

**BUSINESS DEVELOPMENT INITIATIVE
SMALL BUSINESS PROGRAM
GUIDANCE FOR RESERVING CONTRACTS**

Construction/Maintenance Contracts and Design/Build Low Bid Contracts

1. Districts are responsible for reviewing their work program and identifying contracts that are good candidates for the Business Development Initiative (BDI). Identifying a construction or maintenance contract for the BDI means that:
 - a. The contract will be reserved for small businesses;
 - b. The contract will be \$500,000 or less;
 - c. Prequalification per Rule 14-22 F.A.C. is not required;
 - d. Performance bonds are waived on contract \$250,000 and less;
 - e. Bid bonds are \$500 for contracts over \$150,000 and may be in the form of a cashier's check, the BDI Bond form, or the standard Bid or Proposal Bond Form (Form No. 375-020-09); and
 - f. All subcontractors must be small businesses.

In choosing candidate projects for the BDI, the districts should consider if the contract is low risk and if there are sufficient small businesses available to bid on the contract. The Department does not have a complete list of small businesses by type of work, but the district can check the DBE directory to identify DBEs that are available by type of work. Another source to identify potential small businesses is the U.S. Small Business Administration (SBA) Dynamic Small Business Search, available at the following link:

http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm

At this site you can find small businesses that have registered in the Central Contractor Registration, which is the primary registrant database for the federal government. You can search by state, county, North American Industry Classification System (NAICS) code, and by size. The NAICS Code for Highway, Bridge, and Street Construction is 237310, and annual gross revenue for construction cannot exceed \$22,410,000 for small businesses.

2. When a contract is identified, the District Specifications Office must request to use the BDI Specifications (please email Frances Thomas with Specifications & Estimates, Central Office). The request should have a description of the project, estimated cost, FPID number and the source of funds (state or federal). The developmental specifications needed are:
 - a. Dev002BDI-“Qualification of Bidders” and “Guaranty to Accompany Proposals”
 - b. Dev003BDI-“General”, “Execution of Contract”, and “Failure by Contractor to Execute Contract”
 - c. Dev007BDI-“Contractors’ Protective Public Liability and Property Damage Liability Insurance”
 - d. Dev008BDI- “Subletting or Assigning of Contracts”

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3. Central Office Specifications will forward the request to the Equal Opportunity Office Manager Art Wright for approval and Art will submit to Chief Engineer. Once approved by Chief Engineer, the project will be posted as a BDI Project.
4. Prior to issuance of the bid document by the Department, the contractor must complete and notarize Form 275-000-01 (BDI Affidavit and Profile Form).
5. All bid packages must include Form #275-000-02 BDI Reference Sheet) completed by the contractor and submitted with the bid. The contractor is not required to be prequalified by the Department, so this Reference Sheet is designed to help determine if the contractor has successfully performed similar work on other contracts. The State Construction Office or the District Construction Office is responsible for approving the reference sheet depending on where the project is let. The contractor's experience must be similar to the scope of work outlined in the intent and scope of the project.
6. Prior to using a subcontractor, the prime must obtain a notarized Affidavit and Profile Form from the subcontractor and submit the form with the Request to Sublet and obtain approval from the Department.
7. The advertisement must contain the following information:
 - a. Bidders must be a "Small Business" as defined by the USDOT, (49 CFR Part 26.65).
Prequalification per Rule 14-22 is not required.
 - b. Bidders must complete and submit the BDI Affidavit and Profile (Form No. 275-000-01) for approval prior to receipt of bid documents.
 - c. Bid Bonds of \$500 are required for bids over \$150,000 and may be in the form of a Cashier's Check, the BDI Bid or Performance Bond (Form No. 375-020-16), or the standard Bid or Proposal Bond form (Form No. 375-020-09).
 - d. Bidders must submit the BDI Reference Sheet (Form No. 275-000-02) with the bid.
 - e. A Performance Bond is not required for contracts under \$250,000.00.

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Professional Services/Consultant Contracts

1. Districts are responsible for reviewing their list of projects and identifying contracts that are good candidates for the Business Development Initiative (BDI). Identifying a professional services contract for the BDI means that:
 - a. The contract will be reserved for small businesses;
 - b. The contract will be \$500,000 or less;
 - c. No preference points are used for the contract;
 - d. Teams must still be technically prequalified in all listed professional services work types; and
 - e. An overhead audit is required for any contracts in excess of \$250,000. The Department is offering a one-time job cost accounting system (JCAS) review to small business firms who are interested in competing for work above \$250,000. The requirements for the JCAS review are found at the following link:
<http://www.dot.state.fl.us/procurement/pdf/Job%20Cost%20Accounting%20System%20Check%20List.pdf>. For questions about the JCAS review, please contact Jeffrey Owens, Procurement Office, at (850)414-4539.

In making the decision for candidate projects, the districts should consider if there are sufficient small businesses available to submit a proposal. The Department does not have a complete list of small businesses by type of work, but the district can identify DBEs that are available by type of work by checking the DBE Directory. Another source to identify potential small businesses is the U.S. Small Business Administration (SBA) Dynamic Small Business Search, available at the following link: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm. At this site you can find small businesses that have registered in the Central Contractor Registration, which is the primary registrant database for the federal government. You can search by state, county, North American Industry Classification System (NAICS) code, and by size.

2. Districts should email a request to use the BDI to Chief Engineer for approval and copy Art Wright, Equal Opportunity Office Manager. The request should have a description of the project, estimated cost, FPID number and the source of funds (state or federal). The Chief Engineer will either approve or disapprove the request by responding to the email.
3. If approved, the following is an example of the advertisement that can be used for the BDI contract:

This project has been reserved for competition among only small businesses, in accordance with the Department's Business Development Initiative Program. Letters of Response for this project will only be accepted from firms who qualify

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as a small business as defined by USDOT 49 CFR Part 26.65. The prime consultant submitting a letter of response must meet the small business eligibility criteria below. All subconsultants utilized on the project must also meet the small business eligibility criteria. Only subconsultants who are also themselves small businesses may be utilized on small business reserved projects.

SMALL BUSINESS ELIGIBILITY CRITERIA:

- a. Meet the small business definition as defined by USDOT 49 CFR Part 26.65
- b. Submit a Notarized BDI Affidavit & Profile Form (Form 275-000-01) attesting to meeting the definition of a small business. All Letters of Response to an advertisement for a small business reserved project must be accompanied by a Notarized BDI Affidavit & Profile form, submitted by the date/time deadline established for the Letter of Response. Notarized BDI Affidavit & Profile forms are required for the prime consultant and all subconsultants utilized on the contract, who must also meet small business eligibility criteria. The notarized BDI Affidavit & Profile form must be submitted with the Letter of Response. Please refer to the advertisement for other submittal requirements.
- c. Submitting firms that are small businesses must completely comply with the professional services prequalification process as described in Florida Administrative Code Chapter 14-75:
<http://www.dot.state.fl.us/procurement/pubs/Rule%2014-75new.pdf>