

The background of the entire page is a detailed architectural floor plan, likely of a large institutional building, rendered in a light brown or sepia tone. The plan shows various rooms, corridors, and structural elements, providing a professional and technical aesthetic.

MINORITY AND WOMEN BUSINESS ENTERPRISE

Good Faith Effort Plan

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Policy Statement

The Retirement Systems of Alabama (RSA) desires to provide equal access to qualified Minority and Women-Owned Business Enterprises (M/WBE) for all of RSA's construction projects. The RSA requires its contractors and subcontractors not to discriminate on the basis of race, color, religion, national origin, or sex in the award and performance of contracts. In support of this policy, the RSA has adopted the following Minority and Women Business Enterprise Good Faith Effort Plan (GFEP) for all of RSA's construction projects.

Objectives of the GFEP

- To provide minorities and women equal opportunity for participating in all of RSA's construction projects.
- To provide procedures for monitoring M/WBE participation in all of RSA's construction projects.

Minority and Women Business Enterprise Liaison Officer

The Chief Executive Officer of the RSA will designate a responsible party to serve as the RSA's Liaison Officer for the GFEP. The Liaison Officer reports directly to the Chief Executive Officer. The M/WBE Liaison Officer is responsible for accomplishing the following tasks:

- Developing, managing, implementing, and evaluating the M/WBE plan.
- Disseminating information on available business opportunities so M/WBEs are provided an equal opportunity to bid/propose on RSA contracts.
- Maintaining and updating a directory of M/WBEs.
- Providing assistance to RSA contractors in resolving specific problems related to implementation of the Plan.
- Making prospective contractors aware of the RSA's equal access objectives.
- Attending pre-bid/pre-proposal conference(s) to explain M/WBE requirements and to respond to questions.

- Reviewing requests for bids/proposals prior to formal advertising or solicitation to make sure that proper instructions are included regarding the RSA's M/WBE objectives.
- Maintaining accurate and up-to-date records demonstrating M/WBE efforts and accomplishments.

Procedures to Ensure Equal Opportunity to Compete

The following procedures will be used by the RSA to facilitate opportunities for participation by M/WBEs in all of RSA's construction projects.

- Arranging solicitations, time for submission of bids/proposals, quantities, specifications, and deliveries to better facilitate the participation of M/WBEs.
- Implementing informational programs on opportunities and procedures.
- Providing information on avenues of access on items such as the inability to obtain insurance, bonding, financing, and technical assistance.
- Holding prebid/preproposal conferences to explain the procedure and forms to be used to encourage subcontracting and joint venturing.
- Including the RSA's M/WBE Good Faith Effort Plan in requests for bids/proposals.
- Continuing to provide information and communication on contracting procedures, specifications and RFPs to M/WBEs in a timely manner.

Minority and Women Business Enterprise Directory

The RSA will maintain a directory to identify M/WBEs relevant to general contracting requirements and to particular bid/proposal solicitations. The directory will be available to assist in efforts to meet the M/WBE objectives.

The following information will be maintained on each M/WBE firm: Name of business, address, telephone number, services, and products of the firm.

The directory will include M/WBEs who manufacture, produce, lease, sell, distribute or subcontract. This information will be used to notify M/WBE's of opportunities for participation in all of RSA's construction projects and to provide other business enterprises with contacts for subcontracting and joint ventures with M/WBEs.

Recognition of M/WBEs Desiring to Participate in RSA Projects

To ensure that the RSA's M/WBE plan benefits businesses which are owned and controlled in both form and substance by minority individuals or women, the RSA shall recognize M/WBEs and joint ventures involving M/WBEs in the following manner.

Definitions

A Minority Business Enterprise means a small business concern, as defined pursuant to Section 3 of the Small Business Act and implementing regulations:

1. which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or in the case of a publicly owned business, of which 51 percent of the stock is owned by one or more socially and economically disadvantaged individuals,
2. whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it, and
3. who has been previously certified by any government organization at the Federal, State, or local level.

“Socially and economically disadvantaged individuals” means individuals who are citizens of the United States (or lawfully admitted permanent residents) and who are:

- Black Americans (persons having origins in any of the black racial tribes of Africa);

- Hispanic Americans (persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race);
- Native Americans (persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians);
- Asian-Pacific Americans (persons whose origins are from Japan, China, Guam, the U.S. Trust Territories of the Pacific and the Northern Marianas);
- Asian-Indian Americans (persons whose origins are from India, Pakistan, and Bangladesh); and
- any other minorities or individuals found to be disadvantaged by the Small Business Act.

The phrase “owned and controlled” as used in this definition means a business which is:

1. a sole proprietorship legitimately owned by an individual who is minority or female,
2. a partnership or joint venture controlled by minority individuals and/or female, and in which at least 51 percent of the beneficial ownership interests legitimately are held by minority and/or females,
3. a corporation or other entity controlled by minority and/or women, and in which has at least 51 percent of the voting interest and 51 percent of the beneficial ownership interests are legitimately held by minority and/or women. In addition, these persons must control the management and operation of the business on a day-to-day basis.

Eligibility Standards

The following standards will be used by the RSA in determining whether a firm is owned and controlled by one or more minority individuals and/or women and is therefore eligible to be certified as a M/WBE.

Bona fide minority group membership shall be established on the basis of the individual’s claim that he or she is a member of a minority group and is so regarded by that particular minority community. However, the RSA is not required to accept this claim if it determines the claim to be invalid.

1. All eligible minority/women business enterprise shall be an independent business. The ownership and control by minority and/or women shall be real, substantial, and continuing, and shall go beyond the *pro forma* ownership of the firm as reflected in its ownership documents. The minority and/or women owners shall enjoy the customary incidents of ownership and shall share in the risks and profits commensurate with their ownership interests, as demonstrated by the substance rather than the form of arrangements.

Recognition of the business as a separate entity for tax or corporate purposes is not necessarily sufficient for recognition as M/WBE. In determining whether a potential M/WBE is an independent business, the RSA shall consider all relative factors, including the date the business was established, tax returns, the adequacy of its resources for the work of the contract, and the degree to which financial, equipment leasing and other relationships with non-minority firms vary from industry practice.

2. The minority and/or women owners shall also possess the power to direct or cause the direction of the management and policies of the firm and to make the day-to-day as well as major decisions on matters of management, policy, and operations. The firm shall not be subject to any formal or informal restrictions which limit the customary discretion of the minority and/or women owners, without the cooperation or vote of any owner who is not a minority individual or woman, from making a business decision of the firm.
3. If the owners of the firm who are not minority or women are disproportionately responsible for the operation of the firm, then the firm is not controlled by minority and/or women and shall not be considered a M/WBE. Where the actual management of the firm is contracted out to individuals other than the owner, those persons who have the ultimate power to hire and fire the managers can be considered as controlling the business.
4. All securities, which constitute ownership and/or control of a corporation for purposes of establishing it as a M/WBE, shall be held directly by minorities and/or women. No securities held in

trust, or by an guardian for a minor, shall be considered as held by minority and/or women in determining the ownership or control of a corporation.

5. The contributions of capital or expertise by the minority and/or women owners to acquire their interests in the firm shall be real and substantial. Examples of insufficient contributions include a promise to contribute capital, a note payable to the firm or its owners who are not M/WBEs, or the mere participation as an employee, rather than as a manager.

Special Considerations

In addition to the eligibility standards, the RSA shall give special consideration to the following circumstances in determining M/WBE recognition.

1. Newly formed firms and firms whose ownership and/or control has changed since the date of the advertisement of the contract are closely scrutinized to determine the reason for the timing of the formation of or change in the firm.
2. A previous and/or continuing employer-employee relationship between or among present owners is carefully reviewed to ensure that the employee-owner has the management responsibilities and capabilities described above.
3. Any relationship between the M/WBE and a business which is not a M/WBE but which has an interest in the M/WBE is carefully reviewed to determine if the interest of the non-M/WBE conflicts with the ownership and control requirements.
4. A joint venture is eligible if the M/WBE partner of the joint venture meets the standards for an eligible M/WBE set forth above and the M/WBE partner is responsible for a clearly defined portion of the work to be performed and holds at least 51 percent of the ownership, control management responsibilities, risks, and profits of the joint venture.
5. A business wishing to be recognized as a M/WBE or joint venture M/WBE shall cooperate with the RSA in supplying information which may be requested in order to make a determination.

Recognition as a Minority and Women Business Enterprise

Under the following circumstances, a small business participating as a M/WBE in the RSA procurements and contracts shall be recognized as Minority and Women Business.

1. If the potential M/WBE company has been determined by the Small Business Administration to be owned and controlled by a socially and economically disadvantaged individual under Section 8(a) of the Small Business Act, as amended.

Note: M/WBEs so determined by the Small Business Administration under Section 8(a) of the Small Business Act must provide documentation to support this fact.

2. If the potential M/WBE company states in writing that it has been certified by a Federal or any other certifying agency that used essentially the same definition and ownership and control criteria as the RSA. The potential M/WBE contractor shall obtain the information and certification (if any) from the other agency and submit it to the RSA or cause the other agency to submit it. The RSA may rely upon such a certification; however, the RSA reserves the right to make its own determination based on the information it has obtained from the other agency.
3. If the potential M/WBE contractor is certified by another organization or agency that uses essentially the same definition and ownership and control criteria as the RSA.

M/WBE Program Records and Monitoring

Program Monitoring

In order to monitor the success of RSA's policy to provide minority individuals and women equal opportunity for participating in all aspects of all RSA construction projects, the procurement process will be documented by the general contractor and reported to the RSA. This will include documenting:

- the number of M/WBEs available to provide goods or services,
- the number of solicitations/RFPs sent to M/WBEs,
- the number of bids/proposals submitted by M/WBEs,
- the number of contracts awarded to M/WBEs, and the number of contracts in which M/WBE subcontractors participated,
- the value of contracts awarded to M/WBEs,
- the value of M/WBE subcontracts in connection with contract awards.

This information will be differentiated by MBE or WBE status in the RSA's construction projects.

Reports containing these measurements will be made no less than quarterly.

Calculation of M/WBE Participation

The participation by M/WBE contractors and M/WBE suppliers in contract awards should be calculated as follows:

1. Once a firm is determined to be an eligible M/WBE in accordance with the M/WBE plan, the total dollar value of the contract awarded to the M/WBE is counted as participation.
2. The total dollar value of a contract to a M/WBE owned and controlled by both minority males and non-minority females is counted as participation for either minority or women, but not both. In all cases, the General Contractor may choose to which the credit will apply.
3. The General Contractor may count as its M/WBE participation in a portion of the total dollar value of a contract with a joint venture eligible under the standards of the M/WBE plan equal to the percentage of the ownership and control of the M/WBE partner in the joint venture.
4. The General Contractor may count as its M/WBE participation only expenditures to M/WBEs that perform a commercially useful function in the work of a contract. A M/WBE is considered to perform a commercially-useful function when it is responsible for execution of a distinct element of the work of a contract and

carrying out its responsibilities by actually performing, managing and supervising the work involved. To determine whether a M/WBE is performing a commercially useful function, the RSA will take into account the amount of work subcontracted, industry practices and other relevant factors.

5. Consistent with normal industry practices, a M/WBE may enter into subcontracts. If a M/WBE contractor subcontracts a significantly greater portion of the work of the contract than would be expected on the basis of normal industry practices, the M/WBE will be presumed not to be performing a commercially useful function. The M/WBE may present evidence to rebut this presumption to the RSA.

Procedure for Prime Contractors to Make Good Faith Effort to Provide Equal Opportunity to M/WBEs

In solicitations for the RSA contracts that provide subcontracting opportunities for M/WBE participation, the RSA shall indicate its objectives for the use of firms owned and controlled by M/WBEs. The RSA will request the contractor to submit documentation that the contractor has made a sufficient good faith effort to provide equal opportunity for M/WBEs to participate as subcontractors and suppliers.

Competitive Bids

Nothing in the GFEP is to be construed to require the RSA to award a bid contract to other than the lowest responsible bidder or to require contractors to award subcontracts to or make significant material purchases from M/WBEs who do not submit the lowest responsible sub-bid.

Procedures

All bidders/proposers will be requested to submit the following M/WBE participation information.

1. Written assurance of intention to provide equal access to M/WBE's (a letter signed by an officer); or
2. Demonstration and documentation of good faith effort.

To demonstrate sufficient reasonable good faith efforts, a contractor shall document the steps he or she has taken to obtain M/WBE participation, such as:

1. Attendance at prebid/preproposal conferences, if any, scheduled by the RSA,
2. Advertisement in general circulation media, trade association publications and minority-focused media for a reasonable period of time before bids/proposals are due,
3. Efforts to follow up initial solicitations of interest by contracting M/WBEs to determine with certainty whether the M/WBEs were interested,
4. Efforts made to select portions of the work proposed to be performed by M/WBEs in order to increase the likelihood of achieving the stated goal (including, where appropriate, breaking down contracts into economically feasible units to facilitate M/WBE participation),
5. Concerning each contacted M/WBE but rejected, the reasons for the conclusion,
6. Efforts to assist the contacted M/WBEs that needed assistance in obtaining bonding, lines of credit, or insurance,
7. Efforts that demonstrate that the contractor effectively used the services of available minority community organizations; minority contractors' groups; local state and federal minority and women business assistance offices; and other organizations that provide assistance and placement of M/WBEs.

Contractors who propose to perform the contract with their own work forces and without the use of subcontractors will be requested to submit information sufficient for the RSA to determine:

1. that it is a normal business practice of the contractor to perform the elements of the contract with his or her own work forces without the use of subcontractors; or
2. that the contractor in fact has demonstrated his or her capabilities to perform the elements of the contract with its own work forces without the use of subcontracts.

Such contractors will not be requested to subcontract or document good faith efforts to do so. They will be requested to document good faith efforts to provide equal opportunity for M/WBES to participate in significant material supplier opportunities where available under the prime contract.

The RSA reserves the right of approval or disapproval of all subcontractors or suppliers.

After award by the RSA, the successful bidder/proposer is requested to submit the following information within 30 calendar days:

1. A description of all subcontracts and purchases of significant material supplies to be used to perform the prime contract, including the name of the subcontractors or suppliers.
2. For that work to be subcontracted to M/WBES or materials to be purchased from M/WBES, copies of M/WBES' Intent to Perform as a subcontractor or furnish materials.
3. For that work that will not be subcontracted to M/WBES or to significant material suppliers who are M/WBES, documentation that will show the contractors complied with the acts of good faith effort as defined below and, upon the request of the RSA, the dollar value of the awards and the quotations from M/WBES.

Agreement between a bidder/proposer and a M/WBE in which the M/WBE promises not to provide subcontracting quotations to other proposers are prohibited.

Acts of Good Faith Effort:

1. Using the source list furnished by the RSA, the bidder/proposer will solicit sub-bids and material quotes from individual M/WBES. In soliciting sub-bids and quotes, the bidder/proposer will furnish at least the following information:
 - bidder/proposer's name, address, and telephone number,
 - project location and description,
 - work to be subcontracted or materials purchased including a specific description of the work involved,

- place where bidding/proposal documents can be reviewed,
- bidder/proposer representative to contact, and
- date, time, location when sub-bids/quotes must be received by the bidder/proposer.

If the bidder/proposer does not receive a response from a M/WBE, he or she must advise the RSA that no response has been received.

2. A contractor must consider all sub-bids and quotes received from M/WBEs, not rejecting M/WBEs as unqualified without sound reasons based on a thorough understanding of their capabilities. If a subcontract is not awarded to a M/WBE, the contractor must document why. If the reason is that the M/WBE quote was not competitive, the contractor must show that the sub-bid or price quote accepted was for the same work or materials as quoted by the M/WBE.
3. Prime contractors should make good faith efforts to replace a M/WBE unable to perform successfully with another M/WBE.

Responsibilities of the RSA and M/WBEs in the bidding/proposal process:

1. At the time it either advertises for bids or issues a solicitation of interest, the RSA may notify M/WBEs who may have an interest, the relevant contractor associations, the local Chamber of Commerce, and other M/WBE trade associations or assistance organizations of the opportunities available and that a list of potential bidders/proposers and the subcontracts and purchases they seek to make will be available.
2. M/WBEs shall have the responsibility of using the bidder/proposer lists to identify firm(s) to whom they would be interested in submitting quotes, without waiting for requests for quotes, M/WBEs shall also have the responsibility of responding to specific requests for quotes.

Subcontracts and Purchases Following Initial Review of Good Faith Efforts:

- If a contractor finds it necessary to subcontract or make significant material purchases during the contract period following the initial review of good faith efforts, the contractor will be requested to submit the information described in the procedures on page 10.

M/WBE Set-Asides and Mandatory Subcontractor Quotas

Nothing in the Good Faith Effort Plan shall be construed to establish set-asides or mandatory quotas. The Retirement Systems of Alabama has been advised that existing law prohibits the RSA from including MBE/WBE set-asides or mandatory subcontractor quotas in its program.

