

PENNSSTATE



Office of Physical Plant

OFFICE OF PHYSICAL PLANT

MINORITY & WOMEN

BUSINESS ENTERPRISE PROGRAM

Design and Construction Division

Updated: August 8, 2012

TABLE OF CONTENTS

| | | |
|-----|--|---|
| 1 | OVERVIEW | 1 |
| 2 | MISSION | 1 |
| 3 | PSU MBE/WBE QUALIFICATIONS | 1 |
| 4 | STRATEGIC DIVERSITY INITIATIVES..... | 2 |
| 4.1 | Outreach and Education | 2 |
| 4.2 | Project Approach..... | 4 |
| 4.3 | Construction Management Projects | 5 |
| 4.4 | Purchase Order Projects | 6 |
| 4.5 | Job Order Contracting (JOC) | 6 |
| 5 | MBE/WBE PARTICIPATION TRACKING | 7 |
| 6 | ENFORCEMENT | 7 |
| 7 | DEFINITIONS..... | 8 |

1 OVERVIEW

The OPP Design and Construction Division's Minority Business Enterprise and Women Business Enterprise Program (D&C MBE/WBE Program) reaffirms the University's commitment to increase the opportunities for and participation of minority and women businesses in its procurement of goods and services related to construction for The Pennsylvania State University. The University recognizes the importance of supplier diversity and by creating sound business relationships, seeks to strengthen the economic development and viability for minority/women businesses. Through value-added strategic initiatives, the University expects increased competition and additional opportunities.

The D&C MBE/WBE Program has instituted a variety of initiatives to identify and encourage MBE's and WBE's to participate in the University's procurement/bidding process in an effort to ensure continued growth of business opportunities for those business enterprises.

This program performs a key role by providing outreach, training, and educational programs. The D&C MBE/WBE Program forms a connecting link between the University, MBE/WBE business community, as well as state, local, and federal agencies.

2 MISSION

Our mission is to deliver the best valued and highest quality products and services by encouraging competition among all contractors and suppliers. Penn State recognizes supplier diversity as an important component of its overall construction effort and will continue to foster relationships with minority and women business enterprises to increase the utilization of Minority and Women-Owned Business Enterprises for construction and construction related projects.

3 PSU MBE/WBE QUALIFICATIONS

The Pennsylvania State University is not in the business of certifying companies for MBE/WBE status. In order to be considered a minority or women-owned business by PSU, the company must be at least 51 percent owned, controlled and managed (proven & demonstrated) by a U.S. citizen(s) who is included in one of the following groups:

- *Minority*
A citizen of the United State who is a Black American, Hispanic American, Native American, Asian-Pacific American, or Asian-Indian American.

- *Women*
United States citizens who are of the female gender.

Additionally the company must be certified by one of the following Agencies:

- Department of General Services Bureau of Minority & Women Business Opportunities (DGS BMWBO)
- Federal Department of Transportation
- National Minority Development Council (NMSDC) or its affiliates
- Southeastern PA Transportation Authority (SEPTA)
- Women Business Enterprise National Council (WBENC)
- Pennsylvania Unified Certification Program (PA UCP)
- Pennsylvania Department of Transportation (Penn DOT)
- National Women Business Owners Corporation (NWBOC)
- Minority Business Enterprise Council (MBEC)

Only Contractors and Suppliers certified by the agencies listed above are acceptable toward MBE/WBE participation. Penn State reserves the right to revise this list at its own discretion.

4 STRATEGIC DIVERSITY INITIATIVES

The D&C MBE/WBE Program's intent is to ensure that minority and women-owned businesses have optimum accessibility to procurement and contracting opportunities. PSU will proactively work to create mutually beneficial business relationships with MBE/WBE contractors and suppliers. In support of our mission we have outlined strategic initiatives that will be implemented to ensure success of this effort throughout all Penn State campus locations. Please refer to Figure 1, Program Strategic Initiatives, which outlines the four key diversity initiatives. A description of each initiative is detailed in this program statement.

4.1 OUTREACH AND EDUCATION

OPP, through the efforts of the Contractor Liaison, will actively seek qualified minority and women-owned contractors and suppliers through certification consortiums, business development organizations, business trade shows, conferences, and seminars. The Contractor Liaison will also focus on the education of the PSU internal community outlining the benefits of the MBE/WBE Program. Internal and external outreach focus areas are outlined below.

| Design and Construction Contractor Liaison | |
|---|---|
| MBE/WBE Program Design and Construction Division | |
| Outreach and Education | <ul style="list-style-type: none"> • DGS Partnering • One-on-ones with MBE/WBE firms • Targeted advertising • PL seminars • PSU internal coordination |
| Project Approach | <ul style="list-style-type: none"> • 15% goal • Impact on contractor evaluation • Data submission requirement |
| Construction Management Projects | <ul style="list-style-type: none"> • 15% goal • Work parking focus • Increased solicitation requirements • Contractor open house • MBE/WBE workshop • Standard written procedure • Impact on future work |
| Purchase Order Projects | <ul style="list-style-type: none"> • Partnering with purchasing department • 25% of bidders to be MBE/WBE firms (goal) • Projects under 10K consideration |

Figure 1. Program Strategic Initiatives

Internal Outreach

PSU Diversity Partnering: OPP Contractor Liaison will partner with the PSU Purchasing Department’s Manager of Supplier Diversity and Applied Research Laboratory’s Supplier Diversity Representative on training efforts inside and outside Penn State.

Project Leader Education: The Contractor Liaison will educate the PSU community on the benefits of procuring goods and services from MBE/WBE contractors and suppliers. A key

component of this program will be the internal education of all Project Leaders who will be instrumental in making this program a success. Early internal outreach efforts will center around communicating this program to the Project Leaders.

External Outreach

DGS Partnering: Perform a minimum of two “How to Do Business with Penn State” seminars and continue to work with DGS BMWBO on training/educational endeavors that benefit the MBE/WBE community.

One-on-Ones: Arrange a minimum of 10 one-on-one meetings each year with promising MBE/WBE firms.

Organizational Involvement: Forge relationships with MBE/WBE Organizations & Groups to establish benchmarking opportunities and attend national conferences.

Targeted Advertising: Advertise projects in designated MBE/WBE agencies and organizations.

Project Document Issuance: Upon request for a specific project, D&C shall provide, free of charge, one set of drawings and specifications (and addenda when issued) to MBE/WBE organizations/associations recognized by OPP. A review of the bid activity by an association’s members may be initiated to justify continuation of this service.

Although it is not always practical or feasible to establish a business relationship with every contractor/supplier, we are firmly committed to creating the means by which these businesses are given due consideration and a fair opportunity to participate in construction and construction related projects.

4.2 PROJECT APPROACH

Contract documents will be revised to establish a commitment to improving MBE/WBE participation on all projects. The contract documents will incorporate definitive language towards MBE/WBE participation in an effort to increase participation. A 15% goal will be established for a combined MBE and WBE participation. The contractor evaluation process includes a section regarding performance related to MBE/WBE participation. If the 15% combined goal is not reached, the Project Leader will indicate a below average score in regards to participation. If contractors consistently miss the 15% combined goal and are unable to provide reasonable justification, steps will be taken to remove the contractor from the prequalified bidders list.

All DGS projects will continue to follow the Commonwealth's guidelines in regard to MBE/WBE solicitation and MBE/WBE participation.

4.3 CONSTRUCTION MANAGEMENT PROJECTS

Projects utilizing a CM Agency delivery method will adhere to the following:

- a. For projects utilizing a Construction Manager (CM) Agency delivery method with multiple prime contracts, it is anticipated that the CM will attain a 20% MBE/WBE combined utilization of minority business enterprises (MBE) and women business enterprises (WBE) contractors & suppliers for the project.
- b. The Contractor Liaison and Project Leader shall work with the project's construction manager and architect, along with any other individuals who could provide assistance, to determine MBE/WBE capacity for the work required, appropriate bid packages, and expected MBE/WBE participation for each specific bid package.
- c. For each bid package, consideration should be given to maximize MBE/WBE participation wherever possible. This would include a review and analysis of the potential known certified MBE/WBE firms capable of performing the work as prime contractors, subcontractors and/or suppliers for each specific bid package.
- d. The Construction Management Firm shall give due consideration to hire MBE/WBE contractors and/or suppliers to complete work within the CM's General Condition scope.
- e. The Construction Management Firm shall track and monitor the MBE/WBE participation and shall submit monthly updates to the Contractor Liaison throughout the project. At project completion, the CM firm shall submit a final report to the Contractor Liaison detailing the names of each MBE/WBE contractor & supplier, contact information, original contract amount, change orders, and the participation percentage for the final project construction cost(s).
- f. The Construction Management Firm is required to hold a project Open House in conjunction with the Pre-bid meeting which shall cover the project schedule, construction package information, bidding schedule and requirements, MBE/WBE participation goals and any other specific PSU/CM requirements. MBE/WBE's are to be targeted for attendance at this initial networking event. The CM firm is required to send the Contractor Liaison the attendee list with MBE/WBE's noted.
- g. If deemed necessary by the Contractor Liaison following the Open House, the Construction Management firm is required to conduct a "workshop" specifically for MBE/WBE companies to assist them with any issues that may impact their

ability to bid the project. All potential prime contractors shall also be invited to attend for networking purposes. The Construction Management firm shall send the Contract Liaison the attendee list.

- h. The Construction Management Firm is required to notify designated MBE/WBE agencies and organizations identified by the owner regarding the release of project packages for bid.
- i. The Construction Management firm is to continue follow-up with all potential MBE/WBE's throughout the bidding process.

CM firms that do not attain the 20% MBE/WBE participation goal and are unable to provide reasonable justification for not attaining the anticipated participation, will receive a below average rating in their project evaluation which may impact selection on future projects.

4.4 PURCHASE ORDER PROJECTS

Purchase order work performed by the Design and Construction Division at OPP is typically \$250K or less. This program provides additional opportunities for MBE/WBE's for capturing a portion of this work (thus, improving participation).

The procedure is set forth below:

- a. The Contractor Liaison and Purchasing Specialist (Construction Services) shall review all construction related PO projects and, where possible, solicit at least 25% MBE/WBE bidders as prime contractors.
- b. For Purchase Orders under \$10K, which do not require competitive bidding, due consideration will be given to award to a MBE/WBE contractor/supplier.
- c. The Purchasing Specialist (Construction Services) shall notify the Contractor Liaison of award for tracking and monitoring purposes.
- d. The Contractor Liaison shall work closely with the Purchasing agents at the Commonwealth Campuses to ensure that MBE/WBE companies are invited to bid.

4.5 JOB ORDER CONTRACTING (JOC)

Job Order Contracting (JOC) is another contracting method available to Design & Construction. Contractors in the JOC program have been selected based upon their proposals. There is a two year commitment from the contractor with a 15% combined utilization of minority (MBE) and women business enterprises (WBE) contractors and suppliers on the total aggregate contract value. This program lends itself to guaranteed MBE/WBE participation while offering the ability to engage the contractor early in the process.

The procedure is set forth below:

- a. Contractor Liaison shall attend the JOC joint scoping meeting to help identify areas for MBE/WBE participation.
- b. Contractor Liaison shall review/approve the MBE/WBE participation for each JOC project prior to award.
- c. Contractor Liaison shall work closely with the Facilities Contract Administration Specialist.
- d. Contractor Liaison in conjunction with the Facilities Contract Administration Specialist shall evaluate the JOC contractors for contractual compliance.

5 MBE/WBE PARTICIPATION TRACKING

1. The Contractor Liaison shall maintain all MBE/WBE participation data required for this program. These records shall include by project:
 - a. the contractor report submitted at the completion of the project;
 - b. the type of work performed;
 - c. the actual dollar value of the work, services, supplies or equipment; and
 - d. the percentage of the total contract.
2. The Contractor Liaison shall track and monitor participation for all Contract Administration and Purchase Order construction related projects (processed by D&C) and maintain such records as are necessary to confirm compliance with its Minority and Women Business Enterprise Program goals.
3. Please refer to attached Final MBE/WBE Contractor/Supplier Utilization Report. This report will be required to be submitted on all construction work administered by the Contract Administration Office.

6 ENFORCEMENT

1. The Contractor Liaison shall spot verify that the certified MBE/WBE's listed in the Final MBE/WBE Contractor/Supplier Utilization Report have actually performed the work and have been paid in full. At a minimum, (5) projects shall be randomly selected for audit each year.

2. The Contractor Liaison and/or designated representative will conduct reviews as deemed necessary to confirm program compliance and monitor progress towards increasing the MBE/WBE participation with emphasis on continuous improvement and reporting those findings to executive management.
3. The Contractor Liaison shall solicit feedback from contractors/suppliers and internal employees on program satisfaction and continually look for creative methods to improve the MBE/WBE participation including (but not limited to) advertising, business development mentoring, contractor monitoring, and designing bid packaging to promote rather than discourage MBE/WBE participation.
4. Contractors found falsifying information submitted on the MBE/WBE Participation Utilization Report or failing to submit said document will be subject to removal from PSU's Prequalified Bidders List and may be banned from performing work on PSU property.

7 DEFINITIONS

Contractor Liaison

Office of Physical Plant_Employee designated to administer the OPP MBE/WBE Program.

Ethnic Groups

African Americans

Persons having origins from any of the Black groups of Africa, including persons having origins in any of the original peoples of the Cape Verde Islands.

Asian-Americans

Persons having origins from one or more of the original peoples of the Far East, Southeast Asia including China, Japan, Korea, India, Pakistan and Bangladesh.

Hispanic/Latino American

All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin.

Native Americans (Alaskans)

Persons having origins from one or more of the original peoples of North America and who are recognized as an Indian by a tribe or tribal organization.

Pacific Islanders

Persons having origins from one or more of the original peoples of the Pacific Islands, including Samoa and the Philippine Islands.

Minority

A citizen of the United States who is a Black American, Hispanic American, Native American, Asian-Pacific American, or Asian-Indian American.

Minority Business Enterprise (MBE)*

A small, for-profit business concern that is a sole proprietorship, a partnership, or a joint venture, and is at least 51% minority-owned. The minority owner(s) shall possess the power to direct or cause the direction of the management and policies of the business and to make the day-to-day as well as major decisions on matters of management, policy and operations. The minority or women owners shall hold the highest officer position in the company (for example--chief executive officer or president). In a corporation, the minority or women owners shall control the board of directors.

Project Leader

Office of Physical Plant Employee designated to manage the project. They shall be an advocate for the OPP MBE/WBE Program and shall be responsible for explaining the MBE/WBE documentation and its relationship to the bidder's responsiveness in the absence of the Contractor Liaison.

Women

United States citizens who are of the female gender.

Women Business Enterprise (WBE)*

A small, for-profit business concern that is a sole proprietorship, a partnership, or a joint venture, and is at least 51% women-owned. The women owner(s) shall possess the power to direct or cause the direction of the management and policies of the business and to make the day-to-day as well as major decisions on matters of management, policy and operations. The minority or women owners shall hold the highest officer position in the company (for example--chief executive officer or president). In a corporation, the minority or women owners shall control the board of directors.

Exhibit A

| | | | |
|-------------------------|--|--------------------|--|
| Contractor Name: | | | |
| Project Name: | | Project No. | |

| MBE/WBE Contractor/Supplier Name | MBE or WBE | Contractor | Supplier | Contact Name & Phone Number | Description of Work | Contract Amount |
|----------------------------------|------------|------------|----------|-----------------------------|---------------------|-----------------|
| 1. | | | | | | \$ |
| 2. | | | | | | \$ |
| 3. | | | | | | \$ |
| 4. | | | | | | \$ |
| 5. | | | | | | \$ |
| 6. | | | | | | \$ |
| TOTAL | | | | | | \$ |

Bid Package Name/No. (If applicable):