

Outreach Summary 2012 DBE Goal

The following is the summarized input received from the outreach meetings conducted as a part of the Idaho Transportation Department (ITD) 2012 DBE goal setting process. Information has been summarized by category on the attached spreadsheets and includes verbal input from the various meetings as well as written input received by ITD's EEO Office. Written input includes information obtained through the ITD Disadvantaged Business Enterprise (DBE) Supportive Services (SS) Needs Assessment Surveys.

As in the past, participants for meetings were identified through general knowledge of stakeholder organizations and past networking by ITD employees. Companies for focus group meetings were identified through a random selection from the ITD Bidders List and the DBE directory. The DBE SS Needs Assessment Surveys were sent to all Idaho certified DBE firms.

Additional outreach was conducted this year through the Federal Highway Administration (FHWA) DBE Summit meetings. Consultant companies (DBE and non-DBE) were solicited jointly by Brian W. Ness, ITD Director and Vance Henry, P.E., President of the American Council of Engineering Companies (ACEC) of Idaho. Director Ness and Mark Dunham, Executive Director of the Idaho Association of General Contractors (AGC) jointly solicited companies (DBE and non-DBE) within the construction industry.

These meetings with various organizations and companies were conducted across Idaho on the following dates:

- ❖ January 11, 2011 - Small Business Development Center, Boise
- ❖ January 18, 2011 - ITD Organization Meeting, Rigby
 - International Union of Operators Local 370
 - Small Business Development Center, Idaho Falls
- ❖ January 19, 2011 - DBE Summit Meeting, Idaho Falls (12 companies)
- ❖ January 27, 2011 - ITD Organization Meeting, Boise
 - Idaho Department of Commerce Procurement Technical Assistance Center (PTAC)
- ❖ January 31, 2011 - Community Council of Idaho, Caldwell (formerly Idaho Migrant Council)
- ❖ February 2, 2011 - DBE Summit Meeting, Boise (23 companies)
- ❖ February 9, 2011 - DBE Summit Meeting, Coeur d'Alene (14 companies)
- ❖ February 10, 2011 - ITD Organization Meeting, Coeur d'Alene
 - Inland Northwest AGC
- ❖ February 10, 2011 - Coeur d'Alene Tribal Employment Rights Office (TERO)
- ❖ February 15, 2011 - Northwest TTAP, Tribal Transportation Training & Technical Assistance
- ❖ February 28, 2011 - Southern Idaho Development Center, College of Southern Idaho

ITD identified 27 to 46 companies for solicitation for each focus group meeting for a total of 91 DBE firms and 138 non-DBE firms. Each firm was solicited by mail and then with a follow up and confirmation/reminder phone call. Attendance at the meetings was minimal with anywhere from 1 attendee to 6 attendees. Overall there were 10 DBEs and 7 non-DBE attendees. These meetings were held in 3 locations throughout Idaho on the following dates with the listed attendees.

- ❖ March 8, 2011 - DBE (Coeur d'Alene) 1 attendee representing 1 company
- ❖ March 15, 2011 - DBE (Boise) 6 attendees representing 4 companies
- ❖ May 4, 2011 - DBE (Rigby) 3 attendees representing 1 company
- ❖ March 9, 2011 - Non-DBE (Coeur d'Alene) 3 attendees representing 3 companies
- ❖ March 16, 2011 - Non-DBE (Boise) 2 attendees representing 2 companies
- ❖ May 5, 2011 - Non-DBE (Rigby) 2 attendees representing 2 companies

In addition to the input from the various meetings ITD received written responses from 9 DBE companies and 1 Non-DBE company.

The following organizations although contacted, declined to participate or did not respond to ITD's solicitation for input.

- ❖ Economic and Community Development Office, Nez Perce Tribal Enterprise
- ❖ Idaho Small Business Development Center, North Idaho College
- ❖ Idaho Small Business Development Center, Lewis-Clark State College
- ❖ International Union of Operators - Spokane, Washington
- ❖ Pacific NW Carpenters Union - Coeur d'Alene, Idaho & Spokane, Washington
- ❖ Small Business Administration - Spokane, Washington
- ❖ Tribal Employment Rights Office, Nez Perce Tribe
- ❖ Hispanic Culture Center - Caldwell, Idaho
- ❖ Idaho Hispanic Chamber of Commerce - Garden City, Idaho
- ❖ Micro Enterprise Training & Assistance (META) – Boise, Idaho
- ❖ National Association of Women in Construction (NAWIC) – Boise, Idaho
- ❖ Pacific NW Carpenters Union – Meridian, Idaho
- ❖ Red River Pow Wow – Caldwell, Idaho
- ❖ Small Business Administration – Boise, Idaho
- ❖ Tribal Employment Rights Office – Shoshone Paiute Tribe
- ❖ Treasure Valley Branch National Associations for the Advancement of Colored People (NAACP)
- ❖ Women in Transportation Services (WTS), Treasure Valley Chapter – Boise, Idaho
- ❖ Community Council of Idaho – Idaho Falls, Idaho
- ❖ Idaho Small Business Development Center – Pocatello, Idaho
- ❖ Latino Economic and Development Center – Blackfoot, Idaho
- ❖ Pacific NW Carpenters Union – Idaho Falls, Idaho
- ❖ Snake River Basin Business Association – Fort Hall, Idaho
- ❖ Tribal Employment Rights Office, Shoshone Bannock Tribe

Also, included in the summary is additional input obtained through various informal meetings throughout the year. This includes phone calls, company drop in meetings, DBE Supportive Services Coordinator outreach, unsolicited written comments, etc.

CATEGORY 1: Positive and negative impacts of the DBE program on DBE and non-DBE companies and/or the highway construction industry. (Project goals, compliance, etc.)

POSITIVE IMPACT:

DBE companies: One company stated that the reciprocity with other states helps with the high cost of bidding in other states. Also, the DBE status has helped them to get big construction jobs in other states. Another company stated they are being used without project goals because of their specialized work area, primes don't want to have to purchase equipment in order to self perform.

Non-DBE companies: One of these companies stated that the large DBEs use the status for marketing in other states. Feel the DBE program allows small businesses to gain valuable experience and the primes are able to develop new relationships.

Organizations: The Small Business Development Center in Boise (SBDC-Boise) stated that a positive impact of the DBE outreach trainings is that they provide a wealth of valuable information. These trainings include information on resources, assistance in marketing, and differentiate between the various programs available. They also include introduction to state and regional governments. The SBDC-Boise also stated that the DBE program allows DBE s to have more opportunities with government entities vs. non-DBEs.

The Southern Idaho Development Center (SIDC) with the College of Southern Idaho stated that they felt that the new Personal Net Worth (PNW) limits were good because it will allow some companies to come back into the

DBE program. Also, since so many of their clients are in a HUBZone they believe these companies could really benefit if they got into the DBE program.

DBE Summit meetings: A DBE consultant at the Idaho Falls meeting stated that their certification has helped them to obtain work with the Forest Service and Bureau of Land Management (BLM). During the summit meeting in Boise it was stated that the DBE program is not just a benefit to the DBE firms but also to the economy of Idaho. Construction companies at the Boise meeting voiced a preference for a race neutral program which allows them the ability to choose subs based on performance. This was also a preference for consultants who stated the neutral program allows them the flexibility to choose subs to match specific work on complicated projects.

NEGATIVE IMPACT:

DBE companies: A DBE consultant stated that they have never been successful in securing engineering work as a DBE. They believe that a conscious program is needed especially for new DBE firms. They feel that when there were project goals more work was generated for DBEs. DBE companies feel there is no backing from FHWA for primes to use DBEs. One company stated that they are solicited by primes but not used and that is considered as a Good Faith Effort. Currently due to the neutral program primes don't even know when they have a DBE on the job. They believe there is no incentive for primes to use DBEs if the program stays neutral. This company also believes if ITD goes back to project goals the primes will use DBEs.

Another company stated that the lack of project goals does not allow small consultants to expand their knowledge and experience because they are not being used. A positive impact when there were goals on projects was the opportunity to compete for work that firms may not be able to compete for otherwise. This company stated that these jobs can make a difference, for small firms, between making it through the year or not.

During the focus group meetings it was said that the lack of goals is not allowing the development of a broader base of service providers to become established which would help to keep the marketplace more competitive. This would benefit the industry as a whole due to more productive firms with a mix result of more ideas, alternative solutions and ultimately more cost competitive projects.

DBE firms put time, energy, and money into becoming DBE certified and then do not have opportunities to utilize their certification due to no project goals. It was stated that the neutral program creates a reduced interest in using DBE firms.

Non-DBE companies: During these focus group meetings it was stated that with the current neutral program there is no incentive for primes to use DBEs. In states with project goals the primes are building relationships with DBEs.

A consultant company stated that when there are projects goals this helps them to be more competitive and also they see bigger firms helping smaller firms grow. This firm believes this helps the economy by spreading money out.

However a conscious program requires primes to outsource percentages of project work in order to meet project goals. This reduces their overall profit per project because using DBE firms causes higher bids to be used. If project goals return some consultants have concerns, because they don't know who the DBEs are, their quality of work, etc.

It was said that the DBE program creates a windfall for a well run, successful company that never needed any help in the first place. Then these companies crush the small DBE firms and force them to fail. It is also believed that project goals benefit DBEs at the expense of non-DBE firms. It was also stated at the Boise Non-DBE Focus Group Meeting that some firms are not in the program legally and should be removed. Finally one company

said that the program has allowed some DBEs to become so powerful they make barriers for the non-DBE companies.

It was stated at the Rigby meeting that the program does cause higher costs for owners having to meet project goals, higher risks for primes using DBEs with less experience and fractures relationship by not being able to use the qualified low bidder. Finally it was said that many primes don't know if competitors are also playing by the same rules and wonders if ITD monitors enough to make sure all primes are in compliance.

Organizations: At the Boise Organization Meeting one company questioned if ITD returns to project goals if it will really help. The Coeur d'Alene Tribal Employment Rights Office (TERO) Director, Jim Nilson, said that he knows of no tribal recognized firms who are interested in the DBE program due to there being no real incentive. Also, Jim stated that most of firms he works with are not transportation related.

The Southern Idaho Development Center – Twin Falls (SIDC-Twin Falls) feels that the application process is good but it does create barriers. They have seen some companies who didn't get into the DBE program because of the application process, these companies were not successful. The SIDC- Twin Falls believes that if these companies had gotten certified and were able to use the benefits of the DBE program they might have been successful.

DBE Summit meetings: Companies at the Boise meeting had concerns that there are few DBE s to choose from and many companies have the ability to do work in house and this is preferred over using subs. The non-DBE firms interpret the statement that project goals will return if ITD does not meet the annual DBE goal as a threat. They stated that bigger companies need to “feed themselves” so others have to shoulder the DBE burden.

The new dollar limit of \$1.32 Million for the Personal Net Worth (PNW) was discussed and it was stated that this will allow more firms to be eligible for certification. However, it was also said that there is no incentive for DBE firms to grow and graduate and with the new PNW amounts very few DBEs will grow that large and graduate out of the program.

At the Coeur d'Alene summit meeting it was said that the program is unfair to small non-DBE businesses. These companies believe this is especially true with project goals where the low bids get thrown out in order for the prime to meet the DBE requirement. This allows the large DBE firms to crush out small firms, DBE and non-DBE. They believe the DBE program uproots the low bid system.

Also at this meeting it was stated that there are DBE firms that don't bid ITD work and this needs to be factored in when ITD determines their goal and program structure. The primes stated that they don't want to have to lay off their personnel in order to hire a DBE firm. Also, attendees stated that they see DBE firms that stay in the program or if they graduate they reduce their work in order to get back into the program. Under the project goal system once a DBE graduates they are no longer used. This gives a disincentive to DBE firms to graduate.

CATEGORY 2: Positive and negative impacts of the ITD DBE Supportive Services Program on DBE and non-DBE companies and/or the highway construction industry. (Trainings, support advocacy, reimbursement, etc.)

POSITIVE IMPACT:

DBE companies: It was said that the DBE /SS is a great contact for guidance when you encounter problems. Getting plans for free is great and the DBE firms really like the follow up done to see if they got the job. Companies always get a fast response to their questions. Also, the newsletter is helpful and the e-mails regarding primes looking for subs is great. The DBE/SS office is especially helpful in understanding the program and the industry contacts and leads for upcoming work both inside and outside of ITD. DBEs stated that the training and reimbursement programs have been a great benefit to their companies.

Non-DBE companies: These companies stated that the program helps DBE firms to be better prepared to accomplish work which gives primes greater confidence in using the DBE firms. The services provided have

made it so that the prime do not have to provide as much assistance to the DBEs during the bidding process and has helped to get DBEs to follow specifications.

Organizations: Written input was received from Richard Rolland with the Northwest TTAP Tribal Transportation Training & Technical Assistance out of Spokane, Washington. Mr. Rolland stated that he shares the monthly DBE newsletter with others when applicable. Also, the DBE/SS has been helpful with his participation on the Transportation Research Board DBE Committee.

NEGATIVE IMPACT:

DBE companies: One DBE company stated that the program has not been effective in capturing contracts for their construction company.

Non-DBE companies: A comment from a non-DBE firm was that the supportive services are not needed by large DBE consulting firms. They also believe that the costs associated to provide the programs and trainings are a negative issue of the program.

CATEGORY 3: Whether or not discrimination has affected the opportunities of DBEs and/or non-DBEs competing for work on federal-aid projects. (Specific situations)

DBE companies: One company stated that ITD does not have a commitment to DBE utilization. This company said that ITD continues to work with the same group of consulting firms that have dominated the ITD engineering market for years. Another DBE firm was told that in Idaho preference towards DBE firms would be discriminatory. Prime consultants are telling DBEs that they don't have to use them due to no goals. These same primes are only giving away work that cannot be performed in house or where they won't make money. Another DBE consultant said that new companies just starting out experience the "chicken and egg scenario" it is difficult to win work without a significant amount of similar experience and a company cannot build experience without winning work.

Non-DBE companies: Companies said there is no discrimination in Idaho, the industry is based on capitalism and if a company is a good business then they will get work. One company stated that the DBE program is a government mandated discrimination that uproots and sets aside the competitive bidding system. At the non-DBE focus group meetings it was said that they have not seen any discrimination based on race, color, gender or anything else. Award is based on low bid and whether or not a company can perform the work. Another company felt the required goals for DBE's on specific projects forces primes to choose DBEs even if they are not the lowest competitive quote and that this discriminates against the lower bidders. It is also believed that firms who maintain DBE status after becoming established take business from other DBEs. One company said they feel the set-asides do cause discrimination against non minority/female companies.

Organizations: The Small Business Development Center (SBDC) -Boise believe there is no discrimination and that it is the right and obligation of a business to know the parameters of their government partners and programs available such as a Veteran-Owned, HUBZone, WOSB, etc.

DBE Summit meetings: The only comment from the Coeur d'Alene summit meeting under this category was that the price drives the bidding in Idaho not race or gender.

CATEGORY 4: Barriers encountered by DBE and/or non-DBE Companies (Bidding projects, performance of work, getting bonding, cash flow, etc.)

DBE companies: The main issue under this category was cash flow and lack of payment. This was due to various reasons such as change orders not included on monthly pay estimates or companies not getting paid additional money when change order added work to their items. Another issue was when primes tie payment to subs based on when they are paid by ITD, then slow or lack of payment by ITD occurs. Some of the subcontractors feel a lack of ability to control billings and payments. DBE firms stated ITD is unresponsive to their calls and

messages left for project managers and others regarding the lack of payment. There is also a lack of retention (release) which again creates cash flow issues. One company stated that they were not paid due to money held up by ITD which created them having to file a claim, they feel that they are constantly fighting to get their money. Another company said cash flow can be an issue especially when, as a small business, they have to purchase materials up front and then mobilize, install and invoice for the work before they receive payment. A final issue was some primes are making subs share in liquidated damages due to the prime's mistake.

A barrier that SBA 8(a)-certified firms are experiencing is that they now have to bid on their 8(a) projects. This is creating competition for these companies; an example given was a National Guard project that had 13 bidders of which 11 were from Alaska. This again shows the issue of the competition being seen in Idaho with out of state companies. Since non-8(a) companies cannot bid on these projects and many primes are self performing work that would normally be subcontracted this compounds the issue of competition. DBE firms also said they are seeing big companies go after small jobs which normally would be left for the small businesses.

DBE construction firms stated they are encountering bonding, insurance and cash flow issues so the primes have to carry the bonding and insurance costs on the project. This diminishes the prime's profits and adds risk on work that the DBEs perform. This is not due to the small companies being reluctant to obtain bonding and insurance it is due to the issue of availability of coverage and the rates being charged. In addition a consultant company said that the banks aren't lending to consultants. This is also an issue for the small construction company this season. Finally a DBE consultant stated that ITD determined that their firm was not qualified to be on the Term Agreements List after 10 years of professional practice.

An engineering company stated that a big barrier is plans being done out of state that then they don't fit the project. When they try to survey, it is not the same as what is on the plans and the residency doesn't want to pay the additional cost to fix the problem and the sub gets stuck with redoing the surveying at their expense. This happened on some of the ready to go projects that were ARRA funded.

Another barrier being encountered is the lack of information from ITD on ways to perform. An example of this was a topo that a DBE asked about and they were never told they could use the Engineers topo from the plans. They have also had issues when the topo is wrong in the plans. In one situation the topo had been done by a fly over and was wrong in the plans and the company was told by ITD to figure it out.

Non-DBE companies: Some barriers that have been encountered by non-DBE companies is wasted time and the inability to recoup costs due to design jobs being pulled back to ITD, cancelled or big consultants getting the work. They also feel it is a barrier to them when DBE companies graduate from program and then they can no longer be counted towards goals. One company strongly stated that a huge barrier is goals on projects where the prime is forced to use a DBE over the low bidder. This company gave an example of a situation in Washington State where the prime had to use a DBE with a bid of \$1,071,749 vs. their low bid of \$867,100 a difference of \$204,649. This DBE was as large as or larger than the prime and had been in business for 30 years. This small non-DBE company asked why a company like this needs the DBE program.

It was discussed that Idaho is seeing less and less work due to moving more towards maintenance projects. This and the competition with out of state companies are having a major impact. One company stated that they have seen more striping companies bidding in the last 6 months in Idaho than what has been seen in the last 10 years. Another impact to this company is the fact that the Districts are now doing some of their own work such as striping. This company further stated that competition will be an even bigger issue if project goals return. In the past he was the only certified striping company in south central Idaho, now there are 2 and the new one is a DBE. He believes with project goals he will not get any ITD work.

On the consultant side Connecting Idaho Partners (CIP) has caused work to really go down. One company stated that they have picked up some work through the Local Highway Technical Assistance Council (LHTAC) but that the district work has dried up. Consultants believe they will see more consultant companies going out of business or cutting back due to no money. This is also believed due to the fact that in the next 5 years most of ITD's federal funding will be used to pay on the GARVEE with little funds left to maintain the roads.

Many small companies see equipment costs as a barrier. An example of this is the requirements for durable payment marking that no company in Idaho can bid due to not being able to afford the equipment needed. This and other Idaho specifications can be a barrier, as in the paint specifications where Idaho requires 1,000 scrubs compared to Oregon which only requires 800 scrubs. Materials costs have also increased such as water board paint which is up to \$10 from \$8.66 since June of 2010. These higher costs and the lack of availability are creating major issues. An example of this is the Esta resin which comes from Asia and was unavailable last year and there are other types of materials like MMA that is also becoming scarce.

Some primes are concerned about ITD having a large enough pool of qualified DBE firms. They stated that they see more small companies bidding on the commercial side that could be certified but don't pursue the program. One company in eastern Idaho stated that private companies such as Wal-Mart and Albertsons are now requiring that primes track the diversity of their subs. The Bureau of Land Management and Forest Service also now require that primes conduct outreach to minority/female subs.

Other discussions were that bonding companies and banks are getting tight and it is believed that this will weed out some of the companies who need to go. This is making primes nervous about working with small companies because they don't want to end up holding the bag if things go bad and those companies go out of business.

Organizations: The SBDC-Boise said the only barriers in government work are paperwork and compliance issues. During the Rigby Organization meeting it was stated that the difficulty of acquiring start up money is a barrier for new businesses.

The representative from the Community Council of Idaho in Caldwell said that they are seeing less living wage jobs available in east/south Idaho but, Idaho as a whole is not as bad as some states where taxes and living costs are higher.

At the organization meeting held in Boise a big concern was the lack of money (federal and state) which is creating fewer contracts to bid. Other industry issues are the fact that agencies like the Forest Service are only using HUBZone companies right now. Then there is the new Women Owned Small Business (WOSB) Program which requires 5% of all federal work to go to WOSBs. This will have an impact on all non WOSBs and this is a set aside on all federal money through Commerce. This is in addition to the programs for Veterans, 8(a), HUB, etc. that come through Small Business Administration. In addition this program allows the WOSB companies to self certify.

Boise companies said that additional reporting requirements have created problems for companies due to the lack of man power to provide reports. Bonding was discussed as an issue especially for small businesses and the lack of banks who will work with the surety companies. Another issue brought up at the Boise meeting was companies who are getting in over their heads on Federal jobs because they don't know the rules and regulations.

In the meeting with Wayne Brokaw, the Executive Director of the Inland Northwest AGC, it was stated that a barrier he is seeing is the fact that many companies have had to downsize to their core crews. He is trying to get the small businesses to become involved the AGC training/apprenticeship program which he believes can be promoted as a marketing tool. Additional information Mr. Brokaw provided was that he is not seeing any AGC subs that would currently certify for the DBE program. He is seeing a lot of Russian owned businesses being started.

One of the barriers that the Coeur d'Alene tribe TERO Director talked about was the lack of the large road projects on the reservation. He believes money is spent on projects that are not really needed and then there is no money for the needed projects.

Bryan Matsuoka at the Southern Idaho Development Center stated that a barrier to the primes is the process to find and document outreach to DBEs. Mr. Matsuoka said it is hard to factor into a fixed cost project, such as LHTAC projects, the cost of this process and the addition time required in the preparation of bids.

In regards to the DBE application SIDC stated that this process is intense and they see the need for additional staff at ITD to help with this. They also stated that they are hearing that bonding has become a hardship. Their final comments regarding barriers was the cash flow between ITD and LHTAC to companies working on local projects.

DBE Summit meetings: Barriers identified at the Idaho Falls summit meeting included the fact that DBEs are unfamiliar with bonding requirements. One DBE firm stated that bonding has not been an issue for them. The DBE consultants are having trouble meeting the requirements some primes request such as past experience.

At the Boise summit meeting the group discussed the new ruling that requires reciprocity between states on certification. Currently the cost to certify in some states is a barrier such as Washington where it costs several thousand dollars to register as a DBE. Other barriers that were identified as to why DBE firms are not used included the lack of internal capabilities, not being the low bidder, the availability to do the work, location of work, and primes doing more work in-house.

A barrier that the sub-contractors voiced, at the Boise summit meeting was not knowing if they have been selected to be part of the low bidder's team. These firms also stated that it is not worth registering as a DBE due to the amount of paperwork required. The non-DBE small specialty companies stated that a barrier to them is currently competing against DBE firms and they believe this will be even more of a disadvantage with project goals.

During the Coeur d'Alene summit meeting it was determined that one of the barriers to DBEs not getting work was their lack of marketing. Also, DBE firms are not being selected due to not being low bid. Companies did say that the tight economy is causing work to be done in house by some primes. Also, competition is strong with companies who know how to manage their people and know the government regulations. Another barrier that was discussed in this meeting is the obstacle to communicate with someone who has a heavy accent.

CATEGORY 5: Recommendations and/or areas ITD should consider in the determination of the ITD DBE annual goal and/or improvement to the ITD DBE program.

DBE companies: One DBE company suggested that ITD boost contract sales to DBEs. It was stated that ITD could also give primes a discount on their bid price for utilization of DBE firms based on the DBE contracted dollar or a reimbursement at the end of the project based on actual work contracted to DBE firms.

A DBE said on the ARRA projects she was required to sign a sub contract pay estimate each month and suggested ITD do that on all projects. Stated this really helped to eliminate problems of work being left out of estimates.

A consultant DBE stated they would like to see classes on how to respond to a Request for Proposal. They believe that there will not be many new DBEs due to the neutral program because the application is so big. They would like to see a lower work experience threshold for new consultant companies but they understand that this would create a risk to the primes and/or owners. This company believes ITD will continue to experience difficulty in achieving DBE participation on agreements with a neutral program. The company said in other states with goals they are not seeing these problems and DBEs have the opportunity to grow, diversify, and leave the program on a successful business curve. The company is also in support of having a mentoring program where the mentor is paid and the program would allow the mentor to team with the protégée.

Non-DBE companies: One company stated ITD needs to have project goals on LHTAC contracts/agreements. Whereas another company stated that they do not want to see project specific goals.

One company would like to see a mentor/protégée program with incentive for the primes and suggested ITD look at paying for a program with OJT/SS funds. It was also, suggested by this company to use successful DBE firms as mentors to new DBEs. Another company stated that a mentoring program would help to build competitive companies even if they end up having to bid against them. This company suggested that ITD look at using college business students (interns) as mentors.

A company from northern Idaho requested that Idaho follow the 9th circuit decision and end this government discrimination and continue with a race neutral program. Other primes stated that project goals would be a deterrent because a goal might not be attainable. Overall the majority of the primes like the neutral program and feel it is working.

DBE Summit meetings: A DBE consultant at the Idaho Falls meeting believes that putting goals on ITD agreements would benefit the DBE consultant firms on ITD projects. This would also generate more firms applying for the program which would get more DBEs on the projects. This company suggested that the ITD outreach trainings for DBEs emphasize on how to function as a sub and how to compete for contracts not how to become a DBE. It was further suggested that ITD be more robust on training of DBE firms and provide more OJT for primes.

One firm suggested that ITD advertise more contracts that could be bid by DBE firms as a prime. As with others it was suggested that ITD develop a mentor/protégée program with an incentive to companies to become mentors to offset costs.

The A+D bidding process was discussed as an option that could give primes using DBE firms a preference. Also, on the consulting side it was suggested that ITD include the use of DBE firms as a factor in the consultant evaluations. The final suggestion from the Idaho Falls meeting was to promote the qualification of the DBE firms in the DBE newsletter.

Suggestions made at the Boise DBE summit meeting included partnering between ITD and others, such as the Chamber of Commerce, to develop a packet of information to prospective DBE firm on how to become a DBE. Other suggestions included providing information on marketing, building relationships; networking with other firms involved in the industry; financial management training; information on opportunities for DBEs; accounting system training on overhead rates using FARS approved; and training on ITD specifications and bid procedures.

At the summit meeting in Coeur d'Alene it was suggested that DBEs should use all trade organizations available to them such as ACEC and the AGC to access contacts and become involved with the transportation industry. Also, again brought up was the need for DBE firms to market themselves.

CATEGORY 6: Additional Information

DBE companies: A DBE stated that communication is the key to getting work and that DBEs need to know how to market themselves to the right people. Another company said that they are hardly working in Idaho but, they are getting work in other states.

A company in northern Idaho said even with the stronger competition they are getting work and feel this is a healthy competition. This company stated that work is slow in Idaho so companies have to pick up work in surrounding states such as Washington. However, she stated that this did require her to sign a Union project agreement.

In the Boise area some DBE firms have stopped giving bids to primes, who they believe, get their numbers then self perform. It was stated that on the local projects in the Boise area they are finally seeing less companies bidding however, they are still seeing really low bids. These companies believe that others are buying the jobs. An example of this was a drain project where the pipe would normally bid at \$12 and it was bidding at \$4.47.

DBE companies said that things are still really tight and there still continues to be lots of out of state bids. Also, they are getting calls for just labor or for just the products. Stated either the prime is providing the material and just need labor or the prime is buying the material from the DBE and wants to self perform.

There was one DBE firm who said that when they don't get paid they don't want to file on the prime's bonds because they believe that prime will not use them again. They further stated that low bid is not always the answer, sometimes the quality of work and getting the job done on time or sooner can be the better bid even if higher. This company did say that after 35 years in business they don't know how to bid in the current climate.

A consultant DBE stated that they believe it is easier to specialize in construction vs. consulting. Also, they said that the big consultants don't want to help the small consultants to become bigger because they will become their competition. This company said that it is difficult for a DBE to get work in the engineering field whether it is in design or construction. Subcontracts tend to be for the environment portion in design project and in traffic control or storm water work on the construction side.

One company suggested that ITD and/or FHWA look into using OJT funds for engineers in training. This might be an avenue to implement a mentor/protégée program so that DBEs can get experience to grow into a more complete engineering company.

Non-DBE companies: The non-DBE firms had little additional information to provide. One firm stated that they are looking at a sister company to do the construction side of Design/Build projects. At the Coeur d'Alene Non-DBE Focus Group Meeting a company said that they believe companies that are well run do just fine and are competitive and get the work. These companies said that currently things are extremely competitive and yes companies' will self perform if they can but will use others when needed.

Organizations: Additional information provided by the International Union of Operators (IUO) during the Rigby Organization meeting included some upcoming projects. In eastern Idaho there is a 7 year project for a Uranium Plant to be built west of Idaho Falls. Then there is a 2½ year project by Rocky Mountain/Idaho Power for a power line that will cover 400+ miles from Wyoming to Oregon. Also, there are hydro dams being redone by Pacific Corp and at the time of the meeting there were 400 windmills planned for the Twin Falls areas.

The SBDC-Idaho Falls discussed that although there are many businesses going under they are seeing new businesses being started due to people being laid off.

At this meeting it was discussed that they have seen in certain specific work areas the primes are still passing work on to subs. Stated that bids are still low and that is a big issue but believe that construction as a whole is starting to turn around, especially in the areas of power, energy, and rail. The IUO said that Boise recently received a contract for Metro trains and is doing rehab on existing trains for service.

The Idaho Department of Commerce (IDC) stated that they are seeing less and less of those companies who turned to government work in order to stay in business. It is believed this is due to the lack of funds which is causing less work. It was stated that all companies are trying to survive and the IDC would support a neutral program with a lower annual goal. Additional information provided by the IDC included that even in the poor economy companies are still bringing money into Idaho. However, those out of state companies aren't helping since many bring their own workforce.

Information provided from the Community Council of Idaho in Caldwell (CCI- Caldwell) showed that there is an 18% unemployment rate in Eastern Idaho through Pocatello among their clients. They see more work opportunities in the west and northern parts of the state. Their analysis does show that the cost of living in Idaho is increasing and this is causing farm workers to have a harder time surviving. This organization works to educate the workers to help them have more opportunities. This education starts with children and is believed that this will give the child a chance to succeed in order to be able to contribute to the economy at a higher level. They believe that this will improve the economy in the future.

The CCI-Caldwell obtains their funding through grants and generated income from tenants. It was stated that there has been an increase in their clinic services by 56% in the past year. These are services provided to migrant workers (anyone who has ever worked in agriculture; farming, warehouse, packaging, etc.) and the poor. They are also working on becoming a Community Development Financial Institution. This would be a program under the Department of Treasury and would allow them to work with emerging businesses.

Additional information provided by the Coeur d'Alene TERO had to do with work the tribe has on the reservation. This work includes a casino and hotel expansion that is currently underway. They also are breaking ground on a new school that will go for 13 months. The tribe has a bus stop barn project that is being built with funds received through a FTA grant with City Links and this has a 20% DBE requirement. The TERO Director has already provided the prime with a list of DBE certified tribal recognized companies.

DBE Summit meetings: A DBE consultant at the Idaho Falls meeting said they never know when ITD has work available and they have received no Term agreements due to their DBE status. It was stated that in states with project goals DBE consultants are brought in from the start or as soon as the prime consultant becomes aware of the DBE requirement and this develops relationship that are maintained.

Additional information provided at the Boise summit meeting included FHWA explaining that if DBE utilization in Idaho does not improve then the ITD will be required to use project specific goals. This generated various questions on what the current annual goal is (10.5%) the number of current DBE firms (180+) and can out of state firms become DBEs in Idaho. ITD stated that the 180+ DBE firms reflect a decline in DBEs and it is due to the poor economy and that firms are not registering due to no project goals. The attendees asked if there is any DBE participation that is not being counted and ITD stated that the information is provided by the companies working on the projects and ITD tracks all information reported. A consultant firms asked if they use a DBE firm can they get additional points as a part of the RFP evaluations and ITD stated that this is not allowed.

One company suggested that ITD regulate DBE firms and remove their certification if they don't perform. It was further stated that if there is an advantage the prime will use a DBE firm. The audience stated that the A+D bidding would work but would not be popular because it takes away the flexibility from the primes and ends up costing more money. Also, it was said that this would cause more wives of contractors to start DBE firms and that there may be legal issues or challenges with the A+D bidding.

There was a lot of comparison to the Washington DOT DBE program at the Coeur d'Alene summit meeting. This is due to the location and the fact that Washington DOT currently has project goals that are causing low bids to be thrown out in order for primes to meet the project DBE requirements. Prime contractors stated that DBE firms need to be able to provide quality work and have the ability to perform. These contractors further stated that they use the low bid companies with prior experience that are bondable. Consultants stated that the QVS spells out what the criteria are and if the DBE firms don't meet the QVS they cannot be used. Again they look at "will the DBE help the bid."

Overall the companies at the Coeur d'Alene meeting stated that if DBE want to be hired then they need to seek out the work and bring something to the table. The contractors feel currently that the DBEs need to be vetted by the Primes. Finally, the only statement the primes made regarding a mentor/protégée program was it would mean spending their own dollars to participate.

ITD Disadvantaged Business Enterprise Supportive Services "Needs Assessment Surveys."

The Needs Assessment Survey (see attached) conducted each year was revised in 2011 in order to receive more feedback on the services actually being provided by the ITD DBE Supportive Services. ITD again sent the survey to all 187 firms certified in the Idaho DBE Program. There were 38 firms who responded which equals 20.32%. The following is a summary of the input received for the various questions.

The first question asked how they would rate the customer service while going through DBE certification process. Out of the 38 responses 50% rated the process as outstanding; 15.79% rated the process as good with no response from the remaining 34.21%.

When asked how they would rate the overall quality of services received from ITD DBE Support Services there was a percentage breakdown of 71.05% Outstanding, 18.42% Good, 2.63% Adequate and the remaining 7.89% no response. The feedback requested on this subject was mainly on the outstanding communication and guidance that the DBE/SS provides.

A question on participation in trainings and workshops showed 39.47% had attended workshops, 52.63% had not, and 7.89% did not respond. Further inquiry on this subject was "if no, why not?" some of the responses were time, schedule, and/or classes geared to new businesses. Of the companies who had attended, most had gone to the Doing Business with the Government with others attending the EEO Compliance trainings, blue print reading or the annual DBE trainings.

ITD asked if they thought the trainings made their business operation more effective and 44.74% stated yes, 7.89% were not sure with the remaining 47.37% not responding. ITD asked for comments and/or suggestions regarding the workshops and received input from offering the training at additional times, to having workshops on relationships (especially with ITD district personnel) to something on professional services.

When asked if they had taken advantage of the DBE Marketing or Training Grants 78.95% stated yes. This left 13.16% who say no, 5.26% who stated they were unaware of this service leaving only 2.63% who did not respond. ITD asked if the companies would like to see these services continue and got an 84.21% Yes response with the remaining percentages either with no opinion or no response. Companies were then asked for comments or suggestions regarding the grants and got a strong response for the continuation of the grants and statements that this is the best and most valuable benefit ITD has.

Contractors were asked if they had used their virtual plan room membership reimbursement benefit which allows them to access plans on line. Of the companies who responded to the survey overall 31.58% stated they had used this membership, 26.32% stated no, with the rest again either stating they were unaware of the service or they provided no response to this question. Those who had stated no said they didn't see where this applied to their work areas. However, 42.11% stated that they would like to see this benefit continue and that this service is critical for bidding.

The Idaho based DBEs were asked if they were aware of the one-on-one assistance in bidding, estimating, contract clauses, project documentation and advanced business planning that the DBE/SS provides through consultants and again 68.42% stated yes, 18.42% stated no, leaving 13.16% who did not respond. There were 60.53% who stated that they want this benefit to continue with the remaining percentages having no opinion or no response.

Of the 86.84% responders who stated that they receive the emailings about non-ITD procurement opportunities 73.68% stated that these emailings include projects in which they are interested. Comments received on these services include "another great tool that I look forward to every Friday" to "Easy cost effective way of getting information out." When asked about the bi-weekly business training calendars that are also emailed to firms 60.53% stated that they want this service to continue also.

In regards to the monthly issues of "The DBE News" 92.11% stated that they do read this publication, with 81.58% stating that the articles are helpful and/or informative. Comments and suggestions for the newsletter included only positive feedback on the information and service already being provided

In order to better support the DBEs it was asked what the most useful benefits were. Answers to this included everything from reimbursements, grants, emailings, to the fact that the DBE/SS staff is approachable and a valuable benefit to the companies.

DBE/SS asked the companies if the benefits have helped in obtaining work on federally-funded highway contracts and 36.84% responded yes, 42.11% stated no, with 15.79% stated no opinion with the remaining not responding. When asked what additional benefits they would like to see the responses included reimbursement for overhead rate calculations, software/hardware grant benefits, to bringing back project goals.

There were only 15.79% of the responding companies who had bid on federally-funded highway related projects as a prime. When asked if they had experienced any barriers 18.42% stated yes. The majority of the companies stated that money is their biggest barrier. This included the contractors' needs for funds to bid and pay for subs to consultants who struggle with the cost of having overhead rates prepared by an accountant. Other assistance that these companies stated they could use was bonding, paper management, to bringing back project goals.

Of the companies who had not bid as a prime 42.11% stated that they would be interested in bidding as a prime in the future. Obstacles that they feel are preventing them from bidding as a prime included size, expertise, lack of bonding, to scarce work.

Those firms who had bid as a sub-contractor on federally-funded highway related projects equaled 50%. Of these 34.21% stated that they had encountered barriers in trying to attain work. These barriers included lack of interest by the primes, bonding, the race neutral program, to the downturn in the economy. When asked what types of assistance could have been used to help these companies stated a meet and greet forum might be helpful, money to further software, to bringing back project goals.

When asked if a company would be interested in mentoring other DBEs to help them bid successfully and perform better only 21.05% stated that they would. ITD got negative and positive feedback on this subject from "What good would this do for either one of us" to "would provide general business advice, estimating, and project management."

The survey then asked if companies were interested in expanding their businesses to other work category(ies) and 44.74% said yes. The types of assistance these firms stated that they would need in order to expand was money, better knowledge, training on bidding and equipment needs in new area, to additional software.

One of the final questions was when bidding or working on federally funded highway projects do you feel your DBE certification is an advantage, hindrance, makes no difference, not sure, or no response. Of these choices 18.42% said it is an advantage, 2.63% stated that the DBE status is a hindrance, there was 31.58% who said it makes no difference, 26.32% were not sure leaving 21.05% who did not respond to this question.

Comments provided regarding this question varied some companies stated that the large companies only include DBEs to win the contracts where others stated in Idaho it doesn't matter due to the neutral program. One company stated on some projects it is a big help on others it makes no difference. Another company said that in today's market a contractor has to be the low bidder regardless of their certification and that this is the way it probably should be. Then there was the statement that "ITD does a good job of administering a neutral supportive services program. But I don't feel the training effort, free plans & specifications, training and marketing grants, and other reimbursements actually give us an advantage. It certainly doesn't hurt or hinder us. One exception is the bond reimbursement program. This tool does give us a slight advantage. But otherwise, all the services help but I don't believe give us a bidding advantage."

When asked for further comments or suggestions, companies talked about stronger guidelines and requirements for the use of DBEs. One company stated "Keep up the fight! the DBE program is a small business program and a "rising tide lifts all boats" for both DBE's and non-DBE's. For the past several years small business has been hit by the perfect storm; lack financing for startups and no continuing financing for existing businesses, sales dropping off because of the recession, State and federal budgets for DBE programs and the SBA slashed and recent negative court decisions. It's a mess that isn't going to be easy to clean up."