

# Why Are DBEs MIA? Resolving Shortages

# By Kim Slowey

Editor's note: This article from November 2015 addresses a well-known challenge in the DBE world. Statistics and references from 2015 may have been updated since then, but we provide the article as written because of the excellent overall content.

Since the early 1960s, even before the passage of the Civil Rights Act of 1964, the United States government has been trying to find ways to give disadvantaged business enterprises (DBEs) a piece of the gigantic federal contract pie-almost \$450 billion in 2014. Also commonly called WBEs (woman-owned) and MBEs (minority-owned), they all refer to businesses which, by virtue of ownership, historically have been shut out of federal contracting opportunities.

State and federal agencies typically set required DBE participation goals at five percent to ten percent and up, meaning that there are tens of billions of federal dollars up for grabs. In 2015, federal construction spending, according to the Associated General Contractors of America.

will total almost \$106 billion, resulting in a potential \$10 billion payoff for firms certified as disadvantaged.

Of course, there is, for some, the temptation to commit fraud in order to gain access to these lucrative contracts. Three Pennsylvania steel company executives pleaded guilty in October to setting up a sham DBE in order to win nearly \$19 million in US Department of Transportation and Pennsylvania Department of Transportation contracts set aside for disadvantaged businesses.

With all that money at stake, one would think minority and woman-owned businesses are filling federal offices, demanding to be certified and eager to participate. So why aren't they? Construction industry experts say there is a shortage of certified DBEs, and that means it's getting harder to meet federal agency DBE participation goals.

#### **Drowning in paperwork?**

Complexity of paperwork has been named one big reason for the lack of DBEs. The Small Business Administration certifies DBEs through the



benchmark 8(a) Business Development Program, and the application process can be overwhelming for firms seeking certification. In fact, a cottage industry has sprung up around filling out 8(a) and other agency applications and preparing the

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Viaduct and Bridge Replacement Myrtle Beach Line (BMT) MTA New York City Transit Contract No. C-48702 Bid Date: September 20, 2016

#### **Description of project:**

Removal and installation of a concrete and steel viaduct in Bushwick, Brooklyn, including foundations and superstructure, track work elements (LVT and timber tie), miscellaneous metals, signals, electrical, communication. Removal and installation of a single span two track NYCT bridge over NYAR including new foundations, steel structure, miscellaneous metals, stone repair/cleaning, signals, communications, power, and track work elements (ballasted timber tie). Creation of a new single track shop for married pair train car inspections including a prefabricated butler building, car lift system, turntable, mechanical systems (HVAC, fire protection, plumbing, BMS), stinger, power, communications, signals, architectural, and miscellaneous metals. Accelerated construction schedule with fixed intermediate milestone date.

If you are interested in bidding on this project, please contact Skanska's Outreach Coordinator: Julia.Omanoff@skanska.com



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# Enhanced Stations Initiative Program, Package 1 MTA New York City Transit Contract No. A-36622A Bid Date: September 22, 2016

#### **Description of project:**

The work will include making three stations on the Fourth Avenue Line, BMT, in the Borough of Brooklyn (Prospect Avenue Station, 53rd Street Station, and Bay Ridge Avenue Station) cleaner, brighter, and easier to navigate, by utilizing means such as improved lighting and more intuitive way-finding and providing amenities such as Wi-Fi and cellular connectivity. This will involve architectural finishes (including painting and signage), structural repair and modifications, electrical (including lighting, communications, and technology) and mechanical work, as well as architectural and engineering services and surveying. There is also a required industrial design associated with station furniture and architectural elements and components to be installed within these stations.

#### Subcontracting opportunities include, but are not limited to:

Electrical, Architectural Restorations, Surveying, Mechanical, Painting CPM Scheduling, Plumbing, Masonry, Office Supplies, HVAC, Tile, Photography, Structural Steel, Signs, Reinforcement Steel, Miscellaneous Metals, Ceilings, Doors, Crack and Spall Repair, Janitorial Services/Cleaning, Detectable Warning Tile, Waterproofing, Platform Edge Rubbing Board, Gypsum Board, Demolition, Concrete Repairs, Cast-in-Place Concrete, Haul and Dispose Soils, Concrete and Asphalt.

If you are interested in bidding on this project, please contact Skanska's Outreach Coordinator: Julia.Omanoff@skanska.com

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#### Design Build Rehabilitation of the Henry Hudson Bridge MTA Bridges and Tunnels Contract No. HH-89 Bid Date: September 27, 2016

#### **Description of project:**

Design build rehabilitation and repair of the Henry Hudson Bridge's skewbacks, viaduct piers, and lower level north abutment.

## Subcontracting opportunities include, but are not limited to:

Concrete Demolition, Concrete Repairs, Concrete Supply, Concrete Reinforcing, Core Drilling, Materials Testing, Bridge Monitoring, Borings, Soil Testing, Lead Paint Removal, Painting, Material Hauling and Disposal, MPT, Landscaping, Arborist, Tree Protection, Clearing and Grubbing, Fence, Structural Concrete, Steel Repairs, Steel Bearings, Asphalt Paving, Earthwork, Marine Support, Scaffold, Erosion Control, Photo, CPM, Office Trailers, Rodent Control, Office Furniture, Downspouts, Drilled Piles, Structural Steel Fabrication, Construction Electric.

If you are interested in bidding on this project, please contact Skanska's Outreach Coordinator: Julia.Omanoff@skanska.com

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