

DBE NEWSLETTER

Tuesday | Feb. 18, 2025

ADOT selects design for future SR 347 interchange at **Riggs Road**

SR 347 will travel over Riggs Road to enhance safety and traffic flow

The Arizona Department of Transportation has announced the final design selection for a future interchange that includes a bridge to carry State Route 347 over Riggs Road north of Maricopa.

The design will remove the current ground-level intersection that connects the two roadways. A diamond interchange will include the new SR 347 bridge and on- and offramps connecting to and from Riggs Road.

As part of the interchange design, left and right turn lanes will be added along Riggs Road to improve access to SR 347.

ADOT's planning process has focused on enhancing safety, reducing congestion and improving travel times in the busy area. The grade-separated interchange will allow SR 347 traffic to flow freely over Riggs.

The project is now in the final design phase. It is expected to be ready to advertise for construction by early 2026.

ADOT is collaborating with the Gila River Indian Community, the Maricopa Association of Governments and the Bureau of Indian Affairs to plan the project.

To learn more about this project and others planned for SR 347, please visit azdot.gov/SR347.





NEWLY CERTIFIED DBE FIRMS

- Blofsky Home Services LLC | DBA: Homega Capital Group
- Information Management Resources Inc. | DBA: IMRI
- A & ASSOCIATES INC. | DBA: A&A SERVICES Bry-Lex LLC
- SEEKING SUCCESS SOLUTIONS LLC
- FOUR SEASONS TRAFFIC CONTROL LLC
- FTS LIGHTING SERVICES INC.
- Sugar Star Sweet Treats LLC
- Cordova Environmental Consulting PLLC
- JOY Journey Options YouChoose
- C JENKINS AND ASSOCIATES LLC
- Rivera Halcrow Engineering LLC

- Veassis LLC
- C4Cable LLC
- Jan Farris Consluting LLC
- Chloeta Holdings LLC
- IKJ Enterprises LLC
- HMCO Ventures LLC
- McMains Trucking LLC
- TAHAN15 LLC



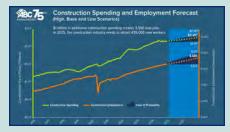
Your work speaks for itselfbut is anyone listening?



Jenn Daniels is the new Arizona **State Transportation Board chair**



Governor's Executive Budget invests in highway system maintenance



Construction needs to draw 439,000 workers in 2025

- **EVENTS**
- **OPPORTUNITIES**
- **AZOEO FLYER**



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Your work speaks for itself—but is anyone listening?

From invisible to indispensable: how subcontractors can build stronger relationships

As a small business subcontractor, you work hard to deliver great results. Despite your expertise, it can sometimes feel like you're one contractor among many. You want to stand out, earn the trust of project owners and secure more opportunities—but how?

The challenge: feeling like an outsider

Project owners rely on prime contractors to manage the work, making it easy for subcontractors to feel overlooked. However, building a strong relationship with the project owner is not just possible—it is essential for growing your business and securing future work.

The plan: six ways to strengthen your connection with project owners

1. Communicate clearly and professionally.

Unclear communication can lead to misunderstandings and frustration. Be direct, timely and professional in all your interactions. Use simple, straightforward language to ensure clarity when providing updates or addressing concerns.

2. Prove you are reliable and capable.

Project owners value dependable subcontractors who deliver on time and meet quality expectations. Demonstrate reliability by keeping your commitments, being proactive and solving problems efficiently. If something goes wrong, do not just bring up the issue—offer solutions.

3. Show that you care about the project's success.

You are not just there to complete your portion of the work—you are part of something bigger. Show the project owner you understand their goals and are committed to the project's overall success, not just your specific task.

4. Build relationships beyond the jobsite.

A contract may have an end date, but relationships should not. After completing the project, follow up with a thank-you email or a quick check-in to stay on their radar for future work.

5. Take initiative and be solution-oriented.

Project owners appreciate subcontractors who anticipate challenges and solve problems before they escalate. Instead of waiting for instructions, be proactive—identify potential issues and suggest ways to keep the project on track.

6. Maintain professionalism in all situations.

Whether dealing with the project owner directly or through a prime contractor, always present yourself professionally. Avoid negative talk about other contractors and focus on being a reliable, solution-driven partner.

The result: more trust, more business and more opportunities

By applying these principles, you will no longer be just another subcontractor—you will be a trusted, go-to partner for project owners. This means repeat business, referrals and long-term success.





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Jenn Daniels is the new Arizona State Transportation Board chair

Pima County's Ted Maxwell becomes board's vice-chair

Current CEO of Horizon Strategies and former Gilbert Mayor Jenn Daniels is the new chair of the Arizona State Transportation Board. She will lead the board in prioritizing transportation needs, projects and funding while advising the Arizona Department of Transportation.

Daniels was appointed to the board in 2020 representing District 1, which includes Maricopa County and parts of Pinal County. Chair Daniels was an elected member of the Gilbert Town Council from 2009 to 2016 and Gilbert's Mayor from 2016 to 2020. She currently serves on the Arizona Commerce Authority board, as well as regional boards including the Maricopa Association of Governments (MAG) Regional Council. She is also the former chair of the MAG Transportation Policy Committee.

"Transportation is the state's largest ongoing investment and impacts every Arizonan, every business and every visitor," Daniels said. "Our responsibility as leaders, policymakers, and forward thinkers is of the utmost importance to the prosperity of Arizona. We strive to balance the current and future needs of our state and that in every interaction, the public is heard, seen and valued."

Daniels is successor to Cochise County leader Richard Searle, who served as chair through 2024. Searle has represented Cochise, Greenlee and Santa Cruz counties on the board since 2020.

Pima County leader Ted Maxwell will serve as the board's vice-chairman. He is president and CEO of the Southern Arizona Leadership Council and was appointed to the State Transportation Board in 2021 to represent Pima County.

Arizona State Transportation Board Members are nominated by the governor and confirmed by the state Senate for a six-year term.



The seven-member Arizona State Transportation Board has policy powers and duties, in addition to advising the director of the Arizona Department of Transportation. Board members are appointed by the governor, confirmed by the state Senate and serve six-year terms. The board has broad authority to plan and develop Arizona's highways, airports and other state transportation facilities. In addition to these powers and duties, the board develops and oversees the state's <u>Five-Year Transportation Facilities Construction Program</u>. More information on the State Transportation Board is available at <u>aztransportationboard.gov</u>.





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Governor's Executive Budget invests in highway system maintenance

Proposal helps with increased materials costs, supports rural communities

Governor Hobbs' Executive Budget proposal supports the Arizona Department of Transportation's vision of safely connecting Arizonans and empowering the economy. The budget's strategic investments will safeguard state highways, help rural Arizona communities and support ADOT's plans for the future of Arizona's transportation system.

"High-quality transportation improves the quality of life across our state not just by accommodating growth, but also by making Arizona a more desirable place to live, to start a business, to raise a family, to visit and so much more," ADOT Director Jennifer Toth said. "Governor Hobbs' budget protects our resources and infrastructure, while updating crucial technology to improve safety and efficiency."

The Executive Budget proposal includes an additional \$15.8 million in ongoing funding to address the impact of rising materials costs on ADOT's critical mission of maintaining state highways. This consists of \$11.4 million for highway maintenance activities and \$4.4 million for surface treatments that extend the life of pavement. The cost of materials needed to perform highway maintenance increased 63.7% from fiscal year 2021 to fiscal year 2023, according to the National Highway Construction Cost Index.

Among other proposed maintenance investments, the Executive Budget includes \$797,000 to help ADOT maintain 38 newly constructed lane miles across the state highway system.

The Executive Budget also includes a one-time deposit of \$13 million from the General Fund to the State Match Advantage for Rural Transportation (SMART) Fund administered by ADOT. This program helps ensure that municipalities and counties in greater Arizona are competitive when seeking federal transportation grants. It helps cover the cost of developing and submitting grant proposals and reimburses matching funds required for grants, as well as design and engineering services expenses associated with grant proposals.

Since the SMART Fund's creation in fiscal year 2023, the State Transportation Board has awarded \$48.8 million through the program. Rural areas have leveraged an additional \$138.6 million in competitive federal transportation grants by using these awards. More than 30 agencies have received funding through the SMART Fund.

Among other transportation investments, Governor Hobbs' Executive Budget includes the following:

- An additional \$200,000 to support ADOT's continuing study
 of potential passenger rail service between the Phoenix area
 and Tucson. This adds to \$3.5 million in one-time funding the
 Governor secured previously to support development of a
 service plan for this transformative project.
- To support tourism and economic development, \$850,000 from the State Aviation Fund will cover state matching funds to renovate and expand the Grand Canyon National Park Airport terminal operated by ADOT. Renovations will include a new airline gate that can accommodate 737-class aircraft. This is contingent on ADOT receiving an Airport Terminal Program grant from the Federal Aviation Administration.
- \$6.9 million to replace aging modular facilities housing ADOT's Little Antelope and Gray Mountain maintenance operations in northern Arizona while also providing space for use by the Arizona Department of Public Safety. This will enhance the state's ability to address hazardous weather and road conditions during winter storms.
- A one-time investment of \$7 million from the State Highway
 Fund to modernize and reopen an Avondale vehicle repair
 shop servicing ADOT vehicles and heavy equipment as well as
 vehicles used by other state agencies.

ADOT is responsible for planning, designing, constructing, maintaining and operating the state's highway transportation system, which includes more than 7,000 miles of interstate, freeways and principal arterial roadways and more than 8,500 bridges. The Department also provides driver license and registration services, enforces commercial vehicle registration and compliance, operates the Grand Canyon National Park Airport and maintains the state vehicle fleet.

For more information on ADOT, please visit azdot.gov.





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Construction needs to draw 439,000 workers in 2025

The construction industry will need to attract an estimated <u>439,000 net new workers</u> in 2025 to meet anticipated demand for construction services, according to a proprietary model developed and released by Associated Builders and Contractors (ABC). In 2026, the industry will need to bring in 499,000 new workers as spending increases in response to presumed lower interest rates.

"While the construction workforce has become younger and more plentiful in recent years, the industry still must attract 439,000 new workers in 2025 to balance demand and supply," said ABC Chief Economist Anirban Basu. "If it fails to do so, industrywide labor cost escalation will accelerate, exacerbating already high construction costs and reducing the volume of work that is financially feasible. Average hourly earnings throughout the industry are up 4.4% over the past 12 months, significantly outpacing earnings growth across all industries."

ABC's proprietary model uses the historical relationship between inflation-adjusted construction spending growth, sourced from the <u>U.S. Census Bureau's Value of Construction Put in Place Survey</u> and payroll construction employment, sourced from the U.S. Bureau of Labor Statistics, to convert anticipated increases in construction outlays into demand for construction workers at a rate of approximately 3,550 jobs per billion dollars of additional spending. This model also incorporates the current level of job openings, unemployment and projected industry retirements and exits into its computations.

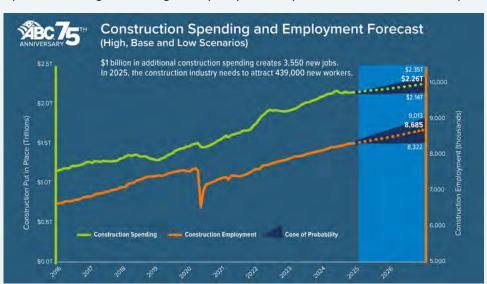
"This represents improved labor availability relative to recent years," said Basu. "The improvement can be traced to two primary factors. First, construction spending is expected to grow at its slowest pace in years throughout 2025, especially in interest ratesensitive segments like homebuilding. Interest rates will remain elevated in 2025 before likely beginning to dip next year. Second, the industrywide workforce has become significantly younger over the past several quarters, with the median construction worker now younger than 42 for the first time since 2011. As a result, the pace of retirements is expected to slow this year.

"Despite that improvement, contractors will struggle to fill open positions," said Basu. "This will be especially true in areas where manufacturing and data center megaprojects are underway. More than \$1 in every \$5 spent on nonresidential construction currently goes toward manufacturing projects, and those projects are absorbing a significant share of the labor force in their respective regions."

"The U.S. construction industry's efforts to hire more workers to replace retirees and meet the demand for new construction projects gained momentum in 2024," said Michael Bellaman, ABC president and CEO. "That is fantastic news, but we still have a long way to go to shore up the talent pipeline."

"There are also factors that could render this model overly conservative, meaning worker shortages could be more severe than predicted in 2025," said Basu. "While the consensus forecast has construction spending increasing by less than 3% in 2025, that same forecast has underestimated growth by a significant margin during each of the past three years. If inflation dissipates in coming months, borrowing costs will subside and construction volumes will increase. Faster-than-expected immigration over the past few years has also bolstered labor supply, and potential changes to immigration policy will likely constrain worker availability."

"Another solution to addressing the shortage is a merit-based, market-based visa system," said Bellaman. (Source)





INDUSTRY EVENTS

Tuesday | Feb. 18, 2025





ATTENTION TO ALL FIRMS

Need help preparing DBE affidavits? Please see our tutorial video below:

Preparing DBE Affidavits







FEBRUARY

NAWIC: Happy Hour with the President, President Elect and Vice President

11:30 a.m. - 2:30 p.m.

Location: Top Golf Scottsdale

9500 E. Talking Stick Way, Scottsdale

25

ABA: Networking Mixer

4 - 6 p.m.

Location: Barrio Brewing Co. 800 e. 16th St., Tucson



8 a.m. - 3 p.m.

Location: Warehouse215 215 E. Grant St., Phoenix 25

ACE: Conducting Employee Engagement Surveys

1 - 3 p.m.

Location: Small Giants Learning Lab 5555 E. Van Buren St., Ste. 115, Phoenix



4 - 6:30 p.m.

Location: Pacific Construction 660 S. College Ave., Tempe 28

CFMA: 2025 Construction Executive of the Year

6 p.m.

Location: Arizona Biltmore 2400 E. Missouri Ave., Phoenix

MARCH

4 Q1 2025 ADOT DBE Task Force Meeting: Back to Basics

9 - 10:30 a.m.

Location: Virtual

4

ABA: An Owners Perspective to Winning More Work

9:30 - 11 a.m.

Location: ABA Office

1661 N. Swan Road, Ste. 144, Tucson



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Featured Federal-Aid Projects

CURRENT OPEN SOLICITATIONS Due Date Project DBE Type Contact Solicitation / **Project Owner and Description Project Number** Valuation Goal 2/21/25 \$3.5 million 3.42% 163-A-(203)T; F066201C **IFB** ADOT - System Enhancement, Kayenta-Utah Jannatul Joarder, Engineering 11:00 a.m. State Line Highway. The work consists of widen-Specialist, at jjoarder@azdot.gov. **MST** ing shoulders to 5 feet and installing centerline and shoulder rumble strips, earthwork, pipe extension, signing and other related work. 2/21/25 \$42 million 7.15% 040-A-(385)T; F058501C **IFB** ADOT - Pavement Rehabilitation, Topock All contact must go through 11:00 a.m. to Kingman Highway (I-40) from Holy the ADOT Bidx Portal. MST Moses Wash to Rattlesnake. The work consists of milling the existing asphaltic concrete pavement and replacing it with new asphaltic concrete, replacing guardrail and guardrail end terminals, repairing bridge deck, replacing pavement marking, signing, seeding and other miscellaneous work. \$25.5 million 13.37% 017-B-(241)T; F075101C ADOT - New Facilities, Cordes Jct to Flagstaff 2/21/25 **IFB** Mohammed Patwary, 11:00 a.m. **Highway from Willard Springs to Wildlife** Engineering Specialist, at **MST** Overpass. The work consists of two new single MPatwary@azdot.gov. span Utah bulb tee 66 girder bridges on two geosynthetic reinforced soil abutments.

External Links:

ADOT Current Advertisements

ADOT Engineering Advertisements

ADOT Public-Private Partnership Initiatives

ADOT Advertised Alternative Delivery Projects

Bidding Opportunities Around the State

DBE SUPPORTIVE SERVICES PROGRAM

1801 W. Jefferson St., Ste. 101, Phoenix AZ

602.712.7761

DBESupportiveServices@azdot.gov





Overview

Small businesses, particularly those with less than five employees known as "microbusinesses," are the heartbeat of Arizona's economy. Microbusinesses drive economic development and investment as well as create jobs for thousands across the state. Making funding available to help these microbusinesses grow their businesses will impact individuals, families, and communities across the state.

Coverage Across Arizona



Find your local lending partner Lenders are available to help you today. Microbusiness owners who are interested in applying for a microbusiness loan can directly visit their regional lending partner application page by scanning or clicking the QR code.

Applicant requirements



Five or fewer employees



Owned and operated in Arizona

Loan funds may be used for:



Operation of the microbusiness, including job creation and retention



Working capital



Acquisition or improvement of real property



Acquisition of machinery and equipment



Refinancing of debt obligations.

How it works

The State of Arizona has designated \$5 million to be available to Arizona's microbusinesses in the form of loans administered by the Office of Economic Opportunity in partnership with Community Development Financial Institutions (CDFIs) and non-profit community lending partners across the state.

- Microbusiness loans can range from \$2,000 - \$50,000 per qualified business.
 Our current regional lending partners include Growth Partners Arizona, Native Community Capital, Community Investment Corporation, Groundswell, Border Financial Resources, and Verde Valley Regional Economic Organization
- CDFI lenders and community non-profit partners will provide loan recipients the financial education and support needed to improve the outcome of each loan.
- Partners like Startup Tucson, Local First
 Arizona, Bureau of Indian Affairs Division
 of Capital Investment, Navajo Nation State
 Small Business Credit Initiative, Northern
 Technology and Business Incubator and
 others will supplement awarded microbusiness
 loans by offering financial education and
 training, business planning and forecasting,
 accounting, credit counseling and other areas
 to accompany funding to ensure successful
 growth and development of microbusinesses
 loan recipients and deliver positive outcomes
 for borrowers.
- Visionary state leadership from Arizona's
 Executive and Legislative branches support
 and champion public investment designed to
 facilitate economic growth and development
 and foster job creation in every corner of
 the state.

By the Numbers

The impact of microbusinesses in Arizona local communities



Arizona has 85,491 microbusinesses employing 155,449 people (average 2.1 employees per business).



Microbusinesses make up 40% of all businesses in Arizona and employ approximately 5% of the total Arizona workforce.



The top three counties

with the largest percentage of total employment working at microbusiness establishments are Yavapai (9%), Santa Cruz (8%) and Gila (7%).

The top three industries with the largest percentage of total employment working at microbusiness establishments



Professional, scientific and technical services 17.3%



Real estate and rental leasing 17.0%



Other services 13.8%

*Source: Bureau of Labor Statistics, Q2 2023

