DBE Best Practices – Supportive Services

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DBE Supportive Services

- Only FHWA has DBE/SS Program
- $10M, annually
- Authorized under 23 USC 140(c); 23 CFR 230, Subpart B
- Began in 1985
- Authorizes State Departments of Transportation (State DOTs) to establish procedures to develop, conduct, and administer assistance programs to benefit women and minority businesses
- 100% federal- no match required
Purpose of DBE/SS

• Designed to increase the total number of minority, women and socially and economically disadvantaged businesses active in the highway construction industry

• Contribute to the growth and eventual self-sufficiency of these businesses

• Provide services to help DBE firms develop and improve long-term business operations, immediate and long-term business management, capacity building, record keeping, financial and accounting capabilities
Business Development Program

• Beginning 2015, FHWA requires all State DOTs receiving DBE/SS to establish Business Development Programs (49 CFR 26.35)
• The Business Development Program should include an evaluation of certified firms individually to determine what training is necessary for them to compete successfully for federally-assisted contracts
• Appendix C to Part 26—DBE Business Development Program Guidelines
Business Development Plans

• The business plan should contain at least the following:
  – An analysis of market potential and operational abilities
  – An analysis of the firm's strengths and weaknesses focusing particularly on financial, managerial, technical and labor conditions
  – Specific targets, objectives, and goals for the business development
  – Estimates of contract awards from the DBE program and from other sources

• The Supportive Services provided should be focused on individualized training to assist those participants in the areas identified in the business plan
Statements of Work

- FHWA requires State DOTs to submit Statements of Work (SOWs) for their Business Development Programs to be approved annually

- Four parts to a Statement of Work:
  - Program Design
  - Budget Summary
  - Evaluation, Monitoring and Oversight
  - Reporting requirements
Program Design

• Purpose Statement
• Program goals
• Result Oriented metric-based objectives

• Scope of work:
  – Schedule
  – Resources
  – Service providers and partnerships
Goals and Objectives

• Programs must clearly identify performance measures and provide deliverables that measure success

• Set SMART goals:
  - Specific
  - Measurable
  - Attainable
  - Realistic
  - Time Frame
Budget Summary

• Provide program line-item budget
  – Overall budget summary
  – Detailed description of line-items

• Identify in-kind contributions

• Ensure budget caps and overall amount do not exceed thresholds and allocation
Evaluation, Monitoring, Oversight

• Provide a detailed description of monitoring efforts
  – Oversight of service providers
  – Communication of issues or concerns

• Describe data collection procedures to:
  – Track the progress of the program
  – Demonstrate achievement of goals and objectives
Reporting Requirements

- Describe reporting schedule
  - Provider to State
  - State to FHWA

- Reporting timeframes:
  - After every session
  - Monthly, quarterly and/or annually
  - Program accomplishment final report
Submittal and Evaluation

• FHWA will announce the solicitation and submittal deadline (varies by year)
• SOW should not exceed 10 pages
• The solicitation should be announced on the State DOT website
• SOW submitted to the FHWA Division office
Funding Process

• Prior to 2012, SOWs submitted by Divisions to HQ with recommendations and evaluated by independent “panel” of FHWA staff that recommended approval to Secretary

• 2012 Secretary approved “formula” based allocation. Funds are distributed to FHWA Division Offices using the previous fiscal year’s obligation limitation prorata. For example, if a State received 2.04% of total federal funds available to the States, that State would receive 2.04% of all available funds allocated for the DBE/SS program