

**Missouri Department of Transportation (MoDOT)
Office of External Civil Rights
Mentor/Protégé Program**

Overview

Objective and Purpose

The objective of MoDOT's Mentor/Protégé Program is to provide advice, assistance and training to the DBE protégé which will improve that firm's management and operating skills. MoDOT's expectation is that the Mentor/Protégé Program will "further the development of Disadvantaged Business Enterprises (DBEs), including but not limited to assisting them to move into non-traditional areas of work and/or compete in the marketplace outside the DBE Program, via the provision of training and assistance from other firms (Code of Federal Regulations (CFR) Part 26, Appendix D). Also, MoDOT believes the Mentor/Protégé Program will provide dual goals of providing additional methods of assistance to DBE firms (resulting in heightened capacity and availability), as well as assistance to prime (contractors) in obtaining DBE participation (and meeting DBE participation goals) on MoDOT projects. The Mentor/Protégé Program centers on development of *mutually beneficial* business relationships between prime contractors/consultants and DBE firms. Ideally, this program (as well as other supportive services programs in place) will produce DBE firms that will graduate to prime contractor/consultant status.

Enrollment in the Program

All parties wishing to participate in the **MoDOT Mentor-Protégé Program** shall complete the appropriate applications (either Mentor or Protégé Application) provided by MoDOT. Assistance will be provided pertaining to non-English application process in accordance with the LEP Plan, if requested. The process for becoming a mentor/protégé team is twofold:

- Be approved by MoDOT as a potential mentor or protégé based on **eligibility requirements**.
- As a Mentor/Protégé team, have its **Mentor/Protégé Development Plan** approved by the MoDOT **Mentor Protégé Oversight Committee**,

Eligibility Requirements

Mentor:

- The Mentor firm must have at least seven (7) years of experience as a contractor/consultant (preferably, but not necessarily as a prime contractor/consultant) of MoDOT highway construction contracts.
- The Mentor firm must agree to devote a minimum of ten (10) hours per month to working with the Protégé or as described in the Mentor Protégé Development plan.
- Mentors must be on MoDOT's approved contractors/ consultants list.
- Mentors must specify the lead individual responsible for implementing the plan as identified in the Mentor application.

Protégé:

- The Protégé firm and/or the firm's CEO/President/Managing Member must be MoDOT or other UCP certified DBE, and remain an eligible DBE firm, in good standing, throughout the duration of program participation.
- Protégés must be on MoDOT's approved contractors/ consultant list.
- Protégés must specify the lead individual responsible for implementing the plan as identified in the Protégé application.
- The Protégé firm must agree to devote a minimum of ten (10) hours per month to working with the mentor or as described in the mentor protégé development plan.

Mentor/Protégé Oversight Committee

Oversight of the Mentor/Protégé Program shall be performed by the Mentor/Protégé Oversight Committee. The Committee shall be the "working arm" of the Mentor/Protégé Program. The Committee shall consist of MoDOT staff plus others recommended by the External Civil Rights Director, as well as an advisory FHWA ex-officio representative.

The essential document that will govern the Mentor/Protégé Program is the written **Development Plan** (signed by both parties) that outlines the parties' goals and expectations. The plan shall describe measurable benchmarks and milestones to be reached (by the DBE Protégé) at successive stages of the plan. The Mentor/Protégé Oversight Committee should give input to both parties' regarding the Development Plan.

The Committee will annually evaluate the Mentor-Protégé relationship, including the following criteria:

- Satisfactory progress toward the stated goals of the Development Plan;
- Improved competency of the protégé in specific aspects of highway contracting or design;
- Decreased reliance on the mentor by the Protégé for equipment, personnel, capital;
- Protégé's increased capital and/or financial/bonding capacity; and
- Increased numbers of projects by Protégé with contractors/ consultants including other than the Mentor.
- Bids submitted by Protégé as a prime contractor or selection as a prime consultant.

The Committee shall require the parties to submit **Quarterly Progress Reports**, indicating the status of their progress toward each of the Plan's stated goals.

The success of the Mentor/Protégé Program will be measured quarterly (Quarterly Progress Reports) by a system of metrics designed to coincide with milestones outlined in the Development Plan. Quarterly Progress Reports will include review of measurable progress (milestones) on the following:

- Identification of specific assistance provided by Mentor to Protégé during quarter.
- Listing of initiatives accomplished – consistent with goals outlined in the Mentor/Protégé Development Plan.
- Listing of milestones reached to date, as well as milestones behind schedule (and reasons).

- Listing of regularly scheduled Mentor/Protégé meetings and outcomes.
- Listing of targets set for improvement.

If at any time the Committee determines that the **Program Guidelines** or the spirit thereof are not being adhered to by the parties, or that satisfactory progress is not being made, the Committee reserves the right to revoke its approval of the mentor-protégé relationship - thereby invalidating the Plan, and/or any individual participant's enrollment in the Program. Reasonable progress will be expected, though this will vary according to each Plan.

Program participants agree that interpretation of the Guidelines or regulations shall rest with the Mentor/Protégé Oversight Committee. Parties may feel free (and in fact are encouraged) to seek interpretation of any provision they find ambiguous or confusing. If both Participants so desire, they may jointly appeal any adverse Committee decisions to the MoDOT External Civil Rights Director. These requests shall be in writing. The Director's determination shall be final.

Appeals Process for Mentor Protégé Development Plan Denials

Program participants agree that interpretation of the Guidelines and/or Regulations shall rest with the Mentor/Protégé Oversight Committee. Parties may feel free (and in fact are encouraged) to seek interpretation of any provision they find ambiguous or confusing. If both Participants so desire, they may jointly appeal any perceived adverse decisions by the Mentor/Protégé Oversight Committee to the Missouri Regional Certification Committee. This right to appeal shall include an appeal of a decision by the Mentor/Protégé Oversight Committee that the Mentor/Protégé is not approved for participation in MoDOT's Mentor/Protégé program. A request for appeal shall be in writing and addressed to Ms. Missy Stuedle, at the address noted below. The Missouri Regional Certification Committee's determination shall be final.

If Participants (Mentor and Protégé) are not in agreement with the initial determination of the Mentor/Protégé Oversight Committee, Parties may appeal the Mentor/Protégé Oversight Committee's determination within 15 days of this notice. The appeal may be an informal hearing in person, or a written submission. A written request for the appeal must be sent to:

Missy Stuedle
External Civil Rights Director
Missouri Department of Transportation
P.O. Box 270
Jefferson City, MO 65102
dbe@modot.mo.gov

The appeal process provides you the opportunity to respond to the determination of the Mentor/Protégé Committee. You may present information, evidence, and arguments addressing the Mentor/Protégé Committee's findings at that time. The review will take place before the Missouri Regional Certification Committee, with sworn testimony. MoDOT will maintain a record of the hearing and any evidence presented at the hearing. You may elect to waive the appeal in person and present information, evidence and arguments supporting the Parties' Mentor/Protégé Plan to the Missouri Regional Certification Committee. The applicant must wait for one (1) year prior to re-applying for the MoDOT Mentor Protégé Program, if the final decision of the Missouri Regional Certification Committee is a denial."

General Program Guidelines

DBE firms participating in the Mentor/Protégé Program must be independent business entities which meet the requirements for certification as outlined in the Code of Federal Regulations (CFR) Part 26.

DBE Protégés are required to perform all administrative functions at a facility under their control. The mentor may provide such facilities or locations to the DBE protégé on a limited term basis (for example, no longer than twelve months) if a separate written lease documenting the arrangement is executed.

The Mentor/Protégé Oversight Committee may look favorably on Mentor/Protégé relationships that include, when not in conflict with any relevant law, arrangements by mutual consent in which an independent third party (i.e. bank, accountant, etc.) provides assistance to the DBE Protégé.

The types of assistance that a mentor may provide a DBE Protégé may include the following:

- Business Planning
- Record Keeping
- Capital Formation
- Financial Counseling
- Bonding
- Equipment Utilization
- Submitting Quotations
- Employee Management

Technical assistance may take “substantive status” *consistent with applicable law and current regulations* and may include:

- Working capital provided to the DBE Protégé by the mentor (time notes, loans; but not demand notes).
- Mentor-provided technical and management assistance:
 - Construction:
 - project management
 - construction techniques
 - plan interpretation
 - estimating
 - cost accounting
 - Design Consultants:
 - Project Management
 - Structural Design
 - Roadway Design
 - Surveying
 - Geotechnical Analysis
 - Construction Inspection
- The Mentor may provide, in limited instances, equipment, if a written lease or rental agreement covers the equipment, and/or skilled personnel, if the personnel are on the payroll and under the direct supervision of the DBE Protégé.

- Any property, equipment, supplies or other services that or sold, rented, or donated to the Protégé must be detailed in the Development Plan and approved by MoDOT and should be further covered by bills of sale, lease agreements, etc.
- Any financial investment and security arrangements by the Mentor for the Protégé are subject to approval by MoDOT and must not permit the Mentor to assume control of the Protégé.
- Bonding

Under 49 CFR 26.35(b)(2), As part of a Business Development Program (BDP) or separately, you may establish a “mentor-protégé” program, in which another DBE or non-DBE firm is the principal source of business development assistance to a DBE firm.

(1) Only firms you have certified as DBEs before they are proposed for participation in a mentor-protégé program are eligible to participate in the mentor-protégé program.

(2) In the mentor-protégé relationship, you must:

- (i) Not award DBE credit to a non-DBE mentor firm for using its own protégé firm for more than one half of its goal on any contract let by the recipient; and
- (ii) Not award DBE credit to a non-DBE mentor firm for using its own protégé firm for more than every other contract performed by the protégé firm.

The Committee will monitor over-usage of a protégé by their mentor as a part of the concurrence and monitoring process for MoDOT let contracts.

Mentor/Protégé Development Plan

The Mentor/Protégé relationship shall be based on the written Mentor/Protégé Development Plan, approved by the MoDOT Mentor/Protégé Oversight Committee, which clearly sets forth the objectives of the parties and their respective roles, the duration of the arrangement, and the services and resources to be provided by the mentor to the protégé.

The Development Plan should include the following:

- The Development Plan should clearly set forth the objective of the parties and their respective roles.
- The Development Plan should describe measurable benchmarks to be reached by the DBE Protégé at successive stages of the plan.
- The Development Plan should provide that if resources of the mentor are utilized by the DBE Protégé in the performance of contracts or subcontracts for the mentor or for another contractor/ consultant, the resources must be separately identified, accounted for, and compensated directly by the DBE protégé to the mentor. If the plan provides for extensive use of the mentor’s resources by the DBE Protégé, the arrangement will be closely scrutinized.
- The Development Plan should also include training to be provided by the mentor to the DBE Protégé.
- The Development Plan should contain a provision that it may be terminated by mutual consent of the parties or by MoDOT upon determination that:
 - The DBE Protégé no longer meets the eligibility standards for certification as a DBE;
 - Either party desires to be removed from the relationship;
 - Either party has failed or is unable to meet its obligations under the Development Plan;
 - The DBE Protégé is not progressing or is not likely to progress in

- accordance with the Development Plan;
- The DBE Protégé has reached a satisfactory level of self-sufficiency to compete without resort to the Development Plan;
- The Plan or provisions thereof are contrary to the requirements of federal, state, or local law or regulation, or otherwise inimical to public policy.
- The Development Plan should include a provision that either party for any reason may dissolve the arrangement by notifying MoDOT, at least 30 days in advance.

Reimbursement

The formal Mentor/Protégé agreement may set a fee schedule to cover the direct and indirect cost for such services rendered by the Mentor for specific training and assistance to the protégé throughout the life of the agreement. Services provided by the Mentor may be eligible for reimbursement by MoDOT, subject to limit and approval by MoDOT.

To be eligible for reimbursement, the Mentor's services provided and associated costs must be directly attributable and properly allowable to specific individual contracts. MoDOT may establish a line item for the Mentor to quote the portion of the fee schedule expected to be provided during the life of the contract. The amount claimed shall be verified by MoDOT and paid on an incremental basis representing the time the Protégé is working on the contract. The total individual contract figures accumulated over the life of the agreement shall not exceed the amount stipulated in the original Mentor/Protégé agreement. Any monetary recompense (as permitted by federal regulations) to the mentor (or protégé as permitted) for participation in the Program shall be specifically delineated in the Plan.

Term of Relationship

The Mentor/Protégé relationship may not exceed thirty-six (36) months in duration.

DBE Goals

MoDOT desires that all projects be completed with accompanying DBE participation goals attained. On certain projects involving a Mentor/Protégé relationship, as the greater benefit warrants, MoDOT may approve the protégé's participation in the North American Industry Classification System (NAICS) Expansion Initiative. (See attached program description.)

Recognition of Other Mentor Protégé Programs

The Mentor Protégé Oversight Committee may acknowledge mentor-protégé programs which are developed and established officially by other organizations. If a DBE firm is already participating in a mentor protégé relationship which meets the guidelines established in this document, then the firm should submit their plan for review by the Mentor Protégé Oversight Committee. If the Oversight Committee finds the program adheres to the guidelines of MoDOT's Mentor/Protégé Program, then the Mentor Protégé Oversight Committee may acknowledge and recognize that program. Additionally, a letter of recognition may be forwarded from the Oversight Committee to recognize the program and the specific participants in the Mentor-Protégé relationship. This acknowledgement represents the recognition of an existing Mentor-protégé relationship involving a DBE firm in good standing and is not considered a substitute for MoDOT's own FHWA-approved Mentor-Protégé program. However, if the relationship does meet the MoDOT FHWA-approved Mentor Protégé Program requirements, then the Mentor Protégé program Oversight Committee may accept the other program as a MoDOT approved Mentor Protégé program.

DBE SUPPORTIVE SERVICES NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM
(NAICS) EXPANSION INITIATIVE

If a minority or woman-owned firm is currently certified as a Disadvantaged Business Enterprise (DBE) under the United States Department of Transportation's (USDOT) Code of Federal Regulations 49 CFR Part 26, the DBE certification allows prime contractors to obtain DBE participation for dollars incurred on contracts that have DBE goals for the 'scope of work' the DBE is certified.

However, DBEs have the opportunity just as any other business or corporation to expand, grow and develop their business and DBE certification 'scope of work.' MoDOT encourages and support NAICS expansion initiatives. Therefore, MoDOT is establishing a pilot "DBE Supportive Services NAICS Expansion Program," which proposes to allow DBE contractors to perform work outside of their DBE certification codes but within their abilities to gain experience, expertise, and foster skills necessary for certification expansion.

If a DBE performs the additional 'scope of work' successfully on several contracts, the Missouri Regional Certification Committee (MRCC) members, which includes the Missouri Department of Transportation, St. Louis Lambert, the City of Kansas City, the Kansas City Transportation Authority and METRO, will review and upgrade the certification 'scope of work' to include the additional 'scope of work;' thereby allowing DBE participation for additional work provided.

Until certification 'scope of work' is approved and expanded by the MRCC, DBE participation 'scope of work' performed **cannot** be counted; however, out of support and encouragement to grow DBEs, if this program is utilized by the contractors and DBE goals are not met with currently certified DBEs for approved 'scope of work,' MoDOT will count the additional 'scope of work' participation by the certified DBE as Good Faith Efforts (GFE) for the prime contractor and Liquidated Damages (LD) will not be accessed.