

# **Disadvantaged Business Enterprises: Support Services for a Business Development Program**

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Prepared by

# **UTCA**

**University Transportation Center for Alabama**

The University of Alabama

ALDOT Project Number 4321-0599-0280-DBEM-100067809-2  
UTCA Report Number 18402  
August 2019

**UTCA Theme: Management and Safety of Transportation Systems**

# University Transportation Center for Alabama

**About UTCA** The University Transportation Center for Alabama (UTCA) is headquartered in the Department of Civil, Construction, and Environmental Engineering at the University of Alabama (UA). Interdisciplinary faculty members perform research, education, and technology-transfer projects using funds provided by UTCA and external sponsors.

**Mission Statement and Strategic Plan** The mission of UTCA is “to advance the technology and expertise in the multiple disciplines that comprise transportation through the mechanisms of education, research, and technology transfer while serving as a university-based center of excellence.”

The UTCA strategic plan contains six goals that support this mission:

- Education – conduct a multidisciplinary program of coursework and experiential learning that reinforces the theme of transportation;
- Human Resources – increase the number of students, faculty and staff who are attracted to and substantively involved in the undergraduate, graduate, and professional programs of UTCA;
- Diversity – develop students, faculty and staff who reflect the growing diversity of the US workforce and are substantively involved in the undergraduate, graduate, and professional programs of UTCA;
- Research Selection – utilize an objective process for selecting and reviewing research that balances the multiple objectives of the program;
- Research Performance – conduct an ongoing program of basic and applied research, the products of which are judged by peers or other experts in the field to advance the body of knowledge in transportation; and
- Technology Transfer – ensure the availability of research results to potential users in a form that can be directly implemented, utilized or otherwise applied.

**Theme** The UTCA theme is “*MANAGEMENT AND SAFETY OF TRANSPORTATION SYSTEMS.*” UTCA concentrates upon the highway and mass transit modes but also conducts projects featuring rail, waterway, air, and other transportation modes as well as intermodal issues.

**Acknowledgement** This project was sponsored by Alabama Department of Transportation (ALDOT). UTCA is grateful for ALDOT’s continued encouragement and support.

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<b>16. Abstract</b> <p>In 1982, the United States Congress authorized a statutory provision for disadvantaged business entities (DBEs) working on transportation related projects. One part of this provision is to provide business development programs (BDP) to train and assist DBEs. According to 49 CFR Appendix C to Part 26, the goal of a BDP is to assist DBEs in adding additional and/or non-traditional areas of work to compete within the context of the DBE program and outside the program in the general business marketplace.</p> <p>The project team at The University of Alabama was contracted by the Alabama DOT to provide BDP services to DBEs operating in the state of Alabama. The project team began with recommendations for 36 DBEs that might be candidates for the program. After contacting, assessing, and evaluating the DBEs, the team eventually worked with five DBEs. First, the team and the DBEs worked together to prepare Business Plans and Capabilities Statements. When those documents were complete, the team continued to work with the DBEs both individually and in a group training session held in Huntsville on June 11, 2019. These meetings focused on topics such as marketing, accounting, financial management, and bidding. Upon successful completion of the BDP, the five DBEs were recommended for inclusion in ALDOT's upcoming DBE Mentor-Protégé program.</p>			
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## **Executive Summary**

In 1982, the United States Congress authorized a statutory provision for disadvantaged business entities (DBEs) working on transportation related projects. One part of this provision is to provide business development programs (BDP) to train and assist DBEs. According to 49 CFR Appendix C to Part 26, the goal of a BDP is to assist DBEs in adding additional and/or non-traditional areas of work to compete within the context of the DBE program and outside the program in the general business marketplace.

The project team at The University of Alabama was contracted to provide BDP services to DBEs operating in the state of Alabama. To this end, a total of 36 potential DBEs were identified during the first four months of the contract period. The team began assessing each DBE to evaluate its current needs and standing. During the assessment process, it was discovered that some of the recommended DBEs had already participated in the BDP and/or were participating in the companion mentor-protégé program.

After the reviewing the needs assessments, it was determined that fourteen DBE firms met the criteria for business maturity and desire to participate in the BDP. However, a significant number of potential DBEs indicated that they were no longer interested in the program or could not be reached for follow-up contact. As a result, only five DBEs were successfully admitted to the program.

The project team worked with the five DBEs to prepare Business Plans and Capabilities Statements. When those documents were complete, the team continued to work with the DBEs individually and in a group training session held in Huntsville on June 11, 2019. These meeting focused on topics such as marketing, accounting, financial management, and bidding. Upon successful completion of the BDP, the five DBEs were recommended for inclusion in the upcoming Mentor-Protégé program.

# **1. Introduction**

## **Background**

In 1982, the United States Congress authorized a statutory provision for disadvantaged business entities (DBEs) working on transportation related projects. Over a quarter century, the program, provisions, and regulations have changed and grown with the increase in DBE participation. The Federal Highway Administration (FHWA) DBE program has several elements including a Supportive Services (SS) component and a Business Development Program (BDP) component.

According to 49 CFR Appendix C to Part 26, the goal of a BDP is to assist DBEs in adding additional and/or non-traditional areas of work to compete within the context of the DBE program and outside the program in the general business marketplace. This is accomplished in part through assistance with business plan development, capability enhancement training, and technical knowledge transfer sessions.

## **ALDOT Specific Scope of Work**

The FHWA BDP program guidelines provide state highway agencies (SHA) broad authority to specify the scope of work (SOW) for their BDP. For the contract period of April 19, 2018 to June 18, 2019, the objectives in the ALDOT SOW were:

1. Establish BDP to help DBE firms compete in the marketplace outside the DBE program.
2. Conduct an assessment on each participating DBE to determine their needs.
3. Identify 16 DBE firms who will participate in program.
4. Submit business plan to selected provider and ALDOT for review.
5. Create training plan for each DBE based on their assessed level of development.
6. Provide targeted assistance to the DBE firms in measures to enhance their revenues.
7. Provide targeted assistance to the DBE firms in measures to enhance their sales marketing.
8. Provide targeted assistance to the DBE firms in financial management and bonding.
9. Provide targeted assistance to the DBE firms in technical material and bidding.
10. Schedule and coordinate training sessions for DBE firms.
11. Meetings will be scheduled with ALDOT personnel for regular updates.

The following chapters outline the activities and performance measures for each of the aforementioned objectives for the SOW for the BDP. As appropriate, confidential information related to business and financial processes or data is withheld from this report.

## **2. Identification and Assessment of DBEs**

### **Objective 1: Identification of Eligible DBEs**

During the first four months of the BDP, personnel from The University of Alabama (UA) and Alabama A&M University (AAMU) worked with ALDOT DBE SS providers: AAMU, University of West Alabama, Tuskegee University, and The University of Alabama at Birmingham. The University of Alabama at Huntsville, which managed the ALDOT DBE mentor-protégé program at the time of this award, was also consulted for recommendation of eligible DBEs. In addition to the various DBE service providers, an outside consultant, Mr. Mike Self, was consulted for a list of eligible DBEs. Later in the program period, two additional consultants, Mr. Donald Taylor and Ms. Alicia White, were retained. They provided several additional referrals for DBE firms.

A total of 36 potential DBEs were identified during the first four months of the contract period (Figure 1). The team expected an attrition rate of approximately 50% and thus a starting pool of 36 candidates was expected to be sufficient to achieve the target goal of 16 DBEs admitted to the BDP. This portion of the program met the first objective in the SOW.

### **Objective 2: Assessment of Eligible DBEs**

After identifying the 36 potential DBEs for admittance into the BDP, the UA and AAMU personnel teamed with the following consultants from the Alabama Small Business Development Center (SBDC) at The University of Alabama to develop a Needs Assessment Form to identify the current state of practice of each DBE firm:

- Mr. Brian Davis, Director of the Alabama International Trade Center (AITC)
- Mr. Michael Brooks, Associate Director of the AITC
- Mr. Jerry Ellison, Program Manager of Procurement Technical Assistance Center (PTAC)

The program personnel leveraged UA's enterprise subscription to the Qualtrics survey software platform to perform assessments in real-time and maintain up-to-date records. It was quickly discovered that using paper forms or multiple copies of word documents was cumbersome and subject to delayed updates or even data loss. An example of the Qualtrics software interface is shown in Figure 2. The full needs assessment criteria can be found in Appendix A.

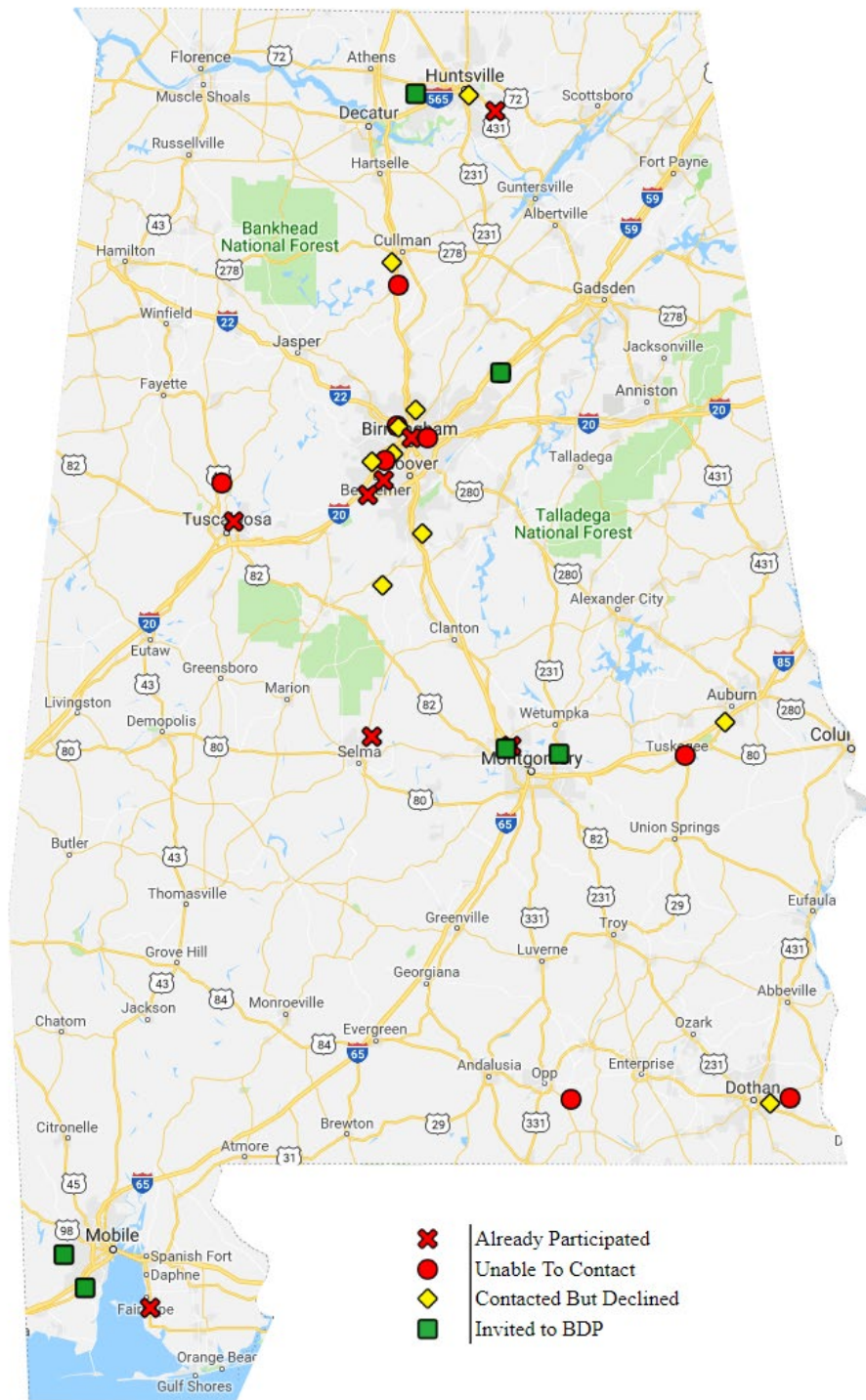
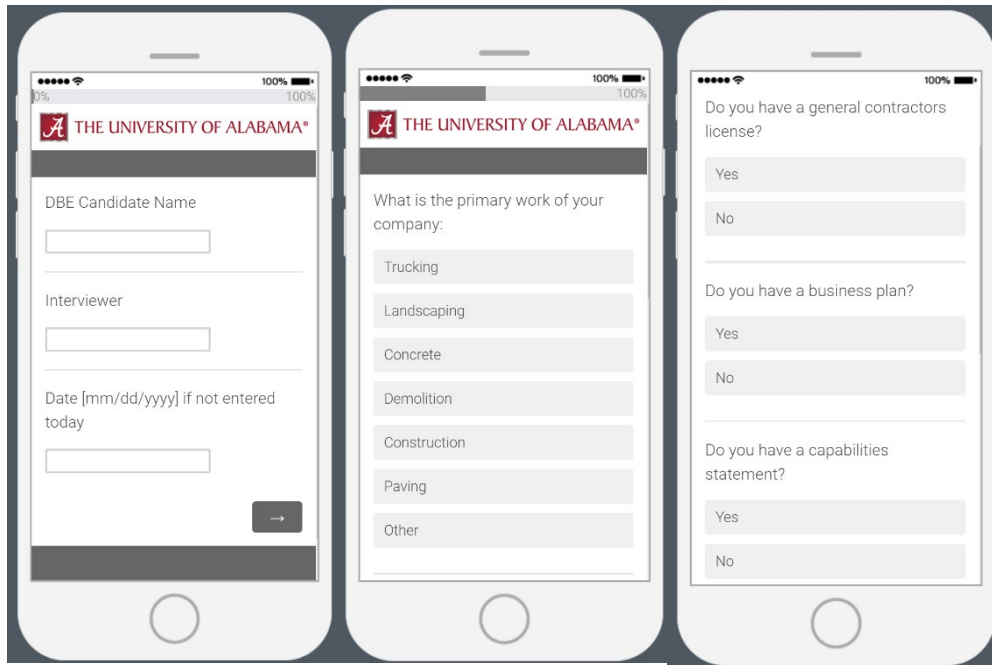


Figure 1: Geographic location of the potential DBEs considered for admittance into the BDP.



**Figure 2: Screenshots of the mobile version of the needs assessment survey used by interviewing personnel in the field.**

During the assessment process, it was discovered that some of the recommended DBEs had already participated in the BDP and/or were participating in the companion mentor-protégé program. A summary of the final needs assessment outcomes is presented below (Table 1). In some cases, initial contact was made but no follow-up needs assessment was performed due to the inability to reach the DBE firm or due to disinterest from the DBE firm in the program. A summary of this process for the DBEs eligible for the DBE program is shown in Table 2.

**Table 1: List of referred, assessed, and participating DBE firms in the BDP.**

<i><b>DBE</b></i>		<b>Location</b>	<b>Initial Contact Made</b>	<b>Needs Assessment Completed</b>	<b>Willing to Participate</b>	<b>Rec. Source</b>
	1	Birmingham	Y	N	N	UAB
	2	Mobile	N	N	N	UWA
	3	Springville	Y	Y	Y	AAMU
	4	Brierfield	Y	N	N	UWA
	5	Fairfield	Y	N	N	UAB
	6	Madison	Y	Y	Y	AAMU
	7	Birmingham	N	N	N	UAB
	8	Montgomery	Y	Y	Y	TUSK
	9	Theodore	Y	Y	Y	UWA
	10	Mobile	Y	Y	Y	UWA
	11	Huntsville	Y	N	N	AAMU
	12	Huntsville	Y	Y	Y	AAMU
	13	Hoover	Y	Y	Y	MPP
	14	Elba	N	N	N	MS
	15	Tuskegee	N	N	N	MS
	16	Hanceville	N	N	N	MS
	17	Wilsonville	Y	Y	N	MS
	18	Steele	N	N	N	MS
	19	Troy	Y	Y	N	MS
	20	Dothan	Y	Y	N	MS
	21	Prattville	Y	Y	Y	MS
	22	Fultondale	Y	N	N	MS
	23	Northport	N	N	N	MS
	24	Midfield	N	N	N	MS
	25	Birmingham	N	N	N	MS
	26	Cullman	Y	N	N	MS
	27	Auburn	Y	N	N	MS
	28	Huntsville	N*	N*	N*	AAMU
	29	Valley Grande	N*	N*	N*	N/a
	30	Birmingham	N*	N*	N*	TUSK
	31	Northport	N*	N*	N*	N/a
	32	Bessemer	N*	N*	N*	UAB
	33	Helena	Y*	N*	N*	UAB
	34	Prattville	Y*	Y*	N*	TUSK
	35	Owens Cross Roads	N*	N*	N*	N/a
	36	Point Clear	Y*	N*	N*	TUSK
	37	Birmingham	N*	N*	N*	AW

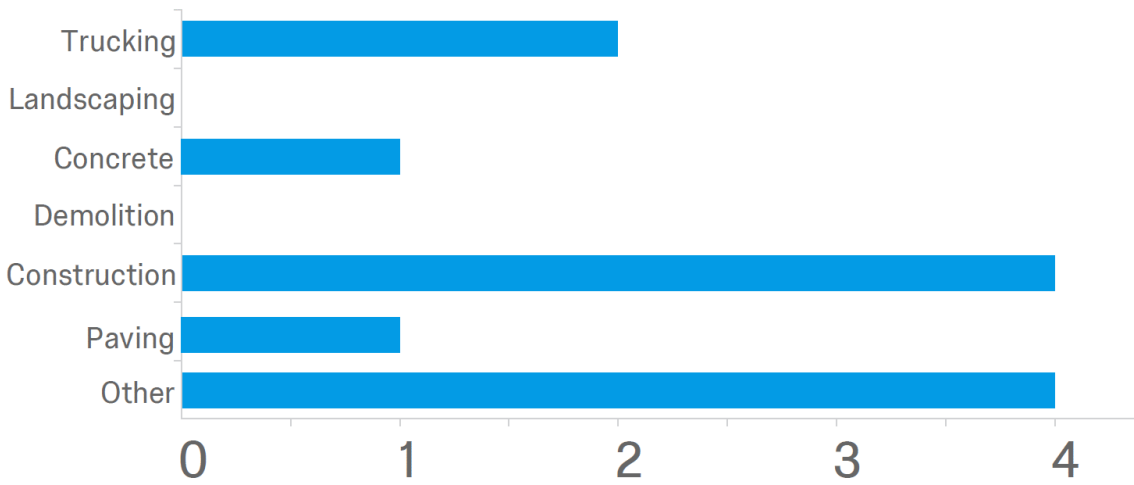
*\*Firm was referred but later found to have already participated in the BDP and/or MPP.*

*For recommendation sources: MPP = Mentor Protégé Program, MS = Mike Self, and AW = Alicia White*

**Table 2: Summary of needs assessments performed and reasons for non-continuation for candidate DBE firms**

<i>DBE</i>	<i>Needs Assessment</i>	<i>Non-Continuation Reason</i>
1	N/a	Changed mind and not interested anymore
2	N/a	Missed appointment, wouldn't return calls
3	12/3/2018	
4	8/16/2018	
5	N/a	Changed mind and not interested anymore
6	12/17/2018	
7	N/a	Did not return calls
8	12/13/2018	
9	8/20/2018	
10	10/25/2018	
11	8/15/2018	
12	5/22/2019	
13	5/20/2019	
14	N/a	Unable to make initial contact
15	N/a	Unable to make initial contact
16	N/a	Changed mind and not interested anymore
17	10/30/2018	
18	N/a	Retiring
19	N/a	Unable to make initial contact
20	10/24/2018	
21	8/15/2018	
22	8/15/2018	
23	N/a	Changed mind and not interested anymore
24	N/a	Did not return calls
25	N/a	Did not return calls
26	N/a	Changed mind and not interested anymore
27	N/a	Changed mind and not interested anymore
34	10/23/2018	

Select data from the needs assessments reported in Table 2 is summarized in Figure 3. The full dataset is available in Appendix B. In general, the assessed DBE firms indicated that the two priority items for business development, in their opinion, was assistance with business plan development and reading highway/airfield bid documents. Other topics of need were determined to be development of a capability statement, assistance with cost estimating processes, information on bonding, and information on successful marketing strategies. The completion of this needs assessment process satisfies objective 2 in the SOW.



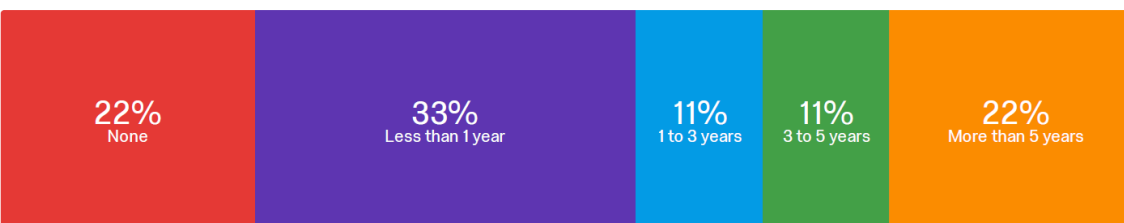
### How Many Years in Business



### Licensed as a General Contractor



### Experience Reading DOT Plans/Bid Documents



**Figure 3: Self-identified characteristics of assessed DBE firms as determined through in person interviews.**

### Objective 3: Identification of DBE Firms for Admittance to BDP

After the reviewing the needs assessments, it was determined that seven DBE firms met the criteria for business maturity and desire to participate in the BDP (Table 3). Invitation letters were mailed to the DBE firms listed. Firm 10 indicated it wish to be removed from the DBE program altogether and is no longer listed in the Alabama Unified Certification Program (ALUCP) database. Firm 21 indicated that it was leaving the trucking business. This brought the total active participant count to five. This completed objective 3 in the SOW.

**Table 3: Invited DBE firms for the BDP**

<i>DBE</i>	<i>NAICS*</i>	<i>Specialty</i>
21	484110, 484122, 484220, 484230, 488510, 484121	Trucking
10	N/a	Engineering Services
9	238990	Concrete, Curb/Gutter
8	484220	Trucking
6	561730, 561720, 541614	Logistics
3	N/a	Airport
13	237310, 238990	Paving, Concrete
12	561110, 541612, 541519	Logistics

\*These NAICS are self-reported and listed in the Alabama Unified Certification Program (ALUCP) database.

### Feedback on Objectives 1 – 3

While the target goal of 16 DBEs was not met, the project team worked diligently to increase participation in the BDP. As part of the feedback to ALDOT for enhancing future BDP outcomes, the project team makes these comments and recommendations with respect to Objectives 1 – 3:

- DBEs were often reluctant to meet due to their perception that this program offered no value to them. It is recommended that ALDOT use DBEs that have successfully completed the program as visible examples of the effect the BDP can have on a DBE's performance.
- There were two work stoppages during the contract period. One stoppage occurred when FY2019 funds were held up and were not available to the project team; ALDOT asked the team to halt work until the funds were re-established. The second stoppage occurred when a request by the project team to extend the project end date by a month could not be processed before the initial end date. The first stoppage lasted nearly a month, and the other period was less than a week. Both stoppages occurred at critical times during the project and significantly reduced the momentum of the program. It is recommended that ALDOT communicate with the FHWA to ensure a consistent and guaranteed project contract period.

- The requirements for pre-approved travel are sometimes a hindrance when trying to meet with DBEs. Typically, a DBE is unable to schedule a meeting far in advance, and some trips would be planned with short to no advance notice. It is recommended that ALDOT adopt a policy that in-state, no overnight travel to meet DBEs have no pre-approval requirements.

### **3. Business Development Training**

A significant portion of the time and expenditures during the contract period was spent assisting the admitted DBEs to develop their business plan, capability statement (i.e. “cut sheet”), and skills reading and bidding on ALDOT projects. Due to the confidential nature of business financials, the specifics of the business plan development will be addressed in general terms.

#### **Objective 4: Business Plan Review**

The business plan of each admitted DBE was obtained and reviewed by the project team. At this point in the contract period, the project team included the original team plus two consultants: Mr. Donald Taylor, PMP, Encypro and Ms. Alicia White, JMA Enterprises. In an effort to unify the business plan model, a common outline was developed:

1. Executive Summary
2. Objectives
3. Mission Statement
4. Keys to Success
5. Company Summary and History
  - a. Company Ownership
  - b. Organizational Structure
  - c. Services (Work Types)
  - d. Services Descriptions (i.e. NAICS codes)
  - e. Past Performance
6. Target Market
7. Strengths Weaknesses, Opportunities, and Threats (SWOT)
8. Sales and Marketing
9. Development Plan
10. Financials

Most of the admitted DBEs had a basic working draft of a business plan upon which to develop and improve. The first three sections of the outline were straightforward to address. Starting with Section 4, Keys to Success, the critical areas for each DBE were identified. Some of the keys to success were listed as:

- Establishing and maintaining working relationships and contractual agreements with prime contractors to ALDOT and private construction companies that require fencing, clearing and grubbing, guardrail, and building construction services.
- Increasing amount of equipment and employees in order to increase the capacity for servicing large projects and handling multiple projects at one time.

- Continuing with high standards as a customer-service oriented company with competitive pricing.
- Increasing profit margins by fine tuning bid preparation procedures to adequately cover costs and be profitable in a competitive market.
- Developing a reputation and presence in the services provided throughout the current service region of Southwest and Southeast Alabama and starting an expansion into Central Alabama and eventually spreading into the entire state.

For the Company, Summary, and History section of the business plan, a careful examination of each admitted DBE was undertaken. An organization structure was provided to each DBE as a framework to consider as they developed their enterprise. It should be noted that most of the DBEs the project team interacted with had only one or two employees, making an organizational structure difficult to formulate.

As part of building a business plan for each DBE the project team focused more on the self-reported work types and work services (i.e. NAICS codes). Several DBEs had the capabilities to perform additional work types. If the additional worktype was not a listed worktype in the ALUCP database, these DBEs were encouraged to list the work types and services on their capability statements and business plan documents. This was done in order to provide a path for the DBEs to demonstrate work history in those areas. Additionally, all DBEs were encouraged to list all prior work history in their capability statement and business plan documents.

The project team assisted each DBE in identifying its target market by compiling a list of the contractors and prime contractors in each region. An example of this compilation is shown in Table 4. A customized list was provided for each DBE based on its geographic work area. To provide some context to the possible bids in the near future, data was gathered from the ALDOT Five Year Plan (FYP) published for the 2019 plan year (Table 5). Based on the DBE's work types, its business plan highlighted the possible market for the next five years. For example, a paving DBE highlighted the fact that in the next five years, there will be approximately \$1.1 billion in projects let for paving related categories. Even with a DBE goal of 5 – 10%, this translates to a potential market of \$50 – 100 million.

To further assist DBEs in applying to their target market, a list of procurement resources was developed (Table 6). This non-comprehensive list provided DBEs a resource to use in going through all possible avenues of bid procurement. According to the needs assessments performed, becoming aware of and bidding on ALDOT plans is a deficiency many DBEs wish to address. This procurement resource remedies one part of this deficiency. Additionally, these resources alert DBEs to non-ALDOT projects, which helps satisfy FHWA's wish to help DBEs compete outside the ALDOT program in the general business marketplace.

Each DBE also underwent a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. An example analysis is shown in Figure 4. The SWOT analysis is critical in a business plan as it summarizes the DBE's current standing and provides a quick-look at the stability of the business model.

The sales, marketing, and development portions of the business plan were all customized for each DBE based on its target market, geographical region, and SWOT analysis. Some of the development recommendations included: developing standard operating procedures (SOPs), having staff obtain OSHA 10/30 certification, and developing templates for estimating.

**Table 4: Example compilation of contractors currently bidding on ALDOT projects. Companies with an asterisk are prime contractors.**

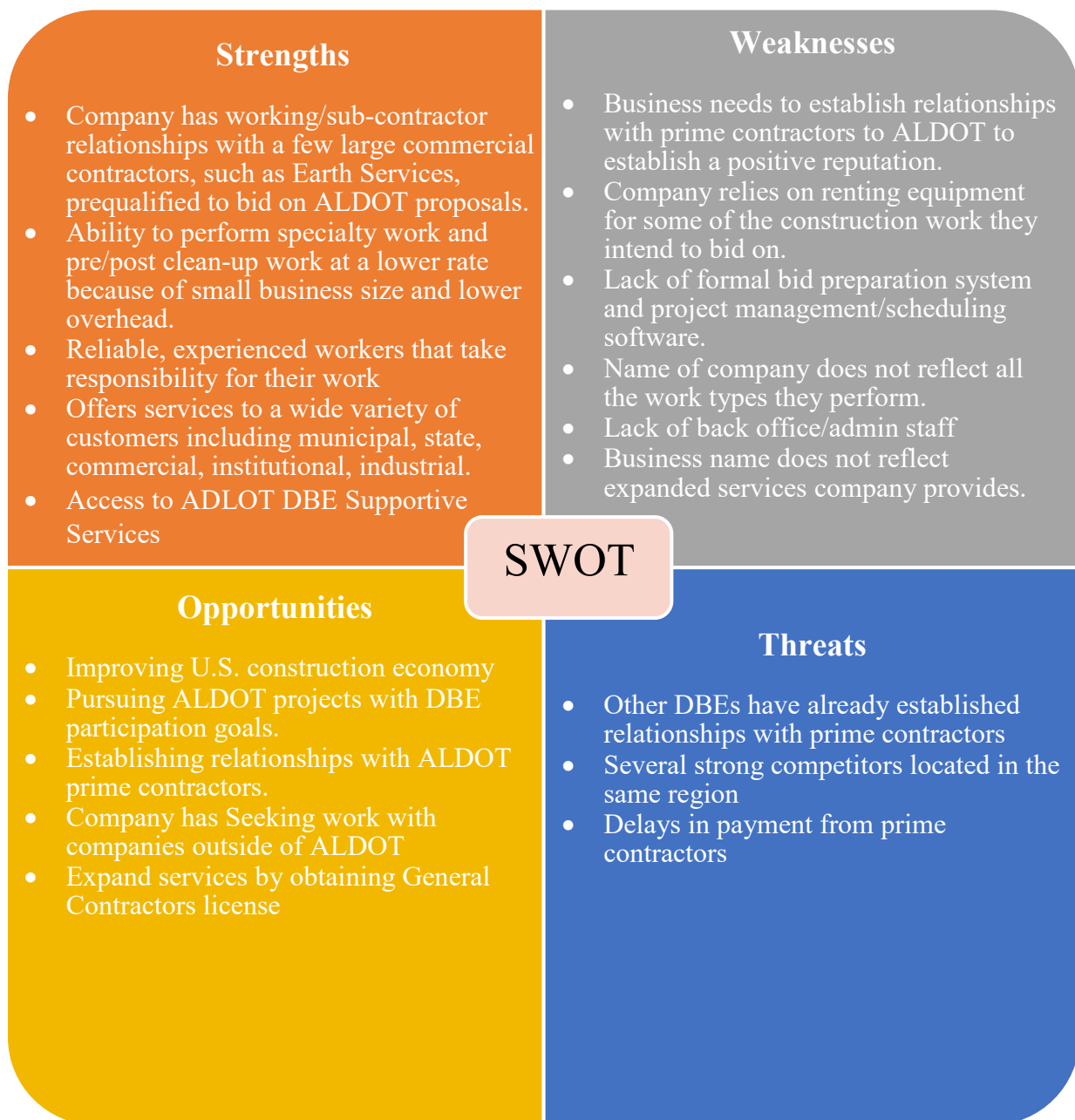
Arrington Curb & Excavation, Inc.*	Massana Construction, Inc.*
Asphalt Contractors, Inc.*	McCartney Construction, Co*
Boan Contracting Co., Inc.	McElhenney Construction Co., LLC
Blount Construction Company, Inc.*	McInnis Construction, LLC*
Carsen Construction Co., Inc.	Midsouth Paving, Inc.*
Carter's Contracting Services*	Murphree Bridge Corporation*
David Bulger, Inc.*	Mobile Asphalt Company, LLC
D&J Enterprises, Inc.*	Newell Roadbuilders, Inc.*
Dubose Construction Company, LLC*	Newell & Bush, Inc.*
East Alabama Paving Co., Inc.*	Ozark Safety Services, LLC
Fraiser-Ousley Construction Engineering, Inc.	Ozark Striping Company, Inc.*
F. W. Construction Company, Inc.*	RMD Holdings, Inc.*
G.W. Norrell Contracting Co. Inc.	S. A. Graham Company, Inc.*
Grady Ralls & Sons, Inc.*	S & C Materials & Paving, Inc.
Grout, Incorporated*	Scott Bridge Company, Inc.*
H & L Construction, Inc.*	The Bridge Builders of Alabama*
Hilton Cooper Contracting, Inc.	Tri-County Construction, LLC*
Howell, LLC*	Vance Brothers, Inc.*
J.A. Lett Construction Co., Inc.	Wiregrass Construction Co., Inc.*
James C. Hudson Jr Construction Co, Inc.*	W. S. Newell, Inc.*
John G. Walton Construction Co., Inc.	

**Table 5: All construction categorized lettings and sub-categories from ALDOT Five Year Plan for the 2019 plan year. Dollar amounts are in thousands of dollars. Not all sub-categories listed.**

	Federal Funding, \$	State Funding, \$	Total	
<b>All Construction</b>	<b>4,306,600</b>	<b>496,761</b>	<b>4,803,361</b>	
<i>Additional Roadway Lanes</i>	344,105	95,507	439,612	9%
<i>Base and Pave</i>	37,724	12,178	49,902	1%
<i>All Bridge Categories</i>	1,157,208	141,265	1,298,473	27%
<i>All Drainage Categories</i>	1,860,419	80,578	1,940,997	40%
<i>Intersections</i>	126,480	29,973	156,453	3%
<i>Maintenance and Rehabilitation</i>	241,583	27,626	269,209	6%
<i>Resurfacing</i>	112,381	26,462	138,843	3%
<i>Sidewalk</i>	19,219	4,806	24,025	1%
<i>Widening/Resurfacing</i>	63,108	17,469	80,577	2%

**Table 6: A non-comprehensive list of procurement resources for DBEs.**

NAME	WEBSITE	DESCRIPTION
Alabama Department of Finance Division of Purchasing	<a href="http://purchasing.alabama.gov/">http://purchasing.alabama.gov/</a>	Listing of active statewide contracts, open ITBs, and information about contracting with the state.
Alabama Legals	<a href="http://www.alabamalegals.com/">http://www.alabamalegals.com/</a>	Database of public notices published in Alabama newspapers.
ALDOT	<a href="http://alletting.dot.state.al.us/">http://alletting.dot.state.al.us/</a> <a href="http://alletting.dot.state.al.us/pages/TentativeLetting.htm">http://alletting.dot.state.al.us/pages/TentativeLetting.htm</a>	Project letting information Tentative letting dates
ContractorCN	<a href="https://www.contractorcnc.com/">https://www.contractorcnc.com/</a>	Listing of contracting opportunities, ALDOT lettings. Free service to DBEs
DataFax	<a href="http://www.datafax.net/">http://www.datafax.net/</a>	DataFax offers custom reports that match the needs of your business and operations. Reports can be emailed to the customer daily. Areas of work are divided into five section: designers; contractors; subcontractors; vendors and suppliers; and service providers.
Dodge Reports	<a href="http://dodgeprojects.construction.com/">http://dodgeprojects.construction.com/</a>	Provides data, analytics, news, and intelligence about the North American construction industry to subscribers.
ENR Southeast	<a href="http://southeast.construction.com/">http://southeast.construction.com/</a>	News and information about the construction industry.
FedBizOpps	<a href="https://www.fbo.gov/index?s=opportunity&amp;mode=list&amp;tab=search&amp;tabmode=list&amp;=">https://www.fbo.gov/index?s=opportunity&amp;mode=list&amp;tab=search&amp;tabmode=list&amp;=</a>	Listing of federal business opportunities.
iSqFt	<a href="http://www.isqft.com/start/">http://www.isqft.com/start/</a>	iSqFt connects general contractors, subcontractors, manufacturers, distributors, suppliers, and architects using its network. They claim to offer more subscribers more bidding projects with plans and specs than competitors.
Turner Insurance & Bonding	<a href="http://letting.turnerfirst.com/">http://letting.turnerfirst.com/</a>	Live letting schedule



**Figure 4: Example strengths, weaknesses, opportunities, and threats (SWOT) analysis performed on DBEs.**

The financial section of the business plan development is one of the most critical components of the process. Each of the admitted DBEs had different financial systems in place. Regardless of the specific system used by each DBE, the project team established three main financial components in each business plan: chart of accounts, general and administrative expenses (G&A), and financial structure.

For each DBE, a customized chart of accounts was developed and provided. The chart of accounts is simply a list of all the accounts within a company that is available for transactions and appears in its ledger. An example chart of accounts is shown in (Table 7).


**Table 7: Example of extremely abbreviated chart of accounts.**

Account	Description
10010 · Bank - XXXX	Bank account
10050 · Payroll Clearing	Select this account in the Enter Payroll Information screen if you are running a mock payroll and use an outside payroll service.
10100 · Accounts Receivable - Billed	To record trade receivables when services and products are billed.
10150 · Retainage Receivable	To record retainage withholding from trade receivables when services and products are billed.
10101 · Accounts Receivable - Unbilled	To record the debit when recognizing unbilled revenue.
20100 · Accounts Payables	Trade accounts with amounts due to trade creditors.
20300 · Payroll Liabilities	Unpaid payroll liabilities. Amounts withheld or accrued, but not yet paid
20300 · Payroll Liabilities:20301 · Accrued Wages and Salary	Gross wages owed to employees but not yet paid.
20300 · Payroll Liabilities:20302 · Federal Inc Tax W/H	Federal income tax withheld from employee pay.
20300 · Payroll Liabilities:20303 · State Inc Tax W/H	State income tax withheld from employee pay.
20400 · LOC - Line of Credit	To record the amount borrowed through a line of credit with a bank.
20500 · Due to/(from) Owner	To record the amount with owed to or owed from an owner
40100 · Contract Revenue	Sales to Government none 8(a), 8(a), and Commercial customers based on a contract agreement. Note: set up a different "Classes" in QuickBooks
50000 · Direct Costs:50100 · Direct Labor	Contract related services performed by employees.
50000 · Direct Costs:50200 · Direct Subcontractors	Contract related services performed by subcontractors.
50000 · Direct Costs:50300 · Direct Equipment	Cost of equipment directly related to contract performance.
50000 · Direct Costs:50400 · Direct Materials	Cost of materials directly related to contract performance.
50000 · Direct Costs:50500 · Direct Travel	Travel costs directly related to contract performance.
80000 · G&A Expense	Expenses not indirectly related to contract performance; the cost of activities that are necessary to the overall operation of the business as a whole...the business as a whole, but for which
80000 · G&A Expense: 80100 · G&A Labor	To record labor expense not indirectly related to contract performance, such as executive and administrative labor, and training for these personnel.


After a careful review of the admitted DBE business plans and cut sheets, training sessions were developed to enhance the various aspects of their overall operations. The sessions were mostly arranged in an ad-hoc manner due to the geographic constraints of the admitted DBEs. A more comprehensive workshop was hosted in Huntsville, AL on June 11, 2019. This workshop was led by Mr. Donald Taylor with Dr. Jay Lindly providing support. During this workshop, the following presentations were provided to the DBEs:

- Bidding with ALDOT
- Knowing Your Cost
- ALDOT: Making it count
- Identifying Bid Opportunities

The project team also assisted each admitted DBE in developing new capabilities statements. Work types were updated and in some cases, a new organizational structure of the document was suggested for easier readability and clarity. Two of the suggested capabilities statements are shown in Figure 5.



# Qualla Contractors, Inc.



## CAPABILITY STATEMENT

ALABAMA-INDIAN OWNED GENERAL CONTRACTOR IN ALABAMA SINCE 2003. WE HAVE SUCCESSFULLY COMPLETED PROJECTS IN BOTH THE PUBLIC AND PRIVATE SECTORS.

<u><b>Core Capabilities</b></u>	<u><b>Past Projects</b></u>	<u><b>Differentiators</b></u>
Airport runway lighting and NAVAID installations	Installed hydrosite decontamination systems for NAVFAC in Bessemer and Huntsville	In business 15 years  Bonded and Insured
New building and tower construction	FAA antenna/tower installations in Anniston, AL and Orlando, FL	Reputation for being on time and within budget
Environmental and hydrosite installations		
Project management		
Electrical contracting		

**Qualla Contractors, Inc.**  
 900 Legacy Cove N  
 Springville, AL 35146  
 Phone: (205) 868-1070  
 Email: [quallacon@aol.com](mailto:quallacon@aol.com)

**Alabama G**  
 3805  
**CAGE & DUNS**  
 31K8P7, 13731591  
**NAIC**  
 236220, 237310, 488110  
**Work Types**  
 Heavy Construction  
 Airport Runway Construction  
 Electrical

**Figure 5: Example capability statement suggestions provided to admitted DBEs.**

The project team also assisted several DBEs in bidding on projects. For example, on two occasions, Dr. Armen Amirkhanian, P.E., provided extensive and detailed feedback to Firm 13 on two separate bids. This assistance was done primarily via email. On other occasions, the project team provided as-needed technical, business, and marketing assistance. In an effort to remain brief, each instance will not be listed. However, in general, the project team communicated with each DBE in person or via call/email regarding the specific area of training or assistance the DBE needs assistance with.

After the five DBEs had completed Objectives 5 – 10, the project team considered that each DBE had successfully completed the Business Development Program. Each DBE was recommended for acceptance in to ALDOT's follow-up Mentor/Protégé Program.

### **Feedback on Objectives 5 – 10**

- Training sessions went well when the project team was able to schedule a mutual time with the DBE. Scheduling remains the biggest obstacle to the program.
- One-on-one sessions can sometimes be more effective than workshops. Each DBE is at a different stage of knowledge and capability. For example, bidding is an important topic. However, there are DBEs with successful bidding experience that only need high level assistance to enhance their business while other DBEs require more complete assistance.
- Some DBEs do not have the technical background to utilize a significant amount of online training courses. However, there are systems and apps that can simplify the process and make training content available anywhere and on any device such as a laptop, cell phone, or tablet. While no program should solely rely on online training, having the content available for DBEs after a workshop or one-on-one session could greatly enhance the efficacy of the program.

#### **4. SUMMARY**

The project team was asked to recruit 16 DBE firms for ALDOT's Business Development Program to help them obtain or improve skills that would allow them to graduate into ALDOT's DBE Mentor/Protégé Program. From several sources, including DBE Supportive Service Providers and ALDOT consultant EEO Networking Solutions, 36 DBEs were contacted and/or evaluated for inclusion in the BDP program. After the evaluations, seven DBEs were invited into the program. In intervening months, two dropped out, leaving five DBEs in the program.

From January through June 2019, the project team worked with the five DBEs to prepare Business Plans and Capabilities Statements. When those documents were complete, the team continued to work with the DBEs individually and in a group training session held in Huntsville on June 11, 2019. These meetings focused on topics such as marketing, accounting, financial management, and bidding. Completion of the Business Plan, Capabilities Statement, and further training allowed the project team to complete the Scope of Work that ALDOT had set for the project.

Five DBEs completed the BDP training, and each was accepted into ALDOT's Mentor/Protégé Program, which had begun just as the BDP program was ending. The Mentor/Protégé program's goal is to introduce eight DBEs to prime contractors who will act as personalized mentors, so the BDP provided five of the eight required firms for that program.

## 5. Appendix A: Full Needs Assessment Question Set

### UA DBE

### Survey Flow

Block: Default Question Block (3 Questions)

Standard: Block 1 (13 Questions)

Standard: Block 2 (4 Questions)

Standard: Block 3 (7 Questions)

Standard: Block 4 (6 Questions)

Standard: Block 5 (3 Questions)

Page Break

---

---

Start of Block: Default Question Block

Q1 DBE Candidate Name

Q2 Interviewer



Q3 Date [mm/dd/yyyy] if not entered today

---

End of Block: Default Question Block

---

Start of Block: Block 1

Q4 DBE Certification Number, if available

Q5 Business: Street Address

Q33 Business: Additional Street Address

Q34 Business: City



Q35 Business: State



Q36 Business: Zip

---

Q6 Number of Employees

---

Q7 Name of Interviewee

---

Q8 Position

---



Q9 Phone Number

---



Q10 Fax Number

---



Q11 Email

---



Q12 Business Email (if same, leave blank)

---

End of Block: Block 1

---

Start of Block: Block 2

Q13 What is the primary work of your company:

- ☐ Trucking (1)
- ☐ Landscaping (2)
- ☐ Concrete (3)
- ☐ Demolition (4)
- ☐ Construction (5)
- ☐ Paving (6)
- ☐ Other (7)

---

*Display This Question:*

*If What is the primary work of your company: = Other*

*Q14 If "Other", describe*

---

Q15 How long have you been in business

- ☐ Less than 1 year (1)
  - ☐ 1 to 5 years (2)
  - ☐ 6 to 10 years (3)
  - ☐ Over 10 years (4)
-

Q16 How much experience do you have reading highway construction plans

- ☐ None (1)
- ☐ Less than 1 year (2)
- ☐ 1 to 3 years (3)
- ☐ 3 to 5 years (4)
- ☐ More than 5 years (5)

End of Block: Block 2

---

Start of Block: Block 3

Q17 Do you have a general contractors license?

- ☐ Yes (1)
  - ☐ No (2)
- 

Q18 Do you have a business plan?

- ☐ Yes (1)
  - ☐ No (2)
- 

Q19 Do you have a capabilities statement?

- ☐ Yes (1)
  - ☐ No (2)
- 

Q20 Have you ever submitted a bid to a Prime Contractor?

- ☐ Yes (1)
  - ☐ No (2)
-

*Display This Question:*

*If Have you ever submitted a bid to a Prime Contractor? = Yes*

Q21 If so, have you ever doing/done work?

☐ Yes (1)

☐ No (2)

---

Q22 Is your firm using a computer for business?

☐ Yes (1)

☐ No (2)

---

*Display This Question:*

*If Is your firm using a computer for business? = Yes*

Q23 If so, what system?

☐ Windows (1)

☐ Max (2)

☐ Linux (3)

End of Block: Block 3

---

Start of Block: Block 4

Q24 Interested in: Revenue and Profitability

☐ Assessment of revenue, costs, and profitability (1)

☐ Cash flow statements and projections (2)

☐ Computer applications (Quick Books) (3)

---

Q25 Interested in: Financial Management

- ☐ Accounting and bookkeeping systems (1)
  - ☐ Preparing financial statements (2)
  - ☐ Bonding and insurance (3)
  - ☐ Access to capital (4)
- 

Q26 Interested in: Sales and Marketing

- ☐ Certifications and registrations (1)
  - ☐ Capabilities statement (2)
  - ☐ Business planning and industry research (3)
  - ☐ Customer and project identification (4)
  - ☐ Business and lead development (5)
  - ☐ Building relationships and networking with customers/prime contractors (6)
  - ☐ Website and social media (7)
- 

Q27 Interested in: Bid Procedures and Submissions

- ☐ Obtaining ALDOT highway construction plans (1)
- ☐ Reading plans (2)
- ☐ Estimating costs (3)
- ☐ Project scheduling (4)
- ☐ Preparing bids and proposals (5)
- ☐ Contract law (6)
- ☐ Federal and state regulations (7)

---

Q28 Other Topics

- ☐ Project management (1)
- ☐ Personnel management (2)
- ☐ Other (3)
- 

*Display This Question:*

*If Other Topics = Other*

Q29 If "Other", specify

---

End of Block: Block 4

---

Start of Block: Block 5

Q30 Best day(s) of the week

- ☐ Monday (1)
- ☐ Tuesday (2)
- ☐ Wednesday (3)
- ☐ Thursday (4)
- ☐ Friday (5)
- 

Q31 Best time of day

- ☐ Morning (1)
- ☐ Afternoon (2)
- ☐ Evening (3)
- 

Q32 Other notes

---

End of Block: Block 5

6. Appendix B: Full Needs Assessment Dataset

Note: Some fields were removed for privacy and confidentiality.

Self Identified Work Categories



If "Other", describe

Flatbed hauling

N/A

Physical Distribution

N/A

N/A

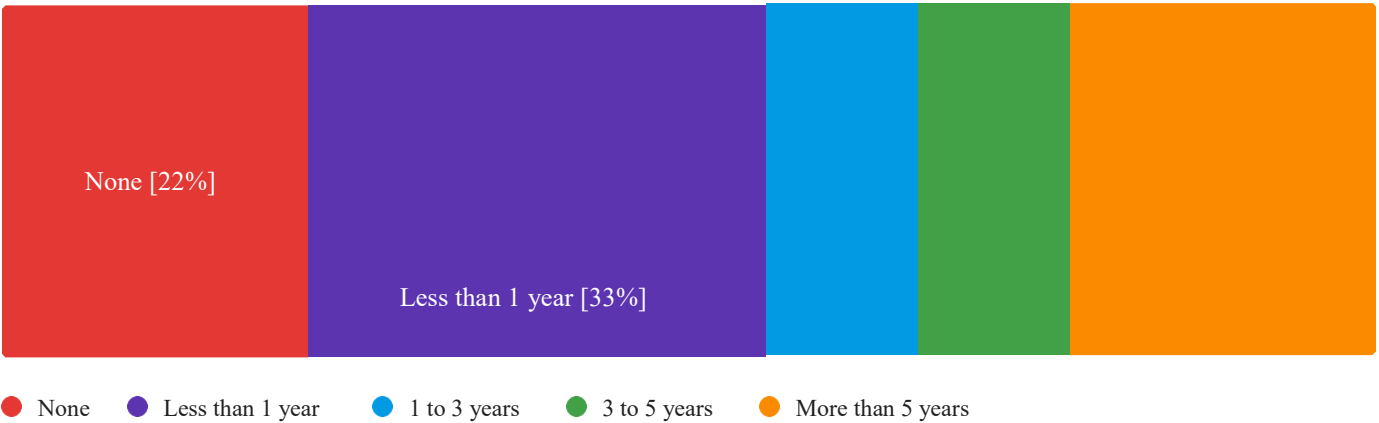
Q15 - How long have you been in business



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
How long have you been in business	2	4	3	1	1	10

Field	Choice Count
Less than 1 year	0
1 to 5 years	4
6 to 10 years	0
Over 10 years	6
Total	10

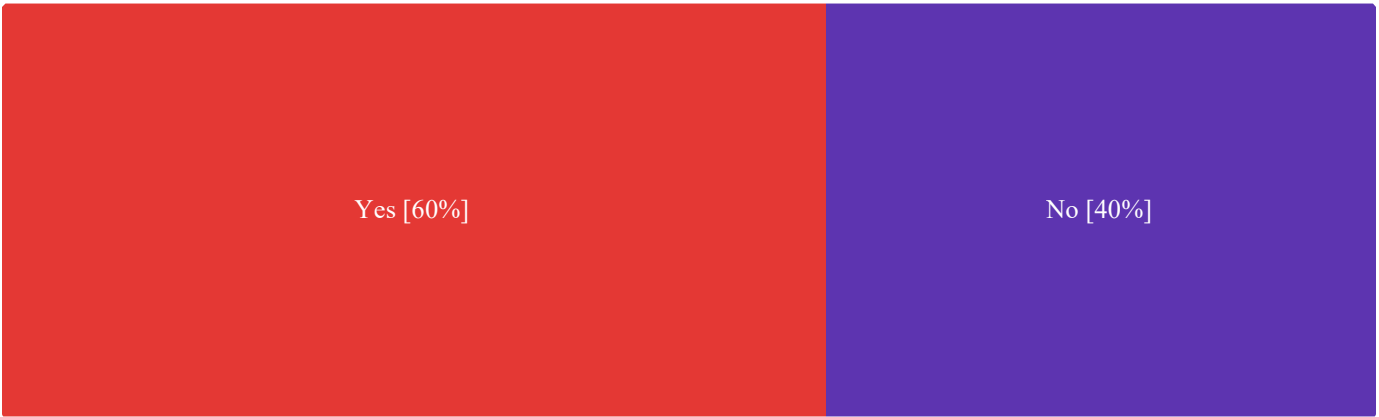
Q16 - How much experience do you have reading highway construction



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
How much experience do you have reading highway construction plans	1	5	3	1	2	9

Field	Choice Count
None	2
Less than 1 year	3
1 to 3 years	1
3 to 5 years	1
More than 5 years	2
Total	9

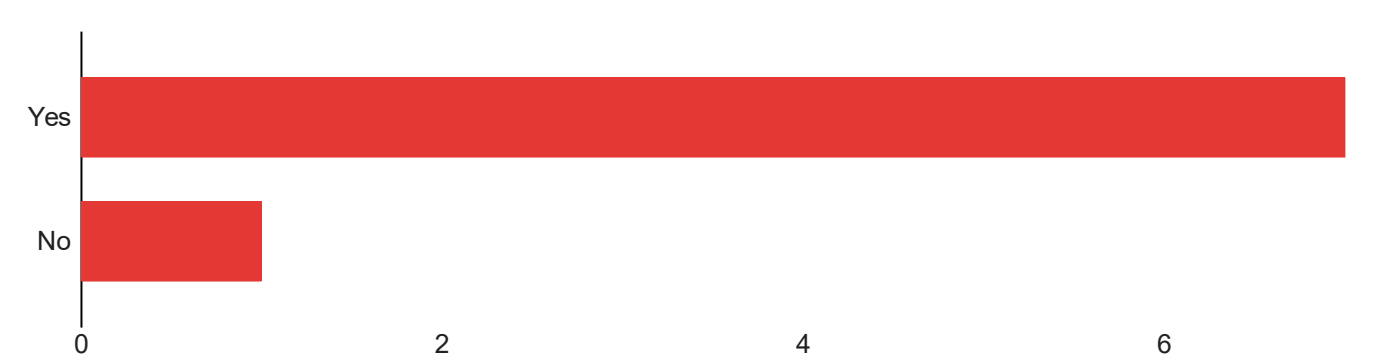
Q17 - Do you have a general contractors license?



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
Do you have a general contractors license?	1	2	1	0	0	10

Field	Choice Count
Yes	6
No	4
Total	10

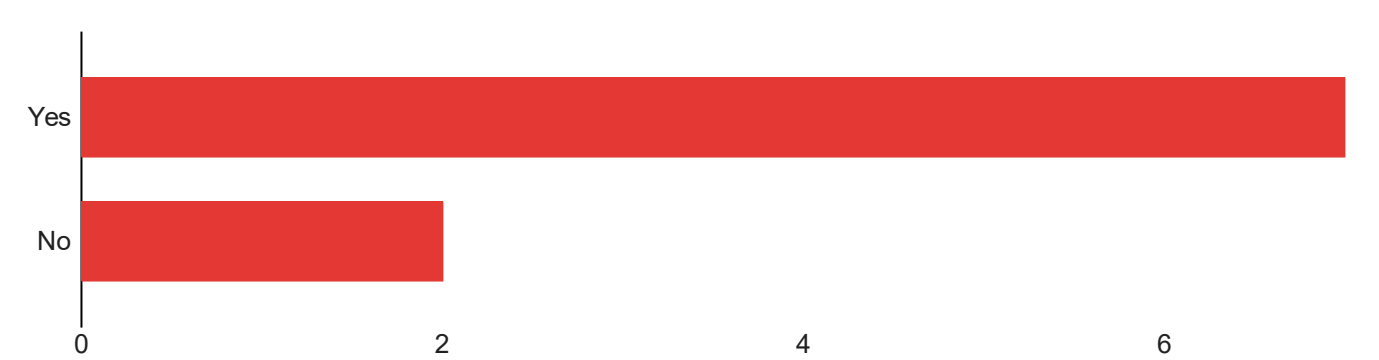
Q18 - Do you have a business plan?



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
Do you have a business plan?	1	2	1	0	0	8

Field	Choice Count
Yes	7
No	1
Total	8

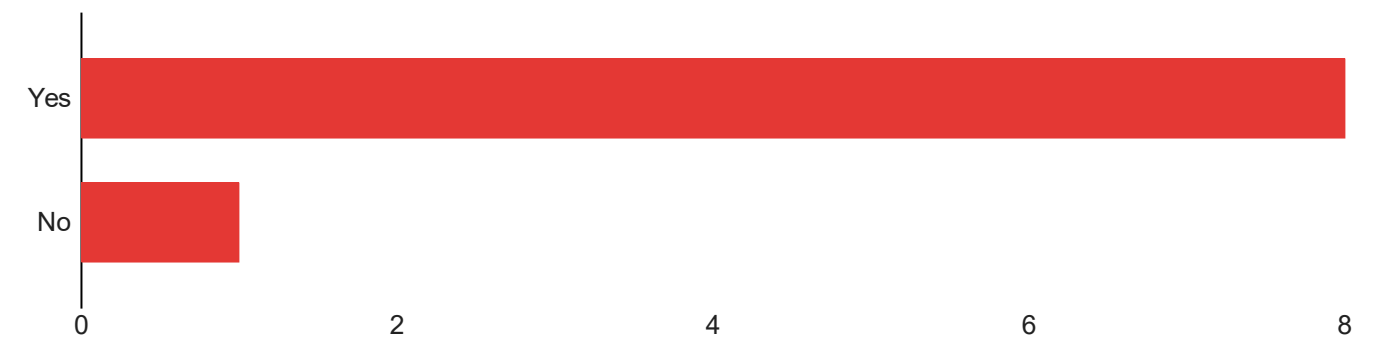
Q19 - Do you have a capabilities statement?



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
Do you have a capabilities statement?	1	2	1	0	0	9

Field	Choice Count
Yes	7
No	2
Total	9

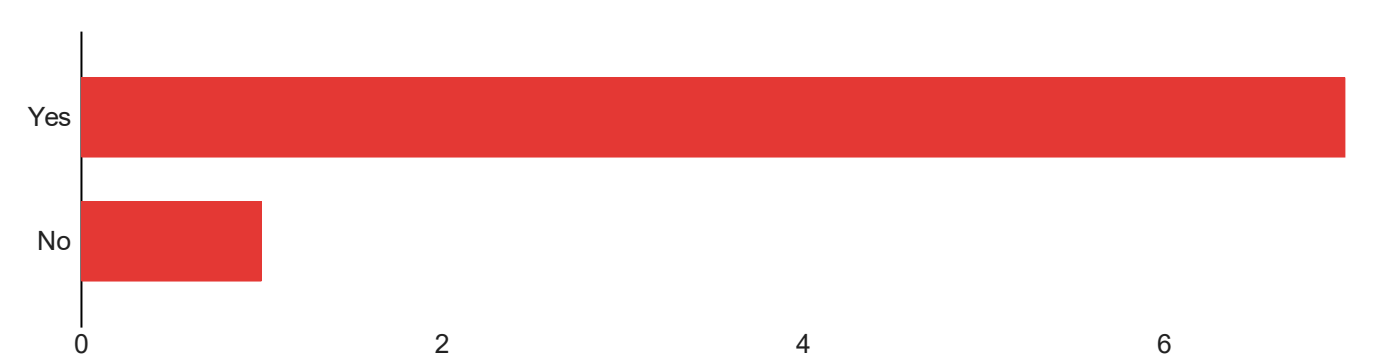
Q20 - Have you ever submitted a bid to a Prime Contractor?



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
Have you ever submitted a bid to a Prime Contractor?	1	2	1	0	0	9

Field	Choice Count
Yes	8
No	1
Total	9

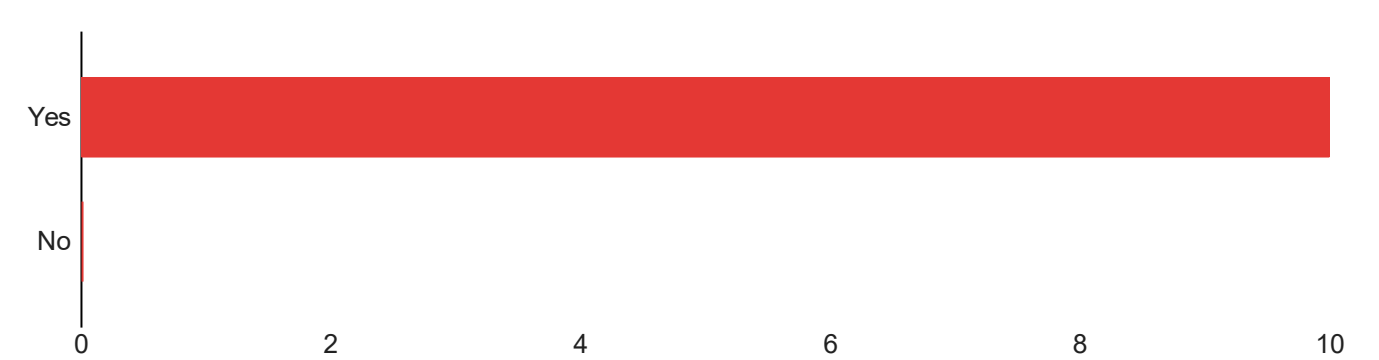
Q21 - If so, have you ever doing/done work?



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
If so, have you ever doing/done work?	1	2	1	0	0	8

Field	Choice Count
Yes	7
No	1
Total	8

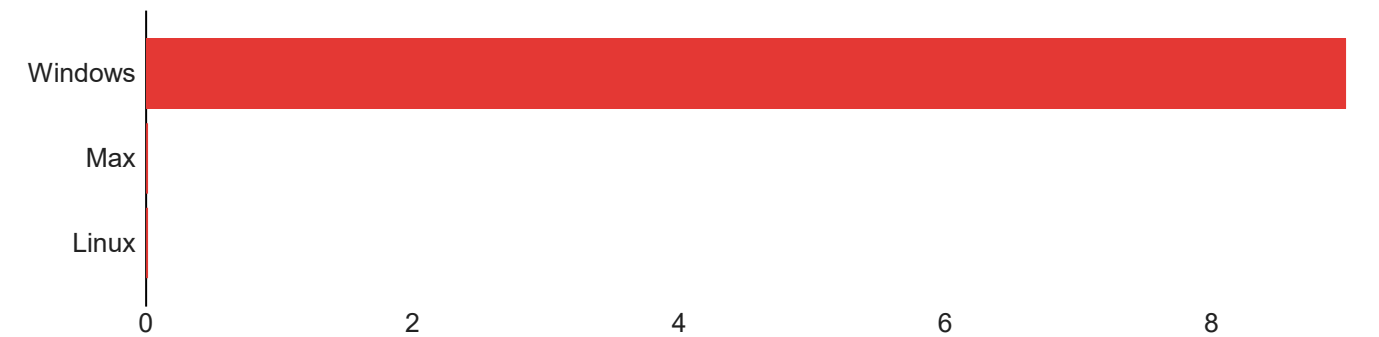
Q22 - Is your firm using a computer for business?



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
Is your firm using a computer for business?	1	1	1	0	0	10

Field	Choice Count
Yes	10
No	0
Total	10

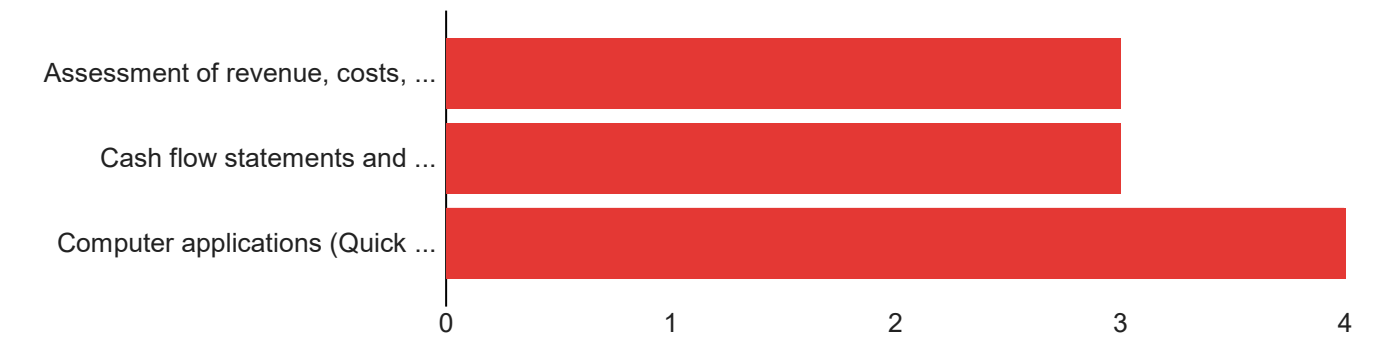
Q23 - If so, what system?



Field	Min	Max	Mean	Standard Deviation	Variance	Responses
If so, what system?	1	1	1	0	0	9

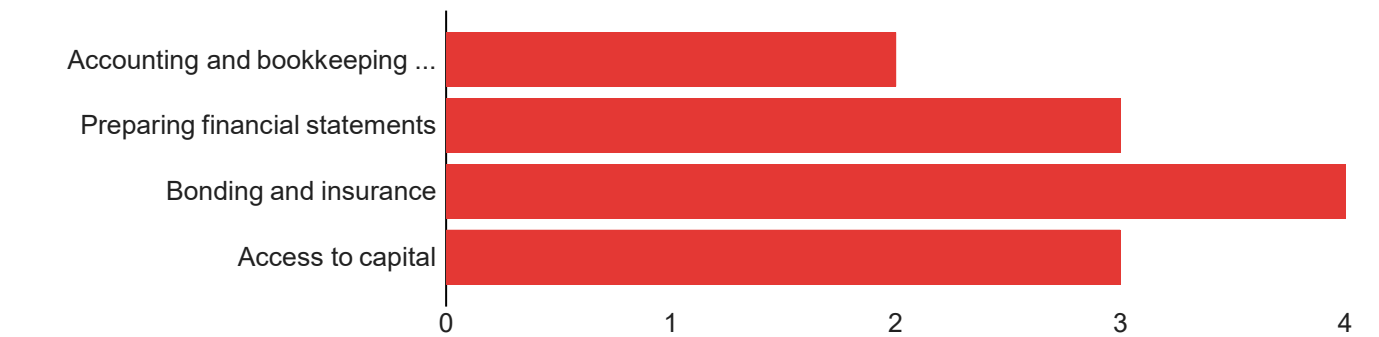
Field	Choice Count
Windows	9
Max	0
Linux	0
Total	9

Q24 - Interested in: Revenue and Profitability



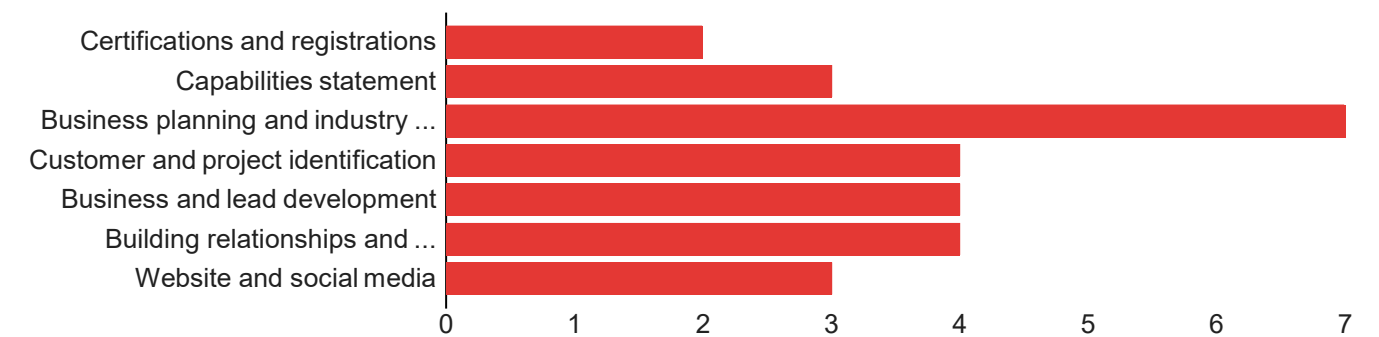
Field	Choice Count
Assessment of revenue, costs, and profitability	3
Cash flow statements and projections	3
Computer applications (Quick Books)	4
Total	10

Q25 - Interested in: Financial Management



Field	Choice Count
Accounting and bookkeeping systems	2
Preparing financial statements	3
Bonding and insurance	4
Access to capital	3
Total	12

## Q26 - Interested in: Sales and Marketing

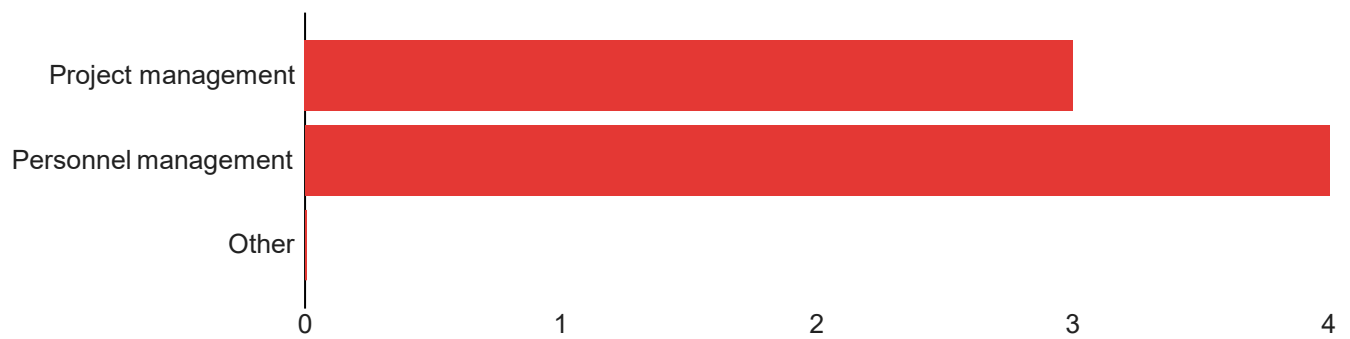


Field	Choice Count
Certifications and registrations	2
Capabilities statement	3
Business planning and industry research	7
Customer and project identification	4
Business and lead development	4
Building relationships and networking with customers/prime contractors	4
Website and social media	3
Total	27

Q27 - Interested in: Bid Procedures and Submissions



Field	Choice Count
Obtaining ALDOT highway construction plans	2
Reading plans	3
Estimating costs	4
Project scheduling	3
Preparing bids and proposals	4
Contract law	4
Federal and state regulations	4
Total	24



Field	Choice Count
Project management	3
Personnel management	4
Other	0
Total	7



# **University Transportation Center for Alabama**

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**Dr. Jay K. Lindly, Director UTCA**  
The University of Alabama

**Dr. Steven Jones, Associate Director UTCA**  
The University of Alabama

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