



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PAT MCCRORY
GOVERNOR

ANTHONY J. TATA
SECRETARY

March 31, 2014

TO: Senator Kathy Harrington
NC Senate
16 W. Jones St., Room 2113
Raleigh, North Carolina 27601-2808

Representative Frank Iler
NC House of Representatives
300 N. Salisbury Street, Room 637
Raleigh, NC 27603-5925

Representative John A. Torbett
NC House of Representatives
300 N. Salisbury Street, Room 538
Raleigh, NC 27603-5925

FROM: Nick Tennyson
Chief Deputy Secretary

In accordance with NCGS 136.28-10, the Department of Transportation submits the following report to the Joint Legislative Transportation Oversight Committee regarding the use of Small Business Enterprise (SBE) participation for construction and repair projects of five hundred thousand dollars (\$500,000) or less, and maintenance projects of five hundred thousand dollars (\$500,000) or less per year. Please find attached the State Fiscal Year First and Second Quarter report for SBE participation on state and federal funded projects.

Please contact Trent Rawley at 919-508-1886 with any questions.

cc: Jason Soper (w)
Amna Cameron (w)
LaNica Allison (w)

Other Legislative Members:

Rep. William Brawley
Rep. Rayne Brown
Rep. Becky Carney
Rep. Nelson Dollar
Rep. Charles Jeter

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Rep. Rodney W. Moore
Rep. Phil Shepard
Rep. Paul Tine
Sen. Warren Daniel
Sen. Joel D. M. Ford
Sen. Malcolm Graham
Sen. Rick Gunn
Sen. Ralph Hise
Sen. Neal Hunt
Sen. Wesley Meredith
Sen. Bill Rabon
Sen. Dan Soucek
Sen. Michael P. Walters

Advisory Members

Rep. Dana Bumgardner
Sen. Brent Jackson



Joint Transportation Legislative Oversight Committee
Report
March 31, 2014

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Purpose: The purpose of this report is to provide the Joint Transportation Legislative Oversight Committee (JTLOC) a periodic update of the utilization of Small Business Enterprises, and any program adopted to promote contracting opportunities to those businesses.

Authority: G.S 136-28-10 Highway Fund & Highway Trust Fund Small Project Bidding

Part 1. 1st Quarter Report for July 2013 – September 30, 2013

Definitions:

- Small Business Enterprise (SBE) is defined as a business that is owned, operated, and controlled by one or more eligible owners and is 25% or less of the applicable size standards established by the Small Business Administration (SBA).

Aspirational Goals:

- 10%

Attainment:

State Funded Construction & Maintenance Contracts	SBE Contract Awards	Total SBE %	MBE Contract Awards	Total MBE%*	WBE Contract Awards	Total WBE %*
\$196,752,651.59	\$20,534,782.72	10.44%	\$3,686,214.78	17.96%	\$10,765,576.53	52.43%

Part 2. 2nd Quarter Report for October 1, 2013 – December 31, 2013

Attainment:

State Funded Construction & Maintenance Contracts	SBE Contract Awards	Total SBE %	MBE Contract Awards	Total MBE%*	WBE Contract Awards	Total WBE %*
\$144,947,920.29	\$14,188,339.73	9.79%	\$3,554,557.13	25.06%	\$5,979,795.77	42.15%

****These numbers reflect certified SBEs which also include certified MBEs and/or WBEs.
The MBE and WBE percentages listed are shown as a percentage of the total SBE contract awards.***

Evaluation and Improvement:

1. If SBE goals were not met, explain why the goal was not met and describe efforts to improve.

Although contract goals (both federal and state) on projects have been set higher, this has not resulted in substantial increases in attainment. The Department has reorganized and the Certification, Utilization, and Business Development units have been re-equipped with new management to move this program forward to success.

Our plans are to:

- Ensure we have an accurate SBE Database
- Establish a baseline of qualified small business firms (SBE)
- Send our Business Development Specialists out to visit these firms and conduct “on-site” assessments
- Provide training to those firms who are not “ready, willing, and able” once we have identified their needs
- Work with our external partners to provide training
- Work with our colleges and university systems to provide specialized technical training
- Target centrally-let and division- let projects in order to better identify the items of work and match the available SBEs
- Continue to conduct training on how to do business with the Department and its divisions
- Conduct targeted business development outreach to the small businesses for projects scheduled to be let before the end of the fiscal year; and
- Conduct targeted certification outreach in order to recruit small businesses that have the expertise and capacity to participate in State highway construction contracting.

The goal is to maximize those firms who are certified/available and who are “ready, willing, and able” to perform work on our projects.

A. Analysis:

- Based on the cumulative data reported:
 - The Department is on track to meet the 10% State aspirational SBE goal.

Part 3. Program Updates

In 2012, NCDOT was granted approval by Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and Federal Aviation Administration (FAA) to allow federal funds to be utilized in the SBE program.