



Community Business Development Partners
MILWAUKEE COUNTY

Ruben L. Anthony Jr, Ph.D. • Interim Director, DBE Liaison Officer, ACDBE Liaison Officer

DATE: September 6, 2013

TO: Supervisor Marina Dimitrijevic, Chair, County Board of Supervisors
Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

FROM: Ruben Anthony, Interim Director, Community Business Development Partners

SUBJECT: FAA Audit Status Report

BACKGROUND

The U.S. Department of Transportation Federal Aviation Administration (FAA) conducted a site visit from July 9 – 11, 2013. The purpose of the visit was to review the monitoring and enforcement of Milwaukee County's Disadvantaged Business Enterprise (DBE) and the Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs. The review was conducted by Nancy Cibic and Dolores Leyva. The FAA has the responsibility to ensure that recipients of federal aid are in compliance with 49 CFR 26 and CFR 23.

FAA Compliance Review

The FAA identified six areas that required follow-up by the CBDP partners. Four items were construction related and two were related to Concessions.

1. In regards to construction, the FAA recommended that there be a clear separation between locally funded projects and federally funded airport construction projects. To comply, the forms have been changed and new forms have been distributed.
2. The FAA recommended that CBDP make more frequent airport site visits and that all active projects be visited by the AC/DBELO. A plan of action is due by 9/30/13. Additionally, a more comprehensive monitoring form (DBE-05, DBE Site Monitoring Checklist) is being utilized by CBDP in conjunction with the current DBE-21 Project Verification Questionnaire. This is being coupled with more consistent, unannounced worksite visits to occur according to project schedule(s) on a basis no less frequently than monthly, and desk audits of routine invoicing on contracts to occur on a monthly basis.
3. The FAA has noted that the Airport does not have a "written certification" procedure confirming that contracting records are being reviewed. They recommend that the airport certifies that contracting records are being reviewed. A plan of action is due by 9/30/13. The DBE-05 Site Monitoring and Checklist approach will be used to document that "written certification" has occurred. This information will be collected during site visits, maintained in project files at the airport and in the CBDP office.
4. The FAA has stated that there is no evidence that random verifications are being done to determine who orders and pays for the necessary supplies being used by DBE subcontractors. They recommend that CBDP submit an updated process that incorporates this requirement.

The updated process is due by 9/30/13. The DBE-05 includes questions that requires the identification of the person who orders material and who pays for materials be identified, and that orders/invoices are documented for verification. This information will be collected during site visits, maintained in project files at the airport and in the CBDP office.

5. The FAA has noted that in Airport Concessions, there is no "written certification" confirming that contracting records are being reviewed. They recommend that the airport certifies that contracting records are being reviewed. A plan of action is due by 10/31/13. The DBE-05 speaks directly to items such as material/supplies ordering and acquisition, and requires review of invoices, lease agreements, payroll records, and other such pertinent documentation. This is being coupled with more consistent, unannounced concession operations visits to occur on a basis no less frequently than monthly, and desk audits of routine reporting on concessions to occur on a quarterly basis.
6. In the Concessions area, the FAA identified that the Airport was not able to provide documentation to demonstrate that existing joint ventures have been reviewed. They recommend that CBDP submit an updated process that incorporates this requirement by 9/30/13. To comply, CBDP has updated its process to require that all existing Joint Venture be reviewed for compliance and its impact on ACDBE goals (due date 9/31/13). A review of the existing joint venture agreement with Paradies is underway to verify that it is in compliance with the FAA Joint Venture Guidance. The counting of ACDBE participation will be adjusted if deemed necessary. A copy of the Joint Venture will be submitted along with the findings by 09/30/13.

The CBDP has made many of these administrative changes and will complete each issue before their due date.

RECOMMENDATION

CBDP prepared this informational report, and proposes that it be received and filed, as such.

Approved by:

Ruben L. Anthony Jr, Ph.D.
Interim Director, CBDP

CC: Chris Abele, Milwaukee County Executive



COMMUNITY BUSINESS DEVELOPMENT PARTNERS MILWAUKEE COUNTY

DBE SITE MONITORING CHECKLIST

Checklist Instructions:

1. To be completed by the Project Manager/Contract Compliance Coordinator for each DBE.
2. **If at any time a DBE is observed not performing a CUF or if there are any items that are suspicious, red flags or warrant further attention, this must be reported to the Community Business Development Partners DBE Liaison Officer immediately.**
3. Submit the completed form to Community Business Development Partners, 2711 W Wells St, Milwaukee, WI 53208 or via email to CBDPCompliance@milwcnty.com

Project Information

Date of Review: _____ Reviewer's Name: _____

Contract Number	Project Number
Prime Contractor	DBE Firm

Describe the type of work observed: _____

Management

Name of on-site representative
Employer – verify with ID or Uniform or any other pertinent document ie business card
Name of direct manager/supervisor of representative
Title
Employer

Who does the onsite representative call for?

Hiring and Firing Employees	
Hiring and Firing Contractors	
Quality Problems	
Material Delivery	
Other	



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Has the DBE subcontracted any work? If yes fill out the information below

Name of Subcontractor and phone number	Indicate if contractor is a DBE	Amount subcontracted

Key Questions – it may require visit to DBE firm’s Administrative Office

Is the DBE owner onsite? Yes No

Ask how often the owner has visited the site?

Where are payroll records?	Inspect Payroll Records
Findings:	

Where are records of materials purchases?	Inspect Invoices or Receipts
Findings:	



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Equipment including Trucks

Major Equipment Used	Serial Number	DBE's Markings?		DBE's Operator?		Leased?	
		Yes or No	If no, list other company's markings if seen	Yes or No	If no, list company operator works for	Yes or No	If yes, list company leased from

Attach additional sheets if necessary

For lease equipment, requests copies of lease agreements

Workforce

Identify employees on premises during visit. Check against payroll records.

Name/badge	Title	Time Employed with DBE



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Materials

In order to verify the DBE contractor ordered and paid for the materials they have agreed to purchase in their subcontract, the DBE must submit copies of all invoices from each of their suppliers.

Did the DBE order and pay for materials?

Findings:

Performance

Based on your assessment, does the DBE appear to be executing the work of the contract by actually performing, managing, and supervising the work involved? YES ____ NO _____

Recommended Action(s):

Signature of reviewer: _____

Reviewer must submit a copy of this form to CDBP DBELO



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DBE is a regular Dealer or Manufacturer

Does the dealer have a business that sells to the public on a routine basis on the product being supplied?

Does the business stock the product for the use on the project as a normal stock item?

Who is delivering and unloading the material?

Who are the material invoices made out to?

In whose name are materials shipped?



Project Compliance Verification Questionnaire

Project Information Label

Name _____ Interview Date _____

Address _____ Ethnicity _____ Gender _____

Employer _____ How long have you worked for them? _____

Date started on this project _____ What is your hourly wage rate on this project? _____

Trade or Occupation _____ Union Member Yes No Local # _____

Type of work you do/job duties on this project _____

Truck Driver? Yes No If yes, who owns the truck? _____

Who is your supervisor/foreman? _____ Are you an Apprentice? Yes No

Do you know where job postings are located? Yes No

Are you paid overtime after 10 hours per day? Yes No

Are you paid overtime after 40 hours per week? Yes No

Are you paid time and a half for overtime work and work on Saturdays, Sundays and certain holidays? Yes No

Have you witnessed any discrimination on this project? Yes No If Yes, explain _____

What type of benefits do you receive? Health Pension Vacation Holiday Other _____

Does your employer take any unauthorized deductions from your pay (company tools, clothing, damage to company property, etc.)?

Yes No If Yes, explain _____

How are you paid? Cash Check/Direct Deposit Are you paid at least once a week? Yes No

Do you make out your own timecard? Yes No Have you ever had any problems with your wages? Yes No

If Yes, explain _____

If you believed that you were not being paid correctly, do you know who to see to file a complaint? Yes No

Keep an accurate record of hours worked and work performed, including truck # and equipment used, because you must prove that a wage underpayment has actually occurred.

Do you have any complaints concerning you work on this project? Yes No If Yes, explain _____

Other Comments _____

Interviewed by _____
Project Field Staff

Reviewed by _____
Contract Compliance Manager, DBE

Detach and give to employee for contact/follow-up.

Contract Compliance Team, CBDP
2711 W Wells St / Milwaukee WI / 53208
414.278.4747 office / 414.223.1958 fax

Project Information Label

1. Who is your company's Equal Employment Opportunity (EEO) official?
 - a. How can you contact him/her?

2. Where can you find your company's policies on equal opportunity, non-discrimination and/or sexual harassment?
 - a. Have you ever looked at this information? Yes No

 - b. If yes, how did you get the information? Meeting Verbal Training
Manual/Handouts Posting

3. Who would you contact regarding discrimination and harassment issues or complaints?

4. Has your work experience been free of harassment, intimidation, and/or coercion on the job sites and company facilities? Yes No
 - a. If No, document (and seek as specific detail as possible)

5. Where would you go for assistance with a personnel concern or complaint?

6. Have you been asked to refer qualified applicants? Yes No

7. Have you been informed about training opportunities available (union/private)? Yes No
 - a. What type of training has been offered to you?

8. Have you been informed about promotions with this company? Yes No
 - a. If Yes, what are the steps that a person must go through for a promotion?

9. Have you worked with women or ethnic minorities on this crew? Yes No
 - a. If no, why do you think there are not any employed on this crew?