



Florida Department of Transportation (FDOT) Business Participation Plan FY 2016 - 17

1. Mission, Vision, and Statement of Commitment for Enhancing Supplier Diversity

FDOT is responsible for the state highway systems and public transportation systems including air, transit, and ports. Contracting for highly specialized services and purchasing common products are top priorities in the agency. FDOT purchases road materials, construction materials, and any products or services related to highway road and bridge construction. FDOT also purchases numerous supplies and services that help the agency run efficiently in the day to day operations. FDOT is decentralized with the Central Office, seven districts, and Turnpike Enterprise responsible for contracting throughout the state; each has offices responsible for acquiring commodities, contractual services, road and bridge construction and maintenance, and professional services.

Mission: To foster the continued development and economic growth of small businesses through equity in contracting with minority and women owned business enterprises.

Vision: To have a supplier base that reflects Florida's broad diversity.

Statement of commitment for enhancing supplier diversity: FDOT is committed to developing, implementing, and modifying strategies that maximize supplier diversity and small, minority, veteran, and disadvantaged business enterprise (S/M/V/DBE) participation in the procurement process and working with all departments and districts in achieving FDOT's annual Minority Business Enterprise (MBE) and Disadvantaged Business Enterprise (DBE) goals. FDOT's policy is that DBEs, as defined by 49 Code of Federal Regulations Part 26, have an opportunity to participate in the performance of FDOT contracts in a nondiscriminatory environment. FDOT also expects that grant recipients, contractors, consultants, and suppliers take all necessary and reasonable steps to ensure that DBEs have an opportunity to compete for and perform FDOT contract work in a nondiscriminatory environment.

2. Senior Official Responsible for Monitoring and Implementing Plan

Larry T. Ellis, Equal Opportunity Office (EOO) Manager, is the senior official responsible for developing, monitoring, and implementing FDOT's plan.

At each monthly Executive Performance Review Meeting, the EOO Manager reports to the Secretary and senior management on the current level of monthly DBE and MBE spending by each district. The EOO Manager analyzes FDOT's progress toward goal attainment and identifies new and innovative methods to achieve the DBE and MBE goal in a race neutral environment. FDOT's DBE goal for 2016 - 2017 is 9.91%.

Tracking data related to the plan: FDOT tracks data related to the plan via the Equal Opportunity Compliance (EOC) database. Please see attached report for an example of how FDOT monitors and tracks certified minority spending throughout the year. If spending is not on track during the year, the EOO Manager will report on any new strategies developed to increase FDOT's spending during the fiscal year.

3. Proposal to Establish a Minority Business Enterprise Contracting Program

FDOT has four different types of minority/small business programs: the Disadvantaged Business Enterprise (DBE) program, the Minority Business Enterprise (MBE) program, the Business Development Initiative (BDI), and the Construction Management Development Program (CMDP). FDOT puts forth great effort to educate minority businesses on these three separate and distinct programs. The Equal Opportunity Office is responsible for promoting and monitoring the participation of minority businesses.

The **DBE Program** is a federal program that applies only to FDOT and is limited to contractors and consultants involved in planning, design, right of way, construction, and other projects included in the FDOT's Work Program. FDOT is race neutral and does not use individual contract goals to administer the program.

The program's objectives are:

- To ensure nondiscrimination in the award and administration of contracts,
- To ensure firms fully meet eligibility requirements,
- To help remove barriers to participation in FDOT contracts,
- To create a level playing field, and
- To assist in the development of a firm so the firm can compete successfully outside of the program.

EOO administers the DBE program and encourages diversity in contracting for two types of contracts:

- Construction and maintenance contracts (in accordance with Chapter 337, F.S.), and
- Architectural and engineering contracts (in accordance with Chapter 287.055, F.S. and Chapter 14-75, F.A.C.). EOO is also responsible for promoting minority participation for the contracting of commodities and contractual services (in accordance with Chapter 287, F.S. and Chapter 60A-1, F.A.C.), and fixed capital outlay projects (in accordance with Chapter 255, F.S. and Chapter 60D-5, F.A.C.).

The **DBE Program** is designed for business owners deemed socially and economically disadvantaged. To achieve DBE status, a business must be minority or female owned or specifically show social disadvantage. The disadvantaged owner must hold a minimum of 51% of the company or corporate stock. The primary owners must also maintain day-to-day control of operations, possess an expertise in their work specialty, and have an investment in their company. The primary owner cannot have a net worth that exceeds \$1.32 million (excluding the owner's stake in the business and their primary residence). Prime contractors are encouraged to use subcontractors certified as a Disadvantaged Business Enterprises.

The **MBE Program** applies to all state agencies and is administered by the Department of Management Service's Office of Supplier Diversity (OSD). The MBE program certifies small businesses domiciled in Florida. The business must be at least 51% owned by a minority person who is a Florida resident and whose management and daily operations are controlled by a minority person(s). The firm must employ 200 or fewer employees and have a business net worth of not more than \$5 million. FDOT encourages DBE subcontractors to apply for certification in the state's MBE program. While the certified minority business cap is different between MBEs and DBEs, FDOT believes there is opportunity for overlap that will increase the availability pool of certified minority businesses.

The **Business Development Initiative (BDI)** is one of FDOT's efforts to increase competition, lower prices, and increase support to small businesses to meet its contracting needs over the next ten years. On July 1, 2016, House Bill 7027 (337.027 F.S.) went into effect to include the establishment of a Business Development Program to assist small businesses in obtaining contracts with the department, and is now FDOT's way of doing business.

The BDI reserves construction and professional services contracts so small businesses can compete among themselves to obtain work directly from FDOT as primes. Gaining experience on small FDOT contracts will prepare these small businesses to bid on larger contracts.

The BDI provides the following assistance to small businesses:

- Reserves construction and maintenance contracts of less than \$1,500,000. These projects are listed on the FDOT website
- Waives performance bond requirements for contracts under \$250,000. Required bid bonds are \$500 for contracts over \$150,000
- Modifies the qualification process. Bidders on reserved BDI construction and maintenance contracts are not required to be prequalified
- Reserves professional services contracts of less than \$1,500,000 for state funded or federal funded projects; however, professional service projects that are reserved require prequalification
- Reduces liability insurance requirements

To be eligible to bid on BDI contracts, the firm must:

- Meet the small business definition as defined by FDOT
- Submit a notarized affidavit on a form provided by FDOT attesting to meeting the definition of a small business
- Provide a listing of contracts that the firm has performed either as a prime or subcontractor. This is part of the modified prequalification requirement for small contractors, not consultants.

4. Proposed Outreach Activities

FDOT encourages S/M/DBEs to bid on construction projects through outreach, education, and matchmaking activities. FDOT participates in district level and statewide efforts to reach out to local businesses desiring to do business with FDOT, including matchmaking activities sponsored by OSD. Outreach activities planned for fiscal year 2016-17 target both certified and non-certified S/M/DBEs informing them about available FDOT contracting opportunities including, but not limited to:

- Providing information about training available to certified and non-certified S/M/V/DBEs through the FDOT Construction Management Development Program (CMDP),
- Providing information about the FDOT DBE Supportive Services (DBE/SS) “Bid Matching Program” to increase the number of DBE subscribers,
- Conducting DBE seminars on major design-build projects by the FDOT Specialized Development Program (SDP),
- Recruiting qualified businesses and assisting with DBE certification,
- Making prime contractors, FDOT staff, and other industry organizations aware of assistance available to DBEs,
- Providing information to DBEs about non FDOT work opportunities,
- Planning and participating in M/DBE training seminars, workshops, and listening sessions,
- Serving as a liaison with M/DBEs and prime contractors,
- Educating and encouraging cities and counties to use the BDI to include Local Agency Projects (LAP) contracts,
- Encouraging the districts to identify additional contracts that can be reserved for small businesses,
- Presenting M/DBE programs at workshops on joint venturing, bonding, estimating, and bidding to FDOT,
- Expediting certification for truckers, and
- Participating in the following:
 - OSD Matchmaker Conference and Trade Show and various regional matchmaker workshops
 - Florida Minority Supplier Development Council Annual Trade Fairs

- Florida Regional Minority Business Council Annual Trade Fair
- Various Minority Enterprise Development Week activities throughout the state
- Orientation meetings for contractors and vendors (with emphasis on district contracts)
- Procurement workshops for small and minority businesses
- “How To Do Business With The Florida Turnpike” meetings
- Bi-annual construction contractor’s meetings in all districts and Turnpike(the state DBE Program Coordinator provides updates to the contractors and consultants on the state’s programs and federal DBE participation goal attainment status)
- Florida Small Business Development Centers – training on DBE certification.

5. Planned Programs to Educate Business Owners

FDOT educates businesses on how to do business with the State of Florida and FDOT through various processes to ensure that the programs reach certified and non-certified small, minority, and disadvantaged businesses.

The **Vendor Guide**, which is available on FDOT’s procurement website, is also disseminated at trade shows. The guide includes information about registering as a vendor in the MyFloridaMarketPlace (MFMP) to receive email notifications for bid solicitations. The guide also advises on how to determine the category a business falls under, and provides an understanding of how FDOT contracts for those services (construction and maintenance; fixed capital outlay; architectural and engineering; and commodities and contractual services) and whether a business qualifies as a DBE and/or Certified MBE.

The procurement office’s website also has marketing information available categorized by district marketing sites.

FDOT provides additional support to S/M/DBEs through its Supportive Services programs. The programs are designed so that DBEs receive training, information, and assistance in preparing bids, and obtaining bonding, financial assistance, and insurance.

The Construction Estimating Institute (CEI) is the statewide provider and administers the following programs:

- **DBE Supportive Services** - the purpose is to increase the number of certified DBEs participating in the highway program, and to contribute to the growth and eventual self-sufficiency of DBEs so that they may achieve proficiency in competing for contracts and subcontracts.
- **Construction Management Development Program** - assists S/M/V/DBEs with training and on-the-job instruction to raise the level of professionalism, proficiency, and competitiveness of small, minority and socially and economically disadvantaged businesses. CEI provides managerial and technical assistance to certified DBEs completing the CMDP.
- **Bond Guarantee Program** - provides eligible DBE contractors with bonding opportunities, so they may participate in transportation construction projects.

In addition to educational programs, FDOT provides additional assistance to DBEs through the **Specialized Development Program (SDP)**. Administered by the Florida State Minority Supplier Development Council (FSMSDC). The SDP assists prime contractors on priority projects, and identifies qualified DBEs to compete for subcontracting opportunities.

6. Summary of Past Contracting Success

FDOT’s prime contractors (primes) are the construction and engineering firms that produce Florida’s roads and bridges. FDOT’s production plan for state fiscal year 2015-16 resulted in construction projects with an estimated value of \$4.2 billion and consultant projects estimated at \$1.1 billion. During the last fiscal year,

FDOT expended \$297,319,237 to certified minority businesses (an increase of \$9,491,515), and \$462,349,771 to non-certified minority businesses (an increase of \$127,389,664). FDOT's commitment for fiscal year 2016 - 17 is to exceed last year's spending.

Attached is a spreadsheet reflecting past contracting with certified minority businesses.

7. Method for Capturing and Reporting Subcontractor Information

FDOT's Equal Opportunity Compliance System (EOC) is an internet based tracking system that allows primes to log in and submit subcontractor payments. The system includes an interface with OSD's certified minority business directory to identify all subcontractor payments to certified minority firms. EOC requires prime contractors and consultants to utilize the EOC system to report MBE participation.

Throughout the fiscal year, FDOT uses the Certified Minority Business Expenditures Report by Organizational Unit (Districts) to monitor and identify contracting and subcontracting opportunities and expenditures:

8. DBE & MBE Assistance Initiatives

Since 1984, FDOT has provided a state funded business development component through the Construction Management Development Program/Bond Guarantee Program (CMDP/BGP). In accordance with Section 339.0805, F.S., the CMDP offers classroom, on-line, and on-the-job training and support to S/M/V/DBEs. The CMDP is designed to improve technical and business management skills, as well as, assist in learning how to do business with FDOT. DBEs completing this program are eligible for bond guarantees of up to \$500,000.

The **Supportive Services' (SS) Business Development Program (BDP)** is designed to assist DBEs in areas including bid matching assistance, back office support, and loan applications.

In addition to DBE/SS general services, qualified DBEs applying for business development, or applying to the SDP "Bridging the Gap" (*mentor-protégé program*) may participate in the BDP for more detailed technical training tailored to an individual DBE's needs. BDP participants must be involved with highway, roadway, and bridge work. Eligible DBEs must be in business for at least six (6) months, and have bid on projects as either a sub or prime for any roadway and bridge work (i.e., FDOT, city, county, etc.). The DBE Supportive Services Provider (SSP) may waive the six (6) month requirement as deemed appropriate. After admission to the BDP, the DBE must submit a business plan with assistance from the DBE SSP, within six (6) months. The approved business plan must be on file with the DBE SSP and include specific targets, objectives, and goals for the business development of the BDP participant during the next two (2) years, as stated in Appendix C to Part 26.

Once the DBE SSP approves the business plan, the BDP participant enters the development stage of the BDP, which provides capacity building assistance with special emphasis on FDOT's core areas of road and bridge construction. The DBE SSP completes an advanced needs assessment that includes a detailed review of the current business capacity, market potential, and strengths and weaknesses in the areas of financial, managerial, technical, and labor conditions. Based on the advanced needs assessment, the DBE SS provider develops an action plan with specific training requirements, targeted goals, and completion timetables for each BDP participant. The DBE SSP will provide training (utilizing CMDP training materials whenever possible), and assist with one-on-one educational and technical needs in business management and business plans; marketing, business law, equal opportunity, and safety, and computer training.

As part of the action plan developed by the DBE SSP provider, a BDP participant must show proficiency in project management skills by graduating or receiving an exemption from the Construction Management Development Program (CMDP). This includes classroom and on-the-job instruction/technical assistance as outlined in Rule 14-79.006, F.A.C., which includes bonding, financing, construction, and accounting/cash flow

management. Within twelve (12) months of program entry, a BDP participant should graduate from the CMDP and be eligible for the Bond Guarantee Program (BGP).

BDP participants also receive back office assistance, which includes, but is not limited to, assistance with setting up the BDP participant's business office, such as certified payroll, payroll, and accounts receivable. Additionally, BDP provides onsite payroll preparation assistance, as directed by FDOT such as:

- Certified payrolls and compliance with other federal and state requirements,
- Financial related assistance such as bonds, finances, and rental agreements,
- State requirements such as licensing and registrations,
- Safety requirements, and
- Assistance with improving other onsite office and administrative functions.

Annually, the DBE SSP will evaluate each BDP participant and review and modify the BDP participant's currently approved business plan with the BDP participant, according to the participant's structure and redefined developmental needs. The modified business plan should include a forecast of the BDP participant's need for contract awards. Each review should track the BDP participant's achievement of targets, objectives, and goals set in its transition plan. The approval date of the initial business plan is the anniversary date for annual evaluations. Completion of the developmental stage will vary by BDP participant, however, a major factor is when the BDP participant has completed the action items in the training plan.

Beginning in the first year of the transitional stage in which the DBE receives specialized assistance with obtaining contracts as primes and graduating from the DBE Program, a DBE participant should submit for inclusion in its annually reviewed business plan a transition management plan. The plan should outline specific steps to promote profitable business operations in areas other than traditional areas of DBE participation after graduation from the program. The plan should also include the BDP participant's needs for growing and expanding business into other areas by diversifying. The modified business plan should include steps for continuing business development after the program term has expired. Each review should show that the BDP participant has substantially achieved the targets, objectives, and goals set in the program term.

BDP participants receive assistance in marketing their business, including the development of a website, capability statement, and marketing strategy. BDP participants also receive one-on-one assistance in matching participants with Business Development Initiative (BDI) projects, and other opportunities on FDOT projects.

The Construction Estimating Institute:

- Refers DBEs to the SDP for identifying opportunities on major projects,
- Conducts and participates in DBE Matchmaker conferences to stimulate growth for DBEs by creating opportunities to network and create new relationships for future contracts with primes, and
- Assists with finding opportunities and resources for developing joint ventures.

DBE Supportive Services refers DBEs who have successfully completed work on FDOT projects to the SDP "Bridging the Gap" Pilot Program, designed to assist DBEs with graduating from the program.

BDP participants are discontinued from the program if over a 2-year period the DBE does not (1) engage in business practices that promote its competitiveness within a reasonable period of time, (2) actively pursue or bid on contracts, or (3) regularly respond to solicitations in the type of work it is qualified for and in the geographical areas where it has indicated availability in its approved business plan. Success is realized when the BDP participant has substantially achieved the targets, objectives, and goals in the transition management plan, and has demonstrated the ability to compete in the marketplace.

FDOT's **DBE/Supportive Services Bid Matching Program** informs DBEs of upcoming contracting and subcontracting opportunities available in their specific work classifications. DBEs who wish to participate in the

bid matching program must have a current needs assessment on file with the DBE SSP, and must provide a valid email address where the bid matching notifications will be delivered. DBEs who register for the bid matching program receive emails prior to every FDOT letting informing them of opportunities in their work classifications, and gain access to individual web pages listing contracting and subcontracting opportunities in those work classifications. DBE SSP divides work opportunities into more than forty (40) different work classifications and match the work opportunities to DBEs by North American Industry Classification System (NAICS) codes. DBE SSP emails work opportunity reports for each classification to DBEs with matching NAICS codes. The work opportunity reports contain detailed line item descriptions of the available work, along with links to the bid solicitation notices and the list of proposal holders for each bid solicitation.

9. Link to Relevant Resources

FDOT links to the Office of Supplier Diversity web page

http://www.dms.myflorida.com/agency_administration/office_of_supplier_diversity_osd in two ways:

- The Equal Opportunity Office external webpage www.fdot.gov/equalopportunity, located under the News section, and
- The Procurement Office external webpage <http://www.fdot.gov/procurement/DoingBusiness.shtm> located under the “Commodities and Contractual Services” section.

10. eQuote Plan

FDOT includes a link to the MFMP eQuote FAQ page

(http://www.dms.myflorida.com/business_operations/state_purchasing/myfloridamarketplace/mfmp_vendors/mfmp_equote) on the Equal Opportunity external webpage. Additionally, FDOT incorporates a discussion about eQuote in the Construction Management Development Program classes.