

BUILD WITH PURPOSE

*A PRACTICAL GUIDE FOR MWBEs
AND GENERAL CONTRACTORS
COMMITTED TO BUILDING
CAPACITY FOR A STRONGER
ST. LOUIS*



TABLE OF CONTENTS

01

INTRODUCTION

Introduction	01
Message From the Author	02
Acknowledgements	03
The Opportunity Ahead	04
The Workforce Challenge	06
The Untapped Capacity	07
Mission + Vision	08
The Opportunity Gap	09

02

UNDERSTANDING THE DEVELOPMENT PROCESS

Definitions	11
The Development Lifecycle	13

03

GENERAL CONTRACTORS

Why MWBE Participation Matters	19
Finding Qualified MWBE Firms	21
Compliance	23
Mentorship	25
Good Payment Practices	28

04

MWBE PREPAREDNESS

MWBE Prerequisites	30
Certification	31
Bonding	40
Assessing + Building Capacity	42
Unions	48
Networking	51

TABLE OF CONTENTS

05	Insurance	55
	Bidding	58
	Construction Execution	65
06	PUTTING IT INTO PRACTICE	
	Refuge & Restoration Marketplace	70
07	RESOURCES	
	Resources	72
	FAQS	
	FAQs	74

INTRODUCTION: BUILDING CAPACITY FOR THE NEXT GENERATION OF CONSTRUCTION

- Message From the Author
- Acknowledgements
- The Opportunity Ahead
- The Workforce Challenge
- The Untapped Capacity

MESSAGE FROM THE AUTHOR

What initially began as a project to shine light on MWBE certification quickly evolved into something much larger. Early in my research, I discovered that while there was an abundance of information about certification, financing, workforce development, and contracting, there was not a single St. Louis-based resource that brought these pieces together. Very quickly, through conversations with leaders across the St. Louis construction industry, it became clear to me that this resource is necessary.

Throughout the development of this toolkit, I had the privilege of interviewing developers, general contractors, bankers, insurers, economic development leaders, and community advocates who work in this space every day. While each perspective was unique, a common theme consistently emerged: St. Louis lacks the capacity to meet the emerging construction opportunities. Luckily for St. Louis, there is an overwhelming number of businesses that go underutilized every year.

The Minority and Women Business Enterprise (MWBE) program was established to address longstanding disparities in access to development opportunities and create a more equitable marketplace. Yet, decades later, disparities still exist. The 2024 City of St. Louis Disparity Study found that although qualified MWBE firms represent a significant portion of the available construction market, they continue to receive a disproportionately smaller share of construction work. Moreover, the construction workforce does not reflect the diversity of the St. Louis region.

The timing for this work could not be more important. Despite current federal and state governments threatening the status of the MWBE program, the truth remains that over the next decade, the St. Louis region is expected to see more than \$100 billion in construction investment yet does not currently engage the appropriate amount of labor to meet such demand. The industry faces an aging workforce and labor shortages. By expanding contractor capacity and investing in small MWBE businesses, St. Louis can strengthen its construction ecosystem while ensuring that more businesses are prepared to compete successfully.

This toolkit was created to serve as a practical guide for navigating the convoluted construction process. My hope is that the following pages offer practical guidance, resources, and a starting point for a stronger, more vibrant St. Louis. The goal is not to increase participation through imposed checkboxes, but rather, to advocate for an inclusive, more competitive construction industry that benefits businesses, communities, and the future of the St. Louis region.

Chantal Ogbeifun

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ACKNOWLEDGEMENTS

This toolkit would not have been possible without the time, expertise, and generosity of the many professionals who shared their experiences and perspectives throughout its development. Their willingness to discuss the challenges, opportunities, and future of commercial construction in St. Louis helped shape the recommendations and best practices presented in this guide.

Thank you for your commitment to strengthening our region's construction industry and for investing in the next generation of contractors and businesses.

A SPECIAL THANK YOU TO...

- Lou Brock Jr. – Lou Brock Mechanical
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This toolkit reflects the collective insight of professionals representing economic development, commercial construction, banking, insurance, workforce development, and community leadership across the St. Louis region.

THE OPPORTUNITY AHEAD

UNPRECEDENTED TIME FOR GROWTH IN ST. LOUIS CONSTRUCTION

St. Louis is entering one of the most **significant** periods of commercial construction investment in its history. Over the next five to ten years, more than \$100 billion is expected to be invested in major projects across the region, including the expansion of St. Louis Lambert International Airport, data centers, healthcare facilities, housing, mixed-use developments, and commercial redevelopment.

Meeting this demand requires a committed investment in strengthening and expanding the St. Louis construction industry

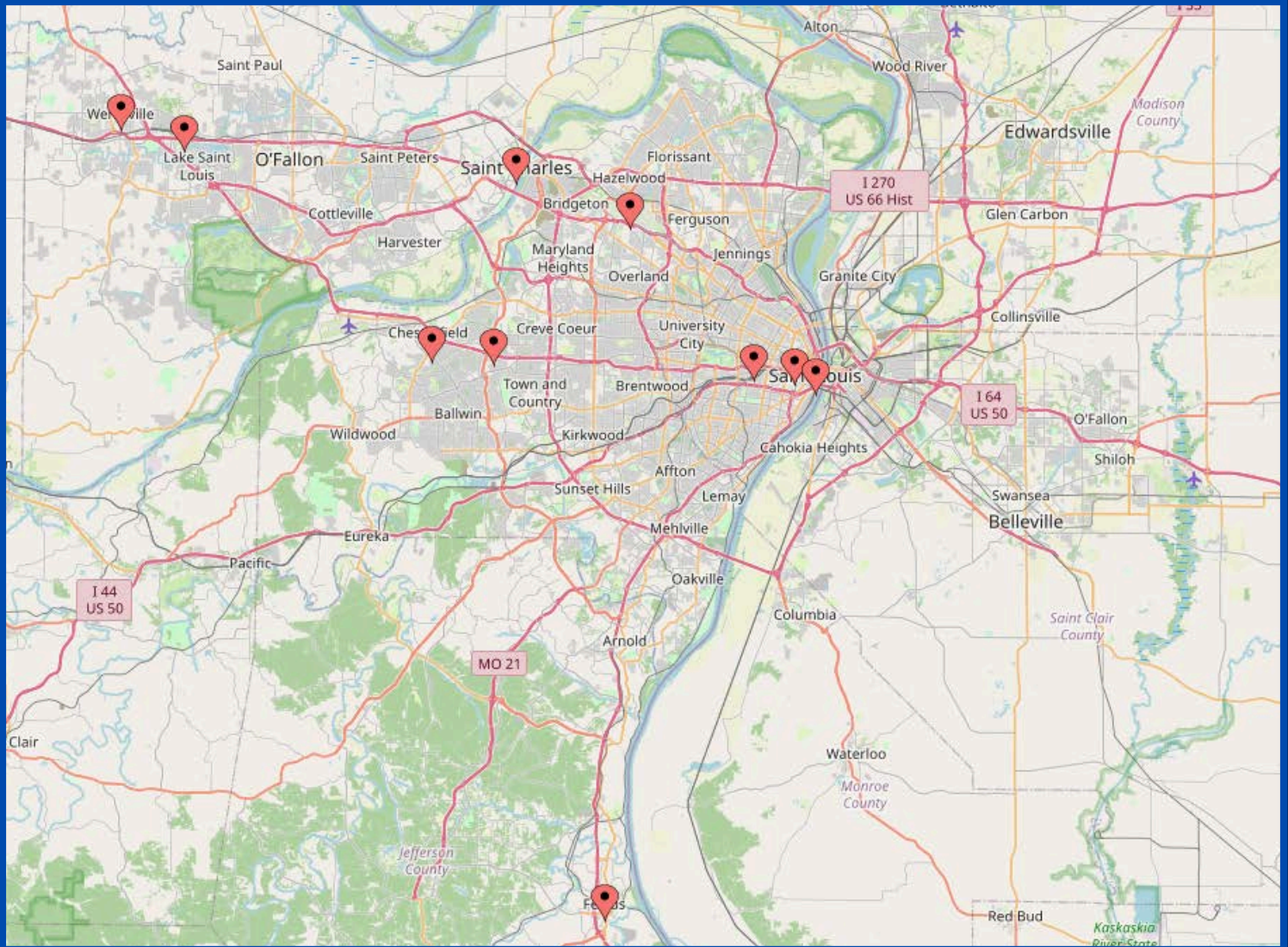
**\$100+
BILLION**

**PLANNED
CONSTRUCTION
INVESTMENT ACROSS
THE STL REGION**

**BUT DOES ST. LOUIS HAVE
THE WORKFORCE
CAPACITY TO MEET THE
DEMAND?**



THE OPPORTUNITY AHEAD



All project locations are approximate. Investment values are estimates based on publicly available information and industry reports



\$1.8B

BOEING
EXPANSION



\$3B

STL LAMBERT AIRPORT
TERMINAL EXPANSION



\$2B

CHESTERFIELD MALL
EXPANSION

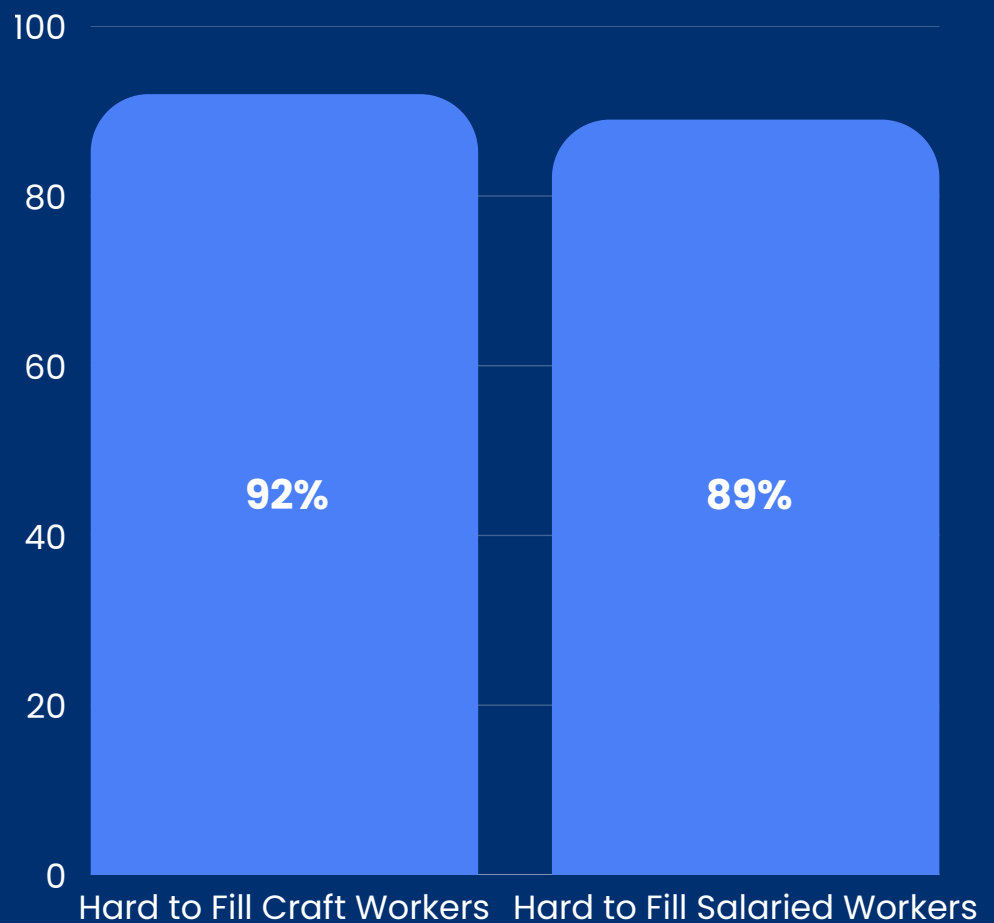
STL 2030 PROGRESS

THE WORKFORCE CHALLENGE

St. Louis' growing construction pipeline will require a larger and more skilled workforce, yet the industry is already facing labor shortages, an aging workforce, and difficulty attracting younger workers into the trades. Nationally, the construction industry is estimated to need at least **349,000** additional workers in 2026 simply to keep labor supply aligned with demand.

% of Firms in MO Surveyed by the AGCMO

In Missouri, 92% of firms surveyed by the Associated General Contractors of America, say they are having a hard time filling positions



"Missouri contractors are ready to build and many plan to hire, but workforce shortages are still the biggest constraint on growth"

*-Len Toenjes,
President of the Associated General
Contractors of Missouri, AGCMO.org*

THE UNTAPPED CAPACITY

UNTAPPED CAPACITY: INTRODUCTION

The purpose of this document, which we refer to as a “toolkit,” is to provide owners, developers, general contractors, municipalities, and Minority and Women-Owned Business Enterprises (MWBEs) with a practical guide for increasing capacity in the construction industry throughout the St. Louis region. While many organizations and public agencies have established participation goals and certification programs for Minority and Women-Owned Business Enterprises, navigating the development process is challenging for firms that are unfamiliar with the industry norms, terminology, and requirements.

This toolkit is intended for current or aspiring MWBE contractors, subcontractors, suppliers, consultants, and business owners seeking to understand how development projects progress from inception to completion and how to participate in the construction of upcoming projects. It also serves as a resource for owners, developers and general contractors committed to supporting MWBE participation.

GOAL

Rather than focusing on a single element, this guide outlines the broader development process. It identifies the major stakeholders at each stage and highlights opportunities for growing and strengthening the broader construction industry

The goal is to shine a light on the complex nature of development. Additionally, it is intended to equip St. Louis firms with the resources and knowledge needed to sustain successful businesses in the construction industry.



MISSION

To promote meaningful participation of Minority and Women Owned Business Enterprises in the construction industry by fostering relationships, expanding knowledge, and promoting access to opportunities that strengthen a diverse construction and economic ecosystem in the St. Louis Region.

VISION

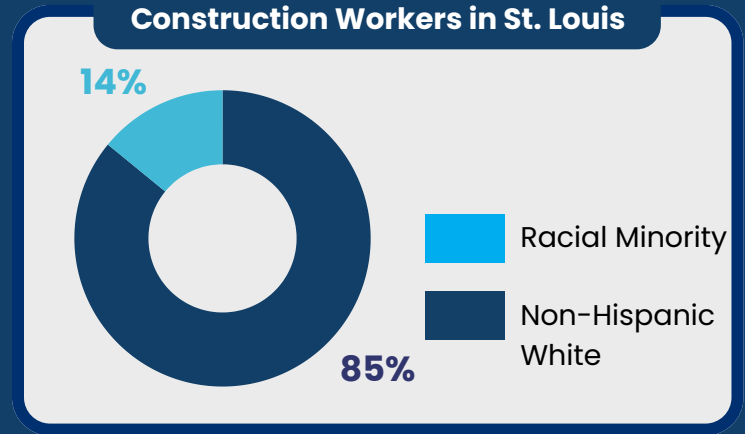
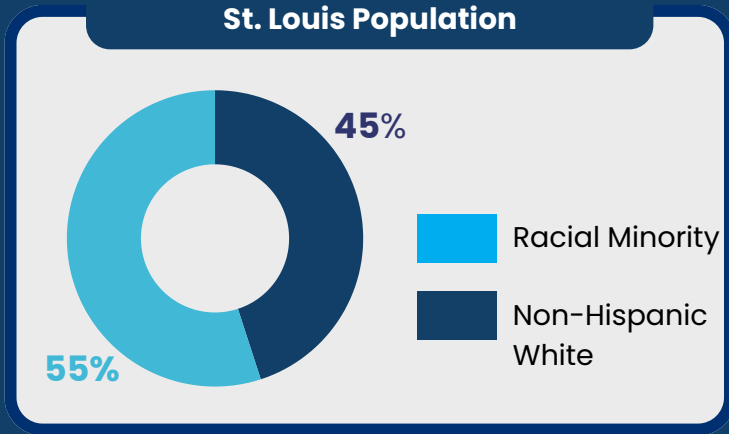
A strong St. Louis construction industry where qualified businesses of all sizes and backgrounds have equitable opportunities to compete and contribute to the region's economic development



THE OPPORTUNITY GAP

BY THE NUMBERS

The workforce does not reflect the diversity of the St. Louis region



Qualified MWBE firms represent nearly 1/3 of available firms but received only 1/5 of available construction contract dollars

MWBE UTILIZATION

30%

Qualified MWBE Firms Available

20%

Only Awarded Contract \$

Room for increasing minority workforce utilization

19.4%

Current Minority Workforce
Hours on City Projects

25%

Typical Utilization Goal Per
City Availability

UNDERSTANDING THE DEVELOPMENT PROCESS

STAGE 1

**Schematic
Design**

STAGE 2

**Design
Development**

STAGE 3

**Procurement +
Mobilization**

STAGE 4

**Construction +
Closeout**

DEFINITIONS

Minority and Women-Owned Business enterprise (MWBE): A for-profit enterprise at least 51 percent or more of which is owned and controlled by a minority group (i.e., U.S. Citizens who are African American, Hispanic, Native American, Asian-Pacific American, Asian-Indian Americans, or Women)

Minority Business Enterprise (MBE): A for-profit business that is at least 51% owned, controlled, and operated by one or more U.S. citizens who are members of a recognized minority group, such as Black, Hispanic, Asian-Indian, Asian-Pacific, or Native American

Good Faith Effort: All actions taken by a bidder or prime contractor consistent with the requirements, rules and procedures established by SLDC (St. Louis Development Corporation) to engage MWBEs toward meeting the goals for minority and women business enterprise utilization

Bid: A bidder's response to a solicitation for bids, proposals, or statements of qualifications for a project

Commercially-useful Function: A contract/subcontract/sub-subcontract executed with an MWBE firm that clearly demonstrates scope, management, and a commercially useful function performance as part of the execution of the work under the terms of the contract. The MWBE must carry out its responsibilities by performing, managing, and supervising the entire operation of its work. The subcontractor does not perform a commercially-useful function if its role is limited to an extra participant in a contract through which funds are passed in order to convey only the appearance of meaningful and useful subcontractor participation

DEFINITIONS

Informal Procurement: Informal procurement shall mean a solicitation method by which competition is not required or an emergency work award is required, and the City of St. Louis is permitted to solicit bids directly from bidders

Prime Contractor: The corporation or entity that provides products and services to the customer, which is the end user. The product or service is typically in its final value-added configuration. In most instances, the corporation is the lead entity in the value chain

Subcontractor: An entity that the Contractor or other Subcontractor enters a subcontract with, at any tier, to perform a portion of the work

Contract: The written agreement setting forth the obligations between parties for the performance of Work or to supply materials for the project, including the agreements between the Owner and any Subcontractor or Supplier, and between Subcontractors at any tier

Owner: The individual or organization that initiates, finances, and oversees a project from start to finish

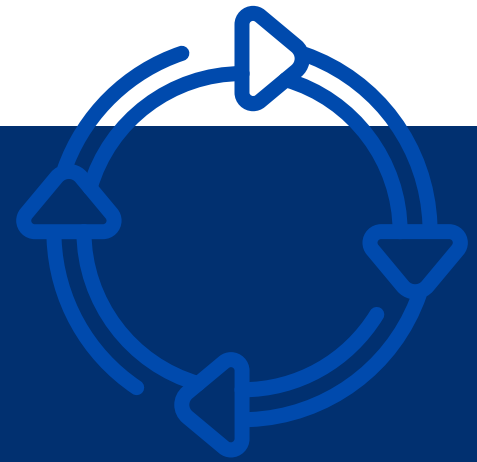
Supplier: The entity who owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for the performance of the Contract are bought, kept in stock, and regularly sold to the Project in the usual course of business as a regular dealer

UNDERSTANDING THE DEVELOPMENT PROCESS

The Development Lifecycle

The development process follows a series of sequential stages beginning with the identification of a project opportunity and ending with the final closeout. Though each stage of the process is unique in its size or funding structure, the overall development process follows a strict sequence of planning, design, procurement, construction, and closeout. Understanding the development lifecycle is essential for both general contractors and MWBEs, as it informs GC's where and how MWBE firms can be integrated throughout the project. Moreover, it informs MWBEs on how to identify opportunities and build relationships with key decision-makers.

One of the most common misconceptions of the development process is that opportunities arise only when a project is first publicly advertised for a bid, but in reality many of the important decisions, such as financing or procurement strategies, begin months before the bid ever reaches the public. As a result, firms that understand the full development lifecycle are better equipped to build relationships early, anticipate upcoming opportunities, and prepare to bid successfully.



The following sections provide a high-level overview of each phase of the development lifecycle, identify the primary stakeholders involved, and highlight where MWBE firms can successfully participate.

STAGE 1: SCHEMATIC DESIGN



WHAT?

The schematic design phase builds the foundation for the rest of the project. The owner or developer identifies a project opportunity, evaluates the market demand, financial feasibility, site selection, and establishes the project vision. Under the guidance of the developer, the initial project team is assembled, and this team establishes the schematic design, scope, and schedule.

KEY STAKEHOLDERS

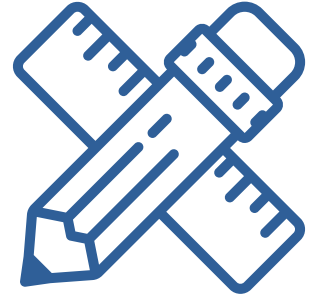
Important decision makers during the schematic design phase include the architect, civil engineer, legal representation, local government, and community stakeholders.

MWBE INVOLVEMENT

At this point in the process, even though construction has not yet begun, there are opportunities for MWBE firms that provide professional services to contribute to the early-stage planning. Developers and owners could engage MWBE consultants, architects, legal counsel, or other services to assist in overall project planning. Early MWBE involvement assists project teams in establishing participation strategies and creating a stronger network of diverse firms.

UNDERSTANDING THE DEVELOPMENT PROCESS

STAGE 2: DESIGN DEVELOPMENT



WHAT?

During Stage 2, the schematic vision outlined in Stage 1 is advanced to a formal permit submittal. Architects develop construction plans and project budgets. Additionally, necessary permits and regulatory approvals are obtained. During this phase, the project team begins identifying bid packages, developing procurement strategies, and preparing for contractor and subcontractor selection.

KEY STAKEHOLDERS

Key players in the predesign phase are the owner/developer, architect, engineers, permitting authorities. Additionally, the development team is expanded to include a general contractor and the project is introduced to potential lenders and equity partners.

MWBE INVOLVEMENT

There are significant opportunities in the predesign stage for MWBE participation beyond traditional construction jobs. MWBE architecture, engineering, and especially consulting firms can all be engaged as part of the design team. If a general contractor has already been selected by this point, they can begin identifying qualified MWBE subcontractors and establish relationships before procurement officially begins.

STAGE 3: PROCUREMENT + MOBILIZATION



WHAT?

During the procurement phase, the owner or general contractor solicits bids, evaluates proposals, and selects the firms that will ultimately end up working on the project. After bid packages are released and bids have come in, proposals are reviewed, firms are selected, and contracts are negotiated. Project teams typically verify insurance, bonding, and compliance with project-specific requirements before boots touch the ground. Debt terms and loan documents are also memorialized.

KEY STAKEHOLDERS

During this phase there is increased involvement from the general contractor, procurement team, subcontractors, MWBE firms, attorneys, and estimators.

MWBE INVOLVEMENT

This phase is the primary opportunity for MWBE firms to compete for work. Certified businesses can build relationships with general contractors and submit competitive proposals. General contractors can support MWBE participation by engaging in proactive outreach, breaking up bid packages into accessible scopes, and soliciting firms outside of preexisting relationships.

STAGE 4: CONSTRUCTION + CLOSEOUT



WHAT?

During the construction phase, the project moves from planning to execution. General contractors coordinate subcontractors, manage schedules, oversee safety, monitor quality, process change orders, and ensure work is completed according to the contract. As the project nears completion, the closeout phase includes final inspections, punch list completion, submission of warranties and operating manuals, final lien waivers, and project turnover to the owner.

KEY STAKEHOLDERS

Construction and Closeout includes the owner/developer, general contractor, subcontractors, construction manager, architect, jurisdictional inspectors, suppliers, bonding and insurance providers, title company, and banks.

MWBE INVOLVEMENT

MWBEs are primarily involved in the Construction phase. To maximize MWBE involvement, general contractors can clearly communicate expectations and process timely payments. During Closeout, all contractors must complete required documentation and submit final invoices and lien waivers. Successful Closeout can strengthen future partnerships and improve opportunities for subsequent projects.

GENERAL CONTRACTORS, OWNERS, DEVELOPERS

- Why MWBE Participation Matters
- Finding Qualified MWBE Firms
- Compliance Process + Rules
- Mentorship
- Good Payment Practices

WHY MWBE PARTICIPATION MATTERS

The City of St. Louis released a report examining the use of diverse businesses and diverse workers on City contracts. This 2024 Contract Disparity Study found significant disparities between the availability of qualified MWBE firms and their utilization on contracts, indicating that many qualified and responsible businesses are not participating in the marketplace at levels that would otherwise be expected given their availability.

The study recommended continued efforts to improve contracting opportunities and assist with reducing barriers to participation.



WHY MWBE PARTICIPATION MATTERS

	Utilization %	Availability %	Disparity Index
African American-owned	10.8	14.44	70
Asian American-owned	.29	2.88	10
Hispanic American-owned	1.20	10.42	12
Native American-owned	.09	1.19	7
Total MBE	11.66%	28.93%	40
WBE (white woman-owned)	6.93	23.47	30
Total MBE/WBE	18.59%	52.40	35
Majority Owned	81.41	47.60	171
Total	100.00%	100.00%	/

2024 St. Louis Disparity Study

The figure demonstrates an MBE disparity ratio of .40 which is half of the .80 minimum threshold that is used to indicate **substantial** disparity between the availability of qualified firms and their actual utilization.



Disparity Ratio = Availability / Utilization x 100

FINDING QUALIFIED MWBE FIRMS

Only relying on preexisting relationships can unintentionally limit competition and reduce working opportunities for firms who have not had the chance to enter an existing network. Proactively seeking out and inviting certified MWBE firms to bid supports participation goals, increases eligibility for federal or local funding and contributes to the construction industry in St. Louis.

General contractors should seek out qualified firms early in the procurement process, provide adequate time for bid preparation, and build relationships with MWBEs before projects are advertised. Several directories and certification databases are available to assist general contractors or owners in identifying qualified MWBE firms. Please reference the directories below:

DIRECTORIES

[SLDC City of St. Louis M/WBE Directory](#)

[MRCC DBE Directory](#)

[Missouri Office of Equal Opportunity MBE/WBE Directory](#)

[Heartland St. Louis Black Chamber of Commerce Directory](#)

FINDING QUALIFIED MWBE FIRMS

Best Practices for General Contractors Seeking out MWBE Firms

- Expand bid lists regularly instead of only relying on previous subcontracts
- Outreach during preconstruction
- Advertise bid opportunities through multiple channels
- Clearly define scope of work and qualification requirements
- Host networking events for small businesses
- Attend networking events hosted by business assistance organizations (MOKAN, SLDC)

FIND NETWORKING EVENTS:

[SLC3 – Council of Construction Consumers](#)

[Associated General Contractors of America | MO Chapter](#)

[Associated Builders and Contractors](#)

[American Subcontractors Association | Midwest Council](#)

COMPLIANCE

Compliance regulations are required for the MWBE program to run effectively. Compliance is intended to promote accountability and ensure that MWBE firms are offered opportunities to compete for work. General contractors should be familiar with the compliance requirements established by the project owner before procurement even begins. The requirements can include number of outreach activities, maintaining records of bid solicitations and responses, reporting subcontract awards, and tracking participation throughout the duration of the project.

Typical Penalties for Non-Compliance

- Disqualification from eligibility to bid on projects for a period
- Imposition of liquidated damages
- Withholding of tax incentives



Examples of Compliance Regulations

[Fly STL Certification and Compliance Rules](#)

[City of St. Louis MWBE Official Guidelines](#)

[SLDC Contracting & Compliance](#)

WHAT ARE GOOD FAITH EFFORTS

Good Faith Efforts is the common metric used to determine whether or not a project put in satisfactory effort in engaging with MWBE firms. The actions of the contractor must demonstrate they made genuine, proactive, and reasonable efforts to identify, contact, and engage qualified MWBE firms throughout the procurement process. Effective outreach must begin early and clearly communicate the scope of the project.

EXAMPLES OF GOOD FAITH EFFORTS

The efforts must encourage meaningful participation from diverse groups. Examples of good faith efforts include, but are not limited to, expanding bid lists, utilizing certified business directories (with proof of utilization), hosting or attending outreach and networking events. Be sure to keep proper documentation of all contacts and outreach efforts, so that if there is a failure to reach proper MWBE participation, there is a paper trail document efforts for recruiting MWBE firms for a particular project.



MENTORSHIP

Investing in the growth of small businesses is integral to the success of the construction industry in St. Louis, especially since recent global trends indicate a rising societal devaluation of trades and apprenticeships.

Mentorship programs provide emerging contractors with opportunities to learn from experienced firms, gain exposure to commercial construction, and the technical/operational skills to compete for larger projects.

General contractors and developers benefit from more capable commercial workers and a competitive subcontractor pool.

Below are several mentorship strategies that benefit both owners and contractors

Partner Small Firms with Experienced Contractors

By connecting smaller MWBE firms with experienced subcontractors that have successfully completed similar scopes of work, emerging businesses can gain practical experience, while also gaining operational knowledge such as project management, scheduling, documentation, and communication expectations.

Create Joint-Venture Opportunities

Creating Joint-Venture (JV) Opportunities is one of the most risk averse strategies that owners can employ to promote minority business growth. JV combines the resources, expertise, and networks of two or more independent companies. The prime managing partner typically holds 51% or more ownership, while MWBE partners hold a smaller but meaningful share which allows MWBEs to bid on projects they might not qualify for alone, leveraging the prime's resources while sharing profits, risks, and governance responsibilities. This strategy helps build experience but reduces project risk for the owner and general contractor.

Invite MWBE FIRMS to Preconstruction Conversations

Including qualified MWBE firms in preconstruction meetings or design-assist conversations provides exposure to project planning and lets firms better understand and meet owner expectations. It also fosters necessary relationship building for a smooth construction experience.

MENTORSHIP

Share Contract Knowledge

Commercial contracts can be time-consuming and convoluted for small businesses with limited staff capacity and experience. Providing educational resources or workshops that explain common contract provisions, payment terms, change orders, retainage, insurance requirements, and risk allocation helps firms understand these concepts before bidding which reduces misunderstandings and improves project performance.

Invest in Workforce Development

Construction industry success in St. Louis is dependent on a healthy subcontractor workforce and investment in the next generation of tradespeople. Partnering with organizations such as Ranken Technical College, unions, or universities to expand access to careers in construction is beneficial for the long-term health of the community and construction firms.

Networking Opportunities

One of the biggest challenges for MWBEs is getting their foot in the door. Hosting contractor networking events or roundtables can help MWBE firms build relationships with developers, general contractors, and suppliers. Strong business relationships can lead to future partnerships and more bid options.

GOOD PAYMENT PRACTICES

WHY PAYMENT PRACTICES MATTER

Cash flow is one of the greatest challenge that small businesses face. Unlike larger firms that have greater financial reserves or access to capital, many MWBE firms have to pay employees, purchase materials, secure equipment and cover insurance costs before ever receiving payment for completed work. Extended payment cycles create significant financial strain and limit a firm's ability to take on additional projects or respond to unexpected project changes.

Clear and fair payment practices improve the project performance and reduce financial risk for all parties involved. Reliable payment practices also encourage businesses to focus on the quality of their work without needing to secure short-term financing to remain operational.

Contractors with healthy cash flows are better positioned to retain skilled employees and maintain quality project schedules. Owners and general contractors could engage in fair payment practices to strengthen the subcontractor market and promote a positive construction industry in St. Louis

MWBE PREPAREDNESS

- Prerequisites
- Certification
- Insurance
- Bonding
- Capacity
- Unions
- Networking
- Bidding
- Construction Execution

PREREQUISITES

Before pursuing MWBE certification and development opportunities, firms should ensure they have the basic administrative and financial operating capacity necessary to participate in development projects. A successful business will be properly organized and capable of meeting industry standards. At a minimum firms should be able to demonstrate: legal ownership, accurate financial records, and established business operational capacity. Developers, general contractors, and certifying agencies will review the foundational elements before determining a firm's qualifications and capacity.

Prior to seeking certification, firms should be sure to have:

- ☐ A legally established business entity in good standing
- ☐ A Federal Employer Identification Number
NAICS Code, to find code visit [U.S. Census Bureau](https://www.census.gov/naics/)
- ☐ Business banking accounts separate from personal accounts
- ☐ Current business licenses
- ☐ Documented ownership structure
- ☐ Professional contact information
- ☐ Clear description of services, trades, and/or specialties offered

CERTIFICATION

BENEFITS OF CERTIFICATION

Businesses that obtain certification gain access to diverse and inclusive contracting opportunities. MWBE certification increases access to development assistance programs designed to help businesses grow. A significant benefit of the MWBE certification is access to local government contracts and funding. Many local or regional governments offer contracts to qualified MWBEs with funds that are specifically reserved for minority or women-owned businesses. Moreover, large companies tend to seek out certified MWBEs to further their inclusivity initiatives. Large companies can benefit through increased diversity and can demonstrate what a thriving, diverse construction ecosystem looks like in St. Louis.

VISIBILITY

Certification places firms in directories that are used by public agencies, developers, general contractors, and procurement experts who are seeking out diverse businesses. Certification formalizes the process beyond relying on existing relationships. Even though certification does not guarantee invitations to bid, it improves the likelihood that owners and developers will be aware of the firm's existence.

ACCESS TO CONTRACTING OPPORTUNITIES + FUNDING

Many public projects establish participation goals that encourage the inclusion of certified businesses. Moreover, many local and regional organizations offer financial assistance, low-interest loans, or grants that are specifically designed to help small businesses and certified MWBE firms to grow their capacity. These resources can provide support for purchasing equipment or hiring employees for larger development and construction projects. Firms should regularly engage with local business development organizations to identify programs that align with their goals.

NETWORKING

Many certifying agencies offer educational opportunities, networking events, mentorship opportunities, and contractor matchmaking services that are designed to support certified firms. These resources allow business owners to build relationships with developers and gain insight into upcoming projects and industry best practices. These opportunities help create long-term business opportunities beyond an individual project.

TYPES OF CERTIFICATION

Government Certifications:

- State MWBE Programs: State-level MWBE development programs qualify you for contracting opportunities with state agencies, local governments, school districts, and public universities within your respective state
- Federal DBE: Federal certifications are administered by the U.S. Department of Transportation through state transportation authorities. This certification is most definitely useful if your business is involved in construction or transportation infrastructure industries. Moreover, the DBE does not solely rely on minority or women people groups, rather their focus is on economic disadvantages
- SBA: A federal program for small businesses owned by disadvantaged individuals. This certification provides access to federal contracting opportunities and business development support
- WOSB: A federal certification program that certifies women-owned businesses for federal contract set-asides

TYPES OF CERTIFICATION

Private Sector Certifications

WBENC (Women's Business Enterprise National Council):

- Some federal and local governments may recognize WBENC certification, but it is primarily accepted in the corporate world. This certification increases access to small business supplier programs with hundreds of corporations in the United States

NMSDC (National Minority Supplier Development Council):

- This organization is the leading third-party certifier for minority-owned businesses operating in the private sector.



CERTIFICATION

HOW DO I KNOW WHICH CERTIFICATION TO APPLY FOR?

Choosing the right certification to apply for is key to saving time and money. The most appropriate certification depends on where you intend to work and your firm's long-term growth strategy. Important considerations are the location of potential projects, the project's capital stack, and anticipated timelines. It is generally advisable to get the local and state certifications because they increase value in the local, more accessible marketplace.

The geographic location of future projects will determine which certification programs are recognized or required. Different municipalities, airports, universities, private developers, etc., participate in a variety of advancement programs and recognize different certifying organizations.

TIP

Before pursuing certification, research the owners and agencies with whom you would want to work and determine which certifications they expect. Narrowing your target market will help narrow your certification options and increase visibility for future contracting opportunities.



HOW DO I KNOW WHICH CERTIFICATION TO APPLY FOR?

Another essential consideration is understanding how you want future projects to be financed. This offers insight into which certifications could be most beneficial. The capital stack, which is the combination of public funding, private investment, tax credits, grants, loans, and other financing sources supporting a project, influences participation requirements. Projects that receive federal funding may require certifications that are recognized under federal programs, while state, local, or privately funded developments may follow local ordinances. Identifying a project's funding sources can help businesses pursue certifications that align with a given project's procurement requirements. Note that third party certifications are generally designated for corporate opportunities.

Potential Sources of Funds	Most Widely Accepted Certification:
Federal Government	<u>WOSB (Women-Owned Small Business)</u> , <u>DBE (Disadvantaged Business Enterprise)</u>
State Government	<u>Missouri M/WBE</u>
St. Louis City/County	<u>CertifySTL</u>

AM I ELIGIBLE?

In order to apply for an M/WBE certification, you must ensure that you are eligible. Be sure to always check the official website of the agency through which you are seeking certification. Though each agency will have slight differences in their eligibility requirements, you should expect the following.

- **Ownership:** The business must be at least 51% owned by a socially and/or economically disadvantaged or minority individual
- **Control:** A firm seeking certification must possess the power to direct or cause the direction of the management and policies of the firm. The owner must also have an understanding of, and technical competence in the type of business in which the firm is engaged
- **Business Size:** The firm must be a small business as defined by SBA standards. It must not have annual gross receipts over \$22,410,000 in the previous three fiscal years
- **Independence:** A firm must be independent, meaning its viability does not depend on its relationship with another firm or firms
- **Burden of Proof Allocation:** Applicants carry the initial burden of proof regarding their eligibility and must demonstrate that they meet all requirements, including group membership or individual disadvantage, business size, ownership, and control
- **Citizenship/Residency:** All applicants for any MWBE certification are required to be U.S. citizens or lawful permanent residents.

AM I ELIGIBLE?

Standard Documentation Requirements:

- **Proof of Identity and Status:** Birth certificates, passports, or naturalization papers confirming minority group membership, gender, and citizenship or permanent resident status
- **Business Tax Returns:** Federal returns for the firm covering the past five years, including all schedules related to gross receipts. If the most recent year hasn't been filed yet, a CPA-attested income statement may substitute
- **Personal Tax Returns:** Federal returns for each qualifying owner covering the past three years
- **Personal Net Worth Statement:** A detailed financial disclosure listing all assets and liabilities for each owner claiming disadvantaged status
- **Organizational Documents:** Articles of incorporation or organization, bylaws, operating agreements, stock certificates, and state-issued certificates of good standing
- **Banking Records:** Bank signature cards and documentation showing who has authority to sign checks and manage company accounts
- **Ownership Proof:** Both sides of canceled checks, loan agreements, or other records showing how each owner funded their stake in the business
- **Resumes:** Detailed employment histories for all owners, officers, and key personnel, including dates and job descriptions that demonstrate relevant industry expertise
- **Operational Records:** Equipment titles, vehicle registrations, insurance cards, professional licenses, lease agreements, and a list of current contracts

COMMON APPLICATION MISTAKES

- Incomplete Application
 - Missing required signatures
 - Unanswered fields
- Missing Financial Documentation
 - Missing tax returns, profit/loss statements
 - Inaccessible tax documents (password protected)
- Failing to demonstrate ownership and control
- Business License and Registration Issues
 - Expired license
 - Incorrect business name
- Inconsistent Business Information
 - Mismatched addresses
 - Conflicting EIN or Tax ID numbers
- Poor Record Keeping
 - Missing corporate records
 - No meeting minutes
- Not responding promptly
 - Delayed response to reviewer requests
 - Missed deadline for additional documents
- Failing to Demonstrate Independence
 - Sharing office space or equipment
 - Reliance on another company
 - Financial entanglement with another firm
- NAICS codes without capability
 - Disingenuous industry relationships
 - Failure to demonstrate experience with chosen codes

WHAT IS BONDING?

A bond is an agreement between the principal (the contractor performing the work), the owner (the party requiring the work), and the surety (the bonding company guaranteeing the principal's work). Typically for bonds, the guarantee is not protecting the contractor, but rather protecting the owner against contractor default or failure of completing the project standards.

For commercial and public construction projects, a bond is typically a prerequisite to bidding and performing work. Bonding provides financial assurance to project owners that a contractor is able to complete the project according to the contract. For small and MWBE firms, bonding can be a significant barrier to growth since many businesses have the technical skills to complete projects, but can lack the financial history or working capital required by surety companies. Understanding the bonding process can position firms to compete for larger and more complex opportunities.

TIP

Surety companies typically assess whether a business has the financial capacity and operational systems necessary to successfully complete projects.

To increase chances of obtaining a bond, ensure accurate business records are available and well documented.



TYPES OF BONDS

Bid Bond:

A bid bond provides assurance that a contractor will fulfill its bid and enter into the contract if selected. It protects owners from contractors submitting bids without the financial ability to perform the work

Payment Bond:

Guarantees that subcontractors, suppliers, and laborers will be paid for work and materials furnished for the project. Payment bonds reduce the risk of liens and disputes during construction

Performance Bond:

A performance bond assures that a contractor will complete the project according to the terms and conditions laid out by the contract

Common Documents Reviewed:

- Financial statements and accounting practices
- Working capital and available cash
- Business credit history
- Construction experience or project history
- Existing workload
- Banking relationships

Resources:

[SLDC TAX EXEMPT REVENUE BOND FINANCING](#)

[MOKAN MBE/WBE DEVELOPMENT](#)

Why Capacity Matters:

Business capacity refers to a firm's ability to successfully take on and complete work without compromising quality, financial stability, or existing project workload. Understanding your capacity allows you to pursue opportunities with a targeted and strategic approach, avoiding taking on projects that exceed your available resources.

Stakeholder interviews conducted for this toolkit revealed that increasing MWBE participation requires strengthening the capacity of existing businesses, in addition to developing new firms. Investing in business capacity benefits all players involved. It ensures that firms can grow their workforce and build project experience, without comprising the financial security of the firm.

Understanding Your Business Capacity

It is important, before pursuing any opportunities, to have a concrete understanding of your company's current business capacity. When preparing for procurement, position your business for success by considering the following factors:

Workforce Capacity:

- How many field employees do you have available?
- Do you have experienced supervisors or project managers?
- Will this project require hiring additional staff?
- Can your current workforce support this project while maintaining existing commitments?

Equipment and Resources:

- Do you own the necessary equipment or will it need to be rented
- Are specialized tools or certifications required?
- Can equipment be dedicated to multiple projects without delays?

Current Workload

- How many active projects do you currently have?
- What are the upcoming commitments?
- Does your project schedule realistically allow you to complete all commitments successfully?

Operational Readiness

- Do you have reliable estimating processes?
- Are payroll and accounting systems in place?
- Communication of safety policies and training ?
- Quality control procedures?
- Document management and recordkeeping practices?
- Have you successfully completed similar projects?
- Would partnering with another contractor or pursuing a smaller scope be better for success?

Taking the time to evaluate each of the aforementioned areas before bidding allows businesses to strategically pursue opportunities that align with their current capacity while identifying areas for future growth. Consistently delivering successful projects will gradually expand capacity over time.

Assessing Financial Capacity

Financial management is one of the most important indicators of a construction company's ability to successfully perform construction work. Projects often require contractors to purchase materials, pay employees, maintain insurance, float unexpected costs, among other things before receiving payment. Understanding financial capacity helps determine which opportunities your business can pursue while reducing the risk of financial strain.

Working Capital: The financial resources available to support daily operations. Healthy working capital provides businesses with the ability to purchase materials, pay subcontractors, and operate while waiting for payment from the project owners. Ask yourself: Do we have sufficient cash reserves for delayed payments? Would this project significantly reduce our available operating cash?

Access to Capital: Many growing contractors rely on financing to manage temporary cash flow needs or invest in future growth. Developing relationships with financial institutions before financing is needed is critical to accessing capital when opportunities arise.

Consider the following options

- Commercial lines of credit
- Equipment financing
- SBA loan programs
- Working capital loans
- Banking relationships that support long

ASSESSING + BUILDING CAPACITY

Banking

Finding and developing a relationship with a commercial bank is useful for building long-term business capacity. Banks provide access to credit and offer guidance as the business grows. One of the biggest mistakes businesses can make with regard to banking is waiting until financing is needed to build a banking relationship. Businesses should obtain credit when they are financially healthy. Establishing a line of credit before it is necessary offers flexibility to manage cash flow and navigate unexpected financial difficulties. Waiting for the need to arise could decrease credit limits or even discourage a bank from lending.

In addition to your local banker, check out a handful of banks that offer small business support!

SBA Loans

Enterprise Bank and Trust Business Checking

U.S. Bank Small Business Banking

Capital One Business Banking

SBA Financing

For newer, smaller businesses, conventional financing may not be an option because of limited financial history. The Small Business Administration loan program, however, can help bridge this gap by reducing lender risk and lowering the upfront capital contribution necessary from the borrower. As businesses grow and can demonstrate stronger finances, they can transition from SBA-backed financing to traditional commercial lending. Banks, in fact, encourage small businesses to seek out SBA loans as an indicator of responsible money-management when seeking lines of credit.

Communicating Capacity

Successfully securing bids and projects requires communicating your capabilities to owners and general contractors. Firms that are able to clearly demonstrate their experience and business capabilities are more likely to be considered for future opportunities and develop long-term industry relationships.

- **Capability Statement:** A concise overview of your business should be updated regularly and communicate your core services, relevant project experience, company size, certifications/licenses, bonding capacity, insurance coverage, and key points of contact. Be honest about which projects you can pursue. If a bid opportunity arises that your business is not ready for, respond to the invitation with an interest in future projects, noting that you are currently unable to bid for the present one.
- **Past Projects:** One of the strongest indicators of success on a project is a strong history portfolio showcasing past projects. Maintaining this portfolio can communicate the scope of your past projects and the quality of work your company has successfully delivered. Be sure to include photos, contact references, and descriptions of each project.
- **Demonstrate Professionalism:** Owners and contractors prefer firms that communicate clearly, submit complete bid packages, and consistently meet project expectations in a professional manner. Simple practices such as responding to bid invitations, asking clarifying questions, attending networking and pre-bid events when possible, and maintaining regular communication help establish credibility and strengthen business relationships over time.

ASSESSING + BUILDING CAPACITY

- **Establish Trust:** Similar to relationships with banks, relationships with owners, general contractors, or developers should be developed before opportunities arise. Regular engagement helps establish familiarity and trust. As many industry leaders emphasized throughout this project, long-term relationships are often the key to large contracting opportunities.
- **Sustainable Growth:** Sustainable growth should be an important goal for every business in the construction industry. However, intentionality with accepting projects and managing financial resources can influence relationships with clients and project partners. Rather than pursuing every available opportunity, be sure to focus on building deep relationships with a few strategic clients. By gradually increasing project size and complexity, you can set your business up for building a reliable and strong reputation. Growing too quickly is also one of the most common financial mistakes banks see businesses younger than five years make. Banks often see business that are younger than five years dissolve due to the fact that they did not know how to sustain their growth.

Labor Unions

Labor Unions have played a significant role in the commercial construction industry for decades by developing skilled workers, establishing training standards, and supporting workforce development. Depending on the type of work being performed, many commercial construction projects require or strongly encourage the use of union labor.

What Is a Labor Union?

A labor union is an organization that represents workers within a specific trade or craft, such as electricians, plumbers, ironworkers, carpenters, laborers, or operating engineers. Unions negotiate wages, benefits, working conditions, and training standards on behalf of their members. Many unions also operate apprenticeship and continuing education programs that prepare workers for careers in the construction industry.

What Does It Mean to Be a Signatory Contractor?

A signatory contractor is a company that has entered into a collective bargaining agreement with a labor union. By becoming signatory, the contractor agrees to follow the terms of the agreement, including wage rates, benefit contributions, and other employment conditions. In return, signatory contractors often gain access to a trained workforce, apprenticeship programs, continuing education opportunities, and union hiring reso

Workforce Development

The construction industry continues to experience workforce shortages across many skilled trades. Supporting workforce development benefits both individual businesses and the construction industry as a whole.

Contractors can strengthen the workforce by:

- Hiring apprentices.
- Participating in apprenticeship programs.
- Supporting career exploration opportunities.
- Partnering with technical schools and workforce organizations.
- Providing mentorship and on-the-job training.
- Investing in employee development.
- Developing skilled workers today helps ensure the industry's long-term success.

Union and Non-Union Contractors

- Both union and non-union contractors contribute significantly to the construction industry. The appropriate business model depends on the company's goals, target markets, workforce strategy, and the types of projects it pursues.
- Some public and private projects require or strongly encourage union labor, while others are performed successfully by non-union contractors. Understanding local market conditions and owner requirements can help businesses determine which approach best aligns with their long-term strategy.

ADDITIONAL RESOURCES

Businesses interested in learning more about union apprenticeship opportunities or becoming a signatory contractor should contact the labor organizations representing their trade. Local unions can provide information regarding apprenticeship programs, training opportunities, workforce availability, and signatory requirements. Building a skilled workforce is one of the most important investments a construction business can make. Whether through union apprenticeship programs, technical schools, or employer-led training, investing in people strengthens individual businesses and the construction industry as a whole.

GET CONNECTED TO ST. LOUIS UNIONS

[St. Louis Construction Cooperative](#)

[St. Louis Council of Construction Consumers](#) (SLC3)

[Missouri State Building & Construction Trades](#)

NETWORKING

Networking is one of the most important steps contractors can take to secure work and get hired for projects

Where Are Opportunities Posted?

Opportunities are advertised through procurement websites, plan rooms, and general contractor bid boards. Contractors should regularly monitor these resources and register for bid notifications whenever possible.

- [St. Louis City Vendor Portal](#)
- [Bid Express](#)
 - Third party procurement and bidding platform for both public agencies and private contractors
- [SLDC Plan Room](#)
- [List of Active City RFPs, RFQs, and RFIs](#)

When registering, ensure that information remains current, including:

- Company contact information
- Certifications
- Service areas
- Trade specialties
- Licensing information
- Insurance coverage
- Bonding capacity, when applicable
- Capability statement

Updating vendor profiles regularly demonstrates professionalism and helps ensure your business is considered for future opportunities.

Tips:

- Register with multiple organizations to increase visibility and ensure notification of projects
- Many general contractors maintain subcontractor databases used to identify firms for future bid opportunities. Registering your business is often the first step toward receiving invitations to bid.



Attend Industry Events

Networking events provide opportunities to meet owners, developers, general contractors, suppliers, and other construction professionals before projects are advertised. Consistent participation helps businesses build visibility, establish credibility, and develop relationships that may lead to future work.

Prepare Before Networking. At each marketing event be sure to have:

- A current capability statement
- Business cards
- Project portfolio or photographs
- Company website or LinkedIn profile
- Elevator pitch describing your business
- List of recent projects and references

Market Your Business

A professional business presence helps owners and contractors quickly understand your company's qualifications and experience. Marketing materials should clearly communicate the services you provide and demonstrate your ability to successfully perform commercial construction work.

- An active social media page is one of the best ways to communicate to general contractors and owners about your involvement on past projects
- A professional website
- An updated LinkedIn profile

Strategic Partnerships

Remember that there are many people in the construction industry and it is nearly impossible to keep up with every person. Be strategic about your partnerships. Strong partnerships can help businesses gain experience, expand capabilities, and compete for larger projects. Relationships with experienced contractors and industry professionals often create opportunities for mentorship, collaboration, and long-term growth.

IMPORTANT

Don't wait for invitations! Contact GCs directly via email, phone, LinkedIn, or industry events.

Show genuine interest in specific projects and follow up frequently!



Common Mistakes to Avoid

- Networking only when work is needed.
- Failing to respond to bid invitations.
- Neglecting to follow up after meetings or networking events.
- Allowing capability statements or vendor profiles to become outdated.
- Overstating company capacity or experience.
- Waiting for opportunities instead of actively pursuing them.
- Focusing solely on certifications without developing relationships and business capacity

Action Checklist

- ☐ Register with major general contractors and public procurement systems
- ☐ Keep vendor profiles and certifications current
- ☐ Update your capability statement annually or as your business grows
- ☐ Attend industry networking events regularly
- ☐ Prepare professional marketing materials before meeting potential clients
- ☐ Follow up after networking events and introductory meetings.
- ☐ Monitor bid opportunities consistently
- ☐ Continue developing relationships, even when your project backlog is full

INSURANCE

WHY INSURANCE MATTERS

Insurance is a requirement for participating in development projects. Insurance serves as a risk transfer where each party involved in the project is expected to provide protection for their portion. For MWBE contractors, insurance should be considered as a standard, non-negotiable cost of conducting business. Without proper coverage, a firm may be unable to bid or work on larger projects. Moreover, insurance protects MWBEs from unnecessary lawsuits. Obtaining insurance also indicates to general contractors that a firm is professional and prepared enough to take on the scope of work offered in a given project.

OBTAINING INSURANCE

Before buying the lowest-cost policy available to check off the insurance box, contractors should work with an insurance broker or risk advisor to recommend coverage that aligns with the firm's scope of work and the common contractual requirements expected from the particular firm. Firms will need to provide information about their annual revenue, payroll, number of employees, vehicles, and the types of projects they perform. This information is used to evaluate risk and determine coverage limits and premiums.

Before submitting a bid or signing a contract, contractors should also carefully review the project's insurance requirements. Many contractors can overlook the requirements and consequently underestimate the pricing of a project. Insurance costs are to be incorporated into the bid and vary from project to project.

COMMON TYPES OF INSURANCE

The type of insurance required may vary by contract, but there are a number of coverage types that contractors will regularly encounter as well as a few that are required by the state. Most contracts however, are stipulated by owners as part of their risk management practice.

Workers' Compensation Insurance – Required by Missouri Law
Workers' compensation insurance offers medical benefits and wage supplementation for employees who are injured as a result of their work. In Missouri, construction employers with more than one employee are required to carry workers' compensation. General contractors usually ask for proof of workers' compensation insurance to remain eligible for a project.

Commercial Auto Insurance – Required for Business Vehicles
Commercial auto insurance covers vehicles that are used for business purposes. If a firm owns or regularly uses vehicles for the purpose of construction activities, commercial auto coverage is required by Missouri state law and proof is generally required by development contracts

REMEMBER

As the firm grows, the types of insurance will differ and become more complex, so building a relationship with an advisor early on is suggested for future projects.



COMMON TYPES OF INSURANCE

Commercial General Liability Insurance (CGL)

CGL insurance protects contractors against third-party claims involving bodily injury, property damage, or personal injury such as slander or copyright. Missouri currently does not require CGL by state law, but it is one of the most common insurance requirements imposed by owners. MWBEs should plan on maintaining CGL insurance year-round.

Umbrella Coverage (Excess Liability)

Umbrella insurance offers additional liability coverage above the contractor's basic required policies. Typically, larger or higher-risk projects will mandate Umbrella insurance to ensure each part of the project is properly covered. Limits for umbrella coverage can range from a few hundred thousand dollars to several million dollars depending on the size of the project. If larger projects are atypical for a contractor, they may invest in "project-specific insurance" to maintain their usual insurance while only covering one specific project at a larger excess.

Additional Coverage

Depending on the requirements set out in the contract, general contractors or subcontractors could also be required to carry hyper-specialized insurance such as Professional Liability, Pollution Liability, Builder's Risk, Subcontractor Default Insurance, and more. It is crucial for the requirements outlined in the contract to be reviewed carefully before submitting a bid to ensure the cost of obtaining the necessary coverage is properly reflected in the project estimate.

What is Bidding?

Bidding is the process used by owners and general contractors to select qualified contractors to perform construction work. Depending on the project, contractors may compete based on price alone or on a combination of qualifications, experience, technical approach, and overall value.

For contractors, bidding is an opportunity to demonstrate both their technical capabilities and their ability to successfully deliver a project.

The Project Team:

Commercial construction projects involve multiple organizations working together throughout the life of the project.

Owner or Developer

The owner or developer initiates the project, secures funding, establishes project goals, and ultimately selects the team responsible for completing the work.

Architect

The architect designs the project, prepares the construction documents, and answers technical questions during construction.

General Contractor

The general contractor manages construction, coordinates subcontractors, develops project schedules, maintains safety, and serves as the primary point of contact for the owner throughout construction.

BIDDING

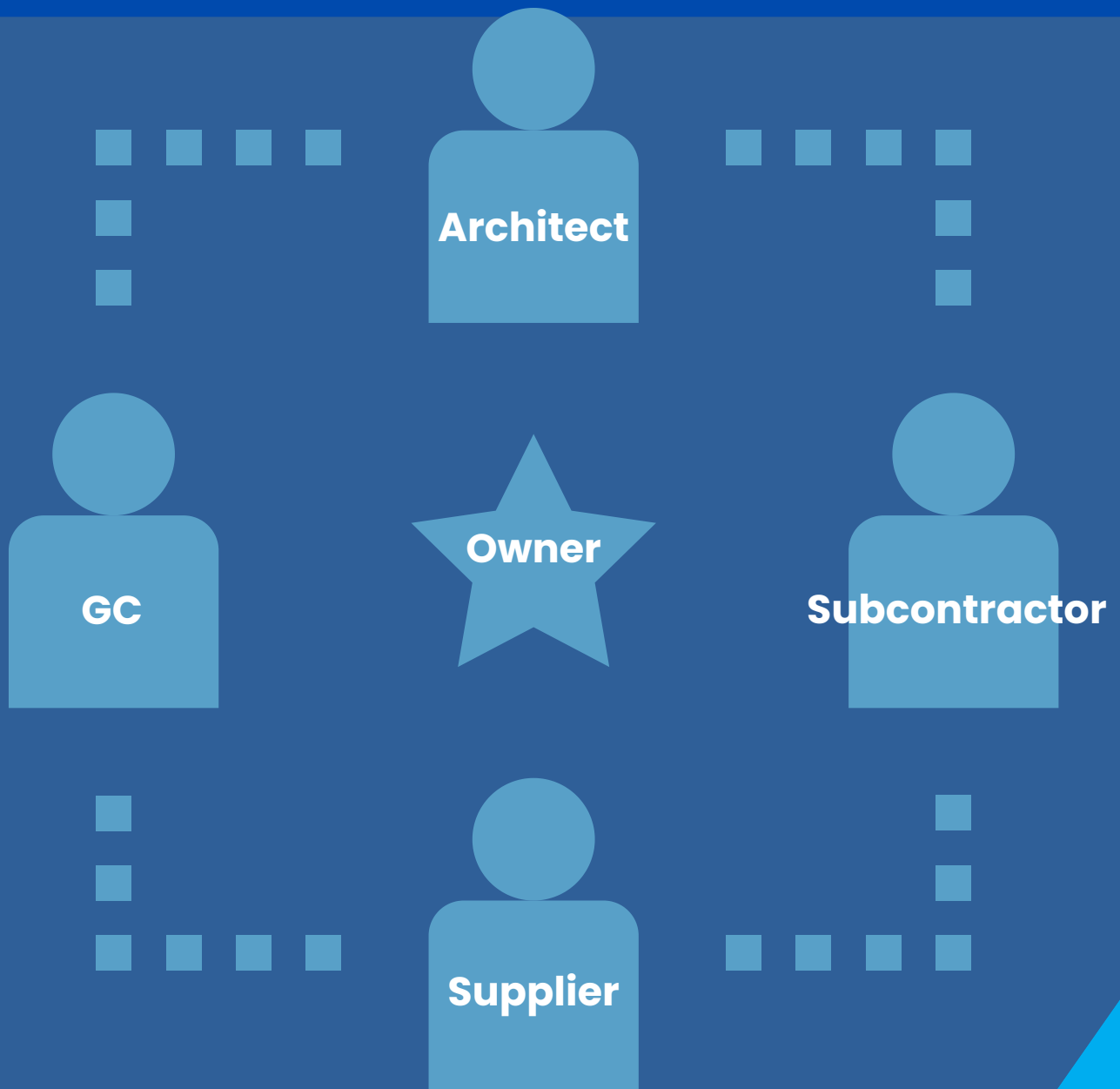
Subcontractors

Subcontractors perform specialized scopes of work such as electrical, plumbing, HVAC, drywall, painting, concrete, roofing, flooring, and other trades.

Suppliers

Suppliers provide the materials, equipment, and products required to complete construction activities.

Understanding each participant's role helps businesses identify who makes purchasing decisions and where opportunities exist to build professional relationships.



PUBLIC V PRIVATE BIDS

PUBLIC

Typically funded by government entities such as cities, counties, states, school districts, transportation agencies, or federal agencies. Follows formal procurement procedures established by law or agency policy.

Public projects often include:

- Publicly advertised bidding opportunities.
- Clearly defined procurement timelines.
- Standardized bid forms and documentation.
- Prevailing wage requirements, when applicable.
 - Prevailing wage: A legally mandated minimum hourly pay for workers employed on public works or government-funded project
- Bonding and insurance requirements.
- MWBE, DBE, Small Business, or other participation goals depending on the funding source.
- Formal evaluation and award procedures.

PRIVATE

Private projects are developed by private owners, developers, corporations, healthcare systems, educational institutions, or nonprofit organizations. Procurement processes are generally more flexible and often rely on existing relationships and demonstrated performance.

Private projects may include:

- Invitation-only bidding.
- Negotiated contracts.
- Prequalified contractor lists.
- Greater emphasis on experience and qualifications.
- Flexible procurement schedules.
- Selection based on overall value rather than price alone.

Common Procurement Methods

- Invitation to Bid (ITB)
 - A general contractor or owner invites selected contractors to submit pricing for a defined scope of work. This is one of the most common methods used for subcontractor procurement
- Request for Proposal (RFP)
 - An RFP may require contractors to submit information about their experience, staffing, technical approach, schedule, safety record, and qualifications in addition to pricing.
- Request for Qualifications (RFQ)
 - An RFQ focuses primarily on qualifications and experience. Pricing may be requested later after qualified firms have been identified.
- Competitive Sealed Bid
 - Typically used on public projects, contractors submit sealed bids that are opened at a specified time. Awards are often based on the lowest responsive and responsible bidder, provided all project requirements are satisfied.
- Negotiated Contracts
 - Some projects are awarded through direct negotiation rather than competitive bidding. These opportunities often result from long-term relationships, repeat business, or specialized expertise.

The Typical Bidding Process

1. Project is advertised or contractors are invited to bid.
2. Construction drawings and specifications are released.
3. A pre-bid meeting or site visit may be held.
4. Contractors review the documents and submit questions.
5. Addenda are issued to clarify project requirements.
6. Contractors prepare estimates and submit proposals.
7. The owner or general contractor evaluates submissions.
8. A contractor is selected and awarded the work.
9. Contracts are executed and construction begins.

Understanding Bid Documents

Successful bids begin with a thorough review of the project documents. Contractors should carefully review all materials before preparing pricing.

Common bid documents include:

- Construction drawings
- Technical specifications
- Scope of work
- Bid forms
- Addenda
- Project schedule
- Insurance requirements
- Bonding requirements
- Wage requirements
- Contract terms and conditions

Failure to review all project documents may result in inaccurate pricing or incomplete proposals.

Preparing a Competitive Bid

A competitive bid is not always the lowest bid. Successful proposals reflect the work required while demonstrating that the contractor understands the project and has the capacity to complete it successfully.

Before submitting a proposal, contractors should:

- Carefully review the project scope.
- Perform accurate quantity takeoffs.
- Obtain current material pricing.
- Estimate labor and equipment costs.
- Identify subcontractor and supplier costs.
- Consider building in a contingency allowance.
- Consider schedule impacts.
- Evaluate project risks.
- Include appropriate overhead and profit.
- Confirm insurance and bonding requirements.

Before submitting a bid, confirm that:

- ☐ All addenda have been reviewed.
- ☐ Required forms are complete.
- ☐ Quantities and pricing have been verified.
- ☐ Scope is clearly identified.
- ☐ Insurance requirements can be met.
- ☐ Bonding requirements have been reviewed.
- ☐ The proposal is complete and accurate.
- ☐ Submission deadlines will be met.



Tip:

Building experience in commercial construction takes time. Rather than pursuing every opportunity, focus on projects that align with your current financial capacity, equipment, and experience.

After the Bid

Though winning a project is exciting, there are immediate steps to consider prior to the work beginning.

If awarded the project:

- Communicate professionally.
- Meet project expectations.
- Deliver quality work safely and on schedule.
- Build long-term relationships for future opportunities.

If the project is awarded to another contractor:

- Request feedback when appropriate.
- Learn why another proposal was selected.
- Identify opportunities to improve future bids.
- Maintain professional relationships for future projects.

As your business grows:

- Build relationships before projects are advertised.
- Bid projects that match your current capabilities.
- Continue strengthening your financial and operational capacity.
- Develop a reputation for reliability, professionalism, and quality work.

Common Bidding Mistakes

- Missing bid deadlines.
- Submitting incomplete proposals.
- Underestimating project scope.
- Assuming the lowest price always wins.
- Poor communication during the bidding process.
- Failing to ask questions before bid submission.

CONSTRUCTION EXECUTION

This chapter provides an overview of key considerations that contractors should understand while performing work on commercial construction projects.

Understanding Your Contract

Before beginning work, carefully review the contract and all project documents. The contract establishes each party's responsibilities and outlines important requirements including:

- Scope of work
- Project schedule
- Payment terms
- Bonding requirements
- Safety expectations
- Documentation requirements
- Change order procedures
- Warranty obligations
- Closeout requirements

Important: If any provisions are unclear, seek clarification before signing the agreement.

Project Communication

Successful projects rely on consistent communication among owners, architects, general contractors, subcontractors, and suppliers.

Best practices include:

- Respond promptly to emails and requests.
- Attend project meetings.
- Communicate schedule impacts early.
- Document important conversations in writing.
- Notify project leadership of potential issues before they become larger problems.
- Maintain accurate daily project records when appropriate.

Managing Scope Changes

Construction projects frequently change as work progresses. Additional work, unforeseen conditions, design revisions, or owner-requested modifications should be documented through the project's change order process.

A change order typically documents:

- Description of the additional or modified work
- Cost impact
- Schedule impact
- Supporting documentation
- Required approvals

Avoid performing work outside the original contract scope without written authorization.

Payment Terms

Understanding payment requirements is essential to ensuring a healthy cash flow throughout a project.

Review the contract to understand:

- Billing schedules
- Pay application requirements
- Required supporting documentation
- Payment timelines
- Conditions required before payment is released

CONSTRUCTION EXECUTION

Lien Waivers

Many construction contracts require contractors to submit lien waivers before payment is released.

A lien waiver is a legal document acknowledging receipt of payment and waiving certain rights to file a construction lien for the work covered by the payment.

Before signing a lien waiver:

- Confirm the payment amount is accurate.
- Understand whether the waiver is partial or final
- Understand whether the waiver is conditional or unconditional
- Ensure payment has been received when required.
- Review the document carefully before signing

Important: It might not always be prudent to sign a lien waiver in advance of receiving payment. A check might bounce, or payment delivery could be delayed, and all legal claims would have already been waived.

Retainage

Many commercial construction contracts withhold a percentage of each payment until project completion. This retained amount, commonly referred to as retainage, helps ensure all contractual obligations are completed before final payment is released.

Protecting Your Business

Contracts should clearly allocate responsibilities and risks among project participants. Before signing any agreement, carefully review contract provisions that may significantly affect your business.

What to Specifically Look Out For:

- Indemnification clauses
- Insurance requirements
- Liquidated damages
- Warranty obligations
- Schedule responsibilities
- Dispute resolution procedures
- Pay-if-paid or pay-when-paid provisions
- Unreasonable risk transfer

If contract language appears unclear or places excessive risk on your business, discuss concerns before executing the agreement. Consider consulting qualified legal counsel for significant contractual questions.

Project Closeout

Project closeout begins well before construction is complete. Preparing required documentation throughout the project helps avoid delays in final payment.

Closeout requirements may include:

- Punch list completion
- Final inspections
- Warranty documentation
- Operation and maintenance manuals
- As-built drawings
- Final lien waivers
- Final pay application

Every completed project becomes part of your company's reputation. Consistently delivering quality work, communicating professionally, honoring commitments, and resolving issues collaboratively increases the likelihood of repeat business and future opportunities. Do not just focus on winning projects, but successfully completing them!

PUTTING IT INTO PRACTICE: REFUGE & RESTORATION MARKETPLACE

A Blueprint for Intentional MWBE
Participation

“WE ARE CULTIVATING INNOVATION AND BRILLIANCE TO PRODUCE SOCIOECONOMIC CHANGE AGENTS FOR THE FUTURE”

BACKGROUND

Pastors Ken and Beverly Jenkins, Black indigenous leaders, envisioned a project: the R&R Marketplace in Dellwood, Missouri. They chose a long-abandoned shopping center to begin their journey with a mission of addressing the pervasive economic and social distress which leads to a feeling of hopelessness and a seemingly endless cycle of poverty. This cycle is perpetuated by lack of resources, poor education, unemployment, and unhealthy living conditions. Adding to the cycle are wage and income disparities, disinvestment, and lack of equity in business opportunity and home ownership.

As a community-focused project, the Jenkins felt it was vitally important that the community be well-represented in its construction, leading to a project goal of 100% participation by Minority and Women-Owned businesses. Success would be measured by both MWBE ownership and labor. With the commitment of the owners, and participation by the general contractor, Brinkmann Constructors, project MWBE ownership reached 80% and laborers on the job reached 70%, far exceeding typical projects which achieve participation rates in the high teens to low 20's. What this demonstrated was that resolve on the part of the owner/developer, with the cooperation of the GC, can provide much greater opportunity for WMBE participation.

REFUGE & RESTORATION MARKETPLACE

AT A GLANCE

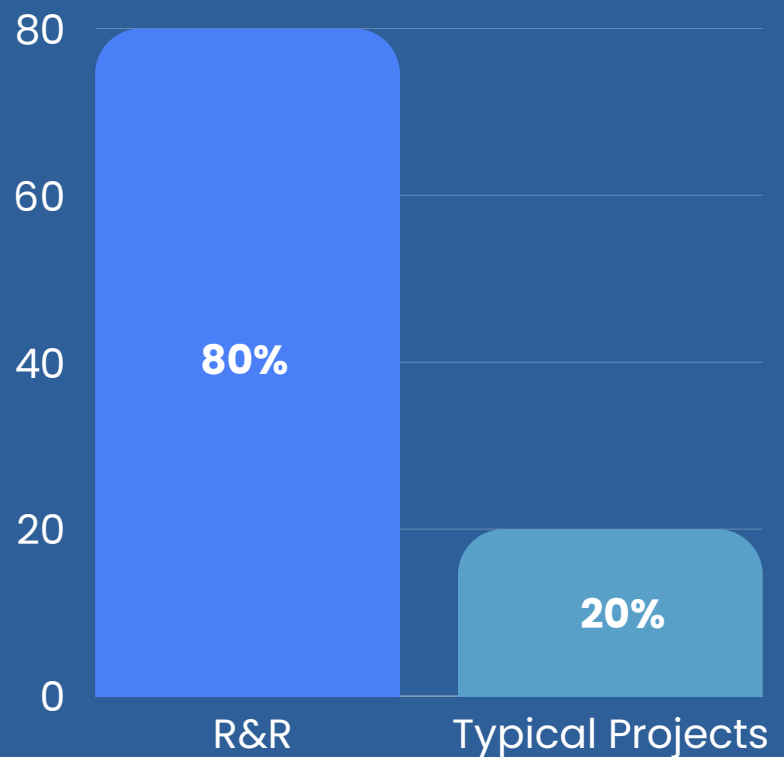
-  Dellwood, MO
-  Retail Redevelopment
-  Owner:
Pastors Ken & Beverly Jenkins
-  General Contractor:
Brinkmann Constructors
-  Goal: 100% MWBE Participation



TAKEAWAYS

- Owner commitment to MWBE utilization is foundational
- GC Partnership: Brinkmann actively collaborated with MWBEs
- Capacity building is more than possible
- MWBE participation strengthens local businesses and reinvests economic activity back into the community

MWBE Participation %



RESOURCES

RESOURCES

CERTIFICATION

[St. Louis Development Corporation](#)
[Missouri Office of Equal Opportunity](#)
[SBA Small Business Certifications](#)
[SAM.gov Registration](#)

FINANCING

[SBA Loan Program](#)
[SBA Microloan Program](#)
[St. Louis CDFI Coalition](#) (Community Development Financial Institutions)
Local Banking Institutions

BONDING + INSURANCE

[Surety and Fidelity Association of America](#)
[SBA Surety Bond Guarantee Program](#)
Local Insurance Brokers

WORKFORCE DEVELOPMENT

[Ranken Technical College](#)
[St. Louis Community College](#)
[Missouri Works Initiative](#)

FINDING WORK

[SLDC Procurement Opportunities](#)
[MissouriBUYS](#)
[SAM.gov](#)

BUSINESS DEVELOPMENT

[Associated General Contractors of Missouri](#)
[Associated Builders and Contractors](#)
[Small Business Development Center](#)
[MOKAN](#)

FAQS

GENERAL CONTRACTORS AND DEVELOPERS

Why should I work with MWBE firms?

Working with qualified MWBE firms expands your subcontractor pool, increases competition, strengthens the local economy, and helps build long-term contractor capacity across the region.

What if I can't find qualified MWBE firms?

Start outreach early, use multiple directories, attend networking events, and document your efforts. Building relationships is key.

Are MWBE firms more expensive?

Not necessarily. Labor rates are often the same under union agreements. Differences are more commonly related to purchasing power, project size, or financing.

What are Good Faith Efforts?

Good Faith Efforts are the documented actions taken to identify, solicit, and meaningfully consider qualified MWBE firms before awarding work.

How can I help build contractor capacity?

Break large scopes into manageable packages, communicate opportunities early, provide timely payment, and develop long-term partnerships.

MWBEs

When should I get bonded?

Before you need it. Building bonding capacity early makes your business more competitive for larger projects.

How do I improve my chances of winning work?

Build relationships, communicate your capabilities, submit complete bids, understand your capacity, and consistently deliver + document quality work.

Do I need certification?

Certification may be required on some public projects and can create opportunities, but long-term success depends on your business's ability to perform quality work and maintain positive relationships.

Should I bid on every project?

No. Pursue projects that align with your experience, workforce, equipment, and financial capacity.

Where should I start?

Start by focusing on the fundamentals:

- Build relationships
- Understand your capacity
- Strengthen your finances
- Obtain proper insurance and bonding
- Demonstrate quality work

STILL HAVE QUESTIONS?

This toolkit is intended to be a starting point. Construction is a relationship-driven industry, and many of the organizations listed in the Resources section are available to provide guidance, answer questions, and help contractors continue growing their businesses!

