



## Pledge Signatory Action Guide

July 2024

### OVERVIEW:

Taking the Equity in Infrastructure Project pledge is the first step toward re-imagining and re-designing programs, practices, and policies to help build generational wealth for Historically Underutilized Businesses (HUBs\*) in the infrastructure sector that seeks to do business with your agency.

### REQUIRED STEPS:

1. Assign a senior deputy to lead the work internally and to interface with the other pledge signers, including a monthly deputies meeting.
2. Attend a quarterly meeting of principals.
3. Conduct a baseline study to share with EIP.
4. Establish a "stretch goal" for December 31, 2025.
5. Identify examples that can illustrate the progress you are making. These anecdotes are crucial to demonstrating success. EIP will help promote and can provide resources to shape those stories.
6. Talk about the pledge publicly and via social media.
7. Share best practices with EIP so that we may place those on our website and build out our best practices forum.

### BREAK DOWN:

The EIP Pledge includes five pillars. Within each pillar, there are many different steps agencies can take to improve contracting outcomes with HUBs. The actions detailed below are not exhaustive, and include programming and practice changes that correspond with each part of the pledge, that we highly encourage each agency to consider.

The most effective change starts at the top, with agency CEOs and leadership, which is why the EIP pledge is signed by the CEO. Agency heads set the pace by demanding accountability while empowering the organization. With internal alignment around the pledge, agency contracting and procurement staff have the tools and mandate to pursue program, practice, and policy changes including those detailed below. In each case, we encourage adoption of best practices from other pledge signers who will also want to learn from you.\*\*

#### **1. Increase the number, size and proportion of contracting opportunities going to HUBs**

Activities that can increase HUB contracting run the gamut, from setting clear goals, conducting outreach to HUBs, increasing transparency into contracting processes, giving businesses more time to research and prepare bids, facilitating teaming, and more.



## EQUITY IN INFRASTRUCTURE PROJECT

- Strategy 1:** Conduct a disparity study and set targeted goals, including HUB subcontracting goals on individual contracts
- Strategy 2:** Conduct in-person HUB vendor outreach and workshops, and create publicly available digital “how to do business” resources for bidders
- Strategy 3:** Hold networking events to connect primes and subs
- Strategy 4:** Engage HUBs in cooperative purchasing
- Strategy 5:** Issue long-term (annual) procurement and purchasing forecasts and lengthen individual submission windows to help small businesses compete
- Strategy 6:** Hold pre-bid meetings
- Strategy 7:** Offer feedback to unsuccessful bidders
- Strategy 8:** Use contract language to protect HUB subcontractors from being dropped by primes after a contract is awarded without just cause

### **2. Increase the number, size and proportion of contracting opportunities going to HUBs as prime contractors**

Creating more *prime* contracting opportunities for HUBs requires a more targeted set of actions than the general actions under pillar one.

- Strategy 1:** Create small business set-aside programs for contracts under a set value
- Strategy 2:** Unbundle contracts when possible
- Strategy 3:** Award preference points for HUBs as primes or for joint ventures that include HUBs, to encourage creative teaming arrangements
- Strategy 4:** Invest in or create new supplier development and mentor-protege programs to increase HUB capacity to compete for prime contracts, and get connected with existing resources including Apex Accelerators, MBDA Business Centers, U.S. DOT Transportation Resource Centers, and others

### **3. Streamline the administration of contracting with HUBs to centralize certification, improve payment time, and standardize transparent data collection**

Making all aspects of public contracting user-friendly and simple for contractors and vendors benefits all firms, especially small businesses, and HUBs, which may operate with less financial capacity, fewer back-office employees, and less capacity to navigate complex or burdensome administrative processes.

- Strategy 1:** Spearhead regional efforts to standardize HUB certifications across municipalities or states, and form reciprocity agreements with other certifying agencies
- Strategy 2:** Simplify legalistic RFP language and bid submission formats



**Strategy 3:** Put systems in place to ensure prompt payment to contractors, including subcontractors

**Strategy 4:** Ensure HUB contracting data is detailed, easy to analyze (Excel format) and open to the public

#### **4. Increase the amount and type of appropriate financing available to HUBs aiming to meet infrastructure contracts by working with private and public partners**

By addressing financial challenges, HUBs can actively participate in the infrastructure sector, contribute to its diversity and innovation, and create lasting generational impact.

**Strategy 1:** Create partnerships with supplier development programs, SBA District Offices, CDFIs, banks, and surety firms to expand HUB access to capital & bonding

**Strategy 2:** Creatively reduce bonding or insurance requirements for small businesses

**Strategy 3:** Consider sponsoring a pooled insurance fund for contractors

#### **5. Expand the number of signatories to this Pledge**

The involvement of new agencies strengthens the overall impact and success of the initiative in promoting equity and inclusion in the infrastructure sector.

**Strategy 1:** Signatories should share their own experiences and success stories in implementing the principles of the pledge via social media or impact reports

**Strategy 2:** Actively participate in industry conferences, panel discussions, and events to raise awareness about the EIP Pledge

### **CONCLUSION:**

Utilize the insights outlined in this guide and take bold steps towards creating a more equitable and prosperous future, where HUBs thrive and generational wealth is built. Though this action guide does not encompass every conceivable strategy, it serves as a sturdy foundation for the journey towards embracing the Pledge.

*\*Historically Underutilized Businesses (HUBS), by our definition, can include firms formally designated as DBES, Minority and Women-Owned Business Enterprises (M/WBE), Small Business Enterprises (SBE), and it can include any other business classification used locally in the United States intended to boost the participation of otherwise underutilized firms, which can vary by state, region, and municipality.*

*\*\*The EIP Pledge does not take the place of existing federal, state or local contracting program requirements. The EIP Pledge is an organizational commitment to go above and beyond existing practices.*