CHICAGO TRANSIT AUTHORITY

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM PLAN

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Introduction

The Chicago Transit Authority (CTA) operates one of the nation's largest public transportation systems. On an average weekday, over 950,000 rides are taken on CTA. The CTA is a regional transit system that serves 35 suburbs, in addition to the City of Chicago, and provides 81 percent of the public transit trips in the six-county Chicago metropolitan area either with direct service or connecting service to Metra and Pace.

As a recipient of United States Department of Transportation (DOT) grant funds, CTA is subject to regulations governing such funds including the Code of Federal Regulations, Title 49 Part 26, which detail disadvantaged business enterprise (DBE) requirements.

As a recipient of DOT grant funds, CTA must adopt a DBE Program. The DBE Program in the pages that follow sets forth and formalizes CTA's actions with respect to upholding its commitment to create a level playing field on which small and disadvantaged businesses can compete fairly for DOT assisted projects.

SUBPART A – GENERAL REQUIREMENTS

Section 26.1 Objectives

CTA adopts the objectives provided in 49 CFR 26.1 for its DBE Program.

Section 26.3 Applicability

This CTA DBE Program (Program) will apply to all CTA contracts including those that are funded by United States Department of Transportation (DOT) grant funds.

Section 26.5 Definitions

The CTA adopts the definitions contained in Section 26.5 for its Program. See Attachment 1.

Section 26.7 Non-discrimination Requirements

CTA will 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 on the basis of race, color, sex, or national origin.

In administering its DBE program, CTA will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

Section 26.11 Record Keeping Requirements

Uniform Report of DBE Awards or Commitments and Payments 26.11 (a)

CTA will report DBE participation to the concerned Operating Administration containing all the information described in the Uniform Report to this part. This report will be submitted at the intervals required by, and in the format acceptable to, concerned Operating Administration.

Reporting to USDOT 26.11 (b)

CTA will continue to provide data about the DBE Program to the Department as directed by DOT Operating Administrations at the intervals required by, and in the format acceptable to, the concerned Operating Administration.

Bidders List 26.11 (c)

The CTA will create a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on DOT-assisted contracts. The bidders list must include the following

: firm name, address, DBE/non-DBE status, NAICS code applicable to each scope of work the firm sought to perform in its bid, firm age, and annual gross receipts of firm(s).

The CTA will obtain the above information by requiring all prime contractors bidding on DOT-assisted contracts to return, at the time of submittal of its bid/proposal, a bidder's/proposer's information form included in the solicitation document. The form must be completed by the prime contractor and all subcontractors who submitted a bid to the prime for the contract.

The above information will be used for statistical purposes and CTA's compliance with the reporting requirements of 49 CFR 26.11. While CTA will review that the information has be submitted in order for the bid/proposal to be considered complete, CTA will not otherwise evaluate or consider the contents of the information in the decision-making process of awarding the contract.

Section 26.13 Assurances

CTA shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any contract or in the administration of its DBE Program or the requirements of 49 CFR Part 26. CTA shall take all reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts.

CTA will include the following assurances in all DOT assisted contract:

Non-Discrimination:

"The Contractor or Subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Authority deems appropriate, which may include, but is not limited to:

- Termination of contract;
- Assessing sanctions;
- Withholding monthly progress payments;
- Liquidated damages; and/or
- Disqualifying the contractor from future bidding as non-responsible**.**

The Contractor agrees to include this assurance in all subcontracts and require its Subcontractors to include these assurances in their subcontracts."

Prompt Payment:

"The Contractor is required to pay each first tier Subcontractor for all Work that the Subcontractor has performed to the satisfaction of the CTA no later than fourteen (14) days after the Contractor has received payment from the CTA for that Work, and each tier of Subcontractors must likewise pay the next lower tier of Subcontractors within fourteen (14) calendar days after receiving payment.

The Contractor agrees to include these assurances in all subcontracts and require its Subcontractors to include these assurances in their subcontracts."

Retainage:

"If this Contract provides for retainage, the CTA will make partial payments of retainage amounts for distinct portions of the Work that have been satisfactorily completed; the Contractor must then remit to each first-tier Subcontractor its share of any retainage within fourteen (14) days after receipt of such retainage from CTA, and each tier of Subcontractors must likewise remit retainage to the next lower tier of Subcontractors within fourteen (14) calendar days after receiving payment. If this Contract does not provide for retainage, then neither Contractor nor any Subcontractor may withhold retainage from a Subcontractor. Retainage must be reported in CTA's contract management system.

The Contractor agrees to include these assurances in all subcontracts and require its Subcontractors to include these assurances in their subcontracts."

SUBPART B – ADMINISTRATIVE REQUIREMENTS

Section 26.21 DBE Program Updates

The CTA will continue to carry out this Program as long as the CTA is a recipient of USDOT funds. CTA will provide to DOT updates representing significant changes in the Program.

Section 26.23 Policy Statement

The CTA has issued the policy statement attached as Attachment 2. The policy statement has been circulated throughout CTA as well as to DBE and non-DBE business communities that perform work on DOT-assisted contracts. The policy statement is also available on the CTA website.

Section 26.25 DBE Liaison Officer (DBELO)

CTA has designated the individual whose name is shown in Attachment 3 as the DBE Liaison Officer:

In this capacity, DBE Liaison Officer is responsible for implementing all aspects of the CTA's DBE Program and ensuring that the CTA complies with all provisions of 49 CFR Part 26. The DBE Liaison Officer has direct, independent access to the CTA President. (An organizational chart is provided in Attachment 4 of this Program.) It is the responsibility of the DBELO to carry out the day-to-day operations of the CTA's DBE Program. Specifically, the duties of the DBELO and Department Staff include, but are not limited to:

1. Develop, monitor and provide the implementation and continuing evaluation of the DBE Program;

2. Work with all CTA departments to set the CTA's overall annual DBE participation goal;

3. Circulate the DBE Policy Statement to CTA personnel and the CTA's contracting community;

4. Identify contracts and procurements to ensure that general and/or contract- specific DBE goals are included in solicitations and monitor the results;

5. Review third-party contracts and purchase requisitions for compliance with this program;

6. Ensure that bid notices and requests for proposals are available to DBEs in a timely manner;

7. Provide DBEs with information and assistance in preparing bids, and obtaining bonding and insurance;

8. Analyze the CTA's progress towards goal attainment and identify methods for improvement;

9. Consult with legal counsel, project managers and CTA's Purchasing Department to determine contractor compliance with good-faith efforts;

10. Certify DBEs according to the criteria set by the DOT and act as liaison to the Illinois Unified Certification Program Committee;

11. Maintain and update a Directory of bona fide DBEs qualified to participate in the DBE Program;

12. Provide management and technical assistance for the expansion and overall business development of DBEs;

13. Publicize CTA business opportunities to DBEs;

14. Attend pre-bid, pre-award and pre-construction meetings to explain DBE Program requirements;

15. Monitor contractors' and subcontractors' compliance with their DBE participation commitments through the life of the contracts;

16. Plan and participate in training sessions for the purpose of informing potential bidders about the DBE Program and about business opportunities with CTA;

17. Ensure timely submission of DBE Program reports that are required by USDOT and Operating Administrations;

18. Maintain accurate and up-to-date records demonstrating DBE efforts and progress within CTA;

19. Advise contractors (if required) of the steps necessary to bring them into compliance regarding DBE utilization and conduct compliance reviews as needed to ensure effective DBE Program implementation;

20. Investigate complaints and protests filed against the DBE Program;

21. Ensure that each contract and each subcontract executed by the prime contractor contains the assurances listed in Section 26.13;

22. Establish contract-specific DBE goals where applicable;

23. Survey the DBE community and other relevant sources as part of the DBE participation goal-setting process;

24. Conduct outreach in order to increase business opportunities for DBEs at CTA;

25. Advise the CTA's President and Board on DBE matters and achievement;

26. Evaluate all change orders that affect the original contract value for potential DBE participation opportunities; and

27. Ensure that safeguards are instituted to mitigate any potential conflicts of interest including reporting relationships.

Support Staff: The DBELO has a support staff from within the Diversity Programs Department. (A support staff organizational chart is provided in Attachment 4 of this Program.)

The CTA President, with input from the DBELO, will evaluate the DBE compliance performance of all department heads and staff with specific DBE responsibility.

The following officials from other departments assist the DBELO with implementing the DBE Program:

1. General Counsel
2. Chief Financial Officer
3. Vice President, Purchasing & Warehousing
4. Other members of CTA Executive Management

The assistance includes, but is not limited to:

1. **The General Counsel & Staff** shall:
    a. Provide legal advice with respect to interpreting and implementing the DBE regulations;
    b. Advise the President and DBELO regarding matters dealing with imposition of administrative sanctions against contractors who violate any part of the DBE program requirements; and
    c. Represent CTA in all legal actions involving DBE issues.
2. **The Chief Financial Officer & Staff** shall:
    a. Assist in assuring adherence to the prompt payment provision in CTA contracts; and
    b. Assist the DBELO in providing information on applications for federal grants.
3. **The Vice President of Purchasing & Warehousing & Staff** shall:
    a. Provide the scope of work for Invitation for Bids (IFBs), Requests for Proposals (RFPs), Letters of Interest & Qualifications (LIQs), and Requests for Qualifications (RFQs) to the DBELO on a timely basis to enable goal-setting, outreach and, where applicable, development of appropriate DBE language;
    b. Ensure that the DBELO has adequate time to review “good faith efforts” on all procurements with DBE contract goals when the goal is not met through participation;
    c. Provide information to the DBELO on the projected contracts that the CTA plans to award during the upcoming federal fiscal year in a timely manner;
    d. Ensure that the DBELO is kept abreast of all procurement policies and

procedures, and changes thereto;

e. Offer instruction on bid/proposal specifications, procurement policies and procedures, and general bidding requirements to DBEs and prime contractors, when requested;

f. Assist the DBELO in giving instructions to DBEs on job performance, subcontracting, and bonding requirements;

g. Support the DBELO with workshops, seminars, written material and specialized assistance to individual firms in order to facilitate DBE knowledge about procurement activities and business opportunities at CTA;

h. Ensure that the DBE community is notified of upcoming procurements, through announcements in the local and community newspapers and through providing the availability of plans and specifications to technical assistance agencies;

i. Ensure that a reasonable number of DBEs are listed on all bidders' lists;

j. Permit DBE to review and evaluate successful bid and proposal documents, subject to applicable law and confidentially requirements;

k. Support and assist the DBELO with debriefing sessions to explain to DBEs as to why certain proposals were successful;

l. Hold and attend pre-bid conferences and pre-contract award meetings to assist the DBELO in giving instructions and explanation of DBE and procurement requirements in the solicitation;

m. Ensure that all procurement bid lead-times are reasonable and in accordance with normal industry practice;

n. Review with the DBELO certain types of procurements to determine whether the contracts may be broken down to be of a more advantageous size for DBE participation; and

o. Provide the DBELO with access to CTA procurement data on a monthly basis for completion of FTA-required reports.

4. **Other Members of CTA Executive Management & Staff** shall:

a. Communicate with the DBELO and staff in while developing scopes of work to explore subcontracting opportunities;

b. Participate in public and community meetings to inform the DBE community of upcoming contracting opportunities; and

c. Assist the DBELO in the interpretation of contract specifications for clarification regarding payment and work-related disputes.

Section 26.27 DBE Financial Institutions

It is the policy of the CTA to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community and to make reasonable efforts to use these institutions and encourage prime contractors to make use of these institutions. The following clause is contained in the DBE Special Conditions section of contract documents:

> "DBE Financial Institutions - The Bidder is encouraged to utilize financial institutions owned and controlled by socially and economically disadvantaged individuals and community banks as defined by 49 CFR 26.27."

Pursuant to the Public Funds Investment Act, 30 ILCS 235/1 et seq., investments may be made only in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). CTA may invest any public funds in short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the FDIC. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of such governing authority, the public funds so invested will be required for expenditure by such public agency or its governing authority. The expressed judgment of any such governing authority as to the time when any public funds will be required for expenditure or be redeemable is final and conclusive. CTA may invest any public funds in dividend bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.

Whenever funds of the Authority are to be deposited in a financial institution in an amount which causes the total amount of the Authority's funds deposited with such Institution to exceed the amount which is protected by the FDIC, the Treasurer shall require that all of the Authority's deposits which exceed the amount insured by the FDIC shall be collateralized, at the rate of 102% of such deposit, by: bonds, notes, certificates of indebtedness, Treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest or, at the rate of 110% of such deposit, by: bonds, notes, debentures or other similar obligations of Agencies of the United States of America (as defined in the Authorized Investments section of this Investment Policy).

If the financial institution can guarantee all funds exceeding FDIC limits are collateralized, CTA

will consider depositing funds with financial institutions owned and controlled by socially and economically disadvantaged individuals based on their product
offering. A typical security should have a duration of six months to one year.

CTA will require a monthly report showing balances held and securities pledged to collateralized deposited funds from the MPI to monitor compliance.

Since the Public Funds Investment Act requires each agency to investment in institutions with a minimum of $15,000,000 in capital, a capital to asset ratio of at least 6% and a 125% collateral deposit match, the CTA does not currently have any funds in financial institutions owned and controlled by socially and economically disadvantaged individuals. In order to determine whether CTA can consider depositing funds in financial institutions owned and controlled by socially and economically disadvantaged individuals I, Diversity Programs will, on an annual basis, reach out to local financial institutions with a questionnaire, developed with the Chief Financial Officer's staff.

Section 26.29 Prompt Payment Mechanisms

1. CTA will include the following clause in all contracts as well as require that prime contractors on all contracts include this provision in each of their subcontracts:

    a. The Contractor is required to pay each first tier Subcontractor for all Work that the Subcontractor has performed to the satisfaction of the CTA no later than fourteen (14) days after the Contractor has received payment from the CTA for that Work, and each tier of Subcontractors must likewise pay the next lower tier of Subcontractors within fourteen (14) calendar days after receiving payment.

    The Contractor agrees to include these assurances in all subcontracts, and require its Subcontractors to include these assurances in their subcontracts.

    b. If this Contract provides for retainage, the CTA will make partial payments of retainage amounts for distinct portions of the Work that have been satisfactorily completed; the Contractor must then remit to each first-tier Subcontractor its share of any retainage within fourteen (14) days after receipt of such retainage from CTA, and each tier of Subcontractors must likewise remit retainage to the next lower tier of Subcontractors within fourteen (14) calendar days after receiving payment. If this Contract does not provide for retainage, then neither Contractor nor any Subcontractor may withhold retainage from a Subcontractor. Retainage must be reported in CTA's contract management system.

    The Contractor agrees to include these assurances in all subcontracts, and require its Subcontractors to include these assurances in their subcontracts.

2. A delay in or postponement of payment to the Subcontractor requires good cause and

prior written approval of the Director, Purchasing.

Reporting Requirements:

1. The Bidder shall, within seven (7) calendar days of contract award, or prior to any work being performed by any Subcontractor of any tier, execute written subcontracts or purchase orders with the Subcontractors included in the Bid. In the event the Bidder cannot complete the agreement with one or more Subcontractors within this seven (7) day period, the Bidder must provide a written explanation for the delay and an estimated date by which the written agreement will be completed to the DBELO. These written agreements shall be made available to the DBELO and staff upon request.

   All contracts between the Bidder and its Subcontractors must contain the following clauses as set forth in the DBE Special Conditions: prompt payment clause, retainage clause, and non-discrimination clause.

2. The Contractor must utilize the CTA's contract management system, which provides the Contractor an easy-to-use, web-based service for reporting payments rendered to **all Subcontractors**.

   The Contractor will receive an electronic alert for every payment received from the Authority and must report all Subcontractor payments in the CTA's contract management system no later than seven (7) calendar days after paying the Subcontractor(s). **Failure to follow these directions may delay payment.**

CTA shall require prime contractors to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the Department. This reporting requirement also extends to all subcontractors.

The Contractor will be expected to respond to desk audits performed at the contract's quarterly milestones. Requests for information will include, but are not limited to, subcontractor invoices and proof of payment (i.e. cancelled check or electronic fund transfer ("EFT") statement). The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

Enforcements

1. Failure to comply with the DBE requirements of the contract or with the DBE substitution procedures or failure to use DBEs as stated in the bid/proposal constitutes a material breach of contract. The DBELO shall have the discretion to recommend to the Authority's Purchasing Agent that the Authority apply suitable sanctions to the Contractor if the Contractor is found to be in non-compliance with the DBE requirements. Such sanctions include, but are not limited to, withholding payment to the Contractor until corrective action is taken; suspension and/or termination of the contract, in whole or in part; declaring the

Contractor non-responsible; and debarring or suspending the Contractor from entering into future contracts with the Authority.

2. The failure by the Contractor to use a DBE Subcontractor to the extent the Contractor committed to use said DBE gives the underutilized DBE specific contract remedies, including the right to damages, the right to resolve the dispute by binding arbitration before an independent arbitrator and the right to recover its reasonable expenses, including attorneys' fees, if the DBE is the prevailing party, as follows:

A. Damages. In the event the Contractor has not complied with the contractual DBE percentage and the change to the contractual DBE usage has not been approved by the Authority, an affected DBE may recover from the Contractor damages suffered by said DBE as a result of being underutilized. This provision is intended for the benefit of any DBE affected by underutilization and grants such entity third party beneficiary rights under the contract. Any rights conferred by this provision are non-waivable and take precedence over any conflicting provisions in the agreement between the Contractor and the DBE.

B. Arbitration procedures. If requested by the DBE, the DBE shall have the right to initiate binding arbitration of any dispute concerning damages suffered as a result of being underutilized. A DBE desiring to arbitrate must notify the Contractor in writing to initiate the arbitration process. Unless the affected parties agree to a different schedule in writing, within ten (10) days of receipt by the Contractor of the intent to arbitrate from the DBE, the above-described disputes must be arbitrated in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), a not-for-profit agency, with an office at 225 North Michigan Avenue, Suite 2527, Chicago, Illinois 60601-7601. All such arbitrations must be initiated by the DBE filing a demand for arbitration with the AAA; must be conducted by the AAA; and must be held in Chicago, Illinois.

C. Fees. All fees of the arbitrator are the initial responsibility of the DBE; provided, however, that the arbitrator is authorized to award reasonable expenses, including attorneys' and arbitrator fees, as damages to a prevailing DBE.

D. Entry of judgment. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

Section 26.31 Directory

CTA utilizes the Illinois Unified Certification Program (ILUCP) DBE directory, a directory maintained by all the ILUCP Participants:

- Chicago Transit Authority
- Illinois Department of Transportation

- City of Chicago
- Metra
- Pace

The IL UCP DBE directory is updated on a regular basis per the ILUCP Procedures (Attachment 5). An online directory is available at the Illinois Unified Certification Program Website: (https://webapps.dot.illinois.gov/UCP/ExternalSearch)

Section 26.33 Overconcentration

During the CTA's review for the triennial goal methodology, the DBELO will review all contracts and NAICS codes used for overconcentration against available census data, bidders list data, and internal contract data. Specifically, the DBELO will review the percentage of total contract dollars that go to DBE firms in each NAICS code. If the DBELO determines that the DBE participation is overconcentrated in certain NAICS codes that it unduly burdens the participation of non-DBEs in that type of work, the DBELO will develop appropriate measures to address the overconcentration. Once approved, those measures will be added to the Program.

Measures to address DBE overconcentration in a specific NAICS code may include, but is not limited to, the following:

1. Developing ways to assist DBEs to move into nontraditional areas of work;

2. Varying the use of contract specific DBE goals;

3. Working with our Prime contractors and DBE community to find and use DBEs in other industry areas;

Section 26.35 Business Development Programs

CTA has elected not to administer a Business Development Program (BDP) as part of its overall DBE activities. However, the CTA is committed to the growth and development of the DBE Community and its ability to compete in the general marketplace. In this interest, the CTA has developed the following programs:

- Mentor-Protégé Program
  Intended to increase the capacity and capabilities of DBE firms and thereby increase the opportunities for DBE participation on CTA contracts. The full details of CTA's Mentor-Protégé Program are provided in Attachment 6.

- DBE Advisory Committee
  Established to discuss strategies and initiatives pertaining to CTA's DBE Program. The Committee is comprised of DBE-certified firm, prime non-certified firms, and business support organizations (BSOs).

- Small Business Educational Series
  Key industry leaders teach participants how to procure business opportunities, manage projects, protect against risk, run payroll correctly, create accurate estimates, and close our projects. Upon successful completion of the program, participants will have the option to receive OSHA 30 Training and to receive their First Aid/CPR certification.

  All trainings will be hosted and provided free of charge by CTA.

- Building Small Businesses
  Developed to provide capital-sourcing, technical and procurement assistance, and back-office support to small businesses. Participants receive a confidential one-on-one session to discuss growth strategies.

  The program is provided free of charge by CTA.

Section 26.37 Monitoring and Enforcement Mechanisms

CTA will engage in the following monitoring and enforcement mechanism to ensure compliance with 49 CFR Part 26:

1. CTA will bring to the attention of the Department of Transportation (DOT) any false, fraudulent, or dishonest conduct in connection with the Program, so that the DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in Section 26.109.

2. The CTA will monitor and enforce mechanisms to ensure compliance with 49 CFR Part 26. Failure to comply with the DBE requirements of the contract or failure to use DBEs as stated in the bid/proposal constitutes a material breach of contract. The DBELO shall have the discretion to recommend to CTA's Purchasing Agent that the Purchasing Agent apply suitable sanctions to the Contractor if the Contractor is found to be in non-compliance with the DBE requirements. Such sanctions include, but are not limited to, withholding payment to the Contractor until corrective action is taken; suspension and/or termination of the contract, in whole or in part; and debarring or suspending the Contractor from entering into future contracts with the CTA. Individual citizens aware of these violations by any company may report to CTA such incidence directly to the Diversity Programs Department at (312) 681-2600.

3. CTA will also provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award or subsequently is actually performed by the DBEs to which the work was committed. This will be accomplished by the following:

   <u>Executed Subcontract Agreements</u>
   When a contract award is made by the CTA, the prime contractor is sent a copy of the fully executed contract. Once a subcontract is executed CTA will inform the DBE subcontractors in writing that they have been named as subcontractor

on the contract. Upon notification to the prime contractor of contract award, the prime contractor is required to execute subcontractor agreements or purchase orders with DBEs listed on their utilization plan within seven (7) calendars days prior to start of work with the DBE subcontractors identified in its bid/proposal. These subcontractor agreements will be reviewed by the Diversity Programs Department to ensure that proper non-discrimination, prompt payment, and retainage clauses are outlined in these agreements.

Kick-off Meeting

Diversity Programs staff shall attend a kickoff meeting to inform the contractor of the DBE Requirements and other matters, prior to or immediately after Notice to Proceed is issued. If a kickoff meeting is not scheduled, the prime contractor will be notified in writing of DBE requirements. The Contractor shall be responsible for informing the Subcontractors of all DBE Requirements as specified by CTA herein.

Commercially Useful Function Monitoring

During the course of the contract, CTA will conduct onsite monitoring to ensure that the scope of work committed to the DBEs are actually being performed by the DBEs. This monitoring effort is fully incorporated by CTA's compliance site visit process. The observed work will be reconciled with the DBE subcontractor agreements and the certified payroll submitted if applicable.

Contract Enforcement

At regular intervals the CTA will run a comparison of certified firms and their attainment, with regards to the progress of work including payments. To determine which contracts are on track to meet their goals and which contracts we have a projected shortfall.

Section 26.39 Small Business Enterprise (SBE) Program

CTA will establish a small business program (SBE Program) to foster small business participation and facilitate competition by small businesses on CTA contracts.

Certification Standards

CTA will not accept self-certification and will apply the following certification standards for SBE applicants.

1. Small Business Administration's (SBA) size standards for small businesses based on the applicants NAICS codes.

2. Apply 49 CFR 26.65 (b) to establish a gross receipt cap. Applicants must meet both the SBA size standards and the cap in 26.65 (b).

3. Apply 49 CFR 26.68 to establish the economic threshold of at least 51% of the

ownership of the firm in order to be considered economically disadvantaged.

4. The economically disadvantaged owner(s) must have real and substantial ownership and long-term and day-to-day control of the applicant firm.

Firms interested in SBE certification may apply online at cta.dbesystem.com. Applicants will be required to submit documentation supporting its certification as a SBE when requested by CTA. CTA will conduct site visits to applicant firms and assign NAICS codes and specialties, to approved firms, based on the work they have demonstrated they can perform. SBE firms will be required to submit an annual Declaration of Eligibility to maintain their SBE certification.

CTA will accept certifications by the entities that use the same SBE certification standards, which are listed on Attachment 7 to the DBE Program as revised from time to time by the DBELO. In January 2023, as part of the Equity in Infrastructure Project (EIP), CTA and Southeastern Pennsylvania Transportation Authority (SEPTA) developed a memorandum of understanding (MOU) to grant reciprocity for SBE certification (Attachment 8). CTA will accept SBE certifications from entities that sign the SBE MOU and add them to the DBE Program Plan.

Contracting Opportunities

The following methods will be used to foster small business participation:

1. Blanket contracts with independent cost estimates (ICE) up to $ 5,000,000 per year, where a competitive pool of SBE-certified firms exists, and select definite-quantity contracts with ICEs up to $5,000,000 per contract, where a competitive pool of SBE-certified firms exists, will be identified to allow and encourage, through SBE set-aside contracts, small businesses to bid as prime contractors.

2. Set contract SBE goals based on the availability of SBEs to perform through subcontracting opportunities.

Contracts estimated over $40,000 will be reviewed by the DBELO before advertisement to determine if the contract will be included in the SBE Program.

At the time of submitting its bid/proposal on a contract included in the SBE Program, prime bidders/proposers will be required to identify those specific portions of the work to be subcontracted certified SBEs. Compliance with this requirement will be an element of responsiveness to the bid/proposal.

SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 26.43 Set-asides or Quotas

The CTA's DBE Program is a goal-oriented program. The CTA will not use quotas in any way

in the administration of the DBE Program.

Section 26.45 Overall Goals

CTA will follow the requirements of 49 CFR Part 26 when setting its overall agency DBE goal for its DOT-assisted contracts. To the extent possible, the goal will be met using means that are DBE-neutral such as outreach, technical assistance and procurement modification. Where DBE-neutral means are insufficient, contract-specific goals will be set by the CTA to assist it in achieving its overall agency DBE goal. The means used to achieve the goal will avoid imposing undue burden on non-DBEs.

Contract-specific goals will be reviewed regularly. The information gathered from such review will be used, along with other data, to adjust the use of contract-specific goals accordingly. The overall agency DBE goal will be reviewed on a triennial basis and revised as necessary.

CTA will establish its overall DBE goal every three (3) years and establish project-specific DBE goals when appropriate. In accordance with the methodology set forth in the regulations (49 CFR Part 26.45), the CTA will then establish its overall and project-specific DBE goal as follows:

Step 1: The current bidders list that CTA compiles will be used to determine the number of ready, willing, and able DBE firms and the number of all ready, willing, and able firms. Each firm will be required to provide NAICS code(s) in which it would like to compete for CTA contracts in. CTA will then receive forecasted DOT-assisted contracts from all departments and identify subcontracting opportunities by NAICS code for each contract and assign estimated dollars based on the departments' estimates. Finally, CTA will divide the number of DBE firms by the number of all firms in each NAICS code to derive the base figure.

Step 2: In addition to measuring the relative availability of DBEs, the CTA will gather historical data on the forecasted contracts to analyze whether the forecasted dollars are similar to the previous three years of DOT-assisted spending. If they are similar, CTA will use the median attainment from the past three years to adjust the base figure. To adjust the base figure, CTA will average the base figure and the median attainment from the past three years. If they are not similar, CTA will review previous contracts similar in size and scope to analyze whether the base figure is consistent with previous attainments.

CTA will also confer with local experts, engage in public outreach, meet with business support organizations, and examine anticipated changes in DOT-assisted contracting over the next year to buttress the consultant's recommendation.

When establishing or revising its agency DBE goal, CTA will:

1. Consult with various contractor groups, community organization, and other officials and

organizations.

2. Publish a notice announcing the overall goal and the fact that the goal and a description of the methodology used to establish it is available for inspection on CTA website and during an “Open House” event hosted at CTA Headquarters. The public will be advised that it can submit comments on goals to CTA of the FTA within thirty (30) days of the date of publication.

3. This information will be made available on the CTA website. The notice includes the address for CTA’s principal offices where the program goals can be reviewed and the address to which comments could be sent.

4. Distribute the methodology to the CTA’s DBE Advisory Committee for feedback.

If CTA is instructed by FTA or feels it is necessary to establish a project DBE goal, CTA will use the same methodology described above specific to the work detailed in the project.

Section 26.47 Goal Setting and Accountability

If the awards and commitments shown on CTA’s Uniform Report of Awards or Commitments and Payments at the end of any fiscal year are less than the overall applicable to the fiscal year CTA will:

1. Analyze in detail the reason for the difference between the overall goal and the actual awards/commitments;

2. Establish specific steps and milestone to correct the problems identified in the analysis; and

3. Submit the plan to the FTA within 90 days of the end of the affected fiscal year.

Section 26.49 Transit Vehicle Manufacturers Goals

The CTA will require each TVM, as a condition of being authorized to bid or propose on DOT-assisted transit vehicle procurements, to certify that it has complied with the requirements of 49 CFR Part 26.49. In conformity with 49 CFR Part 26.49 (f), CTA may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles.

CTA will verify each bidder/proposer’s TVM certification on DOT’s website prior to the award of a contract or option on a contract. Additionally, CTA will notify DOT within 30 days of making an award of a new contract or an option on a multi-year contract including the name of the successful bidder and the total dollar value of the contract.

Section 26.51 Meeting Overall Goals/Contract Goals

DBE-Neutral Measures (26.51) (a-c)

The CTA will meet the maximum feasible portion of its overall goal by using DBE-neutral means of facilitating DBE-neutral participation. The CTA will use the following DBE-neutral means to increase DBE participation:

1. The invitation for bids/proposals which are publicly advertised will be solicited from an adequate number of known small businesses, providing them sufficient bid-submittal time prior to the date set for opening bids/proposals. Ensure that unreasonable requirements are not placed on firms in order for them to qualify to do business, such as unnecessary experience and excessive bonding. Also ensure establishment of delivery schedules, quantities and specifications, where the solicitation permits, that encourage participation by small and DBE businesses;

2. Unbundling large contracts to make them more accessible to small businesses;

3. Encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces;

4. Providing assistance to DBEs in overcoming limitations such as inability to obtain bonding or financing (e.g., by such means as simplifying the bidding process, reducing bonding requirements, use of progress payments when appropriate requirements are met, eliminating the impact of surety costs from bids, and providing services to help DBEs and other small businesses obtain bonding and financing);

5. Providing technical assistance and other services;

6. Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on CTA's mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);

7. Ensuring distribution of the DBE directory, through electronic means, to the widest feasible universe of potential prime contractors;

8. Institution of a robust small business development & outreach programming which will assist DBE and other small businesses as new start-up firms (particularly in fields where DBE participation has historically been low), develop their capability to utilize emerging technology and conduct business through electronic media, help them improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency; and

9. Implementation of a Railroad Protective Insurance Program to permit purchase of this insurance, when required by the contract, at lower costs than on the open market.

Contract Goals 26.51(d-g)

The CTA will use contract goals to meet any portion of its overall DBE goal it projects it will not be able to meet using DBE-neutral means. Contract goals will be established over the period to which the overall goal applies.

CTA will establish contract goals only on those contracts that have subcontracting possibilities, and the size of the goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

Section 26.53 Good Faith Efforts Procedures

In its Good Faith Efforts evaluation, CTA will consider the quality, quantity, and intensity of the different kinds of efforts that the bidders/proposers have made. It will be determined if the efforts employed by the bidders/proposers were those that one could reasonably expect a bidder/proposer to take if the bidder/proposer was actively and aggressively trying to obtain DBE participation sufficient to meet the DBE contract goal. Examples of good faith efforts are given in 49 CFR, Appendix A to Part 26 and in the DBE Special Conditions of the CTA contract.

Mere ***pro forma*** efforts will not be considered good faith efforts to meet the DBE contract requirements.

CTA will also take into consideration the performance of the other bidders/proposers in meeting the goal or good faith efforts on the specific contract. When other bidders/ proposers have met the goal, the CTA will analyze the reasonableness of the effort of the apparent low bidders/ successful proposers. If the apparent low bidder/ successful proposer fails to meet the goal, but meets or exceeds the average DBE participation obtained by other bidders/ proposers, this will be viewed by CTA in conjunction with the efforts listed above as evidence of the apparent low bidders/ successful proposers having made good faith efforts.

Information to be Submitted: 26.53 (b)

Each Solicitation for which a contract goal has been established will require the bidder/ offeror, with bid proposal, to submit the following information:

1. The names and addresses of DBE's that will participate in the contract;

2. A description of work that each DBE will perform;

3. The dollar amount of each DBE's participation;

4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;

5. Written and signed confirmation from the DBE that it is participating on this contract as provided in the prime contractor's commitment indicating the business type.

6. If the contract goal is not met, evidence of good faith efforts must be submitted at time of bid.

Evaluation of Good Faith Efforts: 26.53 (a) & (c)

1. For all contracts in which contract DBE goals are established, CTA will inform competitors in the solicitation that all bidders/proposers will be required to show good faith efforts to meet the DBE goal with their bid/proposal documents. Good faith efforts will be shown by documenting enough DBE participation to meet the goal or documenting adequate good faith efforts to meet the goal, even though it did not succeed in obtaining enough DBE participation to do so (e.g. bidder/proposer only partially met the goal). .

2. On all invitations for bids, meeting the DBE goal/documenting good faith efforts will be an element of responsiveness. On all requests for proposals and letters of interest and qualifications, meeting the DBE goal/documenting good faith efforts will be an element of responsibility.

3. All bids and proposals must contain the following:

    a. The name and addresses of the DBE subcontractors that will participate in the contract;

    b. A description of the work that each DBE will perform;

    c. The dollar amount of the participation of each DBE firm;

    d. Written documentation of the bidder's/proposer's commitment to use the DBE subcontractors whose participation it submits to meet a contract goal or otherwise

    e. Written confirmation from each listed DBE and a description of the work that it is participating in the contract as provided in the prime contractor's commitment. Each DBE listed to perform work as a regular dealer or distributor must confirm its participation according to the requirements listed in the contracts special conditions.

If insufficient DBE participation is submitted to meet the DBE contract goal, bidders/proposers must document their good faith efforts to meet the goal at the time of submitting their bid or proposal. The documents of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract. This submission should be submitted on company letterhead and signed by a President, Vice President, or other employee authorized by

corporate resolution or bylaw to bind the company. CTA will ensure that all information is complete, accurate, and adequately documents the bidder's and or proposer's good faith efforts before CTA awards the contract.

Reconsideration 26.53 (d)

CTA requires that all information regarding DBE participation and/or good faith efforts must be submitted with the bid/proposal. If it is determined that the apparent lowest bidder/successful proposer has failed to submit adequate good faith efforts, CTA will provide the apparent low bidder/successful proposer one opportunity for administrative reconsideration before awarding the contract. If necessary, this procedure will be repeated for subsequent bidders/proposers. This reconsideration will include the following:

1. The opportunity to either provide written clarification to or attend a scheduled meeting with the Reconsideration Officer concerning the issue of whether the efforts taken by the bidder/proposer met the DBE contract goal or documented adequate good faith efforts to meet the goal. The bidder/proposer will not be allowed to present any additional documents or information other than what was submitted with the bid/proposal. The reconsideration official will not have played any role in the original determination that the bidder/proposer did not document sufficient good faith efforts;

2. A written decision will be issued promptly to the bidder/proposer explaining the basis for the finding that the bidder/proposer did or did not meet the goal through participation or made adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable.

Design-Build 26.53 (e)

CTA may set a DBE goal that proposers must meet by submitting a DBE Open-Ended DBE Performance Plan (OEPP) with the proposal for Design-Build contracts. To be considered responsive, the OEPP must include a commitment to meet the goal and provide details of the types of subcontracting work or services (with projected dollar amounts) that the proposer will solicit DBEs to perform. The OEPP must include an estimated time frame in which actual DBE subcontracts will be executed. CTA and the Design-Builder agree to make written revisions of the OEPP throughout the life of the project. E.g., replacing the type of work items the design-builder will solicit DBEs to perform and/or adjusting the proposed schedule, as long as the design-builder continues to use good faith efforts to meet the goal.

Good Faith Efforts when a DBE is Terminated/Substituted on a Contract 26.53 (f)

CTA requires that prime contractors not terminate a DBE subcontractor listed on a bid/proposal with a DBE contract goal without CTA's prior written consent. Prior written consent will only be provided where there is "good cause" for termination of the DBE firm, as established by Section 26.53(f)(3) of the DBE regulation.

Before transmitting to CTA its request to terminate, the prime contractor must give notice in

writing to the DBE of its intent to do so. A copy of this notice must be provided to CTA prior to consideration of the request to terminate. The DBE will then have five (5) days to respond and advise CTA of why it objects or agrees with the proposed termination. A copy of the DBE's response must also be provided to CTA. [Note: the five-day period may be reduced if the matter is one of public necessity. e.g., safety.]

In those instances where "good cause" exists to terminate a DBE's contract, CTA will require the prime contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. CTA will require the prime contractor to notify the DBELO immediately of the DBE's inability or unwillingness to perform and provide reasonable documentation.

In this situation, CTA will require the prime contractor to obtain our prior approval of the substitute DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts.

Section 26.55 Counting DBE Participation

CTA will count DBE participation toward overall and contract goals as provided in 49 CFR 26.55.

Commercially Useful Function

DBE primes and subcontractors, at any tier, must perform a Commercially Useful Function (CUF). A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the DBE must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether a DBE is performing a commercially useful function, you must evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing and the DBE credit claimed for its performance of the work, and other relevant factors.

A DBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation. If a DBE does not perform or exercise responsibility for at least 30 percent (30%) of the total cost of its contract with its own work force, or the 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, CTA will presume that the DBE is not performing a commercially useful function

When a DBE is presumed not to be performing a commercially useful function, the DBE may present evidence in writing to rebut this presumption. CTA may determine that the

firm is performing a commercially useful function given the type of work involved and normal industry practices. CTA decisions on commercially useful function are not administratively appealable.

Counting guidelines are provided as follows:

DBE as the Prime Contractor: 100% DBE credit for that portion of the work performed by the DBE's own forces, including the cost of materials and supplies. Work that a DBE prime subcontracts to a non-DBE firm does not count toward the DBE goal.

DBE as a Joint Venture Contractor: 100% DBE credit for that portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work performed by the DBE's own forces.

DBE as a Subcontractor: 100% DBE credit for the work of the subcontract performed by the DBE's own forces, including the cost of materials and supplies, excluding the purchase of materials and supplies or the lease of equipment by the DBE subcontractor from the prime contractor or its affiliates. Work that a DBE subcontractor in turn subcontracts to a non-DBE firm does not count toward the DBE.

DBE as a Material Supplier:
100% DBE credit for the cost of materials or supplies obtained from a DBE manufacturer.

DBE as a Regular Dealer: 60% DBE credit for the cost of the materials or supplies purchased from a DBE.

DBE as a Distributor: 40% DBE credit for the cost of the materials or supplies for transportation.

DBE as a Broker: 100% DBE credit for the value of reasonable fees and commissions for the procurement of materials and supplies if not a regular dealer or manufacturer

DBE as a Trucker: 100% DBE credit for trucking participation provided the DBE is responsible for the management and supervision of the entire trucking operation for which it is responsible. At least one truck owned, operated, licensed and insured by the DBE must be used on the contract. Credit will be given for the full value of all such DBE-owned trucks operated using DBE employed drivers. DBE credit for transportation services provided by a non-DBE firm will be limited to the value of transportation services provided by DBE-owned trucks on the contract. Any additional participation by a non-DBE firm will receive credit only for the value of the reasonable fee or commission received by the DBE.

CTA uses the following six (6) factors in determining whether to count expenditures to a DBE trucking firm, to determine if it is performing a commercially useful function:

1. The DBE must be responsible for the management and supervision of the entire

trucking operation for which it is responsible on a particular contract and there cannot be a contrived arrangement for the purpose of meeting the DBE commitment.

2. The DBE must itself own and operate at least one fully licensed, insured and operational truck used on the contract.

3. The DBE receives credit for the total value of the transportation services it provides on the contract using trucks it owns, insures, and operates using drivers it employs.

4. The DBE may lease trucks from another DBE firm, including an owner- operator who is certified as a DBE. The DBE who leases the trucks from another DBE receives credit for the total value of the transportation services the DBE lessee provides on the contract.

5. The DBE may also lease trucks from a non-DBE firm, including an owner- operator. The DBE who leases trucks from a non-DBE is entitled to credit for the total value of transportation services provided by the non-DBE leased trucks equipped with drivers not to exceed the value of transportation services on the contract provided by DBE-owned trucks or leased trucks with DBE employee drivers. Additional participation by non-DBE trucks equipped with drivers receives credit only for the fee or commission it receives as a result of the lease arrangement. CTA will obtain written consent from FTA if it chooses this approach.

6. The DBE may lease trucks without drivers from a non-DBE truck leasing company. If the DBE leases trucks from a non-DBE truck leasing company and uses its own employees as drivers, it is entitled to credit for the total value of these hauling services.

For purposes of the section above, a lease must indicate that the DBE has exclusive use of and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, so long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.

SUBPART D – CERTIFICATION STANDARDS

Section 26.61 – 26.73 Certification Process

The CTA and the other certifying members of the IL UCP will use the certification standards of 49 CFR, Subpart D of Part 26 and the certification procedures of Subpart E of Part 26 to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. CTA will make its certification decision based on the facts as a whole.

For information about the certification process, firms will be directed to contact the DBELO at (312) 681-2600, or directed to submit such requests in writing to:

diversity@transitchicago.com

or

Chicago Transit Authority
Diversity Programs Department
567 W. Lake St. 4th Floor
Chicago, IL, 60601

Applications are available online. (https://cta.dbesystem.com/)

Section 26.68 Personal Net Worth

CTA will require each owner on whom the firm relies for certification to submit a DOE and a corroborating Personal Net Worth (PNW) statement, including required attachments. The owner must report PNW on the form, available at *https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/new-dbe-personal-net-worth-statement*. CTA may require an owner to provide additional information on a case-by-case basis to verify the accuracy and completeness of the provided PNW statement. CTA will acknowledge any adjustments to the Personal Net Worth Cap made by the Department and acknowledges each adjustment will become the current applicable limit.

With the exception of certification appeal proceedings under 49 CFR 26.89 and interstate certification procedures of 49 CFR 26.85, the statement of personal net worth and supporting documentation submitted pursuant to 49 CFR, Part 26.68 (e) will be kept confidential by the CTA and not released to any third party without the written consent of the SEDO who submitted it.

Rules Affecting Certification

1. CTA does not consider commercially useful function issues with respect to DBE certification eligibility. CTA recognizes that commercially useful function pertains solely to counting DBE participation and meeting DBE goals on individual CTA contracts.

2. CTA will consider whether a firm has exhibited a pattern of conduct indicating its involvement in attempts to evade or subvert the intent or requirements of the DBE Program when rendering certification decisions.

3. CTA will evaluate the eligibility of a firm on the basis of present circumstances.

4. CTA requires all firms seeking DBE certification to cooperate fully with requests from CTA and USDOT for information relevant to the certification process. Failure of refusal to provide such information is a ground for a denial or removal of certification.

5. CTA will only accept firms organized for-profit in consideration for DBE certification.

6. An eligible DBE firm must be owned by individuals who are socially and economically disadvantaged. Except as set forth below, a firm that is not owned by such individuals, but instead is owned by another firm-even another DBE firm- cannot be an eligible DBE.

7. A subsidiary of socially and economically DBE eligible parent company or holding company may be certified if it otherwise meets all the requirements for certification. In this situation, the individual owners and controllers of the parent of holding company are deemed to control the subsidiary through the parent or holding company. Where the parent or holding company has not applied for certification, CTA will require it to first demonstrate its eligibility prior to certifying the subsidiary.

    a. No applicant or DBE may be more than one entity removed from its individual SEDOs.

8. CTA will certify such a subsidiary only if there is cumulatively 51 percent ownership of the subsidiary by socially and economically disadvantaged individuals.

9. Recognition of business as a separate entity for tax or corporate purpose is not necessarily sufficient to demonstrate that a firm is an individual business, owned and controlled by socially and economically disadvantaged individuals.

10. Prequalification as a condition for DBE certification is not required at this time.

11. CTA recognizes firms owned by a Native American tribe or Native Hawaiian organization as an entity, not as individuals. Such a firm must meet the size standards of CFR Part 26.65 and be controlled by socially and economically disadvantaged individuals, as provided in 49 CFR, Part 26.67.

12. CTA will comply with requirements for Alaskan-Native Corporation set forth in 49CFR, Part 26.63 (c)(2)

13. CTA will confirm, through the DOCR website, that an applicant firm has not been denied within 12 months of the submitted application to CTA by another IL UCP certifying agency.

SUBPART E – CERTIFICATION PROCEDURES

Section 26.81 Unified Certification Programs

CTA is a member of the Illinois Unified Certification Program (ILUCP) administered by Illinois Department of Transportation (IDOT). The ILUCP will meet all the requirements of this section. CTA will use and count for the DBE credit only those DBE firms certified by the ILUCP. The Illinois Unified Certification Program Procedures are found in Attachment 5.

Section 26.83 Declarations of Eligibility

Initial Certifications

CTA will determine the eligibility of firms as DBEs consistent with the standards of the IL UCP, which are consistent with the standards of subpart D of 49 CFR Part 26.
CTA will take all the following steps in determining whether a DBE firm meets the standards of the IL UCP and subpart D of 49 CFR Part 26:

1. CTA will visit an applicant firm's principal place of business, virtually or in person, and interview the SEDO(s), officers, and key personnel. CTA will maintain a complete audio recording of the interview. CTA will also visit one or more active job sites (if there is one).

2. CTA will analyze documentation related to the legal structure, ownership, and control of applicant firms. This includes, but is not limited to, Articles of Incorporation/Organization; corporate by-laws or operating agreements; organizational, annual and board/member meeting records; stock ledgers and certificates; and State-issued Certificates of Good Standing.

3. CTA will review the bonding and financial capacity of applicant firms; lease and loan agreements; bank account signature cards.

4. CTA will examine the work history of the firm, including contracts it has received, work it has completed, and payroll records.

5. CTA will request a statement from applicant firms of the type of work it prefers to perform as part of the DBE program and its preferred locations for performing the work, if any.

6. CTA will require lists of the equipment owned by or available to the firm and the licenses the firm and its key personnel possess to perform the work it seeks to do as part of the DBE program be provided by applicant firms.

7. CTA will require complete Federal income tax returns (or requests for extensions) filed by the firm and its affiliates, if any, for the last 5 years. CTA will require complete Federal income tax returns (or requests for extensions) filed by SEDO(s) for the last 3 years. A complete return includes all forms, schedules, and statements filed with the Internal Revenue Service.

8. CTA will require a personal narrative from SEDO(s) demonstrating their social and economic disadvantage, as required by 49 CFR Part 26.67.

9. CTA will require potential DBEs to virtually complete and submit an appropriate application form provided in Appendix F of 49 CFR Part 26. Applications of potential DBEs will be submitted to www.cta.dbesystem.com.

10. CTA will ensure that the SEDO(s) signs the Declaration of Eligibility (DOE), subscribing

to as true under penalty of perjury that all information provided is current, accurate, and complete.

11. CTA will review all information in the application prior to issuing decisions about the eligibility of applicant firms. CTA will request clarification of information contained in the application at any time during application process.

Declarations of Eligibility and Notices of Change

CTA requires every DBE to provide annually to CTA on the anniversary of their original certification date signed Declarations of Eligibility (DOE), along with the specified documentation in 49 CFR 26.65(a).

CTA also requires all certified DBE firms to notify the Authority of any material change in its circumstances affecting its ability to meet size, disadvantaged status, ownership, or control criteria of 49 CFR Part 26, or any material changes in the information provided with DBEs application for certification within 30 days of the occurrence of the change.

CTA will e-mail Declaration of Eligibility notifications to all currently certified DBE firms sixty (60) Days and thirty (30) Days before the anniversary date of certification. By signing the DOE, the DBE owners affirm that they meet all regulatory requirements of Part 26, including personal net worth. If a firm's owner knows or should know that he or she, or the firm, fails to meet a Part 26 eligibility (e.g., personal net worth), the obligation to submit a notice of change still applies.

Certification Review Procedures

1. Process

    a. Per 49 CFR 26.83(h)(2), CTA may conduct a certification review of a certified DBE firm at any reasonable time, including a new on-site review, if appropriate in light of changed circumstances (e.g., of the kind requiring notice under paragraph (i) of this section or relating to suspension of certification under §26.88), a complaint, or other information concerning the firm's eligibility."

    b. If the Authority is presented with evidence that warrants a Certification Review, the Certification Programs Manager will send a letter via email advising the DBE firm of the Certification Review. The letter will state that the firm must submit the documents requested and an unannounced site visit may be performed.

    c. Once the complete file has been review, the Certification Programs Manager will make a recommendation to the DBELO to either (a) begin removal proceedings or (b) allow the firm to remain DBE certified.

2. Documents Requested

a. During a Certification Review, the Certification staff will request the following documentation [49 CFR 26.67 (b)]:

   i. Personal Net Worth Statement

   ii. Personal tax returns of the majority owners for the previous 3 fiscal years

   iii. Other documentation as deemed necessary.

3. Reasons for a Certification Review

   a. Complaint [49 CFR 26.87(a)(1) & (2)]

      i. If the Diversity Programs Department receives a complaint about a DBE firm, the Certification Programs Manager will review the information received to determine whether a Certification Review is needed.

   b. Compliance Site Visit [49 CFR 26.83(h)(2)]

      i. While performing commercially useful function [CUF] site visit, if the Compliance staff records observations that they feel warrant a Certification Review of a DBE firm, the Compliance Staff will document their observations in a memo to the Compliance Programs Manager. Upon review, if the Compliance Programs Manager agrees a Certification Review is necessary, the Compliance Programs Manager will recommend to the Certification Programs Manager via a memo.

   c. Annual Declaration of Eligibility [DOE] Review

      i. While performing a DOE Review, if the Certification staff identifies reasons for a firm to undergo a Certification Review, they will document their observations in a memo to the Certification Programs Manager.

Section 26.85 Interstate Certification

Firms certified outside of Illinois seeking DBE certification with CTA

The CTA requires that firms seeking Interstate Certification must submit:

1. A cover letter with its application that specifying the DBE is applying for interstate certification and identifies all UCPs in which the DBE is certified (including the UCP that originally certified it).

2. An electronic image of the UCP directory of the original UCP that shows the DBE certification

3. A new Declaration of Eligibility (DOE)

Within 10 business days of receiving the required documents for Interstate certification the CTA will confirm the certification of the DBE preferably by reference to the UCP directory of the JOC. If the applicant interstate DBE fulfills the requirements for interstate certification and CTA confirms the DBE's certification, CTA will certify the DBE immediately without undergoing further procedures and provide the DBE with a letter documenting its certification. Once CTA certifies the applicant interstate DBE, then it will treat the DBE as it treats other DBEs, for all purposes.

After CTA certifies the DBE, it may request a fully unredacted copy of all, or a portion of, the DBE's certification file from any other UCP in which the DBE is certified.

If the newly certified interstate DBE's certification file is requested, the CTA will review all submitted information to determine whether it believes the Jurisdiction of Original (JOC) Certification is erroneous or should not apply in Illinois.

Should the CTA determine the firm's JOC certification is factually erroneous and inconsistent with the requirements of 49 CFR part 26, no later than 60 days from receipt of all the required information, it will send written notification via email to other UCPs in which the firm is certified stating the reasons for why the firm's certification, in whole or in part, should be removed. The other JOCs in which the firm is certified will be given 30 days from receipt of the notification to respond, to provide concurrence or non-concurrence with the Authority's proposed action. CTA will accept written arguments and additional evidence from other JOCs concerning whether the firm should remain certified or be removed. In accordance with 49 CFR 26.85 (h)(2), CTA will interpret a JOCs failure to provide a timely response as their concurrence with the proposed action.

After CTA receives all timely responses, it will make an independent decision whether to issue a Notice of Intent (NOI) via email to the DBE and what grounds to include. The NOI will:

1. Clearly and succinctly state each reason for the proposed action, and specifically identify the supporting evidence for each reason.

2. Notify the DBE of its right to respond in writing, at an informal hearing, or both.

3. Inform the DBE of the hearing scheduled on a date no fewer than 30 days and no more than 45 days from the date of the NOI.

CTA acknowledges that a firm has 10 days to respond the NOI. If a firm fails to do so, it loses its opportunity for a hearing. The CTA hearing officer will be thoroughly familiar with the DBE certification requirements. If a meeting is requested, the CTA will schedule a meeting to take place within 30 days of receipt of the firm's request and notify the JOCs of which the firm is certified of its determination.

The CTA bears the burden of proof based upon a preponderance of the evidence with respect to the

particular issues raised by the CTA. The CTA must issue a written decision within 30 days of receipt of the written response from the firm or meeting with the CTA hearing officer, whichever is later. The firm's certification application remains in pending status awaiting the outcome of this process. The decision by the CTA may be appealed to the US DOT Department of Civil Rights under § 26.89.

CTA certified firms seeking DBE certification outside Illinois:

It is the policy of the CTA to cooperate fully and timely to process CTA certified firm's request for certification outside Illinois within 30 days receipt of the firm's written request.

1. Copy the firm's application and all supporting documentation and provide them to the firm or requesting JOC;

2. Provide a copy of the most recent site visit report to the requesting JOC within 7 days of receipt of the request.

NOTE: If the site visit report is more than three years old and the requesting state requires more current information, the CTA will conduct a courtesy review within 14 days after receipt of this notification from the requesting state.

Section 26.86 Decision Letters

The CTA may deny a firm's an initial request for certification when:

- A firm fails to cooperate per 26.109(c). Applicants are given twenty (20) calendar days after receipt of the Request for Information (RFI) letter to respond. If information is not received by the 20th calendar day, a follow-up RFI letter will be sent giving the firm ten (10) additional calendar days to respond. If within the specified time period, no contact has been made by the applicant the firm, the application will be denied.

- A firm does not prove it is 51% owned and controlled by a socially and economically disadvantaged individual.

- A firm's annual gross receipt 5-year average, including any and all affiliates, exceeds the Small Business Administration's business size standards for the NAICS code(s), found in 13 CFR 121 and 49 CFR 26.71, appropriate to the type(s) of work the applicant firm seeks to perform. Per 26.65, an applicant firm is not eligible for DBE certification if it's 3-year average annual gross receipts, including any and all affiliates, exceeds the DBE Program statutory cap as defined in 40 CFR Part 26.65(b).

The CTA will provide the applicant firm a written explanation of the reasons for the denial, specifically referencing the evidence in the record that supports each reason for denial. The CTA also establishes a time period of twelve months that must elapse before the firm may reapply for DBE certification. The firm may appeal the denial to DOT.

When CTA denies a firm's application or removes a firm's eligibility in whole or in part, it must make

an entry in the Department of Transportation Office of Civil Rights' (DOCR) Ineligibility Determination Online Database. The entry shall include:

i) Firm's name;
ii) Firm's owner(s) name(s);
iii) Type and date of the action; and
iv) Reason for the action.

The CTA will check the DOCR website at least monthly to determine whether any firm that is applying for certification or has already been certified, is on the list. If such a firm is on the list, the CTA will promptly request a copy of the listed decision from the UCP that made it. The information will be considered in determining what action to take with respect to a DBE or applicant. A UCP receiving the request will provide a copy of the decision to the requesting UCP within 7 days.

The firm's information including reason for denial will be input to the DOCR website no later than 14 days after denial.

Section 26.87 Decertification

In the event CTA proposes to remove a DBE's certification, it will follow procedures consistent with 49 CFR 26.87. To ensure separation of functions in the removal of a firm's eligibility, the DBELO has established a reconsideration officer who will render such decisions, separate and apart from the DBE Program Office. See Attachment 9 to this Program sets forth these procedures in detail.

In the event the CTA denies a firm's initial certification or renders a decision to remove a firm, the firm may not submit another application for certification eligibility prior to 12 months from the date of our decision letter.

Section 26.88 Summary Suspension of Certification

The CTA will immediately suspend a certified firm's DBE certification pursuant to 49 CFR 26.88 when:

- An individual owner whose ownership and control of the firm are necessary to the firm's certification dies or is incarcerated;
- There is clear and credible evidence of the DBE's or SEDO's involvement in fraud or other serious criminal activity;

The CTA will electively suspend a certified firm if it has clear and credible evidence that:

- The DBEs continued certification poses a substantial threat to the integrity of the program;
- There has been a material change in circumstances that may affect the eligibility of the DBE firm to remain certified;

- When the DBE fails to notify the department or IL UCP in writing of any material change in circumstances;
- Fails to timely file a DOE and gross receipts documentation under 49 CFR 26.83(j).

Pursuant to 49 CFR 26.88 (d)(iii), when CTA issues a Summary Suspension Notice (SSN), it will demand that the DBE show cause why it should remain certified and provide the time and date of a virtual show-cause hearing at which the firm may present information and arguments concerning why CTA should lift the suspension. The SSN will also advise that the DBE may provide written information and arguments lieu of or in addition to attending the hearing. CTA will schedule the hearing at least 15, but no more than 25 days after the date of the notice. CTA acknowledges that if a firm does not confirm its attendance within 10 days of the notice, it will have waived its rights to a hearing and will have forfeited its certification if it does not acknowledge the notice within 15 days.

Following receipt of the emailed Summary Suspension Notice (SSN), if the DBE believes it is no longer eligible, it may voluntarily withdraw from the program, in which case no further action is required. If the DBE believes that its eligibility should be reinstated, it must provide to the agency information demonstrating that they are eligible notwithstanding its changed circumstances. The DBE may provide information and arguments concerning its continuing eligibility until the 15th day following the suspension notice or the day of the hearing, if any, whichever is later. The DBE must email any written response it provides. Within 30 days of receiving this information, CTA will either lift the suspension and reinstate the firm's certification or issue a Notice of Decision (NOD). During the proceeding, the suspension remains in effect.

The DBE firm will not be considered to meet a contract DBE goal on a new contract while suspended and any work it does on a contract while suspended will not be counted toward the CTA’s overall goal.

The DBE firm will be counted to for DBE credit for contracts executed before the DBE firm received the Summary Suspension Notice as long as the DBE is performing a commercially useful function under the existing contract.

DBE suspension is not appealable to USDOT. Failure of the CTA to either lift or reinstate the firm or commence a decertification proceeding is appealable to the USDOT.

Section 26.89 Appeals to the Department

Any firm may appeal CTA’s decision in any certification or removal of eligibility matter to DOT. All appeals must be filed within 45 days of CTA’s final decision. Appeals must be sent via email USDOT at **DBEAppeals@dot.gov,** including a narrative that explains fully and specifically why the firm believes CTA’s decision is in error, what outcome-determinative facts the CTA did not consider, and/or what part 26 provisions CTA misapplied. CTA will promptly implement any DOT certification appeal decisions affecting the eligibility of DBEs for DOT-assisted contracting (e.g., certify a firm if DOT has determined that CTA’s denial of its application was erroneous). Pending DOT’s decision, the CTA’s decision will remain in effect.

SUBPART F – COMPLIANCE AND ENFORCEMENT

Section 26.109 or Information, Confidentiality, Cooperation and Intimidation Retaliation

CTA shall not disclose to third parties' information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law.

Notwithstanding any contrary provisions of Federal, state or local law, CTA shall not release personal financial information submitted in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the firm that submitted the documentation.

Section 26.111 DBE Reevaluation Process

The Illinois Unified Certification Program Committee, which includes CTA, conducted the reevaluation process required by the Interim Final Rule (IFR) issued by USDOT on October 3, 2025 in accordance with the process detailed in the IFR.

US DOT OFFICIAL DBE PROGRAM REGULATIONS QUESTIONS & ANSWERS

DOT's official questions and answers regarding the DBE Program Regulations can be found at: https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/official-questions-and-answers-qas-disadvantaged

AMENDMENT

This Program may be amended to comply with changes to the federal regulations, 49 CFR Part 26, or with changes to the manner in which the CTA does business by the President of the CTA; provided, however, that the DBE goal may only be set or revised by the Chicago Transit Board.

Attachments:

1. Definitions
2. CTA Policy Statement
3. DBE Liaison Officer
4. DBE Liaison Officer (DBELO) Agency Org Chart
5. ILUCP (Illinois Unified Certification Program)
6. Mentor Protégé Program
7. Small Business Verification Agencies
8. Procedures for Removal

Please note that the Attachment 5 consist of more than twenty (20) pages and has been represented by the first page of that document. Complete forms of these documents are available upon request.

Attachment 1

Definitions

Affiliation has the same meaning the term has in the Small Business Administration (SBA) regulations, 13 CFR part 121.

Except as otherwise provided in 13 CFR part 121, concerns are affiliates of each other when, either directly or indirectly:

- One concern controls or has the power to control the other; or
- A third party or parties' controls or has the power to control both; or
- An identity of interest between or among parties exists such that affiliation may be found.

In determining whether affiliation exists, it is necessary to consider all appropriate factors, including common ownership, common management, and contractual relationships. Affiliates must be considered together in determining whether a concern meets small business size criteria and the statutory cap on the participation of firms in the DBE program.

Alaska Native means a citizen of the United States who is a person of one-fourth degree or more Alaskan Indian (including Tsimshian Indians not enrolled in the Metlaktla Indian Community), Eskimo, or Aleut blood, or a combination of those bloodlines. The term includes, in the absence of proof of a minimum blood quantum, any citizen whom a Native village or Native group regards as an Alaska Native if their father or mother is regarded as an Alaska Native.

Alaska Native Corporation (ANC) means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, et seq.).

Assets mean all the property of a person available for paying debts or for distribution, including one's respective share of jointly held assets. This includes, but is not limited to, cash on hand and in banks, savings accounts, IRA or other retirement accounts, accounts receivable, life insurance, stocks and bonds, real estate, and personal property.

Business, business concern or business enterprise means an entity organized for profit with a place of business located in the United States, and which operates primarily within the United States or which makes a significant contribution to the United States economy through payment of taxes or use of American products, materials, or labor.

Compliance means that a recipient has correctly implemented the requirements of this part.

Contingent Liability means a liability that depends on the occurrence of a future and uncertain event. This includes, but is not limited to, guaranty for debts owed by the applicant concern, legal claims and judgments, and provisions for federal income tax.

Contract means a legally binding relationship obligating a seller to furnish supplies or services (including, but not limited to, construction and professional services) and the buyer to pay for them. For purposes of this part, a lease is considered to be a contract.

Contractor means one who participates, through a contract or subcontract (at any tier), in a DOT-assisted highway, transit, or airport program.

Days mean calendar days. In computing any period of time described in this part, the day from which the period begins to run is not counted, and when the last day of the period is a Saturday, Sunday, or Federal holiday, the period extends to the next day that is not a Saturday, Sunday, or Federal holiday. Similarly, in circumstances where the recipient's offices are closed for all or part of the last day, the period extends to the next day on which the agency is open.

DBE-conscious measure or program is one that is focused specifically on assisting only DBEs.

DBE-neutral measure or program is one that is, or can be, used to assist all small businesses.

Department or DOT means the U.S. Department of Transportation, including the Office of the Secretary, the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the Federal Aviation Administration (FAA).

Disadvantaged Business Enterprise or DBE means a for-profit small business concern—

- That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged; and

- Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

DOT-assisted contract means any contract between a recipient and a contractor (at any tier) funded in whole or in part with DOT financial assistance, including letters of credit or loan guarantees, except a contract solely for the purchase of land.

FTA Tier I recipient means an FTA recipient to whom this part applies that will award prime contracts (excluding transit vehicle purchases) the cumulative total value of which exceeds $670,000 in FTA funds in a Federal fiscal year.

FTA Tier II recipient means an FTA recipient to whom this part applies who will award prime contracts (excluding transit vehicle purchases) the cumulative total value of which does not exceed $670,000 in FTA funds in a Federal fiscal year.

Good faith efforts means efforts to achieve a DBE goal or other requirement of this part which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.

Immediate family member means father, mother, husband, wife, son, daughter, brother, sister, grandfather, grandmother, father-in-law, mother-in-law, sister-in-law, brother-in-law, and domestic partner and civil unions recognized under State law.

Indian Tribe or Native American Tribe means any federally or State-recognized Tribe, band, nation, or other organized group of Indians (Native Americans), or an ANC.

Joint venture means an association of a DBE firm and one or more other firms to carry out a single, for-profit business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge, and in which the DBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.

Liabilities mean financial or pecuniary obligations. This includes, but is not limited to, accounts payable, notes payable to bank or others, installment accounts, mortgages on real estate, and unpaid taxes.

Native Hawaiian means any individual whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

Native Hawaiian Organization means any community service organization serving Native Hawaiians in the State of Hawaii which is a not-for-profit organization chartered by the State of Hawaii, is controlled by Native Hawaiians, and whose business activities will principally benefit such Native Hawaiians.

Noncompliance means that a recipient has not correctly implemented the requirements of this part.

Notice of decision or NOD means determination that denies a firm’s application or decertifies a DBE.

Notice of intent or NOI means recipients letter informing a DBE of suspension of proposed decertification

Operating Administration or OA means any of the following parts of DOT: the Federal Aviation Administration (FAA), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA). The “Administrator” of an operating administration includes his or her designees.

Personal net worth or PNW means the net value of the of an individual’s reportable assets and liabilities, per the calculation rules in §26.68

Primary industry classification means the most current North American Industry Classification System (NAICS) designation 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 online on the U.S. Census Bureau Website: http://www.census.gov/eos/www/naics/.

Primary recipient means a recipient which receives DOT financial assistance and passes some or all of it on to another recipient.

Principal place of business means the business location where the individuals who manage the firm's day-to-day operations spend most working hours. If the offices from which management is directed and where the business records are kept are in different locations, the recipient will determine the principal place of business. The term does not include construction trailers or other temporary construction sites.

Program means any undertaking on a recipient's part to use DOT financial assistance, authorized by the laws to which this part applies.

Recipient means any entity, public or private, to which DOT financial assistance is extended, whether directly or through another recipient, through the programs of the FAA, FHWA, or FTA, or that has applied for such assistance.

Secretary means DOT’s Secretary of Transportation or the Secretary’s designee.

Set-aside means a contracting practice restricting eligibility for the competitive award of a contract solely to DBE firms.

Small Business Administration or SBA means the United States Small Business Administration.

SBA certified firm refers to firms that have a current, valid certification from or recognized by the SBA under the 8(a) BD or SDB programs.

Small business concern means, with respect to firms seeking to participate as DBEs in DOT-assisted contracts, a small business concern as defined pursuant to section 3 of the Small Business Act and Small Business Administration regulations implementing it (13 CFR part 121) that also does not exceed the cap on average annual gross receipts specified in §26.65(b).

Socially and economically disadvantaged individual means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who a certifier finds to be socially and economically disadvantaged on a case-by-case basis. A determination that an individual is socially and economically disadvantaged must not be based in whole or in part on race or sex. For that reason, all applicants shall qualify as socially and economically disadvantaged if they can meet the relevant criteria described in § 26.67. Being born in a

particular country does not, standing alone, mean that a person is necessarily socially and economically disadvantaged.

Spouse means a married person, including a person in a domestic partnership or a civil union recognized under State law.

Transit vehicle manufacturer (TVM) means any manufacturer whose primary business purpose is to manufacture vehicles built for mass transportation. Such vehicles include, but are not limited to buses, rail cars, trolleys, ferries, and vehicles manufactured specifically for paratransit purposes. Businesses that perform retrofitting or post-production alterations to vehicles so that such vehicles may be used for public transportation purposes are also considered TVMs. Businesses that manufacture, mass-produce, or distribute vehicles primarily for personal use are not considered TVMs.

Tribally-owned concern means any concern at least 51 percent owned by an Indian tribe as defined in this section.

Unsworn declaration means an unsworn statement, dated and in writing, subscribed as true under penalty of perjury.

You refers to a recipient, unless a statement in the text of this part or the context requires otherwise.

Attachment 2

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM PLAN POLICY STATEMENT

TO ALL CTA EMPLOYEES AND THE SERVICE COMMUNITY:

As a major provider of public transportation, the Chicago Transit Authority (CTA) recognizes its responsibility to the community it serves and CTA has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (USDOT), 49 CFR Part 26. CTA will take all necessary and reasonable steps to ensure that small business enterprises, certified and defined as DBEs pursuant to 49 CFR Part 26, shall have a fair opportunity to participate in CTA contracts. As part of its DBE policy commitment, the CTA will make every effort to achieve the following objectives of 49 CFR Part 26:

a) To ensure nondiscrimination in the award and administration of contracts;
b) To create a level playing field on which DBEs can compete fairly for contracts;
c) To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
d) To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
e) To help remove barriers to the participation of DBEs in USDOT-assisted contracts; and
f) To assist the development of firms that can compete successfully in the marketplace outside of the DBE Program.

The Director of Diversity Programs has been designated as the DBE Liaison Officer and, in that capacity, the Director is responsible for implementing all aspects of the DBE Program. Implementation of the DBE Program is given the same priority as compliance with all other legal obligations required by the CTA's financial assistance agreements with the USDOT.

The CTA has disseminated this policy statement to the Transit Board and all of the components of our organization. We have distributed this statement to DBE and non-DBE business communities that perform work for us on CTA contracts.

In my role as Acting President, I shall take all reasonable steps to ensure achievement of our program plan. The Transit Board and all CTA employees share in the responsibility for making CTA's DBE Program a success.

3/26/26
Date

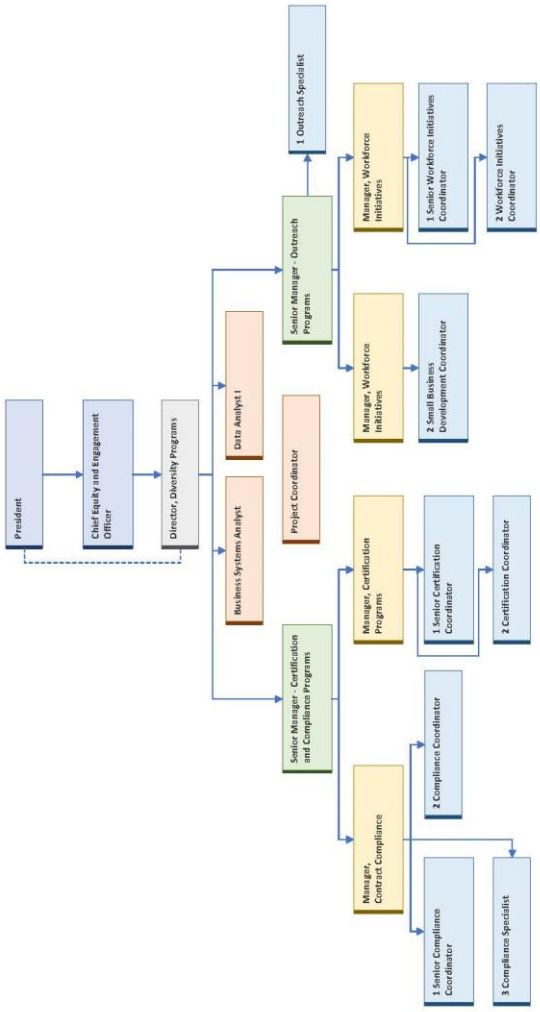
Nora Leerhsen, Acting President

Attachment 3

CTA names the following person as the DBE Liaison Officer (DBELO):

Brittney Johnson
Acting Director, Diversity Programs
Chicago Transit Authority
567 West Lake Street
4th floor
Chicago, IL 60661
(312) 681-2600
Bjohnson@transitchicago.com

Attachment 4: Organization Chart



Attachment 5

Disadvantaged Business Enterprise Program
Unified Certification Procedures

Illinois Unified Certification Program

Attachment 6

Mentor-Protégé Program

1. PURPOSE

The Chicago Transit Authority (CTA) is committed to the growth and development of the Disadvantaged Business Enterprise (DBE) Community and its ability to compete in the general marketplace. In this interest, the CTA's Diversity Programs department has developed a Mentor-Protégé program ("Program") within the guidelines provided in the federal DBE Regulations, as set forth in Appendix D to 49 CFR Part 26, to enhance the capacity and capability of DBE firms and thereby increase opportunities for DBE participation on CTA contracts. Through hands-on and classroom training experience, the Program strives to develop working relationships between DBE firms and prime contracting firms that have successfully participated in and/or completed CTA contracts.

2. PROGRAM OUTLINE

Participation in the Program is voluntary. Eligible prime contractor firms that wish to mentor a DBE firm under the Program must work together to achieve the agreed upon outcomes outlined in a Relationship Plan submitted by the prime contractor with its bid or proposal for a contract. The requirements and format for the Relationship Plan are attached as Exhibit A and will be used by Mentor and Protégé to identify specific areas of training for the Protégé.

In order to remain compliant with the Commercially Useful Function ("CUF") requirements of the federal DBE Regulations, each firm must have distinct, specific roles and responsibilities, but will work together to successfully deliver a completed contract. This may require a relationship that will last through the completion of the contract or a predetermined timeframe if, for example, the relationship is specific to trade that will not be required for the entire contract. In the event that a mentor proposes to include a protégé firm as part of their DBE Utilization Plan, the mentor may only claim credit for scopes that the protégé firm is certified in and is completing without any assistance from the mentor firm, or any other firm, in accordance with CUF requirements of the federal DBE Regulations. Example: Mentor firm is mentoring protégé firm in Scope 1. Protégé firm is certified and proposed to perform Scope 2. The mentor firm can only claim DBE credit for Scope 2, contingent on a Compliance and CUF review.

The Relationship Plan must be submitted for review with the prime contractor's bid or proposal in which it plans to use the Mentor/Protégé relationship.

3. PROGRAM BENEFITS

- Create and strengthen working relationships between established and emerging companies
- Increase opportunities for DBE firms to participate in CTA contracts
- Enhance DBE firm's capabilities
- Increase pool of qualified DBEs for various types of work on CTA projects
- Encourage DBEs to bid as prime contractors on future CTA contracts

4. ELIGIBILITY REQUIREMENTS

<u>Mentor requirement:</u>

- Firm must have at least five (5) years of public contracting experience, preferably as a prime contractor

• Must agree to a minimum of **8** hours per month of coaching including but not limited to classroom training, one-on-one meetings, small group seminars, and/or on-the-job training with the protégé
• Must assign qualified key personnel to administer training and supervision of the program

Protégé requirement:
• Firm must be DBE certified in the Illinois Unified Certification Program (ILUCP) Directory at the time of opening of bids or proposals
• Firm must remain DBE certified and in good standing throughout the duration of the Relationship Plan
• Must agree to a minimum of **8** hours per month of coaching including but not limited to classroom training, one-on-one meetings, small group seminars, and/or on-the-job training with the mentor

5. RELATIONSHIP PLAN

Prime contractors wishing to participate in the Program must submit a Relationship Plan with their bid or proposal to be approved by the CTA. Only participants with an approved Relationship Plan can participate in the Program. The Relationship Plan must include specific training curriculum for the Protégé in areas such as business, financial, technical, and bidding/estimating. The Relationship Plan must also include measurable benchmarks to be met by both parties, a training schedule, and a reporting schedule.

The Relationship Plan delineates the specific responsibilities and obligations of each party in the Mentor-Protégé relationship and must include the timeline by which stated obligations will be completed; a sample Relationship Plan can be found in Exhibit A. The Relationship Plan must be signed by both parties.

The relationship between Mentor and Protégé is a cooperative business partnership. The Mentor cannot exercise management control over the Protégé, outside of contractual requirements, nor have any direct or indirect ownership interest in the Protégé, and the Protégé cannot be dependent on the Mentor. Both are independent entities who will be responsible for their own tasks and management of their own staff. The Protégé must perform a CUF and not be required to work exclusively with the Mentor.

6. TERMINATION OF MENTOR-PROTÉGÉ RELATIONSHIP

Once a Relationship Plan has been approved, written notice of any change in its status must be sent to the Director of Diversity Programs in a timely manner. In order to terminate a Relationship Plan, one of the parties must submit a request, in writing, to the Director of Diversity Programs explaining why the Relationship Plan should be terminated. The request should include any documentation and correspondence between the two parties to show a failure to meet the obligations of the Relationship Plan. The CTA will concur in the termination of the Relationship Plan for cause for any of the following reasons, documented to the satisfaction of the CTA: failure of the other party to submit reports and/or attend quarterly meetings; its failure to meet task deadlines; lack of cooperation; or any material breach of the Program requirements.
Termination may affect the prime contractor's ability to receive DBE participation credit on the contract.

7. REPORTING

Reports of activities such as completed tasks, trainings, and progress toward planned goals must be submitted to the CTA's Diversity Programs department on a quarterly basis for the duration of the Relationship Plan. The report must be signed and approved by both parties before submittal.

8. MONITORING

Oversight of the Program will be performed by the compliance unit of the CTA's Diversity Programs department. The Diversity Programs compliance unit will review all monthly reports and schedule quarterly meetings with

both parties to discuss progress and/or any goal shortfalls. Mentor and Protégé must attend all quarterly meetings.

The Compliance unit will evaluate reports to ensure both parties are adhering to the Relationship plan. The evaluation will focus on stated objectives in the plan and the overall relationship between Mentor and Protégé. The following will be a guide to evaluate the overall vitality of the Mentor-Protégé relationship:

- Satisfactory progress toward the stated goals in the Relationship Plan
- Quality of training provided by the Mentor
- Working relationship between Mentor and Protégé
- Protégé's improved competency in specific target areas
- Decreased reliance on the Mentor by the Protégé

9. SITE VISIT

The CTA may conduct site visits (scheduled or unscheduled) at project sites or field locations where classes and hands-on training are conducted. The purpose of site visits is for a first-hand observation of the progress made by both parties and to verify concurrence with monthly reports.

EXHIBIT A

Mentor-Protégé Relationship Plan

The Relationship Plan should be designed to comply with the Program while providing the flexibility to meet specific requirements for all parties involved. The content requirements and format for the Relationship Plan are as follows:

The Plan must identify three (3) or more areas of specific training provided by the Mentor to the Protégé from the list below. Each training objective must be tailored to the specific needs of the Protégé.

- **Bidding/Estimating**
- **Business Administration**
- **Business Development**
- **Finance/Invoicing**
- **Insurance & Bonding**
- **Marketing**
- **Public-Sector Contracting Strategy**
- **Safety/Quality**
- **Technical**
- **Technology/Software**

The Relationship Plan must include the following elements:

1. Overall description of purpose for Mentor-Protégé relationship
    - Explain why this relationship should be considered for the Program

2. Key Personnel
    - Identify personnel from both parties who will be responsible for the deliverables of this Relationship Plan

3. An objective for each area of training
   - Provide a rationale for the selected areas of training for the Protégé

4. Provide specific responsibilities of each party for all areas of training
   - Describe the specific obligations each party will adhere to during training
5. Training goal
   - Describe specific goals to be achieved by each training

6. Training schedule for hands-on and classroom training
   - Submit a predetermined schedule that includes dates, times, and locations
7. Milestone timelines
   - Provide a predetermined timeline by which measurable progress toward stated goals must be achieved by Protégé
8. Reporting
   - Mentor must provide a description of how the Protégé will be evaluated in each training

9. Duration of Mentor-Protégé relationship
   - Provide the length of time this relationship will be in effect

Mentor-Protégé Relationship Plan

Project Name: _____
Contract No.: _____
Bid/Proposal Due Date: _____
Start Date of Relationship: _____ Estimated End Date of Relationship: _____
Mentor Firm: _____ Protégé Firm: _____
Contact: _____ Contact: _____
Address 1: _____ Address 1: _____
Address 2: _____ Address 2: _____
Phone: _____ Phone: _____
Email: _____ __Email: _____

2. Overall description of purpose for the Mentor-Protégé relationship (Attach additional pages as necessary)

_____

_____

_____

3. Key Personnel (Include resumes for Mentor staff responsible for training and program deliverables)
Mentor: Protégé:
Name: _____ Name: _____
Title: _____ Title: _____
Name: _____ Name: _____
Title: _____ Title: _____
Name: _____ Name: _____
Title: _____ Title: _____

4. Training Categories (Attach additional pages as necessary)

For each Training Category identify the following:

a. Identify objectives
b. Specific responsibilities of each party
c. Training goals

Training category: _____
Objective: _____
_____
_____
Specific responsibilities: _____
_____
_____
Training goals: _____
_____
_____

Attach the following items:
5. Training schedule for hands-on and classroom training

6. Milestone timelines

7. Reporting template: Describe the evaluation criteria the Mentor will use to evaluate Protégé's progress in each training category

_____ _____
Mentor Signature Date Protégé Signature Date

Approved by:

_____
CTA Diversity Programs Director Date

Attachment 7

The Chicago Transit Authority accepts SBE certifications by the following entities:

Chicago Transit Authority (CTA)
Metra
Pace
Southeastern Pennsylvania Transportation Authority (SEPTA)

Attachment 8

Memorandum of Understanding SBE Reciprocity Program

The following Memorandum of Understanding ("MOU") is made by and between the undersigned parties (collectively, "Parties") who are individually and collectively recipients of U.S. Department of Transportation ("US DOT" or "DOT") funding, assistance, and grant agreements; and

Whereas, pursuant to 49 CFR 26, the Parties operate Disadvantaged Business Enterprise (DBE) programs consistent with various applicable Federal Regulations; and

Whereas, pursuant to 49 CFR 26.39(a) the Parties must include an element to structure contracting requirements to facilitate competition by small business concerns ("SBE" or "SBEs"), taking all reasonable steps to eliminate obstacles to their participation in procurements as prime contractors or subcontractors; and

Whereas, pursuant to 49 CFR 26.39(c) the Parties must actively implement program elements to foster small business participation as a requirement of good faith implementation of their DBE programs; and

Whereas, pursuant to 49 CFR 26.51(a) the Parties must meet the maximum feasible portion of their overall goal by using race-neutral means of facilitating race-neutral DBE participation; and

Whereas 49 CFR 26.81 encourages a policy of U.S. Department of Transportation ("DOT") recipients, such as the Parties, to consider written reciprocity agreements; and

Whereas, the Parties desire to collaborate to implement a SBE certification reciprocity program, as further defined below ("Reciprocity Program"); and

Whereas, the Parties wish to expand the Reciprocity Program and encourage additional U.S. DOT recipients to become Parties to the MOU;

Whereas, the SBE Reciprocity Program will ensure that applicants for SBE certification are required to apply only once for SBE certification that will be recognized by all the Parties; and

Whereas, the primary concern with reciprocity programs is establishing and maintaining consistent certification standards by all Parties, this MOU seeks to establish a uniform standard for SBE Certification eligibility, application processing, certification eligibility audits/review, denial, removal, suspension, and debarment in accordance with 49 CFR Part 26; and

Whereas, this MOU seeks to establish uniform standards for all Parties and applicants by requiring Parties that certify SBEs to adopt the uniform standard for SBE Certification established under this MOU, along with audits, oversight, recommendations, of committees established to administer, check, and balance the good faith efforts and operation of co-equal peers, etc.

Now, Therefore, the Parties hereto, in consideration of the mutual covenants contained herein, agree as follows:

1. Incorporate Recitals

   The recitals set forth above represent the Parties' intent and are incorporated into this MOU to the same extent and with the same force and effect as though restated verbatim herein. The Parties agree to work cooperatively to further these shared goals. The Parties may be identified or referenced individually as "Party" or collectively as "Parties" or "undersigned Parties."

2. SBE Reciprocity Program

   a. General Requirements

      1. Each of the Parties commits to provide support for the MOU through human, technological, and funding resources as necessary. Adequate resources to accomplish current needs have been committed by each Party and will be continued to support the MOU. Each Party retains the function of certification with a DBE liaison officer representing its interests.

      2. Parties will follow all requirements, certification procedures, and standards of 49 CFR Part 26, and shall cooperate with oversight, review, and monitoring activities of US DOT and its operating administrators. The Parties shall implement US DOT directives and guidance concerning certification matters and will implement all components of the MOU. The Parties also commit sufficient resources and expertise to carry out the provisions of this MOU.

      3. The Parties will continue to operate as separate entities but have agreed to perform their SBE certification functions using the same guidelines and procedures. Parties shall make all certification decisions on behalf of all Parties to the MOU with respect to certification in the SBE program, and certification decisions shall be binding on all Parties to the MOU.

      4. All obligations of Parties with respect to the certification and non-discrimination must be carried out by the Parties.

      5. The Parties shall maintain a directory(ies) of certified SBE firms which will be made available to the public electronically on the internet.

   b. Policies and Procedures

      1. The Parties shall designate a representative(s) to serve on a committee (the "Committee") to collaborate to develop the policies, procedures, and general processes ("Policies and Procedures") to meet the goals of the MOU and the SBE Reciprocity Program. These Policies and Procedures will address, but not be limited to addressing, the following areas:

         a. applications, certification (made in compliance with 49 CFR Part 26), appeals, interviews, on-site visits, directories, no change affidavits, eligibility investigation, removal process;

         b. information sharing;

c. creating any necessary committees, sub-committees, or working groups and the rules and regulations designed to govern and conduct the daily business of a committee, sub-committee, or working group, including by-laws or rules of order;

d. mechanisms to amend the Policies and Procedures, where such amendments do not constitute amendment of this MOU

e. And all other areas related to and relevant to the successful implementation of this MOU and the goals of the SBE Reciprocity Program.

2. The Committee shall ensure that the Policies and Procedures, if necessary, comply with all applicable federal, state, and local laws.

3. The Committee shall complete the initial Policies and Procedures on or before December 31, 2023. Thereafter, this Committee to create the Policies and Procedures will cease operation. Any Party to the MOU that signs the MOU after December 31, 2023 shall not have the right to designate a representative to the Committee.

c. Reciprocity

1. When a Party certifies a SBE consistent with 49 CFR 26, this MOU, and the Policies and Procedures, the other Party(ies) to this MOU shall accept and recognize the SBE certification as if the other Party(ies) certified the SBE.

2. The Parties agree at all times to use their best efforts to cooperate fully with one another in the implementation and operation of this MOU.

3. Data Sharing and Confidential Information.

Parties agree to provide access to and share all specific information necessary to advance the terms of this MOU, to extent it is developed, maintained, and shared for purposes of this MOU. All records are subject to review by federal and state agencies and other individuals designated by the Parties and available upon request.

Any documents, data, records or other information given to or prepared by the Parties pursuant to this MOU shall be maintained in a confidential manner and shall not be made available to any individual or organization without prior written approval by the other Party(ies), except to the extent required by law. An SBE applicant must provide express written authorization for the SBE applicant's information to be shared pursuant to the terms of this MOU.

All Parties agree to safeguard from disclosure to unauthorized persons information gathered as part of the certification process that may reasonably be regarded as proprietary or other confidential business information consistent with applicable Federal, state, and local law.

4. Force Majeure

No Party(ies) will be obligated to perform any of its obligations hereunder if prevented from doing so by reasons outside of its reasonable control, including, but not limited to, events of force majeure.

5. Authority

   The undersigned Parties acknowledge they have authority to enter into this MOU pursuant to their respective state law(s). The Parties represent that their representatives whose signatures appear below have the power and authority to enter into this MOU and to obligate the Parties to the terms of this MOU. The Parties agree to provide the other Party(ies) the time necessary to obtain prior approvals from their respective boards or any necessary authority.

6. Warranties and Representations

   In connection with the execution of this MOU, the Parties each warrant and represent that it is legally authorized to execute and perform or cause to be performed this MOU under the terms and conditions stated herein.

7. Non-Liability of Public Officials

   No official, employee or agent of a Party will be charged personally by the other Party with any liability or expense of defense or be held personally liable under any term or provision of this MOU or because of a Party(ies) execution or attempted execution or because of any breach hereof.

8. Independent Relationship

   For the purposes of this MOU, the Parties are independent entities and not employee, agent, joint venture, or partners. Nothing in this MOU, or the subject matter contained in this MOU, shall be construed as creating any other relationship between the Parties.

9. Third Parties

   Nothing in this MOU is intended to create rights in any parties other than those Parties that have executed this MOU.

10. Assignment

    No Party will assign, delegate or otherwise transfer all or any part of their rights or obligations under this MOU, or any part hereof, unless as approved in writing by the other Parties. The absence of written consent will void the attempted assignment, delegation or transfer and will render it of no effect.

11. Compliance with Laws

    Each Party represents that in the performance of its duties hereunder, it has complied and shall

comply with all federal, state and local laws, ordinances and regulations. It shall further contractually require any third-party vendor providing services in conjunction with this MOU to comply with all federal, state and local laws, ordinances and regulations.

12. Effective date

    The effective date of this MOU is _____.

13. Term and Termination

    This MOU shall be effective until either of the following scenarios: it is terminated in writing by all Parties; changes in law or regulations render the MOU obsolete or substantially affect one or multiple Parties' ability to carry out the terms of the MOU, in which case the Parties shall agree in writing, signed by all Parties, to terminate the MOU.

14. Withdrawal and Default.

    a. Any Party may withdraw from this MOU for any reason upon sixty (60) days written notice sent to the other Parties in accordance with Section 23.

    b. If there are only two (2) Parties to the MOU:

        i. A Party may be found in default ("Party in Default") of its obligations under this MOU.
        ii. The non-defaulting Party shall send a written notice to the Party in Default to the address in Section 23 of the MOU stating the reasons for default.
        iii. The Party in Default shall have sixty (60) days from the date of receipt of the notice to cure the default. The time to cure the default may be extended by agreement of the Parties.
        iv. If the Party in Default does not cure within the sixty (60) days, or longer if by agreement, then they shall be found in default under the MOU.
        v. The non-defaulting Party is not entitled, by right, to damages at law under this MOU under this Section 14.b. Remedies to default are limited to terminating the MOU; returning of certain confidential information; other equitable remedies related to the operation of the Program.

    c. If there are three (3) or more Parties to the MOU:
        i. A Party may be found in default ("Party in Default") of its obligations under this MOU.
        ii. All of the other non-defaulting Parties shall agree, in writing, to hold the Party in Default in default.
        iii. One Party, on behalf of the other non-defaulting Parties, shall send a written notice to the Party in Default to the address in Section 23 of the MOU stating the reasons for default.

iv. The Party in default shall have sixty (60) days from the date of receipt of the notice to cure the default. The time to cure the default may be extended by agreement of the Party in Default and the one Party that noticed the Party in default.
v. If the Party in Default does not cure within the sixty (60) days, or longer if by agreement, then they shall be found in default under the MOU.
vi. The non-defaulting Parties are not entitled, by right, to damages at law under this MOU under this Section 14.c. Remedies to default are limited to removing the Party in Default from participation in the MOU; returning of certain confidential information; other equitable remedies related to the operation of the Program.

15. Entire Agreement

This MOU, and any exhibits attached and incorporated hereto, will constitute the entire agreement between the Parties and no other warranties, inducements, considerations, promises or interpretations, which are not expressly addressed herein, will be implied or impressed upon this MOU.

16. Amendments.

No change, amendment, modification or discharge of this MOU, or any part hereof, will be valid unless in writing, and signed by the authorized officer(s) of each individual Party or their respective successors and assigns.

If the Parties make any changes to their individual DBE or SBE certification programs that are independent of the terms or Policies and Procedures of this MOU, that individual party shall provide notice to the other Parties pursuant to Section 23.

17. Counterparts and Digital Signatures;

This MOU may be comprised of several identical counterparts, each of which may be fully executed by the Parties hereto and, once executed, will be deemed an original having identical legal effect. This MOU may be executed digitally or electronically. The Parties agree that any electronic/digital signature shall have the same force and effect as a wet or handwritten signature for purposes of validity, enforceability and admissibility.

18. Dispute Resolution.

In the event a dispute arises between any of the Parties, the Parties agree to negotiate in good faith to resolve any issues arising from or out of this MOU. In the event that there are delays caused by any Party or by events beyond any Party's control, the Parties agree to negotiate in good faith to resolve any impacts on the scope of this MOU that result from such delays.

19. Governing Law and Venue.

Reserved.

20. Liability

Each of the Parties agree each will be responsible for its own acts and omissions, be responsible for the acts and omissions of its employees, officers, and agents, and shall not be responsible for the acts or omissions of the other Party or the other Parties' employees, officers and agents. These obligations relate to any and all claims, lawsuits, actions, or special proceedings, whether judicial or administrative in nature and include any loss, liability, or expense, including reasonable attorney fees, relating to this MOU.

Since the Parties are and remain separate political subdivisions, public agencies and transit authorities, each shall be immune from and not assume liability for the actions taken by any other legal entity; including, but not limited to, the other Parties, in accordance with their respective state laws. In the event that a Party is named in any lawsuit or claim, such Party shall be responsible for any suits or claims brought by third parties or resulting from a decision that it rendered or an action that it took. Should any claim or suit require the assistance or resources of any other Party(ies), where practicable, such Party(ies) shall provide assistance in the preparation for the suit or claim. The Parties shall not assume liabilities other than those expressly stated in this MOU. Nothing in this provision shall be interpreted to waive the sovereign immunity of any Party.

21. Severability.

If any provisions of this MOU will be held or deemed to be or will in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, such circumstances will not have the effect of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this MOU will not affect the remaining portions of this MOU or any part thereof.

22. Interpretation.

Any headings of this MOU are for convenience of reference only and do not define or limit the provisions thereof. Words of any gender will be deemed and construed to include correlative words of other genders. Words importing the singular number will include the plural number and vice versa, unless the context will otherwise indicate. All references to any exhibit or document will be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions thereof. All references to any person or entity will be deemed to include any person or entity succeeding to the rights, duties and obligations of such persons or entities in accordance with the terms and conditions of this MOU.

23. Notices

Notices under this MOU will be sent by first-class prepaid mail and electronic mail to the persons and addresses indicated on the signature page of each party to the MOU.

Said notices will be deemed received five business days after mailing or upon the receiving Party's confirmation of receipt of electronic mail. Any Party may change its address for receipt of notices at any time by providing written notice to the other Party(ies) in accordance with this Section 23.

<Remainder of Page Left Intentionally Blank>

IN WITNESS WHEREOF, the Parties have caused this MOU to be lawfully executed by their duly authorized officials by, and on the date of, the Parties having provided their signatures.

<Party Signature Pages to follow>

Attachment 9

Procedures for Removing DBE Eligibility

The IL UCP-certifying Participant will review the records concerning the firm, any material provided by the challenged firm and other available information. The certifying Participant may request additional information from the firm or conduct any other investigation that it deems necessary.

If the IL UCP-certifying Participant determines that such reasonable cause does not exist, the IL UCP-certifying Participant must notify the complainant and the firm in writing of this determination and the reasons for its decision.

If the IL UCP-certifying Participant finds reasonable cause to believe that the firm is ineligible, written notice must be provided to the firm that the IL UCP-certifying Participant proposes to find the firm ineligible, setting forth the reasons for the proposed determination. In this notice, the firm must be given an opportunity for an informal hearing, at which the firm may respond to the reasons for the proposal to remove its eligibility in person and provide information and arguments concerning why it should remain certified, or in the alternative, the firm may choose to file a written appeal. The firm is given twenty (20) calendar days from the date of the notice of proposed removal to request an informal hearing or submit a written appeal (Request for Appeal), before the Hearing Officer. If the firm requests the opportunity to appeal in person the firm must also state whether the firm will be represented by counsel. The IL UCP-certifying Participant must notify all other Participants within two (2) calendar days of receipt of the request.

Pursuant to 49 CFR 26.87, the IL UCP-certifying Participant's Hearing Officer must maintain a complete record of the hearing, by any means acceptable under state law, for the retention of a verbatim record of an administrative hearing. If there is an appeal to DOT under 49 CFR 26.89, the certifying Participant must provide the hearing transcript to DOT; and on request to the firm. The original record of the hearing must be maintained. The firm may be charged only for the cost of copying the record.

The Hearing Officer must render a decision within sixty (60) days following receipt of the written appeal or informal hearing. The IL UCP-certifying Participant must provide the firm written notice of the decision in a timely manner, including the reasons for it and specific references to the evidence in the record that supports each reason for the decision. The IL UCP Participants are notified in writing within two (2) calendar days of the decision.