

PEER EXCHANGE TEAM RAW NOTES FROM POST-ITS

Communication

- Put more stuff on WEB (ie) pay estimates
- Some “silos” (e.g. lack of communication between central office and district staff or DBE staff and construction office)
- Program procedure changes should have input from DBE community
- WisDOT/state Info Tech Committee (ITOG) process is a major barrier to fulfilling automation needs of DBE Program. DBE data collection needed.

CUF/Fraud

- Contractor No Sham or fronts among contractor
- The DBE program lacks CUF and Fraud preventative measures
- If fraud exists it is in pass-thru of material supplies for DBE credit
- Fraud is there but no monitoring
- Contractors give minimum effort in CUF/Fraud area
- Cottage Grove was a wake up call
- **? Scrutinize DBEs & not primes or other subs (scrutinize all)**
- DBEs not treated equally by contractor
- 2 party check should be allowed

Trucking

- Investigate over concentration
- New regulations on DBE trucking impedes DBE participation
- Trucking changes are good and are bad
- WisDOT relies heavily on trucking for goal attainment

WisDOT staffing

- We should be Proud of staff
- Central DBE office should include district in dealings
- Staff is empowered, assertive & exert pressure to succeed
- Districts have no support or authority
- Eugene, John, Jim- good understanding of the industry & program (forceful, approachable, and responsive)
- Strength in getting work for DBEs
- DBE personnel assignments work responsibilities and roles need to be aligned to fit program needs and resources efficiently
- Awareness of DBE procedures/goals/objectives among internal/external service staff is too little understood/known.

Construction Monitoring

- New DBE firms having work performance issues: construction means, methods, etc.
- New DBE firms are failing to provide on-site supervision crew (productivity problems & schedule delays result)

- Since District staff perform EEO on-site monitoring; DBE monitoring & enforcement tasks which may be performed by District staff should be arranged
- Utilize district office staff to provide information to DBE office for monitoring, data collection, and payments
- District prof. services staff already perform data collection services including DBE utilization data
- Good monitoring of projects
- Final quantities is a problem
- Prompt payment no problem
- DBE utilization on smaller projects less than \$100k is not monitored
- Prompt payment concerns expressed but doesn't appear to be major issue
- Retainage @ 5% is typically withheld from all subs. Release of retainage after approval of 100% work performed should occur
- Prompt payment to primes by WisDOT is a problem
- Prompt pay requirement may promote need for bonds
- Performance feedback system needed – work, quantity, timelines etc in addition to dollar paid to DBE firms
- High cost materials result in less \$ to DBEs
- DBE program is lax in enforcing the 7 day DBE plan utilization requirement
- Security bonding requirements for subs is unknown
- Primes bully subs /DBEs & holds \$ then blame sub
- It is believed that sub-retainage reduces the requirement for bonds
- No report or tracking of final achievements
- Primes are not including commitments over goal for fear of getting penalized for not meeting goal
- Capture final participation but don't add another process
- No tracking of achievements / running tally of payments to DBEs. Barrier WisDOT IT support
- Actual \$ paid to DBEs often exceeds letting commitment and WisDOT doesn't get credit for these DBES
- No mechanism in place to report the actual dollars paid to DBEs

Project goal setting

- Formalize goal setting process
- Base the goals on multiple work types for bidder to obtain goal
- Set achievable goals baseds on geographic area
- DBE participation goals not realistic
- No DBEs in some parts of state
- Northern Wisconsin not many DBEs
- Some DBEs get over capacity, and questions if there is some mechanism to limit how much a DBE could get committed to.
- Contractors want involvement in goal setting
- To provide opportunities for DBEs WisDOT should take the effort to package contracts to sizes DBE firms can bid as prime

- Limit DBE credit in certain areas (i.e.) trucking

Consultants

- Set realistic goals based on subcontractable portions, not just contract size
- No apparent monitoring of consultant goal
- When distinct staff examine DBE use issues on prof. Service contracts, they need to be guided by DBE procedures and or DBE staff
- District prof. Service staff expressed desire for mentor-protégé' teams between consultants
- Track consultant participation
- Implement procedure to ensure commitments are achieved
- Too few DBE prof. Service providers (for consultant industry)
- The design let process uses master (annual) agreements. Multiple projects are performed by consultants. DBE procedures, monitoring and enforcement functions are not follow for these agreements
- Consultant audit procedure is cumbersome
- Some design consultants have been on the list forever and do not grow. Is there a time element that could be included for certification eligibility?
- Need networking & training for consultants
- DBEs subs don't know when consultants get paid
- Consultants meet goals because they have to
- DBE consultants have unique support service needs than hwy contractors (e.g. marketing, human resources)
- District prof service staff expressed desire to be consulted more in development of project goals

Certification

- Extensive list of firms
- Staff is very thorough
- Need more DBEs
- Too much reliance on a select few DBE firms
- Perception exists that firms get certified by who you know
- Perception exists that certification is unfair or unequal to women
- During recertification process, check to see if training was beneficial
- DBEs who do not grow or graduate from the program after 10 –15 years should be removed
- ? **No statewide certification**
- Experience should be emphasized
- More firms should be graduated
- Certification involves too much paper work

Annual goal setting

- Not achieved in recent years
- Is proposed goal realistic?
- DBE program has not met goals in recent years

- DBE capacity isn't there or available for use at goal levels
- Contractor want involvement in over all goal setting
- TRANS-AC is well received. WisDOT need to communicate that process to everyone
- Is too adversarial

GFE letting commitments

- Good if subs and DBEs know who is getting what
- ODBEP – should continue to forward names of DBEs to aid goal attainment
- Bonding costs are fixed by primes to most DBE subs from 5.5% to 1.25% of quote
- Give Prime contractors DBE credit for hiring minorities / females
- Contract packaging (is an issue)
- DBE program GFE process is fair and valid
- Shift burden to locate DBEs from WisDOT to bidders
- On many projects goals are not met
- Slow delivery of GFE documents could to be allowing opportunities might indicate that bid shopping is occurring
- Bank DBE dollars and consider in GFE
- Contractors claim to use DBEs on non federal jobs
- Submit DBE with bid
- Easier to prepare GFE than seek DBE participation
- Primes not receiving quotes from DBEs
- DBE quotes are difficult to obtain through written notification of DBEs. Word of mouth yields best results
- DBEs are under bid by non DBE small firms
- Shorten period from letting to contract execution
- There is a perception that GFE are negotiated
- Current procedures encourage bid shopping
- DBE participation is negotiated & causes subs to lose work so they raise prices
- WisDOT doesn't inform DBE firms of market realities (i.e. costs/schedule/pay-cash-flow issues)
- WisDOT doesn't reject the bid for failure to meet goal
- DBEs not represented in decision on GFE requests
- Time duration of GFE process (is an issue)
- Process for getting a contract sign is long
- Desire for letting of smaller jobs by WisDOT
- Too many waivers
- GFE requests granted have cost DBEs \$15,000,000
- GFE waivers totaled 128 for FY-02 what caused these waivers?

Business Assistance & Development

- DBEs need networking opportunities with primes
- DOT should be more aware of training or assistance provided by other agencies (i.e.) Dept of Commerce (leverage or channel resources)
- DBE Office not responsive to request from prime for assistance with resolution of problem with DBE firm
- The DBE loan mobilization application process needs to be speeded up
- A positive atmosphere and trust level is essential to Bus Dev within the road building industry
- DBE owners need more education on DBE program objectives and services
- DBE Program needs to do more to notify DBEs of upcoming projects
- Emphasis of DBE program needs to move more toward DBE growth & development rather than goal achievement
- Mentor Protégé program (assume interest)
- Create a JV program where DBE and majority owned firms bid together
- Primes: “WisDOT does not educate DBE firms on the high level of competitiveness of the WisDOT road building market place”
- Formal mentor protégé program
- Credit the Prime for mentor program participation
- TrANS program a plus
- Small Business Development Center was helpful in crisis
- DBEs need more training on management
- DBEs don’t have the time to go events
- **? Employment & labor is difficult. Continue to develop employs**
- Like mobilization loan program
- Lack of capacity of DBE’s
- Directory does not indicate capacity of DBE’s
- DBE’s taking more work than they can handle
- Work to encourage firms to expand
- Consultants used for Support Services may not be the best
- DBEs want the ability to get \$ help from WisDOT to attend other training that would be helpful (tuition program)
- Educate how to do business with WisDOT
- Annual conference. Fairly decent job getting info to DBEs
- Training is geared toward contractors (not consultant)
- Need training to be specific, not so broad
- DBE credit for mentoring or workforce training is desired
- Develop grant program so DBEs can hire a consultant they want to address needs
- Holding training in Milwaukee or Madison is hard on DBEs in other areas
- Training on internet bidding was good
- WisDOT encourages primes to work with & train DBEs

- Support service is currently targeted to entry DBE firms should customize to needs of established DBE firms
- One on one training is good. Older firms can choose what is needed rather than cookie cutter
- DBE Support Service follow-ups (to assess services provided by consultants for effectiveness)

Other issues

- DBE procedures do not exist for all types of lets (or staff are not aware) (local lets?)
- DBE newsletter not informative enough
- DBEs like it that primes know WisDOT can cause them problems if not in compliance
- Having a Marquette Committee is a strength
- Use lessons learned statewide
- TRANS-AC is a strength
- A fund to provide or loan DBE's the fee for WTBA membership is needed
- Reduce paperwork
- Concern re: Marquette project & impact on funding for other projects
- Highlight successful firms
- Takes 2-3 years for final project close out (payment concern/financial impact)
- Training on project management processes is needed
- Encourage mentor protégé: Prime/DBE or large DBE / new DBE
- Utilize graduated DBEs to give success story at seminars / conferences
- Poor economy is impacting all
- Preparing workers for all was very positive (TrANS)
- Program helps DBEs to get work
- Network opportunities between prime / DBE's are needed
- There is concern by prime and DBE over loss of networking opportunities by initiation of electronic bidding process
- **? Association cue all in Milwaukee**
- Primes not familiar with ODBEP Programs supporting DBE assistance – development
- Electronic bidding is great
- Concern about distribution of Marquette funding
- Milwaukee contractor concern that all the highway money will be spent in Milwaukee and other areas of state will lack work