

Helping DBEs level the playing field at ALDOT with the Small Business Network

by Skip Powe
Alabama Department of Transportation

The Alabama Department of Transportation (ALDOT) began using Trns•port Expedite™ for electronic bidding in 1999. Initially, usage was optional, but ALDOT mandated it in the spring of 2003 due to the benefit it provided our staff during lettings. In 2005, the contracting community expressed their desire to utilize Internet bidding, based on neighboring states' practices and the cost/time savings that they experienced. After studying the pros and cons, it was an obvious benefit to ALDOT, thus Internet bidding was implemented in January of 2006. Within nine months, attendance by contractors at the pre-letting reception on Thursday night and breakfast on Friday morning before the bid openings was so low that both events were permanently cancelled.

Traditionally, the pre-letting reception provided opportunities for Disadvantaged Business Enterprises (DBEs) to meet with prime contractors and submit their quotes for the next day's letting. This reception, and the efforts of the DBE Supportive Services Program by our historically black colleges, were the primary means for DBEs to network and communicate with prime contractors. With the cancellation of the reception, many saw it as the demise of subcontractors' opportunities to meet directly with primes and quote new projects.

As a result, ALDOT teamed with Bid Express to create a subcontractor quoting system. That system is the Small Business Network, which is simply an electronic bidding tool that DBEs, prime contractors, subcontractors, and vendors can use to solicit and exchange quotes. The primary functions include the ability for subcontractors to search for bid opportunities and primes to post quote solicitations. It also includes bid tab analysis functions.

Why an e-solution? The change to electronic bidding took away traditional opportunities. Thus, technology created the problem, so it should also be the solution. Why use Bid Express? Bid Express is well-liked by ALDOT's contracting community (and is being used in 28 other agencies and by thousands of contractors) so leveraging this penetration was logical.

ALDOT and Bid Express worked for six months to develop the basic system. Then, we began a training program utilizing Bid Express staff and our Supportive Services program. Each interested DBE was



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provided with on-site training and Bid Express one account. To date, we have established accounts for 71 of our 105 “ready, willing, and able” DBE firms. These accounts are being funded by ALDOT as part of our Supportive Services. The DBEs are expected to utilize the accounts and have been advised that inactivity may result in account cancellation.

After a short beta testing/implementation phase, both DBEs and primes were easily utilizing the basic system. It allowed for electronic searches and solicitations, but required quote submittals either by fax or as an attachment to an email. We were able to monitor solicitations via postings on the website, but were unable to monitor quote activity to ascertain good faith effort. According to feedback from the industry though, DBEs were submitting quotes in response to posted solicitations. So, we considered the beta period to be a success.

Soon after, several enhancements debuted, including reports that outline both solicitation and quote activity. These reports can be accessed by agency personnel and can be used for good faith effort documentation as required by Appendix A of 49 CFR Part 26. In



addition, the functionality to submit quotes electronically similar to primes submitting their bids became available. The ability of subcontractors to directly submit electronic quotes will have a huge impact on the quoting process and will generate more opportunities for DBEs to obtain work and to access the entire industry.

Our goal was to make-up for the loss of networking opportunities the DBEs experienced with the implementation of electronic bidding. We feel that we have fulfilled this goal and have actually increased their opportunities and have put them in position to succeed in tomorrow’s marketplace with the use of technology.

As a benefit to ALDOT, we can show efforts to use Race Neutral means as outlined in 49 CFR 26.51(b) to administer our DBE program. In light of the *Western States v. Washington State* decision, this is an important measure that states should consider as part of their program. We are excited to be a part of this new technology and would be glad to share our experiences in detail with any interested agency.

Skip Powe currently serves as the Assistant Division Engineer for County Transportation at the Alabama Department of Transportation - Fifth Division. He previously was DBE Contract Administrator for ALDOT’s Construction Bureau.



5700 SW 34th St., Suite 1235 • Gainesville, FL 32608-5371 • Phone: (352) 381-4888 • Fax: (352) 381-4444
Website: www.bidx.com • Email: customer.support@bidx.com