



State Construction Office
Engineering and Regional Operations

CONSTRUCTION BULLETIN

D/M/W/SBE and Prompt Pay Reporting
Changes and Underutilized
Disadvantaged Business Enterprises
(UDBE)

Bulletin #2017-05, Page 1 of 3

Date: June 1, 2017

Purpose

This Construction Bulletin is to inform you of changes to prompt payment and Disadvantaged, Minority, Women and Small Business Enterprise reporting affecting projects advertised after June 1, 2017. In addition, this bulletin will provide information regarding implementation of the Disadvantaged Business Enterprise (DBE) Program waiver approved by the United States Department of Transportation.

Underutilized Disadvantaged Business Enterprise (UDBE) utilization.

Beginning June 1, 2017, WSDOT will implement the DBE Program waiver affecting Federal Highway Administration federally funded projects based on the results of a 2012 disparity study identifying underutilized DBE firms. Implementation of the waiver is required by the United State Department of Transportation and removes non-minority women-owned businesses from the race-conscious portion of the DBE Program.

This disparity study identified underutilized DBE firms now defined as an Underutilized Disadvantaged Business Enterprise (UDBE), and waiver implementation requires UDBE utilization on federally funded projects. Contracts requiring UDBE utilization will include provisions requiring waiver compliance, including UDBE Commitments and UDBE Condition of Award Goals. UDBEs will need to be identified as such in the new payment reporting system, B2GNow (discussed below), to count towards contract commitment amounts and condition of award goals.

It is important to note that all UDBEs are certified as DBEs by the Office of Minority and Women's Business Enterprises (OMWBE). The "U" is a designation specifically used by WSDOT to implement the waiver and count toward contract commitment amounts and goals. UDBEs currently certified by Washington State can be identified using the Certified Firm Directory located under the Firm Certification section of the Diversity Management and Compliance web page (<https://wsdot.diversitycompliance.com>), referred to as B2GNow. Firms certified only as DBEs, without the UDBE designation, will not count toward contract commitment amounts and condition of award goals, but will count toward the overall contract DBE participation, and should be entered into B2GNow.

UDBE requirements will not apply to projects that are funded by Federal Transit Authority. The waiver only applies to Federal Highway Administration funded projects.

UDBE, DBE, MBE, WBE and SBE Reporting

All contracts advertised after June 1, 2017, will contain provisions requiring prime contractors to electronically report all payments made to subcontractors in a new system that is available at <https://wsdot.diversitycompliance.com>. This is a new Diversity Management and Compliance System, created by and referred to as B2GNow, that will:

- Track payments to DBE, SBE and MSVWBE firms on a monthly basis
- Proactively monitor DBE, SBE and MSVWBE participation
- Monitor and assist in resolving prompt payment disputes

Implementing this new system will bring changes to current operating procedures, as the WSDOT Office of Equal Opportunity (OEO) will be the primary point of contact for B2GNow. This change comes as a result of federal regulation (49 CFR Part 26.25) requiring the WSDOT OEO Director to have oversight over the DBE Program, including prompt payment. It is important to note that B2GNow is a reporting tool for DBE and MSVWBE and prompt payment monitoring. Region OEO staff will be responsible for working with project office staff on issues relating to prompt payment, and DBE and MSVWBE issues. Contract compliance and administration responsibilities remains with project office staff. WSDOT OEO is developing new Standard Operating Procedures for B2GNow, which will outline the roles and responsibilities for region OEO staff and project office staff. This guidance will be distributed as soon as it is complete.

The provisions requiring prime contractors to use the new system will be included in contracts advertised after June 1, 2017. Given the amount of time required for the advertisement period, award and execution, we anticipate contractors will begin entering data into B2GNow in July. B2GNow offers built in web-based training several times a month, and we highly encourage users of the system to take this training before contractors are required to start reporting for your projects. Region users of the new system have been identified and will receive their user id and password via email in June.

A future bulletin will address active contracts advertised prior to June 1, 2017. We anticipate that B2GNow may replace the old reporting system (DBEP) which will migrate some of these contracts into B2GNow.

Prompt Payment

B2GNow will capture all payments made to subcontractors and will be used to monitor prompt payment compliance in accordance with Standard Specification 1-08.1(1). Entering this data into the system will eliminate the need for prime subcontractors to submit the Monthly Payment Summary form. This is only a change to how subcontractors payments are reported, not a change to the requirement to submit payment information. Subcontractors will also have the ability to acknowledge receipt of the payment reported and verify the amount paid.

As noted above, region OEO staff will work with project office staff to address and resolve prompt payment issues.

Resources

If you are interested in reviewing modified specifications or the draft changes to the WSDOT Construction Manual, they can be accessed at the following locations:

Standard Specifications Section 1-08:

<http://www.wsdot.wa.gov/biz/contaa/BULLETIN/108Subcontracting.pdf>

UDBE Specification (Section 1-07.11):

<http://www.wsdot.wa.gov/biz/contaa/BULLETIN/10711DBEParticipation.pdf>

Updates to the WSDOT Construction Manual:

<http://www.wsdot.wa.gov/biz/contaa/BULLETIN/CMChapter1.pdf>

As is the case with implementation of a new system and new specifications, we know there will be questions; we are here to assist you during this transition.

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