

needs consistent with the available MBE subcontractors and suppliers, so as to facilitate participation.

7. Maintaining evidence of such negotiations including the names, addresses, and telephone numbers of MBEs that were considered; documentation of dated written communication, fax confirmations, personal contacts, quotes provided by MBEs, a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for the firms to perform the work.

A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including MBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using MBEs is not in itself sufficient reason for a bidder's failure to meet the participation goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from MBEs if the price difference is excessive or unreasonable.

8. Making efforts to assist interested MBEs in obtaining bonding, lines of credit, or insurance required by the prime bidder.
9. Effectively using the services of available minority community organizations, minority contractor groups, local, State and Federal minority business assistance offices, including the City's Office of Affirmative Action and Contract Compliance, and other organizations that provide assistance for and placement of MBEs
10. Securing an MBE replacement for each MBE firm that will not or cannot honor a commitment to perform subcontract work or supply materials. (Similar documented affirmative action shall be taken in securing MBE and replacements as are required initially).
11. Mere *pro forma* efforts are not good faith efforts to meet the MBE contract requirements.

Commercially Useful Function

MBEs utilized must be independent and continuing operations for profit, performing a commercially useful function. "Commercially useful function" means the performance of real and actual services in the discharge of any contractual endeavor. A firm must be responsible for the execution of a distinct element of the work for which the business has the skill and expertise, with its own workforce, and the firm must carry out its responsibilities by actually performing, managing and supervising the work involved.

To perform a commercially useful function, the MBE must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, installing the material (where applicable) and paying for the material itself. A firm does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract or project through which funds are passed in order to obtain the appearance of MBE participation.

**Construction, Renovation & Professional Services Projects
 Prime Contractor or Subrecipient Certificate of Compliance
 Minority Business Enterprise (MBE) – Good Faith Effort Statement**

Project Title & Contract No: (if known) _____

The City of Toledo has established the following goals for all contracts/agreements relating to the purchase of goods/services and construction and/or renovation projects.

<u>Type</u>	<u>Goal</u>
Construction including renovations	12.3%
Goods and Services	7%
HUD Funds	21%

_____ THE MBE GOAL HAS BEEN MET ON THIS PROJECT

Achievement of these goals is measured by the estimated percentage of money to be allocated to an MBE company certified by the City of Toledo.

If the **Prime Contractor or Subrecipient** cannot meet the goals established, it must demonstrate that a Good Faith Effort was undertaken. The following checklist is intended to function as a primer in making a good faith effort statement.

_____ There are no known MBE companies that perform this work or provide this product.

_____ Written or verbal specifications were provided to MBE companies requesting quotes.
 (Please attach information to this sheet that includes name of MBE companies, date quote requested and rationale for rejection of quote)

MBE companies utilized must be independent and continuing operations for profit, performing a commercially useful function. “Commercially useful function” means the performance of real and actual services in the discharge of any contractual endeavor. Failure to meet the MBE goals and Good Faith Effort standard will be considered in determining the successful bidder.

 Company Name Contact Person (Print Name)

 Company Address Contact Person (Signature)

 Telephone No: & E-mail Date

Purchase of Goods
Certificate of Compliance by the City of Toledo Division
Minority Business Enterprise (MBE) – Good Faith Effort Statement

Project Title & Contract No: (if known) _____

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_____ This project could not be broken into smaller parts in order to provide opportunities for MBE inclusion (Please attach rationale statement)

MBE companies utilized must be independent and continuing operations for profit, performing a commercially useful function. “Commercially useful function” means the performance of real and actual services in the discharge of any contractual endeavor. Failure to meet the MBE goals and Good Faith Effort standard will be considered in determining the successful bidder.

 Division Name Contact Person (Print Name)

 Contact Person (Signature) Date

 Telephone No: & E-mail