

PRE-CONSTRUCTION MEETING • SED GUIDELINES

The SED Program, managed by the Office of Equal Opportunity and Public Contract Assistance, is tasked with overseeing the solicitation and utilization of socially and economically disadvantaged small business concerns (SEDs) for projects funded by the New Jersey Water Bank. For this program, SEDs include minority and women-owned business enterprises (MBEs and WBEs) as well as disadvantaged business enterprises (DBEs).

The Borrower [*also referred to as the project sponsor*] must comply with all regulations governing funding terms. The regulations that grant the Office of Equal Opportunity and Public Contract Assistance the authority to monitor SED involvement on these projects are N.J.A.C. 7:22-9 and 7:22-4:40 through 4:43.

The project sponsor must formally appoint a Project Compliance Officer and ensure that at least 10 percent of the total value of all contracts for building, materials, equipment, or services for the construction project are awarded to SEDs. **This individual should be formally noted in the H2LOans system under the role titled “Borrower SED Compliance Officer.”**

PROJECT COMPLIANCE OFFICER

The Project Compliance Officer (PCO) [*also referred to as “Borrower SED Compliance Officer”*] is responsible for coordinating SED utilization efforts on the project and for monitoring and enforcing compliance with SED requirements outlined in the program rules. The PCO must also attend all monthly construction progress meetings. The individual serving in the capacity of PCO must acknowledge the role of PCO within the H2LOans system. **Only the PCO can upload report materials into H2LOans.**

The process on H2LOans for PCO designation and acknowledgement is as follows:

The “Borrower Representative” provides their identified PCO authorization as the “Borrower SED Compliance Officer”. Once formally designated, the Borrower SED Compliance Officer should access the SED Compliance menu option and complete the SED Compliance Officer Acknowledgement.

The Project Compliance Officer is required to sign all reporting forms (Monthly Progress Report OEO-003, as well as the Combined Quarterly Reporting Form and Procurement Activity Report OEO-002R) and submit them to the Office of Equal Opportunity and Public Contract Assistance via the H2LOans system.

SED GOAL ATTAINMENT

The successful bidder (contractor) for the project, chosen through an unrestricted bidding process, must meet the 10% SED utilization goal (*or greater SED utilization goal as determined by the project sponsor*) by subcontracting specific portions of the work to SEDs, as detailed in a Contractor SED Plan document.

Contractors may choose to procure subcontractors through an unrestricted bidding process to meet the 10% SED utilization requirement for the project:

1. Bidding must comply with 7:22-9.7a-c.
2. Documentation of such bidding shall be retained for the duration prescribed for the Fund loan and/or Trust loan.

Additional resources for identifying SED-certified contractors include, but are not limited to, the [NJDEP-EOPCA Vendor List](#) and certifying entities such as the Department of Treasury Division of Revenue and Enterprise Services, the New Jersey Department of Transportation, the Port Authority of New York and New Jersey, and New Jersey Transit.

CONTRACTOR’S PLAN

The Contractor's SED plan must include provisions to meet the specific SED utilization requirements set by the project sponsor. The contractor must submit the Contractor's SED plan to the Project Compliance Officer for review, approval, and submission to the Office of Equal Opportunity and Public Contract Assistance within 14 days of the preconstruction meeting. The final DEP-approved plan must be uploaded to H2LOans (under general "File Uploads", *select file Tag: "SED Document (Sponsor)"*).

The Contractor's SED plan must include:

1. Documentation on the contractor's letterhead.
2. An outline of the entire project or contract work.
3. The estimated time required to complete the project.
4. Each segment of work on which SEDs will or may participate. *All segments should collectively equate to 10% (or greater as determined by the project sponsor).*
5. Applicable cost estimate of each segment of work on which SEDs will or may participate.
6. Applicable NAICS reference category descriptions and codes relative to SED segments.

SED REPORTING

SED utilization record-keeping and reporting must be documented and performed in accordance with 7:22-9.12. It is imperative that the contractor and Project Compliance Officer submit all documentation verifying good faith efforts in the solicitation and participation of SEDs. Failure to submit these documents in a timely manner can result in the Office of Equal Opportunity recommending the withholding of payments until the project compliance is achieved.

Monthly Progress Report OEO-003

The Monthly Progress Report OEO-003 records the contractor's ongoing efforts to solicit SED participation during the current month. This report must be signed by the contractor. The report and all accompanying documents (e.g., signed sub-agreements, invoices, purchase orders, and MBE/WBE/DBE certifications) are submitted to the Project Compliance Officer for review and signature. The Project Compliance Officer will then submit the report to the Office of Equal Opportunity and Public Contract Assistance via H2LOans. The H2LOans submission requires inputting report details and uploading the report document, along with any associated materials by the 5th of the following month. [Form OEO-003](#)

Combined Quarterly Reporting Form and Procurement Activity Report (OEO-002R)

The **Quarterly Reporting for Contracting Agencies and Contractors** portion of the OEO-002R provides a summary of the information reported over the previous three months. The report, along with all accompanying documents (e.g., signed sub-agreements, invoices, purchase orders, and MBE/WBE/DBE certifications), must be signed by the contractor then reviewed and signed by the Project Compliance Officer.

- 1st Quarter: October 1 - December 31
- 2nd Quarter: January 1 – March 31
- 3rd Quarter: April 1 – June 30
- 4th Quarter: July 1 – September 30

The **Procurement Activity Report** section of the OEO-002R conveys required aggregated quarterly information. This section should be exclusively completed by the PCO. It specifically reflects the expenditure during the quarter, or vouchers submitted for payment over the preceding three months, which have been paid by the project sponsor to the contractor. The Project Compliance Officer is responsible for submitting the OEO-002R to the Office of Equal Opportunity and Public Contract Assistance via H2LOans. The H2LOans submission requires entering the report details and uploading the report document along with any related materials by the 15th of the month following the end of each quarter. [Form OEO-002R](#)