



Illinois Department of Transportation

Office of Business & Workforce Diversity
2300 South Dirksen Parkway / Springfield, Illinois 62764

MENTOR-PROTÉGÉ PROGRAM GUIDELINES

The primary purpose of the Mentor-Protégé Program (Program) is to enhance the capabilities of socially and economically disadvantaged businesses to perform prime contracts and subcontracts. The Program centers on business relationships between Mentor firms (prime contractors) and Protégé firms (socially and economically disadvantaged businesses certified as Disadvantaged Business Enterprises) to provide developmental assistance to enhance the Protégé's business and technical capabilities to do more complex work. The following guidelines shall apply to all participants in the Program:

1. Participation by both the Mentor and Protégé is strictly voluntary.
2. The Mentor-Protégé relationship is established by a signed, written Development Plan (Plan) that outlines the parties' goals and expectations, including monitoring and reporting provisions, the duration of the relationship, and the services and resources to be provided by the Mentor to the Protégé. The Plan shall be submitted to and approved by the Illinois Department of Transportation (IDOT). The following criteria shall be met in the drafting and implementation of each Development Plan:
 - Copies of the Plan shall be retained by all parties to it, IDOT and the Federal Highway Administration's (FHWA) Illinois Division;
 - The Plan shall clearly set forth the objectives of the parties involved;
 - The Plan shall describe measurable benchmarks to be reached by the Protégé at successive stages of the Plan;
 - The Plan shall provide that if resources of the Mentor are utilized by the Protégé in the performance of prime contracts or subcontracts for the Mentor or for another contractor, the resources must be separately identified, accounted for, and compensated directly by the Protégé to the Mentor; if the plan provides for extensive use of the Mentor's resources by the Protégé, the arrangement will be closely monitored by IDOT's Mentor-Protégé Oversight Committee;
 - The Plan may include training to be provided by the Mentor to the Protégé; training areas may include:
 - Business planning;
 - Recordkeeping;
 - Technical assistance;
 - Capital formation;
 - Loan packaging;
 - Financial counseling;
 - Bonding;
 - Equipment utilization; and;

- Training in new substantive/technical areas for the Protégé.
 - The Plan may contain a provision for the Protégé to avail itself of IDOT's Supportive Services Consultants' services in those areas the Mentor and Protégé consider appropriate;
 - The Plan shall contain a provision that it may be terminated by mutual consent or by IDOT upon determination that:
 - The Protégé no longer meets the eligibility standards for certification as a DBE;
 - Either party has failed or is unable to meet its obligations under the Development Plan;
 - The Protégé is not progressing or is not likely to progress in accordance with the Plan;
 - The Protégé has reached a satisfactory level of self-sufficiency to compete without utilizing the Mentor-Protégé Program;
 - The Plan or provisions contained in it are contrary to the requirements of federal, state or local law or regulation;
 - The relationship has continued for the maximum allowable period of thirty-six (36) months.
 - The Plan may include a provision that the arrangement may be dissolved by either party by notifying IDOT.
3. The Mentor must have at least five (5) years' experience as a contractor (preferably, but not necessarily as a prime contractor) on IDOT highway construction contracts and agree to devote a minimum of five (5) to ten (10) hours per month working with the Protégé.
 4. The Protégé must have at least three (3) years of experience in the highway construction industry, be a certified DBE (certified either by IDOT or other member agencies of the Illinois Unified Certification Program), and remain eligible for DBE certification throughout the duration of its participation.
 5. The Protégé must perform a commercially useful function in the performance of any contract with the Mentor. The Protégé must be an independent business responsible for the direct day-to-day activities of management, policy making and operations of the business and its contracts. Management, policy making and operational control include: scheduling work operations, ordering equipment and materials, preparing/submitting payrolls and other required forms, hiring, supervising and firing employees.
 6. The Mentor cannot be responsible for management of the Protégé. Administrative functions must be performed by personnel responsible to or employed by the Protégé at locations under its control.
 7. Any property, equipment, supplies or other services that are sold, rented, or donated to the Protégé must be detailed in the Plan approved by IDOT and should further be covered by bills of sale, lease agreements, etc. Any financial investment and security arrangements by the Mentor in the Protégé are subject to approval under the Plan, and must not permit the Mentor to assume control of the Protégé.
 8. Per federal regulation, a non-DBE Mentor cannot be awarded DBE credit in excess of one half of the DBE contract goal on any single IDOT project for using the Protégé as a sub-contractor.
 9. Per federal regulation, during the course of the Mentor-Protégé relationship, a non-DBE Mentor cannot receive DBE credit towards a contract goal for using the Protégé as a sub-contractor more often than every other contract performed by the Protégé.

10. The Mentor and the Protégé may form a joint venture to bid on contracts subject to normal joint venture approval requirements.
11. Federal antitrust statutes are concerned with contracting arrangements that may limit competition. Any relationship in which a Mentor requires a Protégé to have an exclusive bidding agreement may violate federal antitrust laws with respect to limiting competition. During the course of the relationship, the Protégé must have the latitude to contract with others.
12. The Mentor will:
 - a. Sign a Development Plan with the Protégé;
 - b. Attend regularly scheduled meetings with the Protégé;
 - c. Regularly review the Protégé's business and implementation plans and key indicators such as cash flow, bonding, recently submitted bids, quotes and participation in construction projects;
 - d. Identify key organizational problems and business challenges;
 - e. Identify and acknowledge improvements in specific areas such as estimating and bidding;
 - f. Help identify needs that can be met through one-on-one supportive services consultant assistance;
 - g. Offer advice on the best ways to achieve success;
 - h. Identify critical steps towards meeting goals;
 - i. Respond promptly to the Protégé's request for assistance on significant business problems, not routine issues;
 - j. Provide training in new construction industry skills to increase the Protégé's competitiveness;
 - k. Provide equipment, resources and personnel with specialized skills, provided the worker(s) is/are under the direct supervision of the Protégé;
 - l. Monitor the progress of the Plan; and
 - m. Report to IDOT regarding progress of the relationship/plan, achievements, etc., in the manner required by the Plan.
13. The Protégé will:
 - a. Sign the Plan with the Mentor;
 - b. Attend regularly scheduled meetings with the Mentor and expedite specific progress steps;
 - c. Implement goals and objectives developed with the Mentor and accept reasonable suggestions to improve the management or operation of its business;
 - d. Utilize the assistance of one-on-one supportive services consultants suggested by the Mentor or IDOT;
 - e. Share information, including:
 - i. Working capital;
 - ii. Capacity, including payroll;
 - iii. Total material and overhead expenses;
 - iv. Net profit;

- v. Lines of credit;
 - vi. Bonding aggregate limit or limit per project; and
 - vii. Current certificates for worker's compensation and general liability insurance.
- f. Monitor the progress of the Plan; and
 - g. Report to IDOT regarding progress of the relationship/plan, achievements, etc. in the manner required by the Plan.

14. IDOT will:

- a. Establish a Mentor-Protégé Oversight Committee to carry out the obligations of IDOT under this Program;
- b. Conduct an evaluation and assessment of potential Mentors and DBEs for participation in the Program;
- c. Assist the parties in tailoring a Plan that meets the goals of the Program within the intent of the regulations;
- d. Augment the services provided to the Protégé by the Plan through IDOT's network of Supportive Services Consultants;
- e. Provide on-going monitoring and inspection of approved Plans including, but not limited to, mandating quarterly reports of progress toward meeting the approved Plans' goals and objectives; and
- f. Provide reports as required by the FHWA regarding the conduct of the Program.

15. DBE Goals and Mentor Administrative Costs:

- a. On certain designated "larger" projects, the DBE goal for participants in the Program will be five (5) percent less than the overall stated goal for any project on which the Mentor uses the Protégé as a DBE subcontractor. The goal reduction for participants in the Program will be contingent upon the following:
 - i. The Mentor-Protégé Oversight Committee will select projects eligible for the Program;
 - ii. Eligible individual projects will have a minimum program value of \$1million;
 - iii. The goal reduction will apply only to projects with overall stated goals of 15 percent or more;
 - iv. Goal reduction is prospective only;
 - v. The DBE Protégé must be subcontracted to, and actually perform a minimum of 2 percent of the total contract award in order for the Mentor to be eligible for the goal reduction.

This goal reduction will be implemented only on designated projects in Districts 1, 4, 6 or 8, as a pilot for a 36-month period, in order to assess the effects of the Program. Thereafter, this measure will be reviewed by a panel consisting of the Mentor-Protégé Oversight Committee, the District 1, 4, 6 and 8 EEO Contract Compliance Coordinators and Regional Engineers and Director and Deputy Director(s) of the Office of Business and Workforce Diversity. At that time, the panel will draft a written summary of the Program's effects, recommend further course of action and request approval of its recommendation from FHWA.

- b. The Plan may include a fee schedule to cover the direct and indirect costs incurred by the Mentor to provide training and administrative or developmental assistance to the Protégé. The fee schedule is subject to IDOT approval and fees are eligible for

reimbursement through a special contract provision, in accordance with federal regulations and Article 109.04 of the Standard Specifications. Reimbursement of administrative costs shall be permitted only in conjunction with specific projects in which the Mentor uses the Protégé as a subcontractor - whether or not the Mentor receives DBE credit for use of the Protégé as a sub.

16. The Mentor-Protégé Program is not intended to diminish or circumvent existing DBE rules or regulations, but rather is intended to increase legitimate DBE activities. Abuse of this Program may be used as the basis for action against both the Mentor and Protégé including, but not limited to, suspension or debarment.
17. Except as indicated otherwise herein, all federal regulations, local, state and federal statutes, in addition to IDOT policies must be adhered to in the conduct of any Mentor-Protégé relationship or activities.

CERTIFICATION

The undersigned hereby certifies that s/he has received a copy of the above Mentor- Protégé Program Guidelines, and will to the best of his/her ability adhere to those guidelines.

Signed this _____ day of _____, _____

_____	_____	_____
Signature	Name	Title

NOTARY CERTIFICATE:

Submit completed to:

Illinois Department of Transportation
Office of Business & Workforce Diversity
2300 South Dirksen Parkway, Room 300
Springfield, Illinois 62764