



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

KIRK T. STEUDLE  
DIRECTOR

March 31, 2006

The Honorable Shirley Johnson, Chair  
Senate Appropriations Subcommittee on Transportation  
Michigan State Senate  
P.O. Box 30036  
Lansing, Michigan 48909

The Honorable Shelley Goodman Taub, Chair  
House Appropriations Subcommittee on Transportation  
Michigan House of Representatives  
P.O. Box 30014  
Lansing, Michigan 48909

Dear Senator Johnson and Representative Taub:

In accordance with section 334 of 2005 PA 158, the Michigan Department of Transportation is required to report on its program to increase the use of women and minority-owned businesses in state and local road construction projects.

If you have any questions or comments regarding the enclosed report, please contact either me or Myron G. Frierson, Bureau Director, Finance and Administration at 517-373-2117.

Sincerely,

  
Kirk T. Steudle  
Director

Enclosure

cc: Members of the Senate and House Appropriations  
Subcommittees on Transportation  
C. Thiel, Senate Fiscal Agency  
W. Hamilton, House Fiscal Agency

bcc: J. Shinn                      L. Hank  
L. Tibbits                      M. Frierson  
R. DeCook                      P. Collins  
V. Blaxton                      J. Kraus  
Exec. File

**Disadvantaged Business Enterprise Program**  
(in accordance with section 334 of 2005 PA 158)

The Michigan Department of Transportation (MDOT) continues its federally mandated efforts to implement a Disadvantaged Business Enterprise (DBE) Program. This program requires outreach and education efforts to women, minority and disadvantaged individuals interested in contracting with MDOT, certifying DBE firms, tracking relevant information regarding these firms, and providing the required reports to the Federal Highway Administration. This also involves considerable coordination with MDOT staff, the prime contracting community, business and nonprofit groups.

MDOT outreach efforts contributed to DBEs receiving over \$115 million in contract commitments. MDOT, through its Small Business Liaison Section (SBLS), is committed to increasing the participation of minority and women-owned businesses in state and local transportation-related projects. Toward this goal, MDOT's SBLS outreach activities for Fiscal Year (FY) 2005 included six Business Opportunity Forums. These forums were coordinated with other state, county, and municipal agencies and held in Novi, Lansing, Grand Rapids, Kalamazoo, Detroit and Marquette. MDOT sponsored the Detroit Business Opportunity Forum at which a record number of 300 attended. MDOT promoted its program to over 1,275 individuals at these forums.

The SBLS also participated in other outreach activities sponsored by: Michigan Minority Business Development Council, Michigan Infrastructure & Transportation Association, Construction Association of Michigan, Detroit Regional Chamber of Commerce, Inter-Tribal Council, Michigan Hispanic Chamber of Commerce, Michigan Women's Business Council, National Association for the Advancement of Colored People, National Association of Women in Construction, U.S. Army Corps of Engineers, Women in Transportation Society, and at MDOT's Annual DBE Conference.

As a result of MDOT's outreach activities, 361 certification applications were requested by individuals. The certification application is also accessible on MDOT's website. In addition, SBLS received additional calls and faxes requesting certification applications as a result of the outreach awareness.

The SBLS received 85 new applications, approved 50 new firms into the DBE Program, and 2 firms graduated from the DBE Program. SBLS received 96 annual updates of which 80 were approved and 7 additional work classifications to certified firms were also issued in FY 2005.

The 25<sup>th</sup> Annual Business Development Conference was held March 27-28, 2006, in Pontiac, Michigan. Over 300 individuals attended the two-day conference comprised of certified contractors, prime contractors, and small business owners which included minority and women-owned businesses. The following sessions were held:

- Business Succession Planning
- Securing Your Company's Financial Position
- Marketing Your Business to Improve Your Bottom Line

- SBA – Free Resources for Small Businesses Facilitator
- Using the Media to Promote Your Business
- Reading the Fine Print – Contract Do's and Don'ts
- Understanding Waivers, Commercially Useful Function, and Good Faith Efforts
- Getting a Contract with the State of Michigan
- How to Get a Non-Construction Contract
- Construction/ Service Contracting Success: What Every Business Owner Should Know
- Tools for Successful Project Management

These sessions delivered motivational and technical information to conference attendees.

The SBLs held region meetings throughout the state to assist MDOT certified firms in building their networking base with prime contractors doing business with MDOT. The region meetings were designed to answer any questions about the DBE Program and identified upcoming projects within the region. The meeting also included opportunities for networking.

The DBE Program held the following sessions in FY 2005:

- 4 orientation sessions, attended by 97 individuals, to assist new or recertifying firms in understanding MDOT's bidding process
- 7 Networking and Technical Assistance sessions, attended by 445 individuals, to identify upcoming projects and bidding opportunities, and to provide technical assistance by project engineers on plan reading and networking with prime contractors likely to bid
- 2 special unbundling sessions, attended by 136 individuals, to identify specific projects in the Metro area for certified firms on which to bid.

Throughout FY 2005, DBE outreach staff organized 10 training sessions attended by 182 individuals. The training sessions were designed to assist firms with bonding, credit management, financing, understanding financial statements, preparing bid proposals, writing skills, how to use QuickBooks, how to market their business on the web, and tips for maintaining a successful and thriving business.

For FY 2005, the reimbursement program, which was designed to supplement and enhance the efforts of DBE firms in their pursuit of professional skill development, made reimbursements in the following manner:

- 143 Education and Training Program applications
- 39 Consultant Service Program applications
- 196 Subscription Service Program applications
- 122 Association Membership Program applications

These approved program applications met program goals to assist certified firms in becoming self-sufficient in a competitive environment and to help level the playing field.

For FY 2006, the DBE Program will implement additional methods through its outreach and education efforts to continuously raise the awareness of women and minority-owned firms to increase their participation in the department competitive bidding processes.