Iowa Department of Transportation
800 Lincoln Way, Ames, IA 50010
515-239-1111
FAX 515-239-1120

October 31, 2013

TO: The Honorable Terry Branstad
Governor

Michael E. Marshall
Secretary of the Senate

Carmine Boal
Chief Clerk of the House

FROM: Paul Trombino III
Director

RE: H.F. 2460 – Report concerning Small Businesses and Disadvantaged Business Enterprises

Pursuant to H.F. 2460, passed during the 2010 session of the 83rd Iowa General Assembly, please find attached the recommendations regarding methods to track and assess the participation of small businesses and disadvantaged business enterprises (DBE) in receiving nonfederal highway funding.

If you have any questions, please let me know.

PT:sa

Attachment

House File 2460 Calendar Year 2013 Report
Iowa Department of Transportation
October 31, 2013

House File 2460, passed during the 2010 session of the 83rd Iowa General Assembly, requires the Iowa Department of Transportation (DOT) provide recommendations to the General Assembly and to the Governor regarding methods to track and assess the participation of small business and disadvantaged business enterprises (DBE) in receiving nonfederal highway funding (see Attachment 1). This report fulfills that requirement.

In response to this requirement, the Iowa DOT recommends to the General Assembly and the Governor that the Iowa DOT annually collect small business contract (SBC) data and report it in Excel spreadsheet format to the General Assembly and the Governor. It is recommended the following information be included in the report:

Pre-Letting Information
Letting Date
Number of Small Business Contracts
Number of Requested Bidding Documents
Number of New Iowa DOT Bidders
Number of Existing Iowa DOT Bidders

Awarded Contract Information
Low Bid Contractor
Dollar Amount of Awarded Contract
Awarded Contractor – New Iowa DOT Bidder
Awarded Contractor - Existing Iowa DOT Bidder
Awarded Contractor- DBE Certified

The summary should include Iowa DOT actions to be taken when identified program areas that could be modified or improved to better achieve intended outcomes of the program.

Consistent with this Iowa DOT reporting recommendation, an Excel spreadsheet (see Attachment 2) and summary of calendar year 2013 SBC program accomplishments to date (see Attachment 3) are provided.

HF 2460- Section 4
83rd General Assembly

Sec. 4. PARTICIPATION GOALS == SMALL BUSINESSES AND DISADVANTAGED BUSINESS ENTERPRISES.

1. The department of transportation, in cooperation with organizations that represent highway contractors, shall submit recommendations to the general assembly and the governor by November 1, 2010, concerning methods to track and assess the participation of small businesses and disadvantaged business enterprises in receiving nonfederal highway funding. The recommendations may include methods to assess the effort on the part of contractors to achieve participation by small businesses and disadvantaged business enterprises and may involve the establishment of participation goals. Following the consideration and adoption of recommendations by the general assembly, the department shall annually review the small business and disadvantaged business enterprise participation achievements of contractors who were awarded contracts for nonfederal aid highway projects with the department.

2. The department shall work in cooperation with organizations that represent highway contractors, small businesses, and disadvantaged business enterprises to maintain communication among the entities to further the dissemination of information about contract and training resources that are available from the department.

Small Business Winners in the April 16, 2013 Letting						
Letting Date	*BO*	*Contract ID*	*Bid Winner*	*Contract Work Type*	*Low Bid Amt*	*Responsive Bidders*
130416	981	33-1872-701	LEGACY CORPORATION	SUBDRAINS	$96,880.00	3
130416	982	52-3806-709	LEGACY CORPORATION	PIPE CULVERTS	$47,880.00	3
130416	983	55-1692-721	MLS LANDSCAPE & DESIGN, INC	REVETMENT	$105,370.00	1
130416	985	67-0373-709	SOUTHERN IOWA DEBRIS REMOVAL	CLEARING AND GRUBBING	$4,960.00	7
130416	987	97-1403-703	SOUTHERN IOWA DEBRIS REMOVAL	CLEARING AND GRUBBING	$7,040.00	8
130416	988	97-1413-706	HILL, GARY	CLEARING AND GRUBBING	$9,610.00	7

Small Business Winners in the May 21, 2013 Letting						
Letting Date	*BO*	*Contract ID*	*Bid Winner*	*Contract Work Type*	*Low Bid Amt*	*Responsive Bidders*
130521	981	57-1516-715	ADVANCED TRAFFIC CONTROL, INC.	DELINEATOR & MILEPOST SIGNS	$63,011.80	3
130521	983	68-0346-083	EXODUS EXCAVATING, LLC.*	CLEARING AND GRUBBING	$41,881.02	4
130521	984	85-0301-709	SOUTHERN IOWA DEBRIS REMOVAL	CLEARING AND GRUBBING	$46,181.00	5

Small Business Winners in the July 16, 2013 Letting						
Letting Date	*BO*	*Contract ID*	*Bid Winner*	*Contract Work Type*	*Low Bid Amt*	*Responsive Bidders*
130716	981	07-0202-707	SOUTHERN IOWA DEBRIS REMOVAL	FENCING	$42,116.00	2
130716	982	63-1633-055-A	SOUTHERN IOWA DEBRIS REMOVAL	CLEARING AND GRUBBING	$27,713.00	5

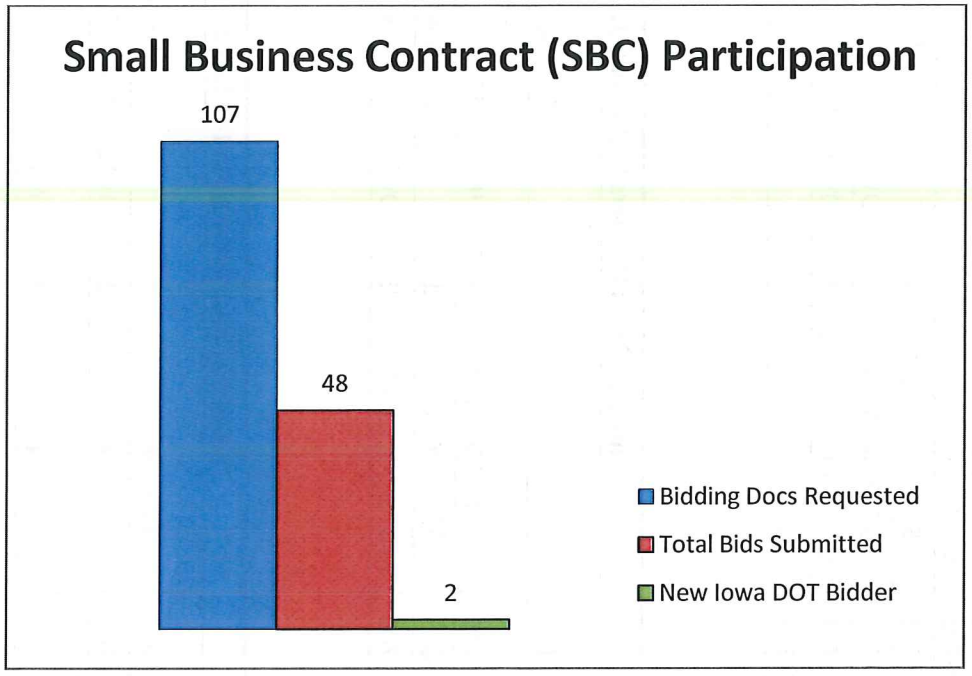
*New bidder with the Iowa DOT

2013 Small Business Contract Summary

Prior to the passage of House File 2460, the Iowa DOT began a pilot program to let for bid small business contracting (SBC). The self-certification process started in late 2009 with anticipation of the first SBC be let in January 2010. Contractor involvement in the SBC program implementation included discussions at the Annual AGC/DBE/DOT Task Force Meeting and a Targeted Small Business Workshop. Informational articles about the SBC program were included in the Iowa DOT's Weekly Letting Report Newsletter and Civil Rights Semi-Annual Newsletter. In addition, information was posted to the Iowa DOT's Office of Contracts Web page. The results of the program to date are as follows:

- Three lettings in 2013 had small business contract projects with a total of 11 SBCs awarded
- Program generated 107 requests for bidding documents from interested contractors
    - 48 actual bids were submitted
        - Of those bids, two contractors were newly registered and submitted bids with the Iowa DOT on SBCs (see Figure 1)
- The "low bidder" dollar amounts awarded totaled $492,642.82

Figure 1



Most of the dollars awarded were for the SBC work types of clearing and grubbing with six contracts totaling $137,385.02 (see Figure 2).

Figure 2

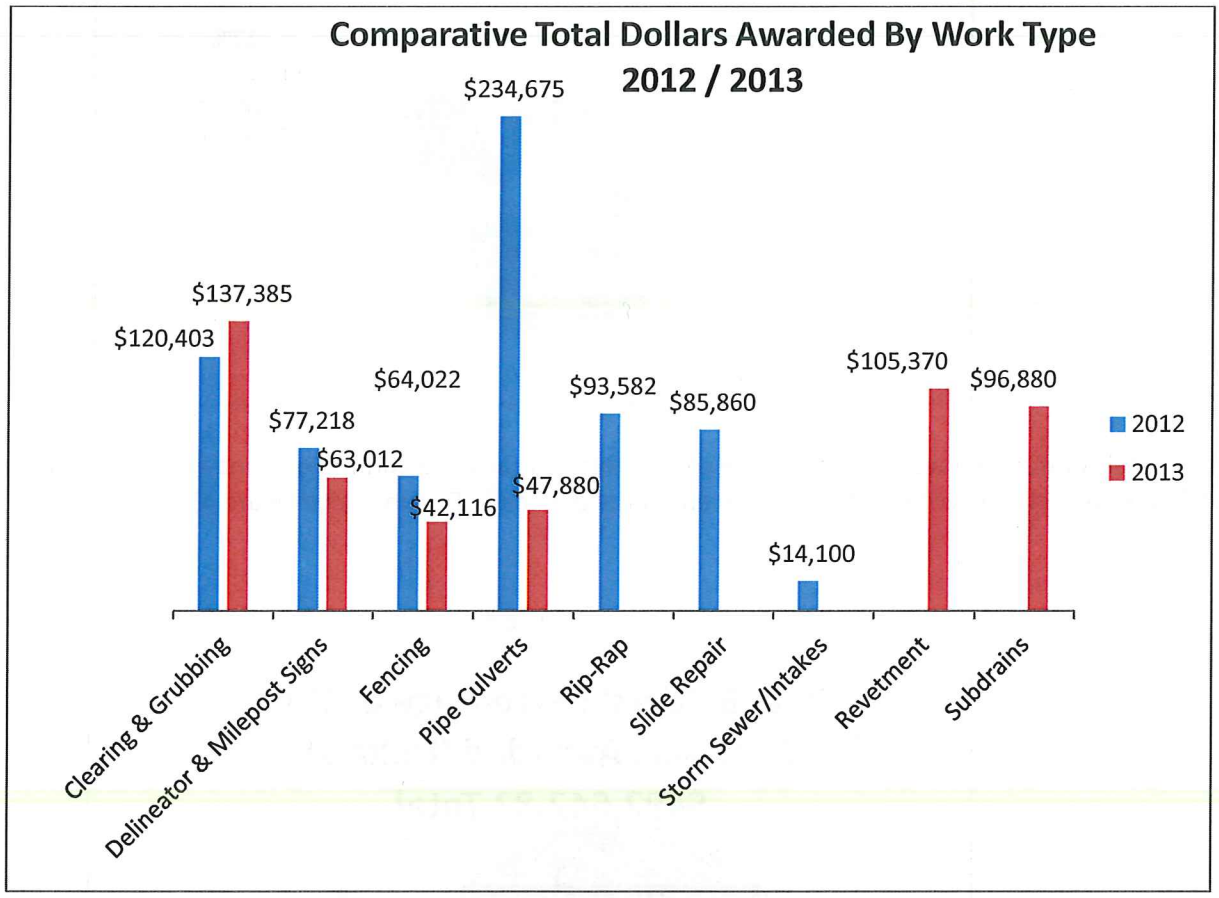
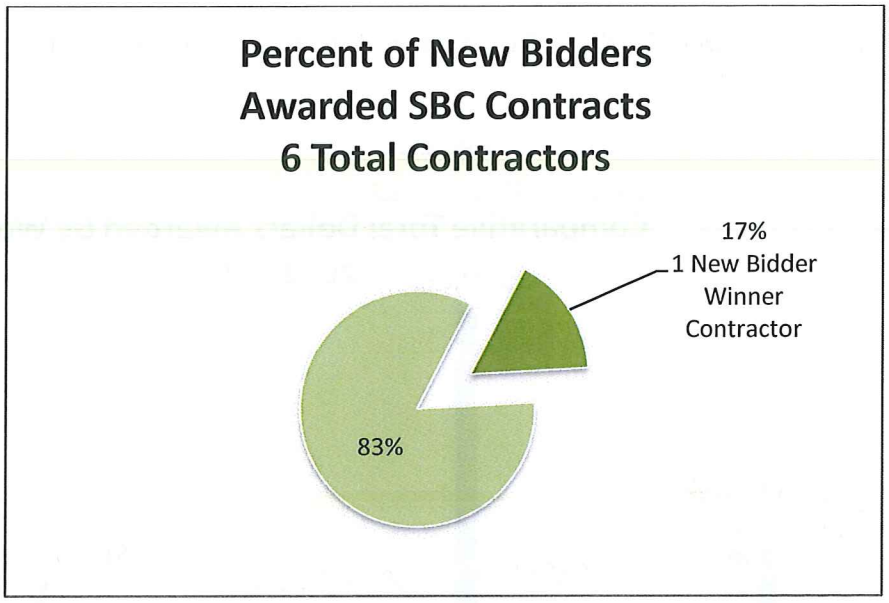
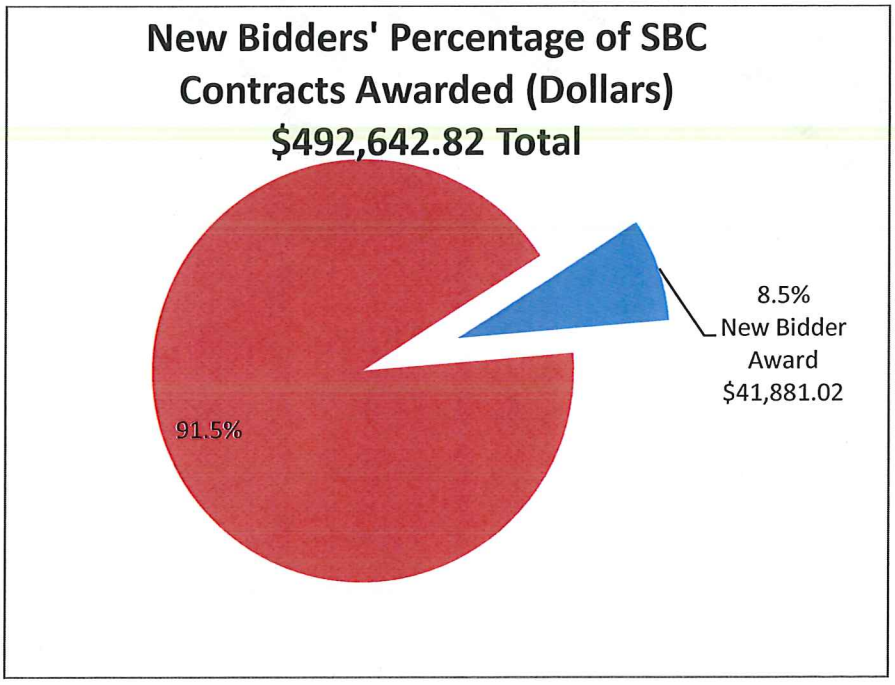


Figure 3



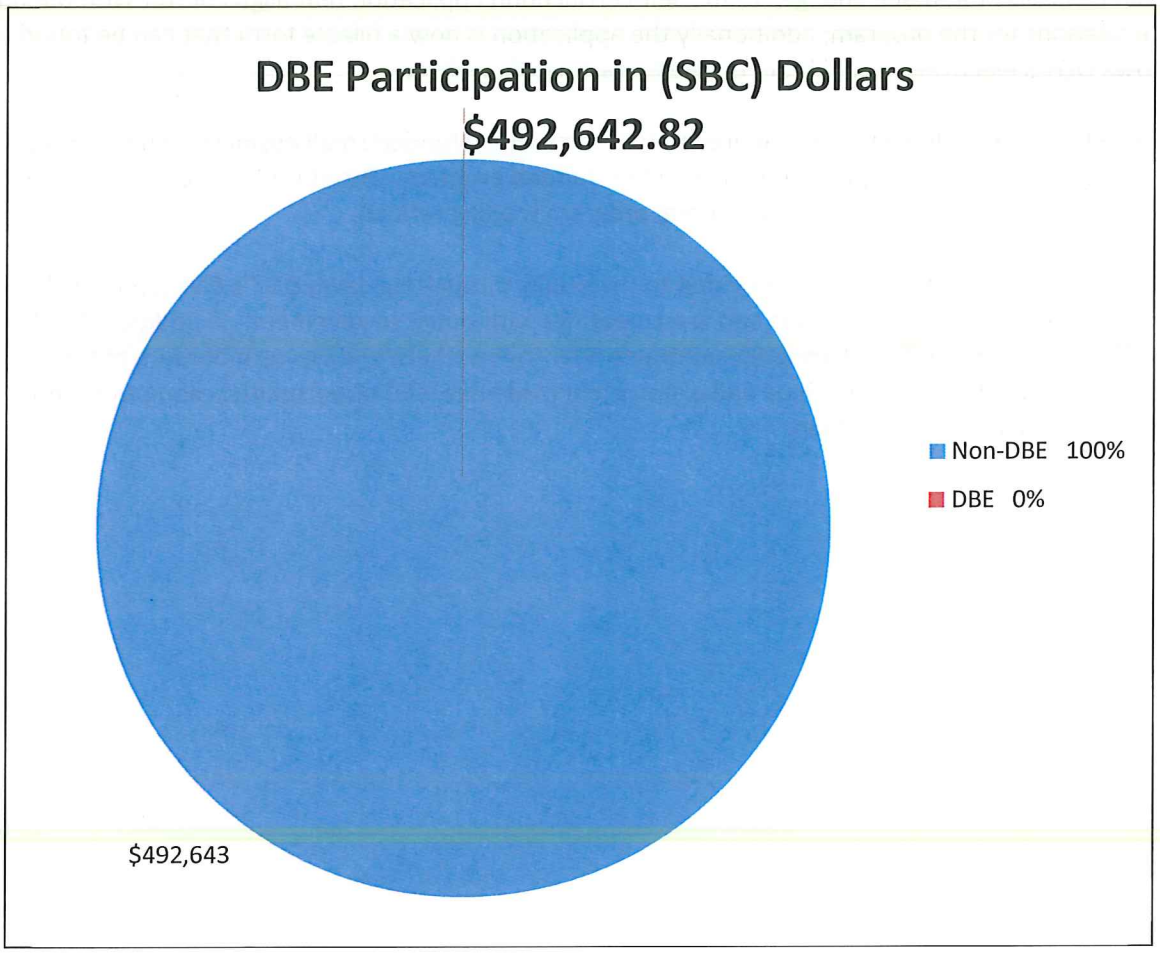
The 11 total contracts let were awarded to 6 contractors. Of those six contractors, one was a new bidder with the Iowa DOT (see Figure 3) and accounted for 35 percent of the awarded SBC funds (see Figure 4).

Figure 4



No DBEs were awarded SBC contracts (see Figure 5).

Figure 5



Future Actions

The Iowa DOT has made changes to the self-certification application that aligns better with the funding regulations for the program; additionally the application is now a fillable form that can be found in the Iowa DOT's electronic form library on the Department's website.

In 49 CFR Part 26, Iowa DOT is required to have a federally funded small business element program and this program will now replace the former state-funded program. The state-funded program has been discontinued at this time while the federal program is being refined.

Information will continue to be provided to the public through the Iowa DOT's Civil Rights website which will include updates, newsletters and area meetings with public involvement. In addition, the Iowa DOT will continue their efforts to provide contracts near the northern and western borders of the state. These efforts will continue and expand to include new SBC opportunities along the southwestern and northeastern parts of Iowa.