



OFFICE OF BUSINESS AND WORKFORCE

DIVERSITY

SUMMER 2011



**Build
Your
Future**



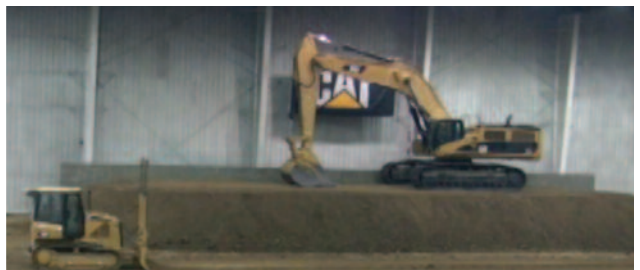
BUILD YOUR FUTURE CONFERENCE

Caterpillar, Inc. (Cat) and the Illinois Department of Transportation (IDOT) hosted the “Build Your Future Conference” at the Caterpillar Demonstration & Learning Center in Edwards, Illinois on February 15 and 16, 2011. United States Department of Transportation Secretary Ray LaHood served as the keynote speaker for this event, which brings IDOT and Cat leaders face-to-face with Disadvantaged Business Enterprise (DBE) firms, as well as prime contractors and consultants. It is an opportunity for firms to attend workshops and network with other contractors/consultants and see the Cat product demonstration. This event serves as a forum to discuss contractor issues, upcoming programs and new initiatives. It also offers a variety of workshops that provide attendees useful and timely information, as well as networking opportunities.



Cat also held drawings for two firms to receive one free week of equipment rental for one item, either compact construction equipment or a building construction product. The winners were Mr. Jesse Young of First Corinthians Cement Works and Ms. Michelle York of Triple Digit Trucking L.L.C.

Approximately 350 people attended this year’s event, making it the best attended of the three held to date. We look forward to your participation at the next Cat/IDOT Build Your Future Conference in 2013!



“ARE THEY REALLY MEETING ALL THE GOALS?” POSSIBLE FRAUD - DBE “RED FLAGS” 101

Prime contractors doing business with the Illinois Department of Transportation (IDOT) are frequently faced with soliciting bids from firms that are certified with the Illinois Unified Certification Program (IL UCP) as Disadvantaged Business Enterprise (DBE) firms. Most of the time, prime contractors satisfy the DBE contract goals with a “ready, willing, and able” DBE firm. However, if the question is asked, “are they really meeting all the goals?” In some cases, DBE contract goals that appear to have initially been met legitimately may, in fact, be a potential cause for concern due to one or more indicators of fraud. DBE fraud, as defined by the United States Department of Transportation Office of Inspector General (USDOT OIG), is when “a contractor misrepresents who performed the contract work in order to increase job profit while appearing to be in compliance with contract goals for involvement of minority or woman-owned businesses.”

When reviewing projects for DBE program compliance, IDOT staff may notice practices or methods that do not conform to the regulatory requirements. Further review of these “red flags” may indicate potential fraudulent activities. There are several indicators of potential DBE fraud, which

may include, but are not limited to, a DBE owner lacking the background, expertise, or equipment to perform subcontract work, a DBE firm owner that is never present at a jobsite, and individuals not employed by the DBE making orders and payments for necessary materials and supplies. When contemplating such activities, a contractor may ask the question “what’s the worst that can happen?” When a “red flag” is raised, IDOT will evaluate the information and decide what course of action to take. In most instances, IDOT will meet with the contractor to ensure the firm has a clear understanding of the criteria and regulations of the DBE program. In some cases, IDOT will conduct an investigation which may result in the removal of eligibility of the DBE firm. For the more serious cases, an investigation by the USDOT OIG may be warranted. A firm may not only lose eligibility, but may also be indicted for DBE fraud, which can result in a monetary fine and/or jail time.

So when bidding an IDOT project, please note that the DBE regulations are clear on what a firm must do to be in compliance. If a contractor, prime or sub, is not operating within the framework of the program, someone may ask, “are they really meeting all the goals?”

DBE Percentages for the April 29, 2011 Letting

This table is intended as an aid and is not intended to be an all inclusive list of DBE goals.

It is the responsibility of the bidder to reference the Special Provisions in the proposal, and any applicable addenda, to determine the actual DBE goal for this project.

Item	Contract	DBE %
1	60H44	20
1X	63556	16
2	60I29	16
3	60K17	0
4	60K19	0
5	60K50	15
6	60K51	17
7	60K52	8
8	60K54	10
9	60K56	15
10	60K60	10
11	60K62	10
12	60K65	10
13	60K81	10
14	60K82	17
15	60K86	10
16	60K87	9
17	60K89	11
18	60L68	12
19	60M67	0
20	60N19	14
21	60N86	12
22	63355	12
23	63555	0
24	64G69	6
25	64H09	5
26	66A10	6

Item	Contract	DBE %
43	74481	4
44	74482	3
45	74507	4
46	76B80	10
47	76E30	10
48	76E76	6
49	78113	12
50	78114	12
51	78115	12
52	78210	5
53	78211	5
54	78212	5
55	78213	5
56	78214	5
57	78215	5
58	78216	5
59	78217	5
60	78218	5
61	91451	0
62	93486	10
63	93545	10
64	93546	0
65	95644	6
66	95645	5
67	95649	7
68	97459	5
69	97462	15

Item	Contract	DBE %
86	60N78	10
87	60P30	0
88	60P31	0
89	64G35	4
90	64G43	4
91	64G49	4
92	64G54	4
93	64G59	4
94	64G64	4
95	64G69	4
96	64G74	4
97	64G79	4
98	64G84	4
99	64G89	4
100	64G94	4
101	64G99	4
102	64H04	4
103	64H09	4
104	68A10	0
105	68A17	0
106	68A23	0
107	68A24	0
108	70865	0
109	70872	0
110	70875	0
111	70877	0
112	70879	0

Item	Contract	DBE %
129	76E22	5
130	76E25	15
131	76E31	10
132	76E32	10
133	76E51	10
134	76E49	10
135	76E53	10
136	76E57	10
137	76E61	10
138	76E65	10
139	76E69	10
140	76E73	10
141	76E77	10
142	76E81	10
143	76E85	10
144	76E89	10
145	76E93	10
146	76E97	10
147	64G89	0
148	64G90	0
149	66409	6
150	66B22	0
151	68482	4
152	68996	0
153	68998	0
154	68A14	0
155	68A15	0

Item	Contract
172	76E70
173	76E82
174	78222
175	78227
176	78250
177	85529
178	89481
179	95635
180	97454
181	97458
182	64G70
183	64G81
184	46158
185	78236
186	60K07
187	60N81
188	64G28
189	64G88
190	72D85
191	72E19
192	72E21
193	72E22
194	74480
195	74489
196	74505

DBE Contract Goal Information at a Glance

DBE contract goals by item numbers can now be obtained on the IDOT website under the individual letting in which you are interested. This new feature was implemented with the April 29, 2011 Letting and will be posted for subsequent lettings.

For information go to the IDOT website at:

www.dot.il.gov/desenv/042911/FinalDBE%25.pdf

DBE Spotlight

CENTURY ASPHALT AND CONSTRUCTION, INC.

Century Asphalt and Construction, Inc. (Century) was established by Mr. Cleotis Johnson of Bourbonnais in March 2002. The firm was first certified as a Disadvantaged Business Enterprise (DBE) in February 2009, and specializes in excavating and grading, aggregate bases and surfaces, bituminous paving, pavement patching, sawing concrete and seal coat projects.

Mr. Johnson indicated he had a dream of owning a construction company and being a Licensed Practical Nurse. He completed his nursing degree in 1998 at Kankakee Community College and on May 1, 2007, began his construction business. Mr. Johnson started working in the construction industry when he was fifteen years old. He worked for Mondy Brothers Paving until the untimely death of the owner and his son. He then went to work for

Iroquois Paving Corporation (IPC), where he served as asphalt foreman. At IPC, he learned to maintain a safe jobsite, a good work environment and how to see a project from start to finish. Mr. Johnson is a member of the Local Laborers Union 751 in Kankakee and has completed courses in Construction Management, Blueprint Reading and Construction Algebra.

Since becoming certified, Century has employed 10 full-time employees during the construction season. The firm has worked in Districts 1 and 3, and has completed 20 IDOT projects (totaling \$946,535) during the 2009 season. This up and coming DBE firm was awarded more than \$1.5 million in contracts during the 2010 construction season. Way to go Century!



IDOT'S BEST-KEPT SECRET!

The secret is out and we hope you will be pleasantly surprised! IDOT's **Highway Construction Careers Training Program** (HCCTP) is off and running in its first full year of training and placing minorities, women and disadvantaged individuals into the highway construction trades.

IDOT is excited about its new program, and hopes you will be too. The program is managed by the Office of Business and Workforce Diversity's Bureau of Small Business Enterprises (SBE), with the Illinois Community College Board (ICCB) directly overseeing the participating community colleges (see list below). The colleges train and graduate only those individuals who can qualify for union membership. During the 8 to 10-week training sessions, the trainees are taught highway construction-related skills, e.g., math for the trades, job readiness, technical skills coursework (carpentry, concrete flatwork, blueprint reading, site plans, site work, forklift/skid loader operation, tool use, etc.) and OSHA 10 certification.

With the 2011 highway construction season underway, IDOT is encouraging its contractors to hire HCCTP trainees. The colleges already have over 100 individuals trained and ready to become productive entry-level highway construction workers, so contact your District EEO Officer and/or the college's HCCTP Coordinator to assist you in meeting your workforce and trainee goals!

HCCTP Community Colleges

District 1 - Kennedy-King & Wilbur Wright Colleges (Dawson Technical Institute)

HCCTP Coordinator:

Shoshi Mabina, 773/451-2082, smabina@ccc.edu

District 2 - Rock Valley College

HCCTP Coordinators:

Greg Cote, 815/742-1908, gcote@jatc364.net

Ray Pendzinski, 815/243-5785, rski364@verizon.net

District 3 - Kankakee Community College

HCCTP Coordinator:

John Willard, office: 815/802-8205, cell: 815/954-4838, jwillard@kcc.edu

District 4 - Illinois Central College

HCCTP Coordinator:

Andy Ridgeway, 309/609-6916,

andrew.ridgeway@icc.edu

District 5 - Parkland College

HCCTP Coordinator:

R.J. Rowland, 217/353-2122, rrowland@parkland.edu

District 6 - Lincoln Land Community College

HCCTP Coordinator:

Julie Rourke, 217/622-7764, julie.rourke@llcc.edu

District 7 - Lake Land College

HCCTP Coordinator:

Cindy Shupe, 217/235-0361, ext.228,

cshupe@lakeland.cc.il.us

District 9 - John A. Logan College

HCCTP Coordinator:

Mark Ethers, 618/985-2828, ext.8643,

Mark.Ethers@jalc.edu

Prime Contractors, Please Take Note!

As required by the Supplemental Specifications and Recurring Special Provisions, Check Sheet #3, prime contractors shall take specific affirmative actions to ensure equal employment opportunity. Per 7(i) of the Check Sheet, contractors shall direct their recruitment efforts, both oral and written, to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs.

You are encouraged to participate in your college's workforce advisory committee, as this effort may help in fulfilling any one or more of your obligations under 7(a) through (p) of Check Sheet #3, provided that you actively participate in the committee and make every effort to ensure the committee has a positive impact on the employment of minorities, women and disadvantaged individuals in the industry, and you can show your workforce has benefited from the program by your employment of HCCTP trainees.

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IDOT/ICCB Contacts

IDOT Bureau of Small Business Enterprises' (SBE)
 HCCTP Contact Person: Ron Brown, Contract
 Compliance Section Manager (Acting), 217/785-4611,
 217/466-7245, or ronald.brown@illinois.gov

Illinois Community College Board HCCTP Project
 Director: Tod Rowe, 217/785-5003, tod.rowe@illinois.gov

Note: In District 8, IDOT has a minority and female construction trades training program through Southwestern Illinois College (SWIC). Contact SWIC's Melissa Snelson, Special Projects Coordinator, at 618/874-6528, melissa.snelson@swic.edu, to assist you in meeting your workforce and trainee goals in District 8.

Visit IDOT's HCCTP Website

<http://www.dot.il.gov/sbe/hccta.html>. SBE welcomes your comments about the site!



Diversity Matters! is a new publication by the Illinois Department of Transportation (IDOT) designed to highlight new and existing programs, as well as issues of interest. Diversity Matters! provides information about ways in which IDOT is addressing diversity needs and issues in the workplace.

Future publications will include letting information, mentoring and scholarship opportunities, upcoming Disadvantaged Business Enterprise (DBE) programs and events, and details about the 2011 construction season. It is IDOT's objective that this publication, Diversity Matters!, will educate and serve as a reliable resource for all who have an interest in the workings of IDOT.

To view the Diversity Matters! Newsletter, go to <http://www.dot.state.il.us/news.html>

ILLINOIS SMALL BUSINESS OWNERS GET TAX BREAK FOR HIRING

JobsTaxCredit.illinois.gov

Are you wondering if the time is right to add the next position to grow your small business? Act now and earn a tax credit.

Small businesses are the foundation of a great economy. To help spur on your success, businesses with 50 or fewer employees, the State of Illinois is offering tax credits when you create a new, full-time position. After hiring the employee, your business can apply online to receive a

\$2,500 tax credit against withholding taxes, which will be awarded after July 1, 2011. The credits are available on a first-come, first served basis.

For eligibility requirements for the Illinois Small Business Job Creation Tax Credit, and to register a new position, simply go online to jobstatecredit.illinois.gov. You'll need to provide basic information, including your FEIN. In a year, eligible companies will receive a tax credit certificate.

INTERSTATE DBE CERTIFICATION

Effective January 1, 2012, there are changes to the process by which a DBE firm currently certified in their home state may apply to another state for DBE certification. The participating agencies in the Illinois Unified Certification Program (IL UCP) have not yet made a final determination on the implementation of interstate certification. It is a preliminary determination that a firm seeking certification with the IL UCP must complete an IL UCP application, provide a copy of their certification notice from their home state and

all supporting documentation. This includes affidavits of no change and any notices of changes submitted concerning their application or status as a DBE. Once the state in which the DBE firm is seeking certification receives all requested documentation, a copy of an on-site visit that is less than three (3) years old must be received from the home state within seven (7) days. The state in which the firm is seeking certification has 60 days from receipt of a complete application packet to render its eligibility decision.

PERSONAL NET WORTH INCREASE

Effective February 28, 2011, the Personal Net Worth (PNW) ceiling (for the socially and economically disadvantaged individual(s) whose ownership and control is relied upon for participation in the Disadvantaged Business Enterprise (DBE) program) was increased from \$750,000 to \$1.32 million. This is the first increase since the PNW requirement was implemented in June 2003.

The certification for the PNW Statement has also been modified to specifically say that the information is “complete” as well as “true.” If your DBE eligibility was lost since February 28, 2010, due your PNW exceeding

\$750,000, but is below \$1.32 million, you may resubmit PNW information for evaluation to the host agency of your DBE certification without having to wait out of the program for a year. Some updated information may be requested where relevant.

If you have any questions regarding PNW information, please contact IDOT’s Bureau of Small Business Enterprises’ Certification Section at 217/782-5490, or the Illinois Unified Certification Program agency that hosts your firm’s DBE certification.

WORK CATEGORY CHANGE

Per the federally approved IL UCP procedures, there was an agreed upon limit of ten work categories a firm could be listed in the DBE Directory to perform for DBE goal credit. Effective January 1, 2011, when it was found that IDOT was the only IL UCP partner adhering to the limit, IDOT removed the limit restriction.

With issuance of the February 2011 IL UCP DBE Directory, consulting firms prequalified in more than ten categories (with IDOT’s Bureau of Design and Environment), are now listed in ALL the prequalified categories they are eligible to perform for DBE goal credit. Firms listed in the IL UCP DBE Directory in eight or more construction categories have been notified of this change via an e-mail blast. In addition, IDOT’s Bureau of Small Business Enterprises is working with Forms Management to revise the work category form that is on the website.

NOTE: In order to be granted a work category, the socially and economically disadvantaged owners of the firm must still, as always, have the experience/expertise as well as necessary equipment resources for the requested work categories.

PROCESS CHANGE FOR REMOVAL OF A DBE FIRM

A DBE subcontractor listed in the prime contractor's DBE Utilization Plan or an approved substitute DBE firm, can only be terminated with prior written approval from IDOT and for good cause. Examples include: the DBE firm voluntarily withdraws from the project and provides written notice; the DBE firm is ineligible to receive DBE goal credit for the type of work required; the DBE firm is unavailable to perform the committed work; or other documented good cause that compels termination.

Change: Before a prime contractor can request IDOT's consent to terminate/remove an approved DBE firm, the

prime must give written notice, including the reason for the requested removal to the DBE firm, with a copy to IDOT. The DBE firm must be given five days to respond.

NOTE: The notice period may be reduced if required by public necessity (e.g., safety).

This notification requirement applies to both pre and post award.

If you have any questions regarding the removal of a DBE firm, please contact IDOT's Bureau of Small Business Enterprises at 217/782-5490.

SUBCONTRACTOR MOBILIZATION PAYMENT PROVISION

Revised April 1, 2011

To account for the preparatory work and operations necessary for the movement of subcontractor personnel, equipment, supplies, and incidentals to the project site and for all other work or operations that must be performed or costs incurred when beginning work approved for subcontracting according to Article 108.01 of the Standard Specifications, the prime contractor shall make a mobilization payment to each subcontractor.

This mobilization payment shall be made at least 14 days prior to the subcontractor starting work. The amount paid shall be equal to three (3) percent of the amount of the subcontract reported on form BC 260A submitted for approval of the subcontractor's work.

The mobilization payment to the subcontractor is an advance payment of the reported amount of the subcontract and is not a payment in addition to the amount of the subcontract; therefore, the amount of the advance payment will be deducted from future progress payments.

This provision shall be incorporated directly or by reference into each subcontract approved by IDOT.

SPECIAL PROVISION REMINDERS

Retainage and Subcontractor Payments

- Prime contractors *shall not* withhold retainage from subcontractors.
- When a prime contractor receives a payment from IDOT, the contractor shall make corresponding, proportional payments to each subcontractor and material supplier performing work or supplying material within 15 calendar days after receipt of IDOT's payment.

REVISION OF FORMS

SBE 1014 (Weekly Trainee Report)

SBE 1014C (Phase III Engineering Weekly Trainee Report)

This is notification that SBE 1014 and SBE 1014C forms have been updated and revised. The new forms include a larger field for hours worked to allow more information on the form. Please ensure you are using the most current version (dated 02/08/11) when completing these forms.

If you have any questions or need assistance, please contact Ron Brown at 217/782-5490.



Illinois Department of Transportation

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DIVERSITY

MISSION STATEMENT

To ensure that minority-owned, woman-owned and other disadvantaged small businesses have an equal opportunity to participate in IDOT's federal and state-funded highway, transit and airport contracts.

To promote equal employment opportunities for minorities, females and disadvantaged individuals to achieve greater workforce diversity in all phases of Illinois' highway, transit and airport construction industry.

