU) in monitoring and tracking payments made to Consultants/Contractors by the Authority, as well as payments made to Subconsultants/Subcontractors by their Consultant/Contractor.

Visit the [HSR Business Compliance page](#) to learn more.

9. *Under-Utilized SB/DVBE/DBE Report*

Consultants/Contractors must submit a detailed Under-Utilized SB/DVBE/DBE Report (USB Report) on a quarterly basis. Consultants/Contractors will report actual utilization percentages for all approved SB/DVBE/DBEs whose utilization is less than 100% of the SB/DVBE/DBE contracted amount.

The USB Report must include:

- A list of all SB/DVBE/DBEs with a utilization under 100% of the total contracted amount.
- The Consultant/Contractor’s plan to meet contractual obligations to fully utilize the SB/DVBE/DBE.
 - Plan must include a time frame based on the current scope of work of the Consultant/Contractor Agreement with HSR.
 - If the SB/DVBE/DBE cannot be fully utilized, the Consultant/Contractor must briefly explain why.

Failure to submit the USB Report will result in the issuance of a non-compliance notice from the Business Compliance Manager. USB Reports more than 30 days past due may be referred to the Authority contract manager and/or the Authority legal team for investigation and determination.

C. Fraudulent Certification and/or Reporting

Persons who are found to willfully and knowingly aid or assist in fraudulent HSR Business Program eligibility or false data reporting are referred to the appropriate certifying agency for investigation and determination of suspected conduct. The Business Compliance Manager may refer reports of fraud to Authority contract managers and/or the Authority legal team, based on the following regulations for each certification type:

1. *SBs Fraudulent Eligibility and False Reporting Regulations*

Fraudulent SB conduct may be subject to civil penalties, costs, and other sanctions by the DGS. California Government Code [14842](#) (a) and 14842.5(a); Gov Code § 14842(a-g) and [Gov Code § 14842.5\(b-e\)](#); and [2 CCR 1896.7](#).

2. *DVBE Fraudulent Eligibility and False Reporting Regulations*

Persons who willfully and knowingly aid or assist in fraudulent or false DVBE conduct may be subject to civil and criminal penalties, costs, and other sanctions. [Military and Veterans Code § 999.9\(a-c\)](#) ; [Public Contract Code § 10115.10\(a\)\(1-5\)](#); [2 CCR 1896 et seq.](#) An action for a civil penalty under this subdivision may be brought by any public prosecutor in the name of the people of the State of California and the penalty imposed shall be enforceable as a civil judgment for the false reporting of DVBE utilization under [Military and Veterans Code § 999.5\(f\)](#) .

3. *DBE Fraudulent Eligibility and False Reporting Regulations*

In consideration of [49 CFR Part 26.107\(a\)](#) , the State and/or the USDOT may seek to impose the following sanctions on a business that is awarded a contract that it would not have been awarded but for the fraudulent obtainment of a DBE certification:

- Pay to the State any difference between the contract amount and what the State's costs would have been if the contract had been properly awarded.
- Pay to the awarding State agency and the department an amount that is equal to the costs incurred to investigate the small business certification.
- Be assessed a penalty in an amount of not more than ten (10) percent of the amount of the contract involved.
- The DBE will be suspended from business with the State for a period of not less than 3 years and not more than 10 years.
- Initiate suspension or debarment proceedings against the DBE under 2 CFR Parts 180 and 1200.

- Material breach of contract which may result in termination of the contract or other remedy that the Authority deems appropriate.

D. Consultant/Contractor Prompt Payment Requirements

In accordance with the [California Prompt Payment Act \(Government Code, Section 927, et seq.\)](#), the Authority must make payment to its Consultant/Contractor for undisputed invoices within 45 days of receipt of the invoice(s). If there is a dispute on a submitted invoice, the 45-day time frame is paused until the dispute is resolved.

Consultant/Contractor Prompt Payment to Subconsultants/Subcontractor

Consultants/Contractors are held to the prompt payment standards established by [California Business and Professions Code 7108.5](#). Consultants/Contractors must make payment to any Subconsultant/Subcontractor no later than seven (7) days after the Authority's progress payment is made to the Consultant/Contractor. In addition, Subconsultants/Subcontractors who enter subagreements with other Subconsultants/Subcontractors are also subject to the seven-day prompt payment timeline which begins to toll on the date that the Subconsultant/Subcontractor receives payment from the Consultant/Contractor.

For all applicable Agreements, the Authority includes a prompt payment clause (or similar language) in each Authority Agreement. These same provisions must also appear in all Contracts or Agreements that the Consultant/Contractor executes with its Subconsultants/Subcontractors. For prompt payment purposes, the Authority uses calendar days as a measure of timely payment.

1. *Good Faith Dispute*

In the event there is a good faith dispute over all or any portion of the amount due on the payment from the Consultant/Contractor or Subconsultant/Subcontractor to a Subconsultant/Subcontractor, the Consultant/Contractor or Subconsultant/Subcontractor may withhold no more than 150 percent of the disputed amount.

For assistance with prompt payment issues, Consultants/Contractors and Subconsultants/Subcontractors are encouraged to contact the Business Compliance Team, or the SB Advocate directly for assistance. Alternatively, Consultants/Contractors and Subconsultants/Subcontractors may submit a [HSR Business Assistance Request Form](#) for prompt payment resolution.

See the Appendix for the [prompt payment clause](#) to be included in Authority, Consultant/Contractor and Subconsultant/Subcontractor Agreements.

These same provisions must also appear in Contracts or Agreements that the Consultant/Contractor executes with its Subconsultants/Subcontractors. For prompt payment purposes, the Authority uses calendar days as a measure of timely payment.

E. Contract Close-Out Reporting Requirements

The following requirements are in addition to the SBs, DVBE, and DBE monthly, quarterly, bi-annual, and/or annual compliance reporting stated elsewhere in this HSR Business Program Plan:

- **SBs Contract Close-Out:**
The Consultant/Contractor shall within 60 calendar days of receiving final payment under the Agreement (or within such other time period as may be specified elsewhere in the Agreement) report to the awarding department the actual percentage of SB participation that was achieved. ([Government. Code § 14841](#)) SB, MB and SB-PW classifications are included within this reporting requirement.
- **DVBE Contract Close-Out:**
The Consultant/Contractor shall within 60 calendar days of receiving final payment under the Agreement (or within such other time period as may be specified elsewhere in the Agreement) certify in a report to the Authority:
 - a) the total amount the Consultant/Contractor received under the Agreement;
 - b) the name and address of the DVBE(s) that participated in the performance of the Agreement;
 - c) the amount each DVBE received from the Consultant/Contractor;
 - d) that all payments under the Agreement have been made to the DVBE; and
 - e) the actual percentage of DVBE participation that was achieved, based on the total Agreement dollars received by the Consultant/Contractor.

In compliance with DGS P-05-05, DVBE utilization must be captured on the [DGS STD 817](#) report form. The Authority is further directed by DGS to:

- withhold up to \$10,000 of the Consultant/Contractor final payment until the 817 form is received.

See the Appendix for the required [DVBE Close-Out clause](#) that must be incorporated into each HSR, Consultant/Contractor, and Subconsultant/Subcontractor Agreement.

Lastly, there is a six-year records retention required for DVBE utilization.

F. Record Maintenance and Confidentiality

The Authority shall maintain records for the period prescribed in the [State Records Management Act](#) (Government. Code 12270-12279) and the [Federal Records Management](#) (44 U.S.C. 31) and requires the Consultant/Contractor to do the same. The Authority shall safeguard from disclosing

to third parties' information that may reasonably be regarded as confidential business information, under applicable federal and State laws, including the confidentiality laws of the Privacy Act of 1974, [5 U.S.C. Section 552\(a\)](#).

When not prescribed as retained for a longer period, the Authority requires a seven (7) year records retention period of contract documents. (See the State Contracting Manual, Vol. 2, Section 2100.5 on "Record Retention and Contract Administration," which provides that due to the need for purchase order and contract purchase files for litigation, the Attorney General's Office has directed "such records should be retained for seven years from the end of the fiscal year in which encumbrance is liquidated.")

IX. CONSULTANT/CONTRACTOR COMPLIANCE

The Authority establishes HSR Business Program goals based on the laws and regulations specific to each certification designation. The HSR Project is funded with both State and federal sources, requiring the Authority to establish multiple goals in compliance with:

- [AB 2019](#), and [Executive Order S-02-06](#) regulation governing the California State MB, SB, and SB-PW goal, as administered by the DGS.
- [Executive Order D-43-0](#), and [Military & Veterans Code 999 \(M&VC 999\)](#) regulations governing the California State DVBE goal, as administered by DGS; and
- [49 CFR Part 26](#) regulations governing DBE goals, as administered by the USDOT.

Therefore, the Authority will measure each Consultant/Contractor's progress toward meeting each HSR Business Program goal separately from the other.

A. Certified SB/DVBE/DBE Directories & Certification Agencies

The Authority and its Consultants/Contractors utilize local and statewide agency directories to identify and verify certified SB/DVBE/DBEs for contracting opportunities including, but not limited to, the agencies listed below:

Certification	Jurisdiction	Certifying Agency & Search Directory
MB SB SB-PW	State	Department of General Services -DGS
DVBE	State	Department of General Services -DGS
DBE	Federal	California Unified Certification Program - CUCP

Each directory provides the firm's name, address, phone number, fax number, certification status and the type of services the firm provides.

The most current publication of qualifying business certifications for the HSR Business Program may be found at the [HSR Business Compliance Webpage](#)

B. Continuous Certification

In alignment with DGS and USDOT certification renewal requirements the HSR Business Program also requires that all Consultants/Contractors and Subconsultants/Subcontractors maintain and provide documentation of active MB, SB, SBPW and DBE certification throughout the duration of their Contract or Agreement. In the case where a SB or DBE certification ends

due to graduation because it exceeds the size standards established by the SBA, such firms are exempted from the Authority's continuing certification requirement. In addition, the Consultant/Contractor may continue to count utilization of graduated SBs and DBEs toward the HSR Business Program goals. As long as the SB or DBE firm has an active certification at the time the Contract or Agreement is executed, the Authority will credit utilization to the Consultant/Contractor. Please note, there are no business size restrictions for DVBE firms.

C. SB/DVBE/DBE Merger or Assignment

In the case where a SB/DVBE/DBE executes an Agreement with the Consultant/Contractor or another Subconsultant/Subcontractor and the SB/DVBE/DBE assigns, merges or sells its business interest to another business entity, the utilization crediting for the former SB/DVBE/DBE firm is permanently suspended as of the dissolution date of the assigned, merged, or sold firm. If the newly formed entity that assumed the SB/DVBE/DBE qualifies for SB, DVBE, or DBE certification, utilization crediting may continue upon submission of an RTA form that receives approval by the Authority.

D. Subconsultant/Subcontractor Onboarding Meeting Requirements

The Consultant/Contractor along with its SB/DVBE/DBE Business Officer (SBO) shall host SB/DVBE/DBE partnering meetings or kick-off meetings with representatives from each Subconsultant/Subcontractor firm, the SB Advocate, HSR Business Compliance Manager, and other appropriate Authority staff. These meetings should take place within 15 calendar-days of issuance of the Notice to Proceed (NTP) to ensure all parties understand and are acclimated to the HSR Business Program requirements, including the contract requirements and/or the commitments made in the Consultant/Contractor's SB Performance Plan, if any.

For construction contracts, if held in person, the meeting should be held in proximity to the construction site. The agenda will include discussion of the roles and responsibilities of the SBO and how the Consultant/Contractor will assist Subconsultant/Subcontractors, including SB/DVBE/DBEs, in understanding the requirements outlined in their Agreements. The Authority will provide an overview of the HSR Business Program requirements, including prompt payment, retention, CUF standards, reporting requirements and other matters. The Consultant/Contractor is responsible for notifying all Subconsultant/Subcontractor of the HSR Business Program and SB Performance Plan requirements, regardless of tier.

E. Executing Subconsultant/Subcontractor Agreements

The Consultant/Contractor shall submit to the Business Compliance Manager copies of all executed SB/DVBE/DBE subcontracts and/or purchase orders (PO), including non-SB subcontracts that require the meeting of HSR Business Program goals, within 14 calendar-days after the NTP is issued by the Authority.

Each Consultant/Contractor is responsible for complying with the terms of the Authority Agreement and will ensure that all of their Subconsultant/Subcontractor Agreements include all required flow-down provisions from the Consultant/Contractor Agreement with the Authority, including the [Prompt Payment Clauses](#) and the [Nondiscrimination Clauses](#) referenced in this program plan.

For all Subconsultant/Subcontractor Agreements where the Consultant/Contractor requires the achievement of a SB/DVBE/DBE goal by the Subconsultant/Subcontractor, the Consultant/Contractor must take effective steps to ensure that the Subconsultant/Subcontractor meets or exceeds the established goal(s). Ensuring that the Subconsultant/Subcontractor meet the goal established in the Agreement includes not only monitoring and tracking goal progress, but also providing support and resources to the Subconsultant/Subcontractor when there is an anticipated shortfall in progress toward achieving the goal(s).

Subconsultant/Subcontract Agreements entered into subsequent to the issuance of the NTP, shall be submitted to the Authority along with a completed RTA form or other Authority approved documentation. The RTA submission must also include documentation of the Subconsultant/Subcontractor SB/DVBE/DBE active certification, when applicable. Such documentation is due to the Business Compliance Manager within 14 calendar-days following the commencement of the work by the Subconsultant/Subcontractor, regardless of the vendor tier.

F. Addition of a New Subconsultant/Subcontractor Agreement

The Authority requires that a Consultant/Contractor, or its Subconsultant/Subcontractor, obtain the Authority's prior written consent to add a new SB/DVBE/DBE to the Form 103 report. Also, the addition of a new SB/DVBE/DBE Agreement may not have the effect of decreasing the value, commitment, or scope of a valid Subconsultant/Subcontract Agreement previously executed by the Consultant/Contractor.

Within 14 calendar-days of execution of a SB/DVBE/DBE Subconsultant/Subcontract Agreement, the Consultant/Contractor must complete and submit an RTA form to the Business Compliance Manager for review and approval. The RTA form must be submitted with the executed subcontract and all other supporting documentation. The Consultant/Contractor must also provide the Business Compliance Manager with the information requested upon identification of any SB/DVBE/DBE Subconsultant/Subcontractor or supplier firm not previously listed to perform under the contract. Only SB/DVBE/DBEs with approved RTAs may be included on the Consultant/Contractor's monthly Form 103 report.

The Authority reserves the right to amend these forms at any time during the life of the contract to require additional information, as deemed necessary for compliance with State and Federal regulations.

G. Amendment of A Pre-Existing Subconsultant/Subcontract Agreement

The Authority requires that a Consultant/Contractor, or its Subconsultant/Subcontractor, obtain the Authority's prior written consent to amend an existing Subconsultant/Subcontractor Agreement. Amendments to a validly executed Subconsultant/Subcontract Agreement may not have the effect of decreasing the value, commitment, or scope of the original Agreement without prior approval by the Authority.

H. Substitution or Termination of a Subcontractor

1. Guidelines for Substitution or Termination of a Subconsultant/Subcontractor

The Authority requires that a Consultant/Contractor, or its Subconsultant/Subcontractor, not substitute or terminate any Subconsultant/Subcontractor without the Authority's prior written consent. This includes, but is not limited to, instances in which a Consultant/Contractor or its Subconsultant/Subcontractor seek to perform work originally designated for a SB or DVBE with its own forces or those of an affiliate, a non-SB, or with another SB or DVBE not originally listed on the award.

The Authority enforces the provisions of [Public Contract Code \(PCC\), Subletting and Subcontracting Fair practices Act \(PCC §§ 4100 – 4114\)](#), including but not limited to [§4107](#), to the extent applicable. The Authority will provide written consent for a substitution or termination only if it agrees with the reasons stated in the Consultant/Contractor's written justification that there exists good cause to substitute or terminate the SB or DVBE. For purposes of this section, good cause includes the following circumstances (the term Consultant/Contractor and Subconsultant/Subcontractor are used interchangeably, respectively below):

- The listed subcontractor, after having had a reasonable opportunity to do so, fails or refuses to execute a written contract for the scope of work specified in the subcontractors bid and at the price specified in the subcontractor's bid; when that written contract, based upon the general terms, conditions, plans and specifications for the project involved or the terms of that subcontractor's written bid is presented to the subcontractor by the contractor.
- The listed subcontractor becomes insolvent or is the subject of an order for relief in bankruptcy.
- The listed subcontractor fails or refuses to perform the work of its subcontract.
- The listed subcontractor fails or refuses to meet the contractor's bond requirements, as set forth in [Public Contract Code Section 4108](#).
- The contractor demonstrates to the Authority, subject to the further provisions set forth in [Section 4107.5](#), that the name of the subcontractor was listed as a result of an inadvertent clerical error.
- The listed subcontractor is not licensed pursuant to the contractor's license laws.

- The Authority determines that the work performed by the listed subcontractor is substantially unsatisfactory and not in substantial accordance with the plans and specifications, or the subcontractor is substantially delaying or disrupting the progress of the work.
- The listed subcontractor is ineligible to work on public works projects pursuant to [Section 1777.1 or 1777.7](#) of the California Labor Code.
- The Authority determines that a listed subcontractor is not a responsible contractor.
- The listed subcontractor voluntarily withdraws from the project and provides written notice of its withdrawal.
- Other documented good cause that compels the substitution or termination of the subcontractor. Provided that good cause does not exist, if the contractor seeks to substitute or to terminate a subcontractor it relied upon to obtain the contract so that the contractor can self-perform the work for which the subcontractor was engaged or so that the contractor can substitute another subcontractor after contract award.

Prior to approval of the Consultant/Contractor's request for the substitution, the Authority shall give notice in writing to the Subconsultant/Subcontractor of the request to substitute and the reasons for the request. The notice shall be served by certified or registered mail to the last known address of the Subconsultant/Subcontractor. The listed Subconsultant/Subcontractor who has been notified has five (5) business-days within which to submit written objections to the substitution to the Authority. Failure to file these written objections constitutes the listed Subconsultant/Subcontractor's consent to the substitution.

If written objections are filed, the Authority shall give notice in writing at least five (5) business-days to the listed Subconsultant/Subcontractor. A hearing on the Consultant/Contractor request for substitution will be held by the Authority or an Authority designee.

2. *Guidelines for Substitution or Termination of a DVBE Subconsultant/Subcontractor*

The Authority enforces additional provisions under [Military and Veterans Code § 999.5](#) for the proposed substitution of a DVBE, where a DVBE goal is established on the contract. A Consultant/Contractor may, subject to the approval of the Authority and DGS, replace a DVBE identified by the Consultant/Contractor in its bid or offer with another DVBE. As an added step to ensure that Contractors honor their commitments to use DVBE Subconsultants/Subcontractors and meet the commitment levels identified in the contract award, the following, or similar, language is to be included into the solicitations and resulting Subconsultants/Subcontractor documents:

After award of a contract, the successful Contractor must use the DVBE subcontractor(s) and/or supplier(s) proposed in their bid or offer to the State unless a substitution is requested and is approved by the awarding department and the Department of General Services. The California Code of Regulations Title II section 1896.64(c) and Public Contract Code § 4107 (for Public Works)

provide the current requirements for awarding departments to approve the substitution of a DVBE subcontractor.”

“Consultant/Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code § 999.5 (e) , a DVBE Subconsultant/Subcontractor may only be replaced by another DVBE Subconsultant/Subcontractor and must be approved by the DGS. Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment. Failure of Consultant/Contractor to seek substitution and adhere to the DVBE utilization level identified in the bid or offer may be cause for contract termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in Military and Veterans Code § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).”

To the extent applicable, the Authority shall follow the processes set forth in [2 CCR § 1896.64\(c\)](#) and [Public Contract Code Section 4107](#) when a Consultant/Contractor requests the substitution of a DVBE with the added provisions that: 1) only another DVBE shall be considered to replace a DVBE, and 2) the Authority shall obtain final approval to replace a DVBE from DGS.

Requests to replace a DVBE must be documented to show that the replacement meets the criteria, as previously specified. Documentation may include, but is not limited to the request, confirmation of receipt of the request, the Subconsultants/Subcontractor’s objection and request for hearing and the final Statement of Decision. Requests and resulting amendments generated by the DVBE substitution should be timely made so as not to unreasonably delay the Contractor’s performance of the contract, resulting in potential claims against the Authority for delay damages.

Requests are to be sent electronically to osdshelp@dgs.ca.gov.

3. Guidelines for Substitution or Termination of a DBE Subconsultant/Subcontractor

For Blended and federally assisted contracts, the Authority requires Consultant/Contractors to make good faith efforts to replace a DBE that has been terminated or has otherwise failed to complete its work on a contract with another DBE, to the same extent needed to meet the overall or individual contract specific DBE goal as established. The Authority will require the Consultant/Contractor to notify the SB Advocate immediately of the DBE's inability or unwillingness to perform and provide reasonable documentation.

The Consultant/Contractor must first obtain the written consent of the Authority before the Consultant/Contractor can act on the substitution of the DBE. The Authority will require the Consultant/Contractor to provide copies of the new or amended Agreements. In cases where the

candidate Subconsultant/Subcontractor to be substituted is not a DBE, the Authority also requires the Consultant/Contractor to submit documentation of their GFE to replace the DBE with another DBE of equivalent percentage on work in other project areas.

A DBE Subconsultant/Subcontractor listed in the Consultant/Contractor's commitment as required by [49 CFR Part 26.53](#) may be substituted or terminated only with the Authority's prior written consent for good cause if the DBE:

- Fails or refuses to execute a written contract;
- Fails or refuses to perform the work of its subcontract consistent with normal industry standards; good cause does not exist where failure or refusal to perform the work of the subcontract results from bad faith or discriminatory action of the Contractor;
- Fails or refuses to meet reasonable, nondiscriminatory bond requirements;
- Becomes bankrupt, insolvent or exhibits credit unworthiness;
- Is ineligible to work because of suspension and/or debarment proceedings;
- Is not a responsible Subcontractor;
- Voluntarily withdraws from the project and provides written notice of its withdrawal;
- Is ineligible to receive DBE credit for the type of work required;
- Owner dies or becomes disabled and is unable to complete its work; or
- Other documented good cause that compels termination.

Before requesting the Authority's consent for the proposed termination or substitution, the Consultant/Contractor must give written notice of the proposal to the DBE, including the reason for the request. A copy of the proposal and documentation must also be provided to the Authority. The DBE must be given five (5) business-days to respond. The notice period may be reduced if required by public necessity (e.g., safety).

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

When a DBE Subconsultant/Subcontractor is terminated as provided in this subsection or fails to complete its work on the contract for any reason, the Consultant/Contractor will make GFE to find another DBE to substitute for the original DBE. These GFE 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 original contract goal. The GFE shall be documented and submitted within seven (7) calendar-days, which may be extended for an additional seven (7) calendar-days if necessary. The Authority will provide written confirmation to the Consultant/Contractor stating whether or not GFE have been demonstrated.

I. Commercially Useful Function (CUF)

The Authority will credit Consultant/Contractors with SB/DVBE/DBE commitment and utilization only when businesses perform a commercially useful function (CUF), as defined by each certification agency.

1. State SBs & DVBE CUF Standards

The Authority counts utilization on contracts subject to the SBs goal when such firms provide evidence of active MB, SB, or SB-PW certification at the time of contract award and when such firms are performing a CUF. In compliance with the DGS requirement, the Authority requires continued and active MB, SB, SB-PW certification throughout the duration of the contract for all SBs Consultant/Contractors and Subconsultant/Subcontractors awarded HSR project contracts or Agreements.

SBs/DVBE firms that fail to demonstrate performance of a CUF when bidding as a Consultant/Contractor or Subconsultant/Subcontractor or at any time during the contract term will not receive SB/DVBE utilization crediting towards the HSR Business Program goals.

A SB/DVBE firm does not perform a CUF if:

- It is further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practice.
- Its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed to obtain the appearance of SB/DVBE participation.

2. DBE CUF Standards

The Authority counts DBE utilization in conformance the CUF standards specific to [49 CFR Part 26.55](#). The Authority and its Contractors shall only receive utilization credit for DBE firms that are certified by a recognized certifying agency and when the DBE is also performing a CUF. The Authority follows the guidance outlined in [49 CFR Part 26.53](#) when determining DBE participation and utilization crediting. Each DBE firm must be certified in a NAICS code applicable to the kind of work the firm would perform on the contract.

In determining whether a DBE is such an extra participant, the Consultant/Contractor must examine similar transactions, particularly those in which DBEs do not participate.

There is a presumption that a DBE is not performing a CUF when the DBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force. When a DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, the Consultant/Contractor must also presume that the DBE is not performing a CUF.

When a DBE is presumed not to be performing a CUF, the DBE may present evidence to rebut this presumption. You may determine that the firm is performing a commercially useful function given the type of work involved and normal industry practices.

3. *Special Provisions for CUF in Trucking*

There are special provisions for a DBE trucking firm performing a CUF. Accordingly, the entity contracting with the Authority should be aware of the expanded requirements to the extent applicable. Please refer to [49 CFR Part 26.55](#) for the special provisions concerning trucking firms, including owner operators in meeting and complying with CUF standards.

X. APPLYING & CALCULATING COMMITMENT GOAL PERCENTAGES

A. Total Contract Value

The dollar amount of any amended Agreement or any other Contract modification that increases or decreases the total dollar amount of the Contract or any Subconsultant/Subcontractor Agreement, including but not limited to, provisional sums, hazardous material allowances, and change orders, or amendments will be subject to the HSR Business Program goals established for each Contract or Agreement. More specifically, each HSR Business Program goal percentage will be calculated against the total contract value commensurate with any increase or decrease to the original contract value. The Consultant/Contractor and its Subconsultants/Subcontractors will be required to increase/decrease SB/DVBE/DBE utilization for such contract increases/decreases. Revised total contract dollar values shall be reflected in the monthly Form 103 report – See the [Consultant/Contractor Data Collection & Reporting](#) Section of this program plan for detailed information about Form 103 reporting.

B. MB/SB/SB-PW Goal Applied to State Dollars Only

The Authority calculates each SB goal, including the MB carve-out, based on only the State dollars contributed to a single Contract and/or Agreement being procured. The State contribution on procurements and/or contracts will vary from contract to contract. Therefore, the HSR Business Program team will disclose the share of State contract dollars for each Contract and/or Agreement at the time of bid solicitation.

C. DVBE Goal Applied to All Contract Dollars

The Authority applies the DVBE goal calculated against Total Contract Dollars, which includes all State and Federal dollars contributed to a single Contract and/or Agreement being procured. The HSR Business Program DVBE goal is in compliance with the requirements of [Executive Order D-43-01](#) and [M&VC 999](#), which require State agencies to take all practical actions necessary to meet or exceed the DVBE participation goal of a minimum of three (3) percent of Total Contract Dollars. The DGS is the State agency responsible for monitoring the progress of all agencies, departments, board, and commissions towards meeting the three (3) percent DVBE participation goal.

While the Authority does not have an established goal for Federal Veteran Owned Small Business or Service-Disabled Veteran Owned Small Business (VOSB/SDVOSB), the Business Compliance team tracks and monitors the utilization of VOSB/SDVOSBs. The VOSB/SDVOSB certification is administered by the SBA. The Authority tracks participation of VOSB/SDVOSB to provide maximum practicable opportunities for veteran owned small businesses.

The most current publication of the HSR Business Program goals may be found on the [Business Compliance Webpage](#).

The HSR Business Program calculates the value of the DVBE goal based on the original value of the entire contract, including all dollars contributed by State and Federal sources. However, if the value on the contract increases or decreases, such as the result of a change order or contract amendment, during the performance of the contract, the DVBE goal value will be adjusted commensurate with the increase or decrease in contract value.

D. Federal DBE Goal Applied to Total Contract Dollars

The Authority applies a DBE race-neutral goal calculated against Total Contract Dollars, which includes all State and Federal dollars contributed to a single Contract and/or Agreement being procured. The HSR Business Program DBE goal is consistent with [49 CFR 26.41](#) authorizing the aspirational goal of not less than 10 percent of federal funds be expended with DBEs on USDOT funded contracts.

E. 100% State Funded Contracts & Agreements

The Authority applies only the State SB (including the MB carve-out) and State DVBE goals for Contracts and Agreements that are funded 100% by state funds, in alignment with [AB 2019](#), [Executive Order S-02-06](#), and [M&V §999.5](#), respectively. Therefore, Federal goals, including the HSR Business Program DBE goal will not be applied on Contracts or Agreements that are solely funded by State dollars.

F. Blended State & Federal Contracts & Agreements

Many Authority Contracts and Agreements require Blended Funding, meaning both State and federal dollars fund the Contract or Agreement. The Authority applies the DBE race-neutral goal against all dollars (Total Contract Dollars) funding the Contract or Agreement, including State and Federal dollars. The Authority also applies the State 25 percent SB goal (including the MB carve-out from the SB goal), as well the State 3 percent DVBE goal.

G. 100% Federal Funding Contracts & Agreements

For Authority Contracts and Agreements that are 100 percent funded with Federal dollars, the Authority applies an even higher DBE goal that is calculated against the Total Contract Dollars. Under these circumstances the HSR Business Program DBE goal used for Blended Funding Contracts or Agreements, is increased to account for the absence of an established State SB and State DVBE participation goal. The Authority and its Consultant/Contractors must employ GFE towards ensuring that DBEs have the maximum practicable opportunity to participate in the Authority's federally assisted funded Contracts and Agreements.

XI. CONSULTANT/CONTRACTOR REQUIREMENTS

The Business Compliance Manager is responsible for working with the Consultant/Contractor's designated SB/DVBE/DBE Business Officer (SBO) to ensure that contract monitoring and enforcement actions are taken in compliance with the SB, DVBE and/or DBE participation requirements of [AB 2019](#), [Executive Order S-02-06](#) and [49 CFR Part 26](#).

The Authority and its Consultants/Contractors must employ effective strategies towards ensuring that all Subconsultants/Subcontractors, including SB/DVBE/DBEs, are given maximum practicable opportunities to participate in the Authority's State and federally assisted contract opportunities. The Authority expects the Consultant/Contractor's efforts to meet the HSR Business Program goals that were established during the procurement and bidding period to continue throughout the performance of the Consultant/Contractor Agreement. In addition, the Consultant/Contractor pre-award SB/DVBE/DBE utilization strategy shall be presented and included in the Consultant/Contractor's SB Performance Plan.

A. Consultant/Contractor Outreach Efforts

The Authority strongly encourages innovative outreach and effective engagement of SB/DVBE/DBEs that include the following strategies and more to ensure HSR Business Program goals and objectives are met:

- Select sufficient portions of the work to be performed by SB/DVBE/DBEs to increase the likelihood that the HSR Business Program goals are achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate SB/DVBE/DBE utilization, even when the Consultant/Contractor might otherwise prefer to perform these work items with its own forces. This may include where possible, establishing flexible timeframes for performance and delivery schedules in a manner that encourages and facilitates SB/DVBE/DBE participation.
- Advertise and solicit Subconsulting/Subcontracting opportunities through all reasonable and available means, including written correspondence, fax, emails and telephone, to all SB/DVBE/DBEs. Provide interested SB/DVBE/DBEs with information about the contract scope, construction plans, contract specifications and requirements of the contract in a timely manner and assist them in responding to the solicitation. Provide sufficient time for SB/DVBE/DBEs to respond to the solicitation and take appropriate steps to follow up on the initial solicitation to SB/DVBE/DBEs.
- Host pre-bid conferences or "Open House" to meet and greet with potential SB/DVBE/DBEs who are interested in Subconsulting/Subcontracting opportunities.
- Provide interested SB/DVBE/DBEs with information about opportunities in a timely manner to assist SB/DVBE/DBEs in responding to the solicitation with their offers.
- The contractors must negotiate in good faith with interested SB/DVBE/DBEs, considering all sub-bids, quotes, proposals, and use good business judgment to

consider a number of factors in negotiating with SB/DVBE/DBEs. The fact that there may be some additional costs involved in finding and using SB/DVBE/DBEs is not in itself sufficient reason to fail to meet the HSR Business Program, as long as such costs are reasonable. Consultants/Contractors decision to reject a SB/DVBE/DBE because its quotation for the work was not the lowest received will be an actionable offense and subject to investigation by the Business Compliance Manager. However, nothing in this section shall be construed to require the contract to accept unreasonable quotes.

- Offer resources or provide assistance to SB/DVBE/DBEs in overcoming barriers, such as inability to obtain bonding, insurance, access to capital or technical assistance.
- Use available resources, i.e., Chambers of Commerce, minority owned businesses, women owned business, disabled veteran business organizations, government agencies or other groups to identify SB/DVBE/DBEs.
- Conduct outreach and networking forums and related activities on an ongoing basis to inform SB/DVBE/DBEs of viable subcontract opportunities.
- Develop innovative contracting and procurement strategies that advance the utilization of SB/DVBE/DBEs.
- Make adjustments to the Subcontractor SB Performance Plan as necessary to meet goals and intended objectives of the HSR Business Program.
- Hold strategic planning sessions with the Authority, and resource partners to establish goals for specific bid items, identify available SB/DVBE/DBE firms, anticipate obstacles and means to overcome these obstacles, including identifying resources that aid in building capacity.
- Develop communication protocols and outreach instruments that provide access to information on subconsulting/subcontracting opportunities to the business communities.
- Conduct bid-item specific outreach meetings to highlight current and upcoming subcontracting possibilities and provide for networking and marketing opportunities with prospective proposers and bidders.
- Provide assistance to SB/DVBE/DBEs in overcoming barriers, such as inability to obtain bonding, insurance, access to capital or technical assistance.
- Implement a SB/DVBE/DBE Supportive Services Program to leverage the Authority HSR Business Program.
- Support eligible SB/DVBE/DBEs to apply for certification and encourage eligible firms to apply for all certifications for which they qualify to become multi-certified.
- Establish and maintain good working relations with SB/DVBE/DBEs, trade and professional groups, associations and the general contracting industry.
- Any and all other efforts and strategies that promote meeting SB/DVBE/DBE utilization goal objectives.

B. DBE Good Faith Efforts Commitment

Authority Consultants/Contractors are required to exercise Good Faith Efforts (GFE) to meet the DBE goal, including developing innovative contracting strategies, and providing necessary supportive services to promote and ensure the success of DBEs in all aspects and phases of the Authority's contracting program. Currently, the Authority administers the HSR Business Program in a race and gender-neutral environment.

The Business Compliance Manager monitors the Contractors' GFE to meet the DBE goal based on the Contractors' actual performance and progress toward meeting the DBE goal as evidenced in the Monthly SB/DVBE/DBE Narrative, SB/DVBE/DBE Utilization report, and Prompt Payment reports and/or supporting data. The Business Compliance team assesses the GFE of each Consultant/Contractor each quarter in determining whether the Consultants/Contractors have made effective, productive, and meaningful outreach efforts to engage, and support DBEs. The assessment includes but is not limited to the actions listed in the [Key Personnel](#) and [SBO Duties](#) Sections.

1. Anticipated DBE Goal Shortfall

When there is anticipatory DBE shortfall based on the Consultants/Contractors minimal progress toward achieving the DBE goal, the Business Compliance Manager will assess the Consultant/Contractor's efforts to take all necessary and reasonable steps to achieve the DBE goal. The Business Compliance Manager will consider the appropriateness of the Consultant/Contractor efforts and determine if the Consultant/Contractor could reasonably be expected to obtain sufficient DBE participation under the circumstances. The Business Compliance Manager's assessment of whether the Contractor/Consultant has made adequate GFE shall be based on fair and reasonable judgment. The Business Compliance Manager shall consider the scope, quality, quantity, and intensity of the SB/DVBE/DBE Contractor's efforts, as supported in GFE regulations.

Each Consultant/Contractor pre-award GFE documentation shall be presented and included in the Construction Contractor's SB Performance Plan.

2. Consequences of Non-Compliance with Best Practices of 49 CFR Part 26

Breach of Contract - Failure to carry out the DBE requirements specified in the Contract or Agreement constitutes a material breach of the contract. The Authority will notify the Consultant/Contractor and the USDOT of such breach, including notification that the breach may result in termination of the contract by the Authority or imposition of other appropriate sanctions. This notice is given pursuant to [49 CFR Part 26.13](#), where applicable.

Notice - If the Consultant/Contractor or any subcontractor, consultant, subconsultant, supplier or service provider is determined to be in non-compliance the Contractor's action and/or inaction

will be referred for review by the Authority Contract Management Team and/or Legal Team. The Consultant/Contractor will be informed in writing, that corrective action may be imposed for failure to comply with the requirements of the HSR Business Program and/or failure to demonstrate good faith efforts toward meeting the DBE goal. The notice will state the specific corrective action(s) to be imposed.

Corrective Action - The Consultant/Contractor will be subject to Authority corrective action, administrative sanctions, and/or legal ramifications, if it is determined that at any time during the Agreement term that the Contractor:

- i. Failed to meet all or part of the SB and DVBE goal due to inadequate measures taken; and/or
- ii. Failed to make good faith efforts to meet the DBE goal.

3. *Authority Monitoring of Payments to Subconsultants/Subcontractors*

It is the Consultant/Contractor's responsibility to maintain records and documents upon completion of the contract as required by state and federal regulations for records management. The required timeframe for record retention shall be consistent with contracts and will be no less than six (6) years as required in the master Agreement. These records will be made available for inspection upon request by any authorized representative of the Authority or its federal regulatory agencies. The Authority may perform interim audits of payments to SB/DVBE/DBEs. The audit is to ensure that the actual amount paid to SB/DVBE/DBEs equals the dollar amounts reported on the Form 103 report or database entries.

The BCU uses the online compliance database as its first layer of the payment confirmation process. The online system automatically notifies Subconsultants/Subcontractors of payments reported by the Consultant/Contractor. Subconsultants/Subcontractors are then asked to confirm if they receive payment from their Consultant/Contractor in full and within seven (7) calendar-days of the Authority's payment to the Consultant/Contractor.

Each month, as payments are processed within the OCD, those payments which are confirmed by the Subcontractor as not being paid in full or within 7 days are flagged for review by the BCU. The BCU reviews these flags for possible disputes and works with the Consultant/Contractor and Subconsultant/Subcontractor to resolve payment discrepancies in the system. The BCU is also available to answer any questions or address concerns that Consultants/Contractors or Subconsultants/Subcontractors may have regarding prompt payment.

If the Business Compliance Manager determines that the Consultant/Contractor has failed to comply with the prompt payment provisions, written notice shall be given to the Consultant/Contractor. If non-compliance is not remedied within the specified period of time, at least five (5) business-days, the Consultant/Contractor may be subject to additional enforcement

actions, including referral to the Authority's Contract Management and Legal teams for investigation and disciplinary action.

C. SB/DVBE/DBE Performance Plan

The prospective Consultant/Contractor shall establish and implement a SB Performance Plan, to address how the Consultant/Contractor will meet the HSR Business Program goals. The SB Performance Plan shall be subject to concurrence by the Authority at the time of award. If requested by the Authority, either before or after the NTP, the Consultant/Contractor shall revise the plan to incorporate the Authority's comments.

The Consultant/Contractor will provide a detailed description of the planned methodology for achieving the HSR Business Program goals, including a description of the outreach efforts to meet the HSR Business Program SB (including the MB carve-out of the SB goal) and the DVBE goals. Furthermore, the Consultant/Contractor will also provide details of the GFE they intend to undertake in achieving the HSR Business Program DBE goal. The SB Performance Plan must include the following:

- **Policy Statement** - A policy statement, signed by Consultant/Contractor's authorized representative, which expresses the Consultant/Contractor's commitment to utilize SB/DVBE/DBEs in all aspects of the work, outlines the various levels of responsibility and states the objectives of the SB Performance Plan. The Consultant/Contractor shall obtain the written commitment of all Consultant/Contractor related entities to comply with and advance the intent of the policy statement.
- **Affidavit** - An affidavit that the Consultant/Contractor will meet or exceed the HSR Business Program goals as stated in their contract. The HSR Business Program affidavit shall be signed by the Consultant/Contractor's authorized representative.
- **SBO** - Designation of a person responsible for the SB Performance Plan (refer to the SBO duties and responsibilities) to administer the plan and a description of the responsibilities and duties of the SBO and support staff. The SBO and staff are responsible for developing, managing, and implementing the SB Performance Plan on a day-to-day basis, providing technical assistance to all SB/DVBE/DBEs, and disseminating information on available business opportunities so that SB/DVBE/DBEs are provided an equitable opportunity to engage in work as Subconsultants/Subcontractors.

Please refer to the [Consultant/Contractor Communication Plan](#) Section for a detailed listing of the expectations of the Consultant/Contractor's commitment, outreach activities and GFE. The SB Performance Plan shall at minimum, include but not be limited to the components described above, as well as fulfill the expectations described in the [Key Personnel](#) Section.

D. Construction Contractor Communication Plan

The Communication Plan shall define and detail the approach and frequency of the Consultant/Contractor's communication with SB/DBE/DVBE Subconsultants/Subcontractors. The Communication Plan will assist in systematic information sharing and two-way communication. The Communication Plan must provide the following:

- Status of the project plan, budget, change requests and risk management;
- Status of assignments, work in progress, issues and risk tracking, and lessons learned;
- Status of schedules, deadlines, and any delays;
- Personnel contact list and information with whom the SB/DBE/DVBE Subcontractors/Subconsultants will be interacting.
- Monthly reports that detail the information communicated to SB/DBE/DVBE Subconsultants/Subcontractors regarding schedule, deadlines, status, and delays.
- Workforce and Personnel Data Report – See the [Workforce and Personnel Data Reporting Section](#) for data required.

E. Key Personnel

The Consultant/Contractor is responsible for identifying and implementing innovative acquisition and strategies, such as:

- Assist SB/DVBE/DBEs in understanding how to do business with the Consultant/Contractor and its Subconsultants/Subcontractors.
- Establish equitable SB/DVBE/DBE goals and objectives to its Subconsultants/Subcontractors.
- Participate in forums to hear about and address SB/DVBE/DBE issues.
- Develop and implement methods for outreach and promotion of SB/DVBE/DBEs for all Subconsultant/Subcontractor opportunities.
- Develop brochures and other written materials and marketing tools that promote SB/DVBE/DBE utilization in subcontracts.
- Establish a prompt payment process to assist SB/DVBE/DBEs, at all tiers.
- Disseminate information on networking opportunities to all SB/DVBE/DBEs.
- Assist in the use of joint ventures consisting of SB/DVBE/DBEs in partnership with major subcontractors.
- Encourage Subconsultant/Subcontractors to divide subcontracting opportunities in smaller packages that SB/DVBE/DBEs can more reasonably perform on.
- Seek opportunities to split contracts to increase SB/DVBE/DBEs utilization.

1. *SB/DVBE/DBE Business Officer*

The Consultant/Contractor will designate a SB/DVBE/DBE Officer (SBO) who reports directly to the Contractor's Project Executive Director, or equivalent. The SBO is responsible for developing, implementing, monitoring, and managing the day-to-day operations of the Consultant/Contractor's SB/DVBE/DBE utilization performance.

2. *SBO Duties and Responsibilities*

The SBO must have appropriate resources to assist in the administration of the SB Performance Plan. The duties and responsibilities include, but are not limited to:

- Maintain independent and direct access to the Project Executive Director concerning all HSR Business Program and corresponding performance matters.
- Coordinate all elements of the SB Performance Plan to effectively track, monitor and report on SB/DVBE/DBE utilization throughout the duration of the contract.
- Develop, implement and monitor the SB Performance Plan, keeping it up to date with the current business environment and the latest revisions to the applicable state and federal laws and regulations.
- Coordinate efforts at all Subconsultant/Subcontractor tiers to institute innovative strategies and remedies to meet the Consultant/Contractor's SB/DVBE/DBE goal commitments and the intended goals and objectives of the Authority 's HSR Business Program.
- Ensure the Consultant/Contractor's employees and its Subconsultant/Subcontractors understand and are fully acclimated to the goals and objectives and ensure that the responsibility to comply are treated with the same priority as any other contractual legal obligation.
- Compile and report on HSR Business Program attainment progress in narrative form by outlining success of SB and DVBE utilization measures, as well as DBE GFE undertaken within the respective reporting period. The Consultant/Contractor must provide statistical data specific to SB/DVBE/DBE utilization, including ad-hoc reports, on a monthly basis or as required by the Authority. In the event the progress and/or SB/DVBE/DBE utilization report indicates that the Consultant/Contractor is underutilizing SB/DVBE/DBEs, the Consultant/Contractor must describe the steps undertaken to improve SB/DVBE/DBE utilization.
- Review third party contracts and purchase requisitions for compliance with the HSR Business Program.
- Post on the Consultant/Contractor's website, a list of verified SB/DVBE/DBEs being utilized to meet the HSR Business Program goals, regardless of tier.
- Ensure that bid notices and requests for proposals are readily accessible and disseminated to the HSR Business team and the SB/DVBE/DBE business community.
- Monitor and analyze the Consultant/Contractor's progress toward meeting its goal commitments and adjust as necessary to resolve deficiencies.

- Participate in SB/DVBE/DBE meetings, as related to the contract.
- Attend quarterly meetings with the Business Compliance Manager to identify strategies to achieve the goals.
- Attend at least 50% of the Authority's Business Advisory Council (BAC) meetings, per year, and at minimum, present information on the Consultant/Contractor's SB/DVBE/DBE utilization and participation activities when requested by the Authority.
- Assist in the development and implementation of the Consultant/Contractor's SB/DVBE/DBE supportive services, such as providing technical assistance, business development, mentor-protege, bonding/capacity building, financial assistance, business matchmaking with subcontractors and contract administration. Plan and facilitate training seminars to promote understanding and acclimation of the SB/DVBE/DBE community regarding contracting opportunities and contract administration.
- Develop and conduct information sharing and communication with the Authority SB Advocate.
- Advise the Project Executive Director on SB/DVBE/DBE matters and achievements.
- Facilitate inquiries and complaints from SB/DVBE/DBEs. Include in the monthly narrative, complaints made by SB/DVBE/DBE subcontractors, steps taken by the Consultant/Contractor to resolve the complaint, and the current status and progress of the complaint.
 - For SB/DVBE/DBE complaints that the Consultant/Contractor is unable to resolve, the Consultant/Contractor shall refer such firms to the HSR Business Program where SB/DVBE/DBEs may submit a [SB Assistance Request Form](#) online.
- Develop and maintain a Consultant/Contractor directory of interested SB/DVBE/DBEs for subcontracting opportunities and outreach activities.
- Conduct business outreach and assist SB/DVBE/DBEs in obtaining the necessary information to compete on contracts by providing guidance and direction. Advise SB/DVBE/DBEs on where to seek management, technical business development expertise, bonding, lines of credit and other supportive services.
- Provide guidance and assistance to Consultant/Contractor and Subconsultants/Subcontractors on the importance of achieving, tracking, and reporting their SB/DVBE/DBE utilization attainments.
- Ensure coordination of the HSR Business Program deliverables with the Business Compliance team.
- Establish and maintain a good working relationship with SB/DVBE/DBEs, local agencies, non-SBs, and business organizations/associations.
- Ensure only verified firms meeting eligibility standards count towards the SB/DVBE/DBE goals.
- Ensure compliance with Federal EEO clause provisions, as set forth under Title 41 CFR Part 60 et seq.

- Ensure compliance with U.S. Department of Labor provisions, as set forth under Office of Federal Contract Compliance Program - Mega Project.
- Perform other related duties as necessary to meet the HSR Business Program goals and objectives.

Ongoing SB/DVBE/DBE utilization, including Consultant/Contractor's DBE GFE, as described in the [DBE Good Faith Efforts Commitment](#) of this program plan. Please refer to [Consultant/Contractor Data Collection and Reporting Requirements](#) section of this program plan for compliance with the reporting, goal achievement and the administration of the HSR Business Program requirements.

XII. APPENDIX

A. Definitions

- **Blended Funding:** Authority contracts and/or agreements that are funded by both State and Federal sources.
- **Business-days:** Weekdays Monday through Friday from 9 a.m. to 5 p.m. California local time and excludes weekends and public holidays. The term workday is also used interchangeably with business-days.
- **Business Advisory Council (BAC):** The Business Advisory Council (BAC) is an external stakeholder group, established by the Authority, to provide a forum for the Authority to directly engage and hear the diverse perspectives of California SB community. Membership of the BAC is comprised of small, disadvantaged, and veteran and disabled-veteran owned businesses, and statewide construction and professional service business trade associations. The BAC does not make decisions for the Authority.
- **Calendar-day:** The period from one midnight to the following midnight. Calendar-days include all days of the seven-day week including, Saturdays, Sundays, and holidays.
- **California High-Speed Rail Authority (Authority):** The California High-Speed Rail Authority, a State agency reporting directly to California State Transportation Agency (CalSTA), responsible for planning, designing, building, and operating the first high-speed rail system in the nation that will connect the megaregions of the state, contribute to economic development and a cleaner environment, create jobs, and preserve agricultural and protected lands.
- **California High-Speed Rail Project (HSR Project):** All work directed by the Authority and/or Authority Consultant/Contractors in the planning, designing, building and operation of the nation's first high-speed rail system.
- **California High-Speed Rail System (HSR System):** Includes and is comprised of all physical rail projects statewide that are associated with high-speed rail, including the connectivity and bookend projects.
- **California Unified Certification Program (CUCP):** One-stop certification, enabling applicants to apply once for Disadvantage Business Enterprise (DBE) certification, which will be honored by all USDOT recipients in the state of California.
- **Commercially Useful Function (CUF) – Federal:** Under Title 49 of the Code of Federal Regulations Part 26.55, subsection (c), a DBE is deemed to perform a commercially useful function if the business:

- a. Is responsible for the execution of a distinct element of work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved.
- b. Performs work that is normal for its business services and functions.

Is responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing and paying for the material itself.

A DBE does not perform a CUF if:

- a. It does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force, or
 - b. The business subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved.
- **Commercially Useful Function (CUF) – State:** A SB/DVBE certified firm performs CUF when doing all of the following:
 - a. Executes a distinct element of the contract scope of work including supplying of goods/services.
 - b. Performs, manages, or supervises the work including supplying of goods/services.
 - c. Performs work that is normal for the firm’s business services and functions.
 - d. Is responsible, with respect to products, inventories, materials and supplies required for the subcontract, negotiating price, determining quality and quantity, ordering, installing (if applicable), and paying for the material.
 - e. Does not subcontract a portion of the work greater than expected by industry practices.

A SB/DVBE certified firm does NOT perform CUF when:

- a. The firm is an extra participant involved in a transaction, contract, or project through which funds are passed through in order to obtain the appearance of SB/DVBE participation.
 - b. The firm is not being used to perform the work as stipulated in the bid.
 - c. The firm is no longer used to provide good/services listed in initial bid response.
- **Community Benefits Agreement (CBA):** The CBA is an agreement between the Authority, the State Building and Construction Trades Council of California, and the Signatory Craft Councils and Local Unions. The CBA applies to all assenting construction contractors and its purpose is to facilitate efficiency and timely execution of the Project, while promoting employment and business opportunities during

construction of the high-speed rail project. The Community Benefits Policy, which was approved by the Authority Board of Directors in 2012, authorized the development of the CBA for construction projects.

- **Compliance:** Correct implementation of the requirements of the HSR Business Program, and Federal and State regulations governing small, disadvantaged, and disabled veteran owned businesses.
- **Connect HSR Vendor Registry:** A list of all contractors, SBs, DBEs, and Veteran/Disabled Veteran businesses and non-SBs who voluntarily register their business information to be viewed and made accessible to the public for business opportunities, events, and information.
- **Consultant/Contractor:** The party entering into a direct Agreement with the Authority for goods or services. Consultant and Contractor may be used interchangeably in this program, and may also include references to Construction Contractor
- **Contract/Agreement:** A contract is an agreement to do or not do a certain thing, including furnishing goods or providing services, which gives rise to an enforceable obligation or legal duty. Contract and Agreement are used interchangeably in this program.
- **Contract Compliance Administrator:** The Contract Compliance Administrator is responsible for monitoring compliance with the Authority's Prevailing Wage laws, Community Benefits Agreement, and National Targeted Hiring Initiative programs and workforce policies.
- **Department of General Services (DGS):** Located within the DGS Procurement Division (DGS-PD), and the Office of Small and Disabled Veteran Business Enterprise Services (OSDS) is the state's certifying agency that oversees State SB, MB, SB-PW, and DVBE certification programs.
- **Design-Builder:** The party entering into a contract with the Authority for design and construction work for Construction Packages 1, 2-3 and 4 as detailed in the Design-Build Contract.
- **Design-Build Contract:** The contract between the Design-Builder and the Authority for design-build services to be performed for Construction Packages 1, 2-3 and 4.
- **Disabled Veteran Business Enterprise (DVBE):** A for-profit business that is at least 51 percent owned by a veteran of the United States military who has at least a 10 percent service-connected disability. The business must meet the certification requirements set forth in California Military and Veterans Code section 999(b)(7) . This certification is issued by the California Department of General Services. There is no gross receipts limits for CA certified DVBEs.
- **Disadvantaged Business Enterprise (DBE) :** A for-profit Small Business that is at least 51 percent owned by one or more individuals who are both socially and

economically disadvantaged. In the case of a corporation, 51 percent of the stock is owned by one or more such individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it and has been certified as disadvantaged in accordance with [49 CFR Part 26](#) . The Authority recognizes DBE certifications issued by the California Unified Certification Program (CUCP).

- **Federal:** Any U.S. Department agency or source.
- **Federal Financially Assisted Contract:** A contract funded in whole or in part with federal financial assistance, including letters of credit, grants, or loan guarantees.
- **Federal Railroad Administration (FRA):** A Federal agency within the U.S. Department of Transportation that administers financial assistance and grant programs and regulates the operation and safety of freight and passenger rail throughout the United States. FRA is the federal lead agency under the National Environmental Policy Act (NEPA) for the high-speed rail program.
- **Goal:** A numerically expressed objective, which the Authority or its Contractors have agreed to achieve in compliance with State and federal funding requirements and directives.
- **Goal Progress Calculation:**
 - **DBE Goal** – The established DBE race-neutral goal percentage calculated against the total contract dollars, including State and Federal dollars, for any Authority Agreement subject to the HSR Business Program.
 - **DVBE Goal** - The established DVBE goal calculated against the total contract dollars, including State and Federal dollars, for any Authority Agreement subject to the HSR Business Program.
 - **MB, SB, SB-PW Goal** - The established SB goal calculated against the portion of total State contract dollars, only, for any Authority Agreement subject to the HSR Business Program.
- **Good Faith Efforts:** Efforts to achieve the Federal DBE goal established on a contract or other requirements which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the HSR Program DBE goal.
- **HSR Business Compliance Manager (Business Compliance Manager):** The Authority contract compliance manager responsible for monitoring compliance with the Authority’s HSR Business Program.
- **HSR Business Program:** The Authority’s Subconsultant/Subcontractor equity initiative established to support, outreach, and provide awareness of HSR opportunities to CA businesses, including SB/DVBE/DBEs.

- **Microbusiness (MB):** A for-profit small business with gross annual receipts of less than \$5,000,000; or, if the small business is a manufacturer, with 25 or fewer employees. The Authority recognizes Microbusiness certifications issued by the California Department of General Services.
- **Non-Compliance:** A Consultant/Contractor who has not implemented the (contractual) requirements and directives of the SB/DVBE/DBE Program as administered by the Authority pursuant to State and federal law.
- **North American Industrial Classification System (NAICS):** The five-to-six-digit classification number which best describes the primary business of a firm. The NAICS is described in the North American Industry Classification Manual—United States, which is available at the U.S. Census Bureau website: www.census.gov/eos/www/naics
- **Operating Administration (OA):** The Federal operating administrations and bureaus of the Office of the Secretary of Transportation (OST), each with its own management and organizational structure.
- **Program:** Any undertaking by the Authority to use State and/or USDOT financial assistance authorized by laws to which the SB/DVBE/DBE Program applies.
- **Race-Conscious Measure:** A program or portion thereof that focuses specifically on assisting only DBEs, including women-owned DBEs, by the development and inclusion of numeric participation goals.
- **Race-Neutral Measure:** A program or portion thereof that assists all small businesses regardless of ownership through community outreach and awareness programs to participate successfully in the Authority's procurement program. For the purposes of the SB/DVBE/DBE Program "race neutral" includes gender neutrality.
- **SB/DVBE/DBE:** Represents the collective of business certifications accepted for crediting in the HSR Business Program.
- **SB/DVBE/DBE Advocate (SB Advocate):** Authority personnel responsible for implementing all aspects of the HSR Business Program.
- **SB/DVBE/DBE Business Officer (SBO):** Consultant/Contractor Liaison who reports directly to the Consultant/Contractor's Project Executive Director, or equivalent, and is responsible for developing, implementing, monitoring, and managing the day-to-day operations of the Consultant/Contractor's SB/DVBE/DBE utilization performance.
- **SBs:** Represents the collective of CA state small business certifications administered by DGS that include MB, SB and SBPW.
- **Service-Disabled Veteran Owned Small Business (SDVOSB):** A SB according to SBA's size standards that is at least 51% owned and controlled by one or more service-disabled veteran who have an eligible service-connected disability. Full

- eligibility requirements may be found in Title 13 Part 125 Subpart B of the Code of Federal Regulations.
- **Small Business (SB):** A for-profit small business concern that independently owned and operated, with its principal office located in California, and with owners living in California, has grossed \$16 million or less over the previous three (3) tax years, and is not dominant in its field of operations.
 - **Small Business Administration 8(a) Program:** The SBA 8(a) Business Development Program is a business assistance program for small and disadvantaged businesses. The 8(a) Program offers a broad scope of assistance to firms that are owned and controlled at least 51% by socially and economically disadvantaged individuals. Certified SBA 8(a) program participants are eligible to receive federal contracting preferences and receive training and technical assistance designed to strengthen their ability to compete effectively in the American economy.
 - **Small Business for the Purpose of Public Works (SB-PW):** A for-profit small business that is independently owned and operated, with its principal office located in California, and with owners, officers, members/managers, partners living in California, has an average of \$37 million or less in gross annual receipts over the previous three (3) tax years, is not dominant in its field of operations and has 200 or fewer employees. This certification is issued by the California Department of General Services.
 - **Small Business Program Management Team:** Authority personnel, Consultants, and Subconsultants who share in the day to day responsibilities of implementing, tracking and monitoring the policies and procedures of the HSR Business Program.
 - **Socially and Economically Disadvantaged Individual:** Any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identify as a member of groups and without regard to his or her individual qualities. The social disadvantage must stem from circumstances beyond the individual's control. Please see [49 CFR Part 26.5](#) for detail description of groups presumed to be socially and economically disadvantaged.
 - **State:** The State of California.
 - **Subconsultant/Subcontractor:** Any entity or person with whom the Consultant/Contractor has entered into a subcontract/subagreement for any part of the work, or with whom any Subconsultant/Subcontractor has further subcontracted any part of the work, at all tiers.
 - **Total Contract Dollars:** Total contract dollars include all options, and subsequent amendments, and/or change orders to executed agreements, including provisional sums, hazardous material allowances, unless explicitly excluded by the Authority.

- **Tribal:** “American Indian or Alaska Native”, a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- **U. S. Department of Transportation (USDOT):** A federal Cabinet department of the U.S. government concerned with transportation and governed by the United States Secretary of Transportation. The USDOT DBE program is governed by regulations in [49 CFR Part 26](#).
- **U. S. Small Business Administration (SBA):** A federal Cabinet department of the U.S. government fully dedicated to small business and provides counseling, capital, and contracting expertise.
- **Veteran Owned Small Business (VOSB):** A SB according to SBA’s size standards that is at least 51% owned and controlled by one or more US military veterans. Full eligibility requirements may be found in Title 13 Part 125 Subpart B of the Code of Federal Regulations.

B. Required Contract Clauses for All USDOT-Assisted Authority Agreements

In compliance with [49 CFR Part 26.13\(a-b\)](#), all HSR agreements, including lower-tier subcontracts, must include the following clauses for USDOT-assisted contracts:

1. HSR Agreement with Consultant/Contractor CLAUSE:

49 CFR Part 26.13(a) - The recipient 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 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.

2. HSR Consultant/Contractor Agreement with Subconsultant/Subcontractor Clause:

49 CFR Part 26.13(b) - The contractor, sub recipient or Subconsultant/Subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Consultant/Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the Consultant/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, which may include, but is not limited to:

(1) Withholding monthly progress payments;

(2) Assessing sanctions;

(3) Liquidated damages; and/or

(4) Disqualifying the Consultant/Contractor from future bidding as non-responsible.

3. DVBE Close-Out Contract Clause

The Authority will include the following clause in each Agreement regarding DVBE contract closeout requirements:

“The Consultant/Contractor shall within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the Authority: (1) the total amount the prime

Consultant/Contractor received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Agreement have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved, based on the total Agreement dollars received by the Contractor. This data shall be accurately completed on the Prime Contractor’s Certification – DVBE Subcontracting Report (STD 817) upon contract completion.

The Authority shall withhold \$10,000, or full payment if less than \$10,000, from a prime contractor’s final payment pending receipt of a complete and accurate STD 817. (MVC § 999.5(d), 999.55, 999.7(a)).”

4. CA Prompt Payment Clause

The Consultant/Contractor agrees to pay each Subconsultant/Subcontractor under this prime contract for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the Consultant/Contractor receives from Authority. The Contractor/Consultant agrees further to return retainage payments to each Subconsultant/Subcontractor within ten (10) days after the Subconsultant/Subcontractor’s 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 Authority. This clause applies to both SB and non-SB subcontracts (Government Code 927 et seq., Public Contract Codes 10261, 10262 et seq, Business and Professions Code 7108.5, Military and Veterans Code 999.5 (d) (4) , and 49 CFR Part 26.29, where appropriate.

C. State and Federal Regulations

*Disclaimer: The listed regulations and legislation have been updated as of: **September 2023**.

- **California Assembly Bill 1574:** Effective as of January 2022, creates the Leveraging State Procurement for an Inclusive Economic Recovery Act of 2021. This bill instructs state departments to regularly seek out small businesses and microbusinesses that have not previously done business with the State.
([Link to Legislation](#))
- **California Assembly Bill 2019:** Requires state agencies to designate personnel (SB Liaison, SB Advocate, etc.) to develop and implement economic equity and outreach plans, policies, and procedures to meet or exceed 25% small business participation. The SB goal includes participation in the procurement and contracting process by micro businesses, representative business organizations and business enterprises owned by women, minorities, disabled veterans, and members of the LGBTQ community.
([Link to Legislation](#))
- **California Assembly Bill 2974:** Requires state agencies, in order to encourage small business participation in new contracts over \$500,000 for the construction, alternation, demolition, repair or improvement of the state's infrastructure that is funded with proceeds from the federal Infrastructure Investment and Jobs Act (Act), to establish a 25% small business participation goal in all contracts that the agency finances with these proceeds.
([Link to Legislation](#))
- **California Business and Professions Code 7108.5:** Establishes requirements for prompt payment by prime contractors to subcontractors and specifies protocol for when a good faith dispute arises over all or any portion of the amount due on a progress payment from the prime Consultant/Contractor or Subconsultant/Subcontractor to a subcontractor.
([Link to Legislation](#))
- **California Code of Regulations, Division 4, Chapter 5, Section 8115:** Establishes exemptions from requirements of section 8113 of this chapter.
([Link to Legislation](#))
- **California Code of Regulations, Division 4, Chapter 5, Section 8103:** Requires all employers who are, or wish to become, contractors with the state, to develop and implement a nondiscrimination program.
([Link to Legislation](#))
- **California Code of Regulations, Division 4, Chapter 5, Section 8104:** Defines and determines the purpose of nondiscrimination programs.
([Link to Legislation](#))
- **California Code of Regulations, Division 4, Chapter 5, Section 8108:** Establishes that the Consultant/Contractor shall include the nondiscrimination clause in its contract in all subcontracts to perform work under the contract, either directly or by incorporation by

reference.

[\(Link to Legislation\)](#)

- **California Code of Regulations, Division 4, Chapter 5, section 8113 (unless exempted pursuant to Section 8115):** Establishes the requirement that eligible prospective contractors that bid on state contracts must submit a statement under penalty of perjury to the awarding agency that it has complied with the requirement of Section 8103 of this chapter.
[\(Link to Legislation\)](#)
- **California Code of Regulations, Title 2, Section 1896.15:** Defines the term “Commercially Useful Function.” A certified small business contractor, Subconsultant/Subcontractor or supplier of goods and/or services that contributes to the fulfillment of the contract requirements, shall perform a Commercially Useful Function (CUF) for each contract.
[\(Link to Legislation\)](#)
- **California Executive Order D-37-01:** Requires departments to reach and maintain a minimum participation goal of 25 percent for small businesses.
[\(Link to Legislation\)](#)
- **California Executive Order D-43-01:** Establishes the governor’s intent to increase the participation of disabled veteran businesses in state contracting to 3 percent of the total contract value.
[\(Link to Legislation\)](#)
- **California Executive Order S-02-06:** The Department of General Services (DGS) shall monitor the progress of all agencies, departments, board and commissions towards meeting the 25 percent small business participation goal.
[\(Link to Legislation\)](#)
- **California Government Code 14838.5 and 14838.7:** Establishes that California state agencies and departments may use a streamlined procurement process known as the SB/DVBE Option by contracting directly with a California certified SB or DVBE for goods, services, and information technology valued between \$5,000.01 and \$249,999.99 (or up to \$333,000 for public works contracts) after obtaining price quotes from at least two such businesses.
[\(Link to Legislation\)](#)
- **California Government Code 14842 and 14842.5:** Establishes the actions that constitute fraud under the context of this section.
[\(Link to Legislation\)](#)
- **California Government Code 927 et seq:** Also known as the Prompt Payment Act, provides stipulations for progress payments, as well as the process for withholding funds before contracted work has been completed.
[\(Link to Legislation\)](#)

- **California Government Code Section 12990:** Stipulates that employers who are, or wish to become, contractors with the state for public works or for goods or services are subject to requirements relating to discrimination in employment and to the nondiscrimination requirements of this section and any rules and regulations that implement it.
([Link to Legislation](#))
- **California Government Code Section 14837:** “Small business” means an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three (3) years, or is a manufacturer, as defined in subdivision ©, with 100 or fewer employees. Commencing January 1, 2019, the average annual gross receipts threshold shall be fifteen million dollars (\$15,000,000).
([Link to Legislation](#))
- **California Public Contract Code 10111:** Provides that state agencies must make available a report on contracting activity containing specified information.
([Link to Legislation](#))
- **California Public Contract Code Section 10115.10:** Establishes the actions that constitute fraud under the context of this section.
([Link to Legislation](#))
- **California Public Contract Code Section 4107:** Establishes that a prime contractor whose bid is accepted may not substitute a person as subcontractor in place of the subcontractor listed in the original bid, except that the awarding authority, or its duly authorized officer, may, except as otherwise provided in Section 4107.5, consent to the substitution of another person as a subcontractor in specified situations.
([Link to Legislation](#))
- **California Public Contract Code Section 4108:** Establishes that it is the responsibility of each subcontractor submitting bids to a prime contractor to be prepared to submit a faithful performance and payment bond or bonds if so requested by the prime contractor.
([Link to Legislation](#))
- **California Public Contract Codes 10261 and 10262:** Provides stipulations for progress payments, as well as the process for withholding funds before contracted work has been completed.
([Link to Legislation](#))
- **California Public Utilities Code Section 185036:** Outlines the responsibilities of the Authority in the implementation of a high-speed rail system.
([Link to Legislation](#))
- **Federal Records Management (44 U.S.C 31):** Establishes that the head of each Federal agency shall make and preserve records containing adequate and proper documentation

of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the agency's activities.

[\(Link to Legislation\)](#)

- **Military and Veterans Code Section 999:** This article shall be known as, and may be cited as, the California Disabled Veteran Business Enterprise Program. The California Disabled Veteran Business Enterprise Program is established to address the special needs of disabled veterans seeking rehabilitation and training through entrepreneurship and to recognize the sacrifices of Californians disabled during military service.
[\(Link to Legislation\)](#)
- **Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq):** The Federal Housing Finance Agency (FHFA) is adopting an interim final rule to implement the PFCRA, by establishing administrative procedures for imposing civil penalties and assessments against persons who make false, fictitious, or fraudulent claims or written statements to FHFA in the context of its contracting or employment activities, where the amount of money or the value of property or services involved or requested from FHFA is \$150,000 or less. FHFA previously issued a notice of proposed rulemaking to implement PFCRA.
[\(Link to Legislation\)](#)
- **State Records Management Act (Government Code 12270-12279):** Establishes that the Secretary of State shall establish and administer a records management program that will apply efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of state records.
[\(Link to Legislation\)](#)
- **Title 2 CFR Part 200 Subpart A:** Provides definitions for terms used in this part.
[\(Link to Legislation\)](#)
- **Title 5 U.S.C. section 552(a):** This act allows federal agencies to maintain records about an individual as is relevant and necessary to accomplish a required purpose of the agency.
[\(Link to Legislation\)](#)
- **Title 6 CFR Part 13:** Implements the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801–3812. section 3809 of title 31, United States Code, requires each authority to promulgate regulations necessary to implement the provisions of the statute. This part establishes administrative procedures for imposing civil penalties and assessments against persons who make, submit, or present, or cause to be made, submitted, or presented, false, fictitious, or fraudulent claims or written statements to the authority or to certain others; and specifies the hearing and appeal rights of persons subject to allegations of liability for such penalties and assessments.
[\(Link to Legislation\)](#)
- **Title 13 CFR Part 121:** SBA's size standards define whether a business entity is small and, thus, eligible for Government programs and preferences reserved for “small

business” concerns. Size standards have been established for types of economic activity, or industry, generally under the North American Industry Classification System (NAICS). ([Link to Legislation](#))

- **Title 18 U.S.C. 1001:** This section of the Criminal Resource Manual makes it illegal to willfully falsify, conceal or cover up by any trick, scheme or device a material fact, or make any false, fictitious or fraudulent statements or representations, or make or use any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry. ([Link to Legislation](#))
- **Title 41 CFR Part 60:** The purpose of the regulations in this part is to achieve the aims of parts II, III, and IV of Executive Order 11246 for the promotion and insuring of equal opportunity for all persons, without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin, employed or seeking employment with Government contractors or with contractors performing under federally assisted construction contracts. ([Link to Legislation](#))
- **Title 48 CFR Part 19:** This section determines small business status for small business programs. ([Link to Legislation](#))
- **Title 49 CFR Part 21:** The purpose of this part is to effectuate the provisions of Title VI of the Civil Rights Act of 1964 in that no person in the United States shall, on the grounds of race, color, or national origin, may be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Transportation. ([Link to Legislation](#))
- **Title 49 CFR Part 26:** Provides participation requirements for disadvantaged business enterprises in USDOT financial assistance programs. ([Link to Legislation](#))
- **Title 49 CFR Part 26.101:** Details which compliance procedures apply when recipients fail to comply with the requirements of this section. ([Link to Legislation](#))
- **Title 49 CFR Part 26.107:** Establishes penalties for firms that do not meet the eligibility criteria of subpart D of this part and that attempt to participate in a USDOT-assisted program as a DBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty. ([Link to Legislation](#))
- **Title 49 CFR Part 26.13:** Details which assurances recipients and contractors must make once they have entered into a financial assistance agreement with a DOT operating administration, or a primary recipient. ([Link to Legislation](#))

- **Title 49 CFR Part 26.25:** Establishes that a DBE liaison officer must be appointed and details the requirements for such liaison officers.
([Link to Legislation](#))
- **Title 49 CFR Part 26.29:** Specifies the prompt payment mechanisms recipients of Federal financial assistance must have in order to guarantee prompt and full payment to subcontractors.
([Link to Legislation](#))
- **Title 49 CFR Part 26.41:** Determines the stipulations of the aspirational statutory 10 percent goal for USDOT-assisted contracts, stating that except to the extent the Secretary determines otherwise, not less than 10 percent of authorized funds are to be expended with DBEs.
([Link to Legislation](#))
- **Title 49 CFR Part 26.47:** Determines that recipients of USDOT-assisted contracts cannot be penalized, or treated by the USDOT as being in noncompliance with meeting overall goals because their DBE participation falls short of their overall goal, unless they have failed to administer their program in good faith. If recipients do not have an approved DBE program or overall goal, or if recipients fail to implement their program in good faith, they are in noncompliance with this part.
([Link to Legislation](#))
- **Title 49 CFR Part 26.5:** Provides definitions for terms used in this part.
([Link to Legislation](#))
- **Title 49 CFR Part 26.53:** Establishes which good faith efforts procedures recipients must follow in situations where there are contract goals.
([Link to Legislation](#))
- **Title 49 CFR Part 26.55:** This section of Title 49 of the Code of Federal Regulations determines how DBE participation is counted toward goals.
([Link to Legislation](#))
- **Title 49 CFR Part 26.65:** Establishes eligibility requirements for DBEs.
([Link to Legislation](#))
- **Title 49 CFR Part 26.7:** Details which discriminatory actions are forbidden in administering DBE programs.
([Link to Legislation](#))
- **Title 49 CFR Part 31:** This part implements the Program Fraud Civil Remedies Act of 1986, Public Law No. 99–509, sections 6101–6104, 100 Stat. 1874 (October 21, 1986), to be codified at 31 U.S.C. 3801–3812. 31 U.S.C. 3809 of the statute requires each authority head to promulgate regulations necessary to implement the provisions of the statute. This part establishes administrative procedures for imposing civil penalties and assessments against persons who make, submit, or present, or cause to be made, submitted, or presented, false, fictitious, or fraudulent claims or written statements to the authority or to

certain others, and specifies the hearing and appeal rights of persons subject to allegations of liability for such penalties and assessments.

([Link to Legislation](#))

- **Title VI of the Civil Rights Act of 1964:** Prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance.
([Link to Legislation](#))

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XIII. ATTACHMENTS

A. Sample Reporting Forms

This section provides samples of forms needed for required reporting:

Table 3: Authority Reports

Federal (DBE):			
Uniform Report of DBE Awards or Commitments and Payments Form (<i>DOT DBE Form</i>)	Semiannually	Submissions to the USDOT on June 1st and December 1st of each year	Sample

Table 4: Consultant/Contractor Reports

Form Submissions			
SB/DVBE/DBE Utilization Report (<i>Form 103</i>)	Monthly	Submissions to the Business Compliance Manager by the 15 th of each month	Contractor Sample Consultant Sample
Prompt Payment Report	Monthly	Submissions to the Business Compliance Manager by the 15 th of each month	Sample

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS ⁵										
Please refer to the instruction sheet for directions on filling out this form										
1	Submitted to (check only one)		<input checked="" type="checkbox"/> FRA		<input type="checkbox"/> FHWA		<input type="checkbox"/> FAA		<input type="checkbox"/> FTA--Recipient ID Number	
2	AIP Numbers (FAA Recipients); Grant Number (FTA Recipients):									
3	Federal Fiscal year in which reporting period falls		FY 20/21 thru FY 21/22		4. Date This Report Submitted:		December 1, 2021			
5	Reporting Period		<input type="checkbox"/> Report due June 1 (for period Oct 1-Mar 31)		<input checked="" type="checkbox"/> Report due Dec 1 (for period April 1-Sep 30)		<input type="checkbox"/> FAA annual report due Dec 1			
6	Name and address of Recipient:		California High-Rail Authority							
7	Annual DBE Goal(s):		Race Conscious Projection: 0%		Race Neutral Projection: 10% ¹		OVERALL Goal: 10% ¹			
Awards/Commitments this Reporting Period										
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (Total contracts and subcontracts committed during this reporting period)		A	B	C	D	E	F	G	H
			Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)
8	Prime contracts awarded this period ²		\$ -	5	\$ -	0			\$ -	0
9	Subcontracts awarded/committed this period ²		\$ -	17	\$ -	6	\$ -	0	\$ -	6
10	TOTAL				\$ -	6	\$ -	0	\$ -	6
B	BREAKDOWN BY ETHNICITY & GENDER		A		B		C		D	
			Total to DBE (dollar amount)		Total to DBE (number)					
			Women	Men	Total	Women	Men	Total		
11	Black American		\$ -	\$ -	\$ -	0	0	0		
12	Hispanic American		\$ -	\$ -	\$ -	0	1	1		
13	Native American		\$ -	\$ -	\$ -	0	0	0		
14	Asian-Pacific American		\$ -	\$ -	\$ -	0	0	0		
15	Subcontinent Asian Americans		\$ -	\$ -	\$ -	0	0	0		
16	Non-Minority		\$ -	\$ -	\$ -	5	0	5		
17	TOTAL		\$ -	\$ -	\$ -	5	1	6		
Payments Made this Period										
C	PAYMENTS ON ONGOING CONTRACTS		A	B	C	D	E	F		
			Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs		
18	Prime and subcontracts currently in progress ³		29	\$ -	27	\$ -	0	0.0%		
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD		A	B	C	D	E			
			Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs			
19	Race Conscious		0	\$ -	\$ -	\$ -	0.0%			
20	Race Neutral		8	\$ 183,205,000.00		\$ 11,937,831.84	6.5%			
21	Totals		8	\$ 183,205,000.00		\$ 11,937,831.84	6.5%			
22	Submitted by: Charlene Anderson		23. Signature <i>Charlene Anderson</i>				24. Phone Number: 559-445-6764			

NOTES

¹ Line Item 7 : "Race Neutral Projection"and "Overall Goal" inclusive of DBEs.

² Line Item 8 and 9: Includes total of 5 new Prime contracts awarded this reporting period, which 4 out of the 5 are eligible for DBE firms. There was a total of 17 subcontracts added, which only 6 out of the 17 are DBE certified.

As of the beginning of the contract, no Federal funds were allocated to any of the 4 new eligible contracts. Four out of the five contracts may still be eligible to pull federal funds once they start withdrawing from FY10 grants.

Contract HSR20-26 EY will not be utilizing DBE firms, per their agreement requirement. Therefore, a DBE waiver has been submitted by the Prime.

³ Line Item 18: No dollar amount reported under section C of this report as no funding was withdrawn from FY10 grant. As a result no federal funding was expended to applicable contracts during this reporting period.

⁴ Line Item 20: The only applicable contracts to expire during this reporting period were HSR08-05, HSR13-64, HSR13-67, HSR13-68, HSR15-92#1, HSR16-08, HSR16-09, HSR16-10.

⁵ The values on this report reflect the best available data as of September 30, 2021. Utilization values may be subject to change should past invoices or payments be revised or if the DBEs crediting status of subcontractors change.

CHSRA MONTHLY SB SUBCONTRACTORS PAID REPORT SUMMARY AND PAYMENT VERIFICATION (Form 103)

2, Sep-15

1.a Contract/Project Number: HSRxx-xxx
 1.b Project Name: California High Speed Train Project
 1.c Contract Award Date:
 1.d Master Contractor Name:
 1.e Address:

3. Report Number: 1
 4. Original Contract Award Amount: \$ 100,000.00
 5. Current Contract Value: 100,000.00
 6. % of Project Complete: 50.00%
 7. Telephone: (xxx)xxx-xxxx
 8. Date of Last Progress Payment: 9/11/2015 (Prime Invoice #xx)

9. Payment to Master Contractor this period: \$ -
 10. Total \$ Paid to Master Contractor to date: \$ 50,000.00
 11. Total \$ Paid to SBs this period: \$ 10,000.00
 12. Total \$ Paid to SBs to date: \$ 10,000.00
 13. Total \$ Paid to DBEs this period: \$ 5,000.00
 14. Total \$ Paid to DBEs to date: \$ 5,000.00
 15. Total \$ Paid to DVBEs this period: \$ -
 16. Total \$ Paid to DVBEs to date: \$ -

17. SB Goal: 30% (% of total Contract) 31.00%
 18. Current SB Commitment: 10.0000%
 19. Current SB Goal Attainment:
 20. DBE Goal: 10% (% of total Contract) 6.00%
 21. Current DBE Commitment: 5.000%
 22. Current DBE Goal Attainment:
 23. DVBE Goal: 3% (% of total Contract) 0.00%
 24. Current DVBE Commitment: 0.000%
 25. Current DVBE Goal Attainment:

26. 1	27. 2	28. 3	29. 4	30. 5	31. 6	32. 7	33. 8	34. 9	35. 10	36. 11	37. 12	38. 13	39. 14	40. 15
September 2015 SUBCONTRACTORS/PURCHASE ORDERS/SUBCONSULTANTS	Type of Work Performed (Scope) Applicable NAICS Code(s)	Original \$ Amount Committed at Award	\$ +/- Resulting from Change Order Activity	\$ Amount of Current Commitment	\$ Amount of Eligible SBE Participation Claimed ¹	\$ Amount paid to SBE this month	\$ Amount paid to SBE lower Tier(s) of SBE this month	Eligible \$ Amount Paid to SBE this month = (Column 7 minus Column 8) x SB Capacity	\$ Amount Paid to Date	\$ Amount paid to lower Tier(s) of SBE to Date ²	Eligible \$ Amount Paid to SBE to Date = (Column 10 minus SBEs in Column 11) x SB Capacity	% of Retention Withheld	% of Work Complete	Notes/Comments
26.a Name: 26.b Address: City, State, Zip Code: 26.c Telephone Number: 26.d TYPE: Subcontractor X Broker Supplier: Regular Dealer or Manufacturer 26.e Lower Tier Subcontractor: (X) Y () N Lower-Tier to: AMEC 26.f CERTIFICATION of: (X) SB () DBE () DVBE () MB	27.a Geotechnical Investigation and Design (CPT)	SB/Micro: 30,000.00 DBE: - DVBE: -	SB/Micro: - DBE: - DVBE: -	SB/Micro: 30,000.00 DBE: - DVBE: -	SB/Micro: 25,000.00 DBE: - DVBE: -	SB/Micro: 10,000.00 DBE: - DVBE: -	SB/Micro: - DBE: 5,000.00 DVBE: -	SB/Micro: 5,000.00 DBE: - DVBE: -	SB/Micro: 10,000.00 DBE: - DVBE: -	SB/Micro: - DBE: 5,000.00 DVBE: - Non-SBE: -	SB/Micro: 5,000.00 DBE: - DVBE: -	SB/Micro: - DBE: - DVBE: -	SB/Micro: 20.00% DBE: - DVBE: -	
26.a Name: Address: City, State, Zip Code: Telephone Number: TYPE: Subcontractor X Broker Supplier: Regular Dealer or Manufacturer Lower Tier Subcontractor: (X) Y () N Lower-Tier to: CERTIFICATION of: (X) SB () DBE () DVBE () MB	27.b 541330	SB/Micro: 6,000.00 DBE: - DVBE: -	SB/Micro: - DBE: - DVBE: -	SB/Micro: 6,000.00 DBE: - DVBE: -	SB/Micro: 6,000.00 DBE: - DVBE: -	SB/Micro: 5,000.00 DBE: - DVBE: -	SB/Micro: - DBE: - DVBE: -	SB/Micro: 5,000.00 DBE: - DVBE: -	SB/Micro: 5,000.00 DBE: - DVBE: -	SB/Micro: - DBE: 5,000.00 DVBE: - Non-SBE: 1,000.00	SB/Micro: - DBE: 5,000.00 DVBE: -	SB/Micro: - DBE: - DVBE: -	SB/Micro: 100.00% DBE: - DVBE: -	
SB/Micro Total(s):		\$ 30,000.00	\$ -	\$ 30,000.00	\$ 25,000.00	\$ 10,000.00	\$ -	\$ 5,000.00	\$ 10,000.00	\$ -	\$ 5,000.00	\$ -		
DBE Total(s):		\$ 6,000.00	\$ -	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -		
DVBE Total(s):	41.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Non-SBE Total(s):										\$ 1,000.00				
Total:				\$ 31,000.00	\$ 15,000.00	\$ 5,000.00	\$ 10,000.00	\$ 15,000.00	\$ 6,000.00	\$ 10,000.00				

¹ Eligible amount claimed is based on applicable crediting provisions. SBE Current contract value (excluding amounts subcontracted to lower-tiers) multiplied by capacity of work performed by listed SBE (CUF).

² Amount paid to lower tier Non-SBEs to date will not be subtracted from the claimed credit of the parent SBE. This value is captured to ensure that the parent SBE is maintaining CUF standards and obligations.

³ If the SBE is both a DBE and a DVBE they must select which certification they will reporting their participation in towards the DBE or DVBE goal. All SBE certifications (SB, DBE, DVBE, Micro) will be captured and applied towards the overall 30% SBE goal.

Authorized Binding Name:
 42 Authorized Binding Title: Small Business Coordinator
 Authorized Binding Signature:

If necessary, this form can be duplicated and/or modified; however, it must contain all requested data fields.



California High Speed Rail Authority
770 L Street, Suite 620 MS3
Sacramento, CA 95814

Prime Contractor:
Date MM/DD/YY
Contract No. XX-XXX

Professional Services and Expenses Paid for: MM/DD/YY to MM/DD/YY
SB UTILIZATION REPORT SUMMARY AND VERIFICATION

Authorized Binding Signature: _____

Prime Contract Date: MM/DD/YY _____

Authorized Binding Name: _____

Prime Contract Amount paid this Period: \$ 80,000.00

Authorized Binding Title: _____

Prime Contract Amount paid to Date: \$ 888,000.00

Original Prime Contract Amount: \$ 70,000.00

% of Prime Contract paid: 45.1%

Amended Prime Contract Amount: \$ 1,900,000.00

Current Prime Contract Amount: \$ 1,970,000.00

SUMMARY			
Type	Goal %	Commitment %	Attainment %
SB TOTAL	30.0%	36.0%	50.2%
DBE	10.0%	12.9%	11.3%
DVBE	3.0%	4.1%	2.3%
MB	-	10.7%	20.3%
SB	-	8.3%	16.4%

Amended Prime Contract Amount: \$ 1,900,000.00							Original \$ Amount (Sub)contracted	\$+/- Resulting from Amendments	\$ Amount of Current Commitment	\$ Amount paid this Month	\$ Amount paid to Date	% of Commitment Complete	Notes / Comments
Current Prime Contract Amount: \$ 1,970,000.00													
SB TOTAL:							\$ 473,949.00	\$ 235,000.00	\$ 708,949.00	\$ 3,550.00	\$ 446,000.00	62.9%	
DBE SUBTOTAL:							\$ 184,794.00	\$ 70,000.00	\$ 254,794.00	\$ 1,050.00	\$ 100,000.00	39.2%	
DVBE SUBTOTAL:							\$ 50,000.00	\$ 30,000.00	\$ 80,000.00	\$ -	\$ 20,000.00	25.0%	
MB SUBTOTAL:							\$ 27,000.00	\$ 183,000.00	\$ 210,000.00	\$ 2,500.00	\$ 180,000.00	85.7%	
SB SUBTOTAL:							\$ 212,155.00	\$ (48,000.00)	\$ 164,155.00	\$ -	\$ 146,000.00	88.9%	
Firm Name	Type of Work Performed (Scope)	Certifications Held				Certification Utilized	Original \$ Amount (Sub)contracted	\$+/- Resulting from Amendments	\$ Amount of Current Commitment	\$ Amount paid this Month	\$ Amount paid to Date	% of Commitment Complete	Notes / Comments
		DBE	DVBE	MB	SB								
Prime (If Applicable)		'X' All That Apply				Select One							
							\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
Subconsultants		'X' All That Apply				Select One							
Sub 1	Environmental methods, policies and procedures				X	SB	\$ 10,000.00		\$ 10,000.00		\$ 3,000.00	30.0%	
Sub 2	Document control, administrative support staff		X		X	DVBE	\$ 20,000.00		\$ 20,000.00			0.0%	
Sub 3	Consultant workforce strategy and resource management	X			X	DBE	\$ 5,000.00		\$ 5,000.00			0.0%	
Sub 4	Environmental (biological resources, regulatory permitting)			X	X	MB	\$ 27,000.00	\$ 183,000.00	\$ 210,000.00	\$ 2,500.00	\$ 180,000.00	85.7%	
Sub 5	Transportation and commercial planning	X			X	DBE	\$ 5,000.00		\$ 5,000.00			0.0%	
Sub 6	Document processing for conveyance	X			X	DBE	\$ 6,000.00		\$ 6,000.00			0.0%	
Sub 7	PMIS and business systems solutions	X	X	X	X	DVBE	\$ 10,000.00		\$ 10,000.00			0.0%	
Sub 8	Public policy advisory and socioeconomic services				X	SB	\$ 22,155.00	\$ -	\$ 22,155.00	\$ -	\$ 13,000.00	58.7%	
Sub 9	Contract procurement management and administration			X	X	SB	\$ 180,000.00	\$ (48,000.00)	\$ 132,000.00	\$ -	\$ 130,000.00	98.5%	
Sub 10	Seismic, structures and tunnel engineering	X			X	DBE	\$ 168,794.00	\$ 70,000.00	\$ 238,794.00	\$ 1,050.00	\$ 100,000.00	41.9%	
Sub 11	Public policy advisory and socioeconomic services		X		X	DVBE	\$ 20,000.00	\$ 30,000.00	\$ 50,000.00	\$ -	\$ 20,000.00	40.0%	

Prompt Payment and Retainage Report																			
Reporting Period:		Oct-15								Project:									
Date Submitted:		11/15/2015								Contract Number:									
Firms	Invoice Information					Retention Information			Disputed Information			Total Due	Verified Payment			Current Balance			
	Number	Amount	Submittal Date	Date Accepted	Date Paid	Amount Withheld	Amount Paid	Balance	Amount Withheld	Amount Paid	Balance		Check Number	Amount	Date Paid				
(PRIME - DESIGN-BUILDER NAME)																			
	Aug-14	1	\$	-		\$	-	\$	-	\$	-	\$	-	1	\$	-	\$	-	
	Sep-14	2	\$	-		\$	-	\$	-	\$	-	\$	-	2	\$	-	\$	-	
	Oct-14	3	\$	-		\$	-	\$	-	\$	-	\$	-	3	\$	-	\$	-	
	Nov-14	4	\$	-		\$	-	\$	-	\$	-	\$	-	4	\$	-	\$	-	
	Dec-14	5	\$	-		\$	-	\$	-	\$	-	\$	-	5	\$	-	\$	-	
	Jan-15	6	\$	-		\$	-	\$	-	\$	-	\$	-	6	\$	-	\$	-	
	Feb-15	7	\$	-		\$	-	\$	-	\$	-	\$	-	7	\$	-	\$	-	
	Mar-15	8	\$	-		\$	-	\$	-	\$	-	\$	-	8	\$	-	\$	-	
	Apr-15	9	\$	-		\$	-	\$	-	\$	-	\$	-	9	\$	-	\$	-	
	May-15	10	\$	-		\$	-	\$	-	\$	-	\$	-	10	\$	-	\$	-	
	Jun-15	11	\$	-		\$	-	\$	-	\$	-	\$	-	11	\$	-	\$	-	
	Jul-15	12	\$	-		\$	-	\$	-	\$	-	\$	-	12	\$	-	\$	-	
	Aug-15	13	\$	-		\$	-	\$	-	\$	-	\$	-	13	\$	-	\$	-	
	Sep-15	14	\$	-		\$	-	\$	-	\$	-	\$	-	14	\$	-	\$	-	
	Oct-15	15	\$	-		\$	-	\$	-	\$	-	\$	-	15	\$	-	\$	-	
Prime Total	-	\$	-	-	-	\$	-	\$	-	\$	-	\$	-	-	\$	-	-	\$	-
(1ST TIER SUBCONTRACTOR/SUBCONSULTANT)																			
	Sep-14	1	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Oct-14	2	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Nov-14	3	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Dec-14	4	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Jan-15	5	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Feb-15	6	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Mar-15	7	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Apr-15	8	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	May-15	9	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Jun-15	10	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Jul-15	11	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Aug-15	12	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Sep-15	13	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Oct-15	14	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
Subtotal	-	\$	-			\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
(1ST TIER SUBCONTRACTOR/SUBCONSULTANT)																			
	Sep-15	1													\$	-			
	Oct-15	2													\$	-			
Subtotal	-	\$	-			\$	-	\$	-			\$	-		\$	-	\$	-	
(1ST TIER SUBCONTRACTOR/SUBCONSULTANT)																			
	Oct-14	1	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Nov-14	2	\$	-		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
	Dec-14	3	\$	-		\$	-	\$	-										