

NCDOT DBE \ MBE \ WBE Contract Admin. Training

October 21th, 2015

David Carr - CAPA President
APAC Thompson Arthur Branch Manager



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Intended Outcomes From Today....

- Increase understanding of DBE \ MBE \ WBE goals and commitments
- Increase awareness of DBE \ MBE \ WBE programs
- Reinforce that participation per the program guidelines is an important contract requirement

Definitions... **DBE – Disadvantaged Business Enterprise**

DBE – A firm certified as a Disadvantaged Business Enterprise through the North Carolina Unified Certification Program.

Examples: Rankin Grading
Atlantic Contracting
Long Brothers Transport
Carolina Environmental

A complete, up to date, listing of NCDOT Certified MBE contractors may be obtained on the NCDOT web site at:

<https://partner.ncdot.gov/VendorDirectory/default.html/>

Be sure to check prequalification status prior to allowing the DBE to begin work on a project. Failure to do so may result in the work performed by an DBE not to be counted toward the project commitment.



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Definitions... MBE – Minority Business Enterprise

MBE – A firm certified as a Disadvantaged Minority Owned Business Enterprise through the North Carolina Unified Certification Program.

Examples: Rankin Grading
McCain Striping
W.G. Lewis Trucking
Asphalt Unlimited of Asheville

A complete, up to date, listing of NCDOT Certified MBE contractors may be obtained on the NCDOT website at:

<https://partner.ncdot.gov/VendorDirectory/default.html/>

Be sure to check prequalification status prior to allowing the MBE to begin work on a project. Failure to do so may result in the work performed by an MBE not to be counted toward the project commitment.

Definitions... WBE – Women Business Enterprise

WBE – A firm certified as a Disadvantaged Women Owned Business Enterprise through the North Carolina Unified Certification Program.

Examples: Farmer Transport
 Stay Alert
 Carolina Environmental
 Long Brothers Transport

A complete, up to date, listing of NCDOT Certified MBE contractors may be obtained on the NCDOT website at:

<https://partner.ncdot.gov/VendorDirectory/default.html/>

Be sure to check prequalification status prior to allowing the WBE to begin work on a project. Failure to do so may result in the work performed by a WBE not to be counted toward the project commitment.

Participation Is A Contract Requirement...

- Specific goals are outlined for each project
- Goal vs. Commitment
 - **Goal** – The DBE \ MBE \ WBE participation percentage **specified** in the contract proposal
 - **Commitment** – The approved DBE \ MBE \ WBE participation **submitted** by the prime contractor during the bidding process and approved by the NCDOT before work begins
 - **Non Committed DBE \ MBE \ WBE** – Any DBE \ MBE \ WBE submitted at the time of bid that is NOT used to meet contract goal.
- MBE \ WBE goals on NCDOT State funded contracts
- MBE \ WBE terms are not interchangeable and the goals for either or both are not interchangeable

Important Points to Consider...

- DBE goals on Federal contracts or NCDOT contracts that include federal funding –
- MBE \ WBE goals on NCDOT contracts that do not include federal funding
- Although very rare, it is possible for a DBE subcontractor to NOT be an MBE or WBE. According to the NCDOT, a business *may* meet the requirements of a DBE if the business is owned and operated by a handicapped, white male. If that is the case, MBE \ WBE certification would not be available to the business, **be sure to always verify certification**
- “Highway Letting CXXXXXX Contracts” have online reporting capabilities and these are more easily tracked
- Most all “Purchase Orders” now also have online reporting. Those that do not require paper notification to the NCDOT via MBE \ WBE – IS.
- The amount of participation allowed to be counted by a DBE \ MBE \ WBE firm varies by type of business, i.e. true subcontractor vs. vendor vs. “service” firm. The differences and allowable percentages are explained in detail in the project proposal
- **Just because a DBE \ MBE \ WBE is “certified” doesn’t necessarily mean they are “prequalified”**



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Contract goals can be found in the Project Special Provisions section of a proposal...

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Guilford County

Letter of Intent - Form signed by the Contractor and the DBE subcontractor, manufacturer or regular dealer that affirms that a portion of said contract is going to be performed by the signed DBE for the amount listed at the time of bid.

<http://connect.ncdot.gov/letting/LetCentral/Letter%20of%20Intent%20to%20Perform%20as%20a%20Subcontractor.pdf>

Listing of DBE Subcontractors Form - Form for entering DBE subcontractors on a project that will meet this DBE goal. This form is for paper bids only.

[http://connect.ncdot.gov/municipalities/Bid%20Proposals%20for%20LGA%20Content/08%20BE%20Subcontractors%20\(Federal\).docx](http://connect.ncdot.gov/municipalities/Bid%20Proposals%20for%20LGA%20Content/08%20BE%20Subcontractors%20(Federal).docx)

Subcontractor Quote Comparison Sheet - Spreadsheet for showing all subcontractor quotes in the work areas where DBEs quoted on the project. This sheet is submitted with good faith effort packages.

<http://connect.ncdot.gov/business/SmallBusiness/Documents/DBE%20Subcontractor%20Quote%20Comparison%20Example.xls>

DBE Goal

The following DBE goal for participation by Disadvantaged Business Enterprises is established for this contract:

Disadvantaged Business Enterprises 7.0 %

(A) If the DBE goal is more than zero, the Contractor shall exercise all necessary and reasonable steps to ensure that DBEs participate in at least the percent of the contract as set forth above as the DBE goal.

(B) If the DBE goal is zero, the Contractor shall make an effort to recruit and use DBEs during the performance of the contract. Any DBE participation obtained shall be reported to the Department.

Directory of Transportation Firms (Directory)

Real-time information is available about firms doing business with the Department and firms that are certified through NCUCP in the Directory of Transportation Firms. Only firms identified in the Directory as DBE certified shall be used to meet the DBE goal. The Directory can be found at the following link. <https://partner.ncdot.gov/VendorDirectory/default.html>

The listing of an individual firm in the directory shall not be construed as an endorsement of the firm's capability to perform certain work.

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Subcontractor Quote Comparison Sheet - Spreadsheet for showing all subcontractor quotes in the work areas where MBEs and WBEs quoted on the project. This sheet is submitted with good faith effort packages.

<http://connect.ncdot.gov/business/SmallBusiness/Documents/DBE%20Subcontractor%20Quote%20Comparison%20Example.xls>

MBE and WBE Goal

The following goals for participation by Minority Business Enterprises and Women Business Enterprises are established for this contract:

(A) Minority Business Enterprises 7.0 %

(1) *If the MBE goal is more than zero*, the Contractor shall exercise all necessary and reasonable steps to ensure that MBEs participate in at least the percent of the contract as set forth above as the MBE goal.

(2) *If the MBE goal is zero*, the Contractor shall make an effort to recruit and use MBEs during the performance of the contract. Any MBE participation obtained shall be reported to the Department.

(B) Women Business Enterprises 1.0 %

(1) *If the WBE goal is more than zero*, the Contractor shall exercise all necessary and reasonable steps to ensure that WBEs participate in at least the percent of the contract as set forth above as the WBE goal.

(2) *If the WBE goal is zero*, the Contractor shall make an effort to recruit and use WBEs during the performance of the contract. Any WBE participation obtained shall be reported to the Department.

Directory of Transportation Firms (Directory)

Real-time information is available about firms doing business with the Department and firms that are certified through NCUCP in the Directory of Transportation Firms. Only firms identified in the Directory as MBE and WBE certified shall be used to meet the MBE and WBE goals respectively. The Directory can be found at the following link. <https://partner.ncdot.gov/VendorDirectory/default.html>

The listing of an individual firm in the directory shall not be construed as an endorsement of the firm's capability to perform certain work.



Example of a commitment letter received from the NCDOT...



STATE OF NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

PAT MCCRORY
GOVERNOR

ANTHONY J. TATA
SECRETARY

May 11, 2015

NOTIFICATION OF AWARD & GOAL CONFIRMATION LETTER

Mr. David Byrd
Highland Paving Company, LLC
PO Box 64553
Fayetteville, NC 28306

Contract ID: DF00089
TIP No.: W-5206AA
Federal Aid: HSIP-0059(8)
WBS: 45336.3.FR27
County: Cumberland
Description: Grading, Drainage, Paving, Signals, Signing & Pavement Markings

Dear Mr. Byrd:

Highland Paving Company, LLC, is the apparent low bidder for the above project from the April 29, 2015 bid letting. The bid proposal indicates inadequate DBE participation to satisfy the advertised contract goal:

The advertised DBE goal for the subject project was set at: **DBE = 8.0%**

Your bid proposal indicates that your firm attained the following participation: **DBE = 4.07%**

After a determination of good faith, the adjusted contract goal for the subject is: **DBE= 4.07%**

Based on the Department's review of the submitted good faith effort for this project, the following recommendations should be considered for any future good faith effort reports:

Criteria A - your company received a grade of **Adequate**. While Bidder did a good job with his initial bid solicitations, a better job with follow up contacting could have been done.

Criteria H - your company received a grade of **Adequate**. Again, while Bidder did a good job including NCDOT BOWD units with his initial bid solicitations, following up with those offices when not enough DBE quotes were being received may have been helpful.

In accordance with Article 102-15 (J) of the NCDOT *Standard Specifications 2012*, failure to satisfy the DBE requirements of the project Special Provisions may be cause to disqualify a Contractor from further bidding.

MAILING ADDRESS:
NC DEPT. OF TRANSPORTATION
DIVISION SIX
PO BOX 1150
FAYETTEVILLE, NC 28302

PHONE: 910-486-1493
FAX: 910-486-1959
WEBSITE: WWW.NCDOT.ORG

LOCATION:
NC DEPT. OF TRANSPORTATION
DIVISION SIX
558 GILLESPIE ST.
FAYETTEVILLE, NC 28301

Based on your bid proposal, the Department has listed the following approved DBE subcontractors and dollar amounts to meet the contract goal requirements. These firms are required to be utilized under the regulations in the Special Provisions and any changes in the work affecting the DBE firms or replacement of a DBE firm will need to follow these provisions.

<u>Committed DBE Firms</u>	<u>Committed Amount</u>
Paul D. Williams Hauling	\$34,597
Purpose Driven Seeding & Mulching	\$15,090
Browe Construction Co.	\$31,000

This project amount is **more than** \$500,000.00 and therefore, in accordance with North Carolina General Statute G.S. 44A-25, Contract Payment Bonds and Contract Performance Bonds **are** required.

A Letter of Intent from each DBE submitted, Liability and Property Damage Insurance documentation and Payment & Performance bonds must be received before execution of this contract.

Upon submittal of all required documentation the contract shall be executed.

If you have any questions, please contact our office at 910-486-1493.

Sincerely,

DocuSigned by:

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R. Allen Waddell, PE
Division Proposals Engineer

cc: Greg Burns, P.E.
Ken Murphy, P.E.
Jerry Bradley, P.E.
Randy Wise, P.E.
Jason Salisbury
Scott Pridgen, P.E.

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Some Key Points to Consider...

- NEVER assume anything!!!
- ALWAYS check DBE \ MBE \ WBE requirements and commitments before starting a project
- ALL NCDOT projects require some amount of DBE \ MBE \ WBE participation, be sure you know what type and how much on your project
- **There is a very important distinction between DBE requirements and MBE \ WBE requirements**

Making the Process Easier...

- The devil is in the details...
- Process is outlined in the Project Special Provisions
- Attention to detail with the variations between DBE \ MBE \ WBE requirements
- Timely review of information you receive each month regarding the status of contract compliance

QUESTIONS???



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