TRANSPORTATION CABINET

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CONSTRUCTION MEMORANDUM CM 26-05
CIVIL RIGHTS MEMORANDUM

TO: Chief District Engineers
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DATE: November 6, 2026

SUBJECT: **Changes to Commercially Useful Function (CUF) and DBE Commitment revision processes**

Commercially Useful Function (CUF) Process

The Kentucky Transportation Cabinet (KYTC) is changing the method for completing the Commercially Useful Function (CUF) documentation for Disadvantaged Business Enterprises (DBE) working on KYTC contracts. Moving forward, all CUF forms will be created and completed using AASHTOWare Project (AWP), and AgilePoint will no longer be utilized. Users will still receive email notifications when a CUF form is created and assigned on a contract. These emails will contain links directly to the form for completion.

IMPORTANT: Performance of a CUF review is required for each Disadvantaged Business Enterprise (DBE) subcontractor included on a Kentucky Transportation Cabinet (KYTC)-let, federally-assisted construction project. The review should be conducted when the DBE first begins work and should continue throughout the duration of the project.

49 CFR 26.55 states: "A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved… A DBE does not perform a CUF if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation…"

The CUF review documents whether a DBE is performing the work required for its participation to count toward DBE goals.

DBE Commitment Revision Process

Effective November 9, 2026, prime contractors will be able to request changes to approved DBE commitments through AASHTOWare Project (AWP).

Under 49 CFR § 26.53, prime contractors must obtain KYTC's prior written approval before terminating, reducing, or substituting a committed DBE. Contractors must also comply with all applicable notification and documentation requirements.

IMPORTANT: All DBE commitment revisions are subject to KYTC review and approval. Submission of a revision request does not constitute approval by KYTC and does not authorize the contractor to proceed with the proposed change.

Webinar Training

KYTC will provide webinar training for all contractors on November 9 and 12, 2026. The training will demonstrate how prime contractors can submit DBE commitment revisions in AWP and explain the review and approval process.

These webinars will cover DBE Commitment revisions only. CUF training for KYTC personnel will be provided separately.

Additional training details and user guides will be distributed separately.

MPS/jml

Cc: KAHC
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