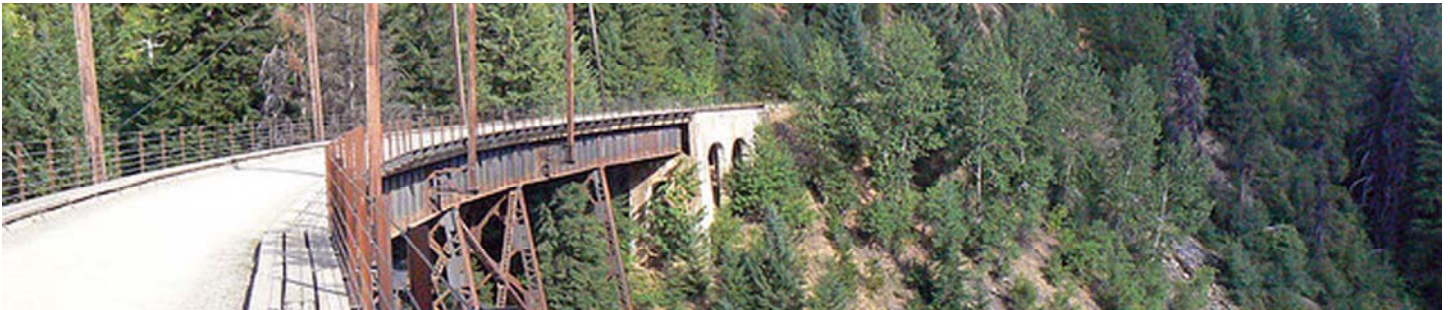


DBE News

Published by the Idaho Transportation Department

August 2011 Volume XX No. 11



Where in Idaho is this? See page 2

What is a DBE?

A DBE is a small, for-profit business concern that is at least 51% owned and controlled by socially and economically disadvantaged individuals. The US Department of Transportation's (USDOT) DBE Program is designed to foster equal opportunity for minority, female and disadvantaged business owners on federal-aid transportation projects, and for helping them improve their business efficiency and flexibility.

This monthly newsletter is published by the ITD's DBE Supportive Services as an informational and educational resource for DBEs, contractors, consultants and federal-aid agencies on EEO, procurement and business issues. If you'd like to receive this newsletter regularly, please contact us for a **free subscription**.

— **Liz Healas, Editor**



Hey! Where's Your Business Plan?

Tedious? Sometimes. Necessary? Absolutely. Business plans force you to focus, prioritize, and come up with a fresh take on your operations and marketing.

"I already have a business – why do I need a business plan?"

Business plans aren't just for start-ups. Even the most veteran business owner should have a plan (and the best ones do).

So -- do you have one? When's the last time you updated it? Consider this: suppose you started your business in 2000. Have there been any changes to the economy, business climate and the state of your industry since then that would change how you operate?

Business Plan Elements

Here are the most basic components of a business plan. If you need help putting them together, visit the Idaho Small Business Development Center office. You can locate the office nearest to you at www.idahosbdc.org.

The Business

- Description: Type, status (start-up, expansion, take-over of existing business), business organization (sole proprietorship, LLC or corporation), why the business is going to be profitable, when the business will/did open, the hours/months of operation.

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If you do it right, your business plan should describe what you do, how you'll go about doing it, and how you plan to do it in the future. *And you keep tweaking it.*

Your business plan lays out your goals and important long-term milestones. Without a business plan, you may end up pursuing short-term tactics instead of long-term strategies.

The process of writing and updating your business plan forces you to research your overall

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Inside ... Newly Certified DBEs ... Hire One Tax Credit ... USDOT Earns "A" From SBA ... Drug Free Idaho ... SBA Phone App ... BUSTED! Tales from the OIG ... Safety Fest Resumes ... Join Our Training Calendar Club ... ITD Procurement Info

DBE Supportive Services

Liz Healas, DBE Supportive Services Coordinator (208) 334-8567

E-mail: elizabeth.healas@itd.idaho.gov

Debby McCarthy, DBE Supportive Services Assistant (208) 334-4442

E-mail: debby.mccarthy@itd.idaho.gov

Facsimile Machine (208) 334-4423

Toll-Free Number (800) 634-7790

TDD/TTY (208) 334-4455

Visit us on-line at www.itd.idaho.gov/civil/external.htm

Office Location & Mailing Address:

3311 W. State Street, Room 100 / PO Box 7129, Boise, ID 83707

(Office Hours are 8am - Noon, 1pm - 5pm, Mountain Time)

Newly Certified DBEs

Nemec Engineering, LLC

Christine Nemec, Managing Member

PO Box 1007, McCall, ID 83638

Phone: (208) 347-3584

Email: christina@nemeceng.com Homepage: www.nemeceng.com

Civil engineering and consulting services for development and roadway projects.

To see our complete **DBE Directory**, visit on-line at www.itd.idaho.gov/civil/dbefirms.htm. This Excel spreadsheet listing is updated to our website on the first workday of every month. In May, we added additional category tabs within the Excel spreadsheet format breaking out DBEs by contractor, consultant, service provider and supplier. We're continuing to add new hyperlinks to statements of qualifications/capability statements, too.

Have your heart set on hard copy versions? Those are updated each quarter, and are available by request. (The latest version is July 2011.)

DBEs! Be sure to notify us if you change your contact information, such as mailing addresses, phone numbers, and especially email addresses. If we can't get in touch with you, how will the companies looking to contract with you? Also be sure to notify us when you obtain or change your Public Works License.

Wondering about the DBE certification application process? View our on-line slideshow at www.itd.idaho.gov/civil/slideshow.ppsx for a quick overview.

Idaho's Hire One

Based on the employer's unemployment insurance tax rating and the local county unemployment rate, qualified businesses can receive a refundable income tax credit on a sliding scale.



The Idaho Hire One Tax Credit - introduced by the governor and passed during the 2011 legislative session - is a sliding-scale income tax credit for employers.

The amount of the credit is based on an employer's unemployment insurance tax rating, the number of new employees hired and the average unemployment rate during the prior year for the county where the job was created and the work performed.

(Continued on page 3)

Clue for this month's **"Where in Idaho is this?"** Winding through 10 tunnels and 7 high trestles, this 15-mile route crosses the rugged Bitterroot Mountains. It's best known for the long, dark St. Paul Pass, or Taft Tunnel, which burrows for 1.66 miles under the Idaho/Montana state line.



Answer to July Issue: **Owyhee Mountains**, along the Idaho-Oregon Border.

(HIRE ONE, Continued from page 2)

The credit is in effect for employers who hire new employees on or after April 15, 2011, and by March 31, 2013.

Employers qualify for the credit when they pay \$12 an hour or more plus benefits for jobs created and performed in counties with an annual average unemployment rate of at least 10% and \$15 an hour or more plus benefits in counties with lower rates.

An employer can apply for the credit only after the new employee has worked nine consecutive months regardless of the years in which those months occur – by December 31, 2013.

Qualifying employers will receive a tax credit for the gross wages paid during the first 12 months of employment. The credit is claimed on an income tax return filed by the employer for the tax year during which the new hire became qualified for the credit.

This tax credit will only apply to new jobs created and employees hired before April 1, 2013, so their nine month qualifying periods end on or before December 31, 2013 when the credit expires.

If the credit is greater than an employer's state income tax liability, the employer will be refunded the difference.

To qualify, employers must provide group health care coverage that includes hospital, medical and surgical expense coverage and pay at least 80% of the premium for single coverage and 70% for family coverage.

Determining whether an employer actually hired new workers will be based on an employee count for the year the credit is claimed minus A) the employee count for the previous year or B) the average of the employee counts for the three previ-

(Continued on page 5)

USDOT Earns "A" from SBA for 2nd Consecutive Year

Other "A" achievers include the Departments of Agriculture, Interior, Environmental Protection, and General Services Administration. Defense and Energy get "Bs" and Housing & Urban Development gets a "D".

The U.S. Small Business Administration (SBA) released the **Small Business Procurement Scorecard** for all agencies reflecting each agency's contracting accomplishments for Fiscal Year 2010.

The U.S. Department of Transportation (USDOT) Office of Small and Disadvantaged Business Utilization (OSDBU) is pleased to announce USDOT received an "A" for its FY2010 small business efforts.

This is the second consecutive year USDOT has received an "A" rating for its small business contracting achievements. The annual Scorecard is an assessment tool to:

1. Measure how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals;
2. Provide accurate and transparent



USDOT is Teacher's Pet!

- contracting data; and
- 3. Report agency-specific progress.

The prime and subcontracting component goals include goals for small businesses, small businesses owned by women, small and disadvantaged businesses, service-disabled veteran-owned

small businesses, and small businesses located in Historically Underutilized Business Zones (HUBZones).

The "A" reflects USDOT's ongoing commitment to providing the small business community the greatest access to federal contracting opportunities and to ensure that its procurement officers have the information and tools needed to connect with these innovative small businesses.

To see all the ratings, visit www.sba.gov/content/small-business-procurement-goaling-scorecards.

Why Drug-Free Workplaces Are Important

During tough economic times, businesses are all trying to do more with less and be as productive as possible. Promoting a drug-free workplace through DrugFree Idaho is one way to make this happen.

DrugFree Idaho, Inc. works with businesses of all sizes in designing and implementing comprehensive drug-free workplace programs, which include:



Take advantage of the grant while it lasts!

- Policy Development
- Supervisor Training
- Employee Education

(Continued on page 4)

(DRUG-FREE, Continued from page 3)

- Employee Assistance Programs
- Drug Testing

Businesses that promote a drug-free environment often experience an increase in productivity, safety, profits, customer satisfaction and employee morale. Companies also usually see a decrease in absenteeism, insurance costs, accidents, theft and employee turnover.

Substance abuse in the workplace can be devastating. 7 out of 10 drug users are working in someone's business. Research has shown that employees abusing drugs function at approximately two thirds of their capacity and are more likely to be responsible for the 80% of losses in the workplace due to thefts that are drug related.

(BUSINESS PLAN, Continued from page 1) market, an extremely important management component in our current economy. What are the most important trends in your industry? What are the greatest threats? Is the market growing or shrinking for your industry? Do you need to reposition your selling strategies and business model to counteract changing (adverse) conditions?

Your business plan helps you keep an eye on your competition and analyze your advantages and disadvantages in comparison. It should make you think about unseen complications and how to deal with them.

You should also end up better understanding your customer. Why do they buy, when do they buy, why would they buy from you?

What else does your business plan to do? It documents your revenue model – how exactly will your business make

Businesses also pay about twice as much in medical claims and workers compensation for employees who use drugs. Imagine what a business could accomplish if all of its employees worked to their maximum potential.

Statistics indicate 90% of large businesses have drug free workplace programs in place today, while only 5 to 10% of small- and medium-sized businesses have implemented similar programs.

The irony here is that about 75% of employed Americans work for these small- and medium-sized businesses. Workers who want to avoid substance abuse policies at the large companies take their job search to the smaller businesses, and that's where they are today!

(Continued on page 5)

money and continue to make money? Do you need to raise money through loans or investments? How much, and for what? How will you repay it?

The business plan also forces you to focus inwards on where you are weak – perhaps your Achilles heel is in computer skills, bookkeeping, or supervision. How do you compensate for that?

And then there are your staffing needs, now and in the future. When should you expand? When should you downsize?

Sitting down on a regular basis to review and update your business plan allows you to compare actual operational results versus the business plan itself. Did you go off track? Or did you achieve your strategic, financing, and operational goals? If you didn't, why not?

What it comes down to is: do you want a successful business? A well-thought-out, organized and updated business plan dramatically increases your chances. ●

Yep, There's an App For That, Too

Your smart phone already bosses you around, so why not let it help with your business start-up or expansion?



Smart phone users interested in starting or growing a small business can now find helpful resources at their fingertips via a new SBA mobile application from the U.S. Small Business Administration.

"Increasingly, smart phones are the vehicle through which Americans access information. This is certainly true of many entrepreneurs and small business owners and this new application ensures they will have access to SBA's resources and programs – literally at their fingertips," said SBA Administrator Karen G. Mills.

"Greater mobility fits with the new user-focused SBA.gov launched recently, and is another example of the steps we are taking to do a better job of connecting entrepreneurs and small business owners with the tools to help them start or grow their businesses and create jobs."

Developed and donated as a gift by Palo Alto Software, Inc., the SBA mobile app will make the search for extensive resources more efficient, whether users are starting a new business or taking an existing business to a new level. The app will first be available for the Apple iPhone®, with future versions for other smart phone platforms.

"Palo Alto Software's mission is to help small businesses succeed. We've developed this mobile application for the SBA because we understand the importance of having the right tools and resources

(Continued on page 5)

(APP, Continued from page 4)

when starting or growing a business,” said Sabrina Parsons, CEO of Palo Alto Software. “Ideas can strike entrepreneurs at any moment, and having useful resources available through mobile devices could be the impetus that begins the next big company.”

The mobile app will help users connect with SBA district office staff and SBA-affiliated counselors and mentors who can provide free, personalized small business assistance. The user-friendly format of the app will help answer questions such as: How do I start a business? Where can I go in my area to get free help with writing a business plan? And where do I begin finding funding for my business?

The SBA mobile app also features a built-in startup cost calculator to help estimate the costs associated with getting a business off the ground, plus an SBA partner locator to help users find SBA offices, Small Business Development Centers, Women’s Business Centers and SCORE.

Users will also have mobile access to SBA video content and social media alerts to provide them with tips on the go. This will include live updates from the SBA’s YouTube channel and from SBA’s Twitter feeds. The free mobile app can be downloaded from the SBA’s website at www.sba.gov/content/sba-mobile-app.

(HIRE ONE, Continued from page 3)

ous years.

If the resulting number is higher, a credit is authorized for the difference. If the count is the same or lower, there is no credit.

Employers who pay the qualifying wages and have a positive unemployment insurance tax rating receive a higher credit.

(Continued on page 6)

Busted! Tales from the OIG

New York Construction Company Associate Sentenced to Three Years Probation for DBE Fraud Scheme

On May 20, 2011, Lester Hamilton, salesman for V.V.S.S. Co., Inc. (VVSS) was sentenced in U.S. District Court, Central Islip, NY, for his role in a \$21 million DBE fraud scheme.

Hamilton was sentenced to serve three years probation; pay a \$100 special assessment and restitution to the IRS in the amount of \$12,161.86 for unpaid taxes, interest and penalties.

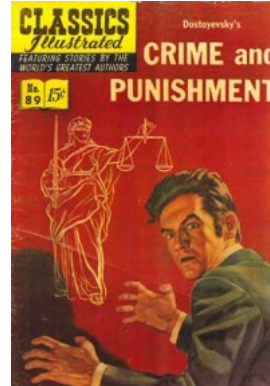
Hamilton admitted that VVSS, a certified DBE, acted as a DBE “front” on approximately 35 public works construction projects for numerous general contractors in the New York City area. He further admitted that he helped negotiate some of these fraudulent subcontracts between VVSS and the general contractors.

In return, VVSS agreed to receive “fees” from the general contractors of approximately 5% of the subcontracts’ value for the use of their DBE status. VVSS served as a payroll and invoice processing service for the general contractors.

(DRUG-FREE, Continued from page 4)

DrugFree Idaho was recently named as a recipient of a two year grant from the Small Business Administration that provides financial and technical assistance to small businesses.

Your company may be eligible for discounted fees and services to get you started in implementing a drug-free workplace program. In addition to the vast



The Office of the Inspector General must wonder why some people spend more time and trouble doing the wrong thing than it would take them to do it right.

Hamilton admitted that he falsified the books and records of VVSS and submitted false documentation to various unions and union benefit funds to conceal the fact that the VVSS DBE subcontracts were actually performed by the general contractors.

VVSS prepared and routinely submitted false certified payrolls and other documents to public contracting agencies who received DOT grant funds, including the New York State and New York City DOTs, the New York State Metropolitan

Transportation Authority and the Port Authority of New York & New Jersey.

The investigation was conducted by the Federal Construction Fraud Task Force for the Eastern District of New York, whose members include the DOT OIG, the Internal Revenue Service, Criminal Investigation Division; the U.S. Dept. of Labor OIG Office of Labor Racketeering and Fraud Investigations; and the New York City Dept. of Investigation.

array of services offered to your business, one small incentive to joining Drug-Free Idaho is a 5% premium credit on Worker’s Compensation Insurance.

For more information, contact DFI Program Consultant Rob Stevenson at (208) 570-6406 or Director Marianne King at (208) 570-6404, or visit www.drugfreeidaho.org

Safety Fest Resumes

This 4-day event in Lewiston would be a fabulous deal even if it weren't free. Registration opens August 1; sign up fast before it fills up.

The 2nd Annual Safety Fest of the Great Northwest-Lewiston will be held at the Williams Conference Center, located at Lewis-Clark State College in Lewiston, on October 25-28.

This *FREE* four-day training conference is available to the construction and general industry communities. It is designed for the education of the Northwestern Region's front line workers, supervisors and managers of all levels.

The event's goal is to reduce hazards presently causing fatalities, injuries and illnesses on the job. Contractors, small and large are invited to attend, from construction and general industry — basically anyone who desires to improve the safety performance of their business!

Local businesses and agencies are invited to participate as sponsors, vendors or volunteers. Also, please encourage your employees to participate.

Here a sampling of the class offerings:



- OSHA 10-Hour Construction & OSHA 10 Hour General Industry
- Accident Investigation
- Combustible Dust
- Defensive Driving
- Employee Management Seminar-Suicide Prevention
- Excavation and Trenching
- HAZMAT
- Ergonomics
- Fall Protection and Scaffolding
- First Aid/CPR

The complete class schedule has not been determined and is not yet posted on the website. Registration opens 8/1/11 and closes 10/7/11, so register early before the classes fill up.

For more information visit www.safetyfest-lewiston.org or contact Denise Shields at the Idaho Technology Transfer Center dshields@LHTAC.org.

Join our Training Calendar Club!

Through DBE Supportive Services bi-weekly emailings, Idaho companies can find out about many short, inexpensive business training choices.

Email subscribers to our free biweekly Business Training Calendar can browse through a wide range of statewide training opportunities without having to track them down on their own.

The calendars include course descriptions, locations, and a handy hyperlink straight to the training site for registration.

We focus on short, inexpensive trainings that will benefit time-crunched small business owners in the areas of finance, marketing and project management.

Naturally, we'll be including all Idaho DBEs in our emailing list, but we'll be delighted to add anyone who is interested in joining our subscription list.

(HIRE ONE, Continued from page 5)

Positive-rated employers are eligible for 6% of gross wages. Standard-rated employers would receive 4%. Negative rated employers receive 2%.

Employers are advised of their unemployment insurance experience rating in mid-December of the preceding year through their unemployment insurance tax notices.

They are also advised of their rating on the quarterly tax statements sent to employers by the Idaho Department of Labor. This evidence of rating must be included with the employer's tax return for the year the credit is claimed.

For more information about Idaho Hire One, visit <http://commerce.idaho.gov/business/hire-one>.

Get it Straight From the Source!

Idaho Department of Labor Director Roger B. Madsen will be traveling around the state in August and September for a new round of meetings with business owners, legislators, local officials and other community leaders.

Business owners will get a chance to say what's on their minds, ask questions and give suggestions on how the agency can improve its services.

Madsen will also discuss the new **Hire One Tax Credit** that rewards employers who increase their payrolls to help the economy begin recovering from the recession.

To see his schedule and make meeting reservations (because space will be limited), visit <http://labor.idaho.gov/news/NewsReleases/tabid/1953/ctl/PressRelease/mid/2527/itemid/2341/Default.aspx>.

Not all of ITD's projects open for bid are directly highway-related. Check out www.itd.idaho.gov/business/business.htm (**Bid & Contract Information—ITD Goods & Services**) for bid openings on maintenance buildings, rest areas, sand sheds, mowing, and other services posted by ITD's Purchasing Section.

Don't See DBE Goals On ITD Projects?

That's because we currently have a race/gender-neutral program with no individual DBE project goals.

A 2005 Ninth Circuit Court of Appeals decision (*Western States Paving Co. v. State of Washington Dept. of Transportation*) has prompted all states affected by this ruling — that included Idaho — to pursue their DBE participation through race/gender-neutral means until they had the results of a formal disparity study.

ITD's first DBE Disparity Study was completed in late 2007 by BBC Research and Consulting, Inc. Per the recommendations of that disparity study, ITD continued to pursue a race/gender-neutral program.

ITD's current proposed FFY12 APG of 6%, which incorporates the findings of the 2007 DBE Disparity Study, is posted at www.itd.idaho.gov/civil/dbegoal.htm.

However, a new DBE Disparity Study update has just been launched by DBE-certified firm **D. Wilson Consulting, LLC**. Stay tuned to this newsletter for further updates.

Another DBE Benefit

Non-ITD Project Listings researched and compiled by DBE Supportive Services are available to our DBEs through **weekly e-mails** by request.

ITD Highway Construction Projects

For the quickest, most complete notification of these projects as they are put out for bid, visit ITD's **Contractor Information Page** (www.itd.idaho.gov/design/contractors/contrinfo.htm)

This excellent resource features *Notice to Contractors* (**available online only**), which alerts you to all upcoming federal-aid and state highway construction

projects let through ITD, and list specific details and quantities, the names of resident engineers, and a brief description of the work to be performed.

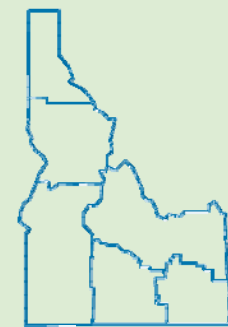
Also included is: *Quarterly Bidding Forecast*, *Planholder Lists* (updated daily), *Bid Result and Bid Abstract Information*, and *Contract Award Information*.

Looking for primes who are looking for DBEs? Check our **"Invitations to Bid"** page at www.itd.idaho.gov/civil/invitations.htm regularly for updates.



Free Non-Bidder's Plans & Specs For DBEs

Idaho-Certified DBEs: remember to call DBE Supportive Services at (208) 334-4442 for *free* non-bidder's ITD Plans & Specifications if interested in bidding as a subcontractor. Limit of ONE set of plans per project per DBE firm. A DBE Non-Bidders Plan Holders list can be found at www.itd.idaho.gov/civil/planholders.htm.



Project-Related Questions?

District 1	Coeur d'Alene	(208) 772-1200
District 2	Lewiston	(208) 799-5090
District 3	Boise	(208) 334-8300
District 4	Shoshone	(208) 886-7800
District 5	Pocatello	(208) 239-3300
District 6	Rigby	(208) 745-7781

(PLAN ELEMENTS, Continued from page 1)

- **Market:** Define the market and its size, anticipated market share, growth and potential of the market, marketing strategy, and pricing structure.
- **Competition:** Include five nearest competitors, your advantage over them, their strengths and weaknesses, and lessons learned from their operations.
- **Location:** Business address, physical features of business building, anticipated renovations (and their costs), physical features of the neighborhood and businesses surrounding your location, and location's advantages and disadvantages.
- **Management:** Include resumes, salary schedules and their duties and responsibilities.
- **Personnel:** Describe the personnel needs of your business by skills required, salaries or wages, fringe benefits and anticipated overtime.
- **Capital requirements of business:** Covers the financial needs of the business including any required loans, and the uses of these funds.

Financial Data

- **Sources and applications of funding:** Used primarily if the business plan is for loan financing purposes
- **List of capital equipment required for business:** Include the cost.
- **Balance sheet:** Include the most recent description of your business' assets, liabilities and owner's equity or net worth.
- **Break-even analysis:** Calculate the break-even point for your business.
- **Income projections:** Anticipated sales or revenue over a 12-month period in the future (with monthly breakdowns), anticipated expenses, and pre-tax profits based on these sales and expenses.
- **Cash flow statement:** Detailed monthly breakdown for one year of expected cash receipts, projected cash disbursements and resultant cash flow.
- **Historical financial statements:** For existing businesses, this should include at least three years' worth (balance sheets, income statements and tax returns). ●

ITD & TITLE VI

The Idaho Transportation Department (ITD) is committed to compliance with Title VI of the Civil Rights Act of 1964 and all related regulations and directives. ITD assures that no person shall on the grounds of race, color, national origin, gender, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any ITD service, program, or activity.

The department also assures that every effort will be made to prevent discrimination through the impacts of its programs, policies, and activities on minority and low-income populations. In addition, the department will take reasonable steps to provide meaningful access to services for persons with Limited English Proficiency.

Idaho Transportation Department
EEO Office—DBE Supportive Services
PO Box 7129
Boise, ID 83707-1129

First Class Mail
US Postage Paid
Boise, Idaho
Permit No. 143