

Response to Public Act 361 of 2004, Section 334

The Michigan Department of Transportation (MDOT) continues its federally mandated efforts to implement a Disadvantaged Business Enterprise (DBE) Program. This includes a continued effort to increase the use of women- and minority-owned businesses on state and local road construction projects. It also includes continued outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements in an effort to promote small business development in Michigan. This program accomplished this in four major ways. DBE program staff implemented a supportive service program, an outreach program, and a Title VI Program. As a result of this program over \$139,000,000 was awarded to DBE firms during fiscal year 2004.

ACCOMPLISHMENTS

Supportive Services

Supportive Services involves providing DBE firms an opportunity to receive business related training and to promote membership in professional business organizations. This program also assists DBE firms with subscriptions to professional journals and with contractor prequalification. During Fiscal Year 2004, MDOT continued to implement the federally funded DBE Reimbursement Program that assists certified DBEs with business training, professional memberships, prequalification, and professional development. More than 280 reimbursement applications were processed.

Also, during Fiscal Year 2004, MDOT helped certified DBE firms register for and use the Electronic Procurement Assistance Center (EPAC). EPAC provides on-line access to information about MDOT contracting opportunities, as well as opportunities offered by other government agencies and businesses. Prime contractors can use EPAC to provide information about their subcontractor needs.

Outreach Efforts

Outreach efforts involve the identification of and recruitment of businesses eligible to become a DBE. During Fiscal Year 2004, the DBE program received 280 requests for DBE applications. After careful screening for eligibility the Small Business Liaison (SBL) Section performed reviews on 96 applications to verify eligibility for becoming certified as a DBE and approved 61 new firms as DBEs. MDOT currently has over 300 firms certified as DBEs and access to over 200 other DBE firms certified by other transportation related agencies throughout the state. This gives prime contractors access to over 500 firms for possible subcontracting opportunities.

During Fiscal Year 2004, DBE activities included staff involvement in 16 Business Opportunity Forums (BOF). These were statewide events sponsored by MDOT, Michigan Department of Management and Budget, Michigan Economic Development Corporation, Michigan Department of Career Development, Michigan Department of Corrections, Michigan State Industries and other state and local organizations. As a result of this outreach, 138 DBE certification applications were requested and mailed. MDOT currently offers monthly training sessions to provide useful information to interested business owners on completing the certification application and becoming prequalified with MDOT.

DBE program staff also participated in other outreach activities sponsored by the Michigan Minority Business Development Council, Michigan Road Builders Association, Construction Association of Michigan, Internal Revenue Service, Bank One, Michigan Women's Business Council, National Association of Women in Construction, Women in Transportation Society, in addition to events sponsored by other businesses and professional organizations. As a result of these activities, DBE program staff had direct contact with over 142 business owners who expressed interest in contracting with MDOT.

In March 2004, the DBE Program held its 24th Annual Business Development Conference in Pontiac, Michigan. More than 300 business owners, government officials, representatives of non-profit organizations, and others attended. The conference offered several workshops, including Using the Internet to Get an MDOT Contract, The ABCs of Credit and Bonding, Ways to Improve Your Cash Flow, Success Secrets to Help Your Business Grow, MDOT's Construction Contracting Process, and MDOT's Service Contracting Process. The conference was specifically targeted toward current and potential DBE firms.

The DBE Program held three orientation sessions in 2004 which were attended by representatives of 88 newly certified or recertifying DBE firms and four networking sessions attended by more than 170 business owners. Networking sessions are designed to foster relationships between prime contractors and DBE firms, provide information on upcoming MDOT projects and hands-on instruction to access information regarding these projects.

The Title VI Program

The Federal Title VI Program requires MDOT provide fair and equitable services to all Michigan citizens including business owners. Key Title VI activities included working with representatives throughout the department to ensure that MDOT provided equitable services to all citizens of Michigan. There also was a substantial effort to ensure that local recipients of transportation funds had a Title VI Plan in place.

In summary, during fiscal year 2004 the DBE program met its federal mandate to increase the use of women- and minority-owned businesses on state and local road construction projects and to continued outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements in an effort to promote small business development in Michigan. During Fiscal Year 2004 the program also helped to strengthen DBE firms and foster relationships between MDOT, prime contractors and local communities. The approximately \$139,000,000 awarded to DBE firms helped to promote job growth in Michigan, contribute to increased business ownership and to economic development in Michigan.