



Unbundling Update

Finance Administration Operations Committee

July 17, 2013

Creating Opportunity

- ▶ **The Tollway has initiated multiple approaches to increase opportunities for small business**

<p>Unbundling</p>	<p>Have let 23 contracts under \$5 million so far this year (compared to 15 last year). Currently, 52 percent of total <i>Move Illinois</i> construction contracts are unbundled.</p>
<p>Small Business Initiative</p>	<p>Launched a program to set aside contracts for small businesses, and soon, pending approval from the CPO, will establish small business goals on large contracts.</p>
<p>Outreach and Networking</p>	<p>Held 317 events since January 2012, with 44 more planned before year’s end – helping businesses understand opportunities.</p>
<p>Technical Assistance and Training</p>	<p>Direct assistance and partnership with multiple agencies on programs such as Small Contractor Bridge, Construction Business Development Center and Coaching for Growth.</p>

- ▶ **We are actively engaged in helping small businesses benefit from *Move Illinois***

Good Progress With Challenges to Overcome

- ▶ **Two new small businesses**
 - ▶ Earthwerks Land Improvement & Development Corp. and McDermaid Roofing & Insulating Inc. (pending July Board approval)
- ▶ **Two new DBE construction primes**
 - ▶ Acura Inc. and Reyes Group
- ▶ **Tremendous amount of work on the street**
 - ▶ Small jobs are readily available
 - ▶ 106 *Move Illinois* projects have contracted:
 - ▶ 72 unique primes and 382 unique subs
 - ▶ 12 unique DBE/SB primes and 136 unique DBE/SB subs
 - ▶ Since January 2012, the capital program has created or sustained up to 5,400 jobs
- ▶ **Decreasing response to small contract opportunities**
 - ▶ No bids
 - ▶ High bids

Understanding the Market

- ▶ **Uncover the reason for low/no bids**
 - ▶ Market availability (Are there small businesses to do the work?)
 - ▶ Market capacity (Do they need the work?)
 - ▶ Complexity of the Tollway's bidding process
 - ▶ Risk (Would small businesses rather work as a sub to reduce their risk?)
 - ▶ Bid timing

- ▶ **ACTION: Market analysis underway**
 - ▶ Disparity study
 - ▶ Online survey in development
 - ▶ Roundtable discussion with large and small businesses
 - ▶ Analyze contract packaging, bid timing and geography

Continuous Improvement

- ▶ **Based on input and analysis, a number of options could emerge:**
 - ▶ Advertising in new publications
 - ▶ Targeted unbundled contracts that match market availability
 - ▶ Refined packaging and contract sizes
- ▶ **The Tollway's multiple approaches are an investment for now and the future**