

IIJAs, STRAs and the DBE

The Small Firm Advantage in a Time of Infrastructure Investment



hile some might see federal funding for infrastructure as a windfall for big design and construction firms, it is arguably an even greater opportunity for small and disadvantaged business enterprises (DBEs).

In a recent *Informed Infrastructure* podcast (*bit. Iy/3kVX9bm*), David Settlemyer, Bentley's Senior Industry Strategy Manager, spotlighted the heightened prospects for DBEs during the next few years that come with focused federal investments such as the \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) and the more than \$300 billion Surface Transportation Reauthorization Act of 2021 (STRA-21).

He emphasized, "The transportation industry values the small and disadvantaged firms—and it shows in the many focused programs and policies."

DBE Edge

Federal funding—whether IIJA, STRA-21 or some other source—comes with well-defined DBE conditions.

For instance, every DOT that draws on federal funding must meet the U.S. Department of Transportation's DBE Program Regulation, which requires recipients of DOT funds to develop and implement a Disadvantaged Business Enterprise Supportive Services (DBE/SS) program that conforms to DOT standards—and every state has such a program. These programs assist in the acquisition of skills and resources to help minority, women, and socially and economically disadvantaged firms find contracting opportunities in the transportation sector. DBE/SS programs include everything from business planning and bid assistance to computer training.

The statutory provision also requires DOTs to commit at least 10 percent of the funds authorized for the highway and transit financial assistance programs to be expended with DBEs.

Settlemyer adds, "There's even inter-state agreements that help DBEs obtain certifications to work projects regionally. The IIJA further stipulates prompt payment for DBE contractors. These are opportunities and support mechanisms that are not available in other industries."

Getting 'In'

Some might ask why there seems to be a shortage of DBEs if the transportation industry is so supportive.

The answer is two-fold: "The biggest thing is that there just aren't enough certified firms to go around. So those big firms that find quality DBEs keep those firms busy," Settlemyer explains. "That's great news for certified DBE firms—once you're in, the work is readily available, especially for those small firms with a niche skillset."

He points to one small firm in the south with just 15 people that specializes in slope-stabilization design. That firm does work on infrastructure projects across multiple states. Another small firm specializes in digging reinforced ditches along interstates.

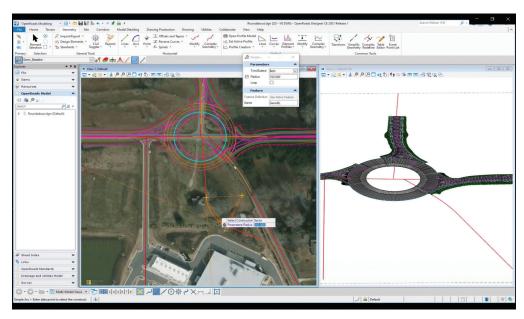
The second challenge is that it's not easy to get certified. He explains, "These are public projects, with community safety at risk. DOTs have to make sure that your firm, no matter the size, is able to perform the skills that you say you can do. Therefore, there is considerable paperwork and reviews of operations and even tools and techniques. For example, the DOT wants to make sure the firm uses the software that it requires."

That said, Settlemyer doesn't believe software should be a deterrent for DBE firms.

The Virtuosity Edge

There's a misperception that the best design and engineering software is only accessible to bigger firms, because of the cost. In Settlemyer's opinion, "That's just not the case. Bentley is the leading civil engineering software in the world—and many are small and midsize firms."

To further extend its outreach to DBE firms, Bentley formed Virtuosity, Bentley's eStore in 2020, to accommodate small and mid-size firms. Through the DBE discount program, Virtuosity provides customers with a



more simplified model for licensing, training and support. Virtuosity is a great opportunity to purchase, learn and understand the software DOTs are using. The 12-month practitioner license allows you to balance a DBE's software needs with the demand of the workload.

Settlemyer concludes, "Our goal is to help DBE firms compete by allowing these firms to purchase and deploy technology faster and easier. The discount helps to overcome the cost burden. Just as importantly, the one-on-one training and support helps individuals get up and running very



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