

Consultant Advisory

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MDOT, CSD, Consultant
Contracts Section
P.O. Box 30050
Lansing, MI 48909
Fax/517-355-7446
www.michigan.gov/mdot

Questions regarding this
Consultant Advisory
should be directed to:

Carol Rademacher
517-373-3382
rademacherc@michigan.gov

SMALL BUSINESS DEVELOPMENT PILOT PROJECT and ENTRY LEVEL PREQUALIFICATION

The Procedures and Practices Subteam of the MDOT/ACEC Executive Partnering Team has been developing program changes at MDOT aimed at strengthening and enhancing small business professional services, and also to facilitate the continued development of the overall professional transportation workforce in Michigan.

The Subteam has worked to develop a pilot program for Small Business Development. Desired outcomes of the pilot program are as follows:

- Small businesses are well represented across MDOT's prequalification categories and in MDOT's consultant selections.
- MDOT's RFP development strategies are more sensitive to the needs of the small business community.
- The integrity of the QBS selection process is maintained.
- A program-driven approach would not disadvantage any firm doing quality work for MDOT.
- The overall quality of service provided to MDOT would improve.
- There is a greater potential for growth for firms who participate.
- The program is easily administered and is recognized for achievement in a way that is significant.
- Small business job creation/retention is enhanced.
- Program goals complement and support the Department's Disadvantaged Business Enterprise goals.

One element of this program is the establishment of an entry level prequalification concept. This concept allows small businesses to apply for entry level prequalification in classifications identified by the department in which small businesses are not adequately represented. These entry level prequalification categories have specifications and requirements that are less than those for full or provisional status. Companies that are approved for entry level prequalification will be identified by prequalification classification, and will be listed on MDOT's web site. Approved entry level firms will be those with whom prime consultants may partner for Small Business Development Pilot Projects.

Entry level classifications that are included in each pilot project will be listed in the Request for Proposal under Primary and/or Secondary Prequalification sections of the RFP, and will be identified with an asterisk (*). Only one entry level classification may be used for each pilot project, and only one entry level firm will be allowed to participate per project. Prime consultants must be approved with full prequalification in the classification that is assigned/designated for entry level classification that is going to be used for the pilot project. Only prime consultants will be allowed to oversee and direct the work of the entry level firm. Prime consultants will be compensated for their efforts associated with working with the small business selected for the pilot project.

Prime consultants who submit proposals for pilot projects will be expected to partner with one entry level firm. Evaluation of the prime's proposal for inclusion of an entry level firm will be included in the Qualifications of Team section of the selection criteria. Firms that do not include entry level firms in pilot projects will be determined to be unresponsive to that RFP, and will not be considered for selection for a pilot project.

MDOT has selected four work classifications that will be included in the pilot program. Those are Roads and Streets, Permanent Non-Freeway Traffic Signing Plans, Simple Traffic Signal Operations, and Traffic Signal Design. Entry level requirements and specifications for each of these classifications are posted on MDOT's web site at <http://michigan.gov/MDOT>. Click on Doing Business and then click on vendor/consultant services, and prequalification.

For purposes of this Small Business Development Pilot Program, small businesses are defined using Federal Highway Administration definitions. Generally speaking, although there are exceptions, a small business is defined as a company that has annual earnings of less than \$4.5 million. Companies that are interested in applying for entry level prequalification status must meet the federal definition to be qualified for this pilot program. Companies that qualify for full or provisional prequalification in the four entry level work classifications cannot apply for entry level status in the same classification(s).

MDOT will accept applications from small businesses that are interested in becoming prequalified at the entry level for the four classifications starting Wednesday, August 4, 2010. Applications may be submitted until Friday, September 3, 2010. All firms approved for entry level prequalification in any of the four work classifications will be listed on the MDOT web site to form a pool of companies eligible to work on the pilot projects. Prime consultants choosing to submit proposals on pilot projects will be expected to select a small business from the list of approved firms to participate with them on the pilot.

Specific pilot projects have not been selected yet, but will be in the future. Each pilot project will be clearly identified as a project that is included in the small business development efforts. One pilot project for each work classification will be selected by MDOT. Requests for Proposals (RFP's) from MDOT for those projects will clearly identify them as Small Business Development Pilot Projects. RFP's will be posted as far in advance of the pilot projects as possible.

Performance evaluations will be conducted for the prime consultant and the entry level firm, although how entry level firms are evaluated is yet to be determined. Part of the evaluation will address how well the prime and the entry level firms work together on each pilot project, and how well the prime consultant provides oversight, direction and mentoring to the entry level firm. Project managers will work closely with both prime consultants and the small business involved in each pilot project to ensure, to the greatest extent possible, that work on the project goes well. Project managers will also meet with the prime consultants and small businesses working on each project to discuss the results of the pilot project.

At the completion of the four Small Business Development Pilot Projects, the Subteam will evaluate the pilot program, and will make recommendations to the MDOT/ACEC Executive Partnering Team, addressing the results of the pilot projects, and considerations for pursuing or not pursuing an expanded Small Business Development Entry Level Program.

Questions about the Small Business Development Pilot Project may be directed to Wayne Roe, Administrator, Contract Services Division, at roew@michigan.gov, or at (517) 373-4680.