

Disadvantaged Business Enterprise (DBE) Program



**Florida Department of Transportation
Equal Opportunity Office**



Disadvantaged Business Enterprise Program



True or False:

If I am a Hispanic female, my 501(c)(3) company can be certified as a DBE.



Disadvantaged Business Enterprise Program



FALSE



Disadvantaged Business Enterprise Program



- Governed by 49 CFR Part 26
- Definition:
 - DBE means a for-profit small business concern
 - That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and
 - Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.



DBE Certification Process

New Applicant



- DBE Application Received & Assigned (90 days to process) * If Application is Complete*
 - Confidential
- Desk Review Conducted
- Additional Information Collected
- On-site Review Conducted
- Facts and Concerns gathered
- File given to Certification Manager (by the 60th day after all information received and on-site conducted)



DBE Certification Process New Applicant



- Certification Manager Reviews
- Manager, EOO, Approves or Denies



DBE Certification



True or False:

As a certified DBE, I am prequalified to do work in the work groups that are approved by the EOO in my certification letter.



DBE Certification



FALSE



DBE Certification



- Certification is not a prequalification
- Certification is for Specific Types of Work
- Burden of Proof on Applicant
- Once Certified, Burden shifts to Us



Socially Disadvantaged



- Presumed Groups
 - Women
 - Black Americans
 - Hispanic Americans
 - Native Americans
 - Asian-Pacific Americans
 - Subcontinent Asian Americans
- Others if Documented



Socially Disadvantaged Individuals



- **Must Show Ownership**
 - 51% by Disadvantaged Owner
 - Real & Substantial; Not Just on Paper
 - Contribution of Capital or Expertise
- **Must Control Business**
 - Independent – Does Not rely on Others
 - Makes Day to Day & Long Term Decisions



Economically Disadvantaged True or False:

My family & I just moved into a \$3.2M home on the coast & I won a million dollars in the lottery. I can still run my DBE company.



Economically Disadvantaged



TRUE



Economically Disadvantaged



- Personal Net Worth At or Below \$1.32M
- Each Qualifying Owner
- Exclude Ownership in Business
- Exclude Equity in Primary Residence



Certified DBEs (As of 3/19/12)



Black Americans	257	(24.15%)
Hispanic Americans	265	(24.91%)
Native Americans	20	(1.88%)
Asian Pacific Americans	49	(4.61%)
Subcontinent Asian	37	(3.48%)
Women	435	(40.88%)
Other	<u>1</u>	(0.09%)
Total	1064	



Certified DBEs (By District)

District 1	73	(6.86%)
District 2	105	(9.87%)
District 3	89	(8.36%)
District 4	150	(14.10%)
District 5	211	(19.83%)
District 6	122	(11.47%)
District 7	135	(12.69%)
Out of State	<u>179</u>	(16.82%)
Total	1064	



Reasons to use a DBE

- Contractors get 4 bonus points on contractor grading
- Recognition from FDOT Secretary (Letters)
- Recognition & Award at FTBA Annual Convention
- Recognition & Award at FICE Annual Convention



Reasons to use a DBE



(cont.)

- DBE %'s Reported in Monthly Performance Review Meeting with District Secretaries
- Publish Reports and %'s on Internet
- Letter Grades for Primes
- Conducting DBE Utilization Assessments
- Increases Competitive Pricing
- Good for Florida's Economy



Accomplishments Since Race Neutral

<u>Federal Fiscal Year</u>	<u>DBE Goal</u>	<u>Federal % Achieved</u>	<u>State % Achieved</u>	<u>Combined % Achieved</u>
2000-2001	8.0%	8.62%	11.55%	10.10%
2001-2002	8.0%	5.10%	8.35%	6.57%
2002-2003	8.0%	7.83%	8.61%	8.35%
2003-2004	7.5%	7.55%	7.92%	7.78%
2004-2005	7.5%	8.03%	7.50%	7.72%
2005-2006	7.9%	8.06%	9.11%	8.71%
2006-2007	8.1%	8.15%	9.96%	9.35%
2007-2008	8.1%	7.75%	9.49%	9.00%
2008-2009	8.12%	8.16%	10.00%	9.08%
2009-2010	8.18%	8.33%	10.13%	8.79%
2010-2011	8.18%	8.50%	13.63%	10.02%
10/11-02/12	8.60%	12.20%	10.71%	11.68%



BDI PROGRAM

- The Business Development Initiative (BDI) is designed to support the Department's efforts to increase competition, lower prices, and increase support to meet its contracting needs over the next 10 years. To participate in the Initiative, small businesses must:
- Meet the small business definition as defined by USDOT 49 CFR Part 26.65 which uses the Small Business Administration's (SBA) size standards for the type of work performed. The USDOT definition limits the size standard to \$33.50 million however; the BDI uses a smaller size standard of \$22.41 million.



BDI PROGRAM

- Provide a listing of contracts on which the firm has performed either as a prime or subcontractor or subconsultant. (**Reference Sheet Form #275-000-02**)
- If awarded a contract, submit a notarized affidavit attesting to meeting the definition of a small business (for the modified qualification requirement). (**Affidavit and Profile Sheet Form #275-000-01**)



BDI PROGRAM

Professional services, construction projects, and design-build projects must comply with the following restrictions:

- Professional Services contracts acquired under FS 287.055:

Federally & State funded BDI reserve projects must be under \$500,000

NOTE: Preference points will not be employed as a contracting strategy for BDI contracts.

- Construction and Design-Build contracts acquired under FS 337.11:

Federally & State funded BDI reserve projects must be under \$500,000

NOTE: Low Risk Design-build projects can be reserved for the BDI.



BDI PROGRAM

BDI Program Misconceptions

THERE IS CERTIFICATION FOR THE BDI

- The paperwork (Affidavit and Profile sheet and Reference sheet) is project specific. If you are bidding three BDI projects, you will need to complete the forms three different times.

THERE IS A LIST OF SMALL BUSINESSES

- The list that we have is for the CTQP (Construction Training Qualification Program) courses that are offered throughout the state. A small business can be asked to be placed on the list to take these courses at a reduced rate.

THIS IS A PART OF THE DBE PROGRAM

- This program is race neutral. Also, no projects can be reserved for DBE firms.



BDI PROGRAM

- To date, the BDI has reserved over 160 contracts since the inception. All BDI contracts have a cap of \$500K.
- For a list of reserved contracts, you can visit <http://www.dot.state.fl.us/equalopportunityoffice/reservedContracts.shtm>
- For more information on the BDI, please visit <http://www.dot.state.fl.us/equalopportunityoffice/generalbdi.shtm> or email fdot.bdi@dot.state.fl.us



Websites

Equal Opportunity Office

www.dot.state.fl.us/equalopportunityoffice/

DBE Certification Application & DBE Directory

www.dot.state.fl.us/equalopportunityoffice/dbecertification.shtm

Contractor & Consultant DBE Utilization Letter Grades

www.dot.state.fl.us/equalopportunityoffice/dbereports.shtm

Business Development Initiative (BDI) Reserved Projects

www.dot.state.fl.us/equalopportunityoffice/reservedcontracts.shtm

Blackmon – Roberts Group (Supportive Services Provider)

www.blackmonroberts.com/



Contacts

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