

**SMALL BUSINESS ENTERPRISE AGREEMENT
(HOPE CHRISTIAN SCHOOLS PROJECT)**

This Small Business Enterprise Agreement is entered into as of the _____ day of _____, 2013 by and between the **CITY OF MILWAUKEE** ("CITY"), and Educational Enterprises, Inc., a Wisconsin nonprofit corporation ("EEI").

WHEREAS, CITY has authorized the issuance of revenue bonds by the Public Finance Authority ("PFA") in order to assist in the financing of a school project to be undertaken by EEI; and.

WHEREAS, EEI is a Wisconsin nonprofit corporation and the sole member of EEI Real Estate Holdings: Prima, LLC, EEI Real Estate Holdings: Fortis, LLC and EEI Real Estate Holdings: Semper, LLC, each of which is a Wisconsin limited liability company (collectively referred to herein as the "Borrowers"); and EEI also is the sole member of HOPE Christian Schools, Inc., a Wisconsin nonprofit corporation which is the sole member of HOPE Christian Schools: Prima, LLC, HOPE Christian Schools: Fortis, LLC and HOPE Christian Schools: Semper, LLC, each of which is a Wisconsin limited liability company (collectively referred to herein as the "School Companies"); and

WHEREAS, Through the above-described network of "subsidiaries," EEI manages and operates 3 private schools known as "HOPE Christian Schools: Prima," "HOPE Christian Schools: Fortis" and HOPE Christian Schools: Semper" (collectively, the "Schools"); and

WHEREAS, EEI, through the Borrowers, wishes to finance and refinance, as applicable, the acquisition, construction, renovation, equipping and/or improvement of land and a building located at 2345 North 25th Street in the City of Milwaukee, land and a building located at 3601 North Port Washington Avenue in the City of Milwaukee, and land and a building located at 3040 West Capitol Drive in the City of Milwaukee (collectively, the "PROJECT"); and

WHEREAS, EEI acknowledges that CITY has established policies regarding the utilization of Small Business Enterprises ("SBEs") which are consistent with Chapters 355 and 370 of the Milwaukee Code of Ordinances.

WHEREAS, EEI acknowledges that the CITY's approval of the issuance of revenue bonds by the PFA to finance the PROJECT is conditioned upon EEI and its agents agreeing to use best efforts to reach a goal of 25% SBE participation in the construction of the PROJECT.

I. DEFINITIONS

- A. SBEs are businesses that have been certified by the City of Milwaukee Office of Small Business Development based on the requirements of Section 370-25, Milwaukee Code of Ordinances, as the Code exists on the day of execution of this Agreement.

- B. JOINT VENTURE is an association of two or more persons or businesses carrying out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and/or knowledge.

II. SMALL BUSINESS ENTERPRISE PROGRAM

EEI shall use Best Efforts, as defined below, to utilize SBEs in developing and constructing the PROJECT in an amount equal to 25% of the total construction costs as summarized in **Exhibit A**.

- A. For purposes of this Agreement, Best Efforts, when exercised by EEI in conjunction with the PROJECT, are defined as EEI completing the following:
1. Advertise in general circulation and trade association media, as well as in community newspapers regarding contracting and subcontracting opportunities. Advertising in the Daily Reporter and two other publications shall be the minimum acceptable level of performance. Complete **Exhibit B “SBE Marketing Plan – Publications/Advertising Contacts”** and submit it to the Office of Small Business Development.
 2. Provide interested SBEs and the agencies listed in **Exhibit C “SBE Marketing Plan – Community Agency Contacts”** with adequate information about the PROJECT plans, specifications, and contract/subcontract requirements at least two weeks prior to the date the contract bidding process commences. EEI shall document Community Agency Contacts by completing the Contact Sheet attached as **Exhibit C1** and submitting the completed Contact Sheet to the Office of Small Business Development prior to commencement of the bidding process.
 3. Complete and submit **Exhibit D “SBE Participation Form A”** to the Office of Small Business Development. This form must be submitted upon execution of the prime contractor’s contract, if any, or upon commencement of construction.
 4. Conduct pre-bid or selection conferences and a walk-through at least two weeks in advance of the date that bids are due.
 5. Provide written notice of the PROJECT to all pertinent construction trade and professional service SBEs listed in the current City of Milwaukee Directory soliciting their services in sufficient time (at least two weeks) to allow those businesses to participate effectively in the contract bidding or selection process. To identify SBEs for the PROJECT, utilize the current *Official City of Milwaukee SBE Directory* published by the City of Milwaukee Office of Small Business Development. The directory can be accessed on-line at:

<https://milwaukee.diversitycompliance.com/FrontEnd/VendorSearchPublic.asp?TN=milwaukee&XID=2276>

Follow-up with SBEs who show an interest in the PROJECT during the initial solicitation process and document contact with SBE firms using **Exhibit E “SBE Solicitation Form.”**

6. Select trade and professional service areas for SBE awards wherein the greatest number of SBEs exist to perform the work, thereby increasing the likelihood of contracts or subcontracts being awarded to SBEs. Where appropriate, split contracts or subcontracts into smaller, economically feasible units to facilitate SBE participation.
 7. Negotiate in good faith with interested SBEs, not reject SBE bids or proposals as unqualified or too high without sound reasons based on a thorough review of the bid or proposal submitted and maintain documentation to support the rejection of any SBE bid or proposal. Bids that are not cost effective and/or are not consistent with the PROJECT schedule will be considered “rejectable.” Rejected bids or proposals shall be documented on **Exhibit F “Bid Rejection Form.”**
 8. Utilize the services available from public or private agencies and other organizations for identifying SBEs available to perform the work.
 9. Include in the PROJECT bid, RFP or selection documents and advertisements an explanation of PROJECT requirements for SBE participation to prospective contractors and subcontractors.
 10. As necessary and whenever possible, exploring the following:
 - a) Joint ventures, limited partnerships or other business relationships intended to increase SBE areas of expertise, bonding capacity, credit limits, etc.
 - b) Training relationships
 - c) Mentor/protégé agreements
- B. If EEI completes the aforementioned activities, it shall be deemed that EEI has used Best Efforts in accordance with this Agreement.
- C. If at any point during the term of this Agreement, EEI meets or exceeds the SBE Percentage Goal for the PROJECT, it shall be deemed that EEI has achieved the SBE Percentage Goal for the purposes of fulfilling the requirements of this Agreement, subject to a successful close-out audit.

III. REPORTING

EEI agrees to report to CITY’s Office of Small Business Development on EEI’s utilization of SBEs in its contracting activities for the PROJECT. In order to monitor the PROJECT’s SBE participation, CITY requires and EEI agrees to:

- A. Provide CITY’S Office of Small Business Development with documentation of EEI’S efforts to solicit bids or proposals from SBEs. Upon request, EEI shall make information related to SBE bids or proposals available to the CITY’S Office of Small Business Development.
- B. Submit an SBE Monthly Report to CITY’S Office of Small Business Development on or before the 20th of each month to the CITY’S Office of Small Business Development, on the form attached as **Exhibit G “SBE Monthly Report Form D”**.
- C. Complete and submit a final **Exhibit G “SBE Monthly Report Form D”** to the Office of Small Business Development upon completion of all construction for the PROJECT. Also, submit **Exhibit H “SBE Subcontractor Payment Form”** with the SBE Final Report Form D.

IV. ASSIGNMENT TO CONTRACTOR

EEI may assign this SBE Agreement and/or the obligations hereunder to its general contractor provided its general contractor assumes the same in writing, and further provided, despite any such assignment, EEI shall remain liable under this SBE Agreement.

IN WITNESS WHEREOF, the parties have executed this SBE AGREEMENT as of the day and date first above written.

CITY OF MILWAUKEE

By: _____
Tom Barrett, Mayor

By: _____
James R. Owczarski, City Clerk

By: _____
Martin Matson, Comptroller

EEI, INC.

By: _____
Its: _____

City of Milwaukee signatures approved as to form and execution this _____ day of _____, 2013.

_____, Assistant City Attorney

1055-2013-2386:196502

EXHIBIT A CATEGORIES OF WORK

CATEGORIES OF WORK CONSTRUCTION BUDGET FOR _____ PROJECT

| <u>WORK DESCRIPTION</u> | <u>GENERAL</u> | | <u>SUPPLIER ITEMS</u> |
|-----------------------------------|----------------|--------|-----------------------|
| SITE PREPARATION: | | | |
| DEMOLITION | | \$0.00 | |
| EXCAVATION | | \$0.00 | |
| SOIL HAULING & DISPOSAL | | \$0.00 | |
| STORMWATER MANAGEMENT SYSTEM | | \$0.00 | |
| OTHER SITE: | | \$0.00 | |
| BUILDING CONSTRUCTION: | | | |
| FOOTINGS & FOUNDATION | | \$0.00 | |
| FLOOR SLAB | | \$0.00 | |
| STRUCTURAL STEEL** | | ** | \$0.00 |
| GLAZING | | \$0.00 | |
| MASONARY | | \$0.00 | |
| ROOFING | | \$0.00 | |
| ROUGH CARPENTRY | | \$0.00 | |
| FINISH CARPENTRY | | \$0.00 | |
| DOORS, FRAMES & MILLWORK | | \$0.00 | |
| HVAC EQUIPMENT** | | ** | \$0.00 |
| PLUMBING | | \$0.00 | |
| FIRE PROTECTION | | \$0.00 | |
| ELECTRICAL | | \$0.00 | |
| DRYWALL | | \$0.00 | |
| CEILINGS | | \$0.00 | |
| FLOORING | | \$0.00 | |
| CERAMIC TILE | | \$0.00 | |
| LIGHTING | | \$0.00 | |
| PAINTING/INTERIOR FINISH | | \$0.00 | |
| OTHER: | | \$0.00 | |
| OTHER: | | \$0.00 | |
| OTHER: | | \$0.00 | |
| SITE IMPROVEMENTS: | | | |
| PAVING | | \$0.00 | |
| LATERALS/CATCH BASIN | | \$0.00 | |
| LANDSCAPING | | \$0.00 | |
| FENCING | | \$0.00 | |

OTHER:

\$0.00

TOTAL HARD COSTS

\$0.00

\$0.00

COST SUMMARY & SBE CALCULATIONS

CATEGORY RATE SBE REQUIREMENT

CONSTRUCTION EXCLUDING SUPPLIER
ITEMS

\$0.00 25% \$0.00

SUPPLIER AMOUNT **

\$0.00 25% \$0.00

TOTAL SBE REQUIREMENTS

\$0.00

EXHIBIT B
SBE MARKETING PLAN – PUBLICATIONS/ADVERTISING CONTACTS

PUBLICATIONS/ADVERTISING CONTACTS

Milwaukee Times
(Published weekly)
1938 N Dr Martin Luther King Dr
Milwaukee, WI 53212
Tele. No: (414) 263-5088
Fax: (414) 263-4445
Contacted _____yes _____no
Contact Person _____
Date and Time _____

The Milwaukee Courier
(Published weekly)
6310 N. Port [Washington](#) Road
Milwaukee, WI 53217
Tele No: (414) 449-4860
Fax: (414) 906-5383
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Milwaukee Community Journal, Inc.
(Published twice weekly)
3612 North King Drive
Milwaukee, WI 53212
Tele No: (414) 265-5300
Fax: (414) 265-1536
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Daily Reporter
(Published daily M-F)
225 E. Michigan St., Suite 540
Milwaukee, WI 53202
Tele No: (414) 276-0273
Fax: (414) 276-8057
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Spanish Journal
(Published weekly)
611 West National Avenue, Suite 316
Milwaukee, Wisconsin 53204
Tele No: (414) 643-5683
Fax: (414) 643-8025
Contacted _____yes _____no
Contact Person _____
Date and Time _____

EXHIBIT C
SBE MARKETING PLAN - COMMUNITY AGENCY CONTACTS

COMMUNITY AGENCY CONTACTS

National Association of Minority Contractors

Wisconsin Chapter
6122 North 76th Street
Milwaukee, WI 53218
(414) 454-9475
namcwi.com

African American Chamber of Commerce

6203 West Capitol Dr
Milwaukee, WI 53216
(414) 462-9450
aacmke.org/Home_Page.html

Hispanic Chamber of Commerce of Wisconsin

1021 West National Avenue
Milwaukee, WI 53204
(414) 643-6963
www.hccw.org

Hmong Wisconsin Chamber of Commerce

3616 West National Avenue. Suite 99
Milwaukee, WI 53215
(414)645-8828
www.hmongchamber.org

Lao Family Community Inc.

2331 West Vieau Place
Milwaukee, WI 53204
414-385-3380
www.laofamilymilw.org

Exhibit D



CITY OF MILWAUKEE
OFFICE OF SMALL BUSINESS DEVELOPMENT
FORM A - CONTRACTOR COMPLIANCE PLAN

This compliance plan must be completed in its entirety and is a **required** submission with an Invitation to Bid or a Request for Proposal regardless of SBE participation or the lack thereof.

I. GENERAL INFORMATION (REQUIRED)

BID # _____ SBE Participation: _____% Total Dollar Amount: \$ _____

BID Description: _____

II. PRIME CONTRACTOR INFORMATION (REQUIRED)

Contractor Name: _____

Address: _____

City/State/Zip: _____

Contact Person: _____ Title: _____

Phone: _____ Fax: _____ Email: _____

Print Name: _____ Title: _____

City of Milwaukee SBE Certification: _____ Yes _____ No

III. ACKNOWLEDGEMENT (REQUIRED)

I certify that the information included in this Compliance Plan is true and complete to the best of my knowledge. I further understand and agree that this compliance plan is a condition of my Bid/RFP responsiveness. Failure to submit this form and/or meet the specified M/W/SBE requirements may render the Bid/RFP unresponsive.

Name of Authorized Representative: _____ Title: _____

Signature: _____ Date: _____

FOR STAFF USE ONLY

Reviewed by OSBD Staff: _____ Date: _____

DIRECTIONS FOR COMPLETING FORM D - MONTHLY REPORT

SECTION I. GENERAL INFORMATION

Please provide all contractual information as indicated in Section I.

If the purchase order/ contract or project requires Small Business Enterprise (SBE) requirements, please indicate the percentage in the designated area.

SECTION II. SUBCONTRACTOR INFORMATION

Monthly reports are due by the 20th of each month via fax at 414-286-8752 or US Postal Service.

The data should indicate payments for the previous month. If there are zero payments for a reporting period, a monthly report indicating such should still be submitted.

Only report payments to City of Milwaukee SBE firms. Non-SBE firms will not be counted towards participation requirements.

Please duplicate the form if you need to add additional payment information.

SECTION III. ACKNOWLEDGEMENT

Sign and date Form D signifying that all information is precise and confirmed. Unsigned forms will not be accepted.

Exhibit E
SMALL BUSINESS ENTERPRISE (SBE)
SOLICITATION FORM

Name & Address of SBE Firm _____

Name of Individual Contacted _____ Phone Number _____

Type of Work _____ Date and Time of Contact _____

Quotation or Proposal Received _____

REMARKS: THESE SHOULD INCLUDE ANY FOLLOW UP ACTIONS. IN THE EVENT THAT THE SMALL BUSINESS ENTERPRISE WILL NOT BE UTILIZED, INCLUDE AN EXPLANATION OF THE REASON (S) WHY THE FIRM WILL NOT BE USED. FOR EXAMPLE: IF THE ONLY REASON FOR NON-UTILIZATION WAS PRICE, THE EXPLANATION SHOULD REFLECT WHAT STEPS WERE TAKEN TO REACH A COMPETITIVE PRICE LEVEL.

REMARKS:

EXHIBIT F
SMALL BUSINESS ENTERPRISE (SBE)
Rejection of Bid or Proposal Form

| Name and Address of SBE firm | Type of Work | Bid or Proposal Submitted by SBE | Actual Award | Reasons for bid rejection | Approved By |
|---------------------------------|--------------|--|-----------------|---------------------------|----------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |

EXHIBIT G



CITY OF MILWAUKEE
DEPARTMENT OF ADMINISTRATION
OFFICE OF SMALL BUSINESS DEVELOPMENT

FORM D

SBE MONTHLY REPORT

The monthly report should be completed in its entirety and submitted no later than the 20th of every month to DOA-Office of Small Business Development. If this represents the final report, Form E - SBE Payment Certification should be attached for each subcontractor.

SECTION I. GENERAL INFORMATION (REQUIRED)

Month: _____ Final Report: Yes No

Prime Contractor: _____

Address : _____ City/State/Zip: _____

City of Milwaukee SBE Certification: Yes No

Purchase Order / Contract # : _____ Project Name / Number: _____

Description of service performed and/or materials supplied: _____

Prime Contractor's Total \$ _____ Prime Contractor's YTD \$: _____

Start Date: _____ Completion Date: _____ SBE Participation Requirement \$ _____ / _____ %

SECTION II. SUBCONTRACTOR INFORMATION (REQUIRED)

List all SBE subcontractor firm(s) utilized in connection with the above contract, either as service performed and/or supplier for the month. Only SBE firms certified through the City Of Milwaukee Office of Small Business Development will be counted towards specified SBE requirements. Please visit the OSBD website www.milwaukee.gov/osbd for a complete list of certified firms.

| Name of SBE Firm | Service Performed / Material Supplied | Amount Paid for the Month (\$) | Total (\$) Paid Y-T-D |
|-----------------------|---------------------------------------|--------------------------------|-----------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Payments to SBE | | | |

SECTION III. ACKNOWLEDGEMENT (REQUIRED)

I/we hereby certify that I/we have ready the above and approved this information to be precise and confirmed. I further understand that failure to return this form by the specified time may cause a delay in payments (if applicable).

Report Prepared by: _____ Title: _____ Date: _____

Authorized Signature: _____ Title: _____ Date: _____

Department of Administration - Business Operations Division
Office of Small Business Development
City Hall, Room 606
Milwaukee, WI 53202
Information Line: 414-286-5553 Fax: 414-286-8752
www.milwaukee.gov/osbd

DIRECTIONS FOR COMPLETING FORM D - MONTHLY REPORT

SECTION I. GENERAL INFORMATION

Please provide all contractual information as indicated in Section I.

If the purchase order/ contract or project requires Small Business Enterprise (SBE) requirements, please indicate the percentage in the designated area.

SECTION II. SUBCONTRACTOR INFORMATION

Monthly reports are due by the 20th of each month via fax at 414-286-8752 or US Postal Service.

The data should indicate payments for the previous month. If there are zero payments for a reporting period, a monthly report indicating such should still be submitted.

Only report payments to City of Milwaukee SBE firms. Non-SBE firms will not be counted towards participation requirements.

Please duplicate the form if you need to add additional payment information.

SECTION III. ACKNOWLEDGEMENT

Sign and date Form D signifying that all information is precise and confirmed. Unsigned forms will not be accepted.

Exhibit H



**City
of
Milwaukee**

CITY OF MILWAUKEE
DEPARTMENT OF ADMINISTRATION
OFFICE OF SMALL BUSINESS DEVELOPMENT

FORM E

SBE SUBCONTRACTOR FINAL PAYMENT CERTIFICATION

This form is to be completed and signed by the Prime Contractor and SBE subcontractor firms that were utilized in connection with contract listed below, either for service performed and/or as a supplier.

Prime Contractor Name: _____

Prime Contractor's Bid or RFP#: _____ Purchase Order or Contract # _____

Project Name: _____

I hereby certify that our firm has paid the listed amount to the SBE Subcontractor as indicated below for work performed and/or material supplied on the above contract.

Authorized Signer: _____ Date: _____

Subcontractor Name: _____

Total payment received \$ _____

I hereby certify that our firm has received the listed amount from the Prime Contractor as indicated above for subcontract work performed and/or material supplied on the above contract.

Owner/Representative Signature: _____ Date: _____

Submit this form with the Prime Contractor's **final FORM D** (SBE Monthly Report) to:

Department of Administration
Office of Small Business Development
City Hall – Room 606
200 East Wells St
Milwaukee, WI 53202
(or fax to 414-286-8752)