



Speaking With *One* Voice
Civil Rights Virtual Symposium

Gaining the Competitive Edge

March 13 - 15, 2018





U.S. Department of Transportation

**Office of the Secretary (OST)
Departmental Office of Civil Rights (DOCR)
Policy, Education, and Outreach Division (S-35)**

A Small Business Capacity Building Forum

Introduction



Provisions to Expand Your Small Business

**Kaye Gantt, Executive Director
South Atlantic Region**

Section 1 Overview

- OSDBU Mission
- SBTRC Program support of the OSDBU mission
- SBTRC Program, success and resources



Office of Small and Disadvantaged business Utilization (“OSDBU”)

USDOT – OSDBU Mission

*“The United States Department of Transportation (USDOT), Office of Small and Disadvantaged Business Utilization (OSDBU) mission is to **ensure Small Business policies and goals of the Secretary of Transportation are implemented in a fair, efficient and effective manner.**”*



SBTRC Goal

The goal of USDOT Small Business Transportation Resource Centers (SBTRCs) is to increase the ability of small businesses to compete for and enter into transportation related contracts at the local, state and federal levels. SBTRCs serve as the regional offices of the USDOT Office of Small Business, executing its programs throughout the region.



All Modes of Transportation

- Highway
- Airports
- Railroads
- Mass Transit Systems
- Sea Ports (Maritime – merchant marine)

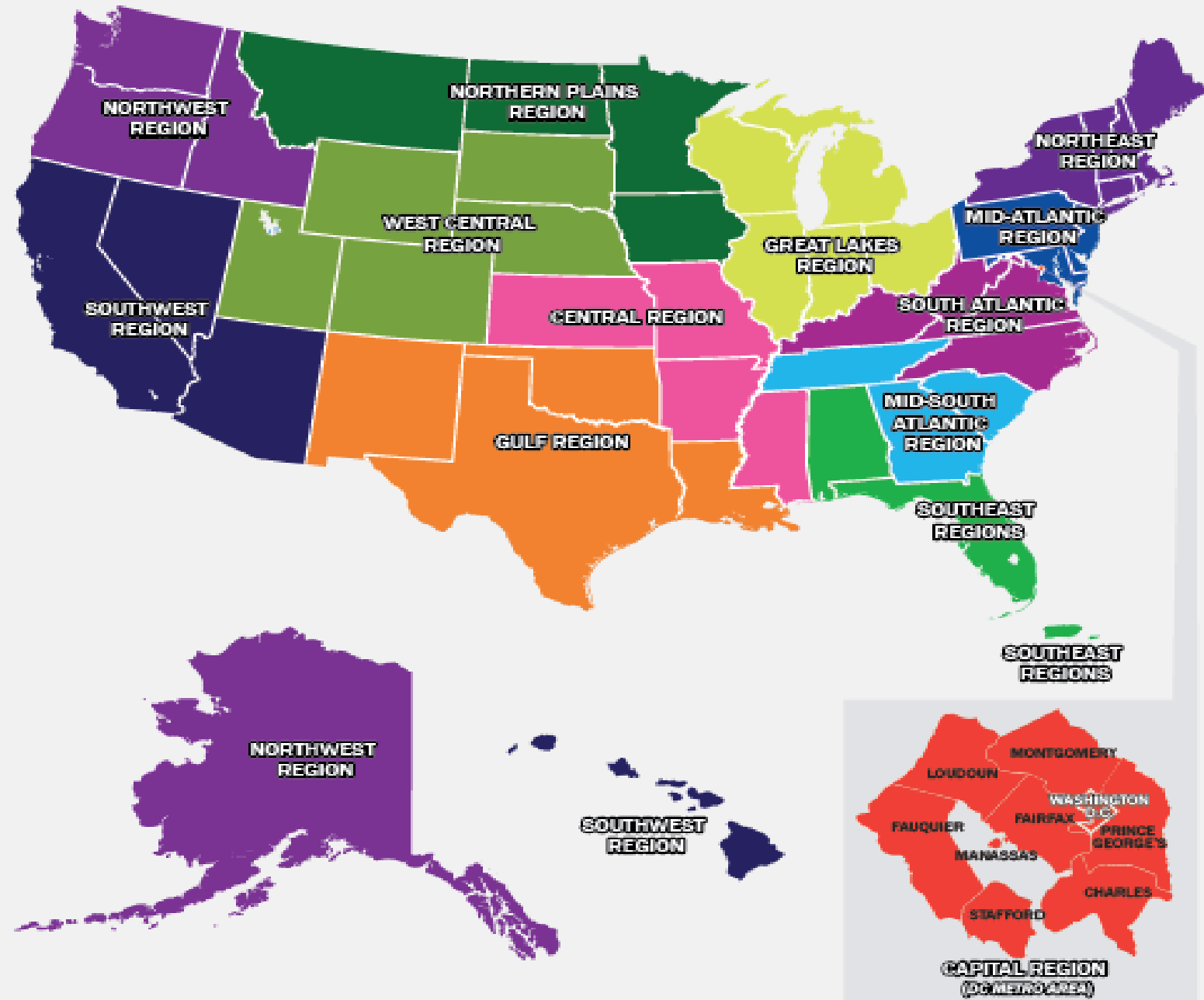


SBTRC Programs

- **12 Centers** – providing services to the Continental US and US Territories
- Bonding Education Program (BEP) *in partnership with the Surety & Fidelity Association of America*
- Technical Assistance
- Procurement Assistance
- Capital Access Program (CAP)
 - Align with appropriate financial resources
 - Tailored financial growth plan
- Women and Girls in Transportation Initiative (WITI)
- Fostering relationships with prime contractors and key stakeholders



SBTRC Regions



Bonding Education Program

- 2017 Bonding obtained - **\$74,078,175**
- BEP program success estimated at **\$690M** in bonding obtained



SBTRC Technical Assistance

- Small Business Education & Training series
- General Business Counseling
- Pre-qualification Assistance by state or project - State Departments of Transportation
- Business Analyses & Market Research
 - Capacity & Capability
- Financial Assessment
 - Credit Application Assistance
- Certification Assistance
 - Disadvantaged Business Enterprise (DBE)
 - Women Owned Small Business (WOSB)
 - Historically Underutilized Business Zone (HUBZone) business
 - Service Disabled Veteran Owned Business Small (SDVOSB)
 - Veteran Owned Small Business (VOSB)
 - Small Business Enterprise (SBE)



Procurement Assistance

For procurement assistance, consult the [U. S. Government Spending Tracker](#)



Show Me the Money

Agency Profile

Overview

Obligated Amount

Object Classes

Federal Accounts



Department of Transportation

Agency Mission

Serve the United States by ensuring a fast, safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future.

Website

<https://www.transportation.gov/>

Budgetary Resources for FY 2018

FY 2018 data reported through December 31, 2017

\$63.0 Billion

This is **0.8%** of the total U.S. federal budgetary resources for FY 2018.



Obligated Amount

FY 2018 data reported through December 31, 2017

Agencies spend their available budgetary resources by making binding financial commitments called **obligations**. An agency incurs an obligation, for example, when it places an order, signs a contract, awards a grant, purchases a service, or takes other actions that require it to make a payment.



Follow The Money

Advanced Search

DOWNLOAD

Filters

Submit Search

Reset search

Time Period

Fiscal Year

Date Range

☐ All Fiscal Years

☒ FY 2018

☐ FY 2012

☐ FY 2017

☐ FY 2011

☐ FY 2016

☐ FY 2010

☐ FY 2015

☐ FY 2009

☐ FY 2014

☐ FY 2008

☐ FY 2013

> Award Type

> Agency

1 Active Filter:

TIME PERIOD

FY 2018



TABLE



TIME



MAP

Spending by Geography

Explore the map to see a breakdown of spending by state, county, or congressional district. View your results by place of performance or recipient location, and hover over your chosen location for more detailed information.

Place of Performance

Recipient Location

State

County

Congressional District



Capital Access Program

Traditional

- Commercial Banks
- Community Banks
- Credit Unions

Non-Traditional

- Community Development Financial Institutes (CDFIs – US Department of the Treasury – 1,012 Centers in 2016)
- SBA Small Business Loan Programs
- [Strategies for Small Business website](#) – SBA Lender

Traditional Products

- Commercial Loans
- Home Equity Loans
- Other Collateralized loans for Small Businesses

Non-Traditional Products

- Contract Financing
- Specialized Equipment Financing
- Accounts Receivable Financing



Women & Girls in Transportation Initiative

- In March 2009, an Executive Order creating the White House Council on Women and Girls to ensure that each federal government agency addresses the needs of women and girls. As part of this broader effort, DOT Secretary Ray LaHood launched the Entrepreneurial Women and Girls Internship Program, now the Women in Transportation Initiative (WITI), in July 2010 to increase the participation of women in the nation's transportation industry.
- Administered by the DOT Office of Small and Disadvantaged Business Utilization and its 12 regional offices throughout the nation, WITI seeks to address challenges that women face, educate women on the opportunities available to them, attract future leaders and retain female participants in the transportation industry.
- With a STEM focus, WITI provides young women from colleges and universities across the country with the opportunity to gain first-hand experience in a variety of areas within the industry.



SBTRC Partnerships

- Prime Contractor
- State Departments of Transportation
- Local Municipalities
- Colleges & Universities
- Technical Assistance Providers
 - Bonding Agents
 - Bankers
 - Attorneys
 - CPAs
- Small Business Administration
- Women's Business Centers
- Procurement and Technical Assistance Centers (PTAC)
- Veterans Business Outreach Centers (VBOC)
- Other Small Business Resources by State
 - Office of Civil Rights
- **Surety & Fidelity Association of America (BEP Partner)**



Various Stakeholders Include.....

Balfour Beatty
Infrastructure Inc.



THE SURETY & FIDELITY
ASSOCIATION OF AMERICA
SERVING THE INDUSTRY SINCE 1908

ferrovial
agroman

SKANSKA



SBA

U.S. Small Business Administration



**U.S. Department
of Transportation**

LANE

U.S. SMALL BUSINESS ADMINISTRATION

VBOC

VETERANS BUSINESS OUTREACH CENTERS

Partner Resources

- [U.S. Small Business Administration](#)
- [Women's Business Center](#) (100+) – SBA Program
- [Small Business Development Centers](#) – SBA program
- [Veterans Business Outreach Center](#) – SBA program



Where to Find Us

- [Office of Small and Disadvantaged Business Utilization](#)
- [Small Business Transportation Resource Center](#)



Surety Bonding as an Empowerment Tool

Tony Arps, Project Director

Gulf Region

Small Business Transportation Resource Center (SBTRC)



**U.S. Department
of Transportation**

Section 2 Overview

During this session, participants will learn

- What is Surety Bonding
- Benefits of Bonding
- Issues in Access to Bonding
- Surety Requirements
- What do Sureties Look For
- U.S. DOT Bonding Education Program (BEP)



What is a Surety Bond

A surety bond is a three-party agreement/contract that binds 3 parties together in a legally binding contract.

1. The **principal** or contractor is the individual or business that purchases the bond to guarantee future work performance.
2. The **obligee** or owner is the entity that requires the bond. Obliges are typically government agencies working to regulate industries and reduce the likelihood of financial loss.
3. The **surety** is the insurance company that backs the bond. The surety provides a line of credit in case the principal fails to fulfill the task.

If the principal fails to perform as agreed in the contract the bond will cover resulting damages or losses.



Types of Surety Bonds

- Bid
- Performance
- Payment



The Bid Bond

The bid bond assures that the bid is submitted in good faith and that the contractor will enter into the contract at the price bid and provide the required performance and payment bonds.



The Performance Bond

The performance bond protects the owner from financial loss should the contractor fail to perform the contract in accordance with its terms and conditions.



The Payment Bond

The payment bond assures that the contractor will pay specified subcontractors, laborers, and materials suppliers associated with the project.



How does having a surety benefit the contractor

- Bonding capacity can increase your project opportunities
- Bonding is a competitive advantage
- Objective 3rd party with a broader perspective-evaluating contractors is what they do.
- Access to a trusted advisor and an advocate
- Access to expertise in accounting, law, engineering, with deep relationships and understanding of surety and construction



Prequalification Criteria – The 3 “C’s”

- Capacity - Can the contractor perform the obligations of the contract?
- Character - Historically, how has the contractor performed? What is the contractor’s reputation?
- Capital - Does the contractor have the financial strength to fulfill the terms of the contract?



Information that the Surety Requires

- Organizational chart of company
- Resumes of key personnel
- Contractor's business plan
- Financial Statements (last 3 to 5 years)
- Work in Progress
- Continuity and contingency plans
- Subcontractor and supplier references
- Bank line of credit (if any) or banking reference
- Letters of recommendation



What Sureties Look For...

- Sustainability
- Profitability
- Continuity
- Proven track record
- Pay subs timely
- Responsible
- Reference



U.S. Department of Transportation Bonding Education Program

**A partnership with The Surety & Fidelity Association
of America**

Presented by:

U.S. DOT Office of Small Disadvantaged Business Utilization



**U.S. Department
of Transportation**

Objectives

- Educate small businesses specializing in transportation-related construction and construction-related goods and services about the bonding process
- Assist those small businesses to qualify for and have access to bonding or increase their bonding capacity



Issues

- Changes in industry appetite for emerging contractors
- Lack of understanding of the bonding process
- Poor credit history
- Poor financial records and company management
- Difficulty in identifying appropriate bonding support
- Breakdown in communications with bond producer/surety company
- Late entry in the bonding arena
- Access to Capital
- Capability and Capacity



Program Overview

- MOU with Surety Fidelity Association of America (SFAA), USDOT OSDBU provides a Bonding Education Program (BEP)
- In partnership with the surety industry, OSDBU delivers this multi-component program designed to address the bonding operational improvement opportunities
 - Stakeholder's meeting
 - Educational Component
 - Bond-readiness Component
 - Follow-up assistance



Educational Component - Workshops

- Contractor Questionnaire Overview & Business Plan Development
- Construction Accounting and Financial Management
- Bonding and Insurance for New and Emerging Contractors
- Estimating, Bidding and Project Management
- Claims and Dispute Resolution
- Access to Capital and Credit
- Meet the Surety Professionals
- Managing Growth



Bond Readiness Component - Assistance in the Bonding Process

- Initial Intake Interview
- Information Gathering - Contractor's Questionnaire
- Diagnosis – Identification of Needs
- Prescription – Technical Assistance and Referral
- Monitoring and Reporting
- Bonding/Financing Applications
- Managing Growth



Resource Identification and Referral Component

- Provides Information on federal, state and local bonding assistance programs
- Provides referrals to financing, training and technical assistance support (project management, job costing, legal assistance, finance and accounting, etc.)
- Links emerging contractors with potential mentors



Access to Capital and Marketing to DOT

Adriana Clark

**United States Department of Transportation Office of
Small and Disadvantaged Business Utilization (OSDBU)
SE Region**



**U.S. Department
of Transportation**

Section 3 Overview

During this session, participants will learn

- How transportation drives opportunity
- What can DOT OSDBU Capital Assistance Program do for me?
- Marketing Goods and Services to DOT
- Why do business with DOT Operating Administrations?

**Are you ready to
Build Big?**



How transportation drives opportunity

- Transportation determines whether people can get hired and reach jobs
- It determines how long it will take people to get to work
- How quickly we can return to our homes and families
- It affects the quality of the air we breathe
- How we access healthcare
- Where we can live
- Where our children attend school
- How and what kinds of food reach our dining table



How transportation drives opportunity: Economic Drivers

- Safety
- Innovation



Access to Capital

What We Do: Assist eligible small businesses with obtaining the necessary financial support to effectively participate on transportation contracts.

- Assess the financing need(s) of a company
- Set up one-on-one meetings with prospective Lenders
- Help with gathering and packaging documentation
- Offer training to educate owners about various types of financing
- Provide technical assistance with completing forms/documentations
- Provide access to professional service providers (i.e. CPAs, Bookkeepers, underwriters)



Access to Capital: Types of Financing Products

- Lines of Credit: Use over a period of time, and borrow against amount as needed; no interest unless funds are used; Short term working capital needs (i.e., SBA CAPLines, Lines of Credit, bank lines, CDFI lines, etc.)
- Loans: Disbursed in lump sum; fixed repayment term and interest. (i.e., SBA 504, 7(a), Express, Microloan, bank/non bank & CDFI loans, etc.)
- Contract Financing: Use of proceeds from project as collateral; based on accounts receivables.



Access to Capital: Sources of Capital

Micro-Loans: [Community Development Financial Institutions \(CDFI\)](#) **Grants**

- [Small Business Innovation Research \(SBIR\) grant](#)
- [Small Business Technology Transfer Program \(STTR\) funding](#)

State Economic Development Agencies

- [U.S. Economic Development Administration](#)
- [Small Business Administration \(SBA\)](#) - Variety of loan options for starting and expanding business.
- [U.S. Department of Agriculture \(USDA\)](#) - Government-guaranteed loans for rural businesses.
- [GovLoans](#) - Research many types of federal loans for your business.



Access to Capital: Government vs. Non-Government Lending

Government Loans

- Government act as guarantor, not lender
- Helps small businesses get bigger loans by guaranteeing portion
- 3 C's- Credit, Character & Capacity
- Primary Collateral is Receivables from Contract(s)/Subcontract(s)

Non Government Loans

- Direct Lender
- 5 C's- Capacity, Capital, Collateral, Character & Conditions
- Typically require assets to use as collateral and good credit



Marketing to DOT

DOT FedBizOpps Opportunities

- A daily snapshot of DOT's Federal Business Opportunities (FBO).
- Register with [FedBizOpps](#) to receive updated information on procurement opportunities

Annual DOT Procurement Forecast

- Provides information on anticipated procurements over the simplified acquisition threshold amount of \$150,000

Technical Assistance

- Help large prime contractors in identifying potential small businesses to assist them in attaining their subcontracting goals



FY2018 DOT OSDBU Subcontracting Directory

- [Listings of major DOT prime contractors with approved subcontracting plans](#)

NOTE: Large prime contractors receiving Federal contract awards valued over \$700,000 (\$1.5 million for construction) are required to establish plans and goals for subcontracting with small businesses, veteran-owned small businesses, service disabled veteran-owned small businesses, HUBZone small businesses, small disadvantaged businesses and women-owned small business concerns

- [DOT listing of Small Business specialists in each Operating Administration whose primary role is to serve as advocates to small businesses.](#)



DOT FedBizOpps: All Opportunities

 **Transportation.gov**
U.S. Department of Transportation

[About DOT](#) [Our Activities](#) [Areas of Focus](#)

[Home](#) > [OSDBU](#) > [Procurement Assistance](#)

DOT FedBizOpps Opportunities

Information presented in this section is a daily snapshot of DOT's Federal Business Opportunities (FBO). Visitors are encouraged to register with FedBizOpps to sign up for the Interested Vendors List to receive updated information on individual procurement opportunities.

All Opportunities

Agency / Location

Competition Type

- Any -

Competitive 8(a)

Economically Disadvantaged Woman Owned Small Business

Emerging Small Business

HUBZone

N/A

Partial Small Business

Service-Disabled Veteran-Owned Small Business

Total Small Business

Woman Owned Small Business

Procurement Category

Due Date
 to

 **U.S. DEPARTMENT OF TRANSPORTATION**
1200 NEW JERSEY AVENUE, SE
WASHINGTON, DC 20590

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Why Do Business With U.S. DOT Operating Administrations

- Largest infrastructure budget over any federal agency
- Since 1983, a statutory provision requiring at least 10% of funds authorized (Title 49, Part 26) for highway, transit and airport financial assistance programs be expended with DBEs.
- Infrastructure for Rebuilding America (INFRA). The FASTLANE program provides \$305 billion for fiscal years (FY) 2016 through 2020 for highway, transit and railway programs.

Agency Small Business Scorecard: U.S. Department of Transportation

- FY2010 – A
- FY2011 – A
- FY2012 – A
- FY2013 – A+
- FY2014 – A
- FY2015 – A+
- FY2016 – A

The annual Scorecard is an assessment tool to (1) measure how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals, (2) provide accurate and transparent contracting data and (3) report agency-specific progress.



Questions



Thank you very much!

Request additional information or pose questions to the following:

Departmental Office of Civil Rights

(202) 366-4648

crlc@dot.gov

