



## 2023-2025 Emerging Small Business Program Biennial Report (ORS 200.160)



Office of Engagement & Civil Rights

December 2025

**Oregon Department of Transportation  
Office of Engagement and Civil Rights  
Emerging Small Business (ESB) Program  
Biennial Report (ORS 200.160)  
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# Introduction

For over 35 years the Oregon Department of Transportation (ODOT) has offered small businesses opportunities to contract through the Emerging Small Business (ESB) Program. The ESB Program is part of the Office of Engagement & Civil Rights (OECR). The goals of the ESB program are multi-faceted including –

- Assisting with overcoming barriers that small businesses face in public procurement,
- Supporting the increasing capacity to perform and bid on state contracts, and
- Helping small businesses grow and improve their abilities.

The ESB program is race and gender neutral, focusing only on the size of the business and their ability to do the work. Our long-term goal is for ESB firms to grow as prime contractors, gaining experience in work areas that the agency uses.

This report is submitted in accordance with ORS 200.160, which states “*the Oregon Transportation Commission shall appoint a committee to recommend plans whereby the Department of Transportation may assist emerging small businesses in overcoming barriers to participation in state public improvement and maintenance projects. The committee shall report biennially its recommendation to the commission and to the appropriate legislative committee. [1991 c.517 §2; 2005 c.683 §8].*”

# Emerging Small Business Advisory Committee (ESBAC)<sup>1</sup>

In compliance with state law, the ESBAC advises ODOT on the administration of the program, makes recommendations on proposed actions, reviews performance and metrics for the program, and gives advice on policy decisions.

The ESBAC is comprised of the following staff positions:

- Headquarters Business manager
- State Maintenance & Operations manager
- Chief procurement officer
- Facilities service manager
- Statewide Project Delivery manager
- Delivery and Operations administrator
- Office of Engagement and Civil Rights manager
- ESB program manager

There are two main components of the ESB program that the ESBAC provides oversight of:

- Project delivery – The selection and management of public improvement and maintenance contracts for ESB firms.
- Supportive services – Programs, small business resources, and technical assistance utilized to develop and aid in growing ESB firms.

## Background of ESB Project Delivery

In 1989, the ESB program started with a focus on giving small contractors, regardless of race or gender, prime contractor opportunities with ODOT. Through a set aside system, only ESB certified firms can bid on these projects. Initially projects were capped at \$100,000, however the Oregon Legislature passed HB3055 in June 2021, which increased the project cap to \$250,000 per contract. This change went into effect in September 2022.

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<sup>1</sup> In 2025 the ESBAC was paused for executive leadership review

## Certification Update

In the state of Oregon, processing applications for the ESB program is managed by the Certification Office of Business Inclusion and Diversity (COBID) - part of Business Oregon. COBID works closely with the OECR to ensure as many businesses are ESB-certified in Oregon as possible. They report monthly on newly certified firms, firms that graduated from the program, and overall participation.

COBID's rules state that ESB certification is for Oregon small businesses seeking opportunities for state, county, and city government, and special jurisdiction (e.g. hospitals and universities) contracts. ESB is a race and gender-neutral program based on the size of the business rather than the individual. Businesses are limited to 12 years participation.

To qualify, the business must:

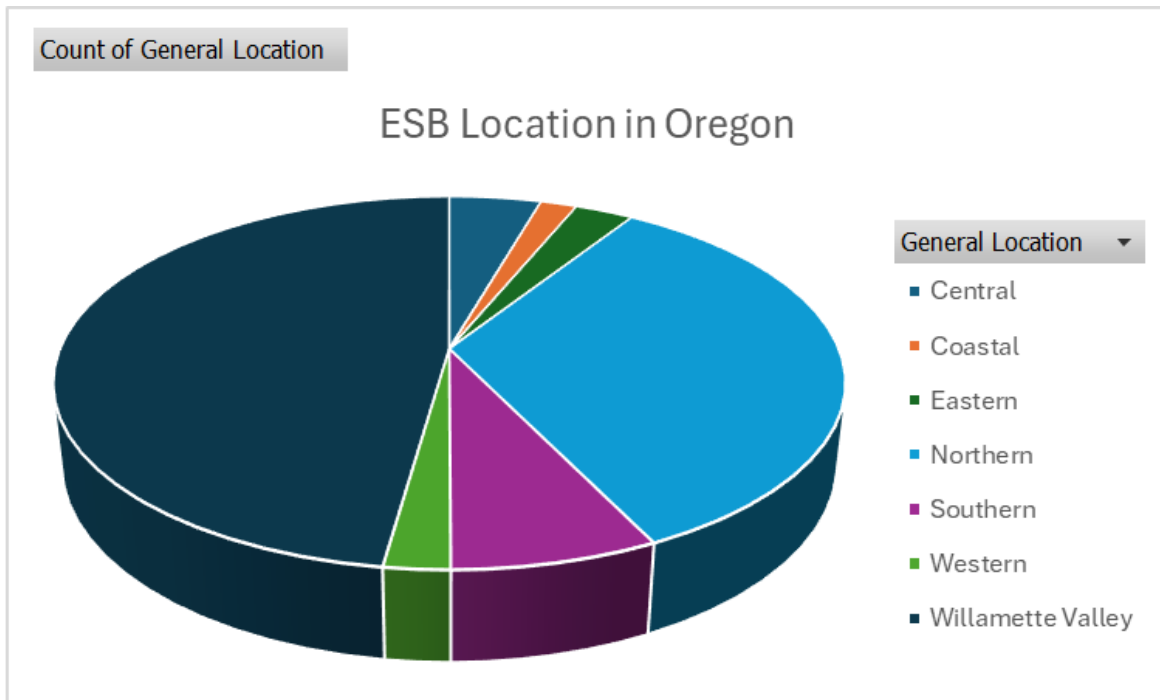
- Be for profit (OAR 123-200-1600(3)(a));
- Be an Oregon business according to federal tax filing (OAR 123-200-1600(3)(b));
- Be registered with the Oregon Secretary of State (OAR 123-200-1600(3)(c));
- Not be a joint venture (OAR 123-200-1600(3)(d)); and
- The business owner must be properly licensed (e.g. engineer, plumber) (OAR 123-200-1600(3)(c)).

Additionally, firms must meet these financial and employee thresholds.

Non-Construction	Tier 1	<ul style="list-style-type: none"><li>• 19 or fewer employees</li><li>• Gross proceeds &lt;\$1,031,583.72</li></ul>
	Tier 2	<ul style="list-style-type: none"><li>• 29 or fewer employees</li><li>• Gross proceeds &lt;\$1,719,306.62</li></ul>
Construction	Tier 1	<ul style="list-style-type: none"><li>• 19 or fewer employees</li><li>• Gross proceeds &lt;\$2,578,960.22</li></ul>
	Tier 2	<ul style="list-style-type: none"><li>• 29 or fewer employees</li><li>• Gross proceeds &lt;\$5,157,921.61</li></ul>

As of November 2025, there were 1,927 active ESB firms in Oregon. Of those, 624 were listed as “construction” firms, with 458 of the “construction” firms in Tier 1 and 162 in Tier 2. The remaining 1,303 were classified as “non-construction.”

ESB certified firms come from all over the state. The charts below break down the locations of where ESB firms are based.



### Distribution by Oregon county

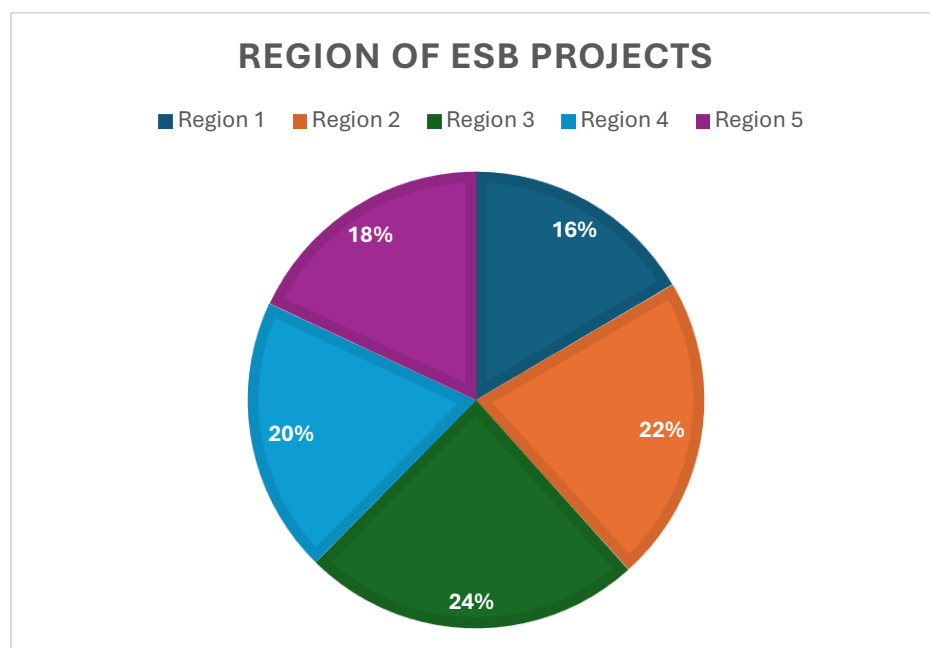
COUNTY	ESB Firms	COUNTY	ESB Firms
Baker	5	Lake	2
Benton	21	Lane	92
Clackamas	258	Lincoln	7
Clatsop	11	Linn	26
Columbia	16	Malheur	3
Coos	11	Marion	168
Crook	5	Morrow	3
Curry	4	Multnomah	761
Deschutes	77	Philadelphia	1
Douglas	21	Polk	11
Grant	6	Tillamook	7
Harney	4	Umatilla	15
Hood River	13	Union	7
Jackson	54	Wallowa	3
Jefferson	5	Wasco	2
Josephine	17	Washington	235
Klamath	14	Yamhill	41

**\*\*Gilliam, Sherman, and Wheeler do not have any ESB firms.\*\***

## Emerging Small Business Program Budget & Projects

Per ORS 200.190, ODOT is required to dedicate up to one percent of the value of the biennium's highway construction contracts to the ESB program. For the 2023-2025 biennium the ESB program was allocated \$10.2 million. A total of 133 ESB projects were awarded across the five ODOT regions of the state. Below is a regional breakdown

ODOT Region	Number of Projects
Region 1	22
Region 2	29
Region 3	32
Region 4	26
Region 5	24



ESB project types are broken down between facilities and highway. During the 2023-2025 biennium, 48 projects were facilities related and the remaining 83 were highway projects. ESB projects vary widely based on the needs of the region or the location of the project.

Contracts were awarded to 58 firms during the biennium with more than half of the firms, 30, getting one ODOT contract. 28 firms were awarded multiple ESB projects.

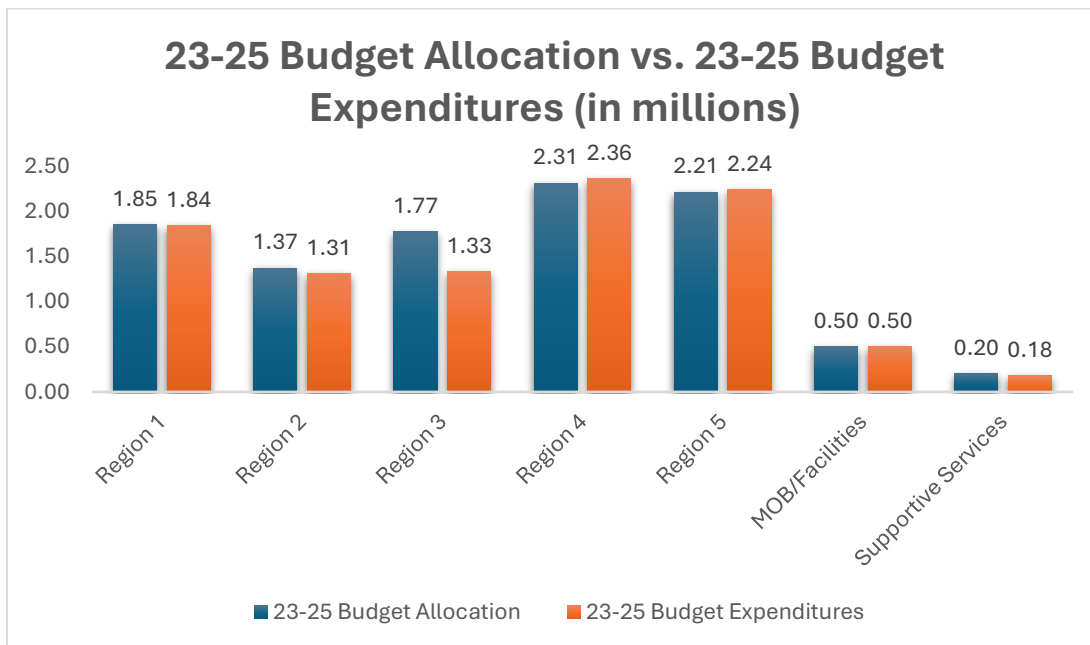
ESB projects typically involve capital improvements, maintenance, safety, or sustainability, with specific projects varying widely based on regional or geographic needs. During the 2023-2025 biennium, statewide ESB projects have included:

- Water line service repair
- Sidewalk construction
- Gate repairs
- Garage door installation
- Fence repairs or installation
- Stockpile cleanup
- Installation of delineator posts
- Tree removal
- Tsunami sign replacements
- Building upgrades, repairs
- Brushing projects
- Security gate installations
- Guardrail repair
- Signage and signpost replacements
- Shoulder widening
- Crack Sealing
- Tree trimming projects
- Culvert replacements
- Milepost marker replacements
- Painting projects



The ESB funding allocation was spread across the five regions, Maintenance and Operation, and supportive services.

ODOT Region	23-25 Budget Allocation	23-25 Budget Expenditures
Region 1	\$1,847,277	\$1,841,352
Region 2	\$1,365,626	\$1,311,454
Region 3	\$1,766,754	\$1,333,645
Region 4	\$2,311,350	\$2,357,761
Region 5	\$2,208,991	\$2,239,477
MOB/Facilities	\$500,000	\$500,698
Supportive Services	\$200,000	\$189,450
<b>Totals</b>	<b>\$10,199,998</b>	<b>\$9,773,837</b>



## Emerging Small Business Supportive Services

OECR provides small businesses with supportive services, including one-on-one technical support, event sponsorships with industry partners, the Mentor-Protégé Program, OECR communications, and OECR trainings.

OECR staff regularly attend meetings and events to share ESB opportunities and engage directly with small business owners. Throughout Oregon, when there is an opportunity to participate in a trade show, expo, training, networking event, conference, or other resource, OECR staff attend whenever possible. In the 2023-2025 biennium are partners included Oregon Association of Minority Entrepreneurs, National Association of Minority Contractors, Professional Business Development Group, LatinoBuilt, Business Development Institute, Latino Business Alliance and APEX Oregon and Washington. OECR staff attend 92 different events in the 23-25 biennium.

In winter 2024, OECR staff began sharing opportunities directly with ESB firms when posted on OregonBuys. This practice continued through June 2025. 25 projects were shared with 379 firms between November 2024 and June 2025, leading to increased engagement with ESB firms interested in bidding.

In December 2024 and May 2025, we hosted virtual “Doing Business with ODOT” events, with the goal of bringing more firms to ODOT projects. Total attendance for the two events was 488.

ESB program supportive service funds are used to sponsor up to five small businesses in the Port of Portland Mentor-Protégé program. The Port has been running a nationally recognized Mentor-Protégé program since 1995. Proteges are matched with two mentors that provide support in developing a strategic plan to meet the needs of the small business and overcome any obstacles faced. Port staff facilitate monthly meetings and provide a wide array of specialized assistance to the small business in the program.

We share upcoming opportunities for bidding with the cohort and provide any ODOT-specific assistance required. Protégé firms have historically worked on ODOT projects, pursued opportunities for contracting with ODOT, or have a business that aligns with our future needs.

## Conclusion

Engaging with small businesses and providing opportunities for growth is essential for a healthy ODOT. The ESB program provides both and has historically been a very popular program in the small business community. In addition, the ESB program helps each region to fill funding gaps for projects that may not be otherwise completed. Looking forward, the program will continue to support our goals and continue to help firms overcome barriers in competing for public contracts.