



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF WATER
AND WASTE MANAGEMENT

Construction Grants
Program Requirements
Memorandum
PRM No. 80-7
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SUBJECT: Grant Eligibility of Minority Business Enterprise
and Women's Business Enterprise Liaison Services

FROM: Henry Longest, Deputy Assistant Administrator
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I. PURPOSE

The purpose of this memorandum is to define and set forth guidelines for determining the grant eligibility of Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE) liaison services performed during the process of planning, designing and constructing a wastewater treatment facility with Environmental Protection Agency (EPA) construction grant funds.

II. DISCUSSION

The Agency recognizes the need to immediately remedy the under-utilization of MBEs and WBEs in the Construction Grants Program. In order to provide the opportunity for increased MBE and WBE participation, EPA has determined that a goal oriented system of MBE and WBE participation must be a clear-cut factor in the evaluation of procurements, bids or proposals, as well as a condition for a grant award. One method of affording the opportunity for increased MBE and WBE participation is for grantees to establish or utilize MBE and WBE liaison services. The costs to the grantees for such services are eligible for EPA grant funding.

Such services will assist applicants/grantees to effectively implement the goal-oriented EPA "Policy for Increased Use of Minority Consultants and Construction Contractors", 43 Federal Register 60221 (December 26, 1978), and the "Women's Business Enterprise Policy for the Construction Grants Program," 45 Federal Register 51490 (August 1, 1980). See also, 40 C.F.R. 35.936-7, 40 C.F.R. §35.937-12 (b)(2), Appendix C-1 (para. 14), and Appendix C-2 (para. 9). These policies require grantees, consultants and contractors to take affirmative steps to utilize minority-and women-owned businesses in providing engineering and construction services and supplies.

Grantees may formally provide for such services by selecting:

1. An MBE/WBE liaison officer from internal staff (Additional staff may supplement internal staff only if required by project size) or
2. A contractor to perform such services (Contract services may be provided by either an MBE or WBE specialist or by a capable consulting firm).

The MBE/WBE liaison officer/service would be responsible for developing, implementing and managing the grantees MBE and WBE programs as they relate to the specific EPA funded project. Responsibilities include, but are not limited to: keeping records, providing technical assistance to MBEs, disseminating information on available business opportunities related to EPA grant projects to ensure that MBEs are provided an equal opportunity to participate in EPA's Construction Grants Program.

In order to effectively carry out the aforementioned responsibilities, the MBE/WBE liaison officer/service selected should be:

- a. Familiar with and capable of interpreting and communicating the grantee's procurement procedures and requirements as well as EPA's MBE/WBE policies,
- b. Understanding of small, minority, and women's business problems,
- c. Capable of communicating effectively with women-minority-and majority-owned businesses and management,

- d. Able to maintain a good rapport with the minority community,
- f. Familiar with Federal, State and local resources available to aid MBEs, WBEs and small business, and
- e. Able to maintain a good rapport with the women's business and community organizations.

III. POLICY

This PRM confirms EPA's policy that costs incurred by the performance of appropriate and necessary MBE/WBE liaison services, either by grantee staff or by contractor, which are directly related to a particular EPA funded construction project, are eligible for EPA grant participation.

IV. IMPLEMENTATION

Only necessary liaison services rendered in direct connection with an EPA Construction Grants Project by the MBE/WBE liaison officer/ service are grant eligible costs. While the provision of MBE and WBE liaison services is an eligible cost, it must be borne in mind that EPA will participate in the costs for hiring additional staff only in municipalities having ongoing and continuous EPA construction grants projects, large enough to support the need for such staff. Contracts for MBE/WBE liaison services which depart from conventional industry practices and which constitute a commercially unnecessary intermediate step between a grantee, liaison officer, consultant or contractor shall be considered ineligible.

Measures to achieve MBE and WBE program requirements should be submitted as part of the Step 1, Step 2, Step 3, and Step 2+3 grant applications. State agencies and potential grantees should be encouraged during the pre-plan-of-study conferences to integrate planning for use of MBEs and WBEs into each phase of the construction grant process and to achieve designated goals. This enables the Agency to judge before awarding financial assistance whether EPA funds are likely to be used to achieve the objective of increasing MBE and WBE participation.

The grantee must maintain complete records of MBE/WBE liaison services. Such records must include:

- a. A brief narrative summary of activities conducted.
- b. Certified time and attendance records clearly establishing relationship to EPA's MBE and WBE programs.

- c. Bills/vouchers covering travel and other expenditures incurred in fulfilling the grantee's responsibilities under the MBE and WBE policies.
- d. Documentation sufficient to constitute an audit trail of all costs charged to a specific project.