



BEST PRACTICES FOR UTILIZING UNDERREPRESENTED BUSINESS ENTERPRISES (UBEs) ON CONSTRUCTION PROJECTS

1. Focus on underrepresented business enterprise (UBE) subcontractor participation in Pre-Construction. If your estimating team is not engaging UBEs early, you will not meet the project's and owner's desired outcome.
2. Let UBEs know that a project is coming during Pre-Construction.
 - Advertise in local newspapers and in newspapers geared towards minority communities
 - Reach out to organizations that support UBEs such as Mass. Minority Contractors Association, Interise, and the Greater New England Minority Supplier Development Council to make their members aware of the project and connect them to the project team
 - Hold an outreach event in the project area
 - Send direct invites when possible
3. Maintain a list of UBE subcontractors and suppliers
 - Continuously update the list
 - Build a relationship and stay in contact by calling subcontractors directly for projects
 - Identify and add companies after scope of work is established
 - Foster relationships with the second-tier market
 - Provide support and guidance from onboarding all the way through the completion of the project.
 - Periodically provide and request feedback to maintain and enhance the relationship.
 - Add jobsite signage on your projects to increase more opportunities for UBEs

4. Invitations to bid should clearly call out the UBE goals of the project and what the CMs expectation are for all bidders.
 - Be sure to explicitly set a UBE goal so the expectation is known
 - Consider using a percentage higher than your goal to make up for other trades that may not meet a goal
 - Determine what larger first-tier UBEs you can specifically target

5. Make sure the entire project team knows the contract scope and the percentage goal for each subcontractor
 - Your organization should be on the same page regarding a specific project's diverse subcontractor goals. Each CM buys out projects differently. Make sure the Project Executive, Project Manager, Estimating and Purchasing Departments understand the goals of the project. Project teams must meet to discuss the goals, map out a plan and determine what success looks like.
 - Develop clear processes and procedures for each department starting with Business Development through operations.
 - Implement controls, including tying in payment applications

6. Make sure UBE goals are clearly identified on Leveling Sheets to ensure your tracking participation from each potential bidder
 - Establish UBE participation as a natural part of your bid leveling recording process regardless of if the project has a specific percentage requirement.

7. UBE goals should be an agenda item during descope meetings – subs need to understand that this is important and potentially could win them or lose them an opportunity

8. Consider including a grading process for the utilization of UBEs on past projects as part of your subcontractor prequalification process.

9. Tie UBE commitments directly into subcontract agreements. Example - If a non-UBE sub commits to \$300,000 in UBE participation for paving, then specifically write that into their contract.
 - Develop a tracking process for operations to confirm and document the commitments during procurement.

10. What options can larger non-UBE first tier subcontractors offer in terms of UBE participation – what work do they plan to subcontract out – require UBE pricing options.
 - Provide first-tier subs with resources – list of second tier UBEs that they can reach out to for pricing and encourage them to seek out additional relationships.

- Hold partnering sessions between larger first-tier and second- tier UBEs.
11. Project hand off meetings – make sure your entire team knows what UBE commitments were during the buyout – Project Management needs to understand all commitments and is responsible to enforce, monitor and track UBE participation
 - Every department needs to have a hand off process to the next.
 12. Make sure awarded contracts explicitly state the requirements of each appointing authority and/or owner, including whether underrepresented business can be counted if not certified and what the appointing authority/owner wants for reporting information
 13. For 149A projects, analyze filed trades vs non-filed trades – what opportunities (trades) does the CM have more influence over – focus your plan on those trades.
 - Send the RFQ (Request for Qualifications) to all DCAMM certified SDO UBEs.
 - Send the project notification to unions and organizations that support UBEs to share with their UBE members.
 - When possible, breakout packages in small enough chunks that UBEs can bid fairly against other primes.
 14. Require bid packages to include a company’s diversity history.
 15. Be transparent with the owner – create dashboards or include UBE results in the monthly owner’s report. Make it a topic of discussion.
 - If a project has specific UBE requirements, the client needs to be made aware when an award decision will affect the project’s ability to meet its goals. Best value vs lowest price.
 16. Have a plan to tap into resources such as the Mass. Minority Contractors Association, union business agents, and Building Connected to find more UBEs
 - Hold a virtual or in-person meet and greet
 - Offer to help companies get certified and keep certifications current
 17. Set goals on your projects as a matter of corporate policy, even if not required by the Owner
 - Change your policy now, this will be expected of all contractors in the future
 - Put together a plan with workforce goals for each job

Helpful websites:

<https://www.sdo.osd.state.ma.us/BusinessDirectory/BusinessDirectory.aspx>

<https://www.mass.gov/how-to/apply-for-diversity-certification-as-a-massachusetts-based-business>

<https://www.mass.gov/orgs/division-of-capital-asset-management-and-maintenance>

<https://data.boston.gov/dataset/certified-business-directory>

The AGC MA Committee for Diversity and Inclusion has created this document as a resource for use by AGC MA member companies. This document does not constitute legal advice, and companies with legal questions should consult their attorneys.

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