

MINORITY BUSINESS ENTERPRISE (MBE) COMMITMENT PLAN

PROJECT NAME: _____ **ADDRESS:** _____

Project Start Date: _____ Project Anticipated End Date: _____

The Developer(s) _____ Contact person _____

Phone number _____ Email address _____

The General Contractor(s) _____ Contact person _____

Phone number _____ Email address _____

_____ agrees to demonstrate a good faith effort to utilize Minority Business Enterprises (MBE) when establishing contracting or subcontracting opportunities for this project.

_____ agrees to demonstrate a good faith effort to solicit MBEs for contracting or subcontracting opportunities for this project through any or all of the following means listed in this MBE Commitment Plan.

_____ will monitor the success of MBE participation (Awards vs. Payments) on this project during progress meetings and through the monthly payment reports submitted to the Department of Housing and Community Development (DHCD) Office of Fair Practices (OFP).

I have reviewed this plan in its entirety and agree to demonstrate good faith efforts to provide Minority Business Enterprises (MBE) subcontracting opportunities on this project.

The Developer(s) Signature Date

General Contractor(s) Signature Date

DHCD's MBE Liaison Signature Date

Minority Business Enterprise Program Requirements

Purpose

The Office of Fair Practices (OFP) has the overall responsibility of assuring the Department of Housing and Community Development's (DHCD) Minority Business Enterprise (MBE) program is compliant with Federal, State, and local laws, regulations, policies and procedures. OFP monitors contracts for compliance and ensures that Good Faith Efforts (GFE) are being demonstrated to achieve or exceed Maryland's 29% MBE goal on applicable DHCD funded projects.

The MBE program was designed to increase the participation of minority and women-owned businesses in industries in which they have been historically underrepresented. The MBE program helps small businesses owned by socially and economically disadvantaged individuals to compete in the marketplace. Most importantly, this program is intended to prevent discriminatory practices and to create a leveled playing field in which MBE firms may compete fairly for Maryland taxpayer funded projects.

MBE Program Compliance

Administrative desk audits and/or On-site compliance reviews (announced and unannounced) may be conducted to verify that participating MBE firms are performing a commercially useful function (CUF). To perform a CUF an MBE firm MUST be responsible for the execution of a distinct element of the work assigned to them from the contract and carries out its responsibilities by performing, managing and supervising the distinct element work involved.

Please ensure all MBE firms that will be utilized to meet or exceed the MBE Participation goal for this project are certified by Maryland Department of Transportation (MDOT) to perform the distinct element of the work assigned to them and/or have the applicable National American Industry Classification System (NAICS) code.

**Only MDOT MBE certified firms' participation will be counted towards the projects MBE Participation goal.*

MBE Program Requirements

Email Monthly MBE subcontractor Payment reports to OFP at ofnpncompliance.dhcd@maryland.gov and the DHCD's Construction Project Manager on or before the 15th of each month for the duration of the project. If the reports are not received or not complete the project may be placed in non-compliance.

Please Note: If any problems occur with the performance of the MBE contractors' or they are unable to perform the applicable CUF, please contact Tanya Jones-Austin, OFP's Senior Fair Housing & Training Manager at 301-429-7500/tanya.jones-austin@maryland.gov or Allegra Hollins, OFP's Director at 301-429-7417/allegra.hollins@maryland.gov as soon as possible to ensure the appropriate mediation and/or add/removal process is utilized.

Developer's Initials _____

General Contractor's Initials _____



MBE Good Faith Efforts Best Practices

The following is a list of types of actions which you should consider as good faith efforts to obtain MBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

A. Solicit through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified MBEs who have the capability to perform the work of the contract. Solicit this interest within sufficient time to allow the MBEs to respond to the solicitation and making appropriate steps to follow up initial solicitations.

B. Select portions of the work to be performed by MBEs in order to increase the likelihood that the MBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.

C. Provide interested MBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.

D. Negotiate in good faith with interested MBEs. Make a portion of the work available to MBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available MBE subcontractors and suppliers, to facilitate MBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of MBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for MBEs to perform the work.

E. Negotiate with subcontractors, including MBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration.

However, the fact that there may be some additional costs involved in finding and using MBEs is not in itself sufficient reason for a bidder's failure to meet the contract MBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from MBEs if the price difference is excessive or unreasonable.

F. Not rejecting MBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities.

Ex. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.



G. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and minority/women business assistance offices; and other organizations



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

7800 HARKINS RD • LANHAM, MD 20706 • DHCD.MARYLAND.GOV
301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258



Pre-Closing MBE Sub Contract Award Form				
Minority Firms Name	Cert #	Scope	Sub Contract Dollar Amount by firm	Sub Contract Percentage by firm
Total value of all MBE Awards				

I CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

Prepared By: _____ Date: _____

Signature: _____

