

# DBE Advisory Committee Barriers Summary

October 2022

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## Introduction

The Oregon Department of Transportation (ODOT) and partners have conducted assessments to better understand the unique challenges and barriers that Disadvantaged Business Enterprise (DBE) firms and others face when pursuing work with ODOT. Information gathered through this work over the last two years shows the key barriers are focused in the following five areas:

- Access to bid opportunities
- Procurement and contracting
- Technical assistance
- Insurance and loan
- Size and project requirements

This summary provides a high-level description of the barriers in each area. ODOT created the key below to cite where information about each barrier was discussed.

- 1 [2022 Disparity Study by Keen Independent Research](#)
- 2 [ODOT BIPOC Contracting Expansion Anti-Oppression Barriers Analysis](#)
- 3 Oregon Minority Contracting Task Force
- 4 [State of Oregon Racial Justice Council](#)

## Key Barriers

### 1. Access to Bid Opportunities 1 2

- a) Inadequate access to and awareness of bid opportunities and relevant opportunities are limited 1 2
- b) Difficulty learning about bid opportunities at ODOT, local agencies and in the private sector 1 2
- c) Insufficient time to prepare bids for new opportunities 1 2
- d) Larger firms outbid DBEs in opportunities 1 2
- e) Bid restrictions, such as required qualifications or certifications, make it difficult for DBEs to compete 1

### 2. Procurement and Contracting Challenges 1 2 3

- a) Excessive contract paperwork and submittal requirements involved in public sector work and contracting processes is a burden to small businesses 1 2
- b) Low awareness of bid opportunities results in limited ability to pursue bids and, over time, reduced interest in seeking out opportunities 1 2
- c) Required pre-qualifications and prior experience for ODOT contracts is a barrier for many small businesses 1 2
- d) DBE firms struggle to meet required bonding and insurance levels 1 2 3
- e) Specific bonding options with ODOT limit DBE firms' ability to contract with non-ODOT clients 1 2 3

- f) Contracts that don't require advertisement give an advantage to contractors who have previously successfully navigated contracting with ODOT 1 3

### 3. Technical Assistance 4 1 2 3

- a) DBE firms report difficult access to technical assistance, jobsite culture training, and mentor-protégé programs 1 2 3 4
- b) Technical assistance offerings may not meet DBE firm needs 1 2
- c) Process to become certified as DBE, WBE, etc. has been reported as complex and burdensome 1 2
- d) Inadequate access to technical assistance outreach and programming makes it difficult for DBEs to get the support they need 1 2 3

### 4. Insurance and Loan Barriers 1 2 4

- a) Total value of loans approved is insufficient compared to DBE need 1
- b) DBE firms are faced with high interest rates on loans 1
- c) DBE firms face difficulties in obtaining lines of credit, insurance, and bonding 1 2
- d) Business financing and access to capital affects business start-up rates, sustainability, and expansion ability of existing businesses 1

### 5. Size and Project Requirement Barriers 1 2 3

- a) Minority- and women-owned DBEs are disproportionately small compared to non-Hispanic, white, men-owned firms, which can mean limited administrative capacity to pursue opportunities 1
- b) Large project size is a barrier to some DBE firms 1 3
- c) Fixed price contracts that include time and materials requirements result in time-consuming, costly reporting 2
- d) Typical contracting methods like design-bid-build typically select "low-bidder," promoting financial bondage for DBE firms 2 3

### 6. Other Barriers 1 2 3 4

- a) Challenges with open communication and collaboration with prime firms and access to prime agreements 1 2 3
- b) Lack of prompt payment schedules are a challenge for DBEs with tight cash flow 1 2
- c) DBEs struggle with available workforce and barriers to advancing its workforce 1 2 4
- d) Material cost escalation and supply chain issues impact timelines and functionality 1 3
- e) Unionized or non-unionized DBE workforces present different challenges in contracting because of community workforce agreements and project labor agreements 3
- f) Evaluation committee members selection process is unable to verify whether members hold any bias that could potentially put DBEs at a disadvantage 2 3
- g) ODOT's Office of Civil Rights is understaffed and underfunded compared to similar offices in other state DOTs 1 2
- h) Some ODOT staff may lack guidance and clarity on advancing new initiatives 2

- i) ODOT's performance oversight practices of prime performance isn't always accurate and primes can falsely claim DBE participation ➤
- j) Difficulty obtaining task approvals from inspectors and primes ❶