



Maximization of Disadvantaged Business Enterprise (DBE) Participation

Research Objectives

- Maximize participation of Wisconsin (DBE) owners and firms in federally funded construction and professional service contracts awarded through WisDOT
- Identify and remove barriers for eligible DBEs

Research Benefits

- Provides an opportunity to learn from the best practices of DBE programs in other states
- The research provided recommendations, which if implemented, could place WisDOT as the national leader in developing successful DBEs who will significantly contribute to the economic development and growth of the state and the region

Principal Investigator

Al Ghorbanpoor
University of Wisconsin -
Milwaukee
algh@uwm.edu

Project Manager

Madalena Maestri
WisDOT
madalena.maestri@dot.wi.gov

Background

The Disadvantaged Business Enterprise (DBE) program provides opportunities for companies operated by socially and economically disadvantaged persons to participate in federally assisted highway contracts. As a recipient of USDOT funds, WisDOT is required to develop, implement and maintain a DBE program. WisDOT has been a national leader in offering a wide array of support services to DBEs and has met most of the program goals over the last several years.

However, a prevalent shortage of qualified DBEs and disparities in the number and size of contract awards to DBEs, presents an opportunity to review WisDOT's DBE program to streamline the operation, and look at ways to maximize DBEs' participation in federally funded transportation projects by removing barriers to success for new, existing and prospective DBE businesses.

Methodology

The research team conducted a series of surveys, telephone conversations, and interviews with staff from various state DOTs, prime contractors and consultants, and construction industry leaders. The research team also surveyed Wisconsin DBE firms to get a better understanding of their experiences and the barriers they have faced, and a more in-depth view of their experiences managing their businesses.

Researchers analyzed and gathered data to reach conclusions on the state of the DBE program operation in Wisconsin. They also reviewed all publicly available DBE Disparity Studies conducted by other state DOTs. The research team assessed the strengths, weaknesses, opportunities, and threats (SWOT) for WisDOT's DBE program using input from a variety of stakeholders and findings from a review of program information and data.

Results

Researchers found that WisDOT has met most of its DBE goals over the last several years and is ranked among the top one-third of the states.

Survey responses from DBE firms indicate that overall, DBEs view WisDOT's DBE program and support services as helpful and effective. Some firms feel more could be done to improve outcomes including increasing DBE requirements on jobs, adding additional

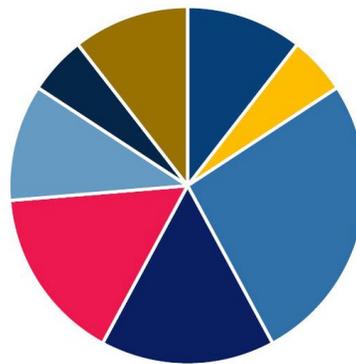
“This research highlights the progress made in WisDOT’s DBE program over the last few years and points to where we still have room to grow in serving and supporting DBE firms.

The technical training and business building pilot shows promise of being a very effective scaffolding tool for increasing DBE efficacy and growth.”

**–Madalena Maestri,
WisDOT**

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training times and locations, and one-on-one check-ins and outreach to strengthen WisDOT’s relationship with DBEs and promote how programming will benefit DBEs.



- Reduce admin requirements
- Provide more prime opportunities for DBEs
- Increase DBE requirements on jobs
- Add additional training times and locations
- One-on-one check-ins and outreach
- Enacting a DBE onboarding program once certified
- Make website more informative
- Market how programming will benefit DBEs

Initiatives to enhance DBE participation as identified by DBEs.

Researchers determined that the shortage of qualified DBEs in the state ultimately impedes the progress of the highway construction industry and could be caused by several barriers. These barriers include a lack of business and management acumen, access to capital/bonding/insurance, adequate financial and human capacity and opportunities for strategic and professional networking.

Recommendations for implementation

Researchers outlined several recommendations for improving WisDOT’s DBE program:

- Develop a strategic plan for DBE operations and offer education and training opportunities to different DBE types
- Re-evaluate and review DBE Contract award policies to assist existing DBEs and help develop new qualified firms
- Encourage and incentivize DBEs to take advantage of educational and training opportunities and offer professional education development (PED) credits for completion
- Address concerns raised by many stakeholders on awarding a highly disproportionate level of DBE contracts to Caucasian (white female) owners

The research team also proposed developing a pilot training and onboarding program for DBEs. Training would focus on preparing participating DBEs to remove deficiencies, build capacity, and successfully submit competitive quotes and bids. Onboarding training would offer guidance and education to enable DBEs to successfully complete contract tasks and meet contractual obligations.