

## **Iowa DOT Small Business Development Contracts**

### **Small Business Development Contracts**

The Iowa Department of Transportation recognizes the benefits of having many contractors and suppliers available to perform work on highway construction projects.

**Small Business** – A firm that meets the requirements of a Small Business as defined by U.S. 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.

### **Developmental Specifications for Small Business Development Contracts**

DS-15045 provides a Description of the program, definitions, prequalification and necessary information to assist the Small Business Contractor in working with the Iowa Department of Transportation.

### **Small Business Certification Form 650064**

A certification form must be completed and returned to the Office of Employee Services Civil Rights team by noon the day before the letting and allows the contractor to self-certify that their company meets the requirements of a Small Business as defined by U.S. Small Business Administration (SBA) regulations at 13 CFR Part 121, as amended.

### **Small Business Development Contracts Funding and Size Limits**

\$1.2M off the top of MP, 3R and 4R will fund the Small Business Development Contracts and each district will have \$200K to work up into projects.

### **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 section 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.

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### **Bidding for Contracts**

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. 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.

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. Either a Performance Bond (as required by Article 1103.25 of the Standard Specifications) or a TSB Bond Waiver.

### **Construction of the Work**

Article 1108.01 of the Standard Specifications allows a contractor to subcontract up to 70% of the contract amount.

### **Payment for the Work**

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