msd Safe, clean waterways	**Small Business Enterprise (SBE) Program Policy**	**DOCUMENT TYPE:** POLICY
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		BOARD COMMITTEE: INFRASTRUCTURE
		DIVISION/DEPARTMENT: Supply Chain/Procurement
		ORIGINATION DATE: 06/22/2026
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1.0 POLICY STATEMENT

1.1 The Louisville & Jefferson County Metropolitan Sewer District (MSD) is committed to ensuring meaningful opportunities for qualified Small Business Enterprises (SBEs) to compete and participate in the procurement of construction, construction-related, engineering and professional services, and commodities and materials within MSD's Procurement process.

1.2 MSD will comply with applicable state, federal or local laws, regulations, and statutes relating to Supplier Diversity when utilizing other funding sources and adopt the applicable goals for those contracts.

1.3 See Economic Inclusion / Small Business Enterprise Program Policy and Procedures Manual, effective July 1, 2026, which is incorporated herein by reference.

2.0 AUTHORITY

2.1 The Chief Procurement Officer, with approval of the Executive Director, is responsible for the recommendation, development, administration, and management of this Policy. The Chief Procurement Officer may delegate such authority as may be appropriate and necessary for the proper performance of this Policy.

3.0 LOCATION

3.1 The original signed policy is on file with the MSD Secretary.

3.2 This Policy, as well as procedures and related documents, are available on MSD's Intranet and external website.

4.0 TRAINING

4.1 The Chief Procurement Officer will, in conjunction with the Training and Organizational Development Department of Human Resources, ensure the appropriate communication and initial training of this Policy during new hire orientation, then training will be every two years for everyone with procurement responsibilities (i.e., Supply Chain, Engineering, Operations, etc.).

5.0 REVIEW CYCLE

5.1 This Policy will be reviewed every three years. Additional reviews and/or revisions may be performed as appropriate. Approval for the review and/or revisions must be obtained by the MSD Board, Executive Director, Policy Owner and the Policy Review Committee Chair.

6.0 AUDIT

6.1 The provisions of this Policy, Procedures and Related Documents are subject to audit by MSD's Internal Audit Department, as well as external, regulatory, and contract auditors.

7.0 HISTORY

ORIGINATION DATE	
05/28/2026	Original Policy
REVIEW / REVISION DATE	**SUMMARY OF REVISIONS**
XX/XX/XXXX	

8.0 APPROVALS

Rene' Lindsay, Policy Owner	6/22/26 Date
Carmen Moreno-Rivera, Chair, Policy Review Committee	06/22/26 Date
James A. Parrott, Executive Director	6-22-26 Date
Jeff Mosley, Chair, MSD Board Infrastructure Committee	6/22/26 Date
Ricky Mason, Chair, MSD Board	6/22/26 Date

DISCLAIMER: MSD reserves the right to review and update this policy as deemed necessary, at any time, with or without notice.

Economic Inclusion
Small Business Enterprise Program
Policy and Procedures Manual

(SBE Program)

Effective July 1, 2026

Louisville and Jefferson County Metropolitan Sewer District (MSD)
1600 West Hill Street
Louisville, KY 40210

Message from MSD's Executive Director

MSD is strengthening its commitment to economic inclusion by expanding opportunities for small businesses and ensuring equity across our entire supplier community.



For many years, we have worked to connect underrepresented and emerging businesses with meaningful contracting opportunities helping grow local companies while building a strong, competitive supply base that benefits our residents and the communities where we live and work. As we look toward the future, we recognize the importance of creating a more accessible, transparent, and inclusive framework that supports all small businesses.

To advance this goal, we are transitioning our current MBE/WBE Program to a race and gender-neutral Small Business Enterprise (SBE) Program. This updated program focuses on business size, capacity, and economic criteria, ensuring that small firms of all types have a fair and equitable opportunity to compete for MSD contracts.

The goals of the SBE Program are to:

- Expand opportunities for small businesses to work with MSD.
- Promote fair and open competition within the contracting community.
- Support local economic growth.
- Strengthen transparency, consistency, and accountability in how small business participation is measured and supported.

This change represents an important investment in the long-term economic health, safety, and quality of life for both our business partners, residential customers and our community at large. By focusing on the growth and participation of small businesses, we are building a stronger, more resilient local economy, one that creates jobs, fosters innovation, and ensures that public dollars generate broad community benefit.

We remain committed to open communication, accessibility, and ongoing collaboration as we implement this important initiative. Thank you for your continued partnership and support as we work together to strengthen our local economy and expand opportunities for all.

Sincerely,

James A. Parrott
MSD Executive Director

SBE Program

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1. Overview

A. Introduction

The Louisville and Jefferson County Metropolitan Sewer District (MSD) is committed to ensuring meaningful opportunities for qualified Small Business Enterprises (SBE) to compete and participate in construction, construction-related, engineering, professional services, and materials, commodities, and service purchases within MSD's Procurement process.

The MSD SBE Program is race-and gender-neutral; eligibility and participation are based on small business status. The SBE Program will be administered under MSDs Economic Inclusion Department.

B. Leadership

MSD's leadership shall take an active and positive role in building a culture within which MSD is able to effectively implement this SBE Program. MSD's Executive Director or Designee and Chief Procurement Officer shall:

1. Actively review the results of the performance of the MSD SBE Program with internal management personnel on a periodic basis.
2. Articulate in written and verbal communication, internally and externally, MSD's interest in the MSD SBE Program and performance in SBE procurement.
3. Issue periodic reports to the MSD Board, and other internal and external stakeholders, as applicable.
4. Engage in other leadership activities contributing to supporting the MSD SBE Program.
5. MSD's Chief Procurement Officer and/or designee will review and evaluate waiver requests pertaining to the SBE subcontract participation goal and make recommendations to MSD Executive Director for their approval of the waiver.
6. Develop and implement guidelines and procedures for the MSD SBE Advisory Committee.

C. Program Administration

MSD's Chief Procurement Officer shall have primary responsibility for the administration of the MSD SBE Program and has designated the day-to-day administration of the SBE Program to MSD's SBE Program Manager and staff. The MSD SBE Program Manager is authorized to:

1. Establish written procedures, informal guidelines and forms necessary to effectively implement the MSD SBE Program requirements.

2. Monitor compliance with the requirements of the MSD SBE Program.
3. Analyze and determine subcontracting components of a project and identify potential SBE subcontractors, in consultation with MSD's design/construction staff and other staff with procurement responsibilities.
4. Serve as the point of contact and source of information for potential bidders, providing upon request the names and contact information of certified SBEs to reinforce and support outreach efforts by potential bidders.
5. Develop and implement outreach and provide technical assistance to help businesses gain the ability to compete successfully for MSD contracting opportunities.
6. Track and report on the effectiveness of the MSD SBE Program through collection, review and analysis of SBE utilization data.

2. Definitions

The following words, terms and phrases, when used in the MSD SBE Program, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

1. **Affiliates** means entities or individuals are affiliates if, directly or indirectly, (a) either one controls or can control the other, or (b) a third-party controls or can control both. Control may arise through ownership, management, contractual relationships, or other means. When affiliation exists, the size of the business includes the employees and revenues of all affiliates when determining eligibility.
2. **Availability** means the calculated estimate of ready, willing and able SBEs in a particular trade or profession.
3. **Bid** means written quotation, proposal or offer by a contractor to perform or provide labor, materials, equipment, supplies or services to MSD for a price submitted in response to a solicitation issued by MSD.
4. **Bidder/Proposer** means any business enterprise, including a joint venture, seeking to be awarded an MSD contract by a competitive process.
5. **Broker** means a firm or person who contracts with third parties on behalf of the broker's principal or a specialist who represents purchasers of materials without taking possession or ownership of those materials, or an agent employed to make bargains and contracts for compensation. A broker acts as a middleman in transactions between a buyer and a seller, generally receiving a commission or fee for work performed. An independent manufacturer's representative or distributor is not a broker.

6. **Business Enterprise** means a corporation, partnership, sole proprietorship, professional association or any other legal entity that is properly licensed and/or otherwise authorized to do business in the Commonwealth of Kentucky and is organized to engage in lawful commercial transactions that are directly or indirectly involved in providing materials and/or services to MSD with the anticipated outcome of earning a profit.

7. **Commercially Useful Function** means work performed by an SBE for which the business is responsible for the execution of the contracted work and is performing its responsibilities by directly delivering, managing and supervising the work involved. With respect to materials and supplies used on the contract, the SBE must negotiate the price, determine the quality and quantity, order the goods, supplies and/or materials, and install and pay for the materials. An SBE that stocks or maintains sufficient quantities of supplies in direct inventory, held for sale or resale, to cover anticipated future demands for the supplies is performing a commercially useful function. SBEs that engage in the business of providing brokerage services required and sought by MSD shall be deemed not to perform a "commercially useful function."

8. **Conduit** means a business that purchases material, commodities or services that are not normally purchased or sold as part of its daily business from another business or businesses for the sole purpose of resale or to subcontract to MSD or a contractor doing business with MSD.

9. **Construction** means all aspects of building, altering, repairing or improving any public structure or building, or other public improvements of any kind to any public real property. Construction also includes the demolition, destruction, dismantling or removal of public structures, buildings and other public improvements and the clearing of land. It does not include the routine operation, repair or maintenance of existing structures, buildings or real property.

10. **Construction-related Services** means the routine operation, maintenance, repair or replacement of existing public facilities and structures, such as wastewater hauling or construction management services. Construction-related services do not include services within the definition of construction or the definition of professional services.

11. **Contract** means an agreement between MSD and a person or business enterprise to provide or procure labor, materials, equipment, supplies and services to, for or on behalf of MSD.

12. **Contractor** means any person or business enterprise who undertakes to procure a contract for profit with MSD, to supply or provide labor, materials or services, and any person who is a subcontractor under any such contract.

13. **E-commerce** means the sale of materials or supplies through online

commercial transactions. This does not provide a "commercially useful function."

14. **Equipment** means any item procured by MSD or used on an MSD project.

15. **Good Faith Efforts** means steps taken by a contractor or consultant to achieve the SBE goal as set forth in the MSD SBE Program, including the required documentation demonstrating a contractor's efforts to meet the SBE construction subcontract goal.

16. **Joint Venture** means the association of two or more businesses established to carry on a single business activity that is limited in scope and duration. The SBE shall be responsible for a distinct, clearly defined portion of the work of the contract and share in the capital contribution, control, management, risks, costs and profits of the joint venture that are commensurate with its ownership interest.

17. **Manufacturer** means a firm that operates or maintains a factory or establishment that produces on their premises the materials or supplies obtained by the contractor. Brokers, distributors and packagers shall not be regarded as manufacturers within the meaning of this definition.

18. **Materials, Commodities and Services** means all personal property and/or products, including, but not limited to, goods, equipment, fuel, leases on real property, printing, insurance and necessarily associated non-professional services.

19. **Owned, Operated and Independently Controlled** means one or more individuals who own(s) real, substantial and continuing ownership, going beyond pro forma ownership, enjoying all of the customary incidents of ownership, and sharing in the risks and profits commensurate with its ownership interest. The individual(s) shall have control over all day-to-day operations of the business and with those with whom it does business.

20. **Professional Services** means services requiring specialized knowledge, skill and formal licensing and/or certification under state law. These services include a licensed professional engineer, architect, attorney, physician, psychiatrist, psychologist, certified public accountant, registered nurse or educational specialist. Professional services also include the services of a technician, such as a plumber, electrician, carpenter or mechanic, or an artist, such as a sculptor, aesthetic painter or musician. Professional services do not include the services of architects or engineers providing construction management services.

21. **Second-Tier** means a business enterprise that provides materials, commodities or services directly related to the performance of an MSD prime contract, by furnishing materials, commodities or services to a first-tier

subcontractor.

22. **Subcontractor** means any person or business enterprise providing materials, commodities, labor or services to a contractor if such materials, commodities, labor or services are procured in fulfillment of the contractor's obligations arising from a contract with MSD. Subcontractors include every level of subcontracting required to fulfill a contract with MSD.

23. **Supplier** means a business enterprise that owns, operates or maintains a store, warehouse or other establishment in which the materials or supplies required for the performance of the contract are bought, stocked and regularly sold to the public in the usual course of business. To be a supplier, the firm must engage in, as its principal business, and in its own name, the purchase and sale of the products being procured by MSD.

24. **Trucker** means a business enterprise that owns and operates at least one licensed, insured truck for transporting materials and supplies.

25. **Waiver** is MSD's approval relinquishing a contractor's obligation to comply with the goals.

3. SBE Program Eligibility Requirements

A. SBE Eligibility (Size, Independence, and Good Standing)

1. To be eligible for participation as an SBE under this Program, a business enterprise must:

   a) Be a for profit business entity legally authorized to do business in the Commonwealth of Kentucky;

   b) Be an independent business (not a subsidiary, division, or "front" for another firm) and not unduly dependent on another firm for financial support, management, or key resources;

   c) Meet the Small Business Administration (SBA) size standard(s) for the (NAICS) North American Industry Classification System code(s) applicable to the work the firm will perform on MSD contracts: and

   d) Be in good standing (including any required licenses) to perform perform the work for which SBE credit is sought. To be eligible for SBE certification, firms must meet the size standard for their industry set forth by the U.S. Small Business Administration (SBA). Size standards vary by industry classification and can be defined by average annual receipts for the past three years or the average number of employees over the past twenty-four (24) months.

2. Size standards. MSD will determine whether a firm meets applicable SBA size standards based on:

    a) The NAICS code(s) applicable to the work; and

    b) The SBA size standard and calculation method applicable to the NAICS code(s) (e.g., receipts or employees), including any required aggregation with affiliates under SBA affiliation rules.

3. In determining SBE eligibility, MSD may consider whether the applicant has affiliates and whether affiliation requires aggregation of employees and/or receipts under SBA rules. MSD may deny or remove SBE eligibility where a firm's relationships indicate that it is not independent or does not meet SBA size standards when affiliates are considered.
4. SBE eligibility under this Program is race- and gender-neutral and does not require, use, or consider personal net worth, race, ethnicity, or gender as eligibility criteria.
5. Participants must notify MSD in writing of material changes that may affect eligibility (including ownership, management/control, affiliation, merger/acquisition, or size). MSD may request updated documentation to confirm continued eligibility.

4. SBE Program Participation

The SBE firms that bid as a prime contractor or prime consultant on an MSD project, shall be subject to the same SBE Program Subcontractor Participation goals as a non-certified SBE firm. The prime contractor or prime consultant shall be an independent and separate business or company from their subcontractor(s)/subconsultant(s).

A. Professional Services Aspirational Goals

The aspirational participation goals for engineering and other professional service (professional services) contracts are 20% SBE for contracts with an Engineer's Estimate or contract value at $100,000.00 and greater. The RFP/RFQ Professional Services Subconsultant Plan must be completed on professional services projects and included with the prime proposal submitted to MSD.

B. Construction Subcontracting Goal

1. The SBE participation goals for construction services are 35% SBE for contracts with an Engineer's Estimate or contract value at $300,000.00 and greater. MSD reserves the right to set contract goals on a contract basis.

2. The subcontracting goals shall be applied to solicitations for construction bids valued at or above $300,000.00 that have subcontracting opportunities. Emergency procurements do not constitute a waiver of the

current SBE Program goals. The subcontracting goal shall be met on each construction bid at the time of bid opening, or the bidder shall document with its bid that a good faith effort was made to meet the goal. The eligible SBEs used to meet the SBE goal shall be listed in the prime contractor's utilization plan to perform a commercially useful function. The SBE Subcontractor Utilization Plan shall list the name and contact information of each subcontractor, supplier or vendor that will be used to meet the SBE construction subcontract goal, the items of work the firm shall perform and the firm's percentage of the prime contractor's bid amount.

3. The SBE Subcontractor Utilization Plan and SBE Bid Certificate shall be reviewed and verified by MSD's SBE Program staff. The certification recognition status of each SBE reviewed shall remain current and include a current list of capabilities in accordance with the MSD Confirmation of Submission of Economic Inclusion Application, SBE Profile Affidavit and supporting documentation. Verification that the proposed subcontractors are eligible, currently certified and listed to perform a commercially useful function shall be confirmed by the SBE Program staff before the determination of the apparent low and responsive bidder is made. The SBE Program staff shall determine that the prime contractor met the SBE construction subcontracting goal with SBEs that could perform a commercially useful function or demonstrated good faith efforts.

4. A bidder that fails to meet the SBE construction subcontract goal with a certified, recognized business that can perform a commercially useful function shall provide, at the time of bid opening, sufficient proof of a good faith effort to meet the SBE construction subcontract goal. All steps shall be documented, and the SBE Program staff shall determine if the prime contractor has made a good faith effort to meet the construction subcontract goal. MSD will review all bids after the bid opening and prior to award for compliance with MSD's SBE Program.

C. Requirements for Bid Submissions

1. Bids and statements of qualification must contain the following documentation to be deemed responsive. The SBE Goal Compliance Plan must be submitted with the bid at the Bid Opening. All other documentation must be submitted within twenty-four (24) hours after Bid Opening, unless the solicitation states otherwise.

Table 1. Requirements for SBE Submissions by Bidders Who HAVE MET MSD's Participation Goals
[Bidders must submit all of the following documentation to be deemed responsive.]

Required Documentation:	Bidder Completes:	SBE Subs Complete:	Submittal Deadline:
SBE Goal Compliance Plan ***(Due with bid submittal)***	✓		
SBE Subcontractor Utilization Plan	✓		24 hours after Bid Opening
SBE Proposals		✓	
SBE Bid Certificate (s)		✓	

2. If the SBE participation goal **is not met**, a bid or statement of qualifications **must contain** the following documentation to be deemed responsive. **The SBE Goal Compliance Plan must be submitted with the bid at Bid Opening**. All other required SBE forms and supporting documentation must be submitted within twenty-four (24) hours after Bid Opening, unless the solicitation states otherwise.

Table 2. Requirements for SBE Submissions by Bidders Who WILL NOT MEET MSD's Participation Goals
[Bidders must submit all of the following documentation to be deemed responsive.]

Required Documentation:	Submittal Deadline:
SBE Goal Compliance Plan ***(Due with bid submittal)***	24 Hours After Bid *Opening*
Subcontractor Utilization Plan	
SBE Good Faith Efforts Summary Sheets and Waiver Request Form	

3. A Notice to Proceed will be issued when all finalized, signed and fully executed SBE subcontractor agreements are received by MSD. All fully executed SBE sub-agreements must be submitted to MSD no later than 15 calendar days from MSD approval/award. Prime contractors' award of MSD projects/work is contingent upon compliance with the SBE Program policy. After contract award of an MSD construction project, contractors must complete and submit MSD pay estimates/applications regarding their SBE participation on work awarded to them. If the monthly report is not in compliance, MSD shall contact the contractor and MSD project manager

to discuss the reasons for noncompliance and possible solutions.

4. When a contractor utilizes one or more subcontractors and/or suppliers to meet the SBE goal, only expenditures to SBEs that perform "a commercially useful function" in the satisfaction of the contract or procurement will be counted toward the SBE goals. The roles of SBEs must be meaningful and must contribute positively to the successful completion of the MSD contract.

5. SBE Program Certification Recognition

A. SBE Certification Requirements

1. The business must be registered as an SBE vendor with Louisville MSD to be eligible to participate in the Program. SBEs shall meet the size standards of the United States Small Business Administration (SBA) based on the NAICS code(s). Note: Businesses can use the SBA size standards tool (https://www.sba.gov/size-standards) to determine if they meet the size standards for their industry. Additionally, MSD accepts local, state, national and federal certifications demonstrating size standards.

2. In order for MSD to process your SBE Certification, the following items must be submitted through our SBE portal.
   - Documentation demonstrating the business has been in operation for at least one (1) year;
   - Completed MSD SBE Certification Application;
   - Supporting documentation as specified in the application; and
   - Documentation of gross receipts/sales for the past three years. MSD may request business tax returns or other financial records to verify gross receipts.

3. MSD may accept certifications from agencies that certify small businesses in accordance with federal guidelines for small businesses.

4. The following certifying organization and their affiliates may be used for the purpose of this SBE Program only as MSD makes the determination that the firms meet the MSD SBE eligibility requirements, which include the applicable SBA size standards and/or business financial information.
   - Louisville Metro Government – Metro Human Relations Commission
   - Kentucky Department of Transportation (DBE)
   - Kentucky Finance and Administration Cabinet
   - National Minority Supplier Development Council (NMSDC)
   - Women's Business Enterprise National Council (WBENC)

- U.S. Small Business Administration (SBA) programs (US SBE Programs).

5. For any third-party certification MSD recognizes for SBE purposes, MSD may confirm that (i) the certification is current, (ii) the firm is listed in the certifier's directory, and (iii) the firm meets MSD's SBE eligibility requirements, including applicable SBA size standards for the NAICS code(s) relevant to the work.

6. Before and after accepting an agency's SBE certification, MSD reserves the right to conduct site visits and/or an independent audit with submission by the online SBE Program certification recognition application and supporting documentation.

7. MSD's construction compliance field-monitoring SBE Program shall ensure certified SBEs are performing "a commercially useful function" and are utilizing their own workforce and equipment.

B. Commercially Useful Function

1. Commercially Useful Function Assessment – At the time a bid or statement of qualifications is opened, an assessment shall be performed to determine the materials or services the eligible SBE is certified to provide or perform. To determine whether a certified SBE subcontractor is providing specific materials or services that are being used to perform a commercially/proposed useful function, the following factors shall be considered by MSD:
   - Whether the amount of work subcontracted conforms to normal industry standards and practices.
   - Whether the amount the SBE is to be paid for the goods or services listed in the Subcontractor Utilization Plan is commensurate with the work it is actually listed to perform.
   - Whether the amount of SBE credit is claimed for performance of the work.

2. Determining "Industry Standards and Practice" – Central to evaluating the performance of a commercially useful function is the knowledge of normal industry standards and practices. An SBE performs a commercially useful function when its role is that of a central and critical participant in a transaction, contract or project as evidenced by the financial arrangement. Although an SBE must perform based on normal industry practices, if those practices erode the ability of the SBE to control its work and remain independent, the practice shall not be considered a commercially useful function. If the SBE does not perform the total costs of the contract with its

own workforce or the portion of the work is inconsistent with industry practices, the SBE firm is presumed not to perform a commercially useful function.

3. **Suppliers** – Suppliers shall be a business that sells or leases supplies at its establishment. The supplier must operate under its own name and sell or lease products. The regular supplier shall own, operate or maintain a store, warehouse or other establishment in which the materials or supplies are regularly sold or leased in the usual course of business. A person may be a supplier in such bulk items as petroleum products, steel, cement, gravel, stone, asphalt or other supplies without owning, operating or maintaining a place of business as provided herein, provided the person both owns and operates distribution equipment for the products. Any supplementing of supplier's own distribution equipment shall be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis. The supplier's distribution agreement must extend beyond MSD or its market area and include a market area customary with industry practice.

   The SBE shall sell the product on a routine basis and shall furnish and install materials or supplies to be considered as engaging in normal industry practices as a supplier. In addition, the SBE material supplier shall: 1) negotiate price; 2) determine quality and quantity; 3) order materials and 4) pay for the materials. The function shall not be limited to simply furnishing the supplies or materials.

4. **Truckers** – The SBE trucker shall own and operate at least one licensed, insured and operational truck for transporting materials or supplies. Leased trucks may only be used to supplement a fleet, but the SBE shall have exclusive use and control of the leased truck(s). Formal written lease agreements for leased trucks shall minimally include lessor's name, list of trucks to be leased by vehicle identification number and the cost and method of payment. The SBE shall be responsible for providing the fuel, maintenance and insurance for all leased trucks. The leased rate shall meet normal industry practices.

5. **Manufacturers** – Manufacturers shall operate or maintain a factory or establishment that produces on the premises the materials, supplies or equipment required under the contract. The SBE's primary function is to manufacture the procured products and control the purchase and quality of the raw materials procured and fabricated.

6. Participation Counted Toward Goals

A. General

1. **Participation Counted Toward SBE Goal** – A contractor is required to meet the established SBE subcontractor goals. If the contractor falls short of meeting the goals as set forth in the solicitation, they must demonstrate an adequate good faith effort. When an SBE participates in a contract, MSD will count all tiers of subcontracting to SBE for the value of the work actually performed shall be counted toward the goal as follows:
    - MSD will count the entire amount of construction, construction-related, professional services, or materials, commodities, and services contract that is performed by SBE subcontractors.
    - MSD will count 60% of the cost of supplies and materials provided by the SBE for the work of the contract, including supplies purchased or equipment leased by the SBE (except supplies and equipment the SBE purchases or leases from the contractor or its affiliates).
    - MSD shall count the fees or commissions charged by a first-tier SBE for services such as professional, technical, consultant or managerial services, or for providing bonds or insurance specifically required for the performance contract toward SBE goals, provided the fee was determined to be reasonable and not excessive as compared with fees customarily allowed for similar services and the SBE is providing a commercially useful function.

2. **Calculating SBE Participation** – When calculating participation, SBE subcontractors, suppliers and vendors must be first-tier subcontractors, suppliers and/or vendors. The percentage will be allocated as follows:
    - Counting the Joint-Venture Participation – When an SBE performs as a participant in a joint venture, the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the SBE performs with its own forces shall count toward the SBE goals. For example, if an SBE and non-SBE joint venture proposes to perform 100% of a project quoted at $500,000, and 25% of the work is to be performed by the SBE partner in the joint venture, the SBE participation will be credited as 25% of the work, or $125,000.
    - Counting the Participation of Suppliers – If the materials or supplies are purchased from an SBE supplier, 60% of the cost of the materials or supplies from the certified SBE supplier will be counted toward the SBE goal.
    - Counting the Participation of Manufacturers – If the materials or supplies are obtained from an SBE manufacturer, MSD shall count 100% of the cost of the materials or supplies toward SBE goals.

- Counting the Participation of Truckers – 100% of the amount contracted for trucking services will be counted. This does not include materials being hauled by the trucker.

3. **Restrictions to Counting SBE Participation** – MSD shall not count the dollar amount of work performed under a contract with an SBE after it has ceased to be a certified SBE.

4. **Progressive Design-Build Projects** – MSD reserves the right to permit the Design/Builder Team (DB Team), also known as the Prime Contractor, awarded the Progressive Design-Build Project to count and utilize 1st Tier prime subcontractors, with direct contracts, to the DB Team and to also count 2nd Tier subcontractors, suppliers and/or vendors of the DB Team toward the SBE goal. The Construction goal is 35% SBE participation and 20% SBE aspirational goals for engineering and other professional services.

   SBE firms must be utilized throughout the entire duration of the project, including both construction and engineering design phases. The DB Team shall be responsible for ensuring subcontracting participation complies with the MSD SBE Program. The DB Team is ultimately responsible for making certain participation goals are achieved or good faith efforts have been made.

7. Good Faith Efforts

For all construction contracts and procurements for which SBE contract goals have been established, the bidder shall be required to submit the forms required under Section 14: Forms – SBE Program. To be eligible for award of a contract or procurement in a case where the SBE goals will not be met, a bidder must submit all documentation of its SBE outreach efforts with its bid or proposal. Failure to submit required documentation may cause a bid to be rejected as non-responsive. Outreach and Good Faith Efforts include, but are not limited to, the following:

1. **Identification of SBE Subcontracting Work**: Bidder has identified and selected specific work items to be performed and/or procurement to be filled by an SBE. Bidder subdivided total contract work requirements and/or procurements into smaller portions or quantities to permit maximum active participation by SBE. Content of advertisements and written notices to subcontractors may demonstrate compliance with this objective.

2. **Written Notices to SBE Subcontractors, Suppliers and Vendors**: Not less than ten (10) days prior to the MSD bid opening date or within the MSD advertisement date, bidder provided written notice of its interest in receiving subcontractor, supplier and vendor bids related to the MSD contract or procurement to SBEs with an interest in performing identified work items.

Contents of the notice must include the project name; the name of the bidder, areas of work available for subcontracting and procurement opportunities; contact person's name and phone number; information on availability of plans and specifications; date the subcontractor's interest and written bid/estimate are due to the bidder; and bidder's policy concerning assistance to subcontractors, suppliers and vendors, in obtaining bonds, financing and/or insurance. Bidders are encouraged to go to the MSD SBE Program website at https://louisvillemsd.org/EconomicInclusion/Firms to view a list of SBEs available for use to meet the SBE subcontractor participation goals. Documentation that will demonstrate satisfaction with this requirement includes, but is not limited to, a copy of each notice sent to subcontractors by the bidder for each item of work to be performed or each procurement. If there is only one master notification, the bidder should submit a copy with a list of its recipients. Faxed copies of the notice and copies sent by electronic transmission or email must include fax transmittal confirmation slip or written confirmation of receipt by email, as the case may be, from the recipient, showing the date of transmission. The due date for subcontractor's written bid/estimate to the bidder should not be less than seventy-two (72) hours prior to the bidder's bid submittal due date to MSD. Additionally, evidence should be provided that SBE firms were invited to meetings.

3. **Follow-Up To Initial Solicitations**: Bidder followed up to initial written notices to SBE subcontractors, suppliers and vendors to determine interest in specific portions of project work and/or procurement; answered questions, recorded phone quotes; and recorded interest of subcontractors, suppliers and/or vendors in bidding on any portion of subject project. Required documentation shall include a copy of telephone logs, including name of caller, name of and telephone number of subcontractor, supplier or vendor's contact person. Telephone logs must be submitted to demonstrate follow-up with all subcontractors, suppliers and vendors to whom bidder sent written notices.

4. **Adequate Information Provided – Plans, Specifications, Requirements**: Bidder provided interested SBE subcontractors, suppliers and/or vendors with access to plans, specifications and requirements for the subject project. Documentation that will demonstrate compliance with this requirement includes the content of advertisements and written notices to subcontractors, suppliers and vendors.

5. **Assistance - Bonding/Lines of Credit/Insurance:** Bidders made efforts to advise, and assist interested subcontractors, suppliers and vendors in obtaining information regarding bonds, financing and insurance required for the subject project. Documentation that will demonstrate compliance with this requirement includes, but is not limited to, the content of

advertisements and written notices to the SBE subcontractors, suppliers and vendors. Such efforts include, but are not limited to, introducing SBEs to professionals in these fields.

6. **Evidence of Justifiable Reasons for Bid Rejection:** Not rejecting SBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. A firm's standing within its industry, membership in specific groups, organizations or associations, and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.

7. **Evidence that SBEs Were Invited to Meetings:** Meeting invitations showing evidence that SBE firms were invited to meetings.

8. **Community Organizations, Contractor Groups, Business Agency Offices (Local, State, Federal), Other Organizations**: Effectively using the services of community organizations; contractors' groups; local, state and federal business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of SBEs. Required documentation shall include a copy of telephone logs, including name of caller and name of and telephone number of the organization's and/or agency's contact person. In determining whether a bidder has made adequate Good Faith Efforts, MSD may, at its sole discretion, consider any or all of the foregoing efforts as well as the performance of other bidders in meeting the SBE participation goals as submitted with their bids. For example, when the apparent low bidder fails to meet the contract goal, but other bidders meet it, it may reasonably raise the question of whether, with additional reasonable efforts, the apparent low bidder could have met the goal. If the apparent low bidder fails to meet the goal but meets or exceeds the average SBE participation obtained by other bidders, MSD may view this, in conjunction with other factors, as evidence of the apparent low bidder having made adequate Good Faith Efforts. Bidders that fail to meet SBE goals or fail to demonstrate adequate Good Faith Efforts may be deemed non-responsive to MSD's solicitation for bids and may not be eligible to be awarded the contract.

8. Determination of Good Faith Efforts

The Good Faith Efforts (GFE) will be determined on a point system. Points are awarded for Indicators 1 through 8 when required and completed documentation is submitted at the time the partial or full waiver is being requested by the bidder at the bid opening.

Points are awarded for each Indicator on an "all or nothing" basis. Points are not awarded for bid documentation deemed to be partially completed. There are 8 Indicators for the GFE documentation. Indicators 1 through 8 award points when the required documentation is submitted. Failure to include the required and completed GFE documentation and failure to achieve a minimum of 70 out of 100 points may render the bid non-responsive and could result in its rejection.

Points for Each Indicator:

Indicator:	1	2	3	4	5	6	7	8	Total
Points:	15	15	15	15	10	10	10	10	100

Each Indicator has a different point value equal to 10 or 15 points. Without sufficient documentation for the indicators (including all SBE firms that submitted bids and a summary sheet), a firm will not be able to achieve the minimum 70 points.

Indicator	GFE Criteria Summary Description
1	Identification of sufficient SBE subcontracting work
2	Written notice to SBE subcontractors, suppliers and vendors of prime contractor's interest
3	Follow-up to initial solicitations (written notices) to SBE subcontractors, suppliers and vendors
4	Provisions of plans, specifications and requirements provided to SBE subcontractors, suppliers and vendors with access to plans/specifications/requirements for the MSD project
5	Assistance to SBEs to obtain information regarding bonding, financing and insurance
6	Evidence of justifiable rejection of bid and not rejecting SBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities
7	Evidence that SBE firms were invited to meetings
8	Verification of utilization of the services of community organizations; contractors' groups; local, state and federal business assistance offices; and other organizations as allowed to provide assistance in the recruitment and placement of SBE

A. Guidelines for Completing the GFE Documentation Forms and Other Submittals

Bidders and Proposers are prohibited from requiring prospective subcontractor(s), subconsultant(s) or supplier(s) pre-signed with ink or a pre-signed photocopy of blank SBE Proposals and SBE Bid Certificates.

Bidders and Proposers are prohibited from maintaining on-file pre-signed blank SBE Proposals and SBE Bid Certificates.

Bidders and Proposers must complete and submit (due at Bid Opening, with sealed bid) an original, signed MSD SBE Goal Compliance Plan, Bid Certificate, Subcontractor Utilization Plan, Waiver Request Form and Affidavit, and MSD SBE Subcontractors Good Faith Efforts Summary Sheets, as applicable.

B. Purpose, Rating and Good Faith Efforts Criteria

1	Identification of sufficient SBE subcontracting work	Total Points: 15

Purpose: To ensure the Bidder/Proposer has determined and communicated to potential SBEs which products or services are available for subcontract, subconsultant and/or supplier opportunities.

Criteria: Provide the list of opportunities that the Prime Contractor (Bidder and/or Proposer) had in regard to the portion of the project they intended to subcontract out. What areas would be better served by an entity that may have specialized services. (e.g., trucking, paving, special supplies, electrical engineering or asbestos abatement).

2	Written notice to SBE subcontractors, suppliers and vendors of prime contractor's interest	Total Points: 15

Purpose: To ensure the Bidder/Proposer has provided potential subcontracting firms with information about MSD projects it intends to bid on.

Criteria: Submit a copy of information that was forwarded to the list of potential subcontracting firms. This step is to illustrate that adequate information was provided to firms that were contacted.

3	Follow-up to initial solicitations (written notices) to SBE subcontractors, suppliers & vendors	Total Points: 15

Purpose: To ensure the Bidder/Proposer has provided sufficient notification to potential SBEs of the Bidder's/Proposer's interest in bidding on an MSD project to facilitate the SBE firm's decision to participate and preparation of a bid for subcontracting.

Criteria: Provide documentation of written notice, to a reasonable number of specific SBE firms of the Bidder's interest in the Contract that is being solicited, in sufficient time in order to allow SBE firms to participate effectively.

4	Provisions of plans, specifications and requirements provided to SBE subcontractors, suppliers and vendors with access to plans/specifications/requirements for the MSD project	Total Points: 15

Purpose: To ensure the Bidder/Proposer has provided bid plans, specifications and other pertinent requirements to SBE firms.

Criteria: Provide a copy of all plans, specifications and other documentation that was provided to a reasonable number of SBE firms of the Bidder's interest in the Contract that is being solicited.

5	Assistance to SBEs to obtain information regarding bonding, financing and insurance	Total Points: 10

Purpose: To ensure the Bidder/Proposer has extended efforts to advise and assist interested SBEs in obtaining bonds and/or insurance as required by MSD on specific projects.

Criteria: Demonstrate attempts were made to assist interested SBE firms with obtaining bonding and/or insurance that the Bidder/Proposer may make as a requirement of the SBE firm to subcontract.

6	Evidence of justifiable rejection of bid and not rejecting SBE as being unqualified without sound reasons based on a thorough investigation of their capabilities	Total Points: 10

Purpose: To ensure the Bidder/Proposer has taken all appropriate measures to include potential SBEs identified and contacted on MSD projects, but determined sound reason(s) for exclusion.

Criteria: Provide evidence that no bid was rejected without a sound reason.

7	Evidence that SBE firms were invited to meetings	Total Points: 10

Purpose: To ensure the Bidder/Proposer provided access to SBEs to informational sessions regarding specific subcontracting opportunities.

Criteria: Provide documentation that SBE firms were invited, where appropriate, to meetings/conferences to inform them of subcontracting opportunities.

8	Verification of utilization of the services of community organizations; contractors' groups; local, state and federal business assistance offices; and other organizations as allowed to provide assistance in the recruitment and placement of SBE firms	Total Points: 10

Purpose: To ensure the Bidder/Proposer has requested services of community organizations; contractors' groups; local, state and federal business assistance offices; and other resources in order to access their respective databases of registered firms who may be interested in conducting business as a prime contractor or subcontractor and to help identify and link potential contracts to SBEs.

Criteria: Demonstrate that they (Prime Contractor – Bidder and/or Proposer) utilized the services of community organizations; contractors' groups; local, state and federal business assistance offices; or any successor web-based compliance system thereto, or one of the certifying agencies recognized by MSD in establishing the initial contact list. Provide a copy of the information that was furnished by these agencies and was used in contacting Bidders.

9. Monitoring Standards

A. Prime Contractor Data Retention Requirements

The effectiveness of this MSD SBE Program shall be measured by verified data and recording the spend with SBEs. The data shall record spend with SBEs as both prime contractors and subcontractors. In order to ensure the measurements of the efforts are comprehensive and accurate, the following shall be done:

1. Each contractor shall maintain, compile and provide to MSD a monthly report of its use of SBEs as listed in each of its MSD contracts. This information shall include, without limitation, the following information for each of the SBE subcontractors, suppliers and/or vendors utilized by the contractor:
    - A description and dollar value of the contracts awarded to SBEs; the dollar value of payments made year to date to each SBE; the contract number(s), if applicable, and contact information for the SBEs. Additionally, the contractor shall provide information specifying the percent of completion for each SBE subcontract.
2. Within 30 days after the end of a contract in which there were SBE goals, and before the official contract closed out by the MSD project manager, each contractor shall provide MSD with a report that summarizes the following information:
    - The identity of and contact information for each SBE to whom the contractor has awarded a subcontract or supplier agreement.
    - The type of work performed, or supplies provided by each subcontractor/supplier.
    - The dollar value of each of the subcontracts/supplier agreements
    - The total percentage of the value of the MSD contract subcontracted to SBE subcontractors, suppliers and/or vendors.

B. Record Inspection or Auditing

Prime Contractor's Records Are Subject to Inspection or Auditing – Prime contractors' and SBEs records pertaining to services performed and/or materials or commodities provided shall be made available to MSD or MSD's authorized representative upon request, and at no cost to MSD. The prime contractors' and SBEs records subject to inspection or audit shall include documents that have a bearing on matters of interest to MSD in connection with the SBEs work for MSD and shall be open to inspection and subject to review and reproduction by MSD's agent or its authorized representative to the extent necessary to adequately evaluate and verify:

1. SBEs compliance with contract requirements,
2. Contractors' compliance with contract requirements,
3. Compliance with MSD's business ethics policies and
4. Any and all other matters of concern to MSD.

Records subject to inspection or audit shall also include those necessary to evaluate and verify direct and indirect costs (including overhead allocations) that apply to costs associated with the MSD contract. In those situations, in which such records have been generated from computerized data (e.g., mainframe, mini-computer or PC-based computer systems), MSD shall be provided with extracts of data files in computer readable format on data disks or suitable alternative computer data exchange formats.

MSD or its designee shall be entitled to inspect or audit all of the contractor's and its SBEs records and shall be allowed to interview any of their employees, pursuant to the provisions of this MSD SBE Program and the contract for a period of five (5) years after final payment. Such inspections or audits must require review and photocopying of selected documents from time to time at reasonable times and places.

10. Compliance and Reporting

A. MSD SBE Program Monitoring Standards

Voluntary demographic information: To the extent any MSD form request MBE,WBE, Veterans, etc. status, providing such information is voluntary and is collected, for outreach and informational reporting purposes only. Such information is not used to determine eligibility, bid responsiveness, evaluation, contract award, or SBE participation.

1. MSD may, at any time, and with or without notice, monitor the prime contractor, subcontractor, supplier, trucker and/or vendor performing the contract in the field and also make site visits to the contractors' and its SBEs respective business locations.
2. When MSD has reason to believe the prime contractor or any subcontractor, supplier, trucker or vendor is not operating in compliance with the terms, conditions or requirements of the MSD SBE Program, MSD will conduct an investigation, which shall include an audit of the prime contractor's records. If MSD finds that the prime contractor or any subcontractor, supplier, trucker or vendor is not in compliance with this MSD SBE Program or its contract provisions, MSD will notify the prime contractor, in writing. When a prime contractor receives such a written notice, the contractor shall schedule a conference with MSD to discuss

corrective action within the period set forth in MSD's notice.

3. The Contractor awarded the contract must continue to comply with the terms and conditions of MSD's SBE Program throughout the duration of the contract. Any alteration, change or termination of a sub-agreement with an SBE during the life of the contract with MSD must be reported to, and approved in writing by, MSD's SBE Program Manager or designee. The Contractor's position in these cases must be fully explained and supported with adequate documentation.

4. In the event a contract with an SBE leads to termination or is altered in such a way as to affect the Contractor's initial SBE participation and utilization plan, the Contractor must report such termination or alteration to MSD's SBE Program Manager or designee. The Contractor will be required to make reasonable "good faith efforts" to replace the SBE with other MSD recognized, approved and registered certified SBE(s). The good faith effort shall include documented steps to find another SBE to perform or provide the same amount of work, material or service as set forth in the contract with the substituted SBE. Failure to fully comply with these requirements will be considered a material breach of the contract and may be cause for withholding progress payments or other sanctions as listed in section 13.

B. SBE Subcontractor Substitution

1. The prime contractor awarded the MSD project shall request prior approval for any substitution of an SBE subcontractor, supplier or vendor used or proposed to be used by a Contractor, by completing and submitting a copy of SBE Program – Contract Compliance Subcontractor Substitution Request & Approval Form. Written request for approval and/or substitution shall provide the name(s) of the listed SBE subcontractor, supplier or vendor; the name(s) of the new and/or replacement SBE firm; the reason(s) for the proposed new and/or substitution; a brief description of the work to be performed by the new and/or substituted firm; and, the dollar amount of the subcontract or procurement involved. The new and/or replacement SBE firm(s) will be reviewed and approved or denied by the SBE Program Manager or their designee.

11. Complaints

MSD may temporarily suspend or debar a contractor, manufacturer, subcontractor, supplier, owners or principals (at the time of debarment) and those owners or principals of future companies from participating in the bid process and from contract awards for a period of time as determined by MSD for violation of the MSD SBE Program, or pursuant to applicable provisions of its Procurement Regulations. Debarment is not meant to be punitive, but a procedure to ensure that the MSD SBE Program is conducted legally and

in accordance with this manual, with responsible parties, maintaining the integrity of MSD's procurement process, while protecting the interest of MSD and the public it serves. At MSD's discretion, contractors and SBEs may be allowed to finish their work on contracts awarded prior to notice of temporary suspension and/or debarment.

12. Conflict of Interest

In businesses where there are multiple owners, and owners share ownership, management, and control among two or more related business entities (including parent, subsidiary, affiliate, or commonly controlled firms). MSD views these relationships as a potential conflict of interest and will not allow subcontracting between or among those related entities on MSD contracts. MSD will ultimately determine whether a conflict of interest exists.

SBE owners who are board members, officers, executives, employees, relatives of employees or agents of MSD will be closely scrutinized for conflicts of interest. MSD has the discretion to determine the existence of a conflict of interest.

13. Sanctions

MSD is committed to enforcing this MSD SBE Program as written, and in turn, encourages all SBEs, firms or individuals to promptly report any suspected unlawful or illegal activities by others.

Any person or organization with information that supports the unlawful or illegal participation by a business enterprise, firm or individual in the MSD SBE Program should provide a detailed statement in writing to the Supplier Diversity and SBE Programs Manager specifying such unlawful or illegal acts and explaining the basis for such claim or statement.

MSD shall have the discretion to apply suitable sanctions to the contractor and/or subcontractor if found to be in non-compliance with the SBE Program requirements, as well as MSD's Procurement Regulations. Any sanctions imposed against a company shall also apply to all officers, directors, shareholders, partners, affiliates, employees or other individual associated with the company who participated in, knew of, or should have known of the company's conduct.

At MSD's discretion, Contractors and SBEs may be allowed to finish their work on the contract under which a violation has been found, depending upon the severity. The penalties will either be imposed immediately or after completion of the project in question. Upon completion of a project, if MSD determines that the Contractor was not compliant in the fulfillment of the required SBE commitment goal and a waiver was not obtained, the Contractor may be subject to sanctions as determined by MSD. Failure to fully comply with these requirements will be considered a material breach of the contract and may be cause for withholding progress payments or other sanctions.

14. Forms – SBE Program

Demographic fields (if any) are voluntary—see Section 10.A.

See the following pages for required forms:

1. SBE Goal Compliance Plan
2. SBE Subcontractor Utilization Plan
3. SBE Bid Certificate
4. SBE Good Faith Efforts Declaration Page Checklist
5. SBE Contract Compliance – Subcontractor Substitution Request & Approval Form
6. SBE RFP/RFQ Professional Services Subconsultant Plan
7. SBE Good Faith Efforts Documentation

SBE GOAL COMPLIANCE PLAN – COVER PAGE

MSD Project Name: _____ **Date Submitted:** _____

Instructions: Detailed completion and submission of this cover page, by the Prime Bidder. It shall be submitted no later than twenty-hour **(24) hours**, after the sealed bid opening via email to supplierdiversity@louisvillemsd.org. **NOTE: The SBE Aspirational Participation Goal is 20%** For a complete list of MSD-recognized SBE businesses, please visit the MSD Supplier Diversity website at https://louisvillemsd.org/SupplierDiversity/forms.

Part I	**Prime Bidder/Contractor Information**	**Prime Bid Amount**
	Business Name: _____	**Total Base Bid Price: $**_____
Full Address: Number, Street, Apt. or Suite No., City, State, ZIP Code		
Contact Name:	**Phone #:**	**Email address:**

Check one or all of the following as applicable: (optional)

☐ **SBE** ☐ **SBE / MBE** ☐ **SBE / VETERAN** ☐ **SBE / WBE** ☐ **SBE / 8(a)** ☐ **SBE / DBE**

Part II **SBE Subcontractor Information** (SBE cannot be the same company as the Prime Bidder/Contractor)

SBE Subcontractor(s) Names:	**SBE Total Participation Amount: $**	**SBE Total Participation Percentage: %**
1.	**$100,000.00**	**100%**
2.		
3.		
4.		
5.		

Check One: ☐ Will **MEET the** 20.0% **SBE Aspirational Participation Goal**

Check One: ☐ Will **NOT MEET** the 20.0% **SBE Aspirational Participation Goal**

Part III I certify that the information included in this SBE Goal Compliance Plan Cover Page (Compliance Plan) is true and complete to the best of my knowledge and belief. I further understand and agree that this Goal Compliance Plan shall become a part of my Contract with the Louisville and Jefferson County Metropolitan Sewer District (MSD).

_____
Print Name and Title of Authorized Representative Date

_____
Signature Date

SMALL BUSINESS ENTERPRISE (SBE) – SUBCONTRACTOR UTILIZATION PLAN
STATEMENT OF INTENT TO UTILIZE SBE FIRMS
Due 24- Hours After Sealed Bid Opening

Date Submitted:_____

NOTE: The Prime Bidder shall complete this form and submit it no later than twenty-four **(24) hours** following the sealed bid opening, local time, via email to supplierdiversity@louisvillemsd.org. List **ALL SBE SUBCONTRACTORS** in accordance with the MSD Small Business Enterprise and Economic Inclusion Program – Construction Subcontracting Goals, regardless of the amount or service. This document will be included as part of the contract.

1. **Prime Bidder/Contractor Name**:_____
2. **Total dollar amount of Prime Bid: $**_____
3. **Total dollar amount of SBE participation: $**_____
4. **Total percentage of SBE participation:** _____**%**

SBE Subcontractor	Contact Person	Item	Quantity	Unit / Unit Price	Total Cost
				TOTAL	

I certify that the above information is true to the best of my knowledge. The company acknowledges and agrees that if awarded the contract, the information provided on the Subcontractor Utilization Plan shall be incorporated into the terms and conditions of the final contract between MSD and the Company.

Signature: _____

Title: _____

Print Name: _____

SBE BID CERTIFICATE

(MUST BE COMPLETED BY THE SBE SUBCONTRACTOR)

MSD Project Name and Number:_____ **Date Submitted**:_____

The undersigned, having been certified as a Small Business Enterprise in accordance with the **MSD Small Business Enterprise Program Policy and Procedures Manual (SBE Program), effective July 1, 2026,** as approved and adopted by the MSD Board of Directors, does hereby certify as follows:

They are fully familiar with all the requirements of the **SBE Program**; and

They have independently developed the bid and pricing information submitted to the Prime Contractor for use in determining its bid for MSD Project as mentioned above; and

They fully intend to perform the work set out in the subcontract submitted by the Prime Contractor for the said MSD Project with his/her own equipment, supplies and workforce and shall perform a ***Commercially Useful Function*** as required by the **SBE Program**; and

They will provide all necessary supervision and direction of the workforce provided under the said subcontract to ensure compliance with all MSD Standard Specifications and Drawings as pertains to the said MSD Project; and

They will submit all records, forms and information required or requested by the MSD Small Business and Economic Inclusion Department for purposes of monitoring workforce and equipment utilization and determining value of the work performed during the term of the said subcontract; and

They have independently negotiated the terms and conditions of the subcontract entered with the Prime Contractor, awarded the MSD contract, for the said MSD Project and accepted the terms and conditions of the said subcontract without exception or reservation.

IN WITNESS WHEREOF, the undersigned has affixed their signature this ____ day of _____ ,20___, on behalf of _____.
(SBE Subcontractor Company Name)

SUBCONTRACTOR NAME: _____

TITLE:_____

DATE SIGNED:_____

SBE GOOD FAITH EFFORTS DECLARATION PAGE
CHECKLIST

MSD Project Name: _____ **Date Submitted:** _____

Instructions: Detailed completion and submission of this declaration page checklist, by the Prime Bidder. It shall include **all pages** of the SBE Good Faith Efforts Documentation, **all** required documentation demonstrating good faith efforts for each bidder action indicator, along with **all** of the detailed corresponding supplemental documentation as evidence to substantiate each bidder action indicator item and included in numerical and chronological order. All documentation, as previously described, shall be submitted no later than twenty-hour **(24) hours**, after the sealed bid opening via email to supplierdiversity@louisvillemsd.org. **NOTE: The SBE Participation Goal is 35%** Bidders must earn a minimum of 70 out of 100 points to be deemed responsive. Failure to include the required and completed GFE documentation in the bid could result in its rejection and/or non-responsiveness. For a complete list of MSD-recognized SBE businesses, please visit the MSD Supplier Diversity website at https://louisvillemsd.org/SupplierDiversity/forms.

Bidder Action Indicator Item(s):	Required Documentation:	Completed:		Submitted:	
		YES	NO	YES	NO
1. **Subcontracting Work**	Identification of SBE subcontracting work				
2. **Written Notifications**	Written notice, solicitations of interest in work				
3. **Follow-up: Initial Solicitation Written Notices**	Follow-up to initial solicitations (written notices)				
4. **Adequate Information Provided**	Provided MSD registered SBEs with adequate information (plans, specifications, requirements)				
5. **Bonds, Financing, Insurance Assistance**	Made efforts to assist MSD registered SBEs in obtaining bonds, lines of credit or insurance as required by MSD				
6. **Bid Rejection Justification**	Evidence bidder did not reject SBEs as being unqualified without sound reasons				
7. **SBEs Invited to Meetings**	Evidence SBE firms invited to meetings				
8. **Organizations, Contractor Groups, Business Agency Offices, Other Organizations**	Provided verification and evidence of utilization of the services of community organizations, contractor groups, business agency offices, other organizations				

I certify that the information and supplemental documentation included in this SBE Good Faith Efforts Declaration Page Checklist (GFE Checklist) is true and complete to the best of my knowledge and belief. I further understand and agree that this GFE Checklist shall become a part of my Contract with the Louisville and Jefferson County Metropolitan Sewer District (MSD).

Print Name and Title of Authorized Representative Date

Signature Date

SBE PROGRAM – CONTRACT COMPLIANCE

SUBCONTRACTOR SUBSTITUTION REQUEST & APPROVAL FORM

Part I	**Project Name:**		**Project #:**	**Date:**
Part II	**Requesting Prime Contractor Information:**			
Prime Contractor/Requesting Company Name:		Contact Person:		Title:
Mailing Address:		Email Address:		Phone #:

Part III	**SBE Subcontractor Information:**				
SBE	**(NEW)**				
	1.	**YES** ☐	**NO** ☐	Explain in detail the reason for **NEW SBE** subcontractor being added to the project:	
	2.	**YES** ☐	**NO** ☐	Explain in detail the reason for **NEW SBE** subcontractor being added to the project:	
	(SUBSTITUTION)				
	1.	**YES** ☐	**NO** ☐	Explain in detail the reason for **SUBSTITUTED SBE** subcontractor being added to the project:	
	2.	**YES** ☐	**NO** ☐	Explain in detail the reason for **SUBSTITUTED SBE** subcontractor being added to the project:	

(NEW) SBE Subcontractor(s) Names:	**SBE Scope of Work(s):**	**SBE Subcontract Amount: $**
1.		
2.		
(SUBSTITUTED) SBE Subcontractor(s) Names:	**SBE Scope of Work(s):**	**SBE Subcontract Amount: $**
1.		
2.		

Part IV	**Signatures: Prime Contractor/Requestor**			**Date:**
	SBE Subcontractor			**Date:**
	MSD OFFICE USE ONLY: Small Business Construction Supervisor			
	Approved:	**YES** ☐	**NO** ☐	**Reason not approved or comments**:
	PLEASE NOTE: This is only applicable for if, when and after the MSD prime contractor is awarded. It must be completed in its entirety the Subcontractor Substitution Request and Approval Form and approved by the SBE Construction Supervisor before any subcontractor is authorized to begin work on a Louisville MSD project.			

SBE SUBCONSULTANT PLAN
MSD PROFESSIONAL SERVICES – RFP/RFQ CONTRACTS
(STATEMENT OF INTENT TO UTILIZE SBE FIRMS)

Date Submitted:_____

MSD Project Name: _____ **Project Description:**_____

Instructions: The Prime Consultant firm shall complete and submit this subconsultant plan and attach it to their MSD consultant proposal that is submitted to the MSD project manager. It shall also be submitted, at that time, via email addressed to the MSD Small Business and Economic Inclusion Manager at supplierdiversity@louisvillemsd.org.
NOTE: The SBE Aspirational Participation Goal is 20% for contracts with an Engineer's Estimate or contract value of $100,000 and greater. MSD strongly encourages the utilization of SBEs on our contracts. For a complete list of MSD-recognized SBE businesses, please visit the MSD Supplier Diversity website at https://louisvillemsd.org/SupplierDiversity/forms. The Prime Consultant firm shall execute a formal subconsultant agreement with the SBE firms listed below. This document will be included as part of my Contract with the Louisville and Jefferson County Metropolitan Sewer District (MSD).

Prime Consultant Name:		
Address:		
Contact Name: _____	**Phone #:** _____	**Email Address:** _____

Check one or all of the following as applicable: (optional)

☐ **SBE** ☐ **SBE / MBE** ☐ **SBE / VETERAN** ☐ **SBE / WBE** ☐ **SBE / 8(a)** ☐ **SBE / DBE**

SBE Subcontractor Information: (SBE cannot be the same company as the Prime Consultant/Firm)

Check One: □ Will **MEET the** 20.0% **SBE Aspirational Participation Goal**

Check One: □ Will **NOT MEET** the 20.0% **SBE Aspirational Participation Goal**

SBE Subconsultant(s) Names:	**SBE Scope of Work**	**SBE Contract Amount: $**	**SBE Participation: %**
1.			
2.			
3.			
4.			
5.			
		Total	**%**

Signature: _____ Title: _____

Print Name: _____ Date: _____

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Instructions: Detailed completion and submission of the SBE Good Faith Efforts Documentation (GFE Documentation), by the Prime Bidder. It shall include **all pages** of the GFE Documentation – demonstrating good faith efforts for each bidder action indicator, along with **all** of the detailed corresponding supplemental documentation as evidence to substantiate each bidder action indicator item and included in numerical and chronological order. All documentation, as previously described, shall be submitted no later than twenty-hour **(24) hours**, after the sealed bid opening via email to supplierdiversity@louisvillemsd.org. **NOTE: The SBE Participation Goal is 35ap%** Bidders must earn a minimum of 70 out of 100 points to be deemed responsive. Failure to include the required and completed GFE documentation in the bid could result in its rejection and/or non-responsiveness. For a complete list of MSD-recognized SBE businesses, please visit the MSD Supplier Diversity website at https://louisvillemsd.org/SupplierDiversity/forms.

Bidder Action(s):

NUMBER 1.	POINTS – 15 TOTAL	YES ☐ NO ☐

Identification of SBE Subcontracting Work: Selected portions of the work to be performed by SBEs in order to increase the likelihood that the SBE goal will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate SBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces. To receive credit for this effort, the bidder must determine with certainty if the SBEs are interested by documenting and taking the appropriate steps to follow up initial solicitations.

NOTE: For each Louisville MSD registered SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Company Name	Business Type	Work/Service(s) Solicited	Business Contact Method (email, phone, letter, etc.)	Solicitation Response (will submit bid, no response, not interested)	Bid/Quote Amount	Company Selected? YES	Company Selected? NO	Reason(s) Not Selected (Explain in detail and include all relevant supporting documentation)
1.						☐	☐	☐ Price ☐ Capabilities ☐ Other
2.						☐	☐	☐ Price ☐ Capabilities ☐ Other
3.						☐	☐	☐ Price ☐ Capabilities ☐ Other
4.						☐	☐	☐ Price ☐ Capabilities ☐ Other
5.						☐	☐	☐ Price ☐ Capabilities ☐ Other

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Bidder Action(s):

NUMBER 2.	POINTS – 15 TOTAL	YES ☐ NO ☐

Written Notices to SBE subcontractors, suppliers, and vendors: Evidence of written notice to SBE subcontractors, suppliers and vendors of prime contractor's interest. Solicited, through all reasonable and available means to include, but not limited to the following examples: attendance at pre-bid meetings, accessed https://louisvillemsd.org/SupplierDiversity/forms, written notices the interest of all Louisville MSD SBEs who have the capability to perform the work of the contract.

NOTE: For each SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Company Name	Date of Written Notices, Evidence of Written Notices sent and Scope of Work provided	Description of Meeting Notices for SBEs	Did SBE attend meeting? YES		NO	Reason(s) Meeting Did Not Occur (Explain in detail and include all relevant supporting documentation)
1.			☐	Meeting Date: _____	☐	☐ Lack of Response ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
2.			☐	Meeting Date: _____	☐	☐ Lack of Response ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
3.			☐	Meeting Date: _____	☐	☐ Lack of Response ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
4.			☐	Meeting Date: _____	☐	☐ Lack of Response ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
5.			☐	Meeting Date: _____	☐	☐ Lack of Response ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Bidder Action(s):

NUMBER 3.	POINTS – 15 TOTAL	YES ☐ NO ☐

Follow-up to Initial Solicitations (Written Notices) to SBE subcontractors, suppliers, and vendors: Follow-up to initial solicitations (written notices) to SBE subcontractors, suppliers and vendors. Evidence SBE firms were invited to meetings.

NOTE: For each SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Company Name	Date of Follow-up to Initial Solicitations and Scope of Work provided once again	Description of Meeting Notices for SBEs	Did SBE attend meeting? YES		NO	Reason(s) Meeting Did Not Occur, After Follow-up to Initial Solicitations (Explain in detail and include all relevant supporting documentation)
1.			☐	Meeting Date: _____	☐	☐ Lack of Follow-up ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
2.			☐	Meeting Date: _____	☐	☐ Lack of Follow-up ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
3.			☐	Meeting Date: _____	☐	☐ Lack of Follow-up ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
4.			☐	Meeting Date: _____	☐	☐ Lack of Follow-up ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
5.			☐	Meeting Date: _____	☐	☐ Lack of Follow-up ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Bidder Action(s):

NUMBER 4.	**POINTS – 15 TOTAL**	**YES** ☐ **NO** ☐

Adequate Information Provided – Plans, Specifications, Requirements: Provided interested Louisville MSD registered SBEs with adequate information about the plans, specifications and requirements of the contract in a timely manner to assist them in responding to a solicitation for SBE participation. SBEs were provided with access to plans, specifications, and the requirements pertaining to the MSD project.

NOTE: For each SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Company Name	Type of Work / Service(s) Considered	Plans, Specifications, Requirements Provided? YES	NO	Reason(s) Adequate Information Not Provided (Explain in detail and include all relevant supporting documentation)
1.		☐	☐	
2.		☐	☐	
3.		☐	☐	
4.		☐	☐	
5.		☐	☐	

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Bidder Action(s):

NUMBER 5.	POINTS – 10 TOTAL	YES ☐ NO ☐

Assistance: Bonding/Lines of Credit/Insurance: Made efforts to assist interested Louisville MSD registered SBEs in obtaining bonding, lines of credit or insurance as required by Louisville MSD or the contractor.

NOTE: For each SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Company Name	Assistance Provided?		Type of Assistance Provided			Reason(s) Assistance Not Provided (Explain in Detail and include all relevant supporting documentation)
	YES	NO	Bonding	Lines of Credit	Insurance	
1.	☐	☐	☐	☐	☐	
2.	☐	☐	☐	☐	☐	
3.	☐	☐	☐	☐	☐	
4.	☐	☐	☐	☐	☐	
5.	☐	☐	☐	☐	☐	

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Bidder Action(s):

NUMBER 6.	POINTS – 10 TOTAL	YES ☐ NO ☐

Evidence of Justifiable for Bid Rejection: If participation of specific SBEs was considered, the bidder did not reject SBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. An SBE subcontractor's standing within its industry, membership in specific groups, organizations or associations, and political or social affiliations [for example, union vs., non-union employee status] are not legitimate causes for the rejection or non-solicitation of SBE subcontractor proposals when considering the contractor's efforts to meet the project goal.

NOTE: For each SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Company Name	Were Bid(s) Rejected? YES	NO	Reason(s) Bid(s) Rejected	Reason(s) Bids Rejected. (Explain in detail and include all relevant supporting documentation)
1.	☐	☐	☐ Missed Deadline ☐ Mathematical Errors ☐ Incomplete Documentation ☐ Other	
2.	☐	☐	☐ Missed Deadline ☐ Mathematical Errors ☐ Incomplete Documentation ☐ Other	
3.	☐	☐	☐ Missed Deadline ☐ Mathematical Errors ☐ Incomplete Documentation ☐ Other	
4.	☐	☐	☐ Missed Deadline ☐ Mathematical Errors ☐ Incomplete Documentation ☐ Other	
5.	☐	☐	☐ Missed Deadline ☐ Mathematical Errors ☐ Incomplete Documentation ☐ Other	

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Bidder Action(s):

NUMBER 7.	POINTS – 10 TOTAL	YES ☐ NO ☐

Evidence that SBEs were invited to meetings: Evidence of written notice to SBE subcontractors, suppliers and vendors of prime contractor's interest that they were invited to meetings. They were solicited, through all reasonable and available means to include, but not limited to the following examples: attendance at pre-bid meetings, negotiation meetings, etc. accessed https://louisvillemsd.org/SupplierDiversity/forms, written notices the interest of all Louisville MSD SBEs who have the capability to perform the work of the contract.

NOTE: For each SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Company Name	Evidence SBE Invited to Meetings and Written Notices	Description of Meeting Notices for SBEs	Did SBE attend meeting? YES		NO	Reason(s) Meeting Did Not Occur (Explain in detail and include all relevant supporting documentation)
1.			☐	Meeting Date: _____	☐	☐ Lack of Notification ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
2.			☐	Meeting Date: _____	☐	☐ Lack of Notification ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
3.			☐	Meeting Date: _____	☐	☐ Lack of Notification ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
4.			☐	Meeting Date: _____	☐	☐ Lack of Notification ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other
5.			☐	Meeting Date: _____	☐	☐ Lack of Notification ☐ Poor Planning/Preparation ☐ Ineffective Coordination ☐ Other

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

MSD Project Name:_____ **Date Submitted:**_____

Prime Bidder/Contractor Name:_____ **Total Contract Value: $**_____

Bidder Action(s):

NUMBER 8.	**POINTS – 10 TOTAL**	**YES** ☐ **NO** ☐

Community Organizations, Contractor Groups, Business Agency Offices (Local, State, Federal), Other Organizations:
Verification and evidence of utilization of the services of community organizations; contractors' groups; local, state and federal business assistance offices; and other organizations as allowed to provide assistance in the recruitment and placement of Louisville MSD registered SBEs.

NOTE: For each SBE firm contacted, list the name(s) and all information requested below related to the above project. If additional space is required, this form may be duplicated.

Organization Name	Type of Service Organizations Solicited for Assistance in the Recruitment and Placement of SBEs	Verification and evidence of organization assistance provided? YES	NO	Provide evidence that the Organization provided assistance (Explain in detail why they did or did not and include all relevant supporting documentation)
1.		☐	☐	
2.		☐	☐	
3.		☐	☐	
4.		☐	☐	
5.		☐	☐	

SBE GOOD FAITH EFFORTS DOCUMENTATION

Due 24-Hours After Sealed Bid Opening

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Bidders who do not meet the **MSD Supplier Diversity SBE Program** the subcontracting goal of **20.0% SBE** – must earn a minimum of seventy (70) points in the categories outlined and described above on the "Good Faith Efforts Documentation," and they must be completed in their entirety for MSD to determine if adequate "Good Faith Efforts" (GFE) were demonstrated toward meeting the established SBE Subcontract Participation Goal, as described above.

I, _____, having been duly authorized to complete the foregoing SBE subcontractors' Good Faith Efforts Documentation, do hereby swear that all of the information provided in the SBE subcontractors' Good Faith Efforts Documentation was provided by me; that all of the statements contained in the SBE subcontractors' Good Faith Efforts Documentation and all attachments hereto are true, complete and accurate; and that I have not knowingly concealed or in any way falsified or misrepresented the summary sheets or status of:

_____.

I acknowledge that the following acts may constitute fraud and that if committed by me or any employee, member or principal of my company, may permanently disqualify my company from participation in MSD procurement or contract in accordance with the MSD Procurement Regulations and MSD Supplier Diversity Small Business Enterprise Program Policy and Procedures Manual:

(1) Willfully and/or knowingly making a false or misleading statement, and whether by affidavit, or by oral or written report or other representation, to an MSD representative for the purpose of influencing MSD's acceptance/rejection of this Waiver Request.

(2) Fraudulently obtaining, attempting to obtain or aiding another person or entity in fraudulently obtaining or attempting to obtain public monies or services, or an MSD recognized SBE any community/nonprofit/service organization, etc. and/or any affiliate of such agency.

[This document shall be notarized by a Notary Public, in good standing.]

Name: _____ Title:_____Signature:_____Date: _____

State of: _____ County of: _____

The foregoing Waiver Request Form and Affidavit was acknowledged before me this ____ day of _____, 20___by _____

[Name of Affiant]
as _____ of _____ as his/her voluntary and proper act and deed on behalf of the Company.
[Title] [Name of Company]

My Commission Expires: _____ Notary Public: _____

[SEAL] State of: _____

Notary ID#: _____