ICR DIVERSITY OUTREACH INITIATIVE PROGRAM

Implementation Edition

November 12, 2013

Indiana Construction Roundtable Diversity Initiative Program

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Introduction to the ICR Diversity Initiative

In 2004, the Indiana Construction Roundtable, (ICR) under the direction of Doug Morris (Clarian Health Partners), who was then Chairperson of the ICR Board of Directors, decided to place it's focus on addressing a long standing issue in the construction industry of Indiana; increase the capacity and capability of traditionally underrepresented and underutilized groups by the construction industry. ICR would use as its template for this budding program a paper composed by Morris entitled "Underrepresented People in the Construction Industry: A New Proposal".

For several years, the construction consumers of Indiana have attempted to increase the participation of underrepresented groups, specifically women and minorities, in the industry. Traditionally, they have attempted to accomplish this objective by designating a percentage of dollars to be spent on a construction project that should be spent with firms owned and operated by minorities and women. However, despite their most well-intentioned efforts, the objective has yet to be accomplished: the growth of women and minority owned businesses and thereby the increased opportunities available to them within the construction industry. There is no mistaking that several millions of dollars have been dispersed to construction firms that are presented as minority or women owned, but there is little evidence indicating that there has been any significant expansion over the last 20 years of minority or women firms within or related to the construction industry.

With this issue still painfully lingering, ICR decided to officially respond to the perception that the current industry practices are having their intended effect by launching the ICR Diversity Initiative. With this Initiative, ICR planned to attempt to change the way the construction industry in Indiana approaches this problem through a completely different approach. Past and current practices are, in fact, not having the intended effect of expanding business opportunities within the construction industry for minority and women owned businesses.

ICR has decided to take on this monumental task for these core reasons; we in the industry can not continue to rely so heavily on staffing our projects and companies solely, it's good business and it's the right thing to do.

The objective of the ICR diversity initiative is to implement a new manner of business in the construction industry that truly encourages, assists in the growth of and continually measures the active participation of minorities and women in the industry. This system will "level the playing field", so-to-speak, by monitoring and requesting reports on business activity that brings true value to a project and it will only count those that provide an identifiable commercially useful function. By implementing this program, construction consumers will finally be able to have greater confidence that the dollar amounts spent on a project and the activities surround it, will assist in achieving the ultimate goal of increasing the presence of women and minorities working within the construction industry.

The program has four categories which are intended to impact the participation of women and minorities in the industry. The categories are: M/WBE Project Spend, Workforce Diversity, Mentoring of M/WBE Firms, and Education, Training & Ancillary Programs. Through these categories, the program will measure and report the total number of dollars participating firms spend with M/WBE's, it will collect data on the diversity of the participating firms' entire employee base from craft labor to office management. It will also track to what level the firm participates in community activities that further the objectives of the Diversity Initiative through their active participation in Mentor-Protégé relationships with emerging M/WBE's and the support of the community organizations.

Each category has been given a point value that reflects its relative impact on bringing the intended groups into the industry and ultimately producing more M/WBE firms and workforce. The chart below shows the aforementioned weighting system:

Category	Total Points Available	Time of Evaluation
M/WBE Project Spend	55	Project Bid & Final Spend
Workforce Diversity	15	Project Bid & Annually
Mentoring of M/WBE Firms	15	Monthly & Annually
Education, Training & Ancillary Programs	15	Annually
Total	100	

The intention of this publication is to provide participants with information that can be used as the building blocks for better understanding this program. It has been confirmed that, as July 13, 2007, this program will be implemented by leading area Owners. They will use the program in variance of ways, however with the continuing goal of it becoming the industry standard by which most project bids are evaluated. In the following sections you will find further explanation of the type of data to be collected and just how each participant will receive points within that category. ICR will conduct interactive workshops, pending industry interest that will provide further detail on each segment of the program with practical examples and expert instruction.

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M/WBE Contracting: Project Spend

M/WBE Contracting: Project Spend

In the category of M/WBE Project Spend, a design and construction consumer (Owner) will require that a set percentage of the project dollars are spent with M/WBE construction firms or affiliates. This portion of the program is not unlike the current system. The difference, however, is that the Owner will assign points based on the Contractors ability to meet the Owner's project spend percentage goals according to the chart below. As an example, if a company meets 100% of the specified spending percentage, then according to the new counting rules, the firm would be awarded 50 points. Please see the points distribution chart and example below for further detail.

Points Distribution

Contractor Percentage of stated project participation dollars	Points Awarded
125%	55
110% - 124%	52
100% - 109%	50
90% - 99%	45
75% - 89%	37.5
<75%	0

Points Calculation:

Example:

An Owner releases a project for bid with 15% MBE and 5% WBE (20% M/WBE Owner target spend) project participation targets.

Prime Contractor #1 submits a bid that reflects 12% MBE and 6% WBE project spend.
Points Allocation for Prime Contractor #1:
12% (MBE) + 6% (WBE) = 18% (Contractor proposed M/WBE spend)

18% (Contractor proposed M/WBE spend) / 20% (M/WBE Owner target spend) = 90% (Contractor percentage of stated project participation dollars)

Points awarded for Project Spend category = 45 (Refer to the chart for points allocation)

Prime Contractor #2 submits a bid that reflects 17% MBE and 5% WBE project spend.
Points Allocation for Prime Contractor #2:
17% (MBE) + 5% (WBE) = 22% (Contractor proposed M/WBE spend)

22% (Contractor proposed M/WBE spend) / 20% (M/WBE Owner target spend) = 110% (Contractor percentage of stated project participation dollars)

Points awarded for Project Spend category = 52 (Refer to the chart for points allocation)

Counting MBE and WBE Participation

The ICR recommends the following guidelines in determining how MBE and/or WBE (M/WBE) participation will be counted toward overall M/WBE percentage goals. It is important to remember that this will be used as the guideline for most companies that participate in the ICR Diversity Program; however EACH owner will determine how best to implement and incorporate these guidelines into their current system. These guidelines provide merely the basis by which each owner will count MBE and WBE participation. Be sure to consult with the owner and refer to their instructions to bidders for clarification of any questions on the counting of participation.

Each participating construction consumer reserves the right to request additional information from any slated WBE/MBE firm prior to approving a firm for WBE/MBE goal credit.

A) When an M/WBE participates in a contract, the value of the work actually performed will be counted as follows:

   (1) The entire amount of that portion of a construction contract that is performed by the M/WBE's own forces. Include the cost of supplies and materials obtained by the M/WBE for the work on the contract, including supplies purchased or equipment leased by the M/WBE (except supplies, and equipment the M/WBE subcontractor purchases or leases from the prime contractor or its affiliate).

   (2) The entire amount of fees or commissions charged by an M/WBE firm for providing a bona fide service – such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of the Work – toward M/WBE goals, provided that the fees are determined to be reasonable and not excessive as compared with fees customarily allowed for similar services.

   (3) When an M/WBE subcontracts part of the work of its contract to another firm, the value of the subcontract work may be counted toward M/WBE goals if and only if the M/WBE's subcontractor is itself an M/WBE.
   Work that an M/WBE subcontracts to a non-M/WBE firm will not count toward M/WBE goals.

B) When an M/WBE performs as a participant in a joint venture, count toward M/WBE goals that portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the M/WBE performs with its own forces.

C) MBE or WBE certification does not guarantee that a firm's participation will automatically count toward a contractual WBE/MBE goal. For services performed by an M/WBE firm to count toward a goal, the firm must perform a "commercially useful function." Accordingly, expenditures to an M/WBE contractor count toward M/WBE goals only if the M/WBE is performing a commercially useful function on that contract:

   (1) An M/WBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the entire operation or work involved. To perform a commercially useful function, the M/WBE must also be responsible, with respect to materials and supplies used on the contract, for:
   - Negotiating prices

- Determining appropriate quality, quantities and delivery schedules,
- Ordering the material, and installation there of (where applicable), as well as
- Paying for the material itself

(2) To determine whether an M/WBE is performing a commercially useful function, evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing and the M/WBE credit claimed for its performance of the work, along with any other relevant factors.

(3) An M/WBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which the funds are passed in order to obtain the appearance of M/WBE participation.
Consequently, there cannot be a contrived arrangement established for the sole purpose of meeting M/WBE goals.

(4) An M/WBE may lease equipment, as a normal course of business, to increase its capacity or to facilitate services' delivery.
For purposes of this section, a lease must indicate that the M/WBE has exclusive use of and control over any equipment utilized on the project site or used directly toward the delivery of project services. This does not preclude leased trucks or other heavy equipment from working for others during the term of the lease – with the consent of the M/WBE, provided that the lease gives the M/WBE absolute priority for the use of the equipment. Leased trucks must display the name and DOT identification number of the M/WBE participating on the specified project.

(a) The M/WBE receives credit for the total value of the services it provides on the contract using equipment it owns or leases, insures, and operates using operators it employs – excepting circumstances outlined in paragraph C)(4)(d).

(b) The M/WBE may lease equipment from another M/WBE firm, including an owner-operator who is certified as an M/WBE. The M/WBE who leases equipment from another M/WBE receives credit for the total value of the services the lessee M/WBE provides on the contract.

(c) The M/WBE may also lease equipment from a non-M/WBE firm, including an owner-operator.

(d) The M/WBE who leases equipment from a non-M/WBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The M/WBE does not receive credit for the total value of the services provided by the lessee, since these services are not provided by the M/WBE.

(5) In determining whether an M/WBE is merely an extra participant in a contract or transaction, examine similar project transactions, particularly those transactions in which M/WBEs do not participate.

(6) If an M/WBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force, or the M/WBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, examiners and or investigators are directed to logically presume that it is not performing a commercially useful function.

(7) When an M/WBE is presumed not to be performing a commercially useful function as described in paragraph C)(6), the M/WBE may present evidence to the examining entity to rebut this

presumption. The original conclusions may be reevaluated relative to the type of work involved and prevailing industry practices in similar markets.
Any reevaluation or decision reversal may not, in any circumstance, be construed as an endorsement for failures to rectify, going forward, the referenced prevailing practices.

D) Count expenditures with M/WBEs for materials or supplies toward M/WBE goals as provided in the following:

(1) Count 100% of the cost of the materials or supplies toward M/WBE goals if the materials or supplies are obtained from an M/WBE manufacturer. For purposes of this paragraph, a manufacturer is a firm that operates or maintains a factory or establishment that produces, on its premises, the materials, supplies, articles, or equipment required under the contract and of the general character described in the specifications.

(2) Count 60% of the cost of the materials or supplies toward M/WBE goals if the materials or supplies are purchased from an M/WBE regular dealer.
For purposes of this section, a regular dealer is a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and regularly sold to or leased to the public in the usual course of business.

To be a regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question.

(a) A person may be a regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone or asphalt without owning, operating, or maintaining a place of business if the person both owns and operates distribution equipment for the products. Any supplementing of regular dealers' own distribution equipment shall be by a long-term lease and not on an ad hoc or contract-by-contract basis.

(b) Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions will not be considered regular dealers.

(c) With respect to materials or supplies purchased from an M/WBE which is neither a manufacturer nor a regular dealer:
Count the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on a job site, toward M/WBE goals, provided that the fees are determined to be reasonable and not excessive as compared with fees customarily allowed for similar services. Any portion of the cost of the materials and supplies themselves will not, however, be counted toward M/WBE goals.

E) If a firm is not currently certified as an M/WBE at the time of the execution of the contract, the firm's participation toward any M/WBE goals will not be counted.

F) The dollar value of any work performed under a contract with a firm after it has ceased to be certified will not be counted toward the overall goal.

G) The participation of an M/WBE subcontractor toward the prime contractor's M/WBE achievements or the overall goal will not be counted until the amount being counted toward the goal has been paid to the M/WBE.

H) A prime contractor may not count participation percentages for any M/WBE subcontractor, terminated for convenience, whose work it then performs using its own forces or those of an affiliate.

I) When an M/WBE subcontractor is terminated for cause, or it fails to complete its work on the contract for any reason, prime contractors must make good faith efforts to find another M/WBE subcontractor to substitute for the original M/WBE. These good faith efforts shall be directed at finding another M/WBE to perform at least the same amount of work under the contract as the M/WBE that was terminated, to the extent needed to meet the contract goal original established for the specified portion of the project.

Indiana Construction Roundtable Diversity Initiative Program

ICR Diversity Initiative Section: M/WBE Contracting: Project Spend

In this section…

Requested Information Checklist

General Contact and Project Information Form

M / WBE Contracting: Project Spend Data Submission Form

Workforce Diversity

Workforce Diversity

In the category of Workforce, points awarded will be based on two areas of participating firms' demographics: direct labor and management & ownership. The number of minorities and women working on a construction site and within the office will be evaluated to determine the percentage of a companies overall minority workforce. There are fifteen (15) total points available under this category with 7.5 points earned based on an annual evaluation, and 7.5 points earned based on a per project evaluation.

The annual data should be provided from the most recent corporate EE0-1 submission. The same information will need to be submitted to the Owner for each project during the bid phase, as total number of direct labor employees may fluctuate based on the type of project and time of year. However, it will be up to each Owner to determine the periods in which this data will need to be reported during the project to determine on-going project requirements as compared to the estimates provided during the bid.

This section is only section of the program where partial points will be awarded due to the nature of the calculation required to determine an annual and per project score.

Points Distribution

Category	Annual Points Available	Per Project Points Available
M & W direct labor (EEO-1 rows 3 thru 10)	4.5	3
M & W in Management or Ownership (EEO-1 rows 1 & 2)	3	4.5

Points Distribution

% of Owners' Workforce Goal	Percentage of Points Awarded	Maximum Points Awarded	
		4.5	**3.0**
90% - 100% or more	100%	4.5	3.0
80.1% - 90%	85%	3.8	2.6
701% - 80%	75%	3.4	2.3
60.1% - 70%	65%	2.9	2.0
50.1% - 60%	55%	2.5	1.7
40.1% - 50%	45%	2.0	1.4
30.1% - 40%	35%	1.6	1.1
20.1% - 30%	25%	1.1	0.8
10.1% - 20%	15%	0.7	0.5
5.1% - 10%	7%	0.3	0.2
0.0% - 5%	1%	0.05	0.03

Points Calculation:

Example:

<u>Owner Requirement:</u>

15% Direct Labor

5% Management & Ownership

<u>Information for Annual Evaluation:</u>

Firm reports that they have 65 total employees on their annual payroll (40 direct labor and 25 management & ownership), 7 of which are minority or women in direct labor and 4 of which are minority or women in management & ownership.

Annual Direct Labor Workforce = **7** (minority & women employees) / **65** (total number of employees) = **11%** (percentage of minority and women employees)

Annual Management & Ownership Workforce = 4 (minority & women employees) / **65** (total number of employees) = **6%** (percentage of minority and women employees)

Percentage of Annual M/W Workforce = 11% (% of Direct Labor) + **6%** (% of Management & Ownership) = **17%**

Percent of Owners' Requirements = 17% / 20% = 85%

Points awarded for Annual Evaluation = 85% (percentage of points awarded per the table above) = {**3.8** (points available for M & W direct labor) + **2.6** (points available for management & ownership employees)} = **6.4**

<u>Information for Project Evaluation:</u>

Firm reports that they have 155 total employees on their payroll (direct labor and management & ownership) for this project, 25 of which are minority or women in direct labor and 10 of which are minority or women in management & ownership.

Project Direct Labor Workforce = **25** (minority & women employees) / **155** (total number of employees) = **16%** (percentage of minority and women employees)

Project Management & Ownership Workforce = **10** (minority & women employees) / **155** (total number of employees) = **6%** (percentage of minority and women employees)

Percentage of Project M/W Workforce: **16%** (% of Direct Labor) + **6%** (% of Management & Ownership) = **22%**

Points awarded for Project Evaluation = 100% (percentage of points awarded per the table above) x {**3** (points available for M & W direct labor) + **4.5** (points available for management & ownership employees)} = **7.5**

Total number of points earned for Workforce category = 6.4 (points from annual evaluation) + 7.5 (points from project evaluation) = **13.9**

Indiana Construction Roundtable Diversity Initiative Program

ICR Diversity Initiative Section: Workforce Diversity

In this section…

Workforce Diversity Submission Form – Annual Data

Workforce Diversity Submission Form – Project Data

Indiana Construction Roundtable Diversity Initiative Program

Indiana Construction Roundtable Diversity Initiative

Mentor-Protégé Participation

Mentor-Protégé Participation

This program closely mimics the principles that are outlined in the Stempel Plan model. The Stempel Plan sets out clear guidelines for setting up and conducting a Mentor-Protégé relationship that will allow for an objective and uniform evaluation of mentoring efforts by participating companies. Consequently, it is being employed as the basis for the program set forth in the Diversity Initiative. However, the plan the Diversity Initiative will follow is slightly different than the original; primarily to allow emerging businesses to participate in the program provided they can meet the rigorous schedule of activities.

The point's structure will be broken up to into 3 subsets, with the 3 subsets providing the opportunity to receive a total of 15 points under this section of the Diversity Initiative. Each firm serving as a Mentor or Protégé will essentially be awarded a base of up to 12 points that may be modified up or down each month depending on the participating firms' active participation and adherence to the programs regulations. The remaining three points will be based on the successful graduation of the Protégé from the program. By evaluating a firm's participation, ICR will work with the Advisor Board to make the point determination for each firm.

If a relationship has not already been established, Mentor's and Protégé's will be matched together based on the information provided upon admittance to the program. All of the information provided to ICR will be held in the strictest of confidence. The only information passed onto any requesting Owner will be the verification of program participation and the score of the requested participant. This information will only be provided upon request.

Points Distribution

1st set of points – Awarded / Evaluated Monthly or Upon Owner Request

The first set of 5 points will be awarded based on active participation in a meaningful Mentor-Protégé relationship or relationships (5 points)

If the firm is in a MP relationship as described by this plan then they are to be awarded 5 points.

2nd set of points – Awarded / Evaluated Monthly or Upon Owner Request

Attendance at all MP meetings and Demonstrated Improvement of Protégé (7 points)

All MP meetings must be attended by both the Mentor and the Protégé to be awarded the points under this section. In addition, the Protégé must show measurable improvements in each of the evaluation periods throughout the year; monthly, quarterly and annual.

3rd set of points – Awarded Annually

Graduation of Protégé Firm (3 points)

Mentors will be judged on the graduation of the Protégé firm. Points will only be awarded once the Protégé firm graduates the program. Within the context of this program, firms will typically graduate within 1 to 3 years of beginning the program.

The next section to follow will provide further information on the structure of the program and the role of each party involved.

Acknowledgement

The Associated General Contractors of America (AGC) gratefully acknowledges the many ideas that the Port of Portland has generously contributed to this model. AGC is particularly indebted to Mr. Ron Stempel, who served as the Contracts and Procurement Manager for the Port of Portland from 1989 until his untimely death in 1996.

Mr. Stempel was a man of great and powerful vision. Driven by a commitment to his community and guided by his business experience, he demonstrated that personal integrity and common sense can make a real and lasting difference in the lives of others. His words were always plain and his goals beyond reproach. Undistracted by the political rhetoric of his time, he quietly set about the business of doing what needed to be done.

He first spoke to AGC at the association's 1995 Midyear Meeting in Nashville, Tennessee. Those who attended the meeting will long remember how his softly spoken words held the crowd quiet and still for nearly two hours. Already suffering from the illness that finally took his life, he provided much of the impetus for this work. With deep respect for the man and great appreciation for that particular moment, AGC wishes this work to be widely and commonly known as the **Stempel Plan**.

AGC also wishes to acknowledge the assistance of the many AGC members and chapter executives who actually wrote and finalized this work.

Please Note:

This model is neither designed nor intended to meet any legal standards set by federal, state, local or other public agencies. A mentor-protégé program based on this model may or may *not* meet government standards for such a program.

Indiana Construction Roundtable Diversity Initiative Program

A Model Mentor – Protégé Program
For the Design and Construction Industry

(Created using the Associated General Contractors of America Stempel Plan)

Introduction

This model is the product of literally generations of direct and personal experience with the business side of the construction industry – including much experience with the many government programs said to encourage the growth and development of minority, women and other "disadvantaged" business enterprises (M/W/DBEs).

The most obvious and controversial of these programs are the procurement programs that work their will on the award of government contracts and subcontracts. Much has already been said about these programs – and more will surely be said in the future. For now, it is enough to observe that these programs have not had a significant and lasting impact on the vast majority of the construction firms that they purport to serve. Relatively few of the targeted firms have become successful and effective competitors, capable of making their own way in an open market. It is true that some of the targeted firms have become competitive but the number pales in comparison to the great volume of work that federal, state and local programs have set aside.

As already acknowledged, Mr. Ron Stempel is the original source of much of what this model includes. When Mr. Stempel began researching the matter for the Port of Portland, he found that the government contracting programs were enriching a few big firms but having little if any impact on the vast majority of M/W/DBEs. The competitive base of such firms remained small. And their turnover rate was high.

Mr. Stempel also found fault with the government's traditional approach to management, accounting and other professional support services. He found that M/W/DBEs were accessing these services randomly. He found that the government had made no effort to measure the effectiveness of the services that it could provide.

AGC intends this model to respond to all of these problems. The association intends the model to help develop a broad base of emerging business enterprises that can survive and even thrive in a competitive environment. Some of the firms may perform public work. Others may prefer private work. Whatever the case, AGC hopes to help these firms become a vibrant part of the industry that AGC remains proud to represent.

More immediately, the association hopes to make professional support services far more effective instruments of emerging business development. Experienced hands should guide the emerging firms that need these services. And the services themselves should be *readily* available – when needed, and not two weeks later. AGC also wants to measure the services' impact, focusing more attention on the important business variables, including but not limited to the net worth and profitability of emerging business enterprises.

Growing and developing a new construction firm is not a job for someone lacking the personal experience and business acumen to run a successful construction company. Nor is it inexpensive. Nor should the industry settle for subjective, abstract or otherwise uncertain results.

Over the course of time, each generation of construction men and women has assumed the responsibility for preparing its successor. Indeed, in the construction industry, this has long been the "natural order" of things. It has been woven into the industry's culture and it remains one of the many things that makes the industry so attractive. AGC intends to respect this long tradition. The association believes that many of the industry's well-established firms are interested, willing and able to share their accumulated business acumen.

Mission and Goals

The mission of the model program is to build a broad base of emerging business enterprises with a minimum of two years experience capable of performing high quality construction at competitive prices. The program's immediate goals are two.

1 The first is to increase the volume of work that emerging business enterprises are capable of winning – and profitably performing – in open competition.

2 The second is to broaden the base of their activity, increasing the number and long-term stability of such firms, and spreading their activity throughout the building, highway, heavy, industrial and utility sectors of the industry.

Measurable Objectives

The measurable objectives of the model program are four. The first is a higher than average survival rate for the program's protégés. The second is continuous improvement in the financial strength and bonding capacity of those firms. The third is consistent success in meeting the objectives included in each protégé's individual business plan. The fourth is a high rate of successful transition out of the program in one to five years.

As it accumulates data on the performance of its protégés, the program should also define and apply other appropriate benchmarks.

And in at least its first few years, the program should also seek a steady increase in the number of mentors and protégés that it brings together.

ICR will facilitate the pairing of Mentor's and Protégé's based on each party's pairing preference. ICR will collect the information requested in this section of the program and publish it as a means of pairing assistance. ICR will only collect and evaluate the application for enrollment in the program, copies of meeting documentation that certifies active participation in the program. Acceptable means of documentation would be in the form of meeting agendas and meeting minutes, and other documents that certify the increase in business capacity of the Protégé. The following core deliverables must also be reviewed within partnerships:

- Business Plan
- Organization Structure / Job Descriptions
- Employee Manual
- Financial Statements
- Safety Manual
- Marketing Plan
- Operating Budget
- Business Forms

Means and Methods

To succeed, the program must be well rooted in the local business community, for that is where emerging business enterprises will find the resources and other assistance they need to overcome educational and other impediments to their success. Those most deeply involved in the program will be the program sponsor and well-established contractors (whether prime contractors or subcontractors) that agree to provide mentors. The program sponsor must also network with surety companies, financial institutions, and accountants and other professionals who can put emerging business enterprises on the road to success. If possible, the sponsor should also try to involve large and prestigious owners in the local business community. Such owners can help create the kind of climate in which everyone is enthusiastic about working together. They can also help defray the cost of the program.

One of the program sponsor's key responsibilities is to structure the interaction among the many players, and particularly between mentors and their protégés. The working relationships among the players must be flexible and yet rigid enough to produce results. Once strong, the relationships between mentors and their protégés will empower the latter to make effective use of a service provider, and eventually, to build their own relationships with the other players.

This model requires two mentors for each protégé. It contemplates at least monthly meetings among the three. At these regularly scheduled meetings, mentors and their protégés should work through a written agenda. At the heart of that agenda should like the protégé's business plan. Together, mentors and their protégés should identify the steps necessary to implement that plan, and should agree on a set of specific actions for the protégé to take by the time of the next regular meeting. Mentors and their protégés should also review and discuss the latter's recent performance, and see how it compares with earlier decisions and the protégé's overall business plan.

At the outset, the program sponsor should retain one or more firms to provide management, accounting and other professional support services to the protégés. The action plans that emerge from the monthly meetings between mentors and their protégés are very likely to require the latter to make use of such support services.

Unlike programs that have offered such services in the past, this program should help emerging business enterprises make effective use of a professional service provider. The experience and business acumen of well-established firms will guide the protégés as they move forward. Past experience reveals that random and unguided access to service providers will not get the job done. Emerging business enterprises have to relate their actions to sound business plans.

The model program does not forbid mentors to subcontract work to their protégés, or to form joint ventures with the latter. Mentors and protégés may, however, find that such business relationships cause conflicts of interest. Mentors will have an obligation to give their best business advice to their protégés, wherever the latter may be working, and whatever the potential impact on the mentors themselves.

If successful, the program will produce a broad base of high quality companies. The program will seek steady improvements in the protégés business practices in the belief that such improvement will make these companies into effective competitors for any and all of the work in the relevant segment of the market. A program should expect its protégés to achieve higher than average survival rates, to achieve their individual objectives for growth and profitability, and to achieve long-term stability.

The Key Players and Their Individual Roles

There will be many important players. Each one will play a different role and bear a different responsibility. Following is a brief description of the key players and their individual roles.

PROGRAM SPONSOR

The sponsor may be a public agency, a private trade association or any other organization with the resources and commitment to make the program work. In some cases, a public-private partnership may be the most promising approach. Whatever the case, the sponsor must be able to play its key role. The sponsor is the program organizer and coordinator, and it must bear the responsibility for the program's administration. In this instance the program sponsor is the Indiana Construction Roundtable (ICR). The ICR's duties will include:

1. Advertising and promoting the program;
2. Organizing related business events;
3. Collecting enrollment information from potential mentors;
4. Collecting enrollment information from potential protégés;
5. Provide up-to-date lists of all mentors and protégé's enrolled in the ICR program;
6. Informing and reminding mentors and protégés of their roles and responsibilities;
7. Collecting status reports;
8. Maintaining program records;
9. Coordinating the efforts of the Mentor-Protégé Advisory Board and providing overall program status reports;
10. Identifying the necessary sources of program funding.

Depending on the circumstances, the sponsor may seek the financial support of government agencies, private owners, private foundations and/or others. If it would provide the necessary assistance to both parties, the mentor may request the assistance of members of the local business community to provide in-kind assistance based on the needs of the protégé.

ICR will organize and facilitate the meetings of an advisory board. In conjunction with that board, the ICR will evaluate the progress of the mentors' and protégés' partnership through the submission of monthly progress reports by the mentor. These monthly evaluations will allow ICR to assign the appropriate score under this section of the ICR Diversity Initiative.

ADVISORY BOARD

The advisory board will include representatives of the program sponsor, the well-established and emerging firms in the local construction industry, and the financial and surety companies that serve the local business community. If appropriate and helpful, the program sponsor could also give seats to large and prestigious owners and possibly the providers of other important services.

The size of the board, and number of individuals representing each group, should reflect the local circumstances that give rise to the mentor-protégé program. Most if not all of the members of the board should, however, be familiar with the technical aspects of construction and / or the management of construction firms.

The advisory board should guide and assist the sponsor but not assume the sponsor's administrative or other responsibilities. To the extent the sponsor finds it helpful, the board should (1) recommend program policy, (2) participate in the selection and assignment of mentors and protégés, and (3) guide the overall direction of the program.

The board should also voice its support for the mentor-protégé program throughout the local business community.

PROFESSIONAL SERVICE PROVIDER

The professional service provider should be a major source of support for protégés. It may be one company or several. ICR encourages all mentors to actively seek the assistance of professional services providers for this program.

The professional service provider should also play an educational role. In addition to the immediate assistance that protégés may need, the professional service provider should transfer its knowledge and understanding of the business issues that the protégés face, enabling them to make permanent changes in the way they conduct their affairs.

The services provided to any one firm will depend on its particular needs. Mentors and protégés will jointly identify those needs during their regular meetings. If effective, the mentoring process will help the protégés make the most intelligent and effective use of the professional service provider – and generally encourage the sound business practices that increase a firm's potential for sustainable growth.

The professional service provider should participate in the regular meetings between mentors and their protégés. It should also respond to any *ad hoc* requests for assistance. It should promptly return telephone calls and promptly respond to any other requests for meetings or other assistance. It is up to the mentor to ensure that any professional service provider assisting them in this program adheres to the requirements for the benefit of the protégé.

The major categories of professional service should include the following:

1 General business management;

2 Financial administration;

3 Insurance and bonding; and

4 Specific seminars and other educational programs that mentors and their protégés may identify.

For the benefit of future program sponsors, the first appendix is a sample request for proposals to provide these services.

WELL-ESTABLISHED COMPANIES (SERVING AS MENTORS)

The number and quality of the mentors will be key to the success of any mentor-protégé program. Necessarily, mentors will come from well-established companies. They should be construction executives with the knowledge and experience to help emerging business enterprises refine and implement sound business plans.

Mentors have to make themselves readily available to their protégés. In fact, their time is their most important contribution to the program. Among other things, mentors have to attend all meetings – including but not limited to the regular monthly meetings that the program sponsor will schedule.

Between the regularly scheduled meetings, mentors have to be available to help their protégés address any significant business problems that the latter may confront. In effect, mentors have to be "on call." Mentors should not be expected to address routine matters but they should be there to help with any significant business issues.

In sum, mentors should help their protégés (1) set targets for improvement, (2) set deadlines for hitting those targets and then (3) meet those deadlines. Mentors should regularly review their protégés' business and action plans, and as their protégés grow and develop, mentors should keep close tabs on their protégés' key business indicators, including their cash flow, work in progress and recent bids. Mentors should also teach their protégés how to market a construction company.

Mentors experience can be expected to help protégés:

1 Identify any weakness in the latter's general or financial management;

2 Identify the professional services that could help address those areas;

3 Identify any seminars or other educational programs that protégés should take; and

4 Directly impact protégés' engineering, project and construction management.

Included in this packet is an application for enrollment and a program participation agreement form. Each form must be completed and returned to the ICR for participation in the program. All mentors and protégés are required to sign the agreement that states their intention for active participation.

EMERGING BUSINESS ENTERPRISES (ENROLLED AS PROTEGES)

Protégés should also have certain responsibilities. They should be required to attend all regularly scheduled meetings and to help complete the agenda for those meetings. Between such meetings, protégés should be required to make every reasonable effort to implement the business decisions that the meetings produce. Depending on the circumstances, they may, for example, have to:

1 Work with an accountant or other professional service provider;

2 Attend seminars and / or other educational programs; or

3 Implement specific changes in the management or operation of their business.

On a continuing basis, and for as long as they are enrolled in the program, protégés must also:

1 Provide complete and up-to-date information on their businesses, including their business and action plans, their cash flow, their latest bids, and their work in progress; and

2 Take the initiative to request whatever additional assistance they may need to address significant business issues.

As noted above, Included in this packet is an application for enrollment and a program participation agreement form. Each form must be completed and returned to the ICR for participation in the program. All mentors and protégés are required to sign the agreement that states their intention for active participation.

Also included in this packet of information is a sample report form that protégés should be required to complete each month, in advance of their regularly scheduled meetings with their mentors.

SURETY COMPANIES

Surety companies and brokers that serve the local business community also have to take an active part in the program. The ICR will continue to encourage and help protégés reach the point where they are bondable. At least some of the surety companies and brokers can and should agree to meet with the protégés:

1 To explain the purpose and function of surety bonds; and

2 To help protégés develop the underwriting files that will enable them to get bonds.

It will be the responsibility of the Mentor to arrange such meetings as part of participation within this program.

FINANCIAL INSTITUTIONS

The banks and other lenders in the local business community also have a role to play. At least some of these institutions can and should agree to meet with the protégés:

1 To explain how to apply for credit, and related legal issues; and

2 To help protégés actually apply for credit and / or increase the limits of their credit.

It will be the responsibility of the Mentor to arrange such meetings as part of participation within this program.

Protégé Performance Standards

If the mentor-protégé program is successful, protégés will achieve measurable success against a sound business plan. The model program expects protégés to demonstrate continuous improvement from quarter to quarter and from year to year – in the following areas:

1 Capital base, including:

- .01 Working capital;
- .02 Depreciated value of equipment owned or leased;
- .03 Payroll;
- .04 Material expensed;
- .05 Overhead expensed;
- .06 Net profit;
- .07 Available credit;

2 Bonding limits, per job and in the aggregate;

3 Value of Current and Future Work;

4 Success in getting profitable work outside any government or other procurement program for small, minority, women or disadvantaged business enterprises;

5 Retention of reliable and productive employees; and

6 Customer loyalty resulting in repeat business.

Standard Operating Procedures

Below are some standard operating procedures for the selection of mentors, for the selection of protégés, for the assignment of mentors to protégés, and for meetings between the two.

SELECTION OF MENTORS

Either alone or in conjunction with the advisory board, the program sponsor should seek out and interview all potential mentors. In the course of the interview, and in other ways that it finds effective, the sponsor should assure itself that the candidate understands and accepts the program's expectations and is truly committed to making the program work.

SELECTION OF PROTEGES

The advisory board and program sponsor should invite the emerging business enterprises in the local construction industry to enroll in the program. The board and/or sponsor should also interview the firms that do apply, to identify and/or clarify each firm's needs.

The invitation to enroll in the program should make it clear that all applicants must complete and submit a program application, a balance sheet and an income statement. The board and sponsor should use the balance sheet and income statement to conduct at least a cursory financial pre-review, before interviewing an applicant. This pre-review should include a comparison with standard industry ratios.

The board and sponsor may also want to require all applicants to have a minimum number of years in business. In any case, they should not accept new startup companies.

ASSIGNMENT OF MENORS TO PROTEGES

The advisory board and program sponsor must also designate two mentors for each protégé. In deference to federal and other antitrust laws, the board and sponsor should hesitate to ask well-established companies to mentor firms that compete for the same work. In any case of doubt, the board and sponsor should seek the advice of competent legal counsel.

MEETINGS

Mentors, their protégés, the service provider and the program sponsor should meet at least once each month, at regularly scheduled time and place. The sponsor should arrange these meetings, and the sponsor should prepare a written agenda for each. The service provider should take notes on the meeting, and at the conclusion of each meeting, the service provider should distribute a written report on the meeting to all of the participants.

The report should outline the protégé's most recent efforts to implement its business plan and the results of those efforts. The report should also list the protégé's current needs. Mentors and protégés should use this report to guide their next steps, and the sponsor should also review the items on the protégé's business and action plans and make any appropriate changes. They should, for example:

1 Review and identify any new barriers to the protégé's success;

2 Identify any management, accounting or other professional services that the protégé still needs;

3 Set specific targets for further improvement; and

4 Set a deadline for hitting each target.

In the action plans themselves, mentors and protégés should record the steps necessary, and results required, for the protégés to improve their prospects for success.

Included within this packet is a sample agenda for the regular monthly meetings. On their own initiative, mentors, protégés and any active service providers should also hold such other meetings as they may find necessary.

CONFLICT RESOLUTION

There may be times when the mentor protégés teams do not work for a multitude of reasons. If this should happen, there needs to be a final review of the specific circumstances by the program sponsor. The mentor and protégé both must provide a written review of their concerns. The program sponsor, once reviewing the information provided, may decide to assign a new mentor or protégé or develop an action plan for continuation in the program.

GRADUATION

A formal graduation ceremony will be facilitated once the goals established by the program sponsor, mentor and protégé in the business plan are attained. Many variables will affect the pace with which each protégé/mentor team will realize their goals. It is anticipated that participation will range between one and five years. At the close of five years, if a protégé/mentor team has not met all of the goals, an exit strategy will be established with the guidance of the program's advisory board.

Progress Reports

Progress reports are intended to help everyone assess the actual results of the mentor-protégé program. They should also help the various players clarify and strengthen their individual roles. Recognizing that the relationships among the players are all voluntary, the reports should also help strengthen the program as a whole.

For each quarter and year of enrollment, the ICR will produce a progress report on each protégé, based on the performance standards that this model recommends. These reports will go to the protégés and their mentors. Aggregate data should go to the advisory board. At the discretion of the advisory board, the aggregate information will be then report to the ICR board of directors.

Indiana Construction Roundtable Diversity Initiative Program

A Model Mentor – Protégé Program
For the Design and Construction Industry

(Created using the Associated General Contractors of America Stempel Plan)

In this section...

Application for Enrollment in ICR's Diversity Initiative Mentor-Protégé Program

Mentor-Protégé Program Participation Agreement

Protégé Monthly Meeting Sample Report Form

Sample Agenda for Regular Monthly Meetings

Education, Training & Ancillary Programs Participation

Indiana Construction Roundtable Diversity Initiative Program

ICR Diversity Initiative Section: Education, Training & Ancillary Programs Participation

Education, Training & Ancillary Programs

Points awarded in this section of the program will be divided among three areas. These areas are detailed below. The activities of a participating company will be subject to an annual review of the company's diversity plan by the Diversity Initiative review panel. As can be ascertained from information below, this section primarily awards points based on the company's ability to incorporate or significantly contribute to programs, inside and outside of the subject company, that are devised to influence and significantly advance diversity within the construction industry.

To that end, there are three Categories of organizations that through either financial or volunteer hour contributions, a participation firm can earn points in the final section of Education, Training & Ancillary Programs portion of the Diversity Initiative. Those Categories are as follows:

Category 1: Organizations that have a specific construction focus and a diversity orientation or initiative

Category 2: Organizations that have either a specific diversity focus or a discernable level of construction industry impact

Category 3: Community programs that have a positive impact on minorities and women

Contributions to organizations in any one of these Categories will earn the participant different number of points, with support of organizations in the Category 1 worth more points. However, the support of companies from each of the three Categories will result in potentially receiving the most points.

The following is a current list of programs vetted by the ICR Education, Training & Ancillary Programs Committee. Each set of organizations are listed by their respective categories.

Category 1 – Organizations that have a specific construction focus and a diversity orientation or initiative
ABC Major Opportunities Initiative
ACE Program
ICR
Indiana Plan
NAWIC (National Association of Women in Construction)

Category 2 – Organizations that have either a specific diversity focus and a discernable level of construction industry impact
Minority Engineering Program
Society of Hispanic Professional Engineers
National Society of Black Engineers
Indiana Business Diversity Council
Society of Women Engineers
National Association of Women Business Owners

Category 2 (continued)– Organizations that have either a specific diversity focus and a discernable level of construction industry impact
Purdue Science Bound

Category 3 – Community programs that have a positive impact on minorities and women
Boys & Girls Clubs of Indianapolis
Boy Scouts of America
Girl Scout of America
Big Brothers/Big Sisters
United Way
Indianapolis Black Chamber of Commerce
Indiana State Hispanic Chamber of Commerce

Note: *Membership fees for any of the organizations above will qualify as monetary support.*

The programs listed above were preliminarily vetted by the Education and Training Committee assigned to develop this section of the program. If there are other programs or organizations to which your organization contributes, and are those that you consider to be a value to the community and further promote the goals of the ICR Diversity Initiative, please inquire with the ICR office on how to get that program or organization added to the list.

It is important to note that each program listed above has been pre-selected by the ETA Committee. It is with that consideration that is equally important to note that this is not intended to be an exhaustive list of programs that will ultimately qualify under this section of the Diversity Initiative. ICR has put a process in place for evaluating programs that will be added to the lists above as they are suggested by companies that participate in the Diversity Initiative. The ETA Committee will be charged with reviewing the submitted programs and, if approved, will assign them to the appropriate category.

Points Distribution

1st set of points – Awarded Annually

The first set of **3** points will be allocated based on the number of training programs made available to employees that are focused on furthering the goals of the diversity initiative.

Typical Questions to Be Asked / Requested Information:

1. What types of training does your company provide to all of your employees that advance diversity in your company?

a. If the answer to this question is “no training offered”, the zero points are to be awarded.

2. What is the percentage of your employees that actually participate in this training?

Indiana Construction Roundtable Diversity Initiative Program

ICR Diversity Initiative Section: Education, Training & Ancillary Programs Participation

Points Distribution

Hours of Advancement Training for Minorities & Women (Per Year)	Points Awarded
3 or more hrs / employee	3
2 – 2.9 hrs / employee	2
1 – 1.9 hrs / employee	1
< 1 hr / employee	0

2nd set of points – Awarded Annually

The second set of **3** points can be received based on the ***percentage of minority and women that participate*** in programs that will assist them on advancing within the company or trade.

Typical Questions to Be Asked / Requested Information:

1. Please provide a percentage of minority and women participants in such training programs.
2. Please provide the total number of training hours provided by your company for all employees.

Points Distribution

Avg. Hrs of Diversity Related Training (Per Year)	Points Awarded
3 or more hrs / employee	3
2 – 2.9 hrs / employee	2
1 – 1.9 hrs / employee	1
< 1 hr / employee	0

3rd set of points – Awarded Annually

The final category under this section, worth a maximum of **9** points, is reserved for support the company makes to outside programs, either through monetary contributions or volunteer efforts that have demonstrated effectiveness in increasing the number of minorities and women in the industry.

Typical Questions to Be Asked / Requested Information:

1. Please provide the estimated annual financial support provided by your company to this type of community outreach within the state of Indiana.
2. Please provide the estimated annual community support hours provided by your company to this type of community outreach within the state of Indiana.
3. Do you have scholarship programs that support minority and women workforce development?

Indiana Construction Roundtable Diversity Initiative Program

ICR Diversity Initiative Section: Education, Training & Ancillary Programs Participation

4. Please share any other support your company provides that relates to the ICR Diversity Initiative.

Points Distribution

Activity	Points Available	Annual $ or Hour Contribution per FTE employee
Category 1 Organization Support	5	At least $50 **OR** 5 hours per employee per year
	4	$40 to $49 **OR** 4 to 4.9 hours per employee per year
	3	$30 to $39 **OR** 3 to 3.9 hours per employee per year
	2	$20 to $29 **OR** 2 to 2.9 hours per employee per year
	1	$10 to $19 **OR** 1 to 1.9 hours per employee per year
Category 2 Organization Support	3	At least $30 **OR** 3 hours per employee per year
	2	$20 to $29 **OR** 2 to 2.9 hours per employee per year
	1	$10 to $19 **OR** 1 to 1.9 hours per employee per year
Category 3 Organization Support	1	At least $20 **OR** 2 hours per employee per year

Note:

- Points are distributed based on the total donation (financial and/or volunteer hours) to any combination of organizations within a given category.
- Membership fees paid to organizations approved by ICR through this program will count as financial contribution to that organization.
- The number of employees used in all calculations will be the peak number of administrative and craft personnel, as reported for the year prior to enrolling in the Diversity Initiative Program.

***Points Calculation**:*

Formula to be applied to calculate the average financial contribution per employee is as follows:

Total Financial Contribution to ICR approved organization (U.S. currency) / (Number Craft Labor employees + Number of Office / Management employees)

Formula to be applied to calculate the average volunteer hour contribution per employee is as follows:

Total employee hours volunteered to ICR approved organization (U.S. currency) / (Number Craft Labor employees + Number of Office / Management employees)

Symbols (Arithmetic Operators):
+ (plus sign) = Addition
/ (slash) = Division
x = Multiplication
- (minus sign) = Subtraction

Indiana Construction Roundtable Diversity Initiative Program

ICR Diversity Initiative Section: Education, Training & Ancillary Programs Participation

Example:

Firm reports the peek employment for the firm was recorded in the July 2006 and is reflective of 150 craft labor employees and 50 office / management employees. In addition they report that the total financial contribution to Category 1 organizations is $7,500 and $10,450 to Category 2 organizations. They also confirm that their workforce has provided 225 hours of volunteer time to approved organizations in CATEGORY 2.

Total workforce = **150** (craft labor employees) + **50** (office / management employees) = **200** (total number of employees)

Category 1 contribution:

$7,500 (CATEGORY 1 financial contribution) / **200** (total number of employees) = **$37.50** per employee (**Points awarded = 2**)

225 (Category 1 volunteer hours contribution) / **200** (total number of employees) = **1.125** hours per employee (**Points awarded = 1**)

Category 2 contribution:

$10,450 (CATEGORY 1 financial contribution) / **200** (total number of employees) = **$32.25** per employee (**Points awarded = 3**)

Total points earned Education & Training category = 2 (category 1 financial contribution) + 1 (category 1 time contribution) + 3 (category 2 financial contribution) = 6

Indiana Construction Roundtable Diversity Initiative Program

ICR Diversity Initiative Section: Education, Training & Ancillary Programs Participation

In this section…

Education, Training & Ancillary Program Participation Data Submission Forms

ICR Diversity Initiative Program Community Organization Application

Appendix

Appendix A
Definitions

Definitions

DBE - Disadvantaged Business Enterprise

Whenever projects are funded or assisted by the U. S. Department of Transportation, Disadvantaged Business Enterprise (DBE) replaces the term MBE. Disadvantaged Business Enterprise or DBE - Means a for profit small business concern that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51% of the stock is owned by one or more such individuals, and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

Socially and Economically Disadvantaged Individual

Socially and Economically Disadvantaged Individual - means (i) any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is an individual on a case-by-case basis; or (ii) and individual in the following groups, members of which are reputably presumed to be socially and economically disadvantaged:

Black Americans, which includes person-having origins in any of the black racial groups of Africa;

Hispanic Americans, which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

Native Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the US Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;

Subcontinent Asian Americans, which includes persons whose origins, are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;

Women;

Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

MBE - Minority Business Enterprise

A Minority Business Enterprise (MBE) is one that is owned and controlled by at least fifty-one percent (51%) minority member(s). Minority group members are citizens of the United States who are Black, Hispanic, Asian Pacific Islanders, American Indians or Alaskan Natives.

Asian-Indian -A U.S. citizen whose origins are from India, Pakistan or Bangladesh.

Asian-Pacific - A U.S. citizen whose origins are from Japan, China, Indonesia, Malaysia, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Thailand, Samoa, Guam, the U.S. Trust Territories of the Pacific or the Northern Marianas.

Black – A U.S. citizen having any origins in any of the Black racial groups of Africa.

Hispanic – A U.S. citizen of trueborn Hispanic heritage, from any of the Spanish-speaking areas of Latin America or the following regions: Mexico, Central America, South America and the Caribbean Basin only.

Native American – A person who is an American Indian, Eskimo, Aleut or Native Hawaiian, and regarded as such by the community of which the person claims to be a part. Native Americans must be documented members of a North American tribe, band, or otherwise organized group of native people who are indigenous to the continental United States and proof can be provided through a National American Blood Degree Certificate (i.e., tribal registry letter, tribal roll register number.)

WBE - Women Business Enterprise

A Women Business Enterprise (WBE) is one that is at least fifty-one percent (51%) owned by a woman or women who are citizens of the United States.

Joint Ventures

A bidder may count toward the contract goal the portion of its expenditure to a joint venture that is equal to the percentage of the MBE or WBE participation in the joint venture as it relates to the total fee only, not the value of the project. The MBE or WBE member of the joint venture must have an interest in the control, management, and operation of the joint venture commensurate with the member's percentage of ownership. The MBE or WBE that is a member of the joint venture must be responsible for a clearly defined portion of the work to be performed, equal to its share in the ownership, control, and management of the joint venture.

Mentor –Protégé

A Mentor-Protégé agreement is similar to a joint venture. A bidder may count toward the contract goal the portion of its expenditure to a joint to a mentor-protégé that is equal to the percentage of the MBE or WBE participation. The MBE or WBE that is a member must be responsible for a clearly defined portion of the work to be performed, equal to its share in the ownership, control, and management.

Mentor - A mentor must demonstrate that it possesses favorable financial health, possesses good character, does not appear on the federal list of debarred or suspended contractors, and can impart value to a protégé.

Protégé – A protégé is a certified MBE or WBE contractor who can benefit from a Mentor – Protégé Agreement.

The purpose of a Mentor Protégé Joint Venture is to enhance and strengthen the capacity of the MBE or WBE to contract and or subcontract independently of the Mentor, foster long term relationships between primes, generals with MBE/WBE contractors, and increase overall participation of MBE/WBEs throughout the construction industry.

There are several templates available for joint ventures and mentor protégé agreements.

The Stempel Plan is commonly referred to for Mentor – Protégé Agreements.

Published by the Indiana Construction Roundtable

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