

## CDOT Center for Equal Opportunity Launches *CDOT BIZ*

Welcome to the first edition of *CDOT BIZ*! This new communication tool is designed to keep CDOT's Center for Equal Opportunity in touch with our small business and industry partners and provide important information to businesses about contracting opportunities, upcoming projects, changes to processes, and much more.

We will also be providing updates on special projects that we are working on in upcoming newsletters. Projects such as the American Recovery & Reinvestment Act, Disparity Study, DBE Supportive Services, On the Job Training, and others will be the subject of articles in the future. This will be the place to look for our progress in implementing changes

We plan to provide our readers with information and links to the CDOT website where you can learn about projects currently advertised as well as a long-range look at upcoming projects. Those sites and the information provided for both construction and design projects will give businesses the opportunity to effectively plan and win projects. Check out those sites today by clicking on



<http://www.coloradodot.info/business/bidding/future-bidding-opportunities> for construction projects; <http://www.coloradodot.info/business/consultants/advertised-projects> for consultant projects; and <http://www.coloradodot.info/business/procurement-and-contract-services> for goods and services.

to our small business development programs as well as changes to CDOT processes and procedures.

We will also be able to fill you in on CDOT news related to your business including dates and times of important Colorado Transportation Commission meetings, public meetings and hearings, regional information and transportation and environmental planning documents.

What we hope our newsletter will be is a tool that you can use to build success for your business and your community. We're looking forward to working with you and hearing how we can improve our newsletter. Contact us at 1.800.925.3427 or [eo@dot.state.co.us](mailto:eo@dot.state.co.us) with your feedback.

### WHAT'S UP?

#### "Making Connections" Expo Scheduled for August 10th

The Colorado Minority Business Office will host a series of free Informational Sessions and a Procurement and Contracting Expo for Goods and Professional Service Providers and Contractors on Tuesday, August 10th. The event will take place at Denver's Tivoli Center, located at 900 Auraria Parkway.

The Information Sessions will be presented by procurement and contracting specialists from various State, City and County agencies, schools, prime contractors and major subcontractors. The Information Sessions will run from 8:15 a.m. to 3:00 p.m. The Expo/Trade Show will be open from 9:00 a.m. to 4:00 p.m.

For more information about the Expo contact LeRoy Romero at 303-892-3840 or via email at [l.romero@state.co.us](mailto:l.romero@state.co.us).

#### Contents:

|   |   |
|---|---|
| CDOT Biz Launched .....                       | 1 |
| Making Connections Expo .....                 | 1 |
| From the Desk of the Executive Director ..... | 2 |
| DBE Spotlight: Guild Associates .....         | 2 |
| Prime Time: Brannan Companies .....           | 3 |
| The Truth About Certification .....           | 4 |
| Prime Accountability Report .....             | 6 |
| Contact Us .....                              | 6 |

## Partnering with Communities

The Colorado Department of Transportation is committed to the work we do with our partners to strengthen the support and services we provide to the small and disadvantaged businesses that are building and maintaining our country's transportation infrastructure. We cannot continue to do business like we have in the past.

To ensure the health of Colorado's small and disadvantaged businesses, we must do more. It's our responsibility to improve our partnerships through outreach and assistance so that more of these qualified businesses can compete and be successful on our projects. This is so important for our industry.



*Russel George*

**CDOT has reported over 12% DBE participation on Recovery Act projects, translating to over \$25 million contracting dollars with DBEs, with 27% overall participation.**

I'm convinced that building and improving our partnering relationships with communities across Colorado will result in increased DBE participation on our projects as well as diversify the workforce on Colorado's transportation projects. It's my hope that through

talking to each other, we can share what's been working and come up with new ideas on how we can all work together.

I'm very proud of the efforts made by CDOT management and staff, with the support and commitment from our Transportation Commission, on our Recovery Act projects. CDOT

has reported over 12% DBE participation on Recovery Act projects, translating to over \$25 million contracting dollars with DBEs, with 27% overall participation. Overall DBE participation for Federal Fiscal year 2010 to date is over 27%.

In addition, as CDOT works to continually improve

our processes and programs, our staff is working with our DBE community to identify and implement major improvements to our business development programs. I am personally committed to providing leadership on ensuring fair and equitable treatment of all people affected by transportation programs.

*Russel George*  
Executive Director



*Michael Watkins, President of Guild Associates, launched a new company division in 2006.*

## Guild Associates Takes the Risk to Diversify

In medieval times, merchants and aristocracy would seek out "Guilds" to obtain the most talented and experienced trade persons for complex and challenging tasks.

In this same fashion, Guild Associates exists so industry and government can obtain the most talented and experienced professionals available to meet their most difficult requirements.

Established in September 2001, Guild Associates was a fresh new management consulting firm with Principals that brought over 75 years of combined Federal Government and commercial contracting experience. The company was headquartered in Boulder with affiliate and partner firm offices in Washington, D.C., and other cities nationwide.

In the fall of 2006—in typical "Guild" fashion—the company recruited talented and experienced resources and launched a new division called Engineering and Environmental Services. The goal of the new organization was to diversify the company and to find opportunities in the transportation arena.

*continued on page 5*

PRIME TIME

# Brannan Companies Prove That Mentoring Can Work

**W**hen Carmen Arevalo and Hector Villalobos walked into the offices of Brannan Sand & Gravel in 2004 their newborn company, Villalobos Concrete, consisted of the two and their business advisor. The owners had come to discuss a quote they had recently submitted for a CDOT project.

The Brannan management team took this opportunity to talk with the couple about the goals for their upstart company and how they planned to reach them. Six years later, Denver-based Villalobos Concrete consists of 42 employees, with Brannan Companies as their largest customer.

**“Prime contractors must be willing to take the first step. After that, the rest gets easier.”**

The Brannan/Villalobos relationship that began during that initial meeting quickly grew into mentoring, with Brannan providing Villalobos with a broad range of support services to help expand the firm’s capabilities. “When we walked in the door we didn’t even know how to quote on an Excel sheet,” notes Carmen. “Brannan has taken the time to teach us everything from bidding to invoicing to how to file safety and payroll reports. Plus, we started out with a language barrier. They have made learning so



much easier.” Founded in 1906, the Brannan Sand & Gravel Company has played an integral role in the growth and development



*J. W. Brannan Sand & Gravel Company circa 1906*



*Brannan Companies Headquarter, today*



*Brannan Companies managers Jason Donati and Tim Lyons (left) marvel at how Hector Villalobos and Carmen Arevalo have grown Villalobos Concrete.*

of Colorado’s Front Range. Originally a sand and gravel supplier, it wasn’t until 1943 that asphalt was introduced to support the anticipated post-war building boom. Now, over a century later, Brannan is the front-runner in the manufacturing and placement of Hot Mix Asphalt, with 450 employees dedicated to delivering superior products and customer service to its growing list of local and national customers.

A CDOT supplier of asphalt and construction for over 40 years,

Brannan’s mentoring relationship with Villalobos is not unique for the company. According to Brannan Manager Tim Lyons, though, this particular company is the most impressive. “We have a lot of good concrete subs. But, Villalobos has been phenomenal. I just marvel at what they’ve accomplished in such a short period of time.” Adds Lyons, “Yes, we

use them on jobs that require a minority sub. But, we also use them on jobs that don’t. We use them because they’re good.”

**“Brannan has taken the time to teach us everything from bidding to invoicing to how to file safety and payroll reports...They have made learning so much easier.”**

*continued on pag 5*

## The Truth About DBE Certification

**A**s a condition of receiving federal funds from the U.S. Department of Transportation, Congress requires recipients such as CDOT to implement a Disadvantaged Business Enterprise (DBE) Program.

The purpose of the DBE program is to maximize government transportation contracting opportunities for minority and women owned businesses, or any other small business owner who can demonstrate social and economic disadvantage.

Small business owners often become confused and misinformed when trying to navigate through the DBE certification process. Below are a few “myth busters” about becoming DBE certified and the facts about how it can help your business grow.

---

**DBE certification is a marketing tool that can be used to enhance a company’s efforts to win new contracts.**

---

**Myth** I can’t work on CDOT projects unless my company is DBE certified.

**Truth** Companies are **not required** to be DBE certified in order to work on CDOT projects. However, companies working on CDOT projects that are not certified cannot be used to meet DBE goals.

Many companies will start the process of DBE certification and begin bidding on CDOT projects while they are waiting for final approval. If you might take that route, talk to a CDOT Equal Opportunity Center staff member regarding what to expect.

**Myth** The amount of paperwork required for applying for DBE certification isn’t worth the hassle.

**Truth** DBE certification is a valuable instrument in your tool kit towards success. In addition to opening doors for your company, DBE certification is a marketing tool that can be used to enhance your company’s efforts to win new contracts.



The following are a few of the benefits of being a certified DBE:

- Contracts and subcontract amounts may count toward project DBE goals.
- Certified companies have the opportunity to participate in a variety of supportive services such as training and technical assistance.
- Tuition reimbursements up to \$300 per year are available to certified DBEs. (See <http://www.coloradodot.info/business/dbe/tuition-reimbursement.html>)
- Numerous special mailings containing information on contracting and other opportunities are provided to DBEs.
- Certified DBEs are included in the Colorado DBE on-line directory, which is used by many prime contractors to locate subcontractors for their projects.

**Myth** Certified DBE companies are guaranteed contracts through “set-a-sides”

**Truth** Becoming certified **does not**, in any way, guarantee contracts for any company.

**Myth** Start-up companies don’t qualify for certification.

**Truth** A company is eligible to apply for certification as long as it is fully equipped, fully operational and ready to perform.

**Myth** If I identify a disadvantaged person, I can establish them as a 51% owner of the business, which **will automatically qualify** my company as a DBE certified company.

**Truth** The disadvantaged owner must be able to prove control of the business and independence from all others. The owner must also document and provide proof by experience and qualifications that they can perform and control the core tasks of the business.

**Myth** Receiving investment funds from outside contributors to start my company does not affect my ability for getting DBE certified.

**Truth** The disadvantaged owner must be able to provide proof of making the majority initial contribution (i.e., cash, equipment, etc.) to show that they—and they alone—started the business, with the major portion of the contribution coming directly from them.

### Getting Certified

If you would like to find out more about the certification process, log on to <http://www.coloradodot.info/business/dbe/certification.html> or please contact Sabra Erving, CDOT Program Assistant, at [sabra.erving@dot.state.co.us](mailto:sabra.erving@dot.state.co.us) or at 303-512-4140.

**Brannan Companies Prove That Mentoring Can Work**  
*continued*

**Hard Work Pays Off**

Good, old-fashioned hard work and the ability to effectively solve problems seem to be the keys to this successful arrangement. Not long after Villalobos began providing sub work for Brannan, word began to spread around the prime's field managers that the company was providing excellent service. Lyons took note of what he had been hearing and made a point of meeting Hector.

**“Since its beginning days as a start-up, the company continues to participate in everything that (CDOT’s) CDC has to offer minority entrepreneurs.”**

“What stood out about Hector right away is what a hard worker he is and his willingness to stick with a job until it is done,” says Lyons. “Also, whenever there’s a problem, they’re always able to work it out. No problem is too big for them.”



**CDOT Technical Support**

Carmen is quick to point out that the degree of success and rapid growth that Villalobos has reached can, in large part, be attributed to how the



company has made use of the technical services provided by CDOT’s Construction Development Center (CDC). Since its beginning days as a start-up, the company continues to participate in everything that the CDC has to offer minority entrepreneurs.

“We always attend the networking sessions and all of their training sessions. We take advantage of everything that they offer and it has always paid off,” explains Carmen. Most notably, CDOT covered the costs for Villalobos to be trained as concrete finishers, making the company the only Disadvantaged Business Entrepreneur (DBE) in the state of Colorado to be listed as a Certified Concrete Finisher.

**Advice to Primes**

Tim Lyons admits that, in a tighter economy, it has become a little tougher for prime contractors to meet CDOT’s DBE goals. Many DBE firms have not been able to survive the economic downturn, further decreasing the available pool. But, he adds, prime contractors must be willing

to take a chance with DBEs, as Brannan did with Villalobos six years ago. “Prime contractors must be willing to take the first step. After that, the rest gets easier.”

**Guild Associates Takes the Risk to Diversify**  
*continued*

“Getting the new division off the ground took much longer than we expected. We struggled for more than two years to identify our value proposition and establish our entry point into the market,” notes Michael Watkins, Guild Associates President. “We also underestimated the intense hard work and capital requirements.”

**“The journey has been extremely capital intensive, and we have discovered that there are no short-cuts for success.”**

The real turning point for Guild Associates came with the acceptance of the company into CDOT’s Mentor-Protege Program, which partnered the firm with DMJM Harris (now called AECOM). Mark Mehalko and his staff invested a tremendous amount of time educating the Guild Associates management team on the industry, the typical value stream within the industry, and where the company might fit along that value stream.

Another major milestone for the company (then doing business as Guild Associates Construction Services) came in October of 2008, when it was awarded a subcontract to perform Storm Water Management and Erosion Control tasks on a civil project for the City of Arvada. Since then, the company has expanded its product offerings to include landscape, irrigation, fencing and guardrail.

Watkins observes that, “The journey has been extremely capital intensive, and we have discovered that there are no short-cuts for success.”

# Prime Accountability Report Tracks Historic Use of DBE Firms

As part of its ongoing effort to find effective ways to improve its small business programs, CDOT recently engaged several stakeholders to assist in creating a report that would help convey a prime

with an accurate snapshot of exactly how our prime contractors are faring with their use of DBE firms on CDOT contracts,” explains Greg Diehl, CDOT Equal Opportunity Supervisor. He

- DBE Amount Committed
- DBE Percent Committed
- Percentage Difference Between Required and Committed Amounts

CDOT will be publishing an updated report in October on an annual basis and will continue using the information contained in these reports as part of its Good Faith Effort review process when prime contractors fail to reach project DBE goals. (See CDOT’s current DBE standard special provision at

<http://www.coloradodot.info/business/designsupport/construction-specifications/2005-construction-specs/2005ssp/miscellaneous/dbe1.doc/view>).

If you have questions about the Prime Accountability Report, please contact Greg Diehl at 303-757-9599 or at [greg.diehl@dot.state.co.us](mailto:greg.diehl@dot.state.co.us).

Prime Contractor Annual DBE Achievement Report for CDOT Highway Construction Projects Awarded  
10/1/2006 - 9/30/2009

| Prime Contractor                        | DBE Prime *              | Number and Amount of Projects Awarded | Amount Required to Meet DBE Goals | DBE Amount Committed | DBE Percent Committed | Percentage Difference Between Required and Committed Amounts |
|---|--------------------------|---------------------------------------|-----------------------------------|----------------------|-----------------------|--|
| A & S CONSTRUCTION CO. & AFFILIATED CO. | <input type="checkbox"/> | 8 \$32,599,347.85                     | \$1,466,675.77                    | \$1,555,424.52       | 4.8%                  | 6.1%   |
| A-1 CHIPSEAL COMPANY                    | <input type="checkbox"/> | 3 \$1,789,977.68                      | \$137,337.14                      | \$161,530.00         | 9.0%                  | 17.6%  |
| ABCO CONTRACTING, INC.                  | <input type="checkbox"/> | 2 \$1,713,634.14                      | \$31,249.21                       | \$39,475.00          | 2.3%                  | 26.3%  |
| ADARAND CONSTRUCTORS, INC.              | <input type="checkbox"/> | 5 \$1,782,344.19                      | \$58,302.96                       | \$114,086.00         | 6.4%                  | 95.7%  |
| AGGREGATE INDUSTRIES - WCR, INC.        | <input type="checkbox"/> | 8 \$40,098,894.24                     | \$3,148,310.15                    | \$3,454,044.14       | 8.6%                  | 9.7%   |

**“The data contained in these reports allows us to see which prime contractors are consistently trending below CDOT established DBE goals and work with them on ways to improve.”**

contractor’s ongoing commitment to achieving the required levels of Disadvantaged Business Enterprise (DBE) participation on CDOT highway construction projects.

The result is the Prime Accountability Report, which summarizes the use of DBEs by primes on CDOT’s highway construction projects. The Report covers the most recent three full Federal Fiscal Years (FFY), which run from October 1 through the end of September 30 and is available for review at <http://www.coloradodot.info/business/dbe>.

**Raw Data Posted**

“Our goal with this approach is to provide CDOT and its stakeholders

adds, “The data contained in these reports allows us to see which prime contractors are consistently trending below CDOT established DBE goals and work with them on ways to improve.”

While other State DOTs such as Florida have created formal grading scales (i.e., “A” “B” and “D” etc.) as a means of interpreting similar prime contractor reports, CDOT decided to simply post the “raw” data by prime contractors in alphabetical order and let the record speak for itself. Only contractors who have won at least one prime contract with CDOT over the past three full federal fiscal years appear on the annual report(s).

The Prime Accountability Report includes:

- Number and Amount of Projects Awarded
- Amount Required to Meet DBE Goals (aggregate of each CDOT highway project’s DBE goal % applied against the individual project’s awarded amount)

## Contact Us

**CDOT BIZ is a quarterly publication of the Colorado Department of Transportation’s Center for Equal Opportunity.**

CDOT Center for Equal Opportunity  
4201 East Arkansas Avenue, Room 200  
Denver, CO 80222  
Office: 303-757-9303  
Toll Free: 800-925-3427  
Fax: 303-757-9058  
[eo@dot.state.co.us](mailto:eo@dot.state.co.us)

CDOT Construction Development Center  
700 E. 24th Ave., Suite 2B  
Denver, Colorado 80205  
Office: 303-295-3008  
Hours: Monday – Thursday  
8:00 a.m. – 5:00 p.m.