

Transporter

Civil Rights Office Newsletter

October 2003, Volume III, Issue 3

How Does the Civil Rights Office Determine Appropriate Size Standard for a Business that Performs Different Types of Work?

How does the Civil Rights Office determine the appropriate size standards for businesses that do different kinds of work?

When reviewing a firm for DBE certification, the Code of Federal Regulations Title 49, Part 26.65(a) directs the Civil Rights Office to apply current Small Business Administration size standards “appropriate to the type(s) of work the firm seeks to perform in DOT-assisted contracts.”

Most businesses certified under the Alaska Unified Certification Program perform several categories of work. With Alaska’s numerous rural projects, it is not unusual for a business to work as a general contractor on one project and to perform civil engineer work on another.

Under the DBE program, the size of a business is determined by averaging its gross receipts over the last three-year period. Presently, the size standard for a general contractor is \$17.4 million, while the size standard for a civil engineer is set at \$4.0 million. Therefore, if a business’s gross receipts average \$10.5 million, then the business would exceed the size standard to perform civil engineer work, but could continue to perform work as a general contractor.

Contributed by: Eileen Oliver



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Alaska Department of Transportation and
Public Facilities, Civil Rights Office
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DBE BUSINESS PROFILE

Name: William (Bill) D. Vizzerra
Midnight Sun Services, Inc.

Established: 1993 **Location:** Anchorage, Alaska

Services Provided:
Paving, Hydroseeding, Landscaping, Signs, Traffic Markings,
Rough/Framing Carpentry, Truck Transportation



Midnight Sun Services, Inc. was nominated by the Civil Rights Office in September 2003 for the US Department of Transportation's Minority Enterprise Development (MED) award. The MED awards are for businesses who have made significant contributions to the DBE Program.

William "Bill" Vizzerra has owned and operated Midnight Sun Services, Inc. since October 1993. The company started out as a snow plowing company; Midnight Sun Plowing. In 1996 Midnight Sun Plowing bought out a striping company and became Midnight Sun Services, Inc. (Midnight Sun).

Midnight Sun now performs landscaping, paving, traffic markings/striping, and signs. They have slowly discontinued snow plowing services. Midnight Sun began bidding on Department of Transportation (DOT) projects in 1997 and became certified as a Disadvantaged Business Enterprise in 1999.

For the last three years Midnight Sun has been one of the top 100 companies in the nation doing pavement markings. Mr. Vizzerra is a member of Associated General Contractors of Alaska and serves as co-chair of Advancing Contractors Alaska (ACA) committee.

According to Mr. Vizzerra, it is important for a contractor to make and cultivate business connections with other contractors (both primes and subcontractors). He has demonstrated a strong commitment to civil rights by employing many people of the Hispanic and other minority communities.

Some recommendations Mr. Vizzerra would make to small businesses are:



Know what you want to bid and where, and don't over extend by bidding on everything;



Don't take for granted you will get paid for work you do. It must be documented and approved by the owner and the contractor as well;



Keep track of the paperwork, make sure your employees do daily work logs and that all parties involved are aware of work done and track all billable work;



Grow slowly and know the work you are doing;



Produce profit and loss statements and track your overhead costs;



Use your DBE status and remain aware of your on-going commitments;



Develop a positive working environment with prime contractors; and



Treat people fair.

DBE BUSINESS PROFILE

Name: Ann Powers
Powerhouse Construction Services, Inc.

Established: 1993

Location: Fairbanks, Alaska

Services Provided:

Cast-in-Place Concrete, Highway Signs, and Supplier of many items



Powerhouse Construction Services, Inc. was nominated by the Civil Rights Office in September 2003 for the US Department of Transportation's Minority Enterprise Development (MED) award. The MED awards are for businesses who have made significant contributions to the DBE Program.

Anne Powers owns and operates Powerhouse Construction Services, Inc. (Powerhouse). After working for other companies and believing that this type of business could be run more efficiently, Ms. Powers decided to go into business for herself in 1993.

Shortly after starting her business the price of oil fell. The falling price of oil caused Anne's lending institution to pull all financial assistance to her fledgling business. After much footwork, persistence and diligence, contacting many lending institutions, business associates, and friends Anne was finally able to secure funding with First National Bank of Alaska.

This was the first in a long line of many hurdles faced by Ms. Powers as a woman-owned business in the construction industry. Anne's persistence to thrive as a business has been a key element of her success. One measure of her success is the fact that her business has been one of the top-performing DBEs in the Alaska DOT construction program.

Another measure of her success is that Ms. Powers has a patent pending on a new design for signs. The new design was developed from a simple question of 'I wonder if there is a way to keep signs

from bending in the wind and snow?' The question was posed by one of her employees and developed by her company. All indications are the patent should be approved within the year.

When starting any new venture in the construction industry, Ms. Powers recommends that you do your homework and know what you are getting into. It has been her vast knowledge of the work she does that has helped her business to continue to grow and for her to be respected in the field. She also recommends a lot of learning, take management classes and seminars and believes it is important to understand:

-  The cyclical nature of the work;
-  Subcontractors do not get paid until the prime does, be aware of that;
-  Keep on top of the work and document any extra work performed;
-  Develop a rapport with prime contractors and choose those you will and won't work for;
-  Be assertive and at the same time realize you 'catch more flies with honey than vinegar.'

DBE Goals for Federal Fiscal Year (FFY) 2004

The department did not receive any written comments and held three public meetings to receive other comments. The DBE goal was adjusted down to reflect the demonstrated capacity of DBE contracting potential. The department expects to achieve its DBE goal in the manner described below.

Federal Highway Administration (FHWA) 6.7%

The 6.7% is based on a downward adjustment of the FHWA Step 1 DBE Goal of 18.4%.

- ♦ 1.8% through race neutral measures such as prime awards to DBE firms and additional subcontracting to DBE firms over the minimum commitment.
- ♦ 4.9% through race conscious measures such as setting specific project goals with good faith effort requirements.

Federal Aviation Administration (FAA) 7.7%

The 7.7% is based on a downward adjustment of the FAA Step 1 DBE Goal of 15.8%.

- ♦ 4.2% through race neutral measures such as prime awards to DBE firms and additional subcontracting to DBE firms over the minimum commitment.
- ♦ 3.5% through race conscious measures such as setting specific project goals with good faith effort requirements.

Alaska Department of Transportation and Public Facilities has requested the above mentioned Annual DBE Goals for FHWA and FAA for federal fiscal year 2004, which begins October 1, 2003. These goals will be utilized by the department until final approval is received from FHWA and FAA.

Contributed by Jon Dunham ◀

FAA DBE OPPORTUNITY

Ted Stevens Anchorage International Airport Opportunities on the Horizon

Request for Proposals (RFPs) will be released for the remaining square footage in the concessions areas of the new Concourse C, scheduled to open in Summer 2004 in the domestic terminal at Ted Stevens Anchorage International Airport (TSAIA).

RFPs will be released in late fall/early winter and will be available from Cathy Aukongak at (907) 266-2669. If you wish to be placed on a specific interest list, please contact Ms. Aukongak, senior concessions leasing officer at Airport Leasing.

So far 23,000 square feet of space for food, news and specialty stores has been leased through a direct approach. Concession contracts are structured based on a MAG (minimum annual guarantee) or a terminal rental rate. Build-out costs of concession

shell spaces are included in the revenue bonds funding the \$223 million concourse.



Ms. Aukongak says TSAIA officials are considering the following concepts: a relaxation center, a business center, a game room/arcade, and a fitness center in the 10,000 sq. ft. yet to be leased.

In 2005, a bid package for food and beverage concessions will be made available. The existing food and beverage contracts expire in February 2006.

Contributed by Beckie M. Oliva ◀



UPCOMING EVENTS & TRAINING OPPORTUNITIES

November 2003

- ✓ **Multi-Agency Certification Workshop (HUBZone, 8A, and AUCP DBE)**
Tuesday; November 4, 2003
8:30a.m.—3:30p.m.; Anchorage, Alaska
REGISTER/Questions: 269-0844
COST: FREE

- ✓ **Introduction to Government Contracting**
Thursday, November 6, 2003
9:00a.m.-11:00a.m.; Anchorage, Alaska
Sponsored by Anchorage PTAC
REGISTER/ Questions: 274-7232
COST: FREE

- ✓ **Association of General Contractors (AGC) Annual Conference**
Thursday-Saturday; November 13-15, 2003
Hotel Captain Cook; Anchorage, Alaska
REGISTER/Questions: avery@agcak.org

December 2003

- ✓ **AUCP DBE Certification Workshop**
Thursday, December 4, 2003
Sponsored by Anchorage PTAC
REGISTER/ Questions: 274-7232

DBE Project Goals/Creditable DBE Work

There seems to be confusion with DBE goals set on projects as to when a prime can receive DBE credit. Hopefully this will help clarify when DBE credit can be received

When is a DBE subcontract eligible for DBE credit?

Basically any work, regardless of whether it is listed in the DBE goal for the project or not, is potentially creditable. The DBE must be certified in the Work Category the bid item would fall into.

For example:

A project goal lists surveying and signs as DBE subcontractable bid items. The Work Categories for these two items would be *Surveying Licensed* and *Standard Highway Signs (Permanent Installation)*.

The prime subcontracts the bid item, traffic markings, with a DBE who is certified in the Work Category *Traffic Markings-Painted* category. This item is creditable and counts toward the prime's DBE commitment even though it was not listed on the project goal.

Why are Bid Items and Work Categories Listed in a Project Goal?

DBE Goals set on projects have two parts to them. Each part serves a different purpose.

DBE Utilization Goal – This is the percentage of the basic bid amount that must be satisfied by DBE Subcontracts.

DBE Work Categories – Any bid item listed as possibly DBE subcontractable has a Work Category attached to it. These Work Categories are used if the DBE Utilization Goal cannot be met and a Good Faith Effort is required to be demonstrated by the contractor.

If you have any questions, feel free to contact the Civil Rights Office.

Contributed by: Beckie M. Oliva ◀



Notes & News About Certification



Newly Certified Firms

- ✓ **Alaska Coastal Aggregates, LLC**
Juneau, Alaska
Line of Work: Supplier of Aggregates, Erosion Control Materials–RipRap, Armor Mat
- ✓ **Arctic Pipe & Materials, LLC**
Anchorage, Alaska
Line of Work: Supplier/Manufacturer: Insulated Utility Pipe, Supplier: Pipe Welding Equipment
- ✓ **C & G Construction**
Fairbanks, Alaska
Line of Work: Consultant: Construction Administration–Inspection Services, Cost Estimations, Construction: Carpentry–Finish and Rough/Framing, Clearing/Grubbing, Concrete–Cast-In-Place, Curb/Gutter/Sidewalk, Cutting/Coring/Sawing, Finishing/Special Coatings, Masonry/Stonework, Demolition of Structures, Exterior Buildings–Painting/Sandblasting/Sealants, Roofing, Flooring, Interior Finishing–Insulation, Paint/Wallpaper/Tile, Sheetrock/Drywall Installation, Tape/Texture, Metal Buildings Erection, Steel Reinforcement/Installation
- ✓ **Hunter Sales**
Marshall, Alaska
Line of Work: Equipment Rental – Heavy Equipment, Business Services - General Line Grocery Wholesalers, Other Miscellaneous Non-durable Goods Wholesalers, Rooming and Boarding Houses
- ✓ **KIC Development, LLC**
Kotzebue, Alaska
Line of Work: Consultant: Construction Administration–Inspection Services, Construction: Carpentry–Finish, Rough/Framing, Clearing/Grubbing, Demolition of Structures, Earthwork - Excavation & Embankment, Sitework, Exterior Buildings–Painting/Sandblasting/Sealants, Flooring, Interior Finishing–Insulation, Paint/Wallpaper/Tile, Sheetrock/Drywall Installation, Tape/Texture, Metal Buildings Erection, Underground–Petroleum/Oil/Lubricant, Equipment Rental–Heavy Equipment, Light Duty Vehicles
- ✓ **KIC Facilities Management, LLC**
Kotzebue, Alaska
Line of Work: Equipment Rental–Buildings/ATCO Units
- ✓ **KIC Hardware, Auto & Lumber, LLC**
Kotzebue, Alaska
Line of Work: Supplier: Additives, Aggregates, Coatings/Sealants, Concrete–Precast, Ready Mix, Corrugated Pipe/Accessories, Doors/Windows, Electrical, Fencing, Insulation–Buildings, Roadways, Iron Products, Landscaping, Lumber, Masonry, Mechanical, Metal Buildings, Millwork, Pavement Markings–Thermoplastic/Paint, Plumbing, Roofing, Siding, Signs–Permanent/Temporary, Steel, Timber/Beams/Logs
- ✓ **Motznik Information Services, Inc.**
Anchorage, Alaska
Line of Work: Business Services - Information Services (Internet Service Providers), Data Processing, Hosting, and Related Services
- ✓ **Nexus Northwest, LLC**
Anchorage, Alaska
Line of Work: Public Involvement, Non-Construction Consultant
- ✓ **Patricia Garcia, Allied Member ASID IESNA**
Anchorage, Alaska
Line of Work: Interior Design
- ✓ **Sealaska Environmental Services, LLC**
Juneau, Alaska
Line of Work: Environmental
- ✓ **The Right Touch**
Anchorage, Alaska
Line of Work: Personal Services

RECERTIFIED FIRMS:

- ✓ Alaska Glass & Door, LLC
Wasilla, Alaska
- ✓ Applied Pavement Technology, Inc.
Champaign, Illinois
- ✓ Gordon & Associates
Dillingham, Alaska
- ✓ K & R Trucking
Petersburg, Alaska
- ✓ Martha Hanlon Architects, Inc.
Fairbanks, Alaska
- ✓ Moore's Landscaping
Kenai, Alaska
- ✓ NVL Laboratories, Inc.
Seattle, Washington
- ✓ Shapiro & Associates, Inc.
Seattle, Washington
- ✓ Twigs, Inc.
Fairbanks, Alaska

DBE Program Outreach

The certification staff of the Civil Rights Office is attempting to expand program outreach by offering DBE certification workshops in the Anchorage and outlying areas (Palmer/Wasilla/Matanuska-Susitna) on a quarterly basis. Other areas of the state, which require travel, will be scheduled as frequently as the travel budget allows. Certification workshops will be posted on the Civil Rights Office webpage under the Events Calendar. DBE certification workshops are planned for November 4 in Anchorage, and December 4 in Wasilla.

Contributed by: Eileen Oliver ◀

Onsite Representative Forms

Section 120, Part 3.03(f)(3), which is a Special Provision of Alaska Department of Transportation and Public Facilities' construction contracts for the Disadvantaged Business Enterprise (DBE) program, requires that DBE owners, or one of their key employees, be at the work site and responsible for the work performed on the contract. Key employees are individuals that have been approved as 'onsite representatives' by the Civil Rights Office. To have an employee designated as an onsite representative, a completed Appendix A (Management Responsibilities) and Appendix B (Employment History) form must be submitted to the Civil Rights Office for approval. DBE credit will not be given for work performed on departmental contracts prior to approval of the DBE firm's designated onsite representative.



Appendix A and Appendix B forms are now posted on the Civil Rights Office website. Once you have downloaded and completed the forms, they can be faxed to the Civil Rights Office, Attention: Certification Officer at (907) 269-0847.

Contributed by: Eileen Oliver ◀

Allan Has Left The Building

Many of you who are familiar with the Civil Rights programs at Alaska Department of Transportation & Public Facilities knew of or worked with Allan Nakanishi, our resident Contract Compliance Officer, Title VI and ADA Specialist. Allan left the Civil Rights Office for greener pastures (specifically over the

septic system). We all knew when he passed his professional engineer's registration exam in June he would not be with us long. Allan accepted a promotion in August to the Alaska Department of Environmental Conservation as an Environmental Engineer reviewing on-site water and wastewater systems in the Mat-Su

Valley. Career wise, it was a good move for him but I do hear from time to time some moaning and groaning from department staff about his absence. Allan is a Valley guy now and some of you may run into him if you are building something in the Mat-Su area.

Contributed by Jon Dunham ◀

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