



Pace's Disadvantaged Business
Enterprise Program (DBE)

3. PACE'S
DISADVANTAGED BUSINESS ENTERPRISE
POLICY STATEMENT

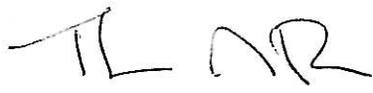
Pace has established a Disadvantaged Business Enterprise (DBE) program in accordance with the regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. Pace has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of Pace to ensure that DBEs, as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also Pace's policy:

1. To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. To create a level playing field on which DBEs and small businesses can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs and small businesses in DOT-assisted contracts;
and
6. To assist the development of firms that can compete successfully in the marketplace outside the DBE program.

The responsibility for carrying out Pace's commitment to this program is delegated by the Pace Board of Directors to the Executive Director. The Executive Director relies upon the assistance of the DBE Liaison Officer and staff in the day-to-day implementation of this program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by Pace in its financial assistance agreements with the Department of Transportation.

Pace has disseminated this policy statement to its Board of Directors and all components of its organization. Distribution of Pace's policy statement is accomplished through a variety of methods, including the posting of this statement on its website (www.pacebus.com), a widespread direct mail distribution that includes all of its certified DBEs and numerous technical assistance and service providers, and community based organizations serving the disadvantaged business community.



Thomas J. Ross, Executive Director *TR*

4/16/13

Date

SUBPART A – GENERAL REQUIREMENTS

Section 26.1 Objectives

The objectives are found in the policy statement on the first page of this program.

Section 26.3 Applicability

The Suburban Bus Division of the Regional Transportation Authority (hereafter referred to by its operating name of “Pace”), is the recipient of federal transit funds authorized by Titles I, III, V and VI of ISTEA, Pub. L. 102-240 or by Federal transit laws in Title 49, U.S. Code, or Titles I, III, and V of the TEA-21, Pub. L. 105-178.

Section 26.5 Definitions

Pace will adopt the definitions contained in Section 26.5 for this program.

Section 26.7 Non-discrimination Requirements

Pace will never 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 covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, Pace 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

Reporting to DOT: 26.11(a)

Pace will report DBE participation to DOT by transmitting the Uniform Report of DBE Awards or Commitments and Payments, semi-annually on the first of June and December of each year. These reports will reflect payments actually made to DBEs on DOT-assisted contracts.

Bidders List: 26.11(c)

Pace will create a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on DOT-assisted contracts. The purpose of this requirement is to allow use of the bidder’s list approach to calculate overall goals. The bidder’s list will include the name, address, DBE/non-DBE status, age, and annual gross receipts of firms.

Section 26.13 Federal Financial Assistance Agreement

As a recipient of funds from U.S. DOT, Pace has signed financial assistance agreement with U.S. DOT containing the following assurance, applicable to all U.S. DOT-assisted contracts and their administration:

Pace shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. Pace shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. Pace's DBE program, as required by 49 CFR Part 26 and as approved by U.S. DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to Pace of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S. C. 3801 et. seq.).

Pursuant to the requirements of 49 CFR §26.13 the following language shall be included in all contracts awarded by Pace and required to be included in all subcontracts signed by any Pace contractor:

The contractor, sub recipient 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 DOT-assisted 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 recipient deems appropriate.

Pace does not pass through U.S. DOT funds to any sub recipient. If Pace enters into a U.S. DOT-assisted financial assistance agreement with any sub recipient in the future, the above assurance will be required for the sub recipient and included in the agreement.

SUBPART B – ADMINISTRATIVE REQUIREMENTS

Section 26.21

The Suburban Bus Division of the Regional Transportation Authority (hereafter referred to by its operating name of "Pace") was created through the Regional Transportation Authority Act (Illinois Compiled Statutes, Chapter 70, Title 3615/Sec. 1.01 et. seq.). Pace is the operating division of the Regional Transportation Authority ("RTA") responsible for providing public transportation by bus and other means for the six-county region of northeastern Illinois, exclusive of the bus service provided by the Chicago Transit Authority. Pace provides public transportation by direct operation of nine Pace-owned bus divisions and purchasing service from transportation agencies and private carriers.

As a recipient of U.S. Department of Transportation (U.S. DOT) grant funds, Pace is subject to regulations governing such funds including the Code of Federal Regulations, Title 49, part 26 which details disadvantaged business enterprise requirements. The Part 26 regulations were published by U.S. DOT on February 2, 1999, effective March 4, 1999 which supersede the previous DBE regulations in Part 23 and have since been revised twice with the most current revision occurring and becoming effective February 28, 2011. One of the grant requirements is that transit recipients adopt a new disadvantaged business enterprise program. Adoption of this Pace Disadvantaged Business Enterprise Program by the Pace Board of Directors enables compliance with current DBE regulation requirements.

Section 26.23

The Policy Statement is elaborated on the first page of this program.

Section 26.25 DBE Liaison Officer (DBELO)

We have designated the following individual as our DBE Liaison Officer (DBELO):

Christina A. Perez, 550 W. Algonquin Road, Arlington Heights, IL 60004
(847) 228-4257 Christina.Perez@pacebus.com

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that Pace complies with all provisions of 49 CFR Part 26. DBELO has direct, independent access to the Executive Director of Pace concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found in Attachment 1 to this program.

The DBELO is responsible for developing, implementing and monitoring the DBE program, in coordination with other appropriate officials. The DBELO has a staff of one to assist in the administration of the program. The duties and responsibilities include the following:

1. To develop, monitor implementation of, and provide continuing evaluation of Pace's Disadvantaged Business Enterprise Program;
2. To set overall annual goals for DBE participation;
3. Certify or deny DBE certification according to criteria set by U.S. DOT 49 CFR Part 26;
4. To maintain and continually update a directory of disadvantaged businesses eligible to participate in Pace's DBE program including information on principle business activities, and contact persons;
5. To assist in securing management and technical assistance resources for disadvantaged businesses as requested;

6. To publicize business opportunities with Pace to disadvantaged businesses in a timely manner and to refer such businesses to assistance resources for aid in bidding on Pace contracts and subcontracts;
7. Identify contracts and procurements so that DBE goals are included (both race-neutral methods and contract specific goals) and monitor results;
8. To attend pre-proposal, pre-bid and pre-award meetings to explain DBE requirements;
9. To review third party contracts and purchase requisitions, and to determine contractors' and subcontractors' compliance with all applicable requirements for DBE participation.
10. Participate in training sessions, workshops, seminars, etc. for the purpose of informing potential bidders/proposers of the DBE Program and of business opportunities with Pace;
11. To serve as liaison with agencies supporting economic development in the minority community;
12. To maintain accurate and up-to-date records demonstrating Pace efforts and progress;
13. To report at a minimum of once a year, to the Pace Board of Directors and the Executive Director on progress being made in the implementation of the DBE Program and to recommend program modifications where deemed appropriate;
14. Gather and report statistical data and other information, as required by U.S. DOT and other funding agencies;
15. To maintain open lines of communication with disadvantaged business communities; and
16. Act as the Pace Liaison to the Uniform Certification Program ("UCP") in Illinois.

Section 26.27 DBE Financial Institutions

Pace will investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals. Pace shall maintain listings of financial institutions and insurance firms owned and controlled by socially and economically disadvantaged individuals who qualify as DBE firms. These listings shall be made available to Pace staff and Pace funded contractors to encourage and to make reasonable efforts to use these institutions.

Information on the availability of such institutions can be obtained from the DBE Liaison Officer.

Section 26.29 Prompt Payment Mechanisms

Pace will include the following clause(s) in each DOT-assisted contract:

The Contractor agrees that it will pay all subcontractors within 30 days of receipt of subcontractors' invoices, for subcontractors' work that Contractor has deemed to have been satisfactorily completed, and prior to Contractor's submission of application for payment to Pace. Upon final acceptance, the full amount of retainage, including remaining subcontractor retainage, will be paid as Final Payment to the Contractor

Or

Contractor agrees that it shall pay all subcontractors who have completed satisfactory work under the subcontract no later than thirty (30) days from receipt of payment by Pace. The Contractor further agrees to return any retainage payments withheld from subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed.

The clause to be used will be determined by what is being procured by Pace.

Non-Compliance and Sanctions

Determination of Non-compliance

It shall be the responsibility of Pace's DBE Liaison Officer (DBELO) to monitor the Compliance Plan, as well as the fulfillment of any special conditions, work order goals, or other obligations by contract awardees.

1. At contract closeout, the DBELO shall determine whether a contractor has complied with the obligations under its compliance plan and other related requirements. The contractor has the burden of proving compliance with all obligations and requirements.
2. If the contractor fails to fulfill the requirements of the compliance plan or other compliance-related contractual obligation, Pace will notify the contractor of the deficiencies. Following notification, the contractor shall have sixty (60) days to cure the deficiencies. If the deficiencies are not cured, Pace shall make a determination of non-compliance and recommend the imposition of sanctions

Sanctions for Non-Compliance

1. Sanctions for non-compliance may include but are not limited to the following:
 - a. Withholding of payments under the contract;
 - b. Recommendation not to exercise contract renewal option, if any;
 - c. Termination of the contract;
 - d. Debarment from future business with Pace

Section 26.31 Directory

Pace is a participant in the Illinois Unified Certification Program (IL UCP) which includes, Illinois Department of Transportation, the City of Chicago, Chicago Transit Authority and Metra. Pace contributes to the IL UCP's DBE Directory. The IL UCP participants will maintain a unified DBE directory containing pertinent information on all firms certified by the IL UCP. The IL UCP participants shall make the directory available to the public electronically on the Internet, as well as in print. The IL UCP participants shall update both electronic and print versions by including additions, deletions, and other changes on a regular basis. The Directory can be found at www.pacebus.com under Business Opportunities. The directory lists information on the types of goods or services provided by each firm, by using the most specific NAICS code available to describe each type of work the firm performs, the address and telephone number of the business, and the contact person.

The DBE Directory is categorized by types of firms to facilitate identifying businesses with capabilities relevant to a particular specification, request for proposal, or purchase order. The DBE Directory is made available to bidders and proposers to assist them in their efforts to meet DBE Program requirements and is available through the DBE Office.

Section 26.33 Overconcentration

Pace has not identified that overconcentration exists in the types of work that DBEs perform. If at any time Pace observes an over-concentration of DBE firms in a certain type of work as to unduly burden the opportunity of non-DBE firms to participate in the type of work that is being over-burdened, Pace will devise appropriate measures, at that time, to address the overconcentration.

Section 26.35 Business Development Programs

Pace has not established a business development program.

Section 26.37 Monitoring and Enforcement Mechanisms

Pace will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26.

1. We will bring to the attention of the Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program, so that 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 26.109.
2. We will consider similar action under our own legal authorities, including responsiveness determinations in future contracts. Attachment 3 lists the regulation, provisions, and contract remedies available to us in the event of non-compliance with the DBE regulation by a participant in our procurement activities.

3. We will also provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is actually performed by the DBEs. This will be accomplished through on site work monitoring, which may include photographs and/or signature of the DBE performing the work. See Attachment 3.
4. We will keep a running tally of actual payments made to DBE firms for work committed to them at the time of contract award. This will be verified through affidavits received from the DBE.

Section 26.39 Fostering small business participation

Pursuant to the requirements of 49 CFR Part 26, §26.39, Pace has established a Small Business Enterprise (SBE) Program. The purpose of the program is to increase opportunities for small businesses to perform work for Pace.

A) Eligibility

- i) To qualify for the SBE program, a business must meet the definition of a “small business enterprise” as set forth herein.
 - ii) Businesses that are certified as a DBE are considered a small business enterprise. Additional verification may be needed.
 - iii) Businesses that are not certified as listed above in the section entitled, Eligibility a(i) must complete an SBE Verification Application (Attachment 4);
 - iv) The business must be active for at least one (1) year;
 - v) The business must perform the majority of the work in the contract with its own forces. If there is a need to subcontract some of the work within the contract, the sub-contractor has to also be a small business as defined herein. Prior approval to add a sub-contractor(s) is needed from the DBE Liaison Officer (DBELO);
 - vi) The business is independent, and not an affiliate or subsidiary of any other business;
 - vii) The business has gross receipts averaged over the firm’s previous three years (3) or number of employees per pay period averaged over the past twelve months, that do not exceed the standards set forth in the Small Business Administration (SBA) 13 CFR Part 121;
- 2) Pace is reserving a reasonable number of contracts available for small businesses, as defined herein. As part of the procurement process, Pace project managers are required to identify whether their contract can be performed by a small business enterprise as the contractor by checking off the box on the DBE Goal Certification Form (attached herein).

3) As part of the procurement process, Pace project managers are required to provide a list of small businesses that could work on their project(s) as either a contractor or subcontractor. They shall attach this list to the DBE goal certification form. This list will be reviewed by the DBELO for verification that the business named is a small business enterprise.

B. Implementation

- 1) For bidders who are not already a small business enterprise, must apply for the SBE program (application attached herein) to be completed by the bidder. The DBELO will review the application and make a determination, based on the eligibility requirements, if the company submitting the bid is a small business enterprise.
- 2) Pace advertises the selected SBE bids in local newspaper(s) and on Pace's website, www.pacebus.com along with sending the bids to various assist agencies. E-mails are sent to those companies already identified as a small business enterprise informing them of the bid opportunity(ies).

SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 26.43 Set-asides or Quotas

Pace does not use quotas in any way in the administration of its DBE program.

Section 26.45 Overall Goals

A description of the methodology used to calculate the overall goal and the goal calculations can be found in Attachment 5 to this program. This section of the program will be updated triennially.

In accordance with Section 26.45(f)(1)(i) Pace will submit its overall goal to the Federal Transit Authority (FTA) on August 1st at three-year intervals. Before establishing the overall triennial goal, Pace will consult with local minority, women's and general contractor groups, community organizations, and other officials or organizations to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and Pace's efforts to establish a level playing field for the participation of DBEs.

Following this consultation, we will publish a notice of the proposed overall goals, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at Pace's Headquarters at 550 W. Algonquin Road, Arlington Heights, IL 60005 for 30 days following the date of the notice, and informing the public that Pace and FTA will accept comments on the goals for 45 days from the date of the notice. Pace will publish its DBE triennial goal in a Chicago regional newspaper as well as in minority newspapers in the Chicago-

land area. We will issue this notice by June 1st of each year. The notice will include an address to which comments may be sent and where the proposal may be reviewed.

Our triennial goal submission to FTA will include a summary of information and comments received during this public participation process and our responses.

We will begin using our triennial goal on October 1st of each year, unless we have received other instructions from FTA.

Section 26.49 Transit Vehicle Manufacturers Goals

Pace requires that each transit vehicle manufacturer, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, to certify that it has complied with the requirements of this section. Alternatively, Pace may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program.

Section 26.51(a-c) Breakout of Estimated Race-Neutral & Race-conscious Participation

The breakout of estimated race-neutral and race-conscious participation can be found in Attachment 6 to this program. This section of the program will be updated triennially when the goal calculation is updated.

Section 26.51(d-g) Contract Goals

Pace will use contract goals to meet any portion of the overall goal Pace does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every such contract, and the size of contract 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).

We will express our contract goals as a percentage of the total amount of a DOT-assisted contract.

Section 26.53 Good Faith Efforts Procedures

Demonstration of Good Faith Efforts 26.53(a) & (c)

The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts. Examples of good faith efforts are found in Appendix A to Part 26.

The DBE Liaison Officer (DBELO) is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive.

In order to be responsive, a bidder must make good faith efforts to meet Pace's DBE goal in either of two ways. The bidder must either 1) document how it will meet the full goal by completing and signing Schedules A and B or C (if a joint venture); or 2) document its attempt to meet the goal through detailed, corroborating evidence, i.e. demonstrate that it took *all necessary and reasonable steps* which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if the bidder was not fully successful. Pace's DBELO will make a fair and reasonable judgment whether a bidder that did not meet the goal made adequate good faith efforts. The DBELO will consider the quality, quantity, and intensity of the different kinds of efforts that the bidder/proposer made. The efforts employed by the bidder should be those that one would reasonably expect a bidder to take if the bidder were actively and aggressively trying to obtain DBE participation sufficient to meet the DBE contract goal. Mere *pro forma* efforts are not good faith efforts to meet the DBE contract requirements.

The following is a list of types of action that the DBELO will consider as part of the evaluation of the bidder's good faith efforts to obtain DBE participation. It is not intended to be a mandatory check list, or to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases:

- A. Soliciting through all reasonable and available means (e.g. attendance at pre-bid meetings, if applicable, advertising, and/or written notices) the interest of all certified DBEs who have the ability to perform the work of the contract. The bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.
- B. Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the bidder might otherwise prefer to perform these work items with its own forces.
- C. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
- D. Negotiating in Good Faith with interested DBEs

1. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation.

Evidence of such negotiation includes:

- the names, addresses, and telephone numbers of DBEs that were considered
- a description of the information provided regarding the plans and specifications for the work selected for subcontracting
- evidence as to why additional agreements could not be reached for DBEs to perform the work.

2. A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take into consideration a firm's price and capabilities, as well as contract goals. The fact that there may be some additional costs involved in finding and using DBEs, however, is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a bidder to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Bidders are not, however, required to accept high quotes from DBEs if the price difference is excessive or unreasonable.

- E. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The bidder's standing within the industry, membership in specific groups, organizations, or associations and political or social affiliations (for example, union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the bidder's efforts to meet the project goal.
- F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by Pace or the bidder.
- G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.
- H. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and federal minority/women business assistance offices, and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

The DBELO will also take into account the performance of other bidders in meeting the contract goal. For example, when the apparent successful bidder fails to commit to the contract goal, but

others commit to the goal, Pace will raise the question of whether, with additional reasonable efforts, the apparent successful bidder could have committed to the goal. If the apparent successful bidder fails to commit to the goal, but meets or exceeds the average DBE participation obtained by other bidders, the DBELO may view this, in conjunction with other factors, as evidence that the apparent successful bidder made good faith efforts.

The DBELO for Pace is responsible for determining whether a bidder has properly committed to meet the DBE goal and whether a bidder who has not committed to meeting the goal has documented good faith efforts in order to be responsive. The DBELO must be satisfied that all information is complete and accurate, and adequately documents the bidder's good faith efforts before Pace commits to the performance of the contract by the successful bidder.

Pace will ensure that all information is complete and accurate and adequately documents the bidder/offer's good faith efforts before we commit to the performance of the contract by the bidder/offeror.

Information to be submitted (26.53(b))

Pace treats bidder/offer's compliance with good faith efforts' requirements as a matter of responsiveness.

Each solicitation for which a contract goal has been established will require the bidders/offerors to submit the following information:

1. The names and addresses of DBE firms that will participate in the contract;
2. A detailed description of the work that each DBE will perform;
3. The dollar amount of the participation of each DBE firm participating;
4. Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet a contract goal (Schedule A attached hereto);
5. Written confirmation from the DBE that it is participating in the contract as provided in the contractor's commitment (Schedule B attached hereto); and
6. If the contract goal is not met, evidence of good faith efforts.

Administrative Reconsideration (26.53(d))

In accordance with 49 CFR §26.53(d), if Pace determines that a bidder is not responsive because it has not committed to meeting the contract goal or has not documented sufficient good faith efforts, it will notify the bidder in writing, and the bidder will have five (5) business days after receipt of this notification to request administrative reconsideration. The bidder must make this request in writing to the following Pace Reconsideration Official:

General Counsel
Pace Suburban Bus
550 W. Algonquin Road
Arlington Heights, IL 60005

The Reconsideration Official will not have played any role in the original determination that the bidder did not document sufficient good faith efforts.

As part of this Reconsideration, the bidder shall have the opportunity to provide written documentation or argument concerning the issue of whether it committed to meeting the contract goal or made adequate good faith efforts to do so. The bidder can also request in writing to meet in person with Pace's Reconsideration Official to discuss these issues; this request for a meeting must be submitted within five (5) business days after receipt of notification of non-compliance. Pace will send the bidder a written decision within 10 business days after its reconsideration request was received by Pace, explaining Pace's basis for the finding that the bidder did or did not meet the goal or did or did not make adequate good faith efforts to do so. The result of this reconsideration process is not administratively appealable to the United States Department of Transportation and Pace's decision shall be final.

Good Faith Efforts when a DBE is replaced on a contract (26.53(f))

The DBE Office monitors contracts to ensure compliance with federal DBE regulations, Pace's Federal DBE Program and non-federal DBEC Program. As stated in the DBE compliance requirements section of Pace's general contract conditions: "Failure to abide by the DBE participation requirements shall be viewed as a breach of contract and subject to such sanctions and penalties as are allowed by law." Pace may exercise its right to terminate the contract for breach of the DBE requirements. In the event of such breach, Pace may first invoke its administrative remedies under the contract and allow the contractor a reasonable opportunity to cure the breach prior to termination

The contractor's use of DBEs is monitored to ensure that pre-award commitments are kept. A Contractor may not terminate a listed and approved DBE subcontractor or an approved substitute DBE firm without the prior written approval of Pace's DBE Liaison Officer. This includes, but is not limited to, instances in which a contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm. The Contractor will have to show good cause in order to terminate the listed and approved DBE firm.

Good Cause includes the following circumstances:

1. The listed DBE subcontractor fails or refuses to execute a written contract;
2. The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided, however, that good cause does not exist if the failure or refusal of the DBE

subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the contractor;

3. The listed DBE subcontractor fails or refuses to meet the contractor's reasonable, nondiscriminatory bond requirements;
4. The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness;
5. The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant to 2 CFR Parts 180, 215, and 1200 or applicable state law;
6. Pace's DBE Liaison Officer has determined that the listed DBE subcontractor is not a responsible contractor;
7. The listed DBE subcontractor voluntarily withdraws from the project and provides to you written notice of its withdrawal;
8. The listed DBE is ineligible to receive DBE credit for the type of work required;
9. A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract;
10. Other documented good cause that Pace's DBE Liaison Officer determines compels the termination of the DBE subcontractor. Provided, that good cause does not exist if;
 - The contractor seeks to terminate a DBE it relied upon to obtain the contract so that the contractor can self-perform the work for which the DBE contractor was engaged or;
 - So that the contractor can substitute another DBE or non-DBE contractor after contract award.

The DBE Office monitors whether identified DBE businesses are performing the work as identified by the contractor through both field inspection and documentation, which includes verification of payment from the contractor to the DBE sub-contractor via the DBE Contract Compliance forms and other proof of performance. The DBE Office shall monitor the contractor's efforts to assist DBE subcontractors as may be needed during the performance of the contract. The contractor shall inform the DBE Office whenever regularly scheduled progress payments are not made to DBE subcontractors.

Sanctions for Non-Compliance may include but are not limited to the following:

- i. Withholding of payments under the contract;

- ii. Recommendation not to exercise contract renewal option, if any;
- iii. Termination of the contract; and/or
- iv. Debarment from future business with Pace.

Section 26.55 Counting DBE Participation

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

SUBPART D – CERTIFICATION STANDARDS

Section 26.61 – 26.71 Certification Process

Pace will use the certification standards of Subpart D 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. We will make our certification decisions based on the facts as a whole.

For more information about the certification process or to apply for certification, firms should contact;

Pace Bus
DBE Liaison Officer
550 W. Algonquin Road
Arlington Heights, IL 60005

Pace's certification application forms and documentation requirements are found in Attachment 7 to this program.

SUBPART E – CERTIFICATION PROCEDURES

Section 26.81 Unified Certification Program

Pace is a member of the Illinois Unified Certification Program (IL UCP) administered by all members of the IL UCP. The IL UCP will meet all of the requirements of this section. The following is a description of the IL UCP:

Pursuant to the requirements of the federal regulations, 49 CFR Part 26, all recipients of federal-aid must implement a "one-stop" certification process for Disadvantaged Business Enterprises (DBE) and Airport Concessions Disadvantaged Business Enterprises (ACDBE). As a result of this requirement, the following five entities have established the Illinois Unified Certification Program (IL UCP). The five certifying Illinois United States Department of Transportation (US DOT) direct recipients (Participants) are:

- Illinois Department of Transportation (IDOT)
- City of Chicago

- Chicago Transit Authority (CTA)
- Commuter Rail Division of the Regional Transportation Authority (Metra)
- Suburban Bus Division of the Regional Transportation Authority (Pace)

The IL UCP is based on the concept of reciprocity among the Participants. Pursuant to 49 CFR Part 26.81(b)(2), “one-stop shopping” will be provided to applicants for DBE certification, such that an applicant need only to apply once for DBE certification that will be honored by all recipients in the state of Illinois.

Section 26.83 Procedures for Certification Decisions

Re-certifications 26.83(a) & (c)

For firms that Pace has certified or reviewed and found eligible under Part 26, Pace will again review their eligibility every five (5) years. These reviews will include the following components:

- Completion of a Continued DBE Eligibility Affidavit, sworn to and notarized;
- Personal Financial Statement/Statement of Personal Net Worth; and
- On-site visit of the business

No Change Affidavits and Notices of Change (26.83(j))

Pace requires all DBEs to inform us, in a written affidavit, of any change in its circumstances affecting its ability to meet size, disadvantaged status, ownership or control criteria of 49 CFR Part 26 or of any material changes in the information provided with Pace’s application for certification.

Pace also requires all owners of all DBEs we have certified to submit, on their eligibility date of their certification, a “no change” affidavit meeting the requirements of 26.83(j). The test of this affidavit is the following:

Upon penalty of perjury, the undersigned certifies that he/she is the (Title in Firm) of (Firm Name) and that he/she is authorized by the firm to execute this affidavit in its behalf and attests to the accuracy and truthfulness of the information on the affidavit and its supporting documentation. Affiant(s) also understands that information provided herein may be audited, shared or verified by other means with other city, state or federal agencies as provided by law. The affiant(s) also affirms that the disadvantaged, minority or women interests in the business constitutes 51% majority control over business operations and further affirms that there have been no changes in the circumstances of (Firm Name) affecting its ability to meet size, disadvantaged status, ownership, or control requirements of 49 CFR, part 26. There have been no material changes in the information provided with the original application for certification, except for any changes in which you have provided written notice under 49 CFR 26.83(1). The applicant and its affiliates continue to meet the Small Business Administration (SBA) criteria for being a small business concern and its average annual gross receipts (pursuant to SBA, NAICS size limits), in addition to ensuring the firm's previous three fiscal years, does not

exceed the USDOT, \$22.41 million size limit. The undersigned also agrees to inform in writing of any circumstances affecting its ability to meet size, disadvantaged status, ownership or control requirements of this part or any material change in the information provided in your application form. Change notices must take the form of a notarized affidavit, sworn to by the applicant, executed under penalty of perjury of the laws of the United States. Applicant must provide written notification within 30 days of the occurrence of the change. Failure to make timely notification of such changes will deem the firm to have failed to cooperate under section 26.109(c).

We require DBEs to submit with this affidavit documentation of the firm's size and gross receipts.

We will notify all currently certified DBE firms of these obligations via a certified letter 60 days prior to the DBEs' eligibility date. This notification will inform DBEs that to submit the "no change" affidavit, their owners must swear or affirm that they meet all regulatory requirements of Part 26, including personal net worth. Likewise, if a firm's owner knows or should know that he or she, or the firm, fails to meet a Part 26 eligibility requirements (e.g. personal net worth), the obligation to submit a notice of change applies.

Section 26.86 Denials of Initial Requests for Certification.

If Pace denies a firm's application or decertify it, it may not reapply until twelve (12) months have passed from Pace's action.

Section 26.87 Removal of a DBE's Eligibility

In the event Pace proposes to remove a DBE's certification, we will follow procedures consistent with 26.87. Attachment 8 to this program sets forth these procedures in detail. To ensure separation of functions in a de-certification, Pace has determined that Pace's General Counsel will serve as the decision-maker in de-certification proceedings. We have established an administrative "firewall" to ensure that the General Counsel will not have participated in any way in the de-certification proceeding against the firm (including in the decision to initiate such a proceeding).

Section 26.89 Certification Appeals

Any firm or complainant may appeal our decision in a certification matter to DOT. Such appeals may be sent to:

United States Department of Transportation
Departmental Office of Civil Rights
1200 New Jersey Avenue, SE W-35
Washington, DC 20590

Pace will promptly implement any DOT certification appeal decisions affecting the eligibility of DBEs for our DOT-assisted contracts (e.g. certify a firm if DOT has determined that our denial of its application was erroneous).

SUBPART F – CERTIFICATION PROCEDURES

Section 26.109 Information, Confidentiality, Cooperation

Pace will safeguard from disclosing to third parties, information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law.

Notwithstanding any contractor provision of state or local law, we will 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 submitter.

Monitoring Payments to DBEs

Pace will require 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 Pace or DOT. This reporting requirement also extends to any certified DBE sub-contractor.

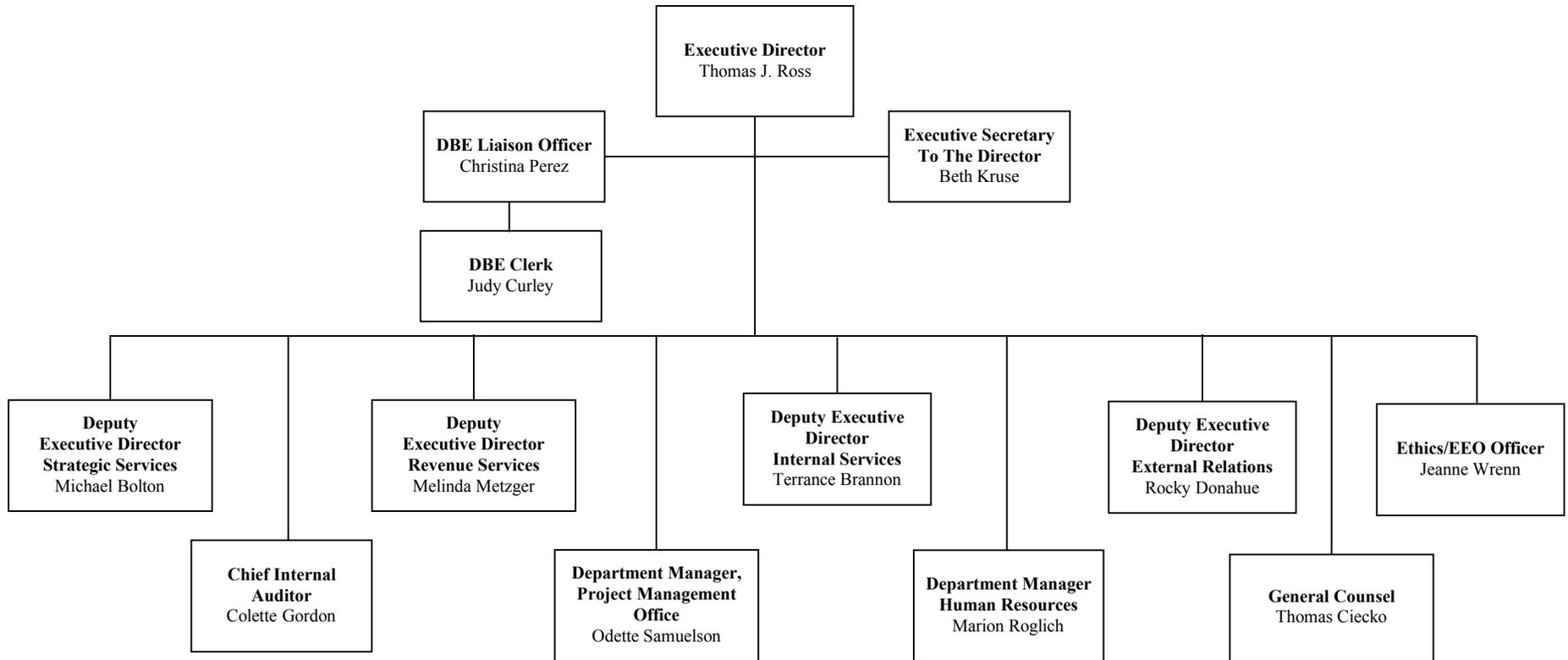
Pace will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

ATTACHMENTS

Attachment 1	Organizational Chart
Attachment 2	DBE Directory
Attachment 3	Monitoring and Enforcement Mechanisms
Attachment 4	SBE Verification Application
Attachment 5	Overall Goal Calculation
Attachment 6	Breakout of Estimated Race-Neutral & Race-Conscious Participation
Attachment 7	Uniform Certification Application
Attachment 8	Procedures for Removal of DBE's Eligibility



Office of Executive Director



Attachment 2

Illinois Unified Certification Program Directory

The Illinois Unified Certification Program Directory (IL UCP) will be available for viewing Pace's DBE department. For a printed copy, please contact the

DBE Liaison Officer
Pace Bus
550 W. Algonquin Road
Arlington Heights, IL 60005
(847) 228-4257

The IL UCP Directory can also be found online at www.pacebus.com, under the tab entitled Business Opportunities.

Attachment 3

Monitoring and Enforcement Mechanisms

The DBE department monitors contracts to ensure that pre-award commitments are kept and compliance with the federal DBE regulations is followed. The following are enforcement mechanisms taken by Pace's DBE Office.

Within thirty (30) days upon receipt of an executed purchase order and contract, the contractor must submit to the DBE Liaison Officer copies of signed contracts between the contractor and the DBE companies listed on its original DBE Schedules A and B. Failure to provide the signed subcontract(s) to the DBE Liaison Officer within the time frame required shall constitute a breach of contract and upon such breach, Pace may terminate this contract and/or exercise other sanctions, penalties, or remedies as allowed by law or equity, and as Pace deems appropriate.

The DBE department will provide the contractor with DBE contract compliance forms on a quarterly basis. These forms must be completed, notarized and returned within 10 business days from receiving the documents. DBE sub-contractors will receive an AFFIDAVIT OF COMPLETION OF WORK AND PAYMENT BY DBE SUB-CONTRACTOR once the work has been completed. This must be notarized and returned to the DBE Office.

The DBE department may, with or without notice, periodically conduct work-site visits of any contract performance site or the place of business of any contractor or DBE subcontractor from time to time during the course of a contract to ensure compliance with the requirements set forth in Pace's contracts. Photographs and/or signature of the DBE performing the work may be required. The DBE department may be assisted by other Pace staff, and shall be entitled to reasonable access to facilities, personnel, and records related to the compliance plan.

The DBE department reserves the right to review the certified payrolls, performance/payment records concerning sub contractors' payroll records, tax returns and records, and books of accounts for the Contractor and all contractors and sub-contractors working on any Pace contract. Full access shall be granted upon 48 hours' notice by Pace or any duly authorized representative thereof or any law enforcement authority.

If the contractor fails to fulfill the requirements of the compliance plan or other compliance-related contractual obligation, the DBELO will notify the contractor of the deficiencies. Following notification, the contractor shall have sixty (60) days to cure the deficiencies. If the deficiencies are not cured, the DBE department shall make a determination of non-compliance and recommend the imposition of sanctions

(Continued)

Pace has available several remedies to enforce the DBE requirements contained in its contracts, including, but not limited to, the following:

1. Withholding of payments under the contract;
2. Recommendation not to exercise contract renewal option, if any;
3. Termination of the contract
4. Debarment from future business with Pace

SBE VERIFICATION APPLICATION SUPPORTING DOCUMENTS CHECK LIST

In order to complete your application for SBE status, you must attach copies of all of the following documentation as they apply to you and the applicant firm.

All Applicants

- Work experience resumes (include places of ownership/employment with corresponding dates), for all owners and officers of the firm
- Personal Net Worth (PNW) Statement (form included with this application)
- Federal Personal tax returns (including all schedules) for the past three years, for each owner claiming disadvantaged status
- The firm's Federal tax returns (gross receipts), including all related schedules, for the past three years
- Year-end balance sheets and income statements for the past three years (or life of firm, if less than three years); a new business must provide a current balance sheet
- All relevant licenses, license renewal forms, permits, and haul authority forms
- Bank authorization and signatory cards
- Schedule of salaries (or other compensation or remuneration) paid to all officers, managers, owners, and/or directors of the firm
- Submit proof of citizenship/legal permanent resident status if born outside U.S.A. (Alien registration number or Green Card.) U.S. Citizens should submit a Birth Certificate, Voter's Registration card or Armed Services Discharge papers (DD214).

Sole Proprietor

- Assumed Name Registration (*signed by the state official*)

Partnership or Joint Venture

- Original and any amended Partnership or Joint Venture Agreements

Corporation

- Official Articles of Incorporation (*signed by the state official*)
- Corporate by-laws and any amendments
- Corporate bank resolution and bank signature cards

LLC

- Official Certificate of Formation
- Operating Agreement with any amendments

Trucking Firms

- Documented proof of ownership for each truck owned or operated by the firm
- Insurance agreements for each truck owned or operated by your firm
- Title(s) and registration certificate(s) for each truck owned or operated by your firm
- List of U.S. DOT numbers for each truck owned or operated by your firm

Regular Dealers

- Proof of warehouse ownership or lease
- List of product lines carried
- List of distribution equipment owned and/or leased

GENERAL INFORMATION If a question does not apply, write "N/A".

Is the firm "for profit"? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> STOP! If the firm is NOT for-profit, then you do NOT qualify for this program and do NOT need to fill out this application.
Is the firm currently certified for either of the following programs? <input type="checkbox"/> 8(a) <input type="checkbox"/> SDB (If Yes, check appropriate box(es).)	

A. Contact Information

(1) Contact Person and Title:		(2) Legal Name of Firm:			
(3) Phone #:	(4) Other Phone #:	(5) Fax #:			
(6) E-mail:		(7) Website:			
(8) Street address of firm (<i>No P.O. Box</i>):	City:	County/Parish:	State:	Zip:	
(9) Mailing address of firm (<i>if different</i>):	City:	County/Parish:	State:	Zip:	

B. Prior/Other Applications and Privileges

Has the firm (<i>under any name</i>) or any of its owners, Board of Directors, officers or management personnel, ever withdrawn an application for any program, or ever been denied certification, decertified, debarred, suspended, or otherwise had bidding privileges denied or restricted by any state or local agency, or Federal entity?
<input type="checkbox"/> Yes, on ____/____/____ <input type="checkbox"/> No If Yes, identify State and name of state, local, or Federal agency and explain the nature of the action:

C. Business Profile

(1) Describe the primary activities of the firm including NAICS codes:	(2) Federal Tax ID No.:
(3) This firm was established on ____/____/____	(4) I/We have owned this firm since: ____/____/____
(5) Method of acquisition (<i>check all that apply</i>):	
<input type="checkbox"/> Stared new business <input type="checkbox"/> Bought existing business <input type="checkbox"/> Inherited business <input type="checkbox"/> Secured concession <input type="checkbox"/> Merger or consolidation <input type="checkbox"/> Other (<i>explain</i>): _____	
(6) Type of firm (<i>check all that apply</i>):	
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Joint Venture <input type="checkbox"/> Other, Describe: _____	
(7) Number of employees: Full-time _____ Part-time _____ Total _____	
(8) Specify the gross receipts of the firm for the last 3 years:	
Year: _____ Total receipts: \$ _____ Year: _____ Total receipts: \$ _____ Year: _____ Total receipts: \$ _____	

OWNERSHIP

Identify all individuals or holding companies with any ownership interest in the firm, providing the information requested below: *(If more than one owner, attach separate sheets for additional owners.)*

Owner:

(1) Name:	(2) Title:	(3) Home Phone #:
4) Home Address (<i>street and number</i>):		
City:	State:	Zip:
(5) Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female	(6) U.S. Citizen: <input type="checkbox"/> Yes <input type="checkbox"/> No	
(7) Ethnic group membership (<i>Check all that apply</i>):		
<input type="checkbox"/> Black	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Native American
<input type="checkbox"/> Subcontinent Asian	<input type="checkbox"/> Other (specify) _____	
(8) Lawfully Admitted Permanent Resident: <input type="checkbox"/> Yes <input type="checkbox"/> No	(11) Initial investment to acquire ownership interest in firm:	
(9) Number of years as owner:	<u>Type</u>	<u>Dollar Value</u>
(10) Percentage Owned:	Cash	\$ _____
	Real Estate	\$ _____
	Equipment	\$ _____
	Other	\$ _____
(12) Shares of Stock:		
<u>Number</u>	<u>Percentage</u>	<u>Class</u>
<u>Date Acquired</u>	<u>Method Acquired</u>	
(13) Does this owner perform a management or supervisory function for any other business? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes, identify: Name of Business: _____		
Function/Title: _____		
(14) Does this owner own or work for any other firm(s) that has a relationship with this firm (<i>e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.</i>)? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes, identify: Name of Business: _____ Function/Title: _____		
Nature of Business Relationship: _____		

CONTROL

A. Identify the firm's Officers & Board of Directors *(If additional space is required, attach a separate sheet):*

	Name	Title	Date Appointed
(1) Officers of the Company	(a)		
	(b)		
	(c)		
	(d)		
	(e)		
(2) Board of Directors	(a)		
	(b)		
	(c)		
	(d)		
	(e)		

B. Identify the firm's management personnel who control the firm in the following areas

(If more than two persons, attach a separate sheet):

	Name	Title
(1) Financial Decisions <i>(responsible for acquisition of lines of credit, surety bonding, supplies, etc.)</i>	(a)	
	(b)	
(2) Estimating and bidding	(a)	
	(b)	
(3) Negotiating and Contract Execution	(a)	
	(b)	
(4) Hiring/firing of management personnel	(a)	
	(b)	
(5) Field/Production Operations Supervisor	(a)	
	(b)	
(6) Office management	(a)	
	(b)	
(7) Marketing/Sales	(a)	
	(b)	
(8) Purchasing of major equipment	(a)	
	(b)	
(9) Authorized to Sign Company Checks (for any purpose)	(a)	
	(b)	
(10) Authorized to make financial Transactions	(a)	
	(b)	

Do any of the persons listed in (A1) through (B10) above perform a management or supervisory function for any other business?

Yes No

If Yes, identify for each: Person: _____ Title: _____

Business: _____ Function: _____

Do any of the persons listed in (A1) through (B10) above own or work for any other firm(s) that has a relationship with this firm (e.g. ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.)?

Yes No

If Yes, identify for each: Firm Name: _____ Person: _____

Nature of Business Relationship: _____

C. Does the firm rely on any other firm for management functions or employee payroll? Yes No

If Yes, Explain:

D. Financial Information

(1) Banking Information:

(a) Name of Bank: _____ (b) Phone No. () _____

(c) Address of bank: _____ City: _____ State: _____ Zip: _____

(2) Bonding Information: If you have bonding capacity, identify:

(a) Bonding No: _____

(b) Name of agent/broker: _____ (c) Phone No.: () _____

(d) Address of agent/broker: _____ City: _____ State: _____ Zip: _____

(e) Bonding limits: Aggregate limit \$ _____ Project limit \$ _____

E. List current licenses/permits held by any owner and/or employee of the firm:

(e.g. contractor, engineer, architect, etc.) (attach additional sheets if needed)

Name of License/Permit Holder	Type of License/Permit	Expiration Date	License Number and State
1.			
2.			
3.			

F. List three active jobs on which the firm is currently working:

Name of Prime Contractor and Project Number	Location of Project (City, State)	Type of Work	Project Start Date	Anticipated Completion Date	Dollar Value of Contract
1.					
2.					
3.					



PERSONAL NET WORTH (PNW) STATEMENT

AS OF _____

Complete one of these statements for each individual upon whose ownership and control the firm is relying for SBE status.
If a question does not apply, write "N/A".

Name:	Business Phone:
Residence Address:	Residence Phone:
City, State, Zip Code:	
Business Name of Applicant:	

ASSETS	<i>(omit cents)</i>	LIABILITIES	<i>(omit cents)</i>
Cash on hand & in banks	\$	Accounts payable	\$
Savings accounts	\$	Notes payable to banks & others <i>(complete section 2)</i>	\$
IRA or other retirement account	\$	Installment account (auto)	\$
Accounts & notes receivable	\$	Mo. Payments \$	
Life Insurance – Cash Surrender Value Only <i>(complete section 8)</i>	\$	Installment account (other)	\$
		Mo. Payments \$	
Stock & Bonds <i>(complete section 3)</i>	\$	Loan on life insurance	\$
Real Estate <i>(complete section 4)</i>	\$	Mortgages on real estate <i>(complete section 4)</i>	\$
Automobile – present value	\$	Unpaid taxes <i>(complete section 6)</i>	\$
Other personal property <i>(complete section 5)</i>	\$	Other liabilities <i>(complete section 7)</i>	\$
Other assets <i>(complete section 5)</i>	\$		
TOTAL ASSETS	\$	TOTAL LIABILITIES	\$

NET WORTH \$ _____
(total assets minus total liabilities)

Section 1 – Source of Income		Contingent Liabilities	
Salary	\$	As Endorser or Co-maker	\$
Net Investment Income	\$	Legal claims & judgments	\$
Real Estate Income	\$	Provision for Federal Income Tax	\$
Other income <i>(describe below)*</i>	\$	Other special debt	\$
Description of other income in Section 1			

*Alimony of child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2 – Notes payable to banks & others (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name & Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How secured or endorsed Type of collateral

Section 3 – Stocks & Bonds (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
Section 4 – Real Estate Owned (Personal Residence must be included.) (List each parcel separately. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of property					
Address					
Date purchased					
Original cost					
Present market value					
Name & address of Mortgage holder					
Mortgage account number					
Mortgage balance					
Amount of payment per Month/year					
Status of mortgage					
Section 5 – Other personal property and other assets (Describe, and if any is pledged as security, state name & address of lien holder, amount of lien, terms of payment & if delinquent, describe delinquency.)					
Section 6 – Unpaid taxes (Describe in detail, as to type, to whom payable, when due, amount and to what property, if any, a tax lien attached.)					
Section 7 – Other liabilities (Describe in detail.)					
Section 8 – Life insurance held (Give face amount & cash surrender value of policies – name of insurance company & beneficiaries.)					

Signature _____ **Date** _____

AFFIDAVIT OF VERIFICATION

This form must be signed and notarized for each owner upon which disadvantaged status is relied.

A MATERIAL OR FALSE STATEMENT OR OMISSION MADE IN CONNECTION WITH THIS APPLICATION IS SUFFICIENT CAUSE FOR DENIAL OF SBE STATUS, REVOCATION OF A PRIOR APPROVAL, INITIATION OF SUSPENSION OR DEBARMENT PROCEEDINGS, AND MAY SUBJECT THE PERSON AND/OR ENTITY MAKING THE FALSE STATEMENT TO ANY AND ALL CIVIL AND CRIMINAL PENALTIES AVAILABLE PURSUANT TO APPLICABLE FEDERAL AND STATE LAW.

I _____ (full name printed), swear or affirm under penalty of law that I am _____ (title) of applicant firm _____ (firm name) and that I have read and understood all of the questions in this application and that all of the foregoing information and statements submitted in this application and its attachments and supporting documents are true and correct to the best of my knowledge, and that all responses to the questions are full and complete, omitting no material information. The responses include all material information necessary to fully and accurately identify and explain the operations, capabilities and pertinent history of the named firm as well as the ownership, control, and affiliations thereof.

I recognize that the information submitted in this application is for the purpose of inducing SBE status approval by a government agency. I understand that a government agency may, by means it deems appropriate, determine the accuracy and truth of the statements in the application, and I authorize such agency to contact any entity named in the application, and the named firm's bonding companies, banking institutions, credit agencies, contractors, clients, and other certifying agencies for the purpose of verifying the information supplied and determining the named firm's eligibility.

I agree to submit to government audit, examination and review of books, records, documents and files, in whatever form they exist, of the named firm and its affiliates, inspection of its place(s) of business and equipment, and to permit interviews of its principals, agents, and employees. I understand that refusal to permit such inquiries shall be grounds for denial of SBE status.

If awarded a contract or subcontract, I agree to promptly and directly provide the prime contractor, if any, and the Department, recipient agency, or federal funding agency on an ongoing basis, current, complete and accurate information regarding (1) work performed on the project; (2) payments; and (3) proposed changes, if any, to the foregoing arrangements.

I agree to provide written notice to Pace's DBE Department, DBE Liaison Officer of any material change in the information contained in the original application within 30 calendar days of such change (e.g., ownership, address, telephone number, etc.).

I acknowledge and agree that any misrepresentations in this application or in records pertaining to a contract or subcontract will be grounds for terminating any contract or subcontract which may be awarded; denial or revocation of SBE status; suspension and debarment; and for initiating action under federal and/or state law concerning false statement, fraud or other applicable offenses.

I certify that my personal net worth does not exceed \$1.32 million, and that I am economically disadvantaged because my ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not economically disadvantaged.

I declare under penalty of perjury that the information provided in this application and supporting documents is true and correct.

Signature _____

(SBE Applicant)

NOTARY CERTIFICATE

Attachment 5

Overall Goal Calculation

Pace's interim overall goal is currently set at 2%. The interim goal of 2% has been approved by FTA until Pace's Disparity and Availability Study is complete. The projected end date of the Study is May, 2014.

The Study will provide Pace with an accurate overall goal.

Attachment 6

Breakout of Estimated Race-Neutral & Race-Conscious Participation

The breakout of estimated race-neutral and race-conscious participation is still to be determined.

Pace has undertaken a Disparity and Availability Study, which will conclude in May, 2014. It is during this study that an accurate estimate of race-neutral and race-conscious participation will be available.

CONTINUED DBE ELIGIBILITY AFFIDAVIT SUPPORTING DOCUMENTS CHECKLIST

In order to complete your Continued DBE Eligibility Affidavit, you must attach copies of all the following documents as they apply to you and your firm.

All Applicants

- Personal Financial Statement/Statement of Personal Net Worth
- Signed U.S. Individual tax returns including all schedules and attachments for the past year, for each owner claiming disadvantaged status.
- Signed Federal Corporate tax returns including all schedules and attachments for the past year
- Documented proof of any transfers of assets to/from your firm and/or to/from any of its owners over the past two years
- Signed loan agreements, security agreements and bonding forms since your last affidavit
- Descriptions of new real estate (including office/storage space, etc.) owned/leased by your firm and documented proof of ownership/signed leases since your last affidavit
- List of any new equipment leased and signed lease agreements since your last affidavit
- List of any new construction equipment and/or vehicles owned and titles/proof of ownership
- Year-end balance sheet and income statements for the past year
- All current relevant licenses, license renewal forms, permits and haul authority forms
- DBE, MBE, WBE, SBA 8(a), SDB certifications, denials, and/or removals of eligibility, since your last affidavit
- Current bank authorization and signatory cards, if changed since last submission
- Schedule of salaries (or other compensation or remuneration) paid to all owners, officers, managers, members, partners and/or directors of the firm (include W-2 forms for the past year)
- New trust agreements held by any owner claiming disadvantaged status, if any
- Current signed leases, mortgage receipts, tax or water bills for all real estate (including office, storage space, etc.) leased or owned by your firm
- Current home state certification letter, if your firm is not an Illinois firm

New Owners

- All new owners submit proof of citizenship/legal permanent resident status if born outside U.S.A. (Alien registration number or Green Card) U.S. Citizens should submit a Birth Certificate, Voter's Registration card, Passport or Armed Service Discharge papers (DD214)
- Work experience resumes (include places of ownership/employment with corresponding dates (for all new owners, directors, officers, partners)
- Documented proof of contributions used to acquire ownership for each new owner (both sides of cancelled checks, loan agreements, bank statements, etc.)

Partnership

- All minutes of the partnership meetings and amended agreements since last affidavit

Corporation or LLC

- All minutes of the shareholders' meetings and board of directors meetings
- Submit and newly cancelled or issued stock certificates and stock transfer ledger (both sides)
- Any amendments to the bylaws or operating agreement since submission of your last affidavit

Trucking Company

- Title(s) and registration certificate(s) for each truck owned or operated by your firm
- List of U.S. DOT numbers for each truck owned or operated by your firm
- Current insurance agreements for each truck owned or operated by your firm
- Illinois Commerce Commission authority

Regular Dealer

- Proof of any new warehouse, signed lease, mortgage receipt, tax or water bill of warehouse
- List of current product lines/inventory with dollar values
- List of distribution equipment owned and/or leased

ILLINOIS UNIFIED CERTIFICATION PROGRAM
CONTINUED DBE ELIGIBILITY AFFIDAVIT

INSTRUCTION TO APPLICANTS:

This form must be completed in full. If a question does not apply, write "N/A". All requested documents must be submitted. This form must be SIGNED by socially disadvantaged owner(s) whose combined interest totals 51% or more of voting stock in disadvantaged business enterprise. NOTARIZATION of form is required.

NAME OF FIRM: _____

ADDRESS: _____
Street County City State Zip

MAILING ADDRESS (if different): _____
Street County City State Zip

TELEPHONE: () _____ FAX: () _____

WEBSITE ADDRESS: _____ EMAIL ADDRESS: _____

CONTACT PERSON: _____ FEDERAL TAX ID (if any): _____

1. ETHNICITY: (Please check one)

- Black
- Hispanic
- Asian Pacific
- Native American Indian
- Subcontinent Asian
- Other (Specify) _____

GENDER: (Please check one)

- MALE
- FEMALE

TYPE OF FIRM: (Please check one)

- Partnership
- Limited Partnership
- Sole Proprietorship
- Corporation
- Limited Liability Corporation
- Limited Liability Partnership
- Other (Specify) _____

3. Describe the primary activities of your firm:	<u>NAICS CODES</u>
--	--------------------

Firms requesting expanded business areas that have changed from the last date of certification, must include documentation demonstrating support of the expanded areas of expertise or specialty such as resumes, contracts, purchase orders/invoices, distributorship authorization, etc.

NOTE: Firms not aware of this classification should contact their local Small Business Administration office for assistance. You may also go to <http://www.ntis.gov/naics>.

4. Describe all real estate agreements of facilities used by firm. Indicate if facilities are owned or leased by the firm, including rental amount and whether the agreements are written or verbal.

Owner	Check if Owned	Rental Amount	Location

• *SUBMIT COPIES OF ALL LEASES. IF OWNED, PROVIDE PROOF OF OWNERSHIP.*

A. Do you share any facilities: Yes No

B. If yes, indicate which facilities are shared _____

C. With whom do you share facilities: (Firm name/individual) _____

D. What are the shared firm's business activities: _____

5. List current licenses/permits held by any owner and/or employee of your firm (e.g., contractor, engineer, architect, etc.) Attach additional sheets if needed.

Name of License/Permit Holder	Type of License/Permit	Expiration Date	License Number and State

• *SUBMIT COPIES OF REGISTRATION, LICENSE OR CERTIFICATES.*

6. Since your last date of certification has your firm:

A. Received certification by other agencies? Yes No *IF YES, INCLUDE COPY OF LETTER*

B. Received certification denials/decertification? Yes No *IF YES, INCLUDE COPY OF LETTER*

• *OUT OF STATE FIRMS MUST SUBMIT CURRENT CERTIFICATION.*

7. Amount of annual gross receipts, for the past three years: (including all affiliates and subsidiaries)

_____ Year Ending	_____ Year Ending	_____ Year Ending
\$ _____	\$ _____	\$ _____
Amount	Amount	Amount

A. All firms must submit financial documentation for the past year that includes copies of year-end balance sheet and profit/loss (income) statement and complete signed federal tax return forms.

B. All firms must submit for the past year completed signed copy of U.S. Individual Tax Return, including all schedules, for socially disadvantaged owner(s) whose combined interest totals 51% or more ownership and voting stock in disadvantaged business enterprise.

8. Current number of employees of the firm (including all affiliates and subsidiaries)

Full-time _____ Part-time _____

9. Since your last certification, have any of the following changed? If yes for any of the following, submit support documentation and/or copy of resolutions detailing all changes, identifying individuals by ethnicity and gender.

- A. Owners/Partners: Yes No
- B. Officers: Yes No
- C. Directors: Yes No
- D. Control/Management: Yes No

- *SUBMIT PROOF OF CITIZENSHIP/LEGAL, PERMANENT RESIDENT.*
- *SUBMIT DETAILED RESUMES OF OWNERS, DIRECTORS, OFFICERS, AND PARTNERS.*
- *SUBMIT PROOF OF CONTRIBUTION TO ACQUIRE OWNERSHIP INTEREST IN THE FIRM.*

10. Identify all owners, partners, and stockholders by name, gender, ethnic group and percentage of ownership. For ethnic group, use codes: (B) Black, (H) Hispanic American, (N) Native American, (AP) Asian-Pacific, (AI) Subcontinent Asian, OTHER (Specify).

Name	US Citizen Yes/No	Legal Permanent Resident Yes/No	Gender	Ethnic Group	Date of Ownership	% Owned	Voting %

11. Complete the following information regarding your firm’s Officers and Board of Directors. For ethnic group, use codes: (B) Black, (H) Hispanic American, (N) Native American, (AP) Asian-Pacific, (AI) Subcontinent Asian, OTHER (Specify).

Title	Name	Gender	Ethnic Group	% of time Devoted to Business	Date Appointed
Chairman					
President					
Vice President					
Secretary					
Treasurer					
Other					
Director					
Director					
Director					

12. Identify your firm's management personnel who control the firm in the following areas. (if more than two people, attach a separate sheet.) If additional space is required, submit an attached sheet.

	Name	Title	Ethnicity	Gender
(1) Financial decisions (Responsibility for acquisition of lines of credit, surety bonding, supplies, etc.)	a.			
	b.			
(2) Estimating and bidding	a.			
	b.			
(3) Negotiating and contract execution	a.			
	b.			
(4) Hiring/firing of management personnel	a.			
	b.			
(5) Field/Production Operations Supervisor	a.			
	b.			
(6) Office management	a.			
	b.			
(7) Marketing/Sales	a.			
	b.			
(8) Purchasing of major equipment	a.			
	b.			
(9) Authorized to sign Company Checks (for any purpose)	a.			
	b.			
(10) Authorized to make Financial Transactions	a.			
	b.			

13. Identify any owner or management official of the applicant firm who has an ownership interest in any other firm. Provide information as to the owner's title, address of firm, percent of ownership and product or service of the other firm.

Owner/Manager	Name and Address of other Firm	Title in Other Firm	Ownership %	Product or Service of Firm

- *SUBMIT COPY AFFILIATE TAX RETURNS*
- *SUBMIT STOCK TRANSFERS*

14. Identify any loans made to your firm since your last certification, indicating loan source and amount.

Loan Source	Purpose of Loan	Name of Person Securing the Loan	Loan Amount
			\$
			\$
			\$

- *SUBMIT A SIGNED COPY OF EACH OF THESE LOANS*

15. List the three (3) largest contracts issued/completed, materials supplied or services performed by your firm in the last year.

Name of Owner/Contractor	Name/Location of Project	Type of Work Performed	Dollar Value of Contract
			\$
			\$
			\$

- *SUBMIT COPIES OF CONTRACTS/PURCHASE ORDERS/INVOICES FOR PROJECTS IDENTIFIED*

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
PERSONAL FINANCIAL STATEMENT**

As of _____, _____

Complete this form for each socially disadvantaged proprietor(s), or socially disadvantaged limited and general partner(s) whose combined interest totals 51% or more, or socially disadvantaged stockholder(s) owning 51% or more of voting stock in the disadvantaged business enterprise.

Name	Business Phone
Residence Address	Residence Phone
City, State & Zip Code	
Business Name of Applicant/Borrower	

ASSETS (Omit Cents)	LIABILITIES (Omit Cents)
Cash on hand and in banks \$ _____	Accounts Payable \$ _____
Savings Accounts \$ _____	Notes Payable to Banks and Others \$ _____ (Describe in Section 2)
IRA/Other Retirement Accts \$ _____	Installment Account (Auto) \$ _____ (Monthly Payments \$ _____)
Accounts & Notes Receivable \$ _____	Installment Account (Other) \$ _____ (Monthly Payments \$ _____)
Life Insurance-Cash Surrender Value Only \$ _____ (Complete Section 8)	Loan on Life Insurance \$ _____
Stocks and Bonds \$ _____ (Describe in Section 3)	Mortgages on Real Estate \$ _____ (Describe in Section 4)
Real Estate \$ _____ (Describe in Section 4)	Unpaid Taxes \$ _____ (Describe in Section 6)
Automobile(s) - Present Value ... \$ _____	Other Liabilities \$ _____ (Describe in Section 7)
Other Personal Property \$ _____ (Describe in Section 5)	Total Liabilities \$ _____
Other Assets \$ _____ (Describe in Section 5)	Net Worth \$ _____
Total \$ _____	Total \$ _____

Section 1. Source of Income	Contingent Liabilities
Salary \$ _____	As Endorser or Co-Maker \$ _____
Net Investment Income \$ _____	Claims & Judgments..... \$ _____
Real Estate Income \$ _____	Provision for Federal Income Tax ...\$ _____
Other Income (Describe below)* .. \$ _____	Other Special Debt \$ _____

Description of Other Income in Section 1

* Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted towards total income.

Section 2. Notes Payable to Banks and Others

(Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds

(Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned

(List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets

(Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency.)

Section 6. Unpaid Taxes

(Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities (Describe in detail.)**Section 8. Life Insurance Held**

(Give face amount and cash surrender value of policies, name of insurance company and beneficiaries.)

Section 9. Asset Transfers

(Describe any transfer of assets between the disadvantaged individual and any individual or business within the past 2 years.)

I authorize the **ILLINOIS UNIFIED CERTIFICATION PROGRAM** to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of DBE certification. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature:	Date:	Social Security Number:
Signature:	Date:	Social Security Number:

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

Attachment 8

Procedures for Removal of DBE's Eligibility

The designation of a business by Pace's DBE Liaison Officer (hereinafter DBELO) as a DBE may be challenged by any person, in writing, to Pace's General Counsel. The challenger shall specify why the DBE is ineligible and shall provide any relevant material and information to support their position that the General Counsel should reconsider. Pace's General Counsel will not accept a general allegation that a DBE is ineligible or an anonymous complaint.

Pace's DBELO may propose to remove a DBE firm's certification on its own initiative if he or she determines there is reasonable cause to believe that the DBE firm is ineligible. The Department of Transportation may direct Pace's DBELO to remove a DBE firm's certification if the Department of Transportation determines there is reasonable cause to believe that a DBE firm is not eligible.

If Pace's General Counsel determines, based upon review of the material and information available, that there is no reasonable cause to believe that the firm is ineligible, Pace's General Counsel will notify the challenger and the DBE firm, in writing, of its determination and the reasons for it, referencing the evidence on which each reason is based.

If Pace's General Counsel determines, based upon review of the material and information available that there is reasonable cause to believe that the DBE firm is ineligible, then Pace's General Counsel shall notify the challenged party, in writing, that Pace proposes to find the DBE firm ineligible. The notice shall set forth the reasons for the proposed determination referencing the evidence on which each reason is based. The notice shall inform the DBE firm of their opportunity for an informal hearing at which time they can present information and arguments concerning why it should remain certified. The firm may elect to present information and arguments in writing without going to a hearing.

A firm remains an eligible DBE during the pendency of a challenge under this section.

Following the informal hearing, Pace's General Counsel shall provide written notice to the DBE firm and the challenger of its final determination and the consequences thereof, and the reasons for the determination, referencing the evidence on which each reason is based.

Pace's final determination may be appealed to the U.S. Department of Transportation.