

## Iowa Department of Transportation Disadvantaged Business Enterprise Program

### FTA: Small Business Program Element

#### **A: Objective:**

The U.S. Department of Transportation final rule 49 CFR Part 26.39 requires a small business element as part of a Disadvantaged Business Enterprise (DBE) to encourage race and gender neutral contracting to small businesses, including DBEs. The Iowa DOT recognizes the value of increasing the race neutral portion of DBE goals and intends to increase efforts to ensure that small businesses are made aware of contracting opportunities, as well as provide additional smaller contracts to increase the opportunity for small businesses to contract with the Iowa DOT.

The overall Iowa DOT DBE Program includes an Emerging Small Business (ESB) Program that is intended to provide assistance to eligible small businesses that would not otherwise participate successfully in the competitive process for Iowa DOT contracts for construction work. (See Attachment A of the Iowa DOT DBE Program for specific information.)

The Iowa DOT Office of Public Transit distributes formula and other transit funding to 23 subrecipient small urban and regional transit systems who secure contracts for their own projects. They report contract and DBE participation statistics to the Office of Public Transit which then consolidates the data and submits one "Uniform Report of DBE Commitments/Awards and Payments" to FTA on behalf of these agencies.

The overall Iowa DOT program is submitted as the main document in this report, supplemented by the following Office of Public Transit specific methods for achieving increased small business opportunities:

- Update our *Transit Manager's Handbook* to include small business element in the DBE section. This will educate transit systems about this new requirement as the handbook is referenced frequently by transit system administrators.
- Poll our subrecipients to see if their own policies incorporate small business elements. Based on results provide guidelines to incorporate small business element in the DBE programs.
- Outreach to small firms that may qualify for the Iowa DOT ESB program and/or Iowa's Targeted Small Businesses. Currently any requests for proposals that are issued through the Iowa DOT purchasing office or through the consultant selection process are required to be posted to the Targeted Small Business (TSB) website forty-eight hours prior to general posting to provide those small businesses with advance notice of potential opportunities. This will be expanded to include businesses identified by the Iowa DOT ESB program.
- Encourage transit agencies to identify local firms that may be qualified as ESB firms to increase the pool of ESB firms for potential contracting opportunities.

- Encourage transit agencies to unbundle portions of contracts where reasonable to provide opportunities for smaller contracts.
- Outreach to transit agency personnel will be done at workshops, conferences and meetings to ensure that they are aware of the importance of providing small business opportunities. This will encourage the agencies and organizations working with local businesses to understand the procedures for certifying small businesses in both the TSB and DBE programs.
- Encourage ESB and TSB businesses to apply for DBE certification if they meet qualifications.

#### **B. Definitions as found in the Iowa DOT DBE Program**

- **Small Business:** Any enterprise which is located in the state of Iowa, which is operated for profit and under a single management, and which has either fewer than twenty employees or an annual gross income of less than three million dollars computed as the average of the three preceding fiscal years.
- **Emerging Small Business (ESB):** A business that Iowa DOT has determined meets the eligibility criteria and requirements of the ESB Program.
- **Targeted Small Business (TSB):** A business that meets the eligibility requirements including operating for a profit; must have less than \$4 million in annual gross income, computed as an average of the preceding three fiscal years, and at least 51% of the business must be owned, operated and actively managed by a female, a minority group member or a person with a disability.

**C. Certification process and verification** procedures for ESB and DBE firms are found in the Iowa DOT DBE Program.

#### **D. Assurances**

The Iowa DOT Office of Public Transit makes the following assurances:

- The DBE Program, including the small business element is not prohibited by state law;
- Certified DBEs that meet the size criteria established under the DBE Program are presumptively eligible to participate in the small business element;
- There are no geographic or local preferences or limitations imposed on FTA assisted contracts and the DBE program is open to small businesses regardless of location.
- There are no limits on the number of contracts awarded to firms participating in the DBE Program;
- Reasonable effort will be made to avoid creating barriers to the use of new, emerging, or untried businesses; and
- Aggressive steps will be taken to encourage those minority and women owned firms participating in the small business element of the DBE Program that are eligible for DBE certification to become certified.