

August 12-18, 2011

Design & Construction Focus



Resume builders

Small, disadvantaged businesses reap rewards of Dulles Metrorail contracts

By Sarah Krouse

Minority-owned businesses have a hand in just about every facet of bringing Metrorail to Dulles — from the hard hat-wearing workers connecting electrical power to the Silver Line's new stations to the accountants crunching the numbers on the first phase to the engineers designing temporary traffic patterns around the construction zone.

There are 188 such businesses, called “disadvantaged business

enterprises,” or DBEs, including 171 from this region, that have received contracts worth a total \$196 million from the line's main contractor, Dulles Transit Partners LLC — a joint venture of contracting giant Bechtel Infrastructure Inc. and URS Corp. (which bought original partner Washington Group International).

Participation in a colossal infrastructure project like the Silver Line can be a huge resume boost. What's more, such a high-visibility

On track

The Silver Line is a 23.1-mile extension of the Metrorail network being built by the Metropolitan Washington Airports Authority. It connects 11 stops from East Falls Church to Dulles International Airport, snaking through bustling Tysons Corner and the Reston-Herndon community. Metro selected Dulles Transit Partners LLC in June 2007 as its primary contractor, awarding the company \$1.6 billion for the initial work.

Phase 1: Construction from East Falls Church to Wiehle Avenue on the eastern edge of Reston, including four new stations in Tysons Corner (Tysons Corner-Tysons East, Tysons Central 123, Tysons Central 7 and Tysons West). Work began in March 2009 and is slated to be complete in 2013.

Phase 2: Construction from Wiehle Avenue to Ashburn in eastern Loudoun County, serving Reston Town Center, Herndon, Dulles International Airport and Route 606. A construction start date is yet to be set, though preliminary engineering work has begun and project leaders expect this to open in 2016.



Chet Bhimani of Cheshil Consultants says his Silver Line contract has led to other opportunities. Photo by Joanne S. Lawton

project puts DBEs in close working quarters with larger businesses and in networking situations that can beget future deals.

Construction of the 11.5-mile first phase of the Silver Line began in early 2009 after years of political battles and funding delays. It brought hundreds of new construction-related jobs to the region at a time when real estate development was being hammered by the recession.

Other sectors weren't faring any better. So when Sterling-based professional services company Cheshil Consultants Inc., a DBE, scored its first contract with Dulles Transit Partners, the deal was welcome cash flow.

Cheshil's staffing levels typically rise and fall sharply with the size of its contracts because the company doesn't have the funds to continually maintain a large staff.

The Dulles project gave Cheshil a growth spurt as the initial contract for a handful of accounting, engineering and technology staffers blossomed into a demand for 23 such workers and a contract worth upward of \$4 million.

The Dulles Transit Partners contract "really opened up" business opportunities for Cheshil, said CEO Chet Bhimani. "One good-size project brings the other good-size projects. You get more networking and good cash flow all around."

In the years since the rail project started, Cheshil, which now has 27 workers, has quickly advanced to land contracts for the Interstate 495 high-occupancy toll lanes project and the second phase of the Interstate 95 extension, Bhimani said.

Dulles Transit Partners subcontracts about 40 percent of the rail project's work and often starts

its search for skilled labor with outreach events 120 days before issuing a solicitation, said Larry Melton, the design-build project manager.

"We do it to help facilitate the match" between Dulles Transit Partners, its contractors and their subcontractors, many of whom are DBEs, he said. "We try to get enough advanced warning so that these partnerships can be formed."

The Dulles rail project includes a requirement that 10 percent of the project's value be subcontracted to DBEs certified by the Metropolitan Washington Airports Authority and Virginia Department of Minority Business Enterprise, giving Dulles Transit Partners a compelling reason to stay in touch with the local DBE community. To date, about 11.4 percent of the contract has gone to DBEs, according to Dulles Transit.

John Young, CEO of Nationwide Electrical Construction Services Inc., said contractor contacts from past projects gave his company an edge when it competed for the job of bringing power and light to the new Silver Line stations.

Nationwide, which has offices in Beltsville and D.C., had worked on the Blue Line's Largo Metro stop, which opened in 2004.

"I try to tell the DBEs out there getting started that it might seem fine to do some pass-through jobs when you first get into business to help you out with cash flow," Young said. "But to grow your business and to get a good clientele base, you need to perform and show people that you can do the work."

Baltimore-based engineering company Sabra, Wang & Associates Inc. didn't have to directly compete against other companies in 2007 when Dulles Transit



The first phase of the Metrorail extension to Dulles International Airport and Loudoun County has thus far provided contracts to 171 local small businesses owned by ethnic minorities and women, creating hundreds of jobs. File photos by Joanne S. Lawton

Partners was looking for an engineering company to craft its transportation plan, but Sabra did have to go through an interview process. Seven top Dulles Transit executives were involved in the interviews.

Since that first interview, the initial \$50,000 transportation data study Sabra was hired to perform has turned into about \$200,000 for tasks related to signal adjustments, traffic flow and work zone planning.

"For a small firm, any time you add a project to your resume with a client like Dulles Transit, it's big," said Ziad Sabra, a partial owner of the company. "On the large projects, typically clients want to see who you have worked for and the magnitude of the project. Being a rail project, which we don't do all the time, it's a good one to have."

For some companies, such a project can propel them beyond the DBE classification.

"We've had firms that joined us initially, and as a result of the work they've done, they've graduated out of the program," Melton said. "It's incredibly gratifying."

Most eligible contractors

What are disadvantaged business enterprises? DBEs are small businesses with less than \$22.41 million in annual revenue and 51 percent owned and managed by a socially and economically disadvantaged individual, such as women and ethnic minorities, whose personal net worth is less than \$750,000.

Who's eligible? Reciprocity agreements that the Metropolitan Washington Airports Authority's DBE program has with the transportation departments of Virginia, Maryland and D.C. and the Washington Metropolitan Area Transit Authority allow businesses certified under those agencies to apply for the airports authority's DBE certification.

The seemingly overnight expansion from a big project can come with growing pains.

Cheshil's Bhimani said that it wasn't easy to manage the sudden flood of cash from his growing contract but the industry connections and ability to secure new lines of credit at the bank made the challenges worthwhile.

Now Cheshil can only wait and hope to be called upon again for the next chapter in the Silver Line's construction. "There is always the second phase," Bhimani said, "and we hope we will be part and parcel of that."