



Mentor/Protégé Program

July 22, 2010, contacts updated December 2016

Introduction

The Minnesota Department of Transportation (Mn/DOT), was created in 1976 by the Legislature to assume the activities of the former Departments of Aeronautics and of Highways and the transportation-related sections of the State Planning Agency and of the Public Service Department. Today Mn/DOT develops and implements policies, plans and programs for aeronautics, highways, motor carriers, ports, public transit and railroads.

In creating the Department of Transportation, the Legislature determined that Mn/DOT would be the principal agency to develop, implement, administer, consolidate and coordinate state transportation policies, plans and programs (Minn. Stat. Ch. 174).

Mn/DOT makes special efforts to consider the social, economic and environmental effects of its decisions and aggressively promotes the efficient use of energy resources for transportation purposes. It also maintains close working relationships with the communities, many public and private individuals, groups and associations involved in transportation.

The Metropolitan Airports Commission (MAC) owns and operates one of the largest systems of airports in the nation, including Minneapolis-St. Paul International Airport (MSP) and six general aviation, or reliever airports. A board of commissioners appointed by Minnesota's governor and the mayors of Minneapolis and St. Paul sets and interprets the commission's policies.

MAC ensures that small businesses owned by socially and economically disadvantaged individuals have equal opportunity to participate on contracts and project work administered by MAC through the Disadvantaged Business Enterprise Program (DBE) in the areas of trucking, sound insulation of residential homes, HVAC, field and runways: utilities, excavating, lighting, striping, concrete/asphalt; security: fencing, close circuit cameras, electric gates, alarms, and fire protection; parking ramp rehabilitations, building modifications, lighting, carpeting, flooring, electrical, and signage; consulting services and purchasing of goods and services.

The Metropolitan Council (MET) is the regional planning agency serving the Twin Cities seven-county metropolitan area and providing essential services to the region. The Council works with local communities to provide these critical services:

- operates the region's [largest bus system](#)
- collects and treats [wastewater](#)
- engages communities and the [public](#) in planning for future growth
- provides [forecasts](#) of the region's population and household growth
- provides affordable [housing](#) opportunities for low- and moderate-income individuals and families
- provides planning, acquisitions and funding for a regional system of [parks and trails](#)
- provides a [framework](#) for decisions and implementation for [regional systems](#) including aviation, transportation, parks and open space, and water quality and water management.

The Metropolitan Council uses the U.S. DOT DBE program with federally funded transit-related projects.

The Council's DBE Program confirms its commitment to utilize businesses owned and controlled by socially and economically disadvantaged individuals in our procurement and contracting efforts.

Minnesota Unified Certification Program Disadvantaged Business Enterprise Mentor/Protégé Program

Statement: It is a function of the Minnesota Unified Certification Program (MN/UCP) to assist in establishing business partnerships between prime contractors and Disadvantaged Business Enterprise (DBE) firms. Appendix D of 49 CR Part 26 (A) states in part: “The purpose of this program element is to further the development of 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.” To this end the Mentor/Protégé Program will assist DBE’s to become more proficient in their respective area of work. The program will focus on increasing the volume of work that emerging DBE’s are capable of winning and to broaden the base of their activity, increasing the number and long term stability of certified DBE firms.

A Mentor/Protégé arrangement exists when an experienced company or individual (Mentor) provides assistance and training to a DBE (Protégé). The mentor/protégé arrangement can range from technical through management assistance to the creation of a new, jointly-owned firm or agreement. All applications for the Mentor/Protégé Program will be reviewed on a case-by-case basis.

The common types of assistance that a mentor may provide a protégé include:

**Business Planning
Record Keeping
Technical Assistance
Capital Formation**

**Financial Counseling
Bonding
Equipment Utilization**

A mentor may provide a protégé with working capital. Time notes, loans and stocks are acceptable methods of assuring payment in exchange for working capital. Demand notes are not acceptable. In no case can the day-to-day control of the firm be relinquished by the DBE as a requirement of the loan.

Part ownership in a DBE by a non-disadvantaged entity, including a mentor, is permitted. However, any property, equipment, supplies, or other services which are sold, rented, or donated to the DBE, as well as any investment by non-disadvantaged individuals, must be reported to Minnesota Unified Certification Program (MN/UCP) in the mentor/protégé development plan and must be covered by bills of sale, lease agreements, etc. Furthermore, any financial investment by the mentor cannot provide the mentor with control over the protégé.

The mentor/protégé relationship may include, when not in conflict with state law, an arrangement by mutual consent in which an independent third party, such as a bank or an accountant, is designated as an agent for the DBE. Such agents may receive progress payments for work accomplished by the DBE, made out jointly to the agent and the DBE, and make payments, on behalf of the DBE, to material suppliers or for federal and state payroll taxes, etc.

The examples discussed below are not meant to be exhaustive. Other methods of encouraging and supporting DBE's may be allowable. Contractors or associations with programs must seek agency approval.

Technical and Management Assistance

The mentor may provide guidance on project management and construction techniques, training in plan interpretation, or estimating and cost accounting. However, the DBE must retain final decision-making authority.

Equipment and Personnel

The mentor may provide, in limited instances, skilled personnel and equipment if a written lease or rental agreement covers the equipment and the personnel are on the payroll and under the direct supervision of the DBE. Generally, rental or lease agreements with the mentor will be reviewed on a cost-benefit analysis, based on average industry prices. Long-term, continual, or repetitive use by a DBE subcontractor of personnel primarily employed by the mentor will be construed as an attempt to artificially inflate DBE participation.

Bonding

The mentor may provide the protégé with assistance by bonding the entire job and either charging on a pro rata basis or not charging the DBE for the bond. It is expected that after gaining experience through federally-funded projects, the DBE will develop the ability to bond projects independent of the mentor.

Exclusive Arrangements

An area of special concern is exclusive arrangements. Any relationship in which a contractor requires a subcontractor to have an exclusive bidding agreement may violate federal laws. During the course of the relationship, the subcontractor must have the right to quote bids to other prime contractors

Generally Unacceptable Practices

Any subcontracting arrangement contrived to artificially inflate DBE participation is not acceptable. The interjection of DBE middlemen or passive conduits not in accord with standard industry practices or which serve no commercially useful purpose, and arrangements in which a DBE prime or subcontractor is acting essentially as a broker are not permitted. In addition, any formal or informal agreement that limits the disadvantaged owner's control and management of the firm is unacceptable.

Requirements

Mentor/Protégé may be approved in all areas of construction in which mentor assistance is needed to develop DBE capacity.

The following requirements must be met for participation in the Mentor/Protégé program:

1. The protégé must be certified as a DBE with MN/UCP prior to entering into a **Mentor/Protégé agreement**.
2. A Mentor/Protégé agreement must be prepared and approved by MN/UCP.
3. The mentor and protégé must be separate entities. Compensation to the DBE should be relative to the amount of work accomplished rather than an hourly basis.
4. In general, only one Mentor/Protégé arrangement will be allowed per non-DBE Company.
5. It is recommended that the protégé prepare a three-year development plan and update it annually. The development plan shall state the current status of the firm and goals for the next three years. The development plan shall contain, at a minimum, information on the background and experience of the owners; the number and types of personnel; the amount of capital; the number, types and values of equipment; and the amount and types of projects to be pursued. This three-year period may be extended to five years on a case-by-case basis.
6. The protégé must prepare an annual report on the Mentor/Protégé relationship. The annual report shall contain a comparison with each category in the development plan, a summary of work accomplished, and an explanation of how the mentor assisted in the completion of work.
7. The protégé shall retain an attorney and accountant other than the mentor's attorney and accountant.
8. The Mentor/Protégé relationship shall be initially limited to three years, with a possible extension to five years.
9. Protégés participating in Mentor/Protégé agreements may be utilized in meeting DBE goals.

Development Plan

All Mentor/Protégé relationships should be evidenced by a written development plan approved by MN/UCP.

The following guidelines should be considered in the development of such plans:

1. The development plan should clearly set forth the objective of the parties and their respective roles.
2. The development plan should describe measurable benchmarks to be reached by the DBE at successive stages of the plan.
3. The development plan should provide that if resources of the mentor are utilized by the DBE in the performance of contracts or subcontracts for the mentor or for another contractor, the resources must be separately identified, accounted for, and compensated directly by the DBE to the mentor. If the plan provides for extensive use of the mentor's resources by the DBE, the arrangement will be closely scrutinized.
4. The development plan may also include training to be provided by the mentor to the DBE. Such training includes business planning; record keeping; technical assistance; capital formation; loan packaging, financial counseling, bonding, and equipment utilization.
5. The development plan should contain a provision that it may be terminated by mutual consent of the parties or by MN/UCP upon its determination that:
 - a. The protégé no longer meets the eligibility standards for certification as a DBE;
 - b. Either party has failed or is unable to meet its obligations under the development plan;
 - c. The DBE is not progressing or is not likely to progress in accordance with the development plan;
 - d. The DBE has reached a satisfactory level of self-sufficiency to compete without resorting to the development plan; or
 - e. The plan or provisions thereof are contrary to the requirements of federal, state or local law or regulation, or otherwise inimical to public policy.
6. The development plan may include a provision that either party for any reason may dissolve the arrangement by notifying MN/UCP.

Monitoring

MN/UCP will conduct an annual review of each Mentor/Protégé relationship. If MN/UCP determines that the Mentor/Protégé program requirements are not being followed, approval of the Mentor/Protégé relationship will be revoked.

MN/UCP Mentor/Protégé Program will be implemented in accordance with the guidelines set forth in 49 CFR Section 26.35(b)(2).

- 1- A non-DBE Mentor firm cannot use its DBE Protégé to meet more than one-half of the goal set for a specific project.
- 2- MN/UCP will not award DBE credit to a non-DBE Mentor firm for using its own Protégé firm more than every other contract performed by the DBE Protégé firm.

49 CFR Part 26 Mentor/Protégé Program Guidelines

(A) The purpose of this program is to further the development of DBEs, including but not limited to assisting them to move into non-traditional areas of work and/or compete in the marketplace outside of the DBE program, via the provision of training and assistance from other firms.

(B)(1) Any mentor-protégé relationship shall be based on a written development plan, approved by the recipient, 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 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 through the life of the agreement.

(C) DBEs involved in a mentor-protégé agreement must be independent business entities which meet the requirements for certification as defined in subpart D of 49 Code of Federal Regulations, Part 26. A protégé firm must be certified before it begins participation in a mentor-protégé arrangement. If the recipient chooses to recognize mentor/protégé agreements, it should establish formal general program guidelines. These guidelines must be submitted to the operating administration for approval prior to the recipient executing an individual contractor/subcontractor mentor-protégé agreement.

Questions

MN/DOT 651.366.3073
Met Council 612.349.7463
MAC 612.726.8193



(SAMPLE AGREEMENT TEMPLATE)

The agreement, executed this Date by and between (Mentor Company Name), (Complete Address), (Mentor Company Official and Title) and (Protégé Company Name), (Complete Address), (Protégé Company Official and Title).

OBJECTIVE:

Mentor and **Protégé** desire to form this **Mentor/Protégé** agreement (hereafter referred to as "agreement") under the guidance of Minnesota Unified Certification Program (hereafter referred to as MN/UCP) and 49 CFR Part 26. The purpose of this agreement is to build a strong business relationship and to promote a successful business development opportunity for **Protégé**, and to more fully develop:

PROJECT DETAILS:

This agreement is formed for the (project/construction contract). **Protégé** desires to expand business to include:

DURATION:

This agreement will expire on (date). If the standards of this agreement are not being met, MUCP reserves the right to terminate the agreement prior to (date), and discontinue counting any participation towards the (project/construction contract) DBE project goals.

RELATIONSHIP:

Each firm will maintain its independence during the duration of the (project/construction contract). This agreement does not preclude either firm from continuing to pursue prime/sub contract opportunities on other projects, so long as **Protégé** insures that this project will be a priority for its growth and development. **Protégé** and **Mentor** are financially responsible for costs incurred when submitting bids or purchasing materials.

BUSINESS DEVELOPMENT:

Protégé has the opportunity to learn from an established firm with years of experience and expertise in the highway heavy. **Mentor** will offer direct training in project supervision, providing at least one supervisor to work directly with **Protégé** on the (project/construction contract) project. **Protégé** has identified company Official name as the key field supervisor for the firm. (Name) **Protégé's** president, will also be provided with training.

(SAMPLE TEMPLATE)

In addition, **Protégé** will receive training and development in the following areas from **Mentor**:

1. **Safety Training:**

Mentor will offer assistance and training in its time-proven safety measures, as well as assisting **Protégé** in the development of a safety manual.

2. **Project Management:**

Mentor will assign project management personnel to assist in cost accounting and estimating, including quantity take off.

3. **Type of Work:**

Mentor will provide project assistance including: reading and interpreting contract plans & specifications, project planning, scheduling, and installation of construction equipment and materials.

4. Other as appropriate.

5. In addition **Protégé** must submit a business plan to MUCP within 180 days of this agreement.

CONFIDENTIALITY:

Protégé and **Mentor** agree to treat all information obtained from one another in strict confidence and shall not disclose any such information except as required to carry out the terms of this agreement.

REPORTING:

Protégé is responsible for reporting all activities conducted each month. The report should include, but is not limited to the following items:

Work conducted: Include quantities, employees on project, purchases made and person hours used.

Training received: Include type of training (safety, estimating, job costing, etc.) and who received it.

Description of work: Include job location, activities completed and supervisory training received.

Protégé and **Mentor** must sign all reports.

(SAMPLE TEMPLATE)

DELIVERABLES:

Mn/UCP must receive on or before the conclusion of the (project/construction contract) the following items:

Business Plan

Safety Manual

Final detailed project report

Total people hours work

Total training hours (by type and person receiving)

If Mn/UCP does not receive this information, **Protégé** will be deemed in non-compliance with the **Mentor**/Protégé portion of the DBE program and removal of eligibility proceedings may follow.

The contents of this agreement must be conducted within the rules of the DBE program, 49 CFR Part 26.

Protégé Company

President/Vice President Date

Mentor Company

President/Vice President Date



**MINNESOTA DEPARTMENT OF TRANSPORTATION
METROPOLITAN AIRPORTS COMMISSION
METROPOLITAN COUNCIL**

MENTOR/PROTÉGÉ PROGRAM

MENTOR APPLICATION

Business Name:	Business Address:	Mailing Address (if different)
Owner Name:	Owner Title:	
Business telephone:	Business Fax Number:	E-mail address:
Work Type:		
Name of Insurance Company:	Name of Bonding Company:	
Agent:	Agent:	
Phone Number:	Phone Number:	
Amount: \$	Single: \$	
Type of Coverage:	Aggregate: \$	
Gross Receipts (3 years):		

Mentor Application

Please list major projects for the last two years (list the most recent first). If new business, list previous business references.		Indicate your role: (P) Prime Contractor; (JV) Joint Venture; (SUB) Subcontractor			
Project Name	Type of Project	Role			Contract Amount
		P	JV	SUB	
					\$
					\$
					\$
					\$

Check the categories you would be interested in mentoring (check all that apply)

- Business Plans
- Banking Services
- Records & Contract Management
- Reading & Interpreting Contract Plans & Specifications
- Post Award Bid Assessment
- Preparing & Negotiating Change Orders, Job Budgets, Trade Payment Breakdowns
- Cost Accounting
- Troubleshooting & Delay Avoidance
- Project Planning & Scheduling
- Obtaining Permits & Sub-Contractors
- Organization Structure
- Payrolls (federal, state, fringe benefits)
- Personnel Management
- Construction Equipment & Materials
- Market Analysis
- Implementation & Action Plans
- Scheduling & Purchasing
- Other: *(Please explain)*
- Bonding & Insurance
- Prompt Payment Procedures
- Operations Assessment
- Analysis of major, fixed and variable cost
- Accounting Records Preparation & Maintenance
- Competitive marketplace Overhead
- Job Cost & Work In Progress
- Quality take-off and Estimating

1. State why you want to participate in the Mentor/Protégé Program (attach additional sheet(s) if necessary)

2. What business skills or work type do you want to share with your involvement in the Mentor/Protégé program?

3. What percentage of your contracting is in government: _____%; private _____%.

Identify government entity: City, County State, Federal, Airports, and Metropolitan Council

Contact any agency with questions regarding this application or the Mentor/Protégé program but send the completed application to the agency that processed your DBE application.

MN/DOT –Office of Civil Rights 395 John Ireland Blvd, MS 170 St. Paul, MN 55155-1899	Metropolitan Airports Commission Office of Diversity 6040 28th Ave. South Minneapolis, MN 55450	Metropolitan Council Office of Diversity 560 6th Ave. North Minneapolis, MN 55411	City of Minneapolis Department of Civil Rights 350 S 5th Street #239 Minneapolis, MN 55415
651.366.3352 George.Costilla@state.mn.us	612.726.8193 Debra.johnson@mspmac.org	612.349.7695 Tracey.Jackson@metrotransit.org	612.673.3012 contractcompliance@minneapolismn.gov

Personal Information Notice

Pursuant to Federal Privacy Act (P.L. 93-579) and the Minnesota Data Practices Act (Minn. Stat. §§ 13.01 et seq) notice is hereby given for the request of personal information by this form. The requested information is voluntary. The purpose of the information is to facilitate the processing of this form. Failure to provide all or any part of the requested information may delay processing of this form. No disclosure of personal information will be made unless permissible under Article 6 Section 1798.24 of the IP of 1977. Each individual has the right upon request and proper identification, to inspect all personal information in any record maintained by the identified agency. Direct inquiries regarding record maintenance to the Office of Civil Rights at the Minnesota Department of Transportation.

Signature certifies that information supplied on all corresponding pages and attachments are accurate.

Signature

Date

Printed Name



Document 2

**MINNESOTA DEPARTMENT OF TRANSPORTATION
METROPOLITAN AIRPORTS COMMISSION
METROPOLITAN COUNCIL
CITY OF MINNEAPOLIS
MENTOR/PROTÉGÉ PROGRAM**

PROTÉGÉ APPLICATION

Business Name:	Business Address:	Mailing Address (if different)
Owner Name:	Owner Title:	
Do you have a Business Plan? <i>(check one)</i> <input type="checkbox"/> Yes <input type="checkbox"/> No	Business telephone: Business Fax Number: E-mail address:	
Work Type:		
Name of Insurance Company:	Name of Bonding Company:	
Agent:	Agent:	
Phone Number:	Phone Number:	
Amount: \$	Single: \$	
Type of Coverage:	Aggregate: \$	
Gross Receipts (3 years):		

Protégé Application

Please list major projects for the last two years (list the most recent first). If new business, list previous business references.		Indicate your role: (P) Prime Contractor; (JV) Joint Venture; (SUB) Subcontractor			
Project Name	Type of Project	Role			Contract Amount
		P	JV	SUB	
					\$
					\$
					\$
					\$

Check the categories where you need assistance

- | | | |
|---|---|---|
| <input type="checkbox"/> Business Plans | <input type="checkbox"/> Obtaining Permits & Sub-Contractors | <input type="checkbox"/> Bonding & Insurance |
| <input type="checkbox"/> Banking Services | <input type="checkbox"/> Organization Structure | <input type="checkbox"/> Prompt Payment Procedures |
| <input type="checkbox"/> Records & Contract Management | <input type="checkbox"/> Payrolls (federal, state, fringe benefits) | <input type="checkbox"/> Operations Assessment |
| <input type="checkbox"/> Reading & Interpreting Contract Plans & Specifications | <input type="checkbox"/> Personnel Management | <input type="checkbox"/> Analysis of major, fixed and variable cost |
| <input type="checkbox"/> Post Award Bid Assessment | <input type="checkbox"/> Construction Equipment & Materials | <input type="checkbox"/> Accounting Records Preparation & Maintenance |
| <input type="checkbox"/> Preparing & Negotiating Change Orders, Job Budgets, Trade Payment Breakdowns | <input type="checkbox"/> Market Analysis | <input type="checkbox"/> Competitive marketplace Overhead |
| <input type="checkbox"/> Cost Accounting | <input type="checkbox"/> Implementation & Action Plans | <input type="checkbox"/> Job Cost & Work In Progress |
| <input type="checkbox"/> Troubleshooting & Delay Avoidance | <input type="checkbox"/> Scheduling & Purchasing | <input type="checkbox"/> Quality take-off and Estimating |
| <input type="checkbox"/> Project Planning & Scheduling | <input type="checkbox"/> Other: <i>(Please explain)</i> | |

1. State why you want to participate in the Mentor/Protégé Program (attach additional sheet(s) if necessary)

2. What business skills or work type do you want to learn or enhance with involvement in the Mentor/Protégé program?

3. What percentage of your contracting is in government: _____%; private _____%.

Identify government entity: City, County State, Federal, Airports, Metropolitan Council

Contact any agency with questions regarding this application or the Mentor/Protégé program but send the completed application to the agency that processed your DBE application.

MN/DOT –Office of Civil Rights
395 John Ireland Blvd, MS 170 St. Paul, MN 55155-1899

Metropolitan Airports Commission
Office of Diversity
6040 28th Ave. South
Minneapolis, MN 55450

Metropolitan Council
Office of Diversity
560 6th Ave. North
Minneapolis, MN 55411

City of Minneapolis
Department of Civil Rights
350 S 5th Street #239
Minneapolis, MN 55415

651.366.3352
George.Costilla@state.mn.us

612.726.8193
Debra.johnson@mspmac.org

612.349.7695
Tracey.Jackson@metrotransit.org

612.673.3012
contractcompliance@minneapolismn.gov

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Signature certifies that information supplied on all corresponding pages and attachments are accurate.

Signature

Date

Printed Name



**MINNESOTA DEPARTMENT OF TRANSPORTATION
METROPOLITAN AIRPORTS COMMISSION**

**METROPOLITAN COUNCIL
CITY OF MINNEAPOLIS**

MENTOR/PROTÉGÉ PROGRAM

(Date)

DBE Protégé Name

Owner Name

Address

City, State, Zip

Mentor Name

Owner Name

Address

City, State Zip

RE: MENTOR/PROTÉGÉ AGREEMENT

Dear (DBE Owner) and (Mentor):

The Minnesota Unified Certified Program (MN/UCP), in compliance with 49 Code of Federal Regulations Appendix D of 49 C.F.R Part 26 (A), is pleased to inform you that your Mentor/Protégé Agreement dated _____ has been approved.

In order to remain certified under 49 C.F.R. Part 26, you must contact our office of any significant changes that occur to the signed agreement. This includes changes in any of the following: address, work areas the firm performs, locations that the work is conducted and the ownership of the firm.

While your agreement will remain valid, federal regulations require that in order to remain qualified under the Mentor/Protégé program, the DBE owners must continue to demonstrate majority ownership, control of the firms day-to day operations, and direct ongoing involvement in the firm's management of contracts/projects awarded which are subject to the MN/UCP DBE Program.

Additionally, on the anniversary date of the signed agreement, a Mentor/Protégé Agreement Follow-Up Letter will be sent to you requesting that the following information be provided:

- Summary of the work accomplished.
- Explanation of how the mentor assisted in the completion of work performed.
- Development plan.
- Working capital received from the mentor.
- Time notes, loans, stocks, etc. given in exchange for working capital.
- A copy of your completed business plan.
- Meeting minutes.
- Donations.
- Equipment and personnel provided by the mentor.
- Bonding provided by the mentor.

If you have any questions regarding this letter or any part of the Mentor/Protégé Program, please contact me at: (telephone number) or via e-mail at:

Sincerely,

(Name)

(Title)

(Agency)

Enclosures: Certificate
Report Template

Cc: File