

DBE ACCESS

THE DBE SUPPORTIVE SERVICE TEAM IS REACHING OUT TO DBE FIRMS INTERESTED IN KNOWING MORE ABOUT SUBCONTRACT OPPORTUNITIES... READ MORE ON PAGE 8

PAGE 7 BEST PRACTICES

**ENSURING SAFETY AT
CONSTRUCTION SITES &
REDUCING CONFLICT ON
CONSTRUCTION PROJECTS**

SHOW ME THE MONEY BY DAVID NEESE

Tips to help DBEs better understand how to check their payments, know their rights as a payee and ensure that they have been satisfactorily paid what is owed.

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JESSICA STARLING

**TDOT Welcomes Jessica Starling
as new Director of Civil Rights**

BUTCH ELEY
Deputy Governor
& Commissioner of
Transportation

JESSICA STARLING
Director, Civil Rights

DAVID NEESE
Director, Small Business
Development Program

**DBE SUPPORTIVE
SERVICES**
Tyler Construction Engineers,
P.C.



DBE ACCESS

TN

TDOT
Department of
Transportation

SPRING 2023

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TDOT Welcomes Jessica Starling as new Director of Civil Rights

Please join us as we officially welcome Jessica Starling the new TDOT Director of Civil Rights, as of January 1, 2023.

As TDOT Director of Civil Rights, Jessica will be responsible for the administration of both state and federal programs that include Title VI, Affirmative Action and Small Business Development. Additionally, Jessica will be responsible for developing and implementing TDOT's internal and external affirmative action plans and administering the federally mandated Disadvantaged Business Enterprise (DBE) Program.

Jessica is a Nashville native who graduated from Tennessee State University with a bachelor's degree in Business Administration and master's degree from Bethel University in Conflict Resolution. Throughout Jessica's career, she has served in various leadership roles that have allowed her to interact and work closely with private corporations, entrepreneurs, and community leaders to establish policies and process improvement initiatives.

Jessica has an inspiring history with the state of Tennessee and an unwavering commitment to the success of the state's diversity and inclusion programs. During Jessica's most recent role as the Procurement Program Director for the State of Tennessee's Governor's Office of Diversity Business Enterprise (Go-DBE), she led the state's diversity program into a new realm of success. Under her leadership, the state of Tennessee had record breaking results by contracting over \$1.05 billion with diversity businesses in a 12-month period, winning national recognition for its public facing diversity dashboard, creating new educational programs for certified

diversity businesses, and establishing diversity business partnerships with other governmental entities and private corporations. Prior to becoming Go-DBE's Director, Jessica worked as a Sr. Business Analyst for TDOT's Information Technology division.

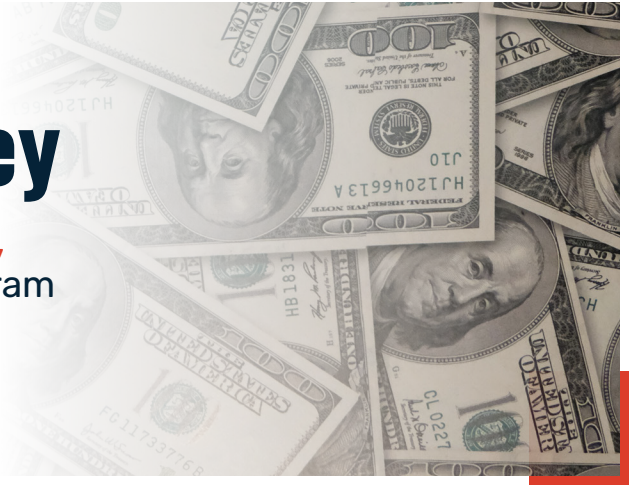
Jessica is an experienced and dedicated procurement professional devoted to helping Disadvantaged Business Enterprises (DBE) find needed resources that will expand economic opportunities and assist with their growth and development.

The DBE and small business community is looking forward to Jessica's commitment to building relationships, her collaborative leadership style, developing opportunities for equal employment, and establishing processes to support equality and eliminate discrimination.

WELCOME AND CONGRATULATIONS JESSICA!

Show Me the Money

BY DAVID NESSE, PROGRAM DIRECTOR,
TDOT Small Business Development Program



There are a lot of perks to becoming an entrepreneur. Becoming your own boss, setting your own hours of operation, and deciding the best direction for your business. However, with these perks come a lot of responsibilities. Not only are you responsible for delivering great products/services, getting new cliental, and keeping your current clients happy, but you are responsible for making payroll so your employees can take care of their obligations. One of the biggest, and most impactful, problems we see in the Small Business Development Program involves payment issues between the prime and DBE. A prime may be slow to pay, only make partial payments, deduct money from the DBE's payment, or worse, fail to make a payment altogether for work approved by TDOT. So, why does it take so long to receive payments from the prime? While there are several possible answers to this question, our goal is to make DBEs aware of what they should do if their business has not been paid for contracted work.

The tips below will help DBEs better understand how to check their payments, know their rights as a payee and ensure that they have been satisfactorily paid what is owed. These tips should not only assist with tracking payments but also improve the overall experience between DBEs and prime contractors on the contract.

SIGNED CONTRACT AGREEMENT

DBEs should read and ask clarifying questions before signing the contract to ensure they understand what they are agreeing to. Is there anything that you feel should not be there? Is the prime deducting money for fees or dues? Talk to the prime and see if it can be removed or modified. We have seen this done many times in DBE contracts.

COMMUNICATION

Communicate with the prime contractor and TDOT field operations staff regularly. Ask what they need and expect from you and tell them what you need and expect from them. Make them aware of your timeline to complete the job and notify them immediately if something arises that may alter your original timeline. Save emails and other documentation about the job until the work is complete and full payment has been received. This information may help resolve issues should they arise in the future.

PROMPT PAYMENT

Review the [Prompt Payment website](#) within AASHTOWare. Prime contractors are required to report the names of each subcontractor and the amounts paid to subcontractors each month.

Are you checking this? If not, we encourage you to check every month by clicking this [link](#). Ask when you should expect payment and if you are not paid on time, ask them why.

PAYMENT SCHEDULE

Know when TDOT has paid the prime (the payment schedule may vary by region). DBEs should be paid no later than 30 days after the prime receives payment from TDOT; that is 60 days for 2nd tier subcontractors. Per Tennessee Code Annotated [T.C.A. § 12-4-707](#), subcontractors must be paid within 30 days of the prime receiving payment from the agency or monthly interest may accrue. If payment is slow, make sure the prime knows that you know your rights.

LIQUIDATED DAMAGES

How are Liquidated Damages (LD) assessed? LDs are monetary amounts a prime contractor may be liable to pay TDOT each day the project is past the contract deadline. These damages may be passed down to subcontractors. There have been situations where DBEs have been assessed massive LDs before knowing there was an issue. Also, know that primes cannot withhold money from one TDOT contract to satisfy a payment issue on another. Any work that was performed and approved by TDOT needs to be paid...period.

CONTACT TDOT SMALL BUSINESS DEVELOPMENT PROGRAM

Contact our office early in the process at TDOT.DBE.Program@tn.gov. Email the contract number, prime's name, a summary of what is going on, and as much additional information as possible for us to investigate. Even if it is just a potential problem, we can start a file on the situation and start checking in with you. Avoid going six months or more without being paid before contacting our office. Remember, if you fulfilled your part of the contract satisfactorily, they are legally obligated to pay you for the work performed.

TDOT SUPPORTIVE SERVICES

Contact TDOT's Supportive Services Consultants, Tyler Construction Engineers P.C., at 1-888-385-9022 or via email at DBE_Supportive_Services@tyler-engineers.com. Tyler Construction has worked with TDOT for many years and has helped numerous DBEs with payment issues.



PROGRESS PAYMENTS

Check the [Progress Payments](#) for contracts on the TDOT Construction website. This will list all work items paid by TDOT. If your work item is on there, ensure you are paid timely for your work. This website only contains information for the most recent month, so check often.

Following this guidance may help alleviate some issues on your TDOT contracts. Since TDOT contracts directly with the prime, it is often unaware of the dates and status of payments to subcontractors. DBEs must be diligent in not only ensuring payments are correct and paid promptly, but in reaching out for assistance if they are not. The Small Business Development Program is here to help, but we can't help if we don't know there is a need.

SAVE THE DATE
TENNESSEE DEPARTMENT OF TRANSPORTATION
Civil Rights Office Small Business Development Program

2023 DBE SMALL BUSINESS ANNUAL MEETING
Growing your Business in the Public Infrastructure Market
AUGUST 28-29, 2023
Franklin Marriott Cool Springs
700 Cool Springs Blvd
Franklin, TN 37067

INVESTMENTS ARE BEING MADE IN PUBLIC INFRASTRUCTURE

BY VICTOR C. TYLER, P.E., CONSTRUCTION
ENGINEERING CONSULTANT,
DBE Supportive Services

America's public infrastructure has needed renovating or replacing for some time. In recent months we are seeing public sector agencies continuing to increase their levels of investments, which means an exciting time for businesses providing goods and services in any of the public infrastructure sectors.

When these potential projects are funded, you must be more than ready to bid or propose on these building and maintenance projects. As a small business owner, there is even more work in balancing the risk and reward in acquiring work in this growing market.

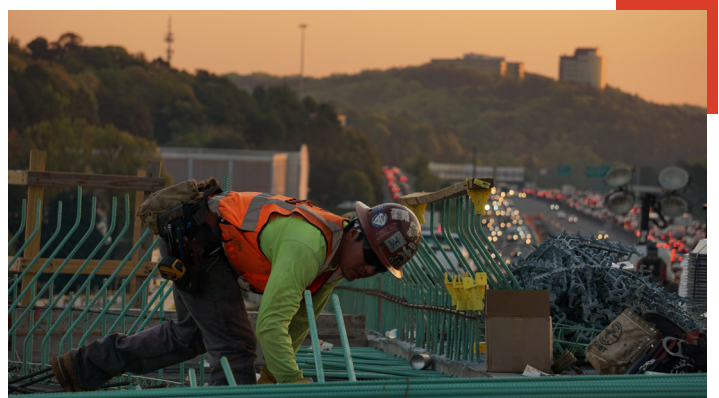
It is an exciting time in Tennessee as the TDOT Civil Rights Division continues to offer programs like the DBE Business Development Program, One-on-One Business and Technical Assistance, and other free services designed to assist certified DBE small businesses in becoming more competitive within the public infrastructure industry. These services are provided by highly skilled private sector consultants and business experts.

Tyler Construction Engineers, P.C. continues as statewide Program Manager for the TDOT DBE Supportive Services and Small Business Development Program. Tyler's consultants are ready to meet with DBE firm owners seeking help to grow their businesses and get answers to specific questions from industry experts. You will find more information on the DBE Supportive Services Program webpage (www.tylerengineers.com/supportive-services)

DBE firms will receive assistance at no charge in the following categories:

- Strategic Marketing Assistance
- Estimating & Bidding Training
- Bid Markup Calculations
- QuickBooks Software Training
- Job Cost Accounting Training
- Human Resource Compliance
- Financial Analysis & Benchmarking

*(Most appointments are held virtually via Teams or Zoom).



We hope you will take advantage of the events and opportunities that the TDOT DBE Supportive Services Program has to offer. Our goal is to **EDUCATE - ENGAGE - EMPOWER - TRANSFORM** and continuously assist DBE small businesses with overcoming barriers to entry that help grow and increase their business revenue! Please contact the DBE Supportive Services Team.

Until next time, Much Success!

Suggested Best Practices

ENSURING SAFETY AT CONSTRUCTION SITES

- Always wear personal protective equipment (PPE)
 - Start your job only after receiving instructions
 - Maintain a clean working area
 - Don't compromise your safety or the safety of others
 - Maintain necessary safety precautions
 - Keep equipment safe by not tampering with it
 - Make use of the proper tools
 - Working alone should be avoided
 - Be prepared for an emergency
 - Electricity should always be handled with caution
-

REDUCING CONFLICT ON CONSTRUCTION PROJECTS

- Increase communications
- Attend pre-construction meetings
- Follow proper communication channels (subcontractors should communicate with owners or engineers only through the Prime)
- Prime must run project meetings effectively
- Designate someone to write the minutes of meetings
- Review minutes of meetings and have corrections made for any erroneous or inaccurate statements
- Review the scope before signing the subcontract
- Your project team needs to know what was agreed upon in the subcontract agreement
- Your supervisory personnel on the project must be competent and a good communicator
- Always negotiate disputes with the intent of achieving an equitable agreement
- Document your phone calls, conversations, and meetings
- Communicate project issues or problems through in-person interaction first – it's more effective than starting with written communication.





POTENTIAL SUBCONTRACT OPPORTUNITIES

Many large contracting firms are constantly assembling DBE subcontractors to assist them in pursuing projects in the state of Tennessee. The DBE Supportive Service team is reaching out to DBE firms interested in knowing more about these professional and construction subcontract opportunities on TDOT Projects. Scopes of interest include, but are not limited to:

- Construction Survey Staking
- Road & Drainage Excavation
- Hauling (Stone & Asphalt)
- Asphalt Milling / Scoring
- Concrete Drainage Structures
- Concrete Sidewalks, Driveways
- Guardrail / Fencing
- Rip-Rap / Geotextiles
- Pavement Markings
- Signalization & Roadway Lighting
- Seed, Sod, Landscaping, etc.
- Reinforcing Steel Installation
- Bridge Deck Reinforcing
- Retaining Wall Construction
- Texture Coating / Dampproofing
- Asphalt Sealing
- Transportation Engineers
- Civil Engineers
- Geotechnical Engineers
- Highway Designers
- Surveyors
- Drone Pilots
- GIS Scientists
- Schedulers
- Cost Estimators
- Construction Engineers



HOW DO SLOW PAYMENTS IMPACT THE CONSTRUCTION INDUSTRY?

Rabbit's 2022 Construction Payments Report states there is a \$208 billion impact on the industry for carrying forward the fees and costs of slow payments, as well as the impact of inflation and rising interest rates on construction bidding.

Learn how slow payments are adding cost, time, and risk to projects in this year's Construction Payments Report.

REPORT HIGHLIGHTS:

\$208 B = the cost of slow payments to the US construction industry in 2022

37% = percent of all respondents reporting that work has been delayed or stopped due to a delay in payments to crew members in the last 12 months

44 hours per month = time general contractors spend managing payments to subs and vendors

90% = percent of general contractors surveyed who see the value in paying their subcontractors faster

62% = percent of general contractors surveyed who have incurred billing charges, financing charges, or other costs when floating payments to others in the last 12 months

8.5x = increase in general contractors using retirement savings to float payments for their business



DBE SUPPORTIVE SERVICES EDUCATIONAL & NETWORKING OPPORTUNITIES

The TDOT Civil Rights Office Small Business Development Program and its DBE Supportive Services Consultants offer a variety of training classes designed to assist TNUCP DBE firms to succeed in the transportation construction industry. Registration information will be emailed to all TNUCP DBEs and is also available on our webpage at www.tylereengineers.com/training. Let us know if you want information on any of the items below or other business topics.

UPCOMING CLASSES

DATE	TITLE	LOCATION	DURATION
April 19, 2023	How to Calculate Markup, Overhead & Profit Presenter: Victor Tyler, P.E., Tyler Construction Engineers, P.C.	Memphis	3.5 hours
April 26, 2023	Legal Considerations for Small Businesses Presenter: Ashley Gold, Schulman, LeRoy & Bennett, PC	Webinar	1.5 hours
May 10, 2023	How to Calculate Markup, Overhead & Profit Presenter: Victor Tyler, P.E., Tyler Construction Engineers, P.C.	Knoxville	3.5 hours
May 24, 2023	Estimating & Bidding Civil Highway I Presenter: Victor Tyler, P.E., Tyler Construction Engineers, P.C.	Nashville	6.0 hours
May 31, 2023	Estimating & Bidding Civil Highway I Presenter: Victor Tyler, P.E., Tyler Construction Engineers, P.C.	Memphis	6.0 hours
Aug 28- 29, 2023	TDOT DBE Small Business Annual Meeting Growing your Business in the Public Infrastructure Market	Nashville	2 - Day
Sept 13 - Nov 15, 2023	10-Webinar Series Mini-Boot Camp Managing The Profitable Business Presenters: Tyler Construction Engineers, P.C. & Supportive Services Consultants	Webinar	1.5 hrs each



Where Will Your Next Job Come From?

CURTIS WEBB,
Strategic Marketing Consultant, DBE
Supportive Services

What happens when your most coveted job is complete and you haven't been seeking new job opportunities or marketing your services to potential prospects? Your very existence as a business owner is connected to how well you can effectively market your company.

Generating new business is the foundation of every successful company. If you market the business effectively and differentiate your services from your competition, you stand a much better chance of bringing in new clients. A focused message and offering to a specific niche within a wider market will do even better.

What is a niche? A niche is an identifiable piece of a market that is composed of individuals and businesses that have similar interests and needs. A niche is not something to be discovered, but rather something you define and create.

Having a clear focus and an effective marketing strategy determines how you compete for profitable jobs. Too many competitors mean too little margin. You must focus on niches that will yield advantages!

Here is a daily question every business owner should ask themselves: "How can I make my services stand out uniquely?"

- Keep your sales message simple and to the point.
- Let your potential clients know the benefits they get by using you.
- Every client and prospect wants to know what is in it for them so make sure you tell them! Choose markets where you have the expertise and can provide superior customer service.



As a starting point, create a simple one-page marketing plan that yields you the best opportunities. Establish an aggressive pricing policy based on your special capabilities.

For the year 2023, there will be market challenges for you. If you are going to survive, you must market your services daily. This could be the difference between those that survive and make a profit, and those that go away. At the end of the day always remember, "You can't give value to someone until they understand or appreciate what you are doing or what you have done!" Stay persistent with your marketing and always test new approaches for better results.

If you are a TNUCP DBE and want additional information or guidance with your company's marketing approach, contact Curtis Webb, DBE Supportive Services, at 615.469.5398 or curtis@curtiswebb.com to schedule an appointment.

What's Your Pricing Method?

JAY B. MERCER,
QuickBooks Pro-Advisor, DBE Supportive Services

How do you arrive at a price for the products and services you sell? While it depends on your business's industry, only a handful of foundational pricing methods are helpful to know. Here are several of them.

TIME AND MATERIALS PRICING

Many service-based businesses' prices are based on the time spent performing the service. An attorney usually has an hourly rate. Plumbers charge a minimum fee for the first hour and another rate for subsequent hours. Construction contractor price is based on the number of direct labor hours expended at fixed hourly rates plus the cost of materials. The contractor charges time (and sometimes material) to cover indirect costs and profit at marked-up rates.

In some cases, time-based pricing may be loosely tied to the salary level of the person performing the service, but there must be a markup added to cover payroll taxes, health insurance, overhead, training, and any materials or tools that are included.

COST-PLUS PRICING

Cost-plus pricing is used in the retail industry, where goods are purchased from a manufacturer or wholesaler and made available for sale. This method is based on the cost of the item. A typical example is keystone pricing, where an item is marked up to twice the purchase price plus one dollar.

Other industries that use cost-plus include groceries and auto dealers.

MARKET PRICING

Market pricing is pricing that is dependent on fluctuating market conditions. Commodities are the best example. Crops, oil and gas, and metals are a few items that are priced by the market.

TARGET PRICING

Target pricing is where you start with a price that you feel customers will be willing to pay, then design a service or product around it. It's mostly used in the software industry. As an example, let's say you come up with an idea for a software application that you feel people will pay \$49 per month for. You then build a software development and support team around a budget that supports that price.

VALUE PRICING

Value pricing is based on what the client values and will pay for. For projects, it can be based on the client's expected return on investment. Value pricing is used in internet marketing and for some professional services and products.

There is a fine line between premium pricing and value pricing. Some luxury brands may be premium priced, with some value pricing thrown in.

PRICING IN REAL LIFE

Determining a product or service's price in business is part math and part art. It can be a combination of two or more of the methods listed above or may not be a method listed above at all. Many factors and considerations should go into your pricing decisions.

Is your pricing adequate for the profit margin you want? The goal of a good pricing method is to maximize profit. The Supportive Services Consultants use your company's project data, job costing, and analytics to improve company performance and profitability.

Pricing is a skill to learn, just like selling, running a business, and customer service is a skill you need. Consultants with the DBE Supportive Services are available to assist you with your pricing process. Contact Jay B. Mercer at 615.469.5398 or DBE_Supportive_Services@tyler-engineers.com.



TDOT 2023 Construction Letting Dates:

- May 13
- June 23
- August 18
- October 6
- November 3
(Mowing & Litter Removal),
- December 8

The TDOT Civil Rights Division Small Business Development Program and its Supportive Services Consultants offer a variety of training classes designed to assist USDOT certified DBE firms to succeed in the transportation construction industry. Seminars and informational meetings are made available throughout the state. The primary focus of these seminars is to disseminate industry specific information on estimating and bidding, strategic marketing, job cost accounting, cash flow management, business planning, leadership development directly to your email inbox.

Our Supportive Services Consultants are ready and waiting to assist.

Please Note:

Beginning in 2022 ,TDOT began utilizing AASHTOWare Project Civil Rights & Labor (CRL) as a requirement of contract compliance for submitting and certifying contractor payrolls. **Special Provision 107CP** was added to ALL CONTRACTS that year using this new functionality, which is required for the prime contractor and all subcontractors. The **Certified Payrolls Webpage** gives the contractors guidance on steps they need to take to begin this functionality in AASHTOWare. If you have any questions, please visit our **website** or contact us at **TDOT.CONSTRUCTIONLaborUsers@tn.gov**.

“No matter how brilliant your mind or strategy, if you’re playing a solo game, you’ll always lose out to a team.”

— Reid Hoffman

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