BOARD OF COMMISSIONERS AGENDA
MONDAY, SEPTEMBER 15, 2025
5:30 PM - COMMISSION CHAMBERS – 503 S HIGHLAND AVENUE

Please join the Zoom meeting from your computer, tablet or smartphone.
https://us06web.zoom.us/j/88526683369 | Meeting ID: 885 2668 3369
You can also dial in using your phone.
+1 312-626-6799

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPT AGENDA

CONSENT CALENDAR

1) Minutes – September 2, 2025
2) Bills for Approval – September 17, 2025
3) Bills for Ratification – September 10, 2025
4) Payroll Bills for Ratification – August 29, 2025
5) Personnel

UNFINISHED BUSINESS

NEW BUSINESS

6) Approve Resolution No. 2025-23 First Premier Construction Account
7) Approve Resolution No. 2025-24 Property Tax Levy 2026
8) Award Bid #983 - Green Substation Site Grading
9) Award Bid #985 - Furnishing Major Materials - Green Substation
10) Approval of Change Order No. 2 - 69 x 115 / 13.8 kV Power Transformer - Green Substation
11) Approval of Change Order No. 1 - City Library Ramp Project - Kesteloot Excavation and Dirt Work Services.
12) Approval of Change Order No. 2 - North Egan Avenue Reconstruction - Winter Contracting, LLC
13) Consider Approval of Memorandum of Understanding with The Summit at Van Epps, LLC
14) Authorize Signature on Disadvantaged Business Enterprise and Program Goal Document - Madison Municipal Airport
15) September 2025 Finance Updates

BUDGET PLANNING SESSION 2026

16) Public comment related to 2025 budget
17) Revenues: Sales Tax, Property Tax (Levy), Special Assessments, TIFs
18) Administration: City Administrator, Engineering, Finance & Elections, Information Technology, Communications & Marketing, City Hall
19) Wages & Benefits: Human Resources
20) Elected Officials: Mayor and City Commission, Attorney
21) Public Safety: Police, Fire, 911, Animal Control

22) Streets and Snow Removal

23) Waste: Restricted Use Site, Solid Waste, & Recycling

24) Parks

25) Health / Recreation: Library, Community Center, Madison Aquatics Center, Sportsplex, Armory

26) Airport

27) Economic Development: Non-Profits, Sales Tax Rebate

28) Utilities: Water, Sewer, Electric

29) Capital Projects

PUBLIC COMMENT

ANNOUNCEMENTS

30) City Circle — 2026 Budget — Monday, September 22, 2025 from 5-7 pm at Madison Public Library

31) Next Regular Commission Meeting — Monday, October 6, 2025 at 5:30 pm

32) Board openings — 1 vacancy on Airport Board ending in April 2030

ADJOURN

Anyone wishing to speak to an item on the agenda must be acknowledged by the chair and come to the podium to address the Mayor and City Commission. Addressing other audience members will not be permitted.

Supplementary agenda information may be accessed at www.cityofmadisonsd.com

If special accommodations are necessary to attend any Board of Commissioners meeting, please contact the Finance Office at (605) 256-7500 at least 24 hours before meeting time. All attempts shall be made to accommodate a request.

CITY OF MADISON
BOARD OF COMMISSIONERS PROCEEDINGS
MADISON, SD 57042

September 2, 2025
Regular

The Board of Commissioners of the City of Madison met in regular session at 5:30 PM on the 2nd day of September with the following members present upon roll call: Commissioners Kelly Dybdahl, Jenny Wolff, Jerae Wire, Daniel Buresh, and Mayor Roy Lindsay.

The Pledge of Allegiance was recited.

Motion by Commissioner Buresh, seconded by Commissioner Wire to adopt the September 2, 2025 agenda. Motion carried unanimously.

Motion by Commissioner Wire to remove Item #7 (Set Bid Date – Armory Gymnasium Floor – September 18, 2025) from Consent Calendar and place under New Business. No second or action needed.

Motion by Commissioner Dybdahl, seconded by Commissioner Wire to approve the following items on the consent calendar as amended: Minutes – August 18, 2025; Bills for Approval – September 3, 2025; Bills for Ratification – August 27, 2025; Payroll Bills for Ratification – August 15, 2025; Personnel; Declare Surplus – 1991 Chevrolet 2WD CC109 Pick-up.

Bills for Approval – September 3, 2025
A & B PEST CONTROL Insect Control $260.00; APPEARA Mat Rentals $166.36; ASPHALT SURFACING COMPANY Water System Improvements $211,586.25; AT & T MOBILITY Service for Phones & Tablets $3,452.77; BAKER & TAYLOR Books $40.04; BARGAIN BARN TIRE CENTER Tires $5,394.48; BLACK/ALY Travel Reimb - Sioux Falls, Midco $176.40; BRAMBLE PARK ZOO Admission for Community Center OST on 8/5/25 $396.00; BUILDER'S ELECTRIC 2025 Electric Conv. - Pay Request #1 $119,858.21; BUTLER MACHINERY CO Repair Engine #2 $953.37; CHRISTIANSEN COMPLETE WATER Cooler Rental $29.90; COLMAN BUILDING CENTER Lumber $272.90; CONSTRUCTION PRODUCTS & CONSULTANTS INC Magic Screed $2,541.05; ELITE CARD PAYMENT CENTER Credit Card Purchases through 8/18/25 $108.75; FASTENAL CO Fuses $147.93; FLEET PRIDE Parts $76.36; FOX PRINT PRINTING & GRAPHICS Banner - Golf Tournament $119.00; GRAHAM TIRE COMPANY Tires $1,642.24; GREAT AMERICA FINANCIAL SVCS Finance & HR Copier Lease $745.60; GROMBACHER/KERRY Concert $250.00; HAROLD K SCHOLZ CO RFP Improvements Payment #2 $6,000.00; HILLYARD INC Janitorial Supplies $419.30; JENCKS & JENCKS PC September Services/Contract $8,657.50; KESTELOOT EXCAVATION AND DIRT WORKS SERVICES Park Creek Walls Improvements $185,811.30; KLJ ENGINEERING LLC Airport Master Plan AGIS & ALP Update $168,975.95; LASER CUT INC Linkage $92.24; MARCO TECHNOLOGIES CC Copier Lease $304.84; METRO CONSTRUCTION INC Water System Improvements $32,241.98; MIDCONTINENT COMMUNICATIONS Business Internet $171.04; OFFICE PEEPS INC Copier Contract $283.34; ORTMAN/TYCE Classes @ Comm Center $126.00; PE GROUP INC Electrical Eng - Street Dept. Shop Renovation $1,095.30; PROCHEM DYNAMICS LLC Janitorial Supplies $192.87; RUNNINGS SUPPLY INC Tools $294.84; SD FEDERAL PROPERTY AGENCY Tools, Boots, Socks, Bug Spray, Rubber Roll, Bags $96.00; SD PUBLIC HEALTH LABORATORY Water Samples $176.00; SITEONE LANDSCAPE SUPPLY LLC Irrigation Parts $2,023.18; SMART GUARD LLC AMI Meters $152,039.38; SOUKUP CONSTRUCTION INC Reconstruct Apron and Taxilane $88,416.69; STURDEVANTS MADISON INC Battery $514.55; TIMMER SUPPLY CO Sump Pump $187.04; TYLER TECHNOLOGIES INC Tyler Tutoring - Security $320.00; VAN DIEST SUPPLY CO Zenivex & Altosid $9,936.60; WESCO DISTRIBUTION INC Materials $4,992.00; WHEALY/MARK Spin Classes $42.00; WINTER CONTRACTING LLC Water System Improvements $573,779.28.

Bills for Ratification – August 27, 2025
ACE HARDWARE Paint $128.15; AMAZON CAPITAL SERVICES INC Books, Craft Supplies, Toys $1,337.33; APPEARA Mat Rentals $352.19; AT & T MOBILITY Fire Dept. Phones & Data $142.20; AVERA MEDICAL GROUP Drug Testing / Collection Fees $485.60; BAKER & TAYLOR Books $40.64; BARGAIN BARN TIRE CENTER Tires $1,220.00; BORDER STATES ELECTRIC SUPPLY 350MCM Copper 2H Lug $124.70; BUTLER MACHINERY CO Parts $37.39; C&R FIRE SUPPRESSION DBA DVL FIRE AND SAFETY Fire Extinguisher Inspections/Recharge $393.20; CENGAGE GROUP Books $308.19; CITY OF SIOUX FALLS Pool & Spa Bacteria Testing - CC $316.40; CLASSIC

CONVENIENCE INC Fuel $121.66; COLES PETROLEUM PRODUCTS INC AV Gas $48,181.00; COLUMN SOFTWARE PBC Publications $1,426.78; CORE & MAIN GP LLC Parts $2,315.33; DAKOTA STATE UNIVERSITY Utilities $18,899.14; DGR ENGINEERING Professional Services - Green Substation $47,695.00; DUTTON-LAINSON COMPANY Temetra Handheld Training $1,900.00; F & M COOP OIL CO Propane $20.70; FARMCHEM Hoses $1,045.10; FIRST DISTRICT ASSOCIATION Services - EDA Project No. EDA23DEN0G0040 $20,659.30; FRONTIER PRECISION INC Catalyst 10 Annual Subscription $2,497.60; GENERAL MEDICAL DEVICES DBA AED PROFESSIONALS AED Battery & Pads $355.90; HANCO CORPORATION Beadeze $33.44; HASLETON/JARED Classes @ Comm Center $622.75; HAWKINS INC Chemicals $1,585.42; INGRAM CO Books $836.60; JACK'S MAGIC PRODUCTS Pool Chemicals (MAC) $1,441.86; KIMBALL MIDWEST Shop Supplies $226.07; KRUG PRODUCTS INC Hose Assembly $244.34; M & T FIRE AND SAFETY, INC Regulator Overhaul Kit $207.50; MADISON AREA DEVELOPMENT CORP Sales Tax Rebate - Custom Touch Qtr. 2 $23,043.60; MADISON CENTRAL SCHOOL DISTRIC Summer Program 2025 - Bus Usage $4,771.92; MADISON GROCERY STORE INC Cookies - PT Recognition Week $65.13; MADISON REGIONAL HEALTH Drug Screen Collection $25.00; MICROMARKETING LLC Books $235.08; MIDWEST REGIONAL FORENSIC LABORATORY Drug Testing $215.00; MIDWEST TAPE LLC Advance Digital Payment $13,000.00; MRG HAUFF Softballs $75.00; O REILLY AUTOMOTIVE INC Fuses $10.18; OFFICE PEEPS INC 2026 Calendars $300.02; ONE SOURCE Background Check $54.00; ONE STOP Fuel $13.90; RIGGIN/MORRIS A Fuel Stipend - 2nd Qtr. 2025 $3,068.76; RUNNINGS SUPPLY INC Dog Food & Collars $237.51; SAD/AMY GPGFOA & GFOA Conference Reimbursement $379.34; SAME DAY EXPRESS Delivery to SF Health Lab $20.00; SCHOLASTIC INC EDUCATION Books $265.78; STUART IRBY TOOL CO Shear Bolt 4/0 to 600 (Richards) $336.00; STURDEVANTS MADISON INC Starter $287.96; THE LIBRARY CORP Conference Registration - E. Warns $99.00; THE PENWORTHY CO LLC Books $425.93; TRAFFIC PARTS INC Cross Walk System $9,962.00; TURFWERKS Parts $542.74; USA BLUE BOOK Chemicals $693.09; UTILISMART CORPORATION Utility Data/Device Manager and SmartMAP $1,881.83; UTILITY SERVICE CO, INC. Water Tower Maint. Plan $47,579.00; VANTEK COMMUNICATIONS INC Speaker Mics $348.40; WEIST/SHERRY Water Aerobics $516.80; WESCO DISTRIBUTION INC Park Stand Arrestors $4,992.00; WHEALY/MARK Spin Classes $42.00; WINROW/KAYLEE Travel Reimb. $64.40.

Payroll Bills for Ratification – August 15, 2025
Health Pool of South Dakota $52,821.15; IRS-EFTPS $56,064.10; Office-Child Support Enforce $835.38; SD Retirement System $27,619.61; SD Retirement System $10,557.00.

Motion by Commissioner Wire, seconded by Commissioner Buresh to Set Bid Date – Armory Gymnasium Floor – September 18, 2025. Motion carried unanimously. Due to the fire at the armory in January, the gym floor received significant water damage, making this replacement necessary. The roofing contractor's insurance will cover a portion of the cost. This item is just to set the bid date – the awarding of the bid will occur at a future meeting.

Motion by Commissioner Buresh, seconded by Commissioner Wolff to Approve Resolution No. 2025-20 – Adopt the Assessment Roll & Levy Assessments for Sidewalk Repair Improvement 2023. Motion carried unanimously. The total assessment for the sidewalk repair project is $25,815.60.

Motion by Commissioner Wolff, seconded by Commissioner Buresh to Approve Resolution No. 2025-21 – Adopt the Assessment Roll & Levy Assessments for Sidewalk Improvement 2023. Motion carried unanimously. The total assessment for the new sidewalk installation project is $49,749.00.

Motion by Commissioner Dybdahl, seconded by Commissioner Wire to Approve Resolution No. 2025-22 – Setting Water, Sewer and Sewage Disposal Fees, Rates, Charges. Motion carried unanimously. This resolution updates the water and sewer rates to accurately reflect the surcharges for the 2022 SRF projects.

Motion by Commissioner Wire, seconded by Commissioner Dybdahl to Approve Award of Bid 984 – Furnishing a Control Enclosure – Green Substation to Trachte, LLC for $547,434. Motion carried unanimously. Engineer's cost estimate was $600,000.

Motion by Commissioner Buresh, seconded by Commissioner Wire to Approve Change Order No. 1 – Reconstruct Hangar Taxilanes, Airport Drive and Parking Lot – Soukup Construction, Inc. Motion carried unanimously. This change order is to add 742 square yards of seal coat to the project that will not otherwise be done as part of DOT's Statewide Pavement Maintenance project, for $5,324.50.

Motion by Commissioner Wolff, seconded by Commissioner Wire to Approve Memorandum of Understanding with Dakota State University Regarding Parking During 2026 Egan Ave Reconstruction Project. Motion carried unanimously. During next year's phase of the project, reconstruction will take place from 5th Street to 9th Street, beginning with the west side. Some of those residents don't have alley access, so this agreement with DSU will allow them to use DSU's parking lot on the east side of the street during construction.

Jameson Berreth presented the monthly City updates.

Mayor Lindsay announced the following:

- Next Regular Commission Meeting – Monday, September 15, 2025 at 5:30 PM
- Community Center 25th Anniversary Celebration during DSU Homecoming Game on September 27

Motion by Commissioner Dybdahl, seconded by Commissioner Wolff to enter into Executive Session at 6:08 PM pursuant to SDCL 1-25-2(4) – Preparing for contract negotiations or negotiating with employees or employee representatives. Motion carried unanimously.

Mayor Lindsay declared the commission out of Executive Session at 7:25 PM.

Motion by Commissioner Wolff, seconded by Commissioner Wire to Adjourn at 7:26 PM.

/s/Amy L Sad
Finance Officer

CITY OF MADISON
PERSONNEL
September 2025

NAME	EFFECTIVE DATE	PRESENT STATUS	RECOMMENDED STATUS	PRESENT RATE/SALARY	RECOMMENDED RATE/SALARY	POSITION
BEAUCAIRE, BROOKE	9/4/2025		DSU INTERN			IT INTERN
KING, ALEXIS	8/20/2025		DSU INTERN			LIBRARY INTERN
GHOSH, SOUNAK	8/28/2025		DSU STUDENT LABOR			SERVICE DESK ASSISTANT
BEAUCAIRE, BROOKE	8/25/2025		DSU STUDENT LABOR			SERVICE DESK ASSISTANT
TERWILLIGER, CASSIDY	8/18/2025	TEMP	PT<20	$14.39	$14.39	LIBRARY ASSISTANT I

RESOLUTION 2025-23

A RESOLUTION AUTHORIZING AN AGREEMENT WITH FIRST PREMIER BANK FOR CHECKING ACCOUNT SERVICES

WHEREAS, City of Madison, South Dakota (the "City") may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City Finance Officer is authorized to open an account with First Premier Bank

WHEREAS, the City will utilize this account for dispersing funds related to the Electrical Bond and use the proceeds to pay associated construction costs.

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Commission of Madison South Dakota, that the City Commission is hereby authorizes the Finance Officer to execute an agreement between City of Madison and First Premier Bank.

ADOPTED this 15th day of September, 2025.

CITY OF MADISON

____
Mayor

ATTEST:

____
Finance Officer

RESOLUTION NO. 2025-24

A RESOLUTION TO APPROVE & CERTIFY PROPERTY TAX LEVIES TO LAKE COUNTY

WHEREAS, The City Commission of the City of Madison, South Dakota approved Ordinance No.1634 to move the deadline for introducing the annual budget, and

WHEREAS, a Municipality may enact a resolution not in conflict with SDCL 9-21-34 and SDCL 9-21-34.1, effective July 1, 2021, and

WHEREAS, the publication, readings, and passage follow the SDLC 9-19-7 and 9-19-7.1, and

WHEREAS, the Finance Officer must certify the tax levies to the Lake County Auditor on or before October 1st;

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the Finance Officer is hereby directed and authorized to certify the said tax levy to the County Auditor of the County of Lake, State of South Dakota, to the end that the same be spread and assessed as provided by law:

For General Purposes	$ 2,413,235.93
Total Tax Levy	**$ 2,413,235.93**

Dated this 15th day of September, 2025.

CITY OF MADISON

____
Mayor

ATTEST: ________________________
Finance Officer

September 9, 2025

Michael Plooster
City of Madison
503 S Highland Avenue
Madison, SD 57042

Re: Green Substation Site Grading
Madison, South Dakota
DGR Project No. 415935

Dear Michael:

Soukup Construction, Inc. of Sioux Falls, SD is the low bidder for the above referenced project with a bid of **$184,184.00** (below the Engineer's Estimate of $475,000). DGR recommends the City of Madison award the construction contract to the low bidder subject to receipt of all contract documents in proper form.

Please feel free to call me if you have any questions.

Sincerely,

DGR Engineering

Dan L. Van Schepen, P.E.

cc: Soukup Construction, Inc.

DGR Engineering — 1302 South Union Street — P.O. Box 511 — Rock Rapids, IA 51246
phone: 712.472.2531 — fax: 712.472.2710 — dgr.com

BID SUMMARY

Green Substation Site Grading

City of Madison

Madison, South Dakota

City Bid No. 983

DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:00 PM
City of Madison

Bidder and Address	Bid Security	Addendum No. 1	Bid Price	Comments
Soukup Construction, Inc. PO Box 89106 Sioux Falls, SD 57109	10% Bid Bond	✓	$184,184.00	
Kesteloot Excavation & Dirt Work Services, LLC 220 S Highland Avenue Madison, SD 57042	10% Bid Bond	✓	$201,342.75	
Runge Enterprises, Inc. PO Box 86490 Sioux Falls, SD 57118	10% Bid Bond	✓	$249,000.20	
Lidel Construction, Inc. PO Box 91610 Sioux Falls, SD 57109	10% Bid Bond	✓	$281,119.48	
RMS Drainage & Excavation PO Box 188 Tea, SD 57064	10% Bid Bond	✓	$281,354.39	
First Rate Excavate, Inc. 1509 E 39th St N Sioux Falls, SD 57104	10% Bid Bond	✓	$293,000.00	
Austreim Excavating, LLC 21625 471st Ave Brookings, SD 57006	10% Bid Bond	✓	$336,580.00	
Alliance Construction, LLC PO Box 88136 Sioux Falls, SD 57109	10% Bid Bond		$347,345.25	
Level Contracting, LLC 19151 448th Ave Lake Norden, SD 57248	10% Bid Bond	✓	$414,917.62	

Corrected Bid Amounts Shown Shaded

BID TABULATION

Green Substation Site Grading

City of Madison
Madison, South Dakota
City Bid No. 983
DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:00 PM

DGR ENGINEERING

			Soukup Construction, Inc.				Kesteloot Excavation & Dirt Work Services, LLC			
			Sioux Falls, SD 57109		Bid Security:	10% Bid Bond	Madison, SD 57042		Bid Security:	10% Bid Bond
Unit No.	**Name and Description of Construction Unit**	**No. of Units**	Labor	Material	L & M	Ext. Price L & M	Labor	Material	L & M	Ext. Price L & M
M1	Embankment Borrow (cy)	8,350	$ 9.70	$ -	$ 9.70	$ 80,995.00			$ 6.70	$ 55,945.00
M2	Excavation and Embankment (cy)	1,485	$ 5.80	$ -	5.80	8,613.00			11.50	17,077.50
M3	12” Subgrade Preparation (sy)	4,506	$ 0.45	$ -	0.45	2,027.70			3.50	15,771.00
M4	3" Gravel surfacing (tons)	825	$ 8.28	$ 8.52	16.80	13,860.00			16.50	13,612.50
M5	Access road gravel surfacing (tons)	315	$ 8.28	$ 8.52	16.80	5,292.00			16.50	5,197.50
M6	Connect to existing Storm Sewer (ea.)	1	$ 6,822.00	$ 1,140.00	7,962.00	7,962.00			3,225.00	3,225.00
M7	4" perforated HDPE Subdrain (ft.)	800	$ 13.20	$ 16.30	29.50	23,600.00			46.00	36,800.00
M8	6" CMP Casing (ft.)	60	$ 21.00	$ 21.50	42.50	2,550.00			27.25	1,635.00
M9	Subdrain Outlet (ea.)	1	$ 1,039.00	$ 485.00	1,524.00	1,524.00			1,875.00	1,875.00
M10	Storm Intake (ea.)	1	$ 2,284.00	$ 6,010.00	8,294.00	8,294.00			4,570.00	4,570.00
M11	Clearing and Grubbing (as req'd)	1	$ 2,588.00	$ -	2,588.00	2,588.00			2,685.00	2,685.00
M12	Stabilized Construction Entrance (as req'd)	1	$ 275.00	$ 225.00	500.00	500.00			2,145.00	2,145.00
M13	Erosion Control Blanket (sq. yd.)	910	$ 2.05	$ -	2.05	1,865.50			4.30	3,913.00
M14	Grind Curb, Driveway (ln. ft.)	75	$ 51.85	$ -	51.85	3,888.75			43.00	3,225.00
M15	Seeding, fertilizing, and mulching (as req'd)	1	$ 1,620.00	$ -	1,620.00	1,620.00			5,470.00	5,470.00
M16	Silt fence/ditch checks (ft.)	325	$ 5.40	$ -	5.40	1,755.00			6.45	2,096.25
M17	Mobilization (lump sum)	1	$ 17,249.05	$ -	17,249.05	17,249.05			26,100.00	26,100.00
	Total Base Bid:					**$ 184,184.00**				**$ 201,342.75**

Corrected Bid Amounts Shown Shaded

BID TABULATION

Green Substation Site Grading

City of Madison
Madison, South Dakota
City Bid No. 983
DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:00 PM

DGR ENGINEERING

			Runge Enterprises, Inc.				Lidel Construction, Inc.			
			Sioux Falls, SD 57118		Bid Security:	10% Bid Bond	Sioux Falls, SD 57109		Bid Security:	10% Bid Bond
Unit No.	**Name and Description of Construction Unit**	**No. of Units**	Labor	Material	L & M	Ext. Price L & M	Labor	Material	L & M	Ext. Price L & M
M1	Embankment Borrow (cy)	8,350	$ 6.00	$ 6.00	$ 12.00	$ 100,200.00	$ 8.15	$ 12.74	$ 20.89	$ 174,431.50
M2	Excavation and Embankment (cy)	1,485	$ 4.00	$ 4.00	8.00	11,880.00	$ 4.35	$ -	4.35	6,459.75
M3	12” Subgrade Preparation (sy)	4,506	$ 0.85	$ 0.85	1.70	7,660.20	$ 1.74	$ -	1.74	7,840.44
M4	3" Gravel surfacing (tons)	825	$ 11.00	$ 8.00	19.00	15,675.00	$ 12.51	$ 13.81	26.32	21,714.00
M5	Access road gravel surfacing (tons)	315	$ 11.00	$ 8.00	19.00	5,985.00	$ 12.51	$ 13.81	26.32	8,290.80
M6	Connect to existing Storm Sewer (ea.)	1	$ 1,617.00	$ 1,617.00	3,234.00	3,234.00	$ 710.73	$ 366.39	1,077.12	1,077.12
M7	4" perforated HDPE Subdrain (ft.)	800	$ 8.43	$ 4.22	12.65	10,120.00	$ 8.69	$ 8.65	17.34	13,872.00
M8	6" CMP Casing (ft.)	60	$ 8.43	$ 23.26	31.69	1,901.40	$ 13.97	$ 17.10	31.07	1,864.20
M9	Subdrain Outlet (ea.)	1	$ 200.00	$ 423.70	623.70	623.70	$ 190.76	$ 159.30	350.06	350.06
M10	Storm Intake (ea.)	1	$ 480.00	$ 4,999.70	5,479.70	5,479.70	$ 1,207.67	$ 4,596.17	5,803.84	5,803.84
M11	Clearing and Grubbing (as req'd)	1	$ 5,500.00	$ 5,500.00	11,000.00	11,000.00	$ 4,554.60	$ -	4,554.60	4,554.60
M12	Stabilized Construction Entrance (as req'd)	1	$ 1,100.00	$ 400.00	1,500.00	1,500.00	$ 412.31	$ 748.71	1,161.02	1,161.02
M13	Erosion Control Blanket (sq. yd.)	910	$ 1.75	$ 1.75	3.50	3,185.00	$ 3.88	$ -	3.88	3,530.80
M14	Grind Curb, Driveway (ln. ft.)	75	$ 43.00	$ 43.00	86.00	6,450.00	$ 17.75	$ -	17.75	1,331.25
M15	Seeding, fertilizing, and mulching (as req'd)	1	$ 709.17	$ 709.17	1,418.34	1,418.34	$ 5,538.45	$ -	5,538.45	5,538.45
M16	Silt fence/ditch checks (ft.)	325	$ 3.50	$ 3.50	7.00	2,275.00	$ 4.14	$ -	4.14	1,345.50
M17	Mobilization (lump sum)	1	$ 30,206.43	$ 30,206.43	60,412.86	60,412.86	$ 21,954.15	$ -	21,954.15	21,954.15
	Total Base Bid:					**$ 249,000.20**				**$ 281,119.48**

Corrected Bid Amounts Shown Shaded

BID TABULATION

Green Substation Site Grading

City of Madison
Madison, South Dakota
City Bid No. 983
DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:00 PM

			RMS Drainage & Excavation				First Rate Excavate, Inc.			
			Tea, SD 57064		Bid Security:	10% Bid Bond	Sioux Falls, SD 57104		Bid Security:	10% Bid Bond
Unit No.	**Name and Description of Construction Unit**	**No. of Units**	Labor	Material	L & M	Ext. Price L & M	Labor	Material	L & M	Ext. Price L & M
M1	Embankment Borrow (cy)	8,350			$ 21.42	$ 178,857.00	$ 10.50	$ 8.00	$ 18.50	$ 154,475.00
M2	Excavation and Embankment (cy)	1,485			5.00	7,425.00	$ 10.50	$ -	10.50	15,592.50
M3	12" Subgrade Preparation (sy)	4,506			0.79	3,559.74	$ 1.50	$ -	1.50	6,759.00
M4	3" Gravel surfacing (tons)	825			21.78	17,968.50	$ 15.00	$ 20.00	35.00	28,875.00
M5	Access road gravel surfacing (tons)	315			22.33	7,033.95	$ 15.00	$ 20.00	35.00	11,025.00
M6	Connect to existing Storm Sewer (ea.)	1			1,150.00	1,150.00	$ 1,500.00	$ 250.00	1,750.00	1,750.00
M7	4" perforated HDPE Subdrain (ft.)	800			21.75	17,400.00	$ 25.05	$ 4.95	30.00	24,000.00
M8	6" CMP Casing (ft.)	60			19.60	1,176.00	$ 28.00	$ 25.00	53.00	3,180.00
M9	Subdrain Outlet (ea.)	1			645.00	645.00	$ 450.00	$ 88.00	538.00	538.00
M10	Storm Intake (ea.)	1			5,461.00	5,461.00	$ 2,000.00	$ 3,811.00	5,811.00	5,811.00
M11	Clearing and Grubbing (as req'd)	1			3,903.00	3,903.00	$ 10,000.00	$ 5,000.00	15,000.00	15,000.00
M12	Stabilized Construction Entrance (as req'd)	1			1,163.00	1,163.00	$ -	$ 800.00	800.00	800.00
M13	Erosion Control Blanket (sq. yd.)	910			2.12	1,929.20	$ 1.00	$ 3.00	4.00	3,640.00
M14	Grind Curb, Driveway (ln. ft.)	75			20.82	1,561.50	$ 30.00	$ -	30.00	2,250.00
M15	Seeding, fertilizing, and mulching (as req'd)	1			1,673.00	1,673.00	$ 2,942.50	$ 2,942.50	5,885.00	5,885.00
M16	Silt fence/ditch checks (ft.)	325			5.58	1,813.50	$ 2.20	$ 2.20	4.40	1,430.00
M17	Mobilization (lump sum)	1			28,635.00	28,635.00	$ 11,989.50	$ -	11,989.50	11,989.50
	Total Base Bid:					**$ 281,354.39**				**$ 293,000.00**

Corrected Bid Amounts Shown Shaded

BID TABULATION

Green Substation Site Grading

City of Madison
Madison, South Dakota
City Bid No. 983
DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:00 PM

Unit No.	Name and Description of Construction Unit	No. of Units	Austreim Excavating, LLC — Brookings, SD 57006 — Bid Security: 10% Bid Bond				Alliance Construction, LLC — Sioux Falls, SD 57109 — Bid Security: 10% Bid Bond			
			Labor	Material	L & M	Ext. Price L & M	Labor	Material	L & M	Ext. Price L & M
M1	Embankment Borrow (cy)	8,350	$ 15.76	$ 6.75	$ 22.51	$ 187,958.50			$ 27.00	$ 225,450.00
M2	Excavation and Embankment (cy)	1,485	$ 6.38	$ -	6.38	9,474.30			23.00	34,155.00
M3	12" Subgrade Preparation (sy)	4,506	$ 2.14	$ -	2.14	9,642.84			1.50	6,759.00
M4	3" Gravel surfacing (tons)	825	$ 11.79	$ 9.00	20.79	17,151.75			26.50	21,862.50
M5	Access road gravel surfacing (tons)	315	$ 12.00	$ 9.00	21.00	6,615.00			26.50	8,347.50
M6	Connect to existing Storm Sewer (ea.)	1	$ 1,771.82	$ -	1,771.82	1,771.82			2,000.00	2,000.00
M7	4" perforated HDPE Subdrain (ft.)	800	$ 18.59	$ 9.20	27.79	22,232.00			24.00	19,200.00
M8	6" CMP Casing (ft.)	60	$ 37.84	$ 17.06	54.90	3,294.00			24.00	1,440.00
M9	Subdrain Outlet (ea.)	1	$ 306.41	$ 97.00	403.41	403.41			1,500.00	1,500.00
M10	Storm Intake (ea.)	1	$ 5,636.03	$ 3,365.21	9,001.24	9,001.24			8,000.00	8,000.00
M11	Clearing and Grubbing (as req'd)	1	$ 11,945.41	$ -	11,945.41	11,945.41			3,500.00	3,500.00
M12	Stabilized Construction Entrance (as req'd)	1	$ 1,042.07	$ 616.37	1,658.44	1,658.44			3,000.00	3,000.00
M13	Erosion Control Blanket (sq. yd.)	910	$ 1.00	$ 0.98	1.98	1,801.80			5.00	4,550.00
M14	Grind Curb, Driveway (ln. ft.)	75	$ 16.85	$ -	16.85	1,263.75			21.00	1,575.00
M15	Seeding, fertilizing, and mulching (as req'd)	1	$ 4,554.64	$ 4,000.00	8,554.64	8,554.64			3,000.00	3,000.00
M16	Silt fence/ditch checks (ft.)	325	$ 5.49	$ 2.00	7.49	2,434.25			9.25	3,006.25
M17	Mobilization (lump sum)	1	$ 41,376.85	$ -	41,376.85	41,376.85			-	-
	Total Base Bid:					**$ 336,580.00**				**$ 347,345.25**

Corrected Bid Amounts Shown Shaded

BID TABULATION

Green Substation Site Grading

City of Madison
Madison, South Dakota
City Bid No. 983
DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:00 PM

			Level Contracting, LLC							
			Lake Norden, SD 57248				Bid Security:		10% Bid Bond	
Unit No.	**Name and Description of Construction Unit**	**No. of Units**	Labor		Material		L & M		Ext. Price L & M	
M1	Embankment Borrow (cy)	8,350	$	9.26	$	20.20	$	29.46	$	245,991.00
M2	Excavation and Embankment (cy)	1,485	$	9.37	$	-		9.37		13,914.45
M3	12" Subgrade Preparation (sy)	4,506	$	1.82	$	-		1.82		8,200.92
M4	3" Gravel surfacing (tons)	825	$	14.08	$	14.05		28.13		23,207.25
M5	Access road gravel surfacing (tons)	315	$	13.21	$	14.05		27.26		8,586.90
M6	Connect to existing Storm Sewer (ea.)	1	$	3,859.00	$	-		3,859.00		3,859.00
M7	4" perforated HDPE Subdrain (ft.)	800	$	10.78	$	38.59		49.37		39,496.00
M8	6" CMP Casing (ft.)	60	$	7.85	$	18.60		26.45		1,587.00
M9	Subdrain Outlet (ea.)	1	$	544.00	$	200.00		744.00		744.00
M10	Storm Intake (ea.)	1	$	2,128.00	$	6,600.00		8,728.00		8,728.00
M11	Clearing and Grubbing (as req'd)	1	$	3,868.00	$	-		3,868.00		3,868.00
M12	Stabilized Construction Entrance (as req'd)	1	$	800.00	$	800.00		1,600.00		1,600.00
M13	Erosion Control Blanket (sq. yd.)	910	$	4.08	$	4.23		8.31		7,562.10
M14	Grind Curb, Driveway (ln. ft.)	75	$	50.00	$	-		50.00		3,750.00
M15	Seeding, fertilizing, and mulching (as req'd)	1	$	9,820.00	$	14,063.00		23,883.00		23,883.00
M16	Silt fence/ditch checks (ft.)	325	$	5.00	$	5.00		10.00		3,250.00
M17	Mobilization (lump sum)	1	$	16,690.00	$	-		16,690.00		16,690.00
	Total Base Bid:								**$**	**414,917.62**

Corrected Bid Amounts Shown Shaded

September 11, 2025

City of Madison
Attn: Michael Plooster, Utilities Director
435 S Highland Avenue
Madison, SD 57042

RE: **Recommendation of Award of Contract(s)**
Furnishing Major Materials – Green Substation
City Bid No. 985
DGR Project No. 415935

Dear Michael:

We have completed our review of the bids received on September 4, 2025 for the miscellaneous substation materials. A bid summary form of the bid results is enclosed. We have checked the bids for mathematical accuracy and compliance with the bid specifications. We are hereby prepared to offer the following recommendations.

Bid No. 1 – GOAB Switches
There were six (6) responsive bids received ranging in price from $55,125.00 to $79,599.00. The apparent low bidder meeting the technical specifications was Border States of Sioux Falls, SD, who provided a bid for a total purchase price of $58,425.00 for three (3) switches manufactured by Pascor. We are familiar with Pascor switches and see of no reason why they should not be awarded the contract. We recommend that Border States be awarded the contract for GOAB Switches for the purchase price amount of **$58,425.00**. The Engineer's Estimate for the GOAB Switches was $60,000.00 [three (3) switches at $20,000.00 a piece].

Bid No. 2 – Potential Transformers
There were six (6) responsive bids received ranging in price from $29,535.00 to $52,080.00. The apparent low bidder meeting the technical specifications was Border States of Sioux Falls, SD, who provided a bid for a total purchase price of $29,565.00 for three (3) potential transformers manufactured by ITEC. We are familiar with ITEC transformers and see of no reason why they should not be awarded the contract. We recommend that Border States be awarded the contract for Potential Transformers for the purchase price amount of **$29,565.00**. The Engineer's

Estimate for the Potential Transformers was $30,000.00 [three (3) potential transformers at $10,000.00 a piece].

Bid No. 3 – Substation Steel

There were three (3) responsive bids received ranging in price from $118,925.40 to $160,761.29. The apparent low bidder was Galvanizers, Inc. of West Fargo, ND, who provided a bid for a total purchase price of $118,925.40 for substation steel manufactured by Galvanizers. We are familiar with Galvanizers and see of no reason why they should not be awarded the contract. We recommend that Galvanizers Inc. be awarded the contract for Substation Steel for the purchase price amount of **$118,925.40**. The Engineer's Estimate for the Substation Steel was $116,000.00.

The total value of all the contracts will be **$206,915.40**. The total Engineer's Estimate was $206,000.00.

Please review our recommendation and feel free to contact me with any questions you or the Commission may have. Please let us know when an award has been made, and we will prepare the Contract Documents for signatures.

Best Regards,

DGR Engineering

Grant Metzger

Grant Metzger, P.E.

Enclosure: Bid Summary
GEM:ste

BID SUMMARY

Furnishing Major Materials - Green Substation
City of Madison
Madison, South Dakota
City Bid No. 985

DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:30 PM
City of Madison
Page 1-1 of 2

		Bid No. 1 - GOAB Switches (Qty: 3)			
Bidder and Address	**Bid Security**	**Bid Price**	**Manufacturer / Location**	**Delivery Date**	**Comments**
Border States Electric 1100 N Career Avenue Sioux Falls, SD 57107	10% Bid Bond	**$58,425.00**	Pascor / Forest Grove, OR	36-38 Weeks	
Border States Electric 1100 N Career Avenue Sioux Falls, SD 57107	10% Bid Bond	$55,125.00	USCO / Leeds, AL	48 Weeks ARO	Equipment Does Not Meet Technical Specifications
Galvanizers, Inc. PO Box 875 West Fargo, ND 58078-0875	10% Bid Bond	No Bid			
Klute Inc. 1313 Road G York, NE 68467	10% Bid Bond	No Bid			
MVA Power Inc. 1 Holly Road Montreal, Quebec H3X3K6	$30,000 10% Bid Bond	$79,599.00	Pascor / Forest Grove, OR	September 2026	
RESCO 4100 30th Avenue S Moorhead, MN 56560	10% Bid Bond	$56,370.00	Hubbell / Centralia, MO	Est. 48 Weeks	Equipment Does Not Meet Technical Specifications Exceptions Taken

BID SUMMARY

Furnishing Major Materials - Green Substation

City of Madison

Madison, South Dakota

City Bid No. 985

DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:30 PM
City of Madison
Page 1-1 of 2

Bidder and Address	Bid Security	Bid No. 1 - GOAB Switches (Qty: 3) Bid Price	Manufacturer / Location	Delivery Date	Comments
Southern Elect. Equip. Co., Inc. (SEECO) 4045 Hargrove Avenue Charlotte, NC 28208	10% Bid Bond	$66,473.55	SEECO / Charlotte, NC	23-28 Weeks ARO	
Southern States, LLC 30 Georgia Avenue Hampton, GA 30228	5% Bid Bond	Insufficient Bid Bond			
WESCO 2501 East 3rd Street Sioux City, IA 51101	10% Bid Bond	$61,020.00	Pascor / Forest Grove, OR	36-38 Weeks ARO	Exceptions Taken

BID SUMMARY

Furnishing Major Materials - Green Substation

City of Madison

Madison, South Dakota

City Bid No. 985

DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:30 PM
City of Madison
Page 2-1 of 2

Bidder and Address	Bid Security	Bid No. 2 - Potential Transformers (Qty: 3)			Comments
		Bid Price	Manufacturer / Location	Delivery Date	
Border States Electric 1100 N Career Avenue Sioux Falls, SD 57107	10% Bid Bond	**$29,565.00**	ITEC / Monroe, NC	25-27 Weeks ADA	
Galvanizers, Inc. PO Box 875 West Fargo, ND 58078-0875	10% Bid Bond	No Bid			
Klute Inc. 1313 Road G York, NE 68467	10% Bid Bond	No Bid			
MVA Power Inc. 1 Holly Road Montreal, Quebec H3X3K6	$30,000 10% Bid Bond	$31,989.00	MVA / China	March 2026	
RESCO 4100 30th Avenue S Moorhead, MN 56560	10% Bid Bond	$52,080.00	Ritz / Lavonia, GA	Est. 70-72 Weeks ARO	Exceptions Taken
RESCO 4100 30th Avenue S Moorhead, MN 56560	10% Bid Bond	$29,535.00	Ritz / Lavonia, GA	Est. 30-32 Weeks ARO	Equipment Does Not Meet Technical Specifications Exceptions Taken

BID SUMMARY

Furnishing Major Materials - Green Substation

City of Madison
Madison, South Dakota

City Bid No. 985

DGR ENGINEERING

DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:30 PM
City of Madison
Page 2-1 of 2

Bidder and Address	Bid Security	Bid No. 2 - Potential Transformers (Qty: 3)			Comments
		Bid Price	Manufacturer / Location	Delivery Date	
RESCO 4100 30th Avenue S Moorhead, MN 56560	10% Bid Bond	$30,435.00	Ritz / Lavonia, GA	Est. 14-16 Weeks ARO	Equipment Does Not Meet Technical Specifications Exceptions Taken
Southern Elect. Equip. Co., Inc. (SEECO) 4045 Hargrove Avenue Charlotte, NC 28208	10% Bid Bond	No Bid			
Southern States, LLC 30 Georgia Avenue Hampton, GA 30228	5% Bid Bond	Insufficient Bid Bond			
WESCO 2501 East 3rd Street Sioux City, IA 51101	10% Bid Bond	$40,530.00	Hitachi / Crystal Springs, MS	34 Weeks ARO & Dwgs	Exceptions Taken

Corrected Bid Amounts Shown Shaded

BID SUMMARY

Furnishing Major Materials - Green Substation

City of Madison

Madison, South Dakota

City Bid No. 985

DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:30 PM
City of Madison
Page 3-1 of 2

Bidder and Address	Bid Security	Bid No. 3 - Substation Steel: Bid Price	Manufacturer / Location	Delivery Date	Comments
Border States Electric 1100 N Career Avenue Sioux Falls, SD 57107	10% Bid Bond	No Bid			
Galvanizers, Inc. PO Box 875 West Fargo, ND 58078-0875	10% Bid Bond	**$118,925.40**	Galvanizers / West Fargo, ND	AB: 16 Weeks ARO SS: 50 Weeks ARO	
Klute Inc. 1313 Road G York, NE 68467	10% Bid Bond	$160,761.29	Klute / York, NE	AB: 8 Weeks SS: 60 Weeks	Changed qty of units on #8
MVA Power Inc. 1 Holly Road Montreal, Quebec H3X3K6	$30,000 10% Bid Bond	$145,431.70	MVA / USA & China	AB: 8 Weeks ARO SS: 14-16 Weeks ARO TS: 22-24 Weeks ARO	
RESCO 4100 30th Avenue S Moorhead, MN 56560	10% Bid Bond	No Bid			
Southern Elect. Equip. Co., Inc. (SEECO) 4045 Hargrove Avenue Charlotte, NC 28208	10% Bid Bond	Incomplete Bid			

BID SUMMARY

Furnishing Major Materials - Green Substation

City of Madison

Madison, South Dakota

City Bid No. 985

DGR ENGINEERING

DGR Project No. 415935
Bid Letting: September 4, 2025 - 2:30 PM
City of Madison
Page 3-1 of 2

		Bid No. 3 - Substation Steel			
Bidder and Address	**Bid Security**	**Bid Price**	**Manufacturer / Location**	**Delivery Date**	**Comments**
Southern States, LLC 30 Georgia Avenue Hampton, GA 30228	5% Bid Bond	Insufficient Bid Bond			
WESCO 2501 East 3rd Street Sioux City, IA 51101	10% Bid Bond	No Bid			

Corrected Bid Amounts Shown Shaded

EJCDC
ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

Change Order
No. 2

Date of Issuance: August 29, 2025 Effective Date: August 29, 2025

Project:	69 x 115 / 13.8 kV Power Transformer – Green Substation		
Owner:	City of Madison	Owner's Contract No.:	924
Engineer:	DGR Engineering	Date of Contract:	July 18, 2023
Contractor:	Pennsylvania Transformer Technology, Inc. (PTTI)	Engineer's Project No.:	415935

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Transformer storage, logistics/movement, and warranty extension.

Attachments (list documents supporting change): C-09516-5_City of Madison_TOT Storage Co.pdf

CHANGE IN CONTRACT PRICE:	**CHANGE IN CONTRACT TIMES:**
Original Contract Price: $ 1,915,999.00	Original Contract Times: ☒ Working Days ☐ Calendar Days Substantial Completion (days or date): 96-100 Weeks ARO Ready for Final Payment (days or date): NA
[~~Increase~~] [Decrease] from Previously Approved Change Orders No. 1 to No. 1: $ 10,000.00	[~~Increase~~] [~~Decrease~~] from Previously Approved Change Orders No. 1 to No. 1: Substantial Completion (days or date): NA Ready for Final Payment (days or date): NA
Contract Price Prior to this Change Order: $ 1,905,999.00	Contract Times Prior to this Change Order: Substantial Completion (days or date): 96-100 Weeks ARO Ready for Final Payment (days or date): NA
[Increase] [~~Decrease~~] of this Change Order: $ 114,000.00	[Increase] [~~Decrease~~] of this Change Order: Substantial Completion (days or date): May 29, 2026 Ready for Final Payment (days or date): NA
Contract Price Incorporating this Change Order: $ 2,019,999.00	Contract Times with all Approved Change Orders: Substantial Completion (days or date): May 29, 2026 Ready for Final Payment (days or date): NA

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: ____ Engineer (Authorized Signature)	By: ____ Owner (Authorized Signature)	By: ____ Contractor (Authorized Signature)
Print: Alex Richter, P.E.	Print:	Print:
Title: Project Manager	Title:	Title:
Date:	Date:	Date:

Approved by Funding Agency (if applicable):

By: ____ Date: ____

Print: ____ Title: ____

Title of Transfer (TOT) for Storage

PO # : 415935	**Buyer :** **City of Madison**	**Project :** **Green Substation (C-09516-5)**
Transformer Details : **22.4 MVA / 115kV x 13.8kV x 7.97kV**	**Customer Reference :** **P29263**	**PTTI Reference :** **C-09516-5-1**

Buyer City of Madison hereby acknowledges that the manufacturing and testing for the one transformer(s) Sr # C-09516-5-1 was substantially completed as of September 26th 2025 as per requirement of the purchase order and the equipment is currently stored in Pennsylvania Transformers Technology, "PTT" Canonsburg, PA facility and is available for shipment.

Buyer/Purchaser City of Madison hereby elects to exercise the option for having the equipment stored by PTTI from 9/26/25 to 5/31/26 at a cost of $ 8,000 per month + EACH time "Logistics and Movement charge" at a cost of $ 15,000 for mobilization into storage and demobilization out of storage. The goods shall be stored on behalf of the purchaser and PTT shall insure the goods on behalf of the buyer for potential loss and or damage. Payment terms of storage shall be **NET 30 days** and the full storage amount along with Logistics and Movement charge will be invoiced upon entry into storage. The applicable charges (*) due invoiced initially for first 1 month of storage and movement charge will be **$ 23,000** which covers storage from 9/26/25 until 10/31/25 and one-time logistics charges. Buyer will pay final invoice for transformer upon entry into storage and will be due NET 30. Additional months beyond first month will be charged at $8000 per month. Storage charges will be invoiced monthly.

PTT also offers a warranty extension of 8 months at $20,000. Any additional warranty coverage or extensions will be quoted separately as requested.

*Schedule of charges on Page 2

This acknowledgement of title transfer shall not alter or amend any of the other contractual terms and conditions contained in the purchase order/contract. The warranty commences immediately from the date of storage. Buyer to pay for any required retesting of the transformers when shipment is made. If greater than one year in storage, additional testing is recommended and will occur per the schedule of charges below.

Signature of the Buyer

Date of Signature

Schedule of Charges

Annual charges:

Description	Charge	Quantity	Total
Storage Charges	$8,000	8 months (est)	$64,000
Logistics and Movement charge	$15,000	Each time- for movement in and again for movement out	$30,000
Re-testing/FAT Charge	$10,000	One time if stored for longer than 1 year.	TBD
Warranty Extension	$20,000	8 Month Extension	$20,000
Total			**$114,000**

Change Order

No. 1

Date of Issuance: September 8, 2025 Effective Date: September 16, 2025

Project: City Library Ramp Project 25-970	Owner: City of Madison, SD	Owner's Contract No.:
Contract: City Library Ramp Project 25-970		Date of Contract: April 8, 2025
Contractor: Kesteloot Excavation and Dirt Work Services		Engineer's Project No.:

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Corrective work due to staking error – additional $2,350.00, Thickened edge concrete (106.3 LF X $14.00) in lieu of footing – additional $1,488.20. Final Quantity Adjustment – reduction in quantity of bid items – reduction of $360.55.

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: $58,980.56	Original Contract Times: ☐ Working days ☒ Calendar days Substantial completion (days or date): July 15, 2025_ Ready for final payment (days or date): August 1, 2025
[Increase] [~~Decrease~~] from previously approved Change Orders: N/A	[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: Substantial completion (days): n/a _______________ Ready for final payment (days): n/a ______________
Contract Price prior to this Change Order: $58,980.56	Contract Times prior to this Change Order: Substantial completion (days or date): July 18, 2025 Ready for final payment (days or date): August 1, 2025
[Increase] [Decrease] of this Change Order: $3,477.65	[~~Increase~~] [~~Decrease~~] of this Change Order: Substantial completion (days or date): n/a _____________ Ready for final payment (days or date): n/a ____________
Contract Price incorporating this Change Order: $62,458.21	Contract Times with all approved Change Orders: Substantial completion (days or date): July 18, 2025 Ready for final payment (days or date): August 1, 2025

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: [signature] Engineer (Authorized Signature)	By: ________________________ Owner (Authorized Signature)	By: [signature] Contractor (Authorized Signature)
Date: 9/9/2025	Date: ______________________	Date: 09/09/2025

Approved by Funding Agency (if applicable):

____ Date: ______________________

EJCDC C-941 Change Order
Prepared by the Engineers Joint Contract Documents Committee and endorsed by the Construction Specifications Institute.
Page 1 of 1

CHANGE ORDER NO.: 2

Owner:	**City of Madison**	Owner's Project No.:	**N/A**
Engineer:	**KLJ Engineering LLC**	Engineer's Project No.:	**2304-01069**
Contractor:	**Winter Contracting, LLC**	Contractor's Project No.:	**N/A**

Project: **North Egan Avenue (2nd St to 9th St) Reconstruction and Utility Improvements**

Contract Name: **North Egan Avenue (2nd Street to 9th Street)**

Date Issued: 9/08/2025 Effective Date of Change Order: 9/08/2025

The Contract is modified as follows upon execution of this Change Order:

Description:

- **4" valves will be added to the project for tie-ins to the existing mains at NW 4th St. and NE 4th St.**
- **A quantity of 33 LF of 36"RCP CL3 will be replaced with 36"RCP Arch CL3 pipe to provide needed clearance between the top of pipe and the junction box lids.**

Attachments:

CCO #2 Quantity Table

Change in Contract Price	**Change in Contract Times**
Original Contract Price: $ 5,951,281.80	Original Contract Times: Substantial Completion: October 30, 2026 Ready for final payment: November 13, 2026
Increase from previously approved Change Orders No. 1 to No. **[1]**: $ 100.00	**[Increase] [Decrease]** from previously approved Change Orders No.1 to No. **[Number of previous Change Order]**: Substantial Completion: N/A Ready for final payment: N/A
Contract Price prior to this Change Order: $ 5,951,381.80	Contract Times prior to this Change Order: Substantial Completion: October 30, 2026 Ready for final payment: November 13, 2026
Increase this Change Order: $ 1,435.00	**[Increase] [Decrease]** this Change Order: Substantial Completion: 0 Days Ready for final payment: 0 Days
Contract Price incorporating this Change Order: $ 5,952,816.80	Contract Times with all approved Change Orders: Substantial Completion: October 30, 2026 Ready for final payment: November 13, 2026

	Recommended by Engineer (if required)	Authorized by Owner
By:	Eric Landis	
Title:	KLJ Project Engineer	
Date:	9/08/2025	

Eric Landis

Digitally signed by Eric Landis
DN: C=US, E=eric.landis@kljeng.com, O=KLJ Engineering, CN=Eric Landis
Reason: I am approving this document
Date: 2025.09.08 09:42:44-05'00'

	Accepted by Contractor	Approved by Funding Agency (if applicable)
By:	[illegible]	
Title:	Managing member	
Date:	9/9/25	

North Egan Avenue (2nd Street to 9th Street)
RECONSTRUCTION AND UTILITY IMPROVEMENTS
Change Order No. 2 - Quantity Table

ITEM NO.	ITEM DESCRIPTION	UNIT	CCO QUANTITY	UNIT PRICE	COST	REMARKS
New Bid Items						
254 (New)	36" RCP Arch Class 3, Furnish	Ft	33	$125.00	$4,125.00	Arch pipe needed to provide proper cover for lid on structure.
255 (New)	36" RCP Arch, Install	Ft	33	$145.00	$4,785.00	Arch pipe needed to provide proper cover for lid on structure.
257 (New)	4" MJ Gate Valve with Box	Each	2	$1,900.00	$3,800.00	4" valves to replace 8" valves at NW & NE 4th St. tie-ins
Deduct Quantities						
68	36" RCP Class 3, Furnish	Ft	-33	$115.000	($3,795.00)	Replaced by 36" RCP Arch Class 3
69	36" RCP, Install	Ft	-33	$60.00	($1,980.00)	Replaced by 36" RCP Arch Class 3
96	8" MJ Gate Valve with Box	Each	-2	$2,750.00	($5,500.00)	Replaced with 4" valves
					$1,435.00	

THE SUMMIT AT VAN EPS APARTMENTS, MADISON, SD

RE: PROJECT NARRATIVE

Overview:

The Summit at Van Eps Apartments will be a multi-family housing project and will consist of 28 studio, one-, two-, & three-bedroom units. The unit mix will be 3 - studio units; 15 - 1BR units; 6 - 2BR units; and 4 - 3BR units. There will be 3 mobility units, and 1 sensory unit accessible for individuals with impairments.

Location:

The project will be located at the northeast corner of SW 1st St & Van Eps Ave in Madison. A review of the enclosed location map shows that future residents of The Summit at Van Eps Apartments live within walking distance of various employment, service, and retail opportunities, such as Sunshine Foods, Madison Public Library, and Anytime Fitness. The site is conveniently located in downtown Madison, putting it in close proximity to its major retail services. The site is also adjacent to Inter-Lakes Community Action Partnership, which offers a wide variety of community services for low-income families, including the Head Start educational program, utility and rental assistance, an onsite community health worker, and food distribution programs.

Amenities:

Unit amenities will include a range, frost-free refrigerator, dishwasher, microwave oven, washer/dryer, central air conditioning, window covering, carpet/vinyl flooring and security system. Project amenities include a community room, meal service, and on-site management and office.

Supportive Services:

As previously noted, ICAP currently offers a wide variety of community outreach programs, including various meal services that provide up to 250 meals per day to community members. Floor plans for the Summit at Van Eps include space for a 2,287 ft^2 commercial kitchen that would allow ICAP to increase its meal service capacity to ~700 meals per day. This would significantly impact the community at large but would also be a convenient and consistent source of food for families residing at The Summit at Van Eps. Additionally, there is an adjoining community room that offers ample dining space for residents to enjoy these meals.

Ownership Structure:

Upon approval of the application, a limited partnership will be formed of which The Summit at Van Eps, LLC will be the general partner and Midwest Housing Equity Group will be the final limited partner. The Summit at Van Eps, LLC is owned by Inter-Lakes Community Action Partnership, Inc.

Property Tax Implications:

Due to the required structure to use Low Income Housing Tax Credits, a partnership between the Summit and Midwest Housing, the property will be viewed as taxable under SD Codified Law. The mission of ICAP does not change with this partnership, and the beneficiaries of the Tax Credits are directed to ICAP to keep rents low.

TIF / MOU:

ICAP is a 501c3 and has a tax-exempt status, but due to the required partnership of the Tax Credits, ICAP is requesting a TIF to offset their eligible project costs, for the project will be deemed taxable. The TIF will directly benefit the low-income residents. The proposed MOU / TIF has the following highlights:

- Will not financially commit the City of Madison
- Like previous TIF's, the City is the conduit for the proposed TIF
- No liability on the City
- Will not count towards constitutional debt
- Beneficiary to ICAP with their Tax Credit application to SD Housing
    - This application is extremely competitive, with limited Credits available for communities in SD.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("***MOU***") is dated ________________, 2025, and entered into by and between the CITY OF MADISON, SOUTH DAKOTA (the "***City***"), and THE SUMMIT AT VAN EPPS, LLC a South Dakota limited liability company ("***Developer***") (collectively, the "***Parties***").

RECITALS:

WHEREAS, the Developer has approached the City for the purpose of assisting the Developer with a proposed partnership between Lloyd Companies and Inter Lakes Community Action Program (ICAP) that will develop The Summit at Van Eps Apartments ("Project"); and

WHEREAS, the Project property is located along SW 1st St & Van Eps Ave in Madison, South Dakota, bearing a legal description as identified in the attached Exhibit A to this MOU ("Property"), and being adjacent to Inter-Lakes Community Action Partnership ("ICAP"), which offers a wide variety of community services for low-income families, including the Head Start educational program, utility and rental assistance, an onsite community health worker, and food distribution programs; and

WHEREAS, the Project will be a multi-family housing project and will consist of 28 studio, one-, two-, & three-bedroom units. The unit mix will be 3 - studio units; 15 - 1BR units; 6 - 2BR units; and 4 - 3BR units. There will be 3 mobility units, and 1 sensory unit accessible for individuals with impairments; and

WHEREAS, ICAP currently offers a wide variety of community outreach programs, including various meal services that provide up to 250 meals per day to community members. Floor plans for the Summit at Van Eps Apartments include space for a 2,287 ft^2 commercial kitchen that would allow ICAP to increase its meal service capacity to 700 meals per day; and

WHEREAS, the rents for The Summit at Van Eps Apartments will be designed for low income families and will be rent restricted in rental rates; and

WHEREAS, ICAP is a non-profit 501(c)(3) and the Property is currently exempt from the assessment of real estate tax. However, the Developer's partnership with Lloyd Companies to receive an award of Low Income Housing Tax Credits from the South Dakota Housing Development Authority ("Tax Credits"), which allows the affordability and rent restrictions, will disqualify the Property's exemption from real estate tax in Lake County, South Dakota; and

WHEREAS, certain Project costs incurred in the development of the Property would constitute Tax Increment Financing ("***TIF***") project costs, eligible for reimbursement under SDCL Chapter 11-9; and

WHEREAS, the Parties have retained Toby Morris of Colliers, who has considerable experience and success in implementing TIF projects in smaller communities, to assist in forming the TIF District and the TIF Development Agreement; and

WHEREAS, the Parties desire to enter into this MOU to confirm their intent to move forward with evaluating a proposed TIF for the Project site, to stimulate the development of the Property and to assist the Developer in securing the necessary financing for the Project as a whole.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties recognize and agree as follows:

1. TIF Eligibility. Economic development within a city is an authorized use of tax increment districts under SDCL Chapter 11-9. Portions of the Property are currently developed, however, developing the Property into a master planned Affordable Housing property with an expanded commercial kitchen to serve the community will serve the charitable mission of ICAP and the goal of a benevolent community outcome. Developer hereby represents that the Project will be designed and developed to conform to the standards of the comprehensive plan of the City in order to provide for the orderly development of the Property.

2. Project Costs and Reimbursable Project Costs. The Developer anticipates the Project costs in acquiring, developing, financing and preparing the TIF Property for sale, lease and/or development will qualify for reimbursement within the meaning of SDCL § 11-9-14 and SDCL § 11-9-15. Developer anticipates requesting reimbursement for those eligible reimbursement costs that relate to site work, street and utility build-out, and engineering expenses, together with financing costs and imputed interest expense in the form of a TIF grant.

In connection with Developer's application for Tax Credits, Developer is requesting the Parties mutually execute this MOU to help secure the overall project financing and Tax Credits the Developer will need to advance with the development of the Project and in order to perform more due diligence on TIF eligible costs and the preparation of a TIF plan.

Developer agrees to supervise the construction of the Project and cause the construction to be performed substantially in accordance with the Project Plan and the plans and specifications approved by the appropriate department of City. Developer also agrees to provide periodic reports of such construction to City upon reasonable request.

3 Financing of the Project. The cost of the Project and public infrastructure improvements and all other improvement expenses associated with the Project shall be funded through the use of Developer's own capital or through commercial or private construction loans/lines of credit secured solely by Developer. Developer may use any portion or the entirety of the Property as collateral for the construction loan or loans as required for the financing of the Project. ANY TAX INCREMENT FUND PAYMENTS MADE AVAILABLE TO DEVELOPER ARE NOT INTENDED TO REIMBURSE DEVELOPER FOR ALL OF ITS COSTS INCURRED IN CONNECTION WITH PERFORMING ITS OBLIGATIONS UNDER THIS MOU.

The projected development costs that will be presented to the City at a later date will be considered preliminary but shall be based on the good faith estimate of the Developer following the performance of its due diligence on the Project. Prior to bringing the proposed TIF to the City Planning Commission, the Parties will further delineate the Project costs, eligible Project costs and requested reimbursable Project costs for the development of the TIF Property. If a TIF District for the Property is approved along the parameters outlined in this MOU, Developer shall waive its right to participate in any other city tax abatement programs for the duration of the TIF District.

4. Property and TIF Development Process. City and Developer will work jointly on the preparation of a TIF proposal for presentation to the City Planning Commission. During this period, Developer will also continue to work with City staff and the City Engineer concerning the Project and site plans, and to prepare an application for rezoning of the Property. Prior to the City Council approving the TIF District, the City and Developer would work jointly on the drafting of the TIF project plan and an associated development agreement outlining the duties, rights and responsibilities of Developer in connection with the development of the Property. The terms and conditions, rights, and obligations concerning the development of the TIF District and the Project will be mutually agreed upon by the Parties prior to executing any binding agreement or approval of the TIF District. Developer understands that the creation of a TIF District requires the approval of the City Council. No representation is being made that the City Council will approve the TIF District, the incurrence of a contractual obligation, or the issuance of debt obligations concerning the Project.

5. Cooperation with State and Federal agencies. Some of the Project's costs may be eligible for State or Federal grants. Typically speaking, applications for these grants require the local government to be the applicant. The City and Developer shall work jointly on these applications with the intent to minimize the time the City would have to dedicate to such applications for the Project. The Developer will research potential grants and inform the City of the requirements for any such applications.

Miscellaneous.

a. This MOU may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Any Party may execute this MOU by executing any such counterpart.
b. The TIF/Developer Agreement, when executed, shall be governed and construed in accordance with the laws of the State of South Dakota, and shall supersede the terms and conditions of this MOU.
c. All parties agree to negotiate in good faith using commercially reasonable efforts to achieve the outcomes set forth in this MOU.
d. The City will designate the Tax Increment District, if approved, as an annual appropriation TIF. Having such a designation WILL NOT count towards the Constitutional Debt Limit. The Developer fully understands the risks associated with such a designation.

IN WITNESS WHEREOF, the parties hereto have executed this MOU as of the date set forth above.

THE CITY OF MADISON	THE SUMMIT AT VAN EPS, LLC
By:	By: Eric Kunzweiler
Its:	Its: Chief Executive Officer

EXHIBIT A
PROPERTY

Lot 101 of Block 16 of the Original Plat of Madison, Lake County, South Dakota.

EXHIBIT B

MILESTONES
To be determined at a later date

EXHIBIT C

PRELIMINARY COST ESTIMATES

To be determined at a later date

Madison Municipal Airport

Madison, South Dakota

Disadvantaged Business Enterprise
(DBE Program)

Prepared for
City of Madison

kljeng.com

POLICY STATEMENT

Section 26.1, 26.23 Objectives/Policy Statement

City of Madison, South Dakota, owner of **Madison Municipal Airport**, hereafter referred to as the Sponsor, has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The Sponsor has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the Sponsor has signed an assurance that it will comply with 49 CFR Part 26 (hereafter referred to as "Part 26").

It is the policy of the Sponsor to ensure that DBEs as defined in Part 26, have an equal opportunity to receive and participate in DOT–assisted contracts. It is also the Sponsor's policy to engage in the following actions on a continuing basis:

1. Ensure nondiscrimination in the award and administration of DOT- assisted contracts;
2. Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. Ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove barriers to the participation of DBEs in DOT assisted contracts;
6. Promote the use of DBEs in all types of federally-assisted contracts and procurement activities;
7. Assist the development of firms that can compete successfully in the market place outside the DBE Program; and
8. Make appropriate use of the flexibility afforded to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

Amy Sad, Finance Officer, has been delegated as the DBE Liaison Officer. In that capacity, Finance Officer is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the Sponsor in its financial assistance agreements with the Department of Transportation.

The Sponsor has disseminated this policy statement to the City Commission and all of the components of our organization. This statement has been distributed to DBE and non-DBE business communities that may perform work on the Sponsor's DOT-assisted contracts. The distribution was accomplished by advertising in the local newspaper, *the Madison Daily Leader.*

______________________________ __________________________

Roy Lindsay, Mayor Date

GENERAL REQUIREMENTS

Section 26.1 Objectives

The objectives are elaborated in the policy statement on the first page of this program.

Section 26.3 Applicability

The Sponsor is the recipient of Federal airport funds authorized by 49 U.S.C. 47101, *et seq.*

Section 26.5 Definitions

The Sponsor will use terms in this program that have their meanings defined in Part 26, § 26.5.

Section 26.7 Non-discrimination Requirements

The Sponsor will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, the Sponsor will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

Section 26.11 Data Collection and Reporting Requirements

Reporting to DOT

The Sponsor will provide data about its DBE Program to the Department as directed by DOT and its operating administrations.

DBE participation will be reported to the Federal Aviation Administration (FAA) as follows:

> The Sponsor will transmit to FAA annually, by or before December 1, the information required for the "Uniform Report of DBE Awards or Commitments and Payments", as described in Part 26. The Sponsor will similarly report the required information about participating DBE firms. All reporting for this purpose will be done through the FAA's designated reporting system.

Bidders List

The Sponsor will collect bidders list information as described in § 26.11(c)(2) and enter it into the system designated by DOT. The purpose of the bidders list is to compile as accurate data as possible about the universe of DBE and non-DBE contractors and subcontractors who seek to work on our federally assisted contracts for use in helping you set your overall goals, and to provide the Department with data for evaluating the extent to which the objectives of § 26.1 are being achieved.

The Sponsor will obtain the following bidders list information about all DBE and non-DBEs who bid as prime contractors and subcontractors on each of our federally assisted contracts:

- Firm name
- Firm Address including Zip code
- Firm's status as a DBE or non-DBE
- Race and sex information for the firm's majority owner
- NAICS code applicable to each scope of work the firm sought to perform in its bid
- Age of the firm
- Annual gross receipts of the firm. The gross receipts can be obtained by asking each firm to indicate into what gross receipts bracket they fit (e.g. less than $1 million; $1-3 million; $3-6 million; $6-10 million, etc.) rather than requesting an exact figure from the firm.

The Sponsor will collect the data from all bidders for our federally assisted contracts by requiring the information in paragraph (c)(2) of this section to be submitted with their bids or initial responses to negotiated procurements.

The Sponsor will enter this data in the Department's designated system no later than December 1 following the fiscal year in which the relevant contract was awarded.

In the case of a ''design-build'' contracting situation where subcontracts will be solicited throughout the contract period as defined in a DBE Performance Plan pursuant to § 26.53(e), The Sponsor will enter the data no later than December 1 following the fiscal year in which the design-build contractor awards the relevant subcontract(s).

The Sponsor will maintain records documenting a firm's compliance with the requirements of this part. Other certification or compliance related records will be retained for a minimum of three (3) years unless otherwise provided by applicable record retention requirements for the financial assistance agreement, whichever is longer.

Section 26.13 Assurances Recipients and Contractors Must Make

The Sponsor has signed the following assurances, applicable to all DOT-assisted contracts and their administration:

Assurance: - Each financial assistance agreement the Sponsor signs with a DOT operating administration (or a primary recipient) will include the following assurance:

> The Sponsor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Sponsor shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The Sponsor DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 *et seq.*).

<u>Contract Assurance:</u> The Sponsor will ensure that the following clause is included in each DOT-funded contract it signs with a contractor (and each subcontract the prime contractor signs with a subcontractor):

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the contractor from future bidding as non-responsible.

<u>ADMINISTRATIVE REQUIREMENTS</u>

Section 26.21 DBE Program Updates

The Sponsor is required to have a DBE program meeting the requirements of this part as it will receive grants for airport planning or development and will award prime contracts, cumulative total value of which exceeds $250,000 in FAA funds in a federal fiscal year.

The Sponsor is not eligible to receive DOT financial assistance unless DOT has approved this DBE program and the Sponsor is in compliance with it and Part 26. The Sponsor will continue to carry out this program until all funds from DOT financial assistance have been expended. The Sponsor does not have to submit regular updates of the DBE program document, as long as it remains in compliance. However, significant changes in the program, including those required by regulatory updates, will be submitted to the relevant operating administration for approval.

Section 26.23 Policy Statement

The Policy Statement is elaborated on the first page of this DBE Program.

Section 26.25 DBE Liaison Officer (DBELO)

The following individual has been designated as the DBE Liaison Officer for the Sponsor:

Amy Sad
Finance Officer
503 S. Highland Avenue
Madison, SD 57042
605-256-7502
Amy.Sad@cityofmadisonsd.com
In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the Sponsor complies with all provision of 49 CFR Part 26. The DBELO has direct, independent access to the Mayor and City Commission concerning DBE program matters. An organizational chart displaying the DBELO's position in the organization is included in Attachment <u>2</u> to this program.

The DBELO is responsible for developing, implementing, and monitoring the DBE program, in coordination with other appropriate officials. The DBELO has a staff to assist in the administration of the program. The duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required by DOT.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Works with all departments to set overall annual goals.
4. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
5. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals) and monitors results.
6. Analyzes the City of Madison's progress toward attainment and identifies ways to improve progress.
7. Advises the CEO/governing body on DBE matters and achievement.
8. Determine contractor compliance with good faith efforts.
9. Provides DBEs with information and assistance in preparing bids, obtaining bonding and insurance.
10. Plans and participates in DBE training seminars.

Section 26.27 DBE Financial Institutions

It is the policy of the Sponsor to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contracts to make use of these institutions. Availability of such institutions will be investigated on an annual basis.

There are no such Institutions listed in the SDDOT DBE database at this time for the Sponsor. Upon checking with the South Dakota Department of Labor and Regulation, there are no DBE Financial Institutions designated at this time. The SD Department of Labor and Regulation did provide the following information for reference: South Dakota does have several Community Development Financial Institutions (https://www.cdfifund.gov/programs-training/certification/cdfi), which include both loan funds and credit unions.

Section 26.29 Prompt Payment Mechanisms

The Sponsor requires that all subcontractors performing work on DOT-assisted contracts shall be promptly paid for work performed pursuant to their agreements, in accordance with all relevant federal, state, and local law. Prompt payment and return of retainage requirements also apply to lower-tier subcontractors.

In accordance with 49 CFR § 26.29, the Sponsor established a contract clause implementing this requirement and requires prime contractors to pay subcontractors for satisfactory performance of their contracts no later than 30 days from the prime contractor's receipt of each payment from the Sponsor.

The Sponsor ensures prompt and full payment of retainage from the prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Pursuant to § 26.29, the Sponsor has selected the following method to comply with this requirement:

The Sponsor will hold retainage from prime contractors and provide for prompt and regular incremental acceptances of portions of the prime contract, pay retainage to prime contractors based on these acceptances, and require a contract clause obligating the prime contractor to pay all retainage owed to the subcontractor for satisfactory completion of the accepted work within 30 days after the Sponsor's payment to the prime contractor.

For every airport construction project funded under Federal grant assistance programs, the Sponsor includes the applicable clause from FAA Advisory Circular 150/5370-10 (Section 90-06) pertaining to the selected retainage method. The applicable clause will be included verbatim. However, if state or local prompt payment laws provide for payment in less than 30 days, any reference to "30 days" will be revised accordingly.

To implement this measure, the Sponsor includes the following clause from FAA Advisory Circular 150/5370-10 in each DOT-assisted prime construction contract:
a. From the total of the amount determined to be payable on a partial payment, 10% percent of such total amount will be deducted and retained by the Owner for protection of the Owner's interests. Unless otherwise instructed by the Owner, the amount retained by the Owner will be in effect until the final payment is made except as follows: (1) Contractor may request release of retainage on work that has been partially accepted by the Owner in accordance with Section 50-14. Contractor must provide a certified invoice to the RPR that supports the value of retainage held by the Owner for partially accepted work. (2) In lieu of retainage, the Contractor may exercise at its option the establishment of an escrow account per paragraph 90-08.
b. The Contractor is required to pay all subcontractors for satisfactory performance of their contracts no later than 30 days after the Contractor has received a partial payment. Contractor must provide the Owner evidence of prompt and full payment of retainage held by the prime Contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed. A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the Owner. When the Owner has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.
c. When at least 95% of the work has been completed to the satisfaction of the RPR, the RPR shall, at the Owner's discretion and with the consent of

the surety, prepare estimates of both the contract value and the cost of the remaining work to be done. The Owner may retain an amount not less than twice the contract value or estimated cost, whichever is greater, of the work remaining to be done. The remainder, less all previous payments and deductions, will then be certified for payment to the Contractor.

Prompt Payment Monitoring for DBEs and Non-DBEs

The Sponsor clearly understands and acknowledges that reliance on complaints or notifications from subcontractors about a contractor's failure to comply with prompt payment and retainage requirements is not a sufficient monitoring and oversight mechanism. Therefore, the Sponsor undertakes proactive monitoring and oversight of prime contractors' compliance with subcontractor prompt payment and return of retainage requirements of 49 CFR Part 26. Such monitoring activities will be accomplished through the following method(s):

The Sponsor requires prime contractors to maintain records and documents of payments to subcontractors, including DBEs, for a minimum of three (3) years unless otherwise provided by applicable record retention requirements for the Sponsor's financial assistance agreement, whichever is longer. These records will be made available for inspection upon request by any authorized representative of the Sponsor or DOT. This reporting requirement extends to all subcontractors, both DBE and non-DBE.

Consultant reviews submittals of records of payments made to subcontractors from prime contractors. Consultant proactively reviews contract payments to subcontractors including DBEs on a monthly basis. Payment reviews will evaluate whether the actual amount paid to DBE subcontractors is equivalent to the amounts reported to the Sponsor by the prime contractor.

Additionally, the Sponsor shall inform their consultant of the day when they make payment to the prime contractor. The consultant shall then notify the prime contractor and subcontractors via email that payment was made to the prime contractor. That email shall include information about the date the payment was made, a copy of the signed pay estimate, and notification that subcontractors should expect their payments within 30 days. If any subcontractors do not receive payment within 30 days, they shall promptly notify the Sponsor and their consultant. Details of the payments and dates shall be tracked by the consultant on an Excel spreadsheet.

Prompt Payment Dispute Resolution

The Sponsor will take the following steps to resolve disputes as to whether timely prompt payment and retainage releases are being made as required by § 26.29.

1. The subcontractor shall attempt to resolve the discrepancy with the prime contractor.
2. If the subcontractor is unable to resolve the discrepancy with the prime contractor, the subcontractor shall present and attempt to resolve the discrepancy with the Engineer.
3. If the subcontractor is unable to resolve the discrepancy after meeting with the prime contractor and the Engineer, the subcontractor shall present its complaint to the DBELO. In addition to the complaint, subcontractor shall provide documentation

stating their efforts to resolve the discrepancy with the prime contractor and Engineer.

4. If the subcontractor is unable to resolve the discrepancy through the DBELO the subcontractor shall contact the Airport Authority.

The Sponsor has established, as part of its DBE program, the following mechanism(s) to ensure prompt payment and return of retainage:

(1) Alternative dispute resolution (ADR)

- The Sponsor and complaining prime contractor or subcontractor agree that they shall first submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to prompt payment and return of retainage, or the breach thereof ("Disputes") to mediation. The Sponsor and complaining prime contractor or subcontractor agree to participate in the mediation process in good faith. The process shall be conducted on a confidential basis, and shall be completed within 120 days. If such mediation is unsuccessful in resolving a Dispute, the parties may seek to have the Dispute resolved through any legal proceeding or litigation, which shall solely be brought solely in Lake County Circuit Court for the Third Judicial District, Lake County, South Dakota. The parties hereby consent and agree that the Lake County Circuit Court for the Third Judicial District, Lake County, South Dakota, and said court shall have the sole and exclusive jurisdiction over any such proceeding unless said court lacks federal subject matter jurisdiction. If the Lake County Circuit Court for the Third Judicial District, Lake County, South Dakota lacks federal subject matter jurisdiction then the United States District Court for the District of South Dakota shall have the sole and exclusive jurisdiction over any such proceeding. The parties hereby waive any objection to jurisdiction or venue, and any defense claiming lack of jurisdiction or improper venue.

The following provisions shall apply to the mediation process:

- The parties agree to select a mediator from the Roster of Alternative Dispute Resolution Neutrals on file with the https://ujs.sd.gov/Resources/ProgramsServices.aspx
- The parties agree to split mediation costs evenly.
- The parties agree that any mediator selected shall agree to be bound by the Code of Mediation Ethics promulgated by the South Dakota Supreme Court.
- The parties agree that mediation shall take place in Madison, South Dakota unless otherwise agreed upon, in writing, by the Parties.

(2) A contract clause providing that the prime contractor will not be reimbursed for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed.

- The Sponsor shall withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of work, all or part of the wages required by the contract, the Sponsor may, after written notice to the contractor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

Prompt Payment Complaints

Complaints by subcontractors regarding the prompt payment requirements are handled according to the following procedure.

- If affected subcontractor is not comfortable contracting prime directly regarding payment or unable to resolve payment discrepancies with prime, subcontractor should contact DBELO to initiate complaint.
- If filing a prompt payment complaint with the DBELO does not result in timely and meaningful action by the Sponsor to resolve prompt payment disputes, affected subcontractor may contact the responsible **FAA** contact.
- Pursuant to Sec. 157 of the FAA Reauthorization Act of 2018, all complaints related to prompt payment will be reported in a format acceptable to the FAA, including the nature and origin of the complaint and its resolution.

Enforcement Actions for Noncompliance of Participants

The Sponsor provides appropriate means to enforce the requirements of § 26.29. These means include:

1. Breach of contract action, pursuant to the terms of the contract;
2. Breach of contract action, pursuant to South Dakota Statutes.

In addition, the Federal Government has available several enforcement mechanisms that it may apply to firms participating in the DBE program, including, but not limited to, the following:

1. Suspension or debarment proceedings pursuant to 49 CFR Part 26
2. Enforcement action pursuant to 49 CFR Part 31
3. Prosecution pursuant to 18 USC 1001

The Sponsor will actively implement the enforcement actions detailed above.

Section 26.31 Directory of Certified Firms

The Sponsor is a **non-certifying** member of the South Dakota Unified Certification Program (UCP). The UCP maintains a directory identifying all firms eligible to participate as DBEs and/or ACDBEs, and it contains all the elements required by §26.31. The directory lists all firms eligible to participate as a DBE and/or ACDBE in the program. In the listing for each firm, the UCP directory includes the following details about the firm:

- Business address
- Business phone number
- Firm website(s)
- The types of work the firm has been certified to perform as a DBE and/or ACDBE.
- The type of work a DBE and/or ACDBE is eligible to perform is listed by using the most specific NAICS code available to describe each type of work the firm performs. Pursuant to § 26.81(n)(1) and (3), the UCP directory allows for NAICS codes to be supplemented with specific descriptions of the type(s) of work the firm performs.
- The UCP directory may include additional data fields of other items readily verifiable in State or locally maintained databases, such as State licenses held, Pre-qualifications, and Bonding capacity.
- The UCP directory is an online system that permits the public to search and/or filter for DBEs by:
  1. Physical location
  2. NAICS code(s)
  3. Work descriptions
  4. All additional data fields of readily verifiable optional information described above.

The directory includes a prominently displayed disclaimer that states the information within the directory is not a guarantee of the DBE's capacity and ability to perform work.

Section 26.33 Over-concentration

The Sponsor has not identified that over-concentration exists in the types of work that DBEs perform.

Section 26.35 Business Development and Mentor-Protégé Programs

The Sponsor has not established a Business Development Program or a Mentor-Protégé Program as described by 49 CFR Part 26.

Section 26.37 Monitoring Responsibilities

The Sponsor implements and carries out appropriate mechanisms to ensure compliance with 49 CFR Part 26 program requirements by all program participants, and describes and sets forth these mechanisms in this DBE program.

The Sponsor actively monitors attainment toward overall goals by maintaining a running total that provides for a monthly comparison of cumulative DBE awards/commitments to DOT-assisted prime contract awards to determine whether our implementation of contract goals is projected to be sufficient to meet the annual goal. The running tally for overall goal monitoring will be maintained by the Consultant; the Consultant will collect quarterly records of payments made to subcontractors by Prime contractors on a PDF form. The Consultant will also request a final record totaling subcontractor payments at the close of the project. This mechanism of maintaining a running tally of overall goal attainment will be used to inform the Sponsor's decisions to implement goals on contracts to be advertised, according to our established contract goal-setting process.

The Sponsor's consultant actively monitors participation with respect to each DBE commitment by using an Excel spreadsheet that provides for a monthly comparison of payments made to each listed DBE relative to the progress of work, including payments for such work to the prime contractor. The Excel spreadsheet tallies for contract goal monitoring will be maintained by comparing the prime contractor records of payments made to subcontractors in relation to work awarded on subcontracts. These contract-specific running tallies will be used to determine whether the contractor is on track with meeting its DBE commitment and whether any projected shortfall exists that requires the prime contractor's good faith efforts to address to meet the contract goal pursuant to § 26.53(g).

Monitoring Contracts and Work Sites

The Sponsor reviews contracting records and engages in active monitoring of work sites to ensure that work committed to DBEs at contract award or subsequently (*e.g.,* as the result of modification to the contract) is actually performed by the DBEs to which the work was committed, and such work is counted according to the requirements of § 26.55. Work site monitoring for counting and commercially useful function review is performed by the Consultant. The monitoring of work sites to assess commercially useful functions will include interviews with staff members and supervisors at the job site, photographic documentation of people and equipment performing the work, reviews of invoices and supply payments, vehicle and equipment ownership or lease verification (such as registration or lease agreements), and any other supporting documents necessary to determine the business is performing a commercially useful function.

Contracting records are reviewed by the Consultant. The Sponsor will require prime contractors provide copies of subcontracts for review. Reviews of contracting records will include verifying mandatory contract language is included in prime and subcontracts, verifying prohibited terms and conditions are not present, and to confirm the type and amount of work described in a subcontract aligns with representations made by the prime and subcontractor in any related letters of intent. The Sponsor will maintain written certification that contracting records have been reviewed and work sites have been monitored to ensure the counting of each DBE's participation is consistent with its function on the contract.

Section 26.39 Fostering Small Business Participation

The Sponsor has created a Small Business element to structure contracting requirements to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.

The small business element is incorporated as Attachment **10** to this DBE Program. The program elements will be actively implemented to foster small business participation. The Sponsor acknowledges that implementation of the small business element is required for us to be considered by DOT as implementing our DBE program in good faith.

GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 26.43 Set-asides or Quotas

The Sponsor does not use quotas or race-conscious set-asides in any way in the administration of this DBE program.

Section 26.45 Overall Goals

The Sponsor will establish an overall DBE goal covering a three-year federal fiscal year period if it anticipates awarding DOT-funded prime contracts the cumulative total value of which exceeds $250,000 in DOT funds during any one or more of the reporting fiscal years within the three-year goal period. In accordance with §26.45(f), the Sponsor will submit its Overall Three-year DBE Goal to **FAA** by August 1st of the year in which the goal is due, as required by the schedule established by **FAA**.

The DBE goals will be established in accordance with the 2-step process as specified in 49 CFR Part 26.45. If the Sponsor does not anticipate awarding prime contracts the cumulative total value of which exceeds $250,000 in DOT funds during any of the years within the three-year reporting period, an overall goal will not be developed. However, this DBE Program will remain in effect and the Sponsor will seek to fulfill the objectives outlined in 49 CFR Part 26.1.

Step 1. The first step is to determine a base figure for the relative availability of DBEs in the market area. The Sponsor will use **DBE Directory information and Census Bureau data** as a method to determine the base figure. The Sponsor understands that the exclusive use of a list of prequalified contractors or plan holders, or a bidders list that does not comply with the requirements of 49 CFR Part 26.45(c)(2), is not an acceptable alternative means of determining the availability of DBEs.

Step 2. The second step is to adjust, if necessary, the "base figure" percentage from Step 1 so that it reflects as accurately as possible the DBE participation the recipient would expect in the absence of discrimination. Adjustments may be made based on past participation, information from a disparity study (to the extent it is not already accounted for in the base goal), and/or information about barriers to entry to past competitiveness of DBEs on contracts.

The Sponsor will examine all of the evidence available in its jurisdiction to determine what adjustment, if any, is needed. If the evidence does not suggest an adjustment is necessary, then no adjustment shall be made.

Any methodology selected will be based on demonstrable evidence of local market conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of DBEs in the Sponsor's market.

In establishing the overall goal, the Sponsor will provide for consultation and publication. This includes consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the efforts by the Sponsor to establish a level playing field for the participation of DBEs. The consultation will include a scheduled, direct, interactive exchange (e.g., a face-to-face meeting, video conference, teleconference) with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and it will occur before the Sponsor is required to submit the goal methodology to the operating administration for review pursuant to §26.45(f). The goal submission will document the consultation process in which the Sponsor engaged. Notwithstanding paragraph (f)(4) of §26.45, the proposed goal will not be implemented until this requirement is met.

In addition to the consultation described above, the Sponsor will publish a notice announcing the proposed overall goal before submission to the **FAA** on August 1st. The notice will be posted on the Sponsor's official internet web site and may be posted in other sources (e.g., minority-focused media, trade association publications). If the proposed goal changes following review by **FAA** the revised goal will be posted on the Sponsor's official internet web site.

The public will also be informed that the proposed overall goal and its rationale are available for inspection during normal business hours at the principal office of the Sponsor. This notice will provide that the Sponsor will accept comments on the goals for 30 days from the date of the notice. Notice of the comment period will include the addresses to which comments may be sent (including offices and websites) and the location(s) where the proposed goal may be reviewed. **The public comment period will not extend the August 1st deadline.**

The Overall Three-Year DBE Goal submission to **FAA** will include any information and comments received, who provided the comment, and how Sponsor considered and responded to any comments and information received before finalizing the goal.

The Sponsor will begin using the overall goal on October 1 of the relevant period, unless other instructions from **FAA** have been received.

<u>Project Goals</u>
If permitted or required by the **FAA,** an overall goal may be expressed as a percentage of funds for a particular grant or project or group of grants and/or projects, including entire projects. Like other overall goals, a project goal may be adjusted to reflect changed circumstances, with the concurrence of the appropriate operating administration.
A project goal is an overall goal, and it must meet all the substantive and procedural requirements pertaining to overall goals. A project goal covers the entire length of the project to which it applies. The project goal will include a projection of the DBE participation anticipated to be obtained during each fiscal year covered by the project goal. The funds for the project to which the project goal pertains are separated from the base from which the regular overall goal, applicable to contracts not part of the project covered by a project goal, is calculated.

<u>Prior Operating Administration Concurrence</u>
The Sponsor understands that prior **FAA** concurrence with the overall goal is not required. However, if the **FAA** review suggests that the overall goal has not been correctly calculated or that the method employed by **FAA** for calculating goals is inadequate, **FAA** may, after consulting with the Sponsor, adjust the overall goal or require that the goal be adjusted by the Sponsor. The adjusted overall goal is binding. In evaluating the adequacy or soundness of the methodology used to derive the overall goal, the U.S. DOT operating administration will be guided by the goal setting principles and best practices identified by the Department in guidance issued pursuant to § 26.9.

A description of the methodology to calculate the overall goal and the goal calculations can be found in Attachment **5** to this program.

Section 26.47 Failure to meet overall goals

The Sponsor cannot be penalized, or treated by the Department as being in noncompliance with Part 26, because DBE participation falls short of an overall goal, unless the Sponsor fails to administer its DBE program in good faith.

The Sponsor understands that to be considered to be in compliance with this part, an approved DBE Program and overall DBE goal, if applicable, must be maintained, and this DBE Program must be administered in good faith.

The Sponsor understands that if the awards and commitments shown on the Uniform Report of Awards or Commitments and Payments at the end of any fiscal year are less than the overall goal applicable to that fiscal year, the following actions must be taken in order to be regarded by the Department as implementing this DBE Program in good faith:

(1) Analyze in detail the reasons for the difference between the overall goal and the awards and commitments in that fiscal year;

(2) Establish specific steps and milestones to correct the problems identified in the analysis to enable the goal for the new fiscal year to be fully met;

(3) The Sponsor will prepare, within 90 days of the end of the fiscal year, the analysis and corrective actions developed under paragraph (c)(1) and (2) of this section. We will retain copy of analysis and corrective actions in records for a minimum of three years and will make it available to **FAA** upon request.

Section 26.51 Means Recipients Use to Meet Overall Goals

Breakout of Estimated Race-Neutral & Race-Conscious Participation

The Sponsor will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating race-neutral DBE participation. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does not carry a DBE contract goal.

Race-neutral means include, but are not limited to the following:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39.
2. Providing assistance in overcoming limitations such as inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBEs, and other small businesses, obtain bonding and financing);
3. Providing technical assistance and other services;

4. Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);
5. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. Providing services to help DBEs, and other small businesses, improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
7. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
8. Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors; and
9. Assisting DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.

The breakout of estimated race-neutral and race-conscious participation can be found in Attachment **5** to this program.

The Sponsor will arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39.

Contract Goals

If the approved projection under paragraph (c) of §26.51 estimates that the entire overall goal for a given year can be met through race-neutral means, contract goals will not be set during that year, unless the use of contract goals becomes necessary in order meet the overall goal.

Contract goals will be established only on those DOT-assisted contracts that have subcontracting possibilities. A contract goal need not be established on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

Contract goals will be expressed as a percentage of the Federal share of a DOT-assisted contract.

Section 26.53 Good Faith Efforts Procedures in Situations where there are Contract Goals

Demonstration of good faith efforts (pre-award)

In cases where a contract goal has been established, the contract in question will only be awarded to a bidder/offeror that has made good faith efforts to meet the contract goal. The bidder/offeror can demonstrate that it has made good faith efforts by either meeting the contract goal or documenting that it has made adequate good faith efforts to do so. Examples of good faith efforts are found in Appendix A to Part 26.

DBELO is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as **Responsible**.

The Sponsor will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before committing to the performance of the contract by the bidder/offeror.

In all solicitations for DOT-assisted contracts for which a contract goal has been established, the following information will be required of every bidder/offeror:

(1) Award of the contract will be conditioned on meeting the requirements of this section;

(2) All bidders or offerors will be required to submit the following information to the recipient, at the time provided in paragraph (3) of this section:
  a. The names and addresses of DBE firms that will participate in the contract;
  b. A description of the work that each DBE will perform. To count toward meeting a goal, each DBE firm must be certified in a NAICS code applicable to the kind of work the firm would perform on the contract;
  c. The dollar amount of the participation of each DBE firm participating;
  d. Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet a contract goal; and
  e. Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment. Each DBE listed to perform work as a regular dealer or distributor must confirm its participation according to the requirements of § 26.53 (c)(1).
  f. If the contract goal is not met, evidence of good faith efforts (as elaborated in Appendix A of Part 26). The documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract;

(3) The bidder/offeror will be required to present the information stipulated in paragraph (2) of this section:

(4) No later than 5 days after bid opening as a matter of **responsibility**.

Provided that, in a negotiated procurement, such as a procurement for professional services, the bidder/offeror may make a contractually binding commitment to meet the goal at the time of bid submission or the presentation of initial proposals but provide the information required by paragraph (b)(2) of this section before the final selection for the contract is made by the Sponsor. This paragraph (b)(3)(ii) does not apply to a design-build procurement, which must follow the provisions in paragraph (e) of 49 CFR § 26.53.

For each DBE listed as a regular dealer or distributor the Sponsor will make a preliminary counting determination to assess its eligibility for 60 or 40 percent credit, respectively, of the cost of materials and supplies based on its demonstrated capacity and intent to perform as a regular dealer or distributor, as defined in §§ 26.55(e)(2)(iv)(A), (B), (C), and (3) under the contract at issue. The preliminary determination will be made based on the DBE's written responses to relevant questions and its affirmation that its subsequent performance of a commercially useful function will be consistent with the preliminary counting of such participation. Where the DBE supplier does not affirm that its participation will meet the specific requirements of either a regular dealer or distributor, the Sponsor will make appropriate adjustments in counting such participation toward the bidder's good faith efforts to meet the contract goal. The bidder is responsible for verifying that the information provided by the DBE supplier is consistent with the counting of such participation toward the contract goal.

In a design-build contracting situation, in which the Sponsor solicits proposals to design and build a project with minimal project details at time of letting, the Sponsor may set a DBE goal that proposers must meet by submitting a DBE Open-Ended DBE Performance Plan (OEPP) with the proposal. The OEPP replaces the requirement to provide the information required in paragraph (b) of § 26.53(b). To be considered responsive, the OEPP must include a commitment to meet the goal and provide details of the types of subcontracting work or services (with projected dollar amounts) that the proposer will solicit DBEs to perform. The OEPP must include an estimated time frame in which actual DBE subcontracts would be executed. Once the design-build contract is awarded, the Sponsor will provide ongoing monitoring and oversight to evaluate whether the design-builder is using good faith efforts to comply with the OEPP and schedule. The Sponsor and the design-builder may agree to make written revisions of the OEPP throughout the life of the project, e.g., replacing the type of work items the design-builder will solicit DBEs to perform and/or adjusting the proposed schedule, as long as the design-builder continues to use good faith efforts to meet the goal.

The Sponsor will apply the requirements of this section to DBE bidders/offerors for prime contracts.
In determining whether a DBE bidder/offeror for a prime contract has met a contract goal, the Sponsor **will count** the work the DBE has committed to performing with its own forces as well as the work that it has committed to be performed by DBE subcontractors and DBE suppliers.

Administrative Reconsideration of Good Faith Efforts determinations
Within **5** days of being informed by the Sponsor that it is **not responsible** because it has not documented adequate good faith efforts, a bidder/offeror may request administrative reconsideration. Bidder/offerors should make this request in writing to the following reconsideration official:

David Jencks
Attorney
121 N. Egan Avenue
Madison, SD 57042
605-256-0121
davidjencks@jenckslaw.com

The reconsideration official will not have played any role in the original determination that the bidder/offeror did not document sufficient good faith efforts.

As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether the goal was met or the bidder/offeror made adequate good faith efforts to do. The bidder/offeror will be sent a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transportation.

Good Faith Efforts procedural requirements (post-solicitation/award)
The Sponsor will include in each prime contract the contract clause required by § 26.13(b) stating that failure by the contractor to carry out the requirements of this part is a material breach of the contract and may result in the termination of the contract or such other remedies set forth in that section that the Sponsor deems appropriate if the prime contractor fails to comply with the requirements of this section.

The Sponsor will require the awarded contractor to make available upon request a copy of all DBE subcontracts. The contractor shall ensure that all subcontracts or agreements with DBEs to supply labor or materials include all required contract provisions and mandate that the subcontractor and all lower tier subcontractors perform in accordance with the provisions of Part 26.

The Sponsor will require that a prime contractor not terminate a DBE or any portion of its work listed in response to § 26.53(b)(2) (or an approved substitute DBE firm per § 26.53(g)) without our prior written consent, unless the Sponsor causes the termination or reduction. A termination includes any reduction or underrun in work listed for a DBE not caused by a material change to the prime contract by the recipient.
This requirement applies to instances that include but are not limited to: when a prime contractor seeks to perform work originally designed for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.
The Sponsor will include in each prime contract a provision stating that:

(1) The contractor must utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains the Sponsor's written consent as provided in § 26.53(f); and
(2) Unless the Sponsor's consent is provided under § 26.53(f), the prime contractor must not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

The Sponsor may provide such written consent only if it agrees, for reasons stated in our concurrence document, that the prime contractor has good cause to terminate the listed DBE or any portion of its work.

Good cause does not exist if the prime contractor seeks to terminate a DBE or any portion of its work that is relied upon to obtain the contract so that the prime contractor can self-perform the work for which the DBE contractor was engaged, or so that he prime contractor can substitute another DBE or non-DBE contractor after contract award. For purposes of § 26.53(f)(3), good cause includes the following circumstances:

(1) The listed DBE subcontractor fails or refuses to execute a written contract;
(2) The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided, however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor;
(3) The listed DBE subcontractor fails or refuses to meet the prime contractor's reasonable, nondiscriminatory bond requirements;

(4) The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit worthiness;
(5) The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant to 2 CFR parts 180, 215, and 1200 or applicable state law;
(6) The Sponsor has determined that the listed DBE subcontractor is not a responsible contractor;
(7) The listed DBE subcontractor voluntarily withdraws from the project and provides to the Sponsor written notice of its withdrawal;
(8) The listed DBE is ineligible to receive DBE credit for the type of work required;
(9) A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract; and
(10) Other documented good cause that Sponsor determines compels the termination of the DBE subcontractor;

Before transmitting to the Sponsor the request to terminate a DBE subcontractor or any portion of its work, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to the Sponsor sent concurrently, of its intent to request to terminate and the reason for the proposed request.

The prime contractor’s written notice must give the DBE five (5) days to respond, advising the Sponsor and the prime contractor of the reasons, if any, why it objects to the proposed termination of its subcontract or portion thereof and why the Sponsor should not approve the prime contractor’s request. If required in a particular case as a matter of public necessity (e.g., safety), the Sponsor may provide a response period shorter than five (5) days.

In addition to post-award terminations, the provisions of this section apply to pre-award deletions or changes to DBEs or their listed work put forward by offerors in negotiated procurements.

When a DBE subcontractor or a portion of its work is terminated by the prime contractor as provided in § 26.53(f), or if work committed to a DBE is reduced due to overestimations made prior to award, the prime contractor must use good faith efforts to include additional DBE participation to the extent needed to meet the contract goal. The good faith efforts shall be documented by the contractor. If the Sponsor requests documentation under this provision, the contractor shall submit the documentation within seven (7) days, which may be extended for an additional seven (7) days, if necessary, at the request of the contractor. The Sponsor shall provide a written determination to the contractor stating whether or not good faith efforts have been demonstrated.

Section 26.55 Counting DBE Participation

DBE participation will be counted toward overall and contract goals as provided in § 26.55. The participation of a DBE subcontractor will not be counted toward a contractor’s final compliance with its DBE obligations on a contract until the amount being counted has actually been paid to the DBE.

In the case of post-award substitutions or additions, if a firm is not currently certified as a DBE in accordance with the standards of subpart D of this part at the time of the execution of the contract, the firm's participation will not be counted toward any DBE goals, except as provided for in § 26.87(j).

For FAA-funded projects **only**, firms that exceed the business size standard in § 26.65(b) will remain eligible for DBE certification and may be counted for DBE credit toward overall and contract goals on FAA-funded projects as long as they do not exceed the small business size standard, as adjusted by the United States Small Business Administration, for the NAICS code(s) in which they are certified.

CERTIFICATION STANDARDS

Section 26.61 – 26.73 Certification Process

The Sponsor is a **non-certifying member** of the South Dakota Unified Certification Program (UCP) and relies upon the UCP's determinations of certification eligibility. The South Dakota UCP will use the certification standards of Subpart D of Part 26 to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. Certifying South Dakota UCP members make all certification decisions based on the facts as a whole.

For information about the certification process or to apply for certification, firms should contact:

Kyle Watkins
DBE Program Coordinator
SD Department of Transportation
700 E. Broadway
Pierre, SD 57501
Ph. (605) 773-4906
Fax (605) 773-2893
https://dot.sd.gov/doing-business/contractors/dbe#listItemLink_1529

The Uniform Certification Application form, Personal Net Worth statement, and documentation requirements can be reviewed at https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/ready-apply.

CERTIFICATION PROCEDURES

Any procedures included here are highlights only. Detailed certification procedures are enumerated in the full South Dakota UCP agreement. The full UCP agreement can be found at: https://dot.sd.gov/media/245acde7/UCPCoverandProgram.pdf

Section 26.81 Unified Certification Programs

The Sponsor is a member of a Unified Certification Program (UCP) administered by the South Dakota Department of Transportation (SDDOT). The UCP will meet all certification standards and procedures requirements of Subparts D and E of Part 26.

Section 26.91 Actions Following DOT Certification Appeal Decisions

If the Sponsor is a certifier to which a DOT determination under § 26.89 is applicable, we will take any and all required action(s) pursuant to § 26.91.

SUBPART F – COMPLIANCE AND ENFORCEMENT

Section 26.101 Compliance Procedures Applicable to the Sponsor

The Sponsor understands that if it fails to comply with any requirement of this part, the Sponsor may be subject to formal enforcement action under § 26.103 or § 26.105 or appropriate program sanctions by the concerned operating administration, such as the suspension or termination of Federal funds, or refusal to approve projects, grants or contracts until deficiencies are remedied. Program sanctions may include, in the case of the FHWA program, actions provided for under 23 CFR 1.36; in the case of the FAA program, actions consistent with 49 U.S.C. 47106(d), 47111(d), and 47122; and in the case of the FTA program, any actions permitted under 49 U.S.C. chapter 53 or applicable FTA program requirements.

The Sponsor understands that, as provided in statute, it will not be subject to compliance actions or sanctions for failing to carry out any requirement of this part because it has been prevented from complying because a Federal court has issued a final order in which the court found that the requirement is unconstitutional.

Section 26.103 Enforcement Actions Applicable to FHWA and FTA Programs

The provisions of this section apply to enforcement actions under FHWA and FTA programs. **ONLY** paragraph (2) of this section is also applicable in FAA programs.

(1) ***Noncompliance complaints.*** Any person who believes that a recipient has failed to comply with its obligations under this part may file a written complaint with the concerned operating administration's Office of Civil Rights. A complaint must be filed no later than 180 days after the date of the alleged violation or the date on which the complainant learned of a continuing course of conduct in violation of this part. In response to a complainant's written request, the Office of Civil Rights may extend the time for filing in the interest of justice, specifying in writing the reason for so doing. The Office of Civil Rights may protect the confidentiality of a complainant's identity as provided in § 26.109(b). Complaints under this part are limited to allegations of violation of the provisions of this part.

(2) ***Compliance reviews.*** The concerned operating administration may review the recipient's compliance with this part at any time, including reviews of paperwork and on-site reviews, as appropriate. The Office of Civil Rights may direct the operating administration to initiate a compliance review based on complaints received.

(3) ***Reasonable cause notice.*** If it appears, from the investigation of a complaint or the results of a compliance review, that the Sponsor is in noncompliance with part 26, the appropriate DOT office will promptly send the Sponsor, return receipt requested, a written notice advising that there is reasonable cause to find the Sponsor in noncompliance. The notice states the reasons for this finding and directs the Sponsor to reply within 30 days concerning whether you wish to begin conciliation.

(4) ***Conciliation.***

a. If the Sponsor requests conciliation, the appropriate DOT office shall pursue conciliation for at least 30, but not more than 120, days from the date of the request. The appropriate DOT office may extend the conciliation period for up to 30 days for good cause, consistent with applicable statutes.
b. If the Sponsor and the appropriate DOT office sign a conciliation agreement, then the matter is regarded as closed and the Sponsor is regarded as complying. The conciliation agreement sets forth the measures the Sponsor has taken or will take to ensure compliance. While a conciliation agreement is in effect, the Sponsor remains eligible for FHWA or FTA financial assistance.
c. The concerned operating administration shall monitor the implementation of the conciliation agreement and ensure that its terms are complied with. If the Sponsor fails to carry out the terms of a conciliation agreement, the Sponsor is in noncompliance.
d. If the Sponsor does not request conciliation, or a conciliation agreement is not signed within the time provided earlier in this section, then enforcement proceedings begin.

(5) ***Enforcement actions.***
a. Enforcement actions are taken as provided in this subpart.
b. Applicable findings in enforcement proceedings are binding on all DOT offices.

Section 26.105 Enforcement Actions Applicable to FAA Programs

Compliance with all requirements of this part by airport Sponsors and other recipients of FAA financial assistance is enforced through the procedures of Title 49 of the United States Code, including 49 U.S.C. 47106(d), 47111(d), and 47122, and regulations implementing them.

The provisions of § 26.103(b) and this section apply to enforcement actions in FAA programs.

Any person who knows of a violation of this part by a recipient of FAA funds may file a complaint under 14 CFR part 16 with the Federal Aviation Administration Office of Chief Counsel.

Section 26.107 Enforcement Actions Applicable to Participating Firms

If a firm that does not meet the eligibility criteria of subpart D of this part attempts to participate in a DOT-assisted program as a DBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, the Department may initiate suspension or debarment proceedings against the firm under 2 CFR parts 180 and 1200.

If a firm, in order to meet DBE contract goals or other DBE program requirements, uses or attempts to use, on the basis of false, fraudulent or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, another firm that does not meet the eligibility criteria of subpart D of this part, the Department may initiate suspension or debarment proceedings against you under 2 CFR parts 180 and 1200.

In a suspension or debarment proceeding brought under paragraph (a) or (b) of this section, the concerned operating administration may consider the fact that a purported DBE has been certified by a recipient. Such certification does not preclude the Department from determining that the purported DBE, or another firm that has used or attempted to use it to meet DBE goals, should be suspended or debarred.

The Department may take enforcement action under 49 CFR Part 31, Program Fraud and Civil Remedies, against any participant in the DBE program whose conduct is subject to such action under 49 CFR part 31.

The Department may refer to the Department of Justice, for prosecution under 18 U.S.C. 1001 or other applicable provisions of law, any person who makes a false or fraudulent statement in connection with participation of a DBE in any DOT-assisted program or otherwise violates applicable Federal statutes.

Section 26.109 Confidentiality, Cooperation, and Intimidation or Retaliation

In responding to requests for information concerning any aspect of the DBE program, the Department complies with provisions of the Federal Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a). The Department may make available to the public any information concerning the DBE program release of which is not prohibited by Federal law.

Notwithstanding any provision of Federal or state law, information that may reasonably be construed as confidential business information will not be released to any third party without the written consent of the firm that submitted the information, including applications for DBE certification and supporting information. However, this information will be transmitted to DOT in any certification appeal proceeding under § 26.89 or to any other state to which the individual's firm has applied for certification under § 26.85.

All participants in the Department's DBE program (including, but not limited to, recipients, DBE firms and applicants for DBE certification, complainants and appellants, and contractors using DBE firms to meet contract goals) are required to cooperate fully and promptly with DOT and recipient compliance reviews, certification reviews, investigations, and other requests for information. Failure to do so shall be a ground for appropriate action against the party involved (e.g., with respect to recipients, a finding of noncompliance; with respect to DBE firms, denial of certification or removal of eligibility and/or suspension and debarment; with respect to a complainant or appellant, dismissal of the complaint or appeal; with respect to a contractor which uses DBE firms to meet goals, findings of non-responsibility for future contracts and/or suspension and debarment).

The Sponsor, contractor, or any other participant in the program will not intimidate, threaten, coerce, or discriminate against any individual or firm for the purpose of interfering with any right or privilege secured by this part or because the individual or firm has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this part. The Sponsor understands that it is in noncompliance with Part 26 if it violates this prohibition.

ATTACHMENTS

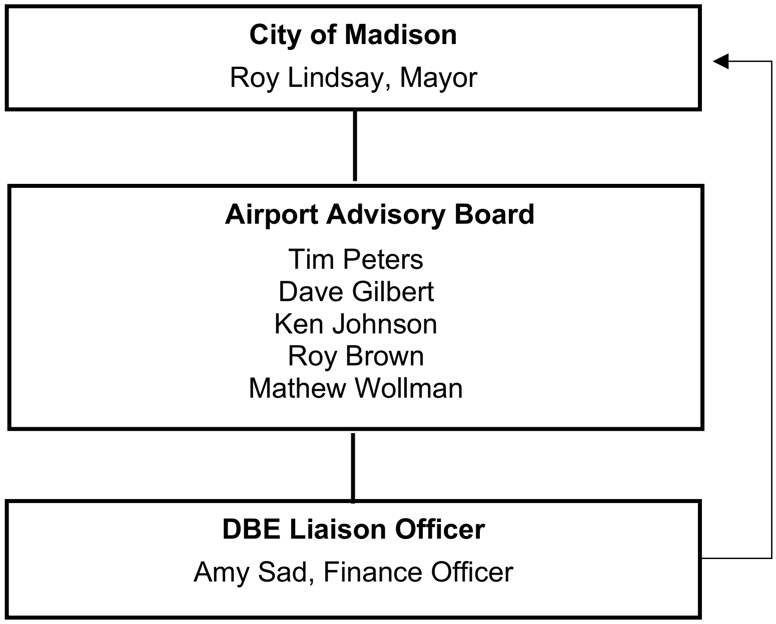
ATTACHMENT 1

DBE program regulations are codified in Title 49 of the Code of Federal Regulations, Part 26. They can be retrieved using the following link to the Electronic Code of Federal Regulations:

https://www.ecfr.gov/current/title-49/subtitle-A/part-26

ATTACHMENT 2

ORGANIZATIONAL CHART



ATTACHMENT 3

BIDDERS LIST COLLECTION FORM

DBE Form B

List of Businesses That Submitted Quotes

Submit a completed copy of this form with the bid proposal.

Owner	
Project Name	
Contractor	Phone
AIP No.	Bid Opening Date

Prime Bidder Name of Business	Contact Person	Telephone Number
Mailing or Email Address		Type of Work
DBE ☐Yes ☐No	Will be used on the job ☐Yes ☐No	
NAICS Code(s) for work quoted (https://www.census.gov/naics/)		
Age of Bidder ☐ Less than 1 year ☐ 1- 3 years ☐ 4-7 years ☐ 8-10 years ☐ More than 10 years	Race/Sex of Majority Owner ☐ Black American ☐ Hispanic American ☐ Native American ☐ Asian-Pacific American ☐ Subcontinent Asian American ☐ Other ☐ Male ☐ Female	Annual Gross Receipts ☐ Less than $500K ☐ $500K - $1 million ☐ $1-2 million ☐ $2-5 million ☐ Greater than $5 million

List all firms that submitted quotes from all tiers of subcontracting.

Copies of all DBE and non-DBE quotes must be retained for 60 days after the bid opening date, or until the project is awarded, and be provided upon request of the Engineer.

Name of Business	Contact Person	Telephone Number
Mailing or Email Address		Type of Work
DBE ☐Yes ☐No	Will be used on the job ☐Yes ☐No	
NAICS Code(s) for work quoted (https://www.census.gov/naics/)		
Age of Bidder ☐ Less than 1 year ☐ 1- 3 years ☐ 4-7 years ☐ 8-10 years ☐ More than 10 years	Race/Sex of Majority Owner ☐ Black American ☐ Hispanic American ☐ Native American ☐ Asian-Pacific American ☐ Subcontinent Asian American ☐ Other ☐ Male ☐ Female	Annual Gross Receipts ☐ Less than $500K ☐ $500K - $1 million ☐ $1-2 million ☐ $2-5 million ☐ Greater than $5 million
Name of Business	Contact Person	Telephone Number

Mailing or Email Address		Type of Work
DBE ☐Yes ☐No	Will be used on the job ☐Yes ☐No	
NAICS Code(s) for work quoted (https://www.census.gov/naics/)		
Age of Bidder ☐ Less than 1 year ☐ 1- 3 years ☐ 4-7 years ☐ 8-10 years ☐ More than 10 years	Race/Sex of Majority Owner ☐ Black American ☐ Hispanic American ☐ Native American ☐ Asian-Pacific American ☐ Subcontinent Asian American ☐ Other ☐ Male ☐ Female	Annual Gross Receipts ☐ Less than $500K ☐ $500K - $1 million ☐ $1-2 million ☐ $2-5 million ☐ Greater than $5 million

Name of Business	Contact Person	Telephone Number
Mailing or Email Address		Type of Work
DBE ☐Yes ☐No	Will be used on the job ☐Yes ☐No	
NAICS Code(s) for work quoted (https://www.census.gov/naics/)		
Age of Bidder ☐ Less than 1 year ☐ 1- 3 years ☐ 4-7 years ☐ 8-10 years ☐ More than 10 years	Race/Sex of Majority Owner ☐ Black American ☐ Hispanic American ☐ Native American ☐ Asian-Pacific American ☐ Subcontinent Asian American ☐ Other ☐ Male ☐ Female	Annual Gross Receipts ☐ Less than $500K ☐ $500K - $1 million ☐ $1-2 million ☐ $2-5 million ☐ Greater than $5 million

Name of Business	Contact Person	Telephone Number
Mailing or Email Address		Type of Work
DBE ☐Yes ☐No	Will be used on the job ☐Yes ☐No	
NAICS Code(s) for work quoted (https://www.census.gov/naics/)		
Age of Bidder ☐ Less than 1 year ☐ 1- 3 years ☐ 4-7 years ☐ 8-10 years ☐ More than 10 years	Race/Sex of Majority Owner ☐ Black American ☐ Hispanic American ☐ Native American ☐ Asian-Pacific American ☐ Subcontinent Asian American ☐ Other ☐ Male ☐ Female	Annual Gross Receipts ☐ Less than $500K ☐ $500K - $1 million ☐ $1-2 million ☐ $2-5 million ☐ Greater than $5 million

Use additional pages, following the same format, if necessary.

ATTACHMENT 4

The South Dakota UCP Directory may be found here:

https://apps.sd.gov/HC65bidletting/DBESearch.aspx

ATTACHMENT 5

ATTACHED/SUBMITTED SEPARATELY

Overall DBE Three-Year Goal Methodology

Name of Recipient: **City of Madison, owner of Madison Municipal Airport**

Goal Period: **FFY-2026-2028 – October 1, 2025 through September 30, 2027**

DOT-assisted contract amount:

	FY-2026	$347,000.00
	FY-2027	$90,000.00
	FY-2028	$1,190,000.00
Total		**$1,627,000.00**

Overall Three-Year Goal: 4.6%, to be accomplished through 4.6% RC and 0.0% RN

Total dollar amount to be expended on DBEs: $74,842.00

Describe the Number and Type of Contracts that the airport anticipates awarding:

Contracts Fiscal Year 2026

1. Airport Master Plan and ALP Update - $347,000

Contracts Fiscal Year 2027

1. Design - Holding Bays for Runway 15-33 - $90,000

Contracts Fiscal Year 2028

1. Construct - Holding Bays for Runway 15-33 - $1,100,00
2. Design - Connecting Taxiway - $90,000.00

Market Area: The market area must be identified as the area in which the substantial majority of the Airport's contractors and subcontractors that seek to do business with the Airport are located and the area in which the Airport spends the substantial majority of its contracting dollars. For the type of work proposed, this market area consists of surrounding counties in Iowa, Minnesota, Nebraska, North Dakota, and South Dakota within about 150-mile radius of the Madison Municipal Airport.

Step 1. Relative Availability of DBEs

The step 1 figure for the relative availability was calculated as follows:

Method: Use DBE Directories
https://apps.sd.gov/HC65bidletting/DBESearch.aspx,https://dotnd.diversitycompliance.com/, https://mnucp.metc.state.mn.us/, https://secure.iowadot.gov/DBE/Home/Index/, and https://dot.nebraska.gov/business-center/civil-rights/

and Census Bureau Data from **https://data.census.gov/cedsci/**

Weighted Availability of DBE firms:

Fiscal Year #1
For FY- **2026**, award of the following is anticipated:

Contract Name	Trade Description	NAICS Description	NAICS	Trade ($)	Census	Directory	DBE (%)	DBE ($) (= Trade $ x DBE %)
Airport Master Plan and ALP Update	*Aerial Surveying*	*Survey and Mapping (except geophysical) services*	*541370*	*$144,000*	*11*	*0*	*0%*	*0*
	Engineering	*Engineering (general)*	*541330*	*$203,000*	*119*	*0*	*0%*	*0*
Total Airport Master Plan and ALP Update				*$347,000*			***0%***	***$0***
Total FY-2026				***$347,000***				***$0 (0%)***

Fiscal Year #2
For FY- **2027**, award of the following is anticipated:

Contract Name	Trade Description	NAICS Description	NAICS	Trade ($)	Census	Directory	DBE (%)	DBE ($) (= Trade $ x DBE %)
Design - Holding Bays for Runway 15-33	*Engineering*	*Engineering (general)*	*541330*	*$80,000*	*119*	*0*	*0%*	*0*
	Topographic Surveying and Mapping	*Topographic Surveying and Mapping (except geophysical) services*	*541370*	*$10,000*	*11*	*0*	*0%*	*0*
Total Design - Holding Bays for Runway 15-33							***0%***	***$0***
Total FY-2027				***$90,000***				***$0 (0%)***

Fiscal Year #3
For FY- **2028**, award of the following is anticipated:

Contract Name	Trade Description	NAICS Description	NAICS	Trade ($)	Census	Directory	DBE (%)	DBE ($) (= Trade $ x DBE %)
Construct - Holding Bays for Runway 15-33	*Excavation, earthmoving and land clearing*	*Site Preparation*	*238910*	*$125,000*	*321*	*1*	*0.31%*	*$388*
	General road construction and widening	*Highway, Street and Bridge Construction*	*237310*	*$435,000*	*74*	*10*	*13.51%*	*$58,769*
	Asphalt Paving	*Highway, Street and Bridge Construction*	*237310*	*$310,000*	*74*	*10*	*13.51%*	*$41,881*

Construct - Holding Bays for Runway 15-33	*Striping or pavement marking*	*Highway, Street and Bridge Construction*	*237310*	*$20,000*	*74*	*10*	*13.51%*	*$2,702*
	Electrical Work	*Electrical*	*238210*	*$50,000*	*552*	*1*	*0.18%*	*$388*
	Pipe Construction/ Culvert Replacement/ Riprap Installation	*Other Heavy and Civil Eng Construction*	*237990*	*$25,000*	*28*	*0*	*0%*	*0*
	Seeding/ Hydroseeding	*Landscaping Services*	*561730*	*$10,000*	*516*	*2*	*0.39%*	*$39*
	Flagging (traffic control)	*All Other Support Services*	*561990*	*$15,000*	*65*	*1*	*1.54%*	*$231*
	Construction Surveying	*Survey and Mapping (except geophysical) services*	*541370*	*$15,000*	*11*	*0*	*0%*	*0*
	Engineering	*Engineering (general)*	*541330*	*$95,000*	*119*	*0*	*0%*	*0*
Total Contract Construct - Holding Bays for Runway 15-33				***$1,100,000***			***9.46%***	***104,100***
Design - Connecting Taxiway	*Engineering*	*Engineering (general)*	*541330*	*$80,000*	*119*	*0*	*0%*	*0*
	Topographic Surveying and Mapping	*Topographic Surveying and Mapping (except geophysical) services*	*541370*	*$10,000*	*11*	*0*	*0%*	*0*
Total Contract Design - Connecting Taxiway				***$90,000***	***130***	***0***	***0%***	***0%***
Total FY-2028				***$1,190,000***			***8.74%***	***$104,100 (8.74%)***

- Sum of Weighted DBE Availability for ***FY2026-2029***: $104,100
- Sum of All Trades for ***FY2026-2029***: $1,190,000

Dividing the weighted DBE totals by the total estimate for all trades gives an initial DBE availability figure for the projects anticipated during the goal-setting period (This figure is expressed as a percentage and serves as the basis for the three-year overall goal.

Weighted DBE Goal at Step 1: 8.7%

Step 2: Adjustments to Step 1 base figure

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what, if any, adjustment to the base figure was needed in order to arrive at the overall goal.

Past History Participation

One piece of data used to determine the adjustment to the base figure was the median of historical DBE accomplishments, as follows:

FY	*Total Grant $ Amount*	*DBE Goals*			*Accomplishments*			*Type of work*
		RC	*RN*	*Total*	*RC*	*RN*	*Total*	
FY 20	*$96,000*	*2.1%*	*0.0%*	*2.1%*	*1.3%*	*0.0%*	*1.3%*	*Engineering*
FY 21	*$1,121,000*	*2.1%*	*0.0%*	*2.1%*	*0.5%*	*0.0%*	*0.5%*	*Expand (Construct) Apron*
FY 22	*$90,000 No goal/program*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Engineering*
FY 23	*$408,600/$346,298*	*3.4%*	*0.0%*	*3.4%*	*1.5%*	*0.0%*	*1.5%*	*Reconstruct Taxilane*
FY 24	*$56,800*	*3.4%*	*0.0%*	*3.4%*	*0.0%*	*0.0%*	*0.0%*	*Engineering*

Arranging this historical data from low to high, (0.0%, 0.0%, 0.5%, 1.3%, 1.5%) the median is 0.5%.

Step 1 Base averaged with historical median: (8.7% + 0.5%)/2 = 4.6%

To arrive at an overall goal, the Step 1 base figure was added to the Step 2 adjustment figure and the total was averaged, arriving at an overall goal of ***4.6%***. The Sponsor believes this adjusted goal accurately reflects DBE participation that can be achieved for the type(s) of work being awarded during this three-year period.

Furthermore, there are no relevant disparity studies applicable to the City of Madison's contracting program and market area.

Breakout of Estimated "Race and Sex Neutral" (RN) and "Race and Sex Conscious" (RC) Participation.

Sponsor will meet the maximum feasible portion of the overall goal by using RN means of facilitating DBE participation.

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates DBE, and other small businesses, participation;
2. Providing assistance in overcoming limitations such as inability to obtain bonding or financing;
3. Providing technical assistance and other services;
4. Carrying out information and communications programs on contracting procedures and specific contract opportunities;
5. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. Providing services to help DBEs and other small businesses improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
7. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
8. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;
9. Assist DBEs and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media; and

Sponsor estimates that in meeting the established overall goal of ***4.6%***, it will obtain 0.0% from RN participation and 4.6% through RC measures.

This breakout is based on:

> Sponsor does not have a history of DBE participation or over-achievement of goals to reference and expects to obtain its DBE participation through the use of DBE contract goals or a conscious effort to obtain DBE participation. Therefore, the entire goal of 4.8% is to be obtained through race-conscious participation.

Sponsor will monitor DBE participation on an ongoing basis during the goal period and adjust the estimated breakout of RN and RC DBE participation as needed.

PUBLIC PARTICIPATION

Consultation:

In establishing the overall goal, Sponsor provided for consultation and publication. This process included consultation with minority, women's, and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the City of Madison's efforts to establish a level playing field for the participation of DBEs. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and was conducted before the goal methodology was submitted to the operating administration for review. Details of the consultation process are as follows.

The consultation engaged in was a teleconference, which was held on July 14, 2025. No public comments were received during the course of the consultation.

A notice of the proposed goal was published on the Sponsor official website before the methodology was submitted to **FAA.** The notice can be found here: https://cityofmadisonsd.com/

Prior to the consultation, a notice was published in the Madison Daily Leader regarding the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the Sponsor offices for 30 days following the date of the notice, and informing the public that the Sponsor will accept comments on the goals for 30 days from the date of the notice.

If the proposed goal changes following review by **FAA,** the revised goal will be posted on Sponsor official website.

Notwithstanding paragraph (f)(4) of §26.45, Sponsor proposed goals will not be implemented until the stakeholder consultation requirement has been met.

PUBLIC NOTICE

Sponsor hereby announces its proposed Disadvantaged Business Enterprise (DBE) participation goal of **4.6**% for ***FAA***-funded contracts/agreements. Sponsor estimates that in meeting the established overall goal of ***4.6%***, it will obtain 0.0% from RN participation and 4.6% through RC measures. The proposed goal pertains to federal fiscal years ***2026*** through ***2028***. A ***teleconference*** will be held July 14, 2025 at 9:00 a.m. central standard time for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process.

Microsoft Teams meeting
Join on your computer, mobile app or room device
https://tinyurl.com/bdd47jnx

Join with a video conferencing device
webexsip@m.webex.com
Video ID: 115 252 208 6
https://tinyurl.com/mv654nhf

Or call in (audio only)
+1 701-526-4434,,468483141# United States, Fargo
Phone Conference ID: 468 483 141#

The proposed goal and its attendant methodology are available for inspection **between *8:00 a.m.*** and ***5:00 p.m.*** Monday through Friday at **City of Madison,** 503 S. Highland Avenue, Madison, SD 57042, for 30 days from the date of this publication.

Comments on the DBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

Amy Sad
Finance Officer
503 S. Highland Avenue
Madison, SD 57042
605-256-7502
Amy.Sad@cityofmadisonsd.com

ATTACHMENT 6

Demonstration of Good Faith Efforts - Forms 1, 2, and 3

FORM 1: DISADVANTAGED BUSINESS ENTERPRISE (DBE) UTILIZATION STATEMENT

All bidders shall submit to KLJ five (5) business days after bid opening.
Email: aviation.admin@kljeng.com Fax: 855-288-8055

Submit a completed copy of this form with the bid proposal.

The undersigned bidder/offeror has satisfied the requirements of the bid specifications in the following manner. *(Mark the appropriate box.)*

- ☐ Bidder/offeror has met the DBE contract goal
  The bidder/offeror is committed to a minimum of ________________________% DBE utilization on this contract.

- ☐ Bidder/offeror has not met the DBE contract goal
  The bidder/offeror is committed to a minimum of ____________________________% DBE utilization on this contract and has submitted documentation demonstrating good faith efforts (GFE).

The undersigned hereby further assures that the information included herein is true and correct and that the DBE firm or firms identified within the submitted Letter of Intent forms have agreed to perform a commercially useful function for the indicated work elements.

The undersigned further understand that no changes to this statement may be made without prior approval from the Owner and the Federal Aviation Administration.

____
Bidder's/Offerors Firm Legal Name

____
State Registration Number

____
Representative Name & Title

___________________________________ ___________________________
Representative Signature Date

DBE UTILIZATION SUMMARY

	Contract Amount		DBE Amount	Contract %
DBE Prime Contractor	$	x 1.00 =	$	%
DBE Subcontractor	$	x 1.00 =	$	%
Trucking	$	x 1.00 =	$	%
DBE Supplier				
Regular Dealer / Supplier	$	x 0.60 =	$	%
Broker	$	x 0.00 =	$	%
Distributor	$	x 0.40 =	$	%
Manufacturer	$	x 1.00 =	$	%
Total Amount DBE			$	%
DBE Goal			$	%

* If the total proposed DBE participation is less than the established DBE goal, Bidder must provide written documentation of the good faith efforts as required by 49 CFR Part 26. DBE participation percentage for bidding purposes will be based on total bid prices for all Schedules and Division, and all possible alternates that may be awarded.

FORM 2: LETTER OF INTENT

DBE Form C

Notification of Intent to Use

Submit a completed copy of this form with the Bid Proposal.

All bidders shall submit to this completed form to KLJ within five (5) business days after the bid opening.
Email: aviation.admin@kljeng.com Fax: 855-288-8055

1. **ALL** bidders shall submit an individual Form C for each DBE and non-DBE to be used on the project.
2. The Contractor and DBE or non-DBE shall both sign the form. Faxed, scanned, or photocopied signatures are acceptable. Form C applies to all tiers of subcontractors for DBE achievement credit to be given.
3. If Form C contains additional pages or attachments, both parties must sign each page or attachment.
4. Explain any difference between the information on Form A and Form C in the comments section below.
5. **This form is required for both DBE and Non-DBE subcontractors and suppliers.**

This form is not a contract and does not take the place of any contract. This form indicates that all DBEs listed on Form A will be used on the project.

AIP Number	
Bid Opening Date	

Prime Contractor Name	
Prime Contractor Address	
Prime Contractor Phone	
Prime Contractor Email	
Prime Contractor Authorized Representative Name & Title	

Intended Subcontractor Name	
Intended Subcontractor Address	
Intended Subcontractor Phone	
Intended Subcontractor Email	
Intended DBE / Non-DBE Status	☐ DBE ☐ Non-DBE
Intended Subcontractor Authorized Representative Name & Title	

Bid Item #	NAICS Code	Work Description (*For material suppliers only, indicate whether the DBE is a manufacturer or a regular dealer as defined by §26.55)*	(DBE) % of work to be done with own forces	Type of Work **	Approx. Quantity	Unit Costs	Amount
				☐Contractor ☐Trucking **DBE SUPPLIERS ☐Manufacturer ☐Regular Dealer / Supplier ☐Distributor ☐Broker			
				☐Contractor ☐Trucking **DBE SUPPLIERS ☐Manufacturer ☐Regular Dealer / Supplier ☐Distributor ☐Broker			
				☐Contractor ☐Trucking **DBE SUPPLIERS ☐Manufacturer ☐Regular Dealer / Supplier ☐Distributor ☐Broker			

Bid Item #	NAICS Code	Work Description (*For material suppliers only, indicate whether the DBE is a manufacturer or a regular dealer as defined by §26.55)*	(DBE) % of work to be done with own forces	Type of Work **	Approx. Quantity	Unit Costs	Amount
				☐Contractor ☐Trucking **DBE SUPPLIERS ☐Manufacturer ☐Regular Dealer / Supplier ☐Distributor ☐Broker			
				☐Contractor ☐Trucking **DBE SUPPLIERS ☐Manufacturer ☐Regular Dealer / Supplier ☐Distributor ☐Broker			
						Total	

**For DBE Suppliers only, state how the DBE will perform using one of the 4 available check boxes for DBE SUPPLIERS. Additional information on the definitions is available on DBE Supplier Definitions document in the Project Manual.

**For dealer/distributor/broker, OMB Control #2105-0586 – DBE Regular Dealer / Distributor Affirmation Form must be included. This form is included in the Project Manual.

Are there any agreements not addressed in your quote? ☐ Yes ☐ No If yes, explain:

For 1:1 DBE Trucking Participation

Non DBE Company Name	
Number of Trucks Provided	

Total Number of Trucks to Work on Project

DBE Owned / Operated Trucks		Non-DBE Match Trucks		Non-DBE Non-Match Trucks	
Number of Trucks	Total Dollar Amount	Number of Trucks	Total Dollar Amount	Number of Trucks	Total Dollar Amount

Any changes to this 1:1 DBE Trucking Commitment must be reported to the Engineer. (See DBE Trucking Companies document in the Project Manual.)

Total Number of Trucks		Total Dollar Amount	

Comments: Use the space below to explain any differences between the amounts, units, work descriptions, spec items, quantities and totals between those indicated on Form A as submitted with the bid proposal and this Form C.

☐ Women Owned Business
☐ Men Owned Business

	Total DBE Award Amount by Ethnicity		
	Female	Male	Total
Black American			
Hispanic American			
Native American			
Asian-Pacific American			
Subcontinent Asian American			
Non-Minority			
Total			

The undersigned bidder/offeror is committed to utilizing the above-named DBE / Non-DBE firm for the work described above. The total expected dollar value of this work is $ ______________________. The bidder/offeror understands that if it is awarded the contract/agreement resulting from this procurement, it must enter into a subcontract with the DBE / Non-DBE firm identified above that is representative of the type and amount of work listed. Bidder/offeror understands that upon submitting this form, it may not substitute or terminate the DBE / Non-DBE listed above without following the procedures of 49 CFR Part 26, §26.53 and the DBE Replacement Good Faith Efforts.

Prime Contractor / Subcontractor Signature	Title	Date

The undersigned DBE / Non-DBE affirms that it is ready, willing, and able to perform the amount and type of work as described above. A firm designated as a DBE firm affirms that it is properly certified to be counted for DBE participation therefore.

Intended DBE / Non-DBE Signature	Title	Date

If the bidder/offeror does not receive award of the prime contract, any and all representations in this Notification of Intent to Use shall be null and void.

North American Industry Classification System (NAICS) code information can be found at https://www.naics.com/search/.

FORM 3: DBE REGULAR DEALER/DISTRIBUTOR AFFIRMATION FORM

OMB Approval Pending 04/17/2024

U.S. Department of Transportation

DBE Regular Dealer/Distributor Affirmation Form

Bidder Name:

Contract Name/Number:

Sections 26.53(c)(1) of Title 49 Code of Federal Regulations requires recipients to make a preliminary counting determination for each DBE listed as a regular dealer or distributor to assess its eligibility for 60 or 40 percent credit, respectively, of the cost of materials and supplies based on its demonstrated capacity and intent to perform as a regular dealer or distributor, as defined in section 26.55(e)(2)(iv)(A),(B),(C), and (3) under the contract at issue. The regulation requires the recipient's preliminary determination to be made based on the DBE's written responses to relevant questions and its affirmation that its subsequent performance of a commercially useful function will be consistent with the preliminary counting of such participation. The U.S. Department of Transportation is providing this form as a tool for recipients, prime contractors, regular dealers, and distributors to use to carry out their respective responsibilities under this regulation. The form may be used by each DBE supplier whose participation is submitted by a bidder for regular dealer or distributor credit on a federally-assisted contract with a DBE participation goal. The form may also be used by prime contractors in connection with DBE regular dealer or distributor participation submitted after a contract has been awarded provided such participation is subject to the recipient's prior evaluation and approval. If this form is used, it should be accompanied by the bidder's commitment, contract, or purchase order showing the materials the DBE regular dealer or distributor is supplying. Use of this tool is not mandatory. If a recipient chooses a different method for complying with Section 26.53(c)(1), it must include that method in its DBE Program Plan.
DISCLAIMER: This form has not yet received OMB/PRA approval and is subject to change. We are making it available for your voluntary use.

DBE Name:

Total Subcontract/Purchase Order Amount:

Authorized DBE Representative (Name and Title):

NAICS Code(s) Related to the Items to be Sold/Leased:

1. Will **all** items sold or leased be provided from the on-hand inventory at your establishment? ☐ **YES** ☐ **NO**

   (If "YES," you have indicated that your performance will satisfy the regular dealer requirements and may be counted at 60%. STOP here. Read and sign the affirmation below. If "NO" Continue.)

   a) Are you selling bulk items (e.g., petroleum products, steel, concrete, concrete products, sand, gravel, asphalt, etc.) or items not typically stocked due to their unique characterisics (aka specialty items)?
   ☐ **YES** ☐ **NO** **(If "YES," Go to Question 2. If "NO" Continue.)**

   b) Will at least 51% of the items you are selling be provided from the inventory maintained at your establishment, and will the minor quantities of items delivered from and by other sources be of the general character as those provided from your inventory?

   ☐ **YES** ☐ **NO*** **(If "YES," you have indicated that your performance will satisfy the regular dealer requirements and may be counted at 60%. STOP here. Read and sign the affirmation below.**

   ***If 1.,1.a), and 1. b) above are "NO," your performance on the whole will not satisfy the regular dealer requirements; therefore, only the value of items to be sold or leased from inventory can be counted at 60%. (Go to Question 3. to determine if the items delivered from and by other sources are eligible for Distributor credit.)**

2. Will you deliver all bulk or specialty items using distribution equipment you own (or under a long-term lease) and operate?
   ☐ **YES** ☐ **NO**[1]

   (If "YES," you have indicated that your performance will satisfy the requirements for a regular dealer of bulk items and may be counted at 60%. STOP here. Read and sign the affirmation below.)

   [1] If "NO," your performance will not satisfy the requirements for a regular dealer of bulk items; the value of items to be sold or leased cannot be counted at 60%. (Go to Question 3.)

3. Will the written terms of your purchase order or bill of lading from a third party transfer responsibility, including risk for loss or damage, to your company at the point of origin (e.g. a manufacture's facility) ? ☐ **YES**[2] ☐ **NO**[3]

   a) Will you be using sources **other than** the manufacturer (or other seller) to deliver or arrange delivery of the items sold or leased ? ☐ **YES**[2] ☐ **NO**[3]

[2] If your responses to 3 and 3.a) are "YES," you have indicated that your performance will satisfy the requirements of a distributor; therefore, the value of items sold or leased may be counted at 40%.

[3] If you responded "NO" to either 3 or 3.a), counting of your participation is limited to the reasonable cost of fees or commissions charged, including transportation charges for the delivery of materials or supplies; the cost of materials or supplies may not be counted.

I affirm that the information that I provided above is true and correct and that my company's subsequent performance of a commercially useful function will be consistent with the above responses. I further affirm that my company will independently negotiate price, order specified quantities, and pay for the items listed in the bidder's commitment. This includes my company's responsibility for the quality of such items in terms of necessary repairs, exchanges, or processing of any warranty claims for damaged or defective materials.

Printed Name and Signature of DBE Owner/Authorized Representative:

The bidder acknowledges its responsibility for verifying the information provided by the DBE named above and ensuring that the counting of the DBE's participation is accurate. Any shortfall caused by errors in counting are the responsibility of the bidder.

Printed Name and Signature of Bidder's Authorized Representative:

ATTACHMENT 7

Administrative Enforcement Mechanisms

The Sponsor has available several remedies to enforce the DBE requirements contained in its contracts, including, but not limited to, the following:

1. Breach of contract action, pursuant to the terms of the contract, as follows: adherence to Local and State Provisions and FAA General Provisions.
2. Breach of contract action, pursuant to South Dakota Codified Law chapter 21-2.
3. SDDOT Equal Employment Opportunity Policy
4. Sexual Harassment Policy
5. Title VII of the Civil Rights Act of 1964

In addition, the Federal government has available several enforcement mechanisms that it may apply to firms participating in the DBE problem, including, but not limited to, the following:

1. Suspension or debarment proceedings pursuant to 49 CFR Part 26
2. Enforcement action pursuant to 49 CFR Part 31
3. Prosecution pursuant to 18 USC 1001

ATTACHMENT 8

DBE Certification Application Form and Personal Net Worth Statement:

https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/ready-apply

ATTACHMENT 9

South Dakota's UCP Agreement can be found here:

https://dot.sd.gov/media/245acde7/UCPCoverandProgram.pdf

ATTACHMENT 10

Small Business Element

1. Objective/Strategies

(1) Firms meeting the definition of a small business, as described below, will be encouraged to participate for award of all prime contracts, particularly those less than $100,000, that do not have a DBE goal.

(2) In multi-year design-build contracts or other large contracts (e.g., for “megaprojects”) requiring bidders on the prime contract to specify elements of the contract or specific subcontracts that are of a size that small businesses, including DBEs, can reasonably perform.

(3) On prime contracts not having DBE contract goals, encouraging the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.

(4) Consider and identify, where appropriate, alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBEs, to compete for and perform prime contracts.

(5) To meet the portion of the overall goal projected to be met through race-neutral measures, ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.

2. Definition

DBE firms and Small Businesses shall be identified in the South Dakota Department of Transportation (SDDOT) Civil Rights Program.

- Sizing requirements are administered by SDDOT Civil Rights and are consistent of 49 CFR 26.5 and no larger than the Small Business Administration’s size standards.
- Personal Net Worth standards are as defined by SDDOT Civil Rights and are consistent with 49 CFR Part 26 thresholds.
- All businesses meeting the criteria outlined in this section will be considered to be small businesses, without regard to race or sex.

3. Verification

The Sponsor’s consultant shall review each prime contract and subcontract to determine if a business is listed by South Dakota DOT Civil Rights within their established DBE Directory. The prime contractor and subcontractors also have the option of providing a copy of their current DBE certification to the Sponsor's consultant.

Any small business as defined by the Small Business Administration should provide proof of being a small business with the bid documents. Such documents shall be reviewed by the Sponsor’s consultant. Items needed for proof of being a small business are:

1. A notarized affidavit that the company has generated less than $31.84 million in average annual gross receipts over the last 5 years.
2. A Personal Net Worth Statement from the owner of the business.
   a. https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/new-dbe-personal-net-worth-statement

4. Monitoring/Record Keeping

- The Sponsor will track and report any race-neutral participation by certified DBEs achieved through their small business element or program in the same way they report race-neutral DBE participation obtained through the uniform reporting methods under 49 CFR §26.11(a).
- The Sponsor will collect data on small business participation obtained through their bidder's lists.

5. Assurances

- The program is permitted under state law;
- Certified DBEs that meet the size criteria established under the program are presumptively eligible to participate in the program;
- No limits are placed on the number of contracts awarded to firms participating in the program, but every effort will be made to avoid creating barriers to the use of new, emerging, or untried businesses; and
- Aggressive steps will be taken to encourage those minority and women owned firms that are eligible for DBE certification to become certified.
- The program is open to small businesses regardless of their location (i.e., there is no local or other geographic preference).

FINANCE UPDATE

AUGUST - 2025

Presented By:
Amy Sad, Finance Officer

THE CITY OF MADISON
Discover the Unexpected

NOTES

- Budget Planning: While the Finance Office continues progress on multiple projects and process improvements, a key priority at this time is the 2026 budget , including the directive for all General Fund departments to reduce operating budgets.

- Digital Budget Book: The ClearGov site is nearly complete. Public release is still on track for November 2025. Finance is testing the platform to improve consistency and clarity of budget information.

- Audit: Corrective action plan for 2023 is complete. Engagement discussions continue with alternative audit firms. Supporting schedules and reconciliations have been brought up to date, strengthening internal controls and readiness for audits.

CASH ON HAND

Type of Cash	Amount
General Cash	$9.14M
Investments	$6.03M
Checking	$2.14M
Money Market	$687k
Other	$283k
Restricted Cash	$635k

REVENUE GUIDELINES

Fund	Description	Budget	August	YTD	% of Budget
101	General Fund	$8,485,696	$429,512	$7,465,170	88.0%
211	Lodging & Entertainment Tax	$350,000	$28,796	$182,045	52.0%
213	2nd Cent Sales Tax	$2,431,943	$313,279	$1,615,841	66.4%
214	Business Improvement District Bid	$53,500	$4,568	$34,862	65.2%
220	Special Maintenance Fee	$251,847	$1,127	$152,595	60.6%
303	Tax Increment District #2	$60,000	$0	$21,971	36.6%
307	Tax Increment District #3	$0	$0	$27,107	0.0%
308	Tax Increment District #5	$0	$0	$92	0.0%
309	Tax Increment District #6	$0	$0	$7,338	0.0%
312	Swimming Pool Debt	$0	$0	$260	0.0%
517	Creek - Bridge Mitigation	$3,593,704	$0	$2,129,595	59.3%
518	City Hall Construction	$0	$0	$0	0.0%
602	Water Fund	$7,414,365	$765,972	$2,692,855	36.3%
603	Electric Fund	$13,117,475	$1,131,812	$8,373,878	63.8%
604	Sewer Fund	$4,151,276	$347,676	$1,744,152	42.0%
612	Solid Waste Fund	$512,726	$42,293	$345,808	67.4%
620	Community Center	$1,033,500	$42,173	$423,301	41.0%
621	After School / Youth Program	$181,424	$4,875	$105,887	58.4%
	TOTAL	**$41,637,456**	**$3,112,083**	**$25,322,759**	**60.8%**

EXPENDITURE GUIDELINES

Fund	Description	Budget	August	YTD	% of Budget
101	General Fund	$12,168,768	$1,087,862	$10,650,830	87.5%
211	Lodging & Entertainment Tax	$255,000	$0	$105,000	41.2%
213	2nd Cent Sales Tax	$175,000	$0	$2,975	1.7%
214	Business Improvement District Bid	$13,375	$3,042	$16,199	121.1%
220	Special Maintenance Fee	$24,000	$31,218	$35,218	146.7%
303	Tax Increment District #2	$60,000	$0	$21,971	36.6%
307	Tax Increment District #3	$0	$0	$0	0.0%
308	Tax Increment District #5	$0	$0	$0	0.0%
309	Tax Increment District #6	$0	$0	$0	0.0%
312	Swimming Pool Debt	$0	$0	$0	0.0%
517	Creek - Bridge Mitigation	$5,738,600	$82,884	$4,408,901	76.8%
518	City Hall Construction	$144,467	$0	$95,644	66.2%
602	Water Fund	$6,030,798	$465,411	$3,187,135	52.8%
603	Electric Fund	$21,520,643	$1,119,358	$7,308,838	34.0%
604	Sewer Fund	$2,870,248	$326,327	$2,050,906	71.5%
612	Solid Waste Fund	$526,556	$44,155	$321,358	61.0%
620	Community Center	$1,032,626	$89,273	$635,983	61.6%
621	After School / Youth Program	$178,724	$29,140	$122,068	68.3%
	TOTAL	**$50,738,804**	**$3,278,669**	**$28,963,026**	**57.1%**

PROFIT OR LOSS – AUGUST 2025

Fund	Description	MTD Revenue	MTD Expense	MTD Profit or Loss
101	General Fund	$429,512	$1,087,862	($658,350)
211	Lodging & Entertainment Tax	$28,796	$0	$28,796
213	2nd Cent Sales Tax	$313,279	$0	$313,279
214	Business Improvement District Bid	$4,568	$3,042	$1,526
220	Special Maintenance Fee	$1,127	$31,218	($30,091)
303	Tax Increment District #2	$0	$0	$0
307	Tax Increment District #3	$0	$0	$0
308	Tax Increment District #5	$0	$0	$0
309	Tax Increment District #6	$0	$0	$0
312	Swimming Pool Debt	$0	$0	$0
517	Creek - Bridge Mitigation	$0	$82,884	($82,884)
518	City Hall Construction	$0	$0	$0
602	Water Fund	$765,972	$465,411	$300,561
603	Electric Fund	$1,131,812	$1,119,358	$12,454
604	Sewer Fund	$347,676	$326,327	$21,349
612	Solid Waste Fund	$42,293	$44,155	($1,862)
620	Community Center	$42,173	$89,273	($47,100)
621	After School / Youth Program	$4,875	$29,140	($24,265)
	TOTAL	**$3,112,083**	**$3,278,669**	**($166,586)**

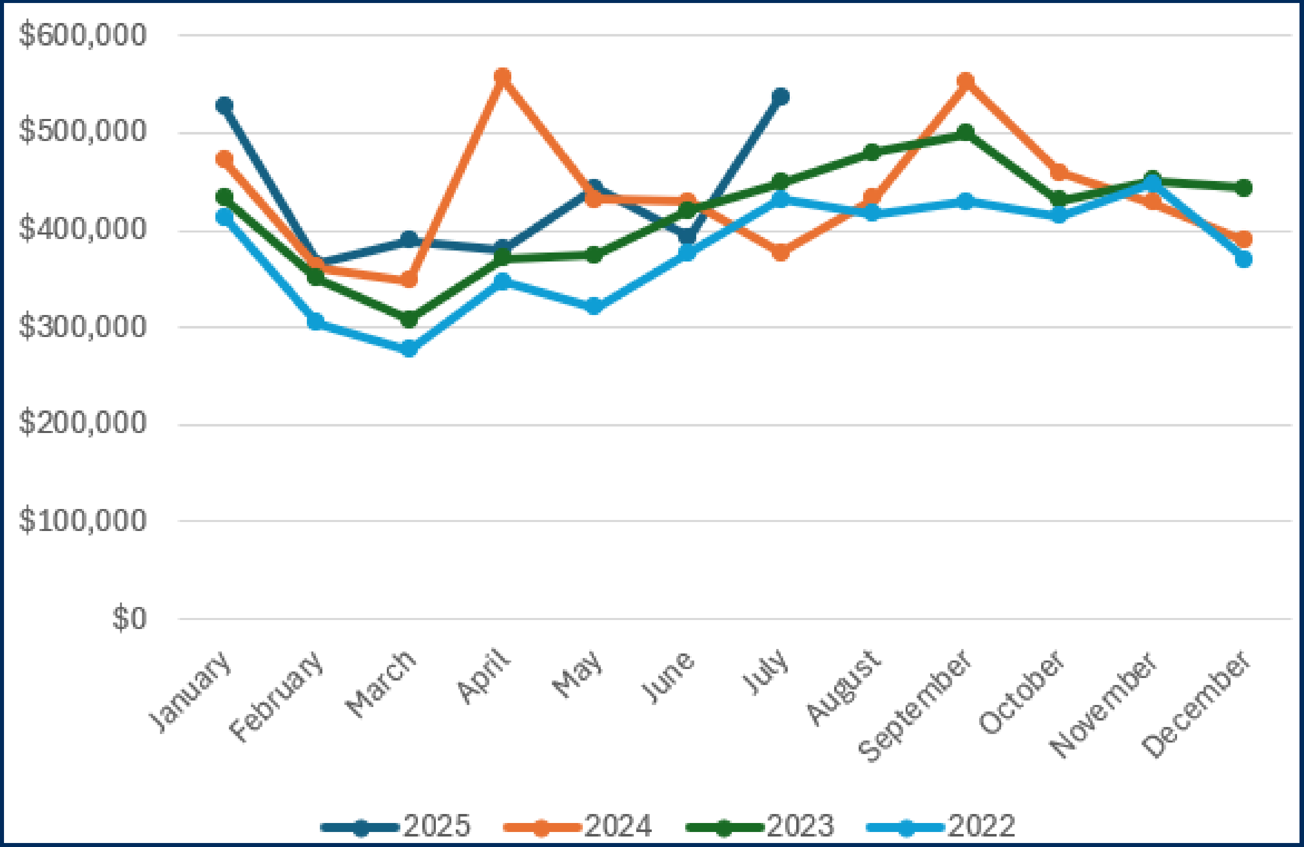
PROFIT OR LOSS – YTD 2025

Fund	Description	YTD Revenue	YTD Expense	YTD Profit or Loss
101	General Fund	$7,465,170	$10,650,830	($3,185,660)
211	Lodging & Entertainment Tax	$182,045	$105,000	$77,045
213	2nd Cent Sales Tax	$1,615,841	$2,975	$1,612,866
214	Business Improvement District Bid	$34,862	$16,199	$18,664
220	Special Maintenance Fee	$152,595	$35,218	$117,377
303	Tax Increment District #2	$21,971	$21,971	$0
307	Tax Increment District #3	$27,107	$0	$27,107
308	Tax Increment District #5	$92	$0	$92
309	Tax Increment District #6	$7,338	$0	$7,338
312	Swimming Pool Debt	$260	$0	$260
517	Creek - Bridge Mitigation	$2,129,595	$4,408,901	($2,279,306)
518	City Hall Construction	$0	$95,644	($95,644)
602	Water Fund	$2,692,855	$3,187,135	($494,279)
603	Electric Fund	$8,373,878	$7,308,838	$1,065,040
604	Sewer Fund	$1,744,152	$2,050,906	($306,753)
612	Solid Waste Fund	$345,808	$321,358	$24,451
620	Community Center	$423,301	$635,983	($212,681)
621	After School / Youth Program	$105,887	$122,068	($16,181)
	TOTAL	**$25,322,759**	**$28,963,026**	**($3,640,267)**

SALES TAX

Month	% Increase	2025	2024	2023	2022
January	11.60%	$526,287	$471,571	$432,730	$413,511
February	0.92%	$365,323	$361,999	$350,238	$303,973
March	11.91%	$389,280	$347,846	$308,016	$277,186
April	-31.79%	$379,610	$556,545	$371,022	$346,336
May	2.67%	$443,297	$431,766	$374,131	$320,367
June	-8.65%	$392,772	$429,961	$420,501	$376,298
July	42.55%	$537,386	$376,990	$448,323	$431,753
August			$433,097	$480,355	$416,258
September			$551,973	$499,767	$428,928
October			$459,462	$430,674	$414,971
November			$428,143	$451,510	$448,293
December			$389,624	$442,683	$370,263
Total	15.06%	$2,496,570	$5,238,976	$5,009,950	$4,548,137

SALES TAX GRAPH



Q&A

THE CITY OF MADISON

Discover the Unexpected

The City of Madison is an equal opportunity employer and provider.

Budget Planning Session
Monday, September 15th at 5:30 PM
Location: City Hall Commission Room

1. **PUBLIC COMMENT**

2. **REVENUES:**
   Sales Tax, Property Tax, (Mill Levy), Special Assessments, TIFs

3. **ADMINISTRATION:**
   City Administrator, Engineering, Finance & Elections, IT, Communications & Marketing, City Hall

4. **WAGES & BENEFITS:**
   Human Resources

5. **ELECTED OFFICALS:**
   Mayor, City Commission, Attorney

6. **PUBLIC SAFETY:**
   Police, Fire, 911, Animal Control

7. **STREETS:**
   Streets & Snow Removal

8. **WASTE:**
   Restricted Use Site, Solid Waste, & Recycle

9. **PARKS**

10. **HEALTH / RECREATION:**
    Library, Community Center, Madison Aquatics Center, Sportsplex, Armory

11. **AIRPORT**

12. **ECONOMICAL DEVELOPMENT:**
    Non-Profits, Sales Tax Rebate

13. **UTILITIES:**
    Electric, Water, Sewer

14. **CAPITAL PROJECTS**