

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

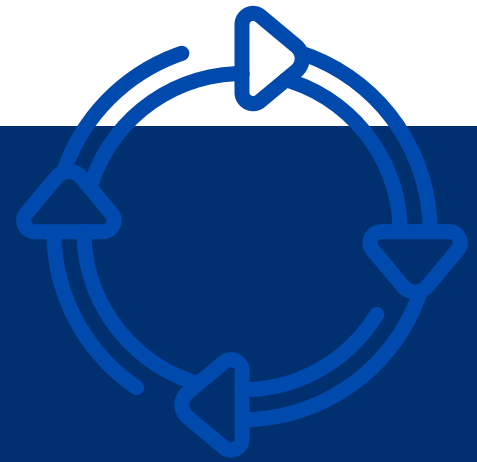
Supplier: The entity who owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for the performance of the Contract are bought, kept in stock, and regularly sold to the Project in the usual course of business as a regular dealer

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

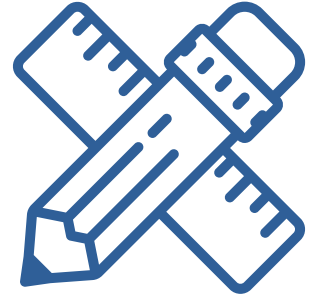
Important decision makers during the schematic design phase include the architect, civil engineer, legal representation, local government, and community stakeholders.

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.