

# DBE Program

**Humboldt Municipal Airport**

**Humboldt, Iowa**

**2018**

**Goal FY 2019 – FY 2021**



**PN 4147.02**

**DBE PROGRAM**

for the

**HUMBOLDT MUNICIPAL AIRPORT**

**HUMBOLDT, IOWA**

2012

Revised 2015

Revised 2018

## OBJECTIVES / POLICY STATEMENT (§26.1, §26.23)

The *City of Humboldt* (City) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The *City of Humboldt* has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the *City of Humboldt* has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the *City of Humboldt* to ensure that DBE's, as defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also the City's policy:

1. To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. To create a level playing field on which DBE's can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBE's;
5. To help remove barriers to the participation of DBE's in DOT assisted contracts;
6. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities;
7. To assist the firms that can compete successfully in the market place outside the DBE program; and
8. To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

*The City Administrator* has been delegated as the DBE Liaison Officer. In that capacity, *the City Administrator* is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the *City of Humboldt* in its financial assistance agreements with the Department of Transportation.

The *City of Humboldt* has disseminated this policy statement to all the departments of its organization. It has distributed this statement to DBE and non-DBE business communities that perform work for it on DOT-assisted contracts. The statement will also be posted on the *City of Humboldt's* website.

\_\_\_\_\_  
Mayor, City of Humboldt

Date: \_\_\_\_\_

## **SUBPART A GENERAL REQUIREMENTS**

### **Objectives (§26.1)**

The objectives are found in the policy statement on the first page of this program.

### **Applicability (§26.3)**

The *City of Humboldt* is the recipient of federal airport funds authorized by 49 U.S.C. 47101, et seq.

### **Definitions (§26.5)**

The terms used in this program have the meanings defined in 49 CFR §26.5.

### **Nondiscrimination (§26.7)**

The *City of Humboldt* will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, the *City of Humboldt* will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

### **Record Keeping Requirements (§ 26.11)**

Upon Project Completion the Uniform Report of DBE Awards or Commitments and Payments form, as modified for FAA recipients will be submitted. The Uniform Report of DBE Awards or Commitments and Payments form is included in **ATTACHMENT B**.

The *City of Humboldt* will create and maintain a bidders list. The purpose of the list is to provide as accurate data as possible about the universe of DBE and non-DBE contractors and subcontractors who seek to work on our DOT-assisted contracts for use in helping to set our overall goals. The bidders list will include the name, address, and contact information for interested firms requesting plans for the project.

### **Federal Financial Assistance Agreement (§ 26.13)**

The *City of Humboldt* has signed the following assurance, applicable to all DOT-assisted

contracts and their administration:

**Assurance: §26.13(a)** The *City of Humboldt* shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT assisted contract or in the administration of its DBE Program or the requirements of 49 CFR part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT assisted contracts. The recipient's DBE Program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the *City of Humboldt* of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

**Contract Assurance: §26.13(b)** The *City of Humboldt* will ensure that the following clause is placed in every DOT-assisted contract and subcontract:

The contractor, sub-recipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to: (1) withholding monthly progress payments; (2) assessing sanction; (3) liquidated damages; and/or (4) disqualifying the contractor from future bidding as non-responsible.

## **SUBPART B ADMINISTRATIVE REQUIREMENTS**

### **DBE Program Updates (§26.21)**

The *City of Humboldt* will continue to carry out this program until all funds from DOT financial assistance have been expended. The City will provide to DOT updates representing significant changes in the program.

### **Policy Statement (§26.23)**

The Policy Statement is elaborated on the first page of this program.

### **DBE Liaison Officer (DBELO) (§26.25)**

The *City of Humboldt* has designated the City Administrator as its DBE Liaison Officer: *City Administrator, 29 5th Street South, Humboldt, Iowa 50548 (Phone: (515) 332-3435)*. In that capacity, *City Administrator* is responsible for implementing all aspects of the DBE program and ensuring that the *City of Humboldt* complies with all provisions of 49 CFR Part 26. *The City Administrator* has direct, independent access to the Mayor and City Council of the *City of Humboldt*, concerning DBE program matters. See Attachment C for an Organizational Chart.

The DBELO is responsible for developing, implementing and monitoring the DBE program, in coordination other appropriate officials. Duties and responsibilities include the following.

1. Gathers and reports statistical data and other information as required by DOT.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Works with all departments to set overall annual goals.
4. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
5. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals) and monitors results.
6. Analyzes the *City of Humboldt* progress toward goal attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advises the City Council on DBE matters and achievement.
9. Determines contractor compliance with good faith efforts.
10. Provides DBE's with information and assistance in preparing bids, obtaining bonding and insurance.
11. Plans and participates in DBE training seminars.
12. Assures that only DBE firms certified by the Iowa DOT, as the Uniform Certification Process in Iowa, are recognized as meeting the criteria set by DOT.

13. Provides outreach to DBE's and community organizations to advise them of opportunities.
14. Maintains an up to date copy of the Iowa DOT directory of certified DBE's.

#### **DBE Financial Institutions (§26.27)**

It is the policy of the *City of Humboldt* to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contracts to make use of these institutions. The City has searched the Iowa Department of Transportation's current Directory of Certified Disadvantage Business Enterprises and found no such institutions in the community.

Information on the availability of such institutions can be obtained from the DBE Liaison Officer.

#### **Prompt Payment Mechanisms (§26.29)**

The *City of Humboldt* established a contract clause implementing the prompt payment requirement and requires prime contractors to pay subcontractors for satisfactory performance of their contracts no later than 30 days from the prime contractor's receipt of each payment from the city. The City will include the following clause in each DOT-assisted prime contract:

*"The Contractor is required to pay all subcontractors for satisfactory performance of their contracts no later than 30 days after the Contractor has received a partial payment. The Owner must ensure prompt and full payment of retainage from the prime Contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed. A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the Owner. When the Owner has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed."*

#### **Directory (§26.31)**

The *City of Humboldt* utilizes a directory developed and monitored by the Iowa DOT identifying all firms eligible to participate as DBE's. The directory lists the firm's name, address, phone number, date of most recent certification, and the type of work the firm has been certified to perform as a DBE. The Directory is revised by the Iowa DOT as new DBE contractors are added or existing DBE contractor contact information is changed. The *City of Humboldt* makes the Directory available to all bidders in their efforts to meet the DBE goals established by the *City of Humboldt* and made part of the bid specifications. The Directory may be found at [http://www.iowadot.gov/civilrights/dbe\\_program.html](http://www.iowadot.gov/civilrights/dbe_program.html).

### **Overconcentration (§26.33)**

The *City of Humboldt* has not identified any overconcentration.

### **Business Development Program (§26.35)**

The *City of Humboldt* has not established a business development program.

### **Monitoring and Enforcement Mechanisms (§26.37)**

The City will bring to the attention of the Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in §26.109. The City also will consider similar action under its own legal authorities. The city also holds available the option of breach of contract action, pursuant to the terms of the contract, to enforce the DBE requirements contained in its contracts. The City will provide a monitoring and enforcement mechanism to verify that work committed to DBE's at contract award is actually performed by the DBE's.

#### Monitoring Payments to DBEs and Non-DBEs

The *City* requests annual information from prime contractors that includes amount and date paid to subcontractors during the fiscal year. The payment information is also requested from prime contractors at the close out of the project. The *City* will keep a running tally of actual payments to DBE firms for work committed to them as part of this monitoring. For non-DBE subcontractors the contractor shall provide a list of subcontractors at the pre-construction meeting for the project.

The *City of Humboldt* requires that prime contractors maintain records and documents of payments to subcontractors, including DBEs for a minimum of three years. These records will be made available for inspection upon request by any authorized representative of the *City of Humboldt* or DOT. This reporting requirement extends to all subcontractors, both DBE and non-DBE.

#### Prompt Payment Dispute Resolution and enforcement

The City of Humboldt will take the following steps to resolve disputes as to whether work has been satisfactorily completed for purposes of prompt payment.

- When notified that a subcontractor has not been paid for work performed, the city's project manager will contact the prime contractor to determine the reasons.
- If needed, a meeting between prime contractor, subcontractor and the City of Humboldt's project manager will be set up to determine any discrepancies and identify a resolution.
- If the subcontractor still has a complaint with the prompt payment, the subcontractor may contact the DBELO for assistance in a resolution.



- The City may determine that no further payments will be made to the prime contractor until the subcontractor is paid for work successfully performed.
- If the prime contractor continues to not pay sub-contractors, additional legal action for breach of contract may be pursued.

The city will actively implement the enforcement actions detailed in this section.

### **Fostering Small Business Participation (§26.39)**

This small business element serves as the race and gender neutral method to structure contracting requirements and to facilitate and support competition by small business concerns, including DBE's. The *City of Humboldt* shall foster small business participation by using programs administrated by the Iowa Department of Transportation. This shall be accomplished as follows:

1. The *City of Humboldt* is a signatory participant in the Iowa Department of Transportation's Disadvantaged Business Enterprise Program.
2. The Iowa Department of Transportation's Disadvantaged Business Program includes attachments that provide the general provisions, definitions, and eligibility determination procedures for the Emerging Small Business (ESB) Program.
3. Attachment D includes the Iowa DOT's Emerging Small Business Program and includes Supportive Service Programs Offered by the Iowa DOT for ESBs.
4. In addition, the *City of Humboldt* will provide notice of upcoming bid opportunities for FAA funded improvement projects to ESB's certified by the Iowa DOT. A current list of certified ESB's can be obtained by contacting the Iowa Department of Transportation.

## **SUBPART C**

### **GOALS, GOOD FAITH EFFORTS, AND COUNTING**

#### **Set-asides or Quotas (§26.43)**

The City does not use quotas in any way in the administration of this DBE program.

#### **Overall Goals (§26.45)**

The *City of Humboldt* will establish an overall DBE goal covering a three-year federal fiscal year period if we anticipate awarding DOT/FAA funded prim contracts the cumulative total of which exceeds \$250,000 during any one or more of the reporting fiscal years within the three-year goal period. In accordance with Section 26.45(f) the *City of Humboldt* will submit its Overall Three-year DBE Goal to FAA by August 1<sup>st</sup> as required by the schedule set by the DOT.

The DBE goals will be established in accordance with the 2-step process as specified in 49 CFR Part 26.45. If the city does not anticipate awarding DOT/FAA funded prime contracts the cumulative total value of which exceeds \$250,000 during any of the years within the three-year reporting period, we will not develop an overall goal; however, this DBE program will remain in effect and the city will seek to fulfill the objectives outlined in 49 CFR Part 26.1

A description of the methodology to calculate the overall goal and the goal calculations can be found in Attachment A to this program. Attachment A of this program will be updated on a three-year cycle.

In accordance with Section 26.45(g) the City will consult with the Iowa DOT and other stakeholders to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs and the City's efforts to establish a level playing field for the participation of DBEs.

Following the consultation, the City will publish a notice of the proposed overall goals, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the City Administrator's office. The proposed overall DBE goal will be submitted to the local newspaper for public notification, posted on the city's web site, and may be posed in other sources. We will inform the public that the proposed goal and its rationale are available for inspection during normal business hours at our principal office and the City and the U.S. DOT will accept comments about the goals for 30 days from the date of public notification. Notice of the comment period will include the addresses to which comments may be sent and where the proposal may be reviewed. The public comment period will not extend the August 1<sup>st</sup> deadline.

The Overall Three-Year DBE Goal submission to DOT/FAA will include a summary of information and comments received during the public participation process and responses by the

City.

The City will begin using the overall goal on October 1 of the reporting period, unless the city receives other instructions from the DOT. If the City establishes a goal on a project basis, we will begin using our goal by the time of the first solicitation for a DOT-assisted contract for the project.

The City understands that we are not required to obtain prior operating administration concurrence with our overall goal. However, if the operating administration's review suggests that our overall goal has not been correctly calculated or that our method for calculating goals is inadequate, the operating administration may, after consulting with us, adjust our overall goal or require that we do so. The adjusted overall goal is binding. In evaluating the adequacy or soundness of the methodology used to derive the overall goal, the US DOT operating administration will be guided by the goal setting principles and best practices identified by the Department's guidance.

#### **Failure to meet overall goals (§26.47)**

The *City of Humboldt* will maintain an approved DBE Program and overall DBE goal, if applicable as well as administer our DBE Program in good faith to be considered to be in compliance with this part.

If the awards and commitments shown on the Uniform Report of Awards or Commitments and Payments at the end of the year are less than the overall goal, we will do the following in order to be regarded by the Department as implementing the DBE program in good faith:

- 1) Analyze the reasons for the difference;
- 2) Establish steps to improve the achievement of the goal; and
- 3) Maintain the analysis and corrective actions on file for a minimum of three years and make it available to the FAA upon request.

#### **Estimated Race-Neutral & Race-Conscious Participation (§26.51)**

The *City of Humboldt* will meet the maximum feasible portion of its overall goal by using a combination of race-neutral and race-conscious means of facilitating DBE participation. The *City of Humboldt* uses the following race-neutral means to increase DBE participation: Ensuring distribution of the DBE Directory to potential prime contractors.

The City is estimating that 100% of its overall goal will be accomplished by race-conscious means. This race-conscious participation arises from prime contracts and subcontracts being awarded to the lowest bidder.

The City will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see §26.51(f)) and we will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation

through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

### **Contract Goals (§26.51)**

The *City of Humboldt* will use contract goals to meet any portion of the overall goal that the City does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the City's overall goal that is not projected to be met through the use of race-neutral means.

The City will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. The City does not need to establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBE's to perform the particular type of work)

The City will express our contract goals as a percentage of the total amount of a DOT-assisted contract.

### **Good Faith Efforts (§26.53)**

#### Demonstration of Good Faith Efforts (§26.53(a) & (c))

The obligation of the bidder is to make good faith efforts. The bidder can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts.

The following personnel are responsible for determining whether a bidder who has not met the contract goal has document sufficient good faith efforts to be regarded as responsive: *City of Humboldt City Council*.

The City will ensure that all information is complete and accurate and adequately documents the bidder's good faith efforts before the City commits to the performance of the contract by the bidder.

#### Information to be Submitted (§26.53(b))

The *City of Humboldt* treats bidders compliance with good faith efforts requirements as a matter of responsiveness.

Each solicitation for which a contract goal has been established will require bidders to submit the following information with their bid.

1. The names and addresses of DBE firms that will participate in the contract.
2. A description of the work that each DBE will perform.
3. The dollar amount of the participation of each DBE firm participation.
4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal.
5. Written and signed confirmation from the DBE that it is participating in the contract as provided in the prime contractor's commitment; and
6. If the contract goal is not met, written documentation of good faith efforts.

The City's documentation requirements are found in **ATTACHMENT B**.

Administrative Reconsideration (§26.53(d))

Within two (2) days of being informed by the *City of Humboldt* that it is not responsive because of insufficient documentation of good faith efforts, a bidder may request administrative reconsideration. Bidders should make this reconsideration request in writing, to the City official:

City Administrator  
29 5th Street South  
Humboldt, Iowa 50548  
Phone: (515) 332-3435

This City official will not have played any role in the original determination that the bidder did not sufficiently document good faith efforts.

As part of this reconsideration, the bidder will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The bidder will have the opportunity to meet in person with the City official to discuss the issue of whether it met the goal or made adequate good faith efforts to do. The City will send the bidder a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transportation.

The successful bidder shall be selected on the basis of having submitted the lowest responsible and responsive bid. In order to qualify as a responsible and responsive bid, the bidder must make a good faith effort to meet the advertised project goal. The bidder may accomplish this in one of two ways:

1. By meeting the goal and documenting the commitment of the DBE firms;
2. By documenting their good faith efforts in the event they are unable to meet the advertised goal.

Appendix A to 49 CFR Part 26 provides guidance concerning good faith efforts. Such actions include but are not limited to:

- Soliciting DBE participation through all reasonable and available means and taking appropriate steps to follow up with initial solicitations.
- Selecting portions of work that increases the likelihood that DBE firms will be available to participate even when the prime contractor might otherwise prefer to perform these work items with its own forces.
- Providing DBE firms with sufficient information and time to review the project plans and specifications.
- Documenting all contacts with DBE firms. This includes names, address, phone number, date of contact and record of conversation/negotiations.

The fact that there may be some additional cost involved in finding and using DBEs is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such cost are reasonable. Prime contractors are not, however, required to accept higher quotes for DBEs if the price difference is excessive or unreasonable.

In determining whether a bidder has made a good faith effort, the performance of other bidders will be taken into account. For example, when the apparent low bidder fails to meet the contract goal, but others meet it, the good faith effort will be called into question. If the apparent low bidder fails to meet the goal, but meets or exceeds the average DBE participation obtained by other bidders, this will be viewed on conjunction with other factors, as evidence of the apparent low bidders having made good faith efforts.

#### Good Faith Efforts when a DBE is Replaced on a Contract (§26.53(f))

The City will require a contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. The City will require the prime contractor to notify the DBE Liaison Officer immediately of the DBE's inability or unwillingness to perform and will provide sufficient documentation of the DBE's inability or unwillingness to perform.

In this situation, the City will require the prime contractor to obtain its prior approval of the substitute DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts. If the contractor fails or refuses to comply, the *City of Humboldt* will issue an order stopping all or part of payment/work until satisfactory action has been taken.

#### **Counting DBE Participation (§26.55)**

DBE credit will be counted toward goal as provided in 49 CFR 26.55.

## **SUBPARTS D & E**

### **CERTIFICATION**

#### **Certification Process (§26)**

The *City of Humboldt* will rely on the certification standards and procedures of the Iowa Department of Transportation for determination of a firm's eligibility for participation as a DBE in U.S. DOT assisted contracts. All participating DBE's in U.S. DOT assisted contracts, must comply and be certified as a DBE through Iowa's Unified Certification Program (UCP) in accordance with 49 CFR §26.81. To be considered a DBE for this program, a firm must document current certification through the Iowa Department of Transportation.

For information about the certification process, decertification process or to apply for certification, firms should contact:

External Civil Rights Administrator  
Iowa DOT, Office of Employee Services  
800 Lincoln Way  
Ames, IA 50010  
Phone: 515/239-1422  
Fax: 515/239-1175

Any firm or complainant may appeal the Iowa DOT's decision in a certification matter to U.S. DOT. Such appeals may be sent to:

Departmental Office of Civil Rights  
External Civil Rights Program Division  
U.S. Department of Transportation  
1200 New Jersey Ave. S.E., W78-101  
Washington, DC 20590

## **SUBPART F COMPLIANCE AND ENFORCEMENT**

### **Information, Confidentiality, Cooperation (§26.109)**

The *City of Humboldt* will safeguard from disclosure to third parties information that may reasonably be regarded as confidential business information, consistent with Federal, state, and public law.

Notwithstanding any contrary provisions of state or local law, the City will not release financial information submitted in response to personal net worth requirement to a third party (other than DOT) without written consent of the submitter.

#### Monitoring Payments to DBE's

The City will require prime contractors to maintain records and documents of payments to DBE's for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the *City of Humboldt* or DOT. This reporting requirement also extends to any certified DBE subcontractor.

The City will perform interim audits of contract payments to DBE's. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

#### Reporting to DOT

The City will annually submit the Uniform Report of DBE Awards or Commitments and Payments form, as modified for use by FAA recipients.

#### Confidentiality

The City will safeguard from disclosure to third parties, information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law. Notwithstanding any contrary provisions of state or local law, the City will not release personal financial information submitted in response to the personal net worth requirement to a third party other than DOT without the written consent of the submitter.

#### Attachments

- A - Overall DBE Goal Methodology and Three-Year Goal
- B - DBE Utilization Statement, Letter of Intent, Uniform Report of DBE Awards or Commitments and Payments, and DBE Payment Information
- C – Organizational Chart
- D – Small Business Element



Attachment A

## Attachment A

### Section 26.45: Overall Goal Calculation

**Name of Recipient:** Humboldt Municipal Airport

**Goal Period:** FY 2019 – FY 2021 – October 1, 2018 through September 30, 2021

**DOT-assisted contract amount:**

FY 2019	\$ 432,000
FY 2020	\$ 306,000
FY 2021	<u>\$ 2,295,000</u>
Total	\$ 3,033,000

**Overall DBE Goal:** .62% to be accomplished through 100% race conscious and 0% race neutral.

**Total dollar amount to be expended on DBE's:** \$18,927

**Describe the Number and Type of Projects for this FY:**

- a. (FY 2019) Construct Snow Removal Equipment Storage Building
- b. (FY 2020) Runway Improvements - Design
- c. (FY 2021) Runway Improvements – Construction

**Market Area:** Humboldt County, State of Iowa

**Determination of Market Area:**

- a. A small number of available prime/subcontractors come from Humboldt County.
- b. The sizes of the project/projects are large enough to justify contractors from other areas of the state to participate in these projects.
- c. Participation from subcontractors outside of the state is not expected to due to relatively small dollar items that wouldn't justify travel outside the state.
- d. The City has defined the market area as the State of Iowa.

**Step 1.**

To determine the relative available DBE's to perform the work, the DBE goal was established as follows:

- a. Construction items and relative weight of each item is based on the preliminary project estimate.
- b. DBE contractors were gathered from the Iowa Department of Transportation's Current Directory of Certified Disadvantage Business Enterprises.
- c. Using the Iowa DBE Directory, the City determined the number of ready, willing and able DBE's who perform work in the Work Type for the project in its market area. Total available contractors were identified from the US Census Bureau and the Iowa Workforce Development Website. The City has defined its market area as the state of Iowa.
- d. Only Iowa based contractors were counted. The subcontract opportunities are for relatively small dollar items and would not justify travel out of state.
- e. The City then divided the number of DBE's by the number of all businesses that perform work in the Work Type for the project. This calculation produces a base figure for the relative availability of DBE's in the City's market.
- f. Each fiscal year in the three year goal period was weighted and overall 3 year goal was achieved.
- g. See the summary below for more information.

Fiscal Year	Total Amount	DBE Goal	DBE Amount	Weighted Goal
2019	\$432,000	1.11%	\$4,808	0.16%
2020	\$306,000	0.00%	\$0	0.00%
2021	\$2,295,000	0.62%	\$14,119	0.47%
<b>Total</b>	<b>\$3,033,000</b>		<b>\$18,927</b>	<b>0.62%</b>

**Step 2. Analysis:**

Once the base figure for the three-year goal was determined, the City of Humboldt examined all evidence available in the jurisdiction to determine what adjustment, if any, is need to the base figure to arrive at the overall goal.

There is no historical DBE data for similar work types for the Humboldt Airport in the last five years to make an adjustment to the Step 1 base figure; therefore, the City of Humboldt is adopting its Step 1 base figure as its overall goal for this three-year goal.

There are no applicable disparity studies for the local market area or recent legal case information available from the Iowa Department of Transportation to show any evidence of barriers to entry or competitiveness of DBEs in the state of Iowa.

No step 2 adjustment to the base figures as a result of this process. Therefore the City of Humboldt proposes to set the FY 2019-2021 DBE Goal at 0.62%, based on Step 1, the availability of ready, willing and able DBE firms as a percentage of all firm that are ready, willing and able, without a step 2 adjustment.

**Breakout of Estimated Race and Gender Neutral (RN) and Race and Gender Conscious (RC) Participation 26.51(b)**

The City of Humboldt does not have a history of recent DBE participation or over-achievement of goals to reference and expects to obtain its DBE participation through the use of DBE contract goals or a conscious effort to obtain DBE participation. In addition, the city of Humboldt typically is expecting only three FAA funded projects in the three year period with little opportunity to achieve race neutral participation. Therefore the entire goal of 0.62 percent will be applied to race conscious participation.

**Public Participation**

**Consultation:**

The City of Humboldt submits its overall DBE three-year goal to FAA by August 1 as required by the set schedule.

Before establishing the goal, the City of Humboldt consulted with the Iowa Department of Transportation to review the DOT’s outreach efforts to encourage the participation of DBEs. The City of Humboldt also participated in a meeting sponsored by the Iowa DOT, in which contractors and DBEs were invited to discuss the setting of the goal and efforts to establish a level playing field for participation of DBEs.

Following the consultation, the City of Humboldt published a notice of the proposed goal on the City of Humboldt’s website and in the *Humboldt Independent*, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the public works office for 30 days following the date of the notice, and informing the public that the City of Humboldt and the FAA will accept comments on the goals for 30 days from the date of the notice. A summary of comments received are included below:

**Published Notice:**

Below is the public notice that shall be placed in the *Humboldt Independent* and on the city's official website by the City of Humboldt:

**PUBLIC NOTICE**

The Humboldt Municipal Airport hereby announces its fiscal years 2019, 2020 and 2021 goal of 0.62% for Disadvantaged Business Enterprise (DBE) airport construction projects. The proposed goals and rationale is available for inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday at the City Administrator's Office, 29 5th Street South, Humboldt, Iowa 50548 for 30 days from the date of this publication.

Comments on the DBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

Travis Goedken  
City Administrator  
29 5th Street South  
Humboldt, Iowa 50548

or

Ofelia Medina  
Federal Aviation Administration  
Western-Pacific Region Headquarters, AWP-9  
P.O. Box 92007  
Los Angeles, CA 90009-2007

Overall Goal Calculation  
Humboldt Municipal Airport  
FY 2019-FY 2021

**FY 2019 - Construct Snow Removal Equipment Building**

Item No.	NAICS Codes	Description	Estimated Cost	Weight	Number of DBE Contractors	Number of All Contractors	Percent Available DBE Contractors	Weighted Goal
1	----	Mobilization, Traffic Control and Safety Plan	\$30,000	6.3%	0	100	0.0%	0.00%
2	238910	Grading and Site Preparation	\$20,000	4.2%	4	577	0.7%	0.03%
3	238910	Subgrade Preparation	\$3,200	0.7%	4	577	0.7%	0.00%
4	238910	Subbase, 6" Floor and Approach	\$7,200	1.5%	4	577	0.7%	0.01%
5	237310	6" PCC - Floor	\$18,000	3.8%	7	99	7.1%	0.27%
6	237310	6" PCC - Approach	\$25,000	5.2%	7	99	7.1%	0.37%
7	237110	Water Service from Terminal Building	\$20,000	4.2%	7	99	7.1%	0.29%
8	236220	50' x 50' Snow Removal Equipment Building - C	\$210,000	43.8%	0	100	0.0%	0.00%
9	237110	Floor Drains and Holding Tank	\$20,000	4.2%	4	123	3.3%	0.14%
10	561730	Seeding, Fertilizing and Mulching	\$5,000	1.0%	5	936	0.5%	0.01%
11	238210	Electrical Service to Building	\$10,000	2.1%	0	100	0.0%	0.00%
12	----	Miscellaneous Construction:	\$35,000	7.3%	0	100	0.0%	0.00%
13	541330	Legal, Administration and Engineering	\$76,600	16.0%	0	100	0.0%	0.00%
<b>Total Snow Removal Equipment Storage Building</b>			<b>\$480,000</b>	<b>100.0%</b>				<b>1.11%</b>
FAA Share			\$432,000					

**FY 2020 - Runway Improvements - Design**

Item No.	NAICS Codes	Description	Estimated Cost	Weight	Number of DBE Contractors	Number of All Contractors	Percent Available DBE Contractors	Weighted Goal
1.	541370	AGIS Survey	\$100,000	29.4%	0	52	0.0%	0.00%
2.	541330	Administration, Legal, Engineering	\$200,000	58.8%	0	100	0.0%	0.00%
3.	541330	Obstruction Mitigation Plan	\$40,000	11.8%	0	100	0.0%	0.00%
4.	Total		\$340,000	100%				0.00%
FAA Share			\$306,000					

**FY 2021 - Runway Improvements - Construction**

Item No.	NAICS Codes	Description	Estimated Cost	Weight	Number of DBE Contractors	Number of All Contractors	Percent Available DBE Contractors	Weighted Goal
1	---	Safety Plan Compliance Document	\$10,000	0.4%	0	100	0.0%	0.00%
2	---	CSPP and SPCA Compliance	\$30,000	1.2%	0	100	0.0%	0.00%
3	---	Mobilization	\$150,000	5.9%	0	100	0.0%	0.00%
4	238910	Unclassified Excavation or Borrow	\$200,000	7.8%	2	577	0.3%	0.03%
5	238910	Fly Ash Treated Subgrade Preparation, 12"	\$45,000	1.8%	2	577	0.3%	0.01%
6	238910	Fly Ash	\$58,500	2.3%	2	577	0.3%	0.01%
7	238910	Pavement Removal (Including Old Runway and West	\$72,000	2.8%	4	577	0.7%	0.02%
8	237310	Milling	\$70,000	2.7%	2	577	0.3%	0.01%
9	237310	HMA Pavement (Including Turnarounds & 3" Overlay)	\$885,000	34.7%	1	99	1.0%	0.35%
10	237310	Modified Subbase, 8"	\$85,000	3.3%	0	100	0.0%	0.00%
11	238210	Removal of Existing Electrical Runway Edge Lights	\$5,000	0.2%	0	100	0.0%	0.00%
12	238210	Removal of Existing REIL and VASI Systems	\$5,000	0.2%	0	100	0.0%	0.00%
13	238210	#8 AWG, 5KV, L-824, Type C Cable, Installed in Duct	\$18,000	0.7%	0	100	0.0%	0.00%
14	238210	#6 AWG, Ground, 600V, L-824, Type C Cable, Install	\$10,000	0.4%	0	100	0.0%	0.00%
15	238210	#6 AWG, Solid Bare Counterpoise wire, Installed in T	\$17,000	0.7%	0	100	0.0%	0.00%
16	238210	#4 AWG, 600V, L-824, THWN-2 Cable, Installed in D	\$44,000	1.7%	0	100	0.0%	0.00%
17	238210	1-Way 2 Inch Schedule 40 PVC Conduit, Including Tr	\$37,500	1.5%	0	100	0.0%	0.00%
18	238210	1-Way 2 Inch Schedule 40 PVC Conduit, Directional I	\$15,000	0.6%	0	100	0.0%	0.00%
19	238210	L-867 Electrical Hand Hole	\$20,000	0.8%	0	100	0.0%	0.00%
20	238210	L-861 MIRL, LED, Base Mounted Runway Edge Light	\$40,800	1.6%	0	100	0.0%	0.00%
21	238210	L-861 E MIRL, LED, Base Mounted Runway Threshol	\$19,200	0.8%	0	100	0.0%	0.00%
22	238210	Install LED PAPI System	\$50,000	2.0%	0	100	0.0%	0.00%
23	238210	Install LED REIL System	\$30,000	1.2%	0	100	0.0%	0.00%
24	237110	Storm Sewer Intake, Rectangular Intake SW-513 (No	\$15,000	0.6%	4	123	3.3%	0.02%
25	237110	Subdrain Tile (Entire North End)	\$60,000	2.4%	4	123	3.3%	0.08%
26	237110	30" RCP Pipe	\$35,000	1.4%	4	123	3.3%	0.04%
27	238210	Reflectors	\$10,800	0.4%	0	100	0.0%	0.00%
28	238210	Spare Parts	\$1,000	0.0%	0	100	0.0%	0.00%
29	237310	Pavement Marking – First Application	\$30,000	1.2%	2	99	2.0%	0.02%
30	237310	Pavement Marking – Final Application	\$22,500	0.9%	2	99	2.0%	0.02%
31	238910	Filter Socks/Silt Fence	\$25,000	1.0%	3	577	0.5%	0.01%
32	561730	Seeding, Fertilizing and Mulching	\$35,000	1.4%	5	936	0.5%	0.01%
33	---	Reimbursable Flight Agreement (PAPI)	\$15,000	0.6%	0	100	0.0%	0.00%
34	---	Miscellaneous Construction	\$200,000	7.8%	0	100	0.0%	0.00%
35	541330	Administration, Legal, Engineering	\$183,700	7.2%	0	100	0.0%	0.00%
Total			\$2,550,000	100%				<b>0.62%</b>
FAA Share			\$2,295,000					

**FY 2019-2021 Summary**

FY Year	FAA Estimated Cost	Weight	DBE Dollars	DBE Goal	Weighted Goal
FY 2019	\$432,000	14.2%	\$4,808	1.11%	0.16%
FY 2020	\$306,000	10.1%	\$0	0.00%	0.00%
FY 2021	\$2,295,000	75.7%	\$14,119	0.62%	0.47%
	<b>3,033,000</b>	<b>100.0%</b>	<b>\$18,927</b>		<b>0.62%</b>

Assumptions:

- Construction items and relative weight of each item is based on the preliminary project estimate.
- Available contractor information is from the Iowa Workforce Development registered contractors when available for a NAICS code; otherwise from the 2012 US Economic Census.
- The DBEs are from the Iowa Department of Transportation's DBE Directory.
- Only Iowa based contractors were counted. The subcontract opportunities are for relatively small dollar items and would not justify travel out of state.
- When no DBE contractors are found for an item an arbitrary number of 100 for all contractors is used to perform calculations.

Airport Name: Humboldt Municipal

Telephone: 515-332-3435

Prepared By: City of Humboldt

E-mail Address: travisg@cityofhumboldt.org

Date Prepared: November 2017

Date Approved: \_\_\_\_\_

Project Description	Funding Source	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Snow Removal Equipment Storage Building	<b>Federal</b>	\$ 432,000	\$ -	\$ -	\$ -	\$ -
	<b>State</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Local</b>	\$ 48,000	\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	\$ 480,000	\$ -	\$ -	\$ -	\$ -
Runway Pavement Rehabilitation, Line of Sight Correction and Lighting Improvements - Design	<b>Federal</b>	\$ -	\$ 306,000	\$ -	\$ -	\$ -
	<b>State</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Local</b>	\$ -	\$ 34,000	\$ -	\$ -	\$ -
	<b>Total</b>	\$ -	\$ 340,000	\$ -	\$ -	\$ -
Runway Pavement Rehabilitation, Line of Sight Correction and Lighting Improvements - Construction	<b>Federal</b>	\$ -	\$ -	\$ 2,295,000	\$ -	\$ -
	<b>State</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Local</b>	\$ -	\$ -	\$ 255,000	\$ -	\$ -
	<b>Total</b>	\$ -	\$ -	\$ 2,550,000	\$ -	\$ -
	<b>Federal</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>State</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Local</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Federal</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>State</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Local</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -

Attachment B

UTILIZATION STATEMENT  
Disadvantage Business Enterprise

The undersigned bidder/offeror has satisfied the requirements of the bid specification in the following manner. *(Please check the appropriate box)*

- **The bidder/offeror is committed to a minimum of \_\_\_\_\_% DBE utilization on this contract.**
- **The bidder/offeror, while unable to meet the DBE goal of \_\_\_\_\_%, hereby commits to a minimum of \_\_\_\_\_% DBE utilization on this contract and also submits documentation, as an attachment, demonstrating good faith efforts (GFE).**

The undersigned hereby further assures that the information included herein is true and correct, and that the DBE firm(s) listed herein have agreed to perform a commercially useful function in the work items noted for each firm. The undersigned further understands that no changes to this statement may be made without prior approval from the Civil Right Staff of the Federal Aviation Administration.

\_\_\_\_\_  
Bidder's/Offeror's Firm Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**DBE UTILIZATION SUMMARY**

<u>Percentage</u>	<u>Contract Amount</u>	<u>DBE Amount</u>	<u>Contract</u>
DBE Prime Contractor	\$ _____ x 1.00 =	\$ _____	_____ %
DBE Subcontractor	\$ _____ x 1.00 =	\$ _____	_____ %
DBE Supplier	\$ _____ x 0.60 =	\$ _____	_____ %
DBE Manufacturer	\$ _____ x 1.00 =	\$ _____	_____ %
Total Amount DBE		\$ _____	_____ %
DBE Goal		\$ _____	_____ %

\* If the total proposed DBE participation is less than the established DBE goal, you must provide written documentation of the good faith efforts as required by 49 CFR Part 26.





# REPORT OF DBE GOAL ACCOMPLISHMENTS

General Reporting

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS			
**Please refer to the instructions sheet for directions on filling out this form**			
1. Submitted to (check only one): <input type="checkbox"/> PHWA <input type="checkbox"/> FAA <input type="checkbox"/> FTA - Request ID Number			
2. AIP Number (FAA Recipients); Grant Number (FTA Recipients):			
3. Federal fiscal year in which reporting period falls: <input type="checkbox"/> Reporting Period: <input type="checkbox"/> Report due June 1 (for period Oct. 1-Mar. 31) <input type="checkbox"/> Report due Dec. 1 (for period April 1-Sept. 30) <input type="checkbox"/> FAA annual report due Dec. 1			
4. Date This Report Submitted:			
5. Name and address of Recipient:			
7. Annual DBE Goal(s):			
Race Conscious Projection		Race Neutral Projection	
		OVERALL Goal	

**Awards/Commitments this Reporting Period**

	A Total Dollars	B Total Number	C Total to DBEs (dollars)	D Total to DBEs (number)	E Total to DBEs /Race Conscious (dollars)	F Total to DBEs/Race Conscious (number)	G Total to DBEs/Race Neutral (dollars)	H Total to DBEs/Race Neutral (number)	I Percentage of total dollars to DBEs
<b>A AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD</b> (total contracts and subcontracts committed during this reporting period)									
8. Prime contracts awarded this period									
9. Subcontracts awarded/committed this period									
<b>10. TOTAL</b>									

B BREAKDOWN BY ETHNICITY & GENDER	Contracts Awarded to DBEs this Period					
	A Total to DBE (dollar amount)			D Total to DBE (number)		
	Women	Men	Total	Women	Men	Total
11. Black American						
12. Hispanic American						
13. Native American						
14. Asian-Pacific American						
15. Subcontinent Asian Americans						
16. Non-Minority						
<b>17. TOTAL</b>						

**Payments Made this Period**

C PAYMENTS ON ONGOING CONTRACTS	A Total Number of Contracts	B Total Dollars Paid	C Total Number of Contracts with DBEs	D Total Payments to DBE firms	E Total Number of DBE firms Paid	F Percent to DBEs
18. Prime and sub contracts currently in progress						
<b>D TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD</b>	A Number of Contracts Completed		B Total Dollar Value of Contracts Completed		C DBE Participation Needed to Meet Goal (Dollars)	D Total DBE Participation (Dollars)
19. Race Conscious						
20. Race Neutral						
21. Totals						
22. Submitted By:	24. Signature:			25. Phone Number:		

# DBE Payment Information

For FAA Airport Improvement Program Construction Contracts

**Contract Information:**

Airport: \_\_\_\_\_

AIP Project Number: \_\_\_\_\_

Description of Work: \_\_\_\_\_

Total Construction Contract Dollars Awarded: \$ \_\_\_\_\_

Total Construction Contract Dollars Paid: \$ \_\_\_\_\_

Name of Prime Contractor: \_\_\_\_\_

Was a DBE goal set for this contract? Yes \_\_\_ No \_\_\_. If Yes, DBE goal was: \_\_\_\_\_

**Subcontract Information:**

Names of DBE Subcontractors	Disadvantaged Group*	Classification		Commitment Amount	Actual Amount Paid	Date Paid
		Sub-Contractor	Supplier			
Total Amount Paid to DBE Contractors						

**\*Disadvantaged Group:**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>1. Black American</li> <li>2. Hispanic American</li> <li>3. Native American</li> <li>4. Subcont. Asian American</li> </ul> | <ul style="list-style-type: none"> <li>5. Asian Pacific American</li> <li>6. Non-minority Women</li> <li>7. Other (not of any group listed here)</li> </ul> |
|---|---|

**Signatures:**

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

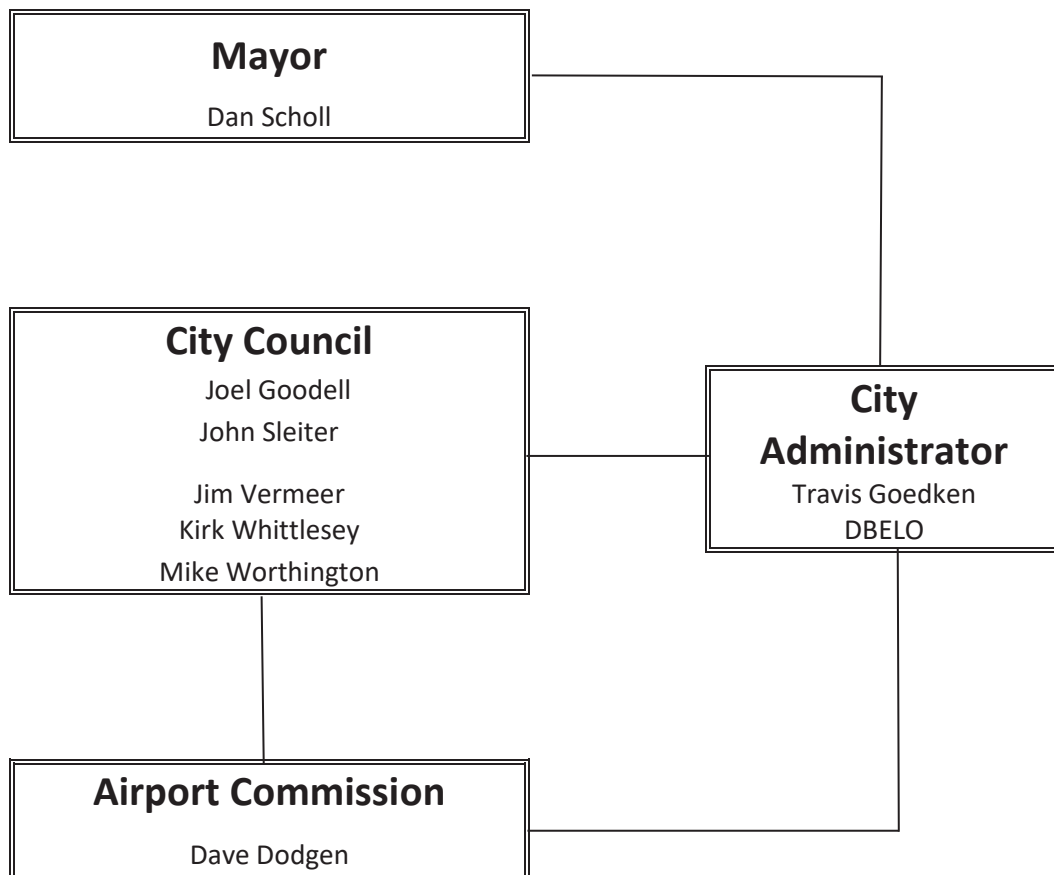
Company Name: \_\_\_\_\_



Attachment C

# ORGANIZATIONAL CHART

DBE Program  
Humboldt Municipal Airport



Attachment D

## ATTACHMENT D

### Small Business Element

As a signatory participant in the Iowa Department of Transportation's Disadvantaged Business Enterprise Program, the *City of Humboldt* adopts the use of the Emerging Small Business (ESB) program established by the Iowa DOT. The ESB Program is intended to provide assistance to eligible small businesses, which could not otherwise participate successfully in the competitive process for award for construction work, to enable such businesses to gain the knowledge, experience and resources needed to participate on their own in the competitive process for such contracts, thereby increasing competition and lowering the cost to the public for such work.

#### 1. Objective/Strategies

This small business element serves as the race and gender neutral method to structure contracting requirements and to facilitate and support competition by small business concerns, including DBE's. The *City of Humboldt* shall foster small business participation by using the Emerging Small Business (ESB) Program administrated by the Iowa Department of Transportation. This shall be accomplished as follows:

- Attachments to the Iowa Department of Transportation's Disadvantaged Business Enterprise Program provides General Provisions, Definitions, and Eligibility. The Iowa DOT ESB Program is attached for reference. The Emerging Small Business program will be used to encourage prime contractors to provide subcontracting opportunities that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.
- The *City of Humboldt* will provide notice of upcoming bid opportunities for FAA funded improvement projects to ESB's certified by the Iowa DOT. A current list of certified ESB's can be obtained by contacting the Iowa Department of Transportation.
- An attachment to the Department of Transportation's Disadvantaged Business Enterprise Program provides for Supportive Service Programs Offered by the Iowa DOT for ESBs. The city will encourage local small businesses to participate.

#### 2. Definition

- *See attached Iowa DOT's ESB program.*

#### 3. Verification

- *See attached Iowa DOT's ESB program.*

#### 4. Monitoring/Record Keeping

- The use of small business firms will be monitored annually.

## **5. Implementation Timeline**

- This program will be implemented with the next contracting opportunity.

## **6. Assurance**

The *City of Humboldt* assures that by using the Iowa DOT's ESB Program, the following assurances are met:

1. that the program is authorized under state law;
2. that certified DBEs that meet the size criteria established under the program are presumptively eligible to participate in the program;
3. that there are no geographic preferences or limitations imposed on any federally assisted procurement included in the program;
4. that there are no limits on the number of contracts awarded to firms participating in the program but that every effort will be made to avoid creating barriers to the use of new, emerging, or untried businesses;
5. that aggressive steps will be taken to encourage those minority and women owned firms that are eligible for DBE certification to become certified; and
6. that the program is open to small businesses regardless of their location.



**Iowa Department of Transportation DBE Program:**  
**EMERGING SMALL BUSINESS (ESB) PROGRAM**

**General Provisions**

**Purpose**

*The ESB Program is intended to provide assistance to eligible small businesses, which could not otherwise participate successfully in the competitive process for award of Iowa DOT contracts for construction work, to enable such businesses to gain the knowledge, experience and resources needed to participate on their own in the competitive process for such contracts, thereby increasing competition and lowering the cost to the public for such work.*

**Applicability**

*These rules determine the approval, denial, suspension and revocation of eligibility for ESB status. Iowa DOT will provide certain development assistance tools to increase the opportunity for participation in designated Iowa DOT construction projects by all ESBs that meet the criteria and requirements. Development assistance available to ESBs will be provided through the Iowa DOT Supportive Services Program for DBE and ESB contractors.*

**Definitions**

*The following definitions shall apply to terms used in The ESB Program:*

- 1. Small Business: Any enterprise which is located in the state of Iowa, which is operated for profit and under a single management, and which has either fewer than twenty employees or an annual gross income of less than three million dollars computed as the average of the three preceding fiscal years.*
- 2. Affiliates: Affiliate companies that have any individual who is an officer, director, or partner in both companies, or if one or more person or entities own or control 20 percent or more of the stock of both companies.*
- 3. Bid: The offer of a contractor, on the prescribed bid proposal form, to perform the work and to furnish the labor and materials in conformance with the invitation for bids at the prices quoted.*
- 4. Business: A sole proprietorship, partnership, corporation, or any other legal entity authorized by law to perform construction work on Iowa DOT projects in Iowa. For the purposes of the eligibility requirement contained in Chapter 3(II)(2)(f) of these Rules, the term "business" shall also be construed to mean any principal of the business.*
- 5. Business Development Plan: A plan for growth and development of the business. The plan will be developed by the ESB with the assistance and approval of the Iowa DOT ESB Administrator. The plan will identify specific training that the ESB must complete 26 during the time period identified in the plan in order to develop the necessary skills and resources to obtain and perform work on projects.*
- 6. Iowa DOT: The Iowa Department of Transportation.*
- 7. Construction: Building, altering, repairing, improving, or demolishing work as described in a project let by the Iowa DOT.*
- 8. Contractor: Any individual, partnership, corporation, joint venture, company, firm, association, or any other legal entity contracting with, or intending to contract with,*

- Iowa DOT for performance of prescribed work.*
9. *Controlling Interest: Ownership of 51 percent or more of the business by one person, or ownership of the largest single portion of the business by one person if no one person holds 51 percent or more.*
  10. *Eligibility determination: The process of review by the Iowa DOT ESB Administrator of a business' qualifications to determine whether the business is eligible for the ESB Program.*
  11. *Emerging Small Business (ESB): A business that Iowa DOT has determined meets the eligibility criteria and requirements of the ESB Program.*
  12. *Independent business: A business that is not an affiliate any other business.*
  13. *Principal: A sole proprietor, a general or limited partner, a person who owns 25 percent or more or a controlling interest, a director, or an officer of the business.*
  14. *Supportive Services: Development assistance tools described in the Iowa DOT Support Services Program for DBE and ESB contractors (Attachment C).*

### ***Eligibility Determination***

#### ***Application Requirements***

*A business that desires to take part in the ESB Program must file an application for eligibility determination with Iowa DOT. The business must submit a complete application to Iowa DOT not less, than 60 calendar days prior to the date the business desires to participate in the ESB Program.*

*The business must obtain the application forms and a copy of the ESB Program from Iowa DOT. The business must complete and, if necessary, supplement the application forms to provide all information necessary for Iowa DOT to determine whether the business is eligible for the ESB Program.*

*The applicant shall provide the following information in the application:*

1. *The name, telephone number, address, and legal status (sole proprietorship, partnership, corporation, etc.) of the business seeking ESB eligibility.*
2. *The name, address, and telephone number of the registered agent of the business, if the business is a corporation.*
3. *The names, addresses, and telephone numbers of all principals of the business, and a listing of other businesses in which such persons have been or are currently principals.*
4. *The names, addresses, and telephone numbers of all persons or legal entities which own any interest in the business and affiliates and subsidiaries of the business, if any, and the percentage of ownership held by each.*
5. *A notarized document, signed by the owner or manager of the business, which reports the gross income for the business for the previous three years, if the business has been in existence for that period. If the business has not been in existence for the previous three years, then a document indicating the total gross income of the business for that period. If the business is a new business with no income earned to date, it must so certify on the form provided by Iowa DOT for that purpose.*
6. *A statement as to whether any principal or owner of the business has either been debarred or convicted of bid related crimes or violations within the past six years in any state or*

- federal jurisdiction, or is under notice of intent to debar in any jurisdiction, and the current status of any such principal or owner and debarment.*
- 7. A statement in which the business identifies all of its current resources, experience, education, training, capability, managerial skills, and the qualifications of its personnel;*
  - 8. A statement in which the business identifies: a. specific areas where it needs assistance, including but not limited to work performance, contract skills, resources, and experience; and b. specific development assistance tools authorized by the Supportive Services Program which can provide help to the business in successfully obtaining and performing work on Iowa DOT construction projects.*

### *Eligibility Determination Procedure*

*The following procedure shall govern Iowa DOT approval or denial of ESB eligibility:*

- 1. The business shall submit the application and supporting information to the Iowa DOT ESB Administrator. The business shall answer any questions the Iowa DOT ESB Administrator may have concerning the application information. The business shall provide all additional information requested by Iowa DOT as soon as possible. The ESB application will not be considered complete until all questions of the Iowa DOT ESB Administrator relative to the application have been answered to the satisfaction of Iowa DOT. The business shall have one year from the date of the initial application to provide the additional information needed to complete the application. Iowa DOT will not be required to take any action concerning an incomplete application.*
- 2. Iowa DOT will approve or deny an initial or renewal application for ESB eligibility status based upon all the terms and conditions of these Rules, including the following criteria:*
  - a. The business must be an independent business.*
  - b. The business must meet the definition of a small business.*
  - c. The business, and all principals or owners must not be an affiliate of any other highway construction business.*
  - d. Eligibility is limited to businesses performing construction work. Suppliers, manufacturers, truckers, consultants, and brokers are not eligible.*
  - e. The business must not have made false, deceptive, or fraudulent statements in the application for ESB eligibility or in any other information, statements, or documents submitted to Iowa DOT.*
  - f. The business must not have been in the ESB Program for longer than a maximum five calendar year period. The five year eligibility period shall commence with the date of Iowa DOT approval of the initial application of the business to enter the program and shall terminate five consecutive calendar years from that date, regardless of the then current eligibility status of the business.*
  - g. The business must commit in writing to complete the Business Development Plan and participate in the Supportive Services Program.*
  - h. The business, or any principal or owner of the business, must not have been debarred or convicted of bid-related crimes or violations within the past six years in any state or federal jurisdiction, or be under notice of intent to debar in any jurisdiction.*

3. *The Iowa DOT ESB Administrator shall give written notice of approval or denial of a completed ESB application, including renewals, promptly after receipt of such application.*
4. *If Iowa DOT approves an application, the term of ESB eligibility shall be for a period of one calendar year from the date of approval. ESB eligibility may be renewed for additional one year terms, up to the maximum of five consecutive years from the date of initial Iowa DOT approval of an application for ESB status, subject to the requirements of the ESB Program.*

#### Eligibility Maintenance

*After Iowa DOT has approved an initial application for ESB status, the ESB must submit a separate application for renewal of ESB status on an annual basis to maintain eligibility. The renewal application must comply with these requirements, and must be submitted to the Iowa DOT ESB Administrator not later than 60 calendar days prior to the expiration of the ESB's annual eligibility period. The application for renewal shall also contain:*

1. *A form, provided by Iowa DOT, describing completion of the previous year's Business Development Plan.*
2. *A commitment in writing to complete a new Business Development Plan in the renewal year.*

#### **Termination of ESB Status**

*ESB status shall be terminated by:*

1. *The ESB exceeding the annual gross income limitation of a small business.*
2. *The passage of five consecutive calendar years since initial ESB determination, as defined.*
3. *The ESB's failure to meet all requirements and criteria of the ESB Program, as determined by Iowa DOT.*

*Iowa DOT may review the ESB eligibility status of a business at any time. If the ESB status of a business is terminated, the business may reapply for ESB eligibility status for any remainder of the maximum five consecutive calendar year eligibility period, unless it exceeded the income limitation of a small business. No reinstatement of ESB eligibility will be permitted after termination for exceeding the income limitation.*

#### **Denials, Suspension, and Revocation**

##### Denial of ESB Eligibility

*Iowa DOT may deny an application for ESB eligibility if Iowa DOT determines that the applicant business does not meet all of the requirements and criteria of the ESB Program. Iowa DOT shall send the business a written notification of its determination.*

##### Revocation of ESB Eligibility

1. *Iowa DOT may revoke ESB eligibility if the Iowa DOT ESB Administrator determines that:*
  - a. *The business is declared in default of or commits a willful violation of any Iowa DOT contract or subcontract.*

- b. The business has made false, deceptive or fraudulent statements on its application for ESB eligibility, or in any documents submitted on a Iowa DOT project including prequalification, or in any other information submitted to Iowa DOT, or in the course of any determination or hearing associated with ESB eligibility.*
- c. The business commits any action or omission which evidences a lack of business integrity or honesty in performing public projects.*
- d. The business does not meet all requirements and criteria of the ESB Program at all times.*

## ***Iowa DOT Attachment - Small Business Development Contracts***

*The Iowa Department of Transportation recognizes the benefits of having many contractors and suppliers available to perform work on highway construction projects. As a result we have assembled the attached packet of information to assist the Small Business firms who are interested in beginning work with us.*

***Small Business*** – A firm which meets the requirement of Iowa Code 314.14 which defines a "Small business" as any enterprise which is operated for profit, under a single management, and which has either fewer than twenty employees or an annual gross income of less than four million dollars computed as the average of the three preceding fiscal years.

### ***Developmental Specifications for Small Business Development Contracts***

*DS-09036 provides a Description of the program, definitions, prequalification and necessary information to assist the Small Business Contractor in working with the Iowa Department of Transportation.*

### ***Small Business Certification Form 650064***

*A self-certification form must be completed and returned to the Office of Contracts by noon the day before the letting and allows the contractor to self certify that their company meets the requirements of a Small Business as defined by Iowa Code 314.14. See Attachment I- Forms for a copy of the Small Business Certification Form 650064.*

### ***Small Business Development Contracts Q & A***

*An overview of information is provided on common questions and areas of interest about the Small Business Development Contracts on the Iowa DOT Office of Contracts Website. In addition, the document contains links to the Specification requirements, electronic BidExpress website, and provides contact information.*

### ***Iowa DOT Letting Process***

*The Office of Contracts conducts lettings for all highway construction work on the primary and interstate systems as well as many secondary projects throughout the state. This brochure provides an overview of the entire letting process, including prequalification of bidders, advertising, bidding proposals and other information. Pay particular attention to Section C, Advertising for Bids. This describes the Electronic Weekly Letting Report, which is a primary method for learning about upcoming work and ordering letting documents. These small business contracts are represented by a special group in our Bid Order categories (980, 981, etc.) so they would be easily identified in the Electronic Weekly Letting Report.*

### ***Small Business Development Contracts Funding and Size Limits***



*\$1.2M will fund the Small Business Development Contracts, with a portion of federal assistance in each contract. Each district will have \$200K to select for federal-aid eligible projects. No project can exceed \$100K in estimate and at least one project per district has to be equal to or less than \$50K.*

*TSB Bond Waiver Iowa Code 12.44 requires agencies of state government to waive the requirement of satisfaction, performance, surety, or bid bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience, lack of net worth, or lack of capital. This waiver will not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver will only be applied to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding Iowa Code section 573.2. In order to qualify, the TSB shall provide written evidence to the Department of inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver will in no way relieve the business from its contractual obligations and will not preclude the Department from pursuing any remedies under law upon default or breach of contract. The Department of inspections and appeals will certify TSBs for eligibility and participation in this program and will make this information available to other state agencies.*

### ***Bidding for Contracts***

*Only firms designated as approved Certified Small Business Contractors (CSBCs) by the Department will be allowed to bid on proposals designated for Small Business Contractors. A CSBC wishing to bid on a proposal designated for Small Business Contractors shall submit a written request to bid using the standard Iowa DOT procedures to be approved to bid on a proposal. Prequalification by the Department is not required, but the Department may require a CSBC to provide references or examples of similar types of work in order to be approved for bidding on individual proposals.*

*Prior to execution of a contract, the CSBC will be required to provide:*

- 1. A Certificate of Insurance (as required by Article 1103.04 of the Standard Specifications) and*
- 2. Either a Performance Bond (as required by Article 1103.25 of the Standard Specifications) or a TSB Bond Waiver.*

### ***Construction of the Work***

*Article 1108.01 of the Standard Specifications allows a contractor to subcontract up to 70% of the contract amount. On contracts designated for CSBCs the Contractor may subcontract 70% of the contract amount, but this work shall only be subcontracted to another CSBC.*

*While the Department recognizes that a small business may not have all the equipment and resources of larger contractors, all requirements of the contract documents shall apply to the CSBC.*

### ***Payment for Work***

*Payment for work will be according to Article 1109.05 of the Standard Specifications.*

## ***Iowa DOT Attachment - SUPPORTIVE SERVICE PROGRAMS OFFERED BY THE IOWA DOT***

*Iowa Department of Transportation (Iowa DOT) will provide supportive services to all certified Disadvantaged Business Enterprises (DBEs) and Emerging Small Businesses (ESBs). These services include but are not limited to:*

- 1. Provide in person or by mail free plans and proposals for all projects requested by each DBE and ESB.*
- 2. Provide technical assistance and answers to questions about projects to be bid.*
- 3. After award of contracts, provide by mail to each DBE, a list of those projects that they were used to fulfill a commitment.*
- 4. Verify that each and every DBE subcontract request form meets or exceeds the amount committed at the time of bid*
- 5. Provide technical assistance during the construction phase of a project.*
- 6. Provide technical assistance to help DBEs and ESBs secure bonding and bank financing.*
- 7. Provide workshops and seminars in locations throughout the state (including but not limited to: plan reading, estimating, cost accounting, business plans, insurance, financing, equipment and other requested topics.*
- 8. If necessary, provide referrals to U. S. DOT bond and loan programs, all SBA programs and services and local resources.*
- 9. Provide information and technical assistance, including alternate dispute resolution, to DBEs and ESBs who are having a problem with a prime contractor or with Iowa DOT.*
- 10. Provide a list of prime bidders on upcoming Iowa DOT projects.*
- 11. Provide business counseling and technical assistance to DBEs and ESBs through the use of our DBE Consultant, EEO Section supportive services, or Senior Engineering Technicians.*
- 12. Provide financial assistance totaling up to fifty percent (50%) of the initial cost of services for certified DBEs, requiring a Certified Public Accountant (CPA) to a 34 reviewed Financial-Experience-Equipment Statement to become prequalified to bid as prime contractors on Iowa DOT projects.*
- 13. Provide technical assistance and support to DBEs and ESBs with the possible assistance of a Business consultant. Services shall include but not be limited to: office visits, site visits, seeking out new DBEs and ESBs to enter the program, and attending meetings with DBEs and ESBs, if requested.*
- 14. Provide the Construction Manual, Standard Specifications for Highway and Bridge Construction books (in English and/or Metric), and other construction materials and manuals at no cost to DBEs and ESBs.*
- 15. Provide assistance, when requested by DBEs and ESBs, concerning prompt payment on projects let by Iowa DOT.*
- 16. Participation by DBE firms in Iowa DOT's Expanded Supportive Services Programs will be optional and limited to the first five- (5) years in the program.*
- 17. Participation by ESB firms in Iowa DOT's Expanded Supportive Services Program shall be limited to five (5) years. The first two- (2) years of participation shall be mandatory; the last three- (3) years shall be optional.*



18. *Provide self-study plan reading courses used by Iowa DOT inspectors at no cost to DBEs and ESBs.*
19. *Provide financial assistance totaling up to fifty percent (50%) of the cost of securing bonding.*