

## Small Business and DBE Strategies

The Department has implemented several Small Business Contracting Strategies, with the following objectives:

- Expanding the base of firms who compete for Department contracts. Since the majority of businesses in Florida are small businesses, the key to increasing the competitiveness of the market is increasing the number of small businesses who contract with FDOT.
- Streamlining processes where possible, to remove barriers for small businesses desiring to compete for FDOT contracts.
- Establishing a small business database, to connect small businesses with other businesses for teaming opportunities on larger FDOT contracts.

**Strategy 1:** FDOT Business Development Initiative (BDI) Program- Increase percentage of small business reserved projects

- 15% of professional services contracts are reserved
- 10% of construction contracts are reserved
- 10% of maintenance contracts are reserved

In addition the small business reserved project amount is raised from \$1M to \$1.5M per contract.

**Strategy 2:** FDOT simplifies the size standards for small businesses

The Department's small business size standard for professional services is \$6.5 M (average annual gross receipts over the last 3 years)

The Department's small business size standard for road and bridge contracts is \$15M (average annual gross receipts over the last 3 years)

**Strategy 3:** Raise dollar threshold for requiring overhead audit for Professional Services

The overhead audit threshold requirement has been raised from \$250,000 to \$500,000, allowing firms to contract for fees less than \$500,000 per project without paying for an audit from an independent CPA.

**Strategy 4:** Under-Utilization Goal for DBEs expanded to also include Small Businesses

The purpose of the DBE Under-Utilization Goal (implemented in 2013) was to incentivize professional services prime consultants to subcontract work in categories where DBEs are under-utilized (under-utilization is defined as 25% or less utilization level). During the procurement process, "Proposed Subconsultant Teaming" is considered as a factor in shortlisting, including teaming with under-utilized firms. In 2014, the Department proposes to expand under-utilization to include either DBEs or small businesses in under-utilized work categories. This will allow more flexibility, and will encourage use of small businesses for teaming in a wider array of projects and work categories. Please note: Subconsultant teaming is only one of several factors considered in shortlisting. No preference points shall be given to firms who utilize DBE or small business subconsultants, regardless of the work type.

**Strategy 5:** DBE and Non-DBE Small Business Aspiration Goal

July 2013, the Department implemented a new program, establishing an aspiration goal of 10.65% (Effective October 1, 2017) DBE usage and 3% non-DBE Small Business usage, to be used for professional services and design-build contracts. The Department proposes to continue use of this program, with no changes.

Note: If the project is a BDI reserved project, the Aspiration Goal is not be applied. Also, professional services contracts with an under-utilization goal are exempted from the Aspiration Goal.

**Strategy 6:** Small Business Database – Expand to include Construction and Maintenance. Registration will continue to be by means of self certification, using the Small Business Affidavit Forms.

- Construction Firms submit the following form:

<https://fms.fdot.gov/Anonymous/SendDocumentToClient?documentId=1365>

- Professional Service Firms submit the following form:

<https://fms.fdot.gov/Anonymous/SendDocumentToClient?documentId=494>

Listing of Professional Services Small Businesses:

<http://www2.dot.state.fl.us/procurement/ProfessionalServices/lppc/sbevend.htm>

Listing of Construction and Maintenance Small Businesses:

[http://www2.dot.state.fl.us/sasweb/cgi-bin/broker.exe?\\_service=default&\\_program=inetprog.db2.smbusform.scl](http://www2.dot.state.fl.us/sasweb/cgi-bin/broker.exe?_service=default&_program=inetprog.db2.smbusform.scl)

**Strategy 7:** Small Business Performance Measures

FDOT proposes to measure utilization of small businesses at a district level, and report this metric on a cumulative monthly or quarterly basis.