



Transportation Link

The official publication of the U.S. Department of Transportation's Office of Small and Disadvantaged Business Utilization

www.osdbu.dot.gov

From the Desk of the Director



OSDBU is happy to announce the return of our newsletter, *The Transportation Link*.

In past years, many of our customers came to rely on the *Transportation Link* as a quick and easy way to keep up with new developments – ranging from improvements in OSDBU's services to rules affecting all federal contracting. We have also presented information on pending procurements, tips to help your bottom line, and profiles of successful small, disadvantaged, 8(a), HUBZone, woman-owned and service disabled veteran-owned businesses.

The new *Transportation Link* will provide all of these features – and more. In our lead article, we're happy to report that the first-ever Small Business Procurement Scorecard gave DOT its highest rating. The Scorecard tracks and monitors the efforts of 24 federal agencies to achieve their small business goals. It is jointly compiled by the U.S. Small Business Administration and the U.S. Office of Federal Procurement Policy.

Also, we ask you to check out the new *DOT Procurement Forecast for Fiscal Year 2008*. The *Procurement Forecast* serves as an information tool for anticipated procurement opportunities provided by all of DOT's Operating Administrations. It also provides an invaluable reference for locating technical and/or procurement contacts.

In other stories, we highlight new partnerships between DOT and localities to achieve our joint transportation goals. In one of these developments, DOT selected five communities in August who are to become Urban Partners to end traffic gridlock. In July, OSDBU announced three new local organizations who will partner with DOT to host Small Business Transportation Resource Centers.

We hope you enjoy this return of the *Transportation Link* and look forward to your comments and suggestions for its improvement.

Denise Rodriguez-Lopez
Director, Office of Small and Disadvantaged Business Utilization (OSDBU)

SBA Gives Its Highest Rating to DOT's Small Business Program

A New Tool for Evaluating Progress

The U.S. Small Business Administration (SBA) recently issued its inaugural Small Business Procurement Scorecard (Scorecard). Of the 24 federal departments and agencies evaluated, only seven were given the Scorecard's highest ranking of green.

OSDBU is proud to report that the DOT is one of those seven agencies at the forefront of making contract opportunities available to small, disadvantaged, 8(a), HUBZone, woman-owned and service disabled veteran-owned businesses. *continued on page 3*

Introducing Our Director

OSDBU's Director, Ms. Denise Rodriguez-Lopez, is an attorney who has devoted her career to helping individuals overcome obstacles that could prevent them from getting ahead.

Prior to her current appointment at OSDBU, Ms. Rodriguez-Lopez served as the Deputy Director of the White House Initiative on Educational Excellence for Hispanic Americans. As the Deputy Director, Ms. Rodriguez-Lopez worked to close the educational achievement gap of Hispanic Americans and conducted outreach so that Hispanic Americans could better understand the educational opportunities available to them.

Ms. Rodriguez-Lopez has held leadership positions with the Cuban American National Council, the Puerto Rico Federal Affairs Administration, and the Puerto Rico Electric and Power Authority.

Ms. Rodriguez-Lopez brings to OSDBU a unique combination of private sector expertise and hands-on public service. We look forward to her continued leadership in ensuring that small, disadvantaged, 8(a), HUBZone, woman-owned and service disabled veteran-owned small businesses are provided the opportunity to succeed in the DOT procurement arena.

FOR ADDITIONAL INFORMATION:
 More of Ms. Denise Rodriguez-Lopez's biography can be found under "About OSDBU" on the OSDBU Website.

IN THIS ISSUE

Calendar.....	2
We've Moved	2
A New Procurement Forecast.....	2
Recertification Rules Offer New Opportunities for Small Businesses.....	4
Community-Based Organizations to Assist Local Businesses	4
Answering Your Questions about the DBE Program	5
A DOT Champion of Veterans Enterprise.....	5
DOT Partnering with Communities to Fight Gridlock.....	6

calendar

NOVEMBER 27-28

Maritime Security Expo – 6th Annual Expo and Conference • New York, NY

Anna Ferris 301-493-5500

ferris@ejkrause.com

<http://www.maritimesecurityexpo.com/>

NOVEMBER 28

Transportation Symposium & Business Exchange Session • Chicago, IL

<http://www.dot.state.il.us/events/transit%20sympos%20brochure%202.pdf>

DECEMBER 5

7th Annual Small, Minority and Women Business Owners Conference

San Antonio, TX

http://www.bexar.org/smwbe/BCSD_SMWBE_T96_R44.html

DECEMBER 11

Business Matchmaking Southcentral Regional Face to Face Seminar

Little Rock, AR

Service Corps of Retired Executives (SCORE) and Hewlett-Packard

<http://www.businessmatchmaking.com/regionsc.shtml>

FEBRUARY 5-8

The 2008 Katrina Economic Development Summit • New Orleans, LA

866-277-7055

<http://www.postkatrinasummit.org/>

MARCH 3-6

Reservation Economic Summit (RES) & American Indian Business Trade Fair

Las Vegas, NV

events@ncaied.org 800-4NCAEID

http://www.ncaied.org/downloads/RES_2008_Savedate.pdf

MARCH 4-5

20th Annual High-Tech Small Business Conference • Los Angeles, CA

Amber Norton, Amber.J.Norton@jpl.nasa.gov

<http://acquisition.jpl.nasa.gov/boo/2008-Interest-Letter.doc>

We've Moved

If you haven't done so already, it's time to update your BlackBerry, Palm Pilot, or (good, old-fashioned) address book. In June, OSDBU joined the other DOT offices in relocating to the Department's new headquarters building at the Washington Navy Yard. Our new address is: **1200 New Jersey Avenue, SE, Washington, DC 20590.**

However, while our physical location has changed, there is no need to update any of OSDBU's telephone numbers and email addresses. They all remain the same.

We are also excited to be at the forefront of a full-scale economic revitalization of the once-depressed Anacostia River waterfront – an initiative that takes elements from the past to create a more dynamic future. With regard to the past, DOT's new facility restores a portion of Pierre L'Enfant's original design for the city of Washington by reopening three streets once blocked by the Washington Navy Yard. With regard to the future, DOT Headquarters is at the vanguard of a planned transformation of the Anacostia River from a run-down collection of abandoned or underused buildings. In their place, this partnership of public and private interests is prepared to create a lively waterfront of offices, restaurants, shops, and marinas – and the future home of the Washington Nationals baseball team.

For a map and directions to DOT's new Headquarters building, check out the "Visitor's Information" link on OSDBU Website.

A New Procurement Forecast

October 1, 2007, was the first day of Fiscal Year (FY) 2008 and OSDBU rang in the new year by posting its *U.S. Department of Transportation (DOT) Procurement Forecast FY 2008*.

Checking out the *Procurement Forecast* is a "must" for all of OSDBU's customers. It represents DOT's best estimate of what the different operating administrations will be buying in the coming year.

The *Forecast* is set up to be user-friendly. For example, are you interested in knowing what projects the Federal Highway Administration is planning to fund in the 3rd quarter of FY 2008? Just check under the "Operating Administration" tab of the *Forecast*. Do you want to know which offices will be requesting computer-related services in the coming year? Simply click on "Procurement Category."

You can also use the "Advanced Search" function to find out if DOT offices anticipate a need for more specific services – and focus your marketing efforts accordingly. Be sure to take advantage of this valuable tool for growing your business.

FOR MORE INFORMATION: Check out the *Procurement Forecast* under the "OSDBU Services" link of the Website.

Please note that the Federal Aviation Administration (FAA) issues its own *Procurement Forecast* separate from the one issued by OSDBU for the other operating administrations. A link to the *FAA FY 2008 Procurement Forecast* can be found on either the FAA or OSDBU websites.

SMALL BUSINESS SCORECARD...continued from page 1

The Scorecard used procurement data from Fiscal Year (FY) 2006 and was compiled by both the SBA and the Office of Management and Budget's Office of Federal Procurement Policy (OMB/OFPP). Modeled after OMB's successful assessment system for the President's Management Agenda, the Scorecard rates a government agency's current status and its progress in meeting their small business procurement goals.

DOT's "Green" Rating

SBA gave DOT its highest ranking because the Department met two particular requirements. First, DOT had to reach the goal of 36% of its procurement dollars going to small businesses. The Department not only met, but exceeded, this goal. More than 41% of the funds awarded to private firms went to small businesses.

Second, DOT attained three out of four goals for specific subcategories of small business. The four goals are:

- 14% of procurement dollars go to small disadvantaged businesses (SDB);
- 5% go to woman-owned businesses (WOB);
- 3% go to historically underutilized business zone (HUBZone) businesses; and
- 3% go to service disabled, veteran-owned small businesses (SDVOSB).

For the first three of these goals, DOT's performance again far exceeded the threshold. Rather than be limited by the 5% SDB/WOB goal, DOT provided 16% and 8% of its procurement dollars to SDBs and WOBs respectively. For HUBZones, the figure reached 7.5%.



Scorecard's Rating System

The Small Business Procurement Scorecard adopts the three-part "traffic light" grading system developed for the President's Management Agenda:

- RED is for unsatisfactory**
- YELLOW is for mixed results**
- GREEN is for success**

The only subcategory of small business where we didn't reach our goal is for SDVOSBs. However, DOT continues to make significant improvements in this area, actually doubling its performance over the previous year. Furthermore, efforts within DOT are beginning to be recognized and show that the SDVOSB community can make significant contributions [See "DOT Champion of Veterans Enterprise" article on page 5].

Using the Scorecard

The Scorecard is a method of ensuring that federal agencies provide the maximum possible opportunity for small businesses in the federal marketplace. The Scorecard's purpose, according to SBA Administrator, Steven C. Preston, is "to increase transparency and accountability in the small business procurement arena" – resulting in "additional ways to engage the small business contracting community."

While we are proud of the achievements documented by this first Scorecard, OSDDBU will continue to reach out to the small business community and work with the DOT operating administrations to ensure that contracting opportunities are available to small, disadvantaged, HUBZone, woman-owned and service disabled veteran-owned small businesses.

The Scorecard will be updated every six months and is available on the SBA website.

- 7 Federal Departments and Agencies Given a "Green" Rating**
- Department of Agriculture
 - Department of Energy
 - Department of Homeland Security
 - Department of Housing and Urban Development
 - Department of Transportation
 - Department of Veterans Affairs
 - Small Business Administration

DOT's Success in Reaching Small Business Goals

	DOT Goals	Federal Govt's FY 2006 Results	DOT's FY 2006 Results
<i>% of procurement dollars going to</i> Small Business Overall	36%	22.8%	41.1%
<i>% of procurement dollars going to</i> Small Business Subcategories			
SDB	14%	6.8%	16.1%
WOB	5%	3.4%	8.0%
SDVOSB	3%	0.9%	1.9%
HUBZone	3%	2.1%	7.5%

Recertification Rules Offer New Opportunities for Small Businesses

New SBA regulations took effect on June 30, 2007, requiring companies with federal contracts to recertify their size status as “small businesses.” These actions will increase opportunities for more small businesses to receive contracts from the federal government.

Recertification is necessary because federal agencies have been able to count all contracts originally awarded to small businesses as small business contracts for up to 20 years, even if those companies were acquired by large corporations. However, starting June 30, any small business that merges or is acquired by another firm must immediately “recertify” its size.

If the company is no longer “small” under SBA rules, the contract will nevertheless continue; however, the federal government will no longer be able to count it as a “small” contract. Federal agencies will also immediately modify all existing long-term (over five years)

contracts to require small businesses to recertify their size status for acquisitions, mergers and novation requests and to recertify their size status prior to an option being exercised.

Under these rules, most large businesses credited with small contracts will no longer be counted as small. Nearly all the remaining large businesses will be removed from the federal government’s contracting database within a year. As a result, federal agencies will need to increase efforts to identify and contract with new small businesses to meet the congressional goal that 23 percent of all procurements go to small businesses.

The SBA Recertification Regulation is available on the *Federal Register* website. A Fact Sheet prepared by the SBA about the recertification regulation can be found on the SBA website, www.sba.gov

Community-Based Organizations to Assist Local Businesses

OSDBU recently announced the selection of three new organizations that will partner with OSDBU to host a Small Business Transportation Resource Center (SBTRC) in their respective geographic areas. The local organizations chosen were:

- **Greater Dallas Hispanic Chamber of Commerce (Dallas, TX)** – for the Gulf Region (Texas, Louisiana, Oklahoma, New Mexico, Arkansas);
- **Greater Philadelphia Minority Business Strategic Alliance (Philadelphia, PA)** – for the Mid Atlantic Region (Pennsylvania, Maryland, Virginia, West Virginia, Delaware, the District of Columbia); and
- **Hispanic American Construction Industry Association (Chicago, IL)** – for the Great Lakes Region (Illinois, Indiana, Michigan, Ohio, Wisconsin).

These three SBTRC hosts will join two others that were announced in April:

- **Miami Dade College (Miami, FL)** – for the Southeast Region (Florida, Georgia, Alabama, Mississippi, Puerto Rico, U.S. Virgin Islands); and
- **University of Missouri Extension Business Development Group (Columbia, MO)** – for the Central Region (Missouri, Colorado, Minnesota, Iowa, Kansas, Nebraska, South Dakota, North Dakota, Wyoming).

These five organizations were selected from a number of respondents to an OSDBU Request for Proposals seeking qualified organizations to host nine Regional SBTRCs across the country. OSDBU is still considering candidates for the remaining five Regions.

Qualified organizations include: 1) business-centered community-based organizations, 2) transportation-related trade associations, 3) colleges and universities, 4) community colleges, or 5) chambers of commerce. OSDBU’s plan is to enter into Cooperative Agreements with the nine organizations selected to establish SBTRCs on a region-wide basis.

The purpose of the SBTRC program is to increase the number of small, disadvantaged, 8(a), HUB-Zone, woman- and veteran-owned businesses that are prepared to compete for, and enter into, transportation-related prime and subcontracts. OSDBU’s goal is to partner with local organizations to disseminate information and to offer both business training and technical assistance targeted towards small business transportation enterprises at the regional level.

For More Information on the SBTRC program, check out the OSDBU Website or contact Arthur D. Jackson at (202) 366-5344 or art.jackson@dot.gov

For More Information on the local organizations chosen to host a SBTRC in their Region:

- Greater Dallas Hispanic Chamber of Commerce, www.gdhcc.com;
- Greater Philadelphia Minority Business Strategic Alliance, www.gpmba.com;
- Hispanic American Construction Industry Association, www.haciaworks.org;
- Miami Dade College, www.mdc.edu; and
- University of Missouri Extension Business Development Group, www.missouribusiness.net

Answering Your Questions about the Department of Transportation (DOT) DBE Program

What type of work is covered by the DOT's DBE Program?

The Disadvantaged Business Enterprise (DBE) program is unique to the transportation sector and covers contracts let by state highway agencies, airports, transit authorities, and other state and local agencies that receive DOT funds.

In a nutshell, how does the DBE Program work?

DOT provides substantial financial assistance to state and local transportation agencies (recipients) for their highway, transit and airport improvement programs. As provided in federal regulations (Title 49 Code of Federal Regulations Parts 23 and 26), DOT requires that recipients set overall percentage goals, as appropriate, for the use of DBEs on projects in which these DOT funds participate – based on the relative availability of DBEs and other factors. DOT tells the recipients

The DBE program is administered and managed at the state and local level, and does NOT apply to Federal contracting with the U.S. Department of Transportation.

to give priority to race-neutral methods to meet these goals. To the extent that the goals are not met, then recipients use contract specific goals as appropriate. The level of DBE subcontracting goals may vary from their approved DBE goal; however, at the end of the year, the amount of contract/subcontract awards to DBEs should be consistent with the overall goal.

What is the overall purpose of the DBE Program?

The objective is to create a level playing field on which all firms can compete free from the effects of discrimination.

What is a DBE?

DBEs are for-profit small business concerns in which socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.

This article is intended to provide a general overview of the DBE Program. More specific information can be found on the OSDDBU website.

How can an eligible small business participate?

To participate in the DBE program, a small business owned and controlled by socially and economically disadvantaged individuals must receive DBE certification from the relevant state—generally through the state Uniform Certification Program (see box). To be regarded as economically disadvantaged, an individual must have a personal net worth that does not exceed \$750,000. To be seen as a small business, a firm must meet SBA size criteria AND have average annual gross receipts not to exceed \$20.41 million. Size limits for the airport concessions DBE program are higher.

What is the Uniform Certification Program (UCP)?

The purpose of the UCP is to provide “one-stop shopping” to DBE applicants. Under this program, a firm applies one time with the state certification agency, and if approved, that certification is shared by all other recipients of federal highway, transit, and airport improvement funds in the state.

What's the role of state and local transportation agencies?

As recipients of DOT financial assistance, state and local transportation agencies are responsible to: 1) ensure DBEs are certified and the program is implemented according to DOT regulations; 2) establish narrowly-tailored goals for DBE participation; and 3) evaluate their DOT-assisted contracts throughout the year and establish contract-specific DBE subcontracting goals as necessary to meet their overall goals.

What's the role of DOT?

The Department is responsible for: 1) developing the rules and regulations for the national DBE program; 2) providing guidance and conducting oversight to make sure that these rules and regulations are followed by the recipients of DOT funds; and 3) considering appeals from state/local certification decisions.

A DOT Champion of Veterans Enterprise

DOT's Office of Intelligence, Security & Emergency Transportation (OET) recently received a Champion of Veterans Enterprise Award from the U.S. Department of Veterans Affairs' (VA) Center for Veterans Enterprise (CVE). The CVE is solely dedicated to assisting veterans in starting and building businesses. The Champions of Veterans Enterprise Awards Program was created to honor those individuals and organizations that

have given first consideration to the needs and concerns of veterans and service-disabled veterans.

The federal government has a goal that 3% of its contracting and subcontracting dollars should be awarded each year to service disabled veteran-owned small businesses (SDVOSB). DOT's OET has not only met this goal, but has far exceeded it. In 2006, OET awarded 63% of its procurement dollars to SDVOSBs – representing \$9.9 million in awards.

OSDBU congratulates OET and its Director, Mr. Mike Lowder, for this well-deserved award.

Check these links for more information on:

- The Champions of Veterans Enterprise Award
- VA's Center for Veterans Enterprise
- DOT's Office of Intelligence, Security, and Emergency Response

DOT Partnering with Communities to Fight Gridlock

DOT Secretary Mary E. Peters recently announced the selection of five metropolitan areas as the first communities to participate in a new federal initiative to fight traffic congestion. This initiative, the Urban Partnership Agreement (UPA), is aimed at reducing gridlock in the short-term by pursuing aggressive strategies under the umbrella of the “Four Ts” – tolling, transit, telecommuting, and technology. *[See first box on this page for a description of the “Four Ts.”]*

A key component for a UPA is the use of congestion pricing as part of its tolling strategy. With congestion pricing, tolls typically vary by level of traffic and are collected at highway speeds using electronic toll collection technology. Vehicles are equipped with electronic devices called transponders or “tags,” which are read by overhead antennas. Toll rates for different time periods may be set to ensure that the lanes are fully utilized without a breakdown in traffic flow. *[See second box on this page for more information on congestion pricing.]*

The following list presents the five communities receiving UPA funding, along with the size of their awards:

- Miami (\$62.9 million);
- Minneapolis (\$133.3 million);
- New York City (\$354.5 million);
- San Francisco (\$158.7 million); and
- Seattle (\$138.7 million).

Secretary Peters said that each of the Urban Partners has developed a total transportation solution: “These communities have committed to fighting congestion now. Our commitment was to allocate the federal contribution in a lump sum, not in bits and pieces over several years – an approach meant to get these projects off the drawing board and into action.”

More information on UPA can be found on the Federal Highway Administration’s web page.

The “4 Ts” – Combining Four Strategies to Reduce Congestion

Tolling: This first strategy is the key component of an Urban Partnership—involving broad applications of congestion pricing that can be implemented in the near-term. These can include:

- Networks of priced lanes that use existing highway lanes;
- Variable tolls on entire roadways – including toll roads and bridges, as well as existing toll free facilities;
- Cordon charges to enter a congested area; and
- Area-wide pricing involving charges on all roads within a congested area.

Transit: The second strategy includes more efficient and responsive public transit systems that tailor services specifically for rush-hour commuters. For example, free-flowing priced highway lanes can provide opportunities for speedy Bus Rapid Transit and Express Bus services. Such services are flexible and cost-effective modes of public transportation, and provide viable commuting options for those who travel during rush hours.

Telecommuting: The third strategy will involve commitments from major employers in the region to allow more of their employees to telecommute and work a flexible schedule. Flex-time policies can help stagger work schedules, decreasing the number of drivers during peak travel times.

Technology & Operations: Finally, Urban Partnerships will utilize advanced technological and operational approaches to:

- Improve the overall system performance;
- Support regional efforts to expand the provision of real-time traveler information;
- Improve the overall responsiveness to traffic incidents;
- Improve arterial signal timing; and
- Reduce the obtrusiveness of highway construction work zones.

More on Congestion Pricing

Congestion pricing – sometimes called value pricing -- is a way of harnessing the power of the market to reduce the waste associated with traffic congestion. Variable charges have been successfully utilized in other industries. For example, airline ticket prices, cell phone rates, and electricity rates vary by level of demand. There is a consensus among economists that congestion pricing represents the single most viable and sustainable approach to reducing traffic congestion.

Congestion pricing has demonstrated powerful results both here in the U.S. and around the world. Successful U.S. applications of congestion pricing are operating on California’s State Route 91 in Orange County, I-15 in San Diego, I-25 in Denver, and I-394 in Minneapolis– all of which have enabled congestion-free rush-hour commuting and have proven popular with drivers of all income levels. Internationally, broad-based congestion pricing has yielded dramatic reductions in traffic congestion in Singapore, London, and Stockholm.