

City of Durham City Hall Complex Renovation Diversity Program
(Emerging Contractor Plan)

Balfour Beatty Construction Diversity Statement:

Balfour Beatty Construction is committed to maximizing utilization of diverse businesses on all of our projects. That commitment is underscored by our participation in the solicitation of, and contracting with, these firms for many years. Maximum opportunity on all of our projects and meeting established goals is a non-negotiable standard of performance along with cost, schedule, quality, and safety. By actively supporting, creating broader networking opportunities, and mentoring diverse groups, we continue to see the fruits of our efforts by high levels of participation on our jobsites.

Compliance Statement:

Balfour Beatty Construction verifies and ensures that all our subcontractors, suppliers, partners, and joint ventures provide a commercially useful function to the project and all stakeholders.

SDBE PURPOSE/GOAL:

The purpose of this Small Disadvantaged Business Enterprise (SDBE) plan is to promote the utilization of local SDBE businesses located in the City of Durham's database. This plan calls for increased opportunities for participation of local SDBE firms in this project. This strategy sets forth procedures to broaden the chances for local SDBE businesses to better participate in the construction industry as prime contractors and subcontractors.

STATEMENT OF POLICY:

This policy intends to encourage open competition, while providing equal access to contracting opportunities for local SDBEs. Local SDBE firms are an integral part of the local construction industry. SDBE businesses include companies owned and operated by minorities, females, and other economically disadvantaged individuals. With the proper support and assistance, local SDBEs may become more involved in projects throughout the Durham community. Balfour Beatty Construction plans to utilize our local SDBE firms listed in the City of Durham's database for construction opportunities on this project.

SMALL DISADVANTAGED BUSINESS ENTERPRISE STRATEGIC PLAN OBJECTIVES:

The plan objectives are:

1. Increase the overall participation of Small Disadvantaged Businesses on this project.
2. To provide equal opportunities to SDBEs as defined and certified by the City of Durham.
3. To provide concise and efficient measures for monitoring compliance with the SDBE program and goals established by Balfour Beatty Construction.
4. Establish working partner relationship with small business community through increased communication.
5. Collaborate with Small Disadvantaged Business contractors to achieve an equitable distribution of construction contract awards.

ADMINISTRATION:

This SBDE Strategic Plan shall be administered by Balfour Beatty Construction collaboratively with full support of the entire Balfour Beatty Construction Project Team. To ensure maximum success, and accomplishment of SDBE objectives, the plan will implement the following guidelines and activities:

1. SDBE Identification

HUB *Historically Underutilized Business*
MWBE *Minority or Woman-owned Business Enterprise*
SDBE *Small or Disadvantaged Business Enterprise*

MBE *Minority Business Enterprise*
DBE *Disadvantaged Business Enterprise*

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2. Media and Plan Room Outreach
3. Proactive Procurement and Recruitment
4. Technical Assistance
5. Second Tier Strategy
6. General Condition Purchases
7. Mentor-Protégé Program
8. Monitor and Reporting
9. Subcontractor Conflict Resolution Program

These activities are outlined in greater details as follows:

SDBE IDENTIFICATION RESOURCES

Balfour Beatty Construction with the City of Durham will identify potential SDBEs using available resources including:

1. Use of the City of Durham's database
 - a. Through collaboration with the Department of Equity Opportunity Equity Assurance (EOEA) SDBE firms will be identified that are certified or those small firms with pending applications for certification for contracting opportunities, who may perform the scope of work required.
2. Identification of SDBEs
 - a. Potential SDBEs will be identified using resources such as:
 - b. Balfour Beatty Construction's MWBE database
 - c. City of Durham's Small Disadvantage Business Enterprise Database
 - d. And other local SDBE databases

OUTREACH / SOLICITATION

Balfour Beatty Construction will solicit SDBE interest in the project utilizing the following:

1. Advertising our SDBE Outreach Efforts, Meetings, Pre-qualification information process and bid solicitations in such publications as:
 - a) The Durham Herald Sun (Durham)
 - b) News and Observer (Raleigh)
 - c) The Carolina Times (Durham)
2. Advertising our SDBE Outreach Meeting, Pre-qualification information process and bid solicitations in such venues as:
 - a) NCIMED Minority Contractors Plans Room (Durham)
 - b) Balfour Beatty Construction
 - c) EO/EA Office (Durham)

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3. Provision of written notice to all SDBEs listed in the City of Durham database that might perform the work to be subcontracted. Balfour Beatty Construction will notify SDBEs of upcoming projects and deadlines by sending out pre-bid notifications to all SDBEs identified as qualified prime contractors and subcontractors.

Balfour Beatty Construction will also work with the City of Durham to ensure that qualified firms are certified small business contractors. We will further look to discover additional SDBEs, whom are qualified bidders both as prime contractors and subcontractors. Balfour Beatty Construction will also notify SDBEs of the approved Bidders List.

4. Follow-up to determine with certainty SDBE interest in participation in project, once bid is underway. Balfour Beatty Construction will send out pre-qualification packages to interested local contractors, who have registered with the City of Durham and other certifying agencies. Balfour Beatty Construction will also follow up through telephone solicitation, e-mail or faxing to encourage SDBE attendance at bid meetings. Once the bid is underway, SDBE firms are informed on the project's status and Owner's goals for SDBE involvement.

5. Consideration of all proposals received from SDBEs. Our project team will meet with SDBEs prior to bidding on any of the work. Balfour Beatty Construction will review the goals for contracting to Small Disadvantaged Business Enterprises. We will then conduct a post bid review to determine how the work will be allocated to the SDBE firms to meet the agreed upon goals.

TECHNICAL ASSISTANCE

Balfour Beatty Construction will provide technical assistance to SDBEs to aid them in the preparation of pre-qualification statements and proposals by:

1. Aiding SDBEs in the interpretation and presentation of bid documents and bid forms
2. Providing one-on-one assistance in filling out the prequalification forms.
3. During the bidding phase of the project, Balfour Beatty Construction will be available to assist SDBE firms to review drawings to assess their potential scope on the project.
4. Sharing material quantity/take-offs on bid packages to allow SDBEs to better understand their general conditions.
5. Offering referral assistance to SDBEs to match them with appropriate vendors, service providers and/or prime contractors.
6. Balfour Beatty Construction will conduct a class on construction topics for local SDBEs.

SECOND TIER STRATEGY

7. We provide subcontractors opportunities with Balfour Beatty Construction (1st Tier)
8. Balfour Beatty Construction and the EOEA will collaborate to determine the overall prequalification process for SDBE firms.
9. Balfour Beatty Construction will provide lists of qualified interested SDBE second tier contractors and suppliers to the prime bidders at the pre-bid meetings and will provide time for networking between interested SDBEs and prime bidders at the pre-bid meetings.

MENTOR-PROTÉGÉ PROGRAM

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The Mentor-Protégé Program couples small subcontractors with majority contractors. Through this relationship small businesses are able to create bonds with majority contractors which increase the number and long term stability of local SDBE firms. Balfour Beatty Construction understands the importance of creating opportunities for our local SDBEs. Assisting SDBEs in their development will help establish a long term relationship between the project management team, the owner and enable the protégé to become a more self-sustaining business, performing work at a higher level.

Balfour Beatty Construction will continue to collaborate with the Department of Equal Opportunity Equity Assurance on their Mentor-Protégé Program.

MONITORING AND REPORTING

Balfour Beatty Construction will develop an Accountability/Reporting System to document the program's actual accomplishments. This system will include:

1. Analyzing and auditing majority trade contractors' bidding records to assure a minimum good faith effort.
2. Review awards to lower tier contractors and vendors to assure compliance with participation levels stated in the proposals.
3. Reviewing awards and reporting SDBE participation by ethnicity, gender, scope of service, and dollar volumes.
4. Provide quarterly reporting.
5. Conducting bi-monthly site visits to verify SDBE participation as contracted.
6. Issuing reports on the status SDBE participation.
7. Providing reporting and mediation of conflicts or discrepancies regarding SDBE performance or reporting.
8. Providing compliance reports.
9. Preparing and presenting final reports on SDBE results.
10. Provide benchmarking of SDBE participation for use on future projects.
11. Allowing EO/EA staff to review bid tabulations upon request.
12. Including EO/EA staff in project team meetings in which SDBE participation is discussed.

SUBCONTRACTOR CONFLICT RESOLUTION PROGRAM

A Grievance Program will be implemented to assist SDBEs when payment issues occur.

If there is a breach in payment agreement:

1. SDBEs will have an opportunity to file a formal payment grievance.
2. All payment grievances will be brought to the attention of Balfour Beatty Construction.

Balfour Beatty Construction is committed to and supports the goals and objectives of the City of Durham with this plan and for the City of Durham's Construction Management at Risk Projects.

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Subguard

Our Subguard program in some cases reduces the bond threshold that can be interpreted as reducing opportunities for small subcontractors. Assure that you explain the Subguard program to our clients' minority business directors or coordinators.

Our bid and payment & performance bond thresholds are \$300,000 on Subguard projects.

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Subcontractor Participation Checklist:

- Bonding thresholds have been identified which are different from Balfour Beatty standards
- Reduced Barrier Bid Packages Identified prior to prequalification and prior to bid
- Appropriate Database for Certification Identified (SDBE)
- Logs/Files Created
- Advertising Procedures created/agreed upon by owner
- Outreach location(s), time, and date identified
- Prebid Affidavits identified
- Post Bid Affidavits identified
- Good Faith Review Procedure Reviewed
- Monthly Reporting Procedure approved by owner
- Subcontractor Resolution Procedure

Balfour Beatty Construction verifies and ensures that all our subcontractors, suppliers, partners, and joint ventures provide a commercially useful function to the project and all stakeholders.

Director of the Department EO/EA

Deborah Giles



Date 5/19/14

Balfour Beatty Construction

Executive Vice President, Johnny Rankin



Date 5/19/2014

Diversity Director, Calvin Stevens

Date 05/19/14

Contact: Calvin Stevens, Director of Diversity, Carolinas Division with any questions in regards to diverse spending, diverse partnerships/mentor-protégé, or meeting diversity goals.

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