



## *Florida Department of Transportation*

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GOVERNOR**

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**ANANTH PRASAD, P.E.  
SECRETARY**

October 14, 2014

Mr. Thad Fortune  
Certification Administrator  
Office of Supplier Diversity  
Florida Department of Management Services  
4050 Esplanade Way, Suite 380  
Tallahassee, Florida 32399-0950

Re: Minority and Women Business Participation Plan

Dear Mr. Fortune:

Enclosed is the Florida Department of Transportation's (FDOT) Business Participation Plan for fiscal year 2013/14, as requested from the Office of Supplier Diversity (OSD).

Over the years, FDOT has worked closely with OSD to implement a strong Minority Business Enterprise Program. We look forward to working with OSD in the upcoming year.

If you have any questions, please contact me at 414-4749.

Sincerely,

Art Wright  
Manager, Equal Opportunity Office

Attachment



## Florida Department of Transportation (FDOT) Business Participation Plan FY 13/14

### **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, and disadvantaged business enterprise (S/M/DBE) participation in the procurement process and working with all departments and districts in achieving FDOT's annual MBE and DBE goals. FDOT's policy is that disadvantaged business enterprises (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**

The Equal Opportunity Office (EOO) Manager is the senior official responsible for developing, monitoring, and implementing FDOT's plan.

At the monthly Executive Performance Review Meeting, the EOO Manager reports to the Secretary and senior management on the current level of monthly minority 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 2013-2014 is 8.60%.

Tracking data related to the plan: FDOT tracks data related to the plan via the Equal Opportunity Compliance 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 three different types of minority/small business programs: the Disadvantaged Business Enterprise (DBE) program, the Minority Business Enterprise (MBE) program, and the Business Development Initiative (BDI). FDOT puts forth great effort to educate minority businesses on these three separate and distinct programs. The Equal Opportunity Office (EOO) 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. The program's objectives are to ensure nondiscrimination in the award and administration of contracts, ensure firms fully meet eligibility standards, help remove barriers to participation in FDOT contracts, create a level playing field, and assist in the development of a firm so the firm can compete successfully outside of the program. FDOT is race neutral and does not use quotas in any way to administer the program.

EOO administers the DBE program and encourages diversity in contracting for two types of contracts: (1) construction and maintenance contracts (in accordance with Chapter 337, F.S.), and (2) 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 owners must hold a minimum of 51% of the stock in the company. 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 business and primary residence). All prime contractors are encouraged to use subcontractors certified as a disadvantaged business.

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. Section 337.025, Florida Statutes provides FDOT with the authority to create innovative methods of contracting. The BDI reserves construction related 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.

In March 2009 the Federal Highway Administration (FHWA) approved FDOT's use of the BDI on federally funded projects. This was the first program of its type to receive national approval. In March 2012, the BDI received the "Small Business Element" approval from FHWA.

The BDI provides the following assistance to small businesses:

- Reserves construction and maintenance contracts of less than \$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 \$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:

- Complete the FDOT Business Development Initiative Affidavit & Profile form, which self certifies that the business meets the definition of small business, as defined by USDOT 49 CFR Part 26.65.
- Complete the FDOT Business Development Reference Sheet, which lists all contracts the firm has performed.

#### **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 2013/14 target both certified and non-certified S/M/DBEs informing them about available FDOT contracting opportunities include, but not limited to:

- Ensuring that DBEs are aware of procurement opportunities and maintaining an updated directory of certified DBEs and the BDI list of projects via the FDOT website
- Marketing the S/M/DBE programs to contractors and consultants and working with others in the transportation industry
- Planning and participating in S/M/DBE training seminars, workshops, and listening sessions
- Serving as a liaison with S/M/DBEs and prime contractors
- Educating and encouraging cities and counties to use the BDI to include LAP contracts
- Encouraging the districts to identify additional contracts that can be reserved for small businesses
- Presenting S/M/DBE programs at workshops on joint venturing, bonding, estimating, and bidding to FDOT.
- Expediting certification for truckers
- Participating in the following:
  - OSD Matchmaker Conference and Trade Show and various regional Matchmaker workshops
  - Florida Minority Supplier Development Council Annual Trade Fair
  - 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 workshop 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 DBE program specialist provides updates to the contractors and consultants on the state’s DBE goal.
  - 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 which category a business falls into and understanding 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 **DBE Supportive Services** program's 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. FDOT's statewide DBE Supportive Services provider, Blackmon Roberts Group, provides managerial and technical assistance to certified DBEs participating in the highway construction program.
- The Construction Estimating Institute (CEI) administers the following two programs: **Construction Management Development Program**, which assists MBEs and 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. **Bond Guarantee program**, which provides eligible DBE contractors with bonding opportunities, so they may participate in transportation construction projects.
- In addition to education programs, FDOT provides additional assistance to DBEs through the **Specialized Development Program (SDP)**. Administered by the Southern Florida Minority Supplier Development Council (SFMSDC), the SDP assists prime contractors on priority projects and identifies qualified DBEs to take advantage of 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 2012/13 resulted in letting 1,472 construction projects with an estimated value of \$3.5 billion and 1,047 consultant projects estimated at \$663 million. During the last fiscal year, FDOT expended \$243,130,216.25 to certified minority businesses (an increase of \$46,011,572.50), and \$279,552,406.69 to non-certified minority businesses (an increase of \$43,652,263.71). FDOT's commitment for fiscal year 2013/14 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 new Equal Opportunity Compliance System is an internet based tracking system that allows prime contractors to log in and submit subcontractor payments. The system includes an interface with the OSD certified minority business directory to identify all subcontractor payments to certified minority firms. One of the goals of the new system is to get contractors to report more MBE information.

Throughout the fiscal year FDOT uses the following reports to monitor and identify contracting and subcontracting opportunities and expenditures:

- Monthly report of payments submitted for certified minority businesses (prepares an adjustment accordingly)
- Monthly report (submitted manually) of subcontractor payments on contractual services contracts.

## 8. New Initiatives

FDOT's newest initiatives include creating and funding the Specialized Development Program (SDP) in 2012, designed to assist prime contractors on major projects and identify qualified DBEs to take advantage of subcontracting opportunities. Additionally, FDOT offered revamped live classroom courses and new online self-paced courses for the **Construction Management Development Program**, with a new provider: The Construction Estimating Institute (CEI). The courses are designed to enhance the technical and management skills of small and disadvantaged contractors. Experienced professionals in the construction industry provide classroom instruction on the following topics:

### **Becoming an FDOT Contractor**

- Learn how to use the FDOT online Internet systems to obtain information and submit bids.
- Understand bonding and bidding requirements for becoming an FDOT contractor and discover strategies for obtaining bonding.
- Explore various areas of contracting including subcontracting and joint ventures.

### **Plan Reading & Estimating**

- Learn to read and navigate FDOT plans, specifications and standards.
- Acquire techniques to efficiently estimate jobs using FDOT plans and specifications.
- Develop accurate cost estimates from plan takeoff quantities.

### **Constructing and Submitting an FDOT Bid**

- Learn successful bidding techniques and strategies for winning jobs.
- Understand how to prepare for bid day and submit bids successfully.

### **Project Planning & Scheduling**

- Learn how to effectively schedule work based on project estimates.
- Understand how to effectively cash flow a project.

### **Fundamental Business Operations**

- Better understand and organize your accounting system.
- Discover what bonding companies and banks are looking for in your business financials.
- Learn what government record keeping you need to complete.

All participants who successfully complete the Construction Management Development Program will receive a Certificate of Proficiency. DBEs who successfully complete the program are eligible to participate in the Bond Guarantee Program.