

**The Vermont Agency of Transportation  
Small Business Element of the  
Disadvantaged Business Enterprise (DBE) Program**

Introduction and Overview of the Small Business Element:

The Vermont Agency of Transportation (VTrans) has a longstanding commitment to promote small business participation on all Agency contracts and procurement opportunities. This is incorporated in the Agency's mission and embedded in the Agency's business model: By making the contracting and procurement process small business friendly, VTrans encourages competitive bidding and levels the playing field for DBEs and other small businesses.

Since FY 2000, VTrans has been successful in meeting its overall DBE goal by using race and gender neutral strategies to promote DBE and other small business participation on USDOT-assisted projects. While DBEs have been eligible to receive an array of supportive services, all small businesses have benefited from the resources that have been developed and delivered to encourage small business participation, including networking and matchmaking events and business development training. In recent years, VTrans has increasingly turned to electronic technologies to make the bidding and contracting process more readily accessible, cost effective and user friendly.

In accordance with the requirements of 49 CFR Part 26, Section 26.39 VTrans has designed a Small Business Program to ensure that DBEs and all small businesses have a maximum opportunity to participate on USDOT-assisted projects.

VTrans Small Business Program Goals and Objectives:

- Identify and eliminate all obstacles to the successful participation of DBEs and other small businesses in the VTrans federal-aid program, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.
- Increase the total statewide number of DBEs and other small businesses that are active in the VTrans federal-aid program.
- Promote growth and self-sufficiency for DBEs and other small and emerging businesses through a range of technical assistance and business development services that are designed to build capacity for successful work on USDOT-assisted projects.
- Develop effective tools for assessing small business needs and barriers through surveys, reporting data, etc., and implement a program that effectively meets those needs and helps small business firms participate, grow, diversify, and build capacity to successfully compete in the transportation industry.
- Provide business development information, guidance, referrals, specialized training, and one-on-one business counseling to help small businesses succeed in the transportation industry.

- Develop and maintain a system for implementing, documenting, monitoring, evaluating, and reporting the program's effectiveness, its strengths and weaknesses, and other outcomes, including all performance goals and measures.

Eligibility for Participation in the VTrans Small Business Program:

The rules set forth in Code of Federal Regulations, Title 13, Sections 121.401 through 121.413, apply to all Federal Procurement programs for which status as a small business is required or advantageous, including the VTrans Small Business Program. Any firm that wants to participate in the VTrans Small Business Program must be an existing, for-profit, small business, as defined by Small Business Administration (SBA) standards and 49 CFR Part 26. VTrans applies the SBA business size standard that correlates to the appropriate type of work that the small business seeks to perform on VTrans federally funded projects.

**Participation Criteria and SBA Size Standards:** To be eligible to participate in the VTrans Small Business Program, a firm must meet the small business definition set forth at 49 CFR Part 26.65. The USDOT definition currently limits the size standard to \$22.41 million in gross revenues, averaged over the past three years. If average gross receipts are under the SBA size standard for the primary type of work the firm performs and under \$22.41 million annually, the firm would be considered a small business, eligible to apply for participation in the VTrans Small Business Program.

Examples of the type of work typically used in road and bridge construction and the current size standard (dollars are shown in millions) for that type of work are listed below. SBA's complete list of size standards, matched to the North American Industry Classification System (NAICS), is available online: [SBA Small Business Size Standards](#)

Highway, Street, and Bridge Construction	\$22.41
Other Heavy and Civil Engineering Construction	\$22.41
Poured Concrete Foundation and Structure Contractors	\$14.00
Structural Steel and Precast Concrete Contractors	\$14.00
Electrical Contractors	\$14.00
Masonry Contractors	\$14.00
Site Preparation Contractors	\$14.00
All Other Specialty Trade Contractors	\$14.00
General Freight Trucking, Local	\$22.41
Office of Real Estate Appraisers	\$2.00
Architectural Services	\$7.00
Landscape Architectural Services	\$7.00
Engineering Services	\$14.00
Drafting Services	\$7.00
Surveying and Mapping Services	\$14.00
Testing Laboratories	\$14.00
Graphic Design Services	\$7.00
Computer System Design Services	\$22.41
Public Relations Agencies	\$7.00
Landscaping Services	\$7.00

Due to the size standards being the same as the USDOT size standards, all Vermont UCP DBE certified firms are eligible to participate in the VTrans Small Business Program.

**Application, Verification, and Monitoring Procedures:** Firms wishing to participate in the VTrans Small Business Program may apply by submitting a notarized affidavit on a form provided by VTrans, attesting to meeting the USDOT/SBA definition of a small business. The application form (one page, double-sided) requires the firm to provide the following information: Business names and contact information; date established; federal employer I.D. number; legal structure, identification of all owners, including name, title, and percentage owned; gross revenues for the past three years; affiliation with other firms; principal goods or services to be provided; applicable NAICS codes; and whether the firm is registered to do business with the Vermont Secretary of State.

Upon receipt of the notarized affidavit, VTrans DBE Program Administrators will review and verify the application for thoroughness and accuracy. If approved, the firm will be notified and will be added to the VTrans Small Business Program, including the online directory, and will immediately become eligible for notification and participation in all training, networking, and business development opportunities offered to all participants in the VTrans Small Business Program. To maintain eligibility, all participants are required to provide a notarized “No Change Affidavit,” on a form provided by VTrans, attesting to the firm continuing to meet the USDOT/SBA definition of a small business, and providing updated information on annual gross revenues and any change in ownership, legal structure, principal activity, etc.

VTrans DBE Program Administrators are responsible for verifying and monitoring all changes and updates to the VTrans Small Business Program registry, and communicating any change in program requirements to all program participants.

Outreach Mechanisms to Inform the Small Business Community About the VTrans Small Business Program and the Agency’s Small Business Initiatives:

**Initial Outreach to Publicize and Promote the VTrans Small Business Program:** In anticipation of receiving USDOT approval, VTrans has already started a campaign to generate interest in the new VTrans Small Business Program. Informational materials and signup sheets for the new program were distributed by VTrans Civil Rights and Contract Administration staff who participated in the recent Department of Defense Regional Matchmaker held in Rochester, New York on October 10 – 12, 2012, and will continue to be used by VTrans at similar outreach events, including the Vermont Women’s Economic Opportunity Conference on November 10<sup>th</sup>. VTrans intends to use a wide variety of mechanisms to conduct outreach to the small business community within the first three months of obtaining USDOT approval, including the following:

- Immediately upon approval, incorporate the amendment in the VTrans DBE Program Plan, post prominently on the VTrans website, and distribute widely to all stakeholders through email, social media, and other electronic means, with a memo of support from the VTrans Secretary of Transportation.
- Utilize Constant Contact to provide information about the new VTrans Small Business Program to all businesses (primes and subs, contractors and consultants) currently active on VTrans federally funded projects, as well as all VTrans sub-recipients, including

Regional Planning Commissions, Public Transits, and Towns and Municipalities. The information provided will highlight the benefits of the program and the ease of application and enrollment, and will include links to the online application and other web-based information.

- Partner with other state agencies and departments, including the Vermont Agency of Commerce and Community Development and the Vermont Secretary of State, to distribute information about the new VTrans Small Business Program to the small business community.
- Use current network of program partners, including the Vermont Women's Business Center, the Small Business Administration, the Vermont chapters of the Association of General Contractors (AGC) and the American Council of Engineering Companies (ACEC), to publicize and promote the program at meetings and presentations and through newsletters and social media.

**Winter 2013 VTrans Specific Matchmaker and Training Event:** To officially launch the new Small Business Program, VTrans hopes to host a transportation specific matchmaker and training event. Working in concert with other VTrans Sections and Divisions and external Agency partners, the VTrans Civil Rights and Contract Administration Sections will invite current and prospective VTrans contractors and consultants to participate in a networking session designed to match up primes, subs, and other team collaborations. Participants will also receive training on bidding and estimating and/or responding to an RFP, an online tour of contracting resources, and an introduction to small business technical assistance and service providers. Recruitment for the new VTrans Small Business Program, and the benefits and ease of enrollment will be emphasized at key points throughout the day.

**Ongoing Outreach Mechanisms:** VTrans will continue to employ many of the outreach mechanisms identified above on an ongoing basis, to encourage members of the small business community to enroll in the VTrans Small Business Program. Ongoing outreach efforts will include the frequent distribution of updated program information electronically (website, email, social media, newsletters) and in hardcopy at small business training and networking events.

Specific Strategies for Promoting DBE and Small Business Participation on VTrans USDOT-Assisted Projects:

**Identification of Projected Contracting Opportunities and Current Barriers:** VTrans DBE Program administrators meet frequently with the Agency's planners and program and project managers, in order to anticipate DBE and other small business opportunities and/or barriers on upcoming USDOT-assisted projects, and design and deliver services to promote these opportunities and address these barriers. The Agency's Statewide Transportation Improvement Program (STIP) and Anticipated Advertising Schedule are other tools used to project upcoming DBE and other small business contracting opportunities, so that training and other capacity building can be timely delivered.

**Use of Electronic Contracting and Bidding Technologies:** Beginning in FY 2009, VTrans adopted mandatory electronic bidding procedures for all Agency construction contracts. Since August of 2010, all plans are available online, free of charge. All RFPs, construction contracts, and design-

build projects are advertised online, and all bid results are promptly posted online. The implementation of these technologies, coupled with the use of list serves and social media to promote the Agency's contracting and procurement opportunities to DBEs and other small businesses has greatly helped to level the playing field, particularly for new and emerging businesses with limited resources.

**Networking, Training and Business Development:** Successful networking with key Agency staff and primes is critical for DBEs and other small business firms to increase their participation on VTrans USDOT-assisted projects. DBEs and other small businesses are encouraged to attend all Agency meetings and events with professional and/or trade organizations, such as ACEC and AGC-VT, and are invited to participate in a wide variety of conferences, matchmaker events, seminars, and other business development training:

- **Participation in the Small Business Transportation Resource Center Northeast Region, the Women's Economic Opportunity Conference, the Vermont and Northeast Regional Council Matchmaker Conferences, and Similar Events:** In collaboration with a network of partners, VTrans currently participates in the planning and presentation of numerous conferences and workshops designed to provide education, training, and technical assistance to Vermont DBEs and other small businesses on a wide range of issues. Over the past twelve months, VTrans has hosted two matchmaker conferences in partnership with other state and federal agencies, including the Small Business Administration (SBA), the Procurement Technical Assistance Center (PTAC), and the Office of Small and Disadvantaged Business Utilization (OSDBU). Several hundred DBEs and other small businesses attended each event, and availed themselves of the opportunity to "meet and greet" primes and government entities during 10 minute networking sessions. The events also featured government contracting workshops that included staff from the VTrans Offices of Civil Rights and Contract Administration, who demonstrated online resources and demystified the bidding and contracting process. VTrans also helps to plan and sponsor the Women's Economic Opportunity Conference, an annual all day event, with more than 300 attendees who participate in 25 workshops with a focus on small business issues. During the past three years, VTrans has networked with counterparts at other state DOTs in the region through the Small Business Transportation Resource Center Planning Committee. Active participation in these partnerships and helping to plan and sponsor these events is critical to the continued business development needs of our small business firms, including DBEs.
- **Other Training and Business Development Workshops:** In concert with the VTrans Contract Administration Section, the VTrans Construction Section, and other Agency divisions, the VTrans Civil Rights Section develops and delivers training specifically designed to encourage small business participation on federal-aid projects. Examples including Bidding and Estimating Workshops, Safety Training, and an Annual Contractor's Seminar. In collaboration with program partners at other state and federal agencies, VTrans informs DBEs and small businesses of numerous business development workshops and industry specific networking opportunities.

**Effective Communication Tools:** In recent years, VTrans has implemented and expanded on an array of communication tools designed to promote greater DBE and other small business participation on VTrans USDOT-assisted projects, including the following:

- **Weekly Electronic Notification of Bid Opportunities:** The VTrans Office of Civil Rights sends DBEs electronic notification of bid opportunities and RFPs with links to Contract Administration's webpage.
- **Electronic Notification of Training and Networking Opportunities:** Again, using the same online tool (Constant Contact), the VTrans DBE Program Manager sends frequent notices and invitations to training and networking events to DBEs, other small businesses, and other Agency contractors and consultants.

**Prompt Payment Monitoring and Enforcement:** Rigorous enforcement of prompt payment requirements assures that the Agency's DBEs and other small businesses will have sufficient cash flow to work successfully on VTrans projects. VTrans utilizes a web-based, user-friendly system for contractor reporting of payments to all subcontractors, and prompt payment requirements are emphasized in all contractor training, pre-construction conferences, site visits, and presentations. In addition to conducting a substantial number of investigations and enforcement actions, VTrans has developed and distributed new informational materials on prompt payment rights and responsibilities to all Agency prime and subcontractors on federally funded projects.

**Additional Race and Gender Neutral Strategies for Promoting Small Business Participation:** Further examples of race and gender neutral means that VTrans employs to promote greater participation by DBEs and other small businesses on USDOT-assisted projects, include the following:

- Providing technical assistance and other services to DBEs and other small businesses, directly and via consultants, seminars, partnerships with technical assistance providers and academic institutions;
- Carrying out information and communications programs on contracting procedures and specific contract opportunities;
- Producing and distributing free How To Do Business with the Agency of Transportation Guides and other resource materials;
- Providing formal and informal training and presentations to DBEs and other small businesses.
- Working with the Small Business Administration, the Small Business Development Centers, and other program partners to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;

- Conducting periodic user surveys and needs assessments to better determine small business needs (e.g., training, financing, etc.) and to obtain better contact info;
- Producing and distributing an electronic newsletter that showcases successful DBEs and other small businesses, provides a calendar of events, and many web links to contracting and business development resources.
- Ensuring distribution of our DBE Directory and Small Business Directory, through print and electronic means, to the widest feasible universe of potential prime contractors, including online accessibility to all potential prime bidders, and widespread distribution at conferences, expos, and seminars;
- Developing and delivering small business training and networking opportunities, including the annual Government Contracting Conference, the annual Women's Economic Opportunity Conference, matchmaker events, etc.;
- Assisting DBEs and other small businesses to develop their capability to utilize emerging technology and conduct business through electronic media, and utilizing our website to disseminate information, including our Directory, bid opportunities, updated information on Part 26, and useful links;
- Providing services to help DBEs and other small businesses improve long-term development, increase opportunities to participate in a variety of different kinds of work, handle increasingly significant projects, successfully compete as prime contractors, and achieve eventual self-sufficiency;
- Serving on the Advisory Council of the Vermont Women's Business Center (VWBC), and supporting the VWBC's mission through collaborative efforts and sponsorship of training programs;
- Participating in the Vermont Entrepreneurship Collaborative, the Vermont Technical Assistance Providers Association, and other organizations dedicated to developing business development resources and promoting small and disadvantaged businesses;
- Providing assistance in overcoming limitations such as an inability to obtain bonding or financing, and identify and eliminate other barriers to contracting with the Vermont Agency of Transportation;
- Networking with local, state and federal agencies, non-profits, academic and business communities to obtain maximum partnering opportunities and resources, and develop comprehensive resource and referral network with technical assistance and service providers; and
- Coordinating with other state DOTs to maximize interstate contracting opportunities.

**New Small Business Initiatives for FY 2012 and FY 2013:** In addition to the above-described race and gender neutral means that the VT Agency of Transportation already employs to increase

DBE and small business participation, we propose implementing and expanding our efforts in the following ways during FY 2013:

- Developing and implementing a new Small Business Online Directory to help promote and market the greater use of small businesses by the Agency's prime contractors and consultants.
- Establishing a program to assist new, start-up firms, particularly in fields in which DBE and small business participation has historically been low. We propose working within our organization and with the transportation industry to identify new and/or emerging businesses, with a particular focus on areas which will be critical to the industry in the next decade. We will then actively pursue the creation of businesses that can perform and develop expertise in these emerging areas.
- Ensuring that our prime contractors consider the use of DBEs and other small businesses in all possible work categories, by providing quick reference guides detailing the expertise and capacities of the DBEs and small businesses in our directories;
- Providing frequent updates to DBEs and other small businesses on all bidding and subcontracting opportunities; and
- Assisting more DBEs and small businesses to establish prequalification status.

**Implementation Timeline for the VTrans Small Business Element:** VTrans proposes the following implementation timeline for all VTrans Small Business Program new initiatives for the nine months following final USDOT program approval. All small business outreach and small business initiatives will continue on an ongoing basis unless otherwise noted:

- Obtain final USDOT program approval by 11/30/12. Upon approval, incorporate the amendment in the VTrans DBE Program Plan, post on website, and distribute widely through email, social media, and other electronic means, with a memo of support from the Agency Secretary.
- Develop and implement a verification process, to verify eligibility of firms to participate in the VTrans Small Business Program by 12/31/12. Publicize the features and benefits of registration and inclusion in the new directory by 1/31/13. Develop and implement a new Small Business Online Directory to help promote and market the greater use of small businesses by the Agency's prime contractors and consultants by 6/30/13.
- Develop and implement more effective tools to provide frequent updates to DBEs and other small businesses on all bidding and subcontracting opportunities by 2/28/13.
- Work with key VTrans staff to develop and implement ways of assisting more DBEs and small businesses to establish prequalification status by 2/28/13.

- Ensure that our prime contractors consider the use of DBEs and other small businesses in all possible work categories, by providing quick reference guides detailing the expertise and capacities of the DBEs and small businesses in our directories by 6/30/12.
- Work with VTrans managers to identify ways of unbundling contracts, and incorporate strategies into project development process by 6/30/13.