



**DEVELOPMENTAL SPECIFICATIONS
FOR
SMALL BUSINESS DEVELOPMENT CONTRACTS**

**Effective Date
August 16, 2016**

THE STANDARD SPECIFICATIONS, SERIES 2015, ARE AMENDED BY THE FOLLOWING MODIFICATIONS AND ADDITIONS. THESE ARE DEVELOPMENTAL SPECIFICATIONS AND THEY SHALL PREVAIL OVER THOSE PUBLISHED IN THE STANDARD SPECIFICATIONS.

15045.01 DESCRIPTION.

The intent of this specification is for the Department to comply with Iowa Code 314.14 49 CFR 26.39 by providing contracts where only small businesses compete against each other, and not against large established contractors fostering small business participation.

15045.02 DEFINITIONS.

Certified Small Business Contractors (CSBC) – A contractor who has been recognized as meeting the requirements of a Small Business contractor by the Iowa DOT's Office of Employee Services - Civil Rights Section.

Prequalification – Submittal of a Contractors Financial-Equipment-Experience (FEE) Statement as described in Article 1102.01 of the Standard Specifications

Small Business – A firm which meets the requirement of Iowa Code 314.14 which defines a "Small business" as any enterprise which is operated for profit, under a single management, and which has either fewer than twenty employees or an annual gross income of less than four million dollars computed as the average of the three preceding fiscal years US Small Business Administration (SBA) regulations at 13 CFR Part 121, as amended. Size standards for each applicant shall be determined by identifying the firm's primary area(s) of work, locating the related North American Industry Classification System (NAICS) code(s) and applying the corresponding SBA size standard.

Small Business Certification – A document completed by a small business and submitted to the Iowa DOT's Office of Employee Services - Civil Rights Section certifying the firm complies with the size requirements of the Iowa Code 314.14 Small Business requirements SBA regulations at 13 CFR Part 121, as amended. The Department may require the small business to provide additional proof of eligibility to verify the requirements of Iowa Code 314.14 the SBA definition of a small business are not exceeded.

Targeted Small Business (TSB) – Iowa Code 15.102 paragraph 7a defines a "Targeted small business" as a small business which is 51% or more owned, operated, and actively managed by one or more women, minority persons, or persons with a disability.

TSB Bond Waiver – Iowa Code 12.44 requires agencies of state government to waive the requirement of satisfaction, performance, surety, or bid bonds for targeted small businesses which are able to

demonstrate the inability of securing such a bond because of a lack of experience, lack of net worth, or lack of capital. This waiver will not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver will only be applied to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding Iowa Code 573.2. In order to qualify, the TSB shall provide written evidence to the Department of inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver will in no way relieve the business from its contractual obligations and will not preclude the Department from pursuing any remedies under law upon default or breach of contract. The Department of inspections and appeals will certify TSBs for eligibility and participation in this program and will make this information available to other state agencies.

15045.03 BIDDING FOR CONTRACTS.

- A. Only firms designated as approved Certified Small Business Contractors (CSBCs) by the Department will be allowed to bid on proposals designated for Small Business Contractors. A CSBC wishing to bid on a proposal designated for Small Business Contractors shall submit a written request to bid using the standard Iowa DOT procedures to be approved to bid on a proposal. The Department will give either written approval or denial of each request. Prequalification by the Department is not required, but the Department may require a CSBC to provide references or examples of similar types of work in order to be approved for bidding on individual proposals.
- B. Prior to execution of a contract, the CSBC will be required to provide:
 - 1. A Certificate of Insurance (as required by Article 1103.04 of the Standard Specifications) and
 - 2. For contracts exceeding \$25,000, either a Performance Bond (as required by Article 1103.05 of the Standard Specifications) or a TSB Bond Waiver.
- C. A Traffic Control Technician according to Article 2528.01, C, 1, of the Standard Specifications is not required for this contract.

15045.04 CONSTRUCTION OF THE WORK.

- A. Article 1108.01 of the Standard Specifications allows a contractor to subcontract up to 70% of the contract amount. On contracts designated for CSBCs the Contractor may subcontract 70% of the contract amount, but this work shall only be subcontracted to another CSBC.
- B. While the Department recognizes that a small business may not have all the equipment and resources of larger contractors, all requirements of the contract documents shall apply to the CSBC.

15045.05 PAYMENT FOR WORK.

Payment for work will be according to Article 1109.05 of the Standard Specifications.