

Improving SCDOT Mentor Protégé Program

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Introduction

The purpose of the Mentor-Protégé Program (MPP) is to establish a link between businesses certified under the South Carolina Unified Certification Program (UCP), successful professional service providers, and general contractors who contract with the South Carolina Department of Transportation (SCDOT) on highway design/ engineering and construction projects. The program is sponsored by SCDOT in coordination with the Federal Highway Administration (FHWA) and is designed to build a more effective, competitive, and diverse pool of contractors capable of bidding on future projects.

MPPs are established to help small minority businesses develop by focusing on magnifying the program to serve as prime contractors or sub-contractors in government contracts. These programs seek to put together new and experienced companies in mutually beneficial relationships to meet both of their objectives. The MPP has been used in the SCDOT to help it fulfill its intended goals. The SCDOT is a government agency with a primary vision and mission of building and maintaining roads and bridges. It also assists in administering mass transit service, especially in South Carolina (Lander, 2018). The SCDOT MPP may receive financial, technical, and management assistance from mentors in securing and executing government contracts. However, the participation of the prime contractors as mentors in the SCDOT MPP is vital for the government and the development of small minority businesses.

Problem Statement

In recent years, there has been a decrease in interest from prime contractors participating in the SCDOT MPP. This is because of the significant challenges the SCDOT has faced over the

years. For instance, the prime contractors that had previously participated in the program have not received the incentives and benefits they are intended to receive¹.

The lack of prime contractors in the SCDOT MPP has increased the challenges facing South Carolina transport sectors. According to the 2018 South Carolina Department of Transportation report, the state was ranked the third worst state with dangerous roads, with approximately 10% of the interstate system in South Carolina being in poor condition (Ogle et al., 2018). The South Carolina roads bill provided roughly \$600 million to improve the South Carolina roads and bridges. The poor status of roads and bridges in South Carolina has led to more than 5,000 people dying in car crashes between 2015 and 2019. This data attributed to 1.73 fatalities per 100 million vehicle miles. The number was even worse on rural roads, with approximately 3.46 deaths per 100 million vehicle miles (Ogle et al., 2018).

The state of the poor roads and bridges have been due, in part, to a lack of expert contractors building and maintaining roads. The SCDOT's lack of support of the MPP has led to a lack of interest from prime contractor's interest in the program.

The primary objective of the SCDOT is to build and maintain roads and provide better transit services (Lander, 2018). Therefore, a lack of interest from prime contractors participating in the SCDOT program will negatively hinder the agency from meeting their primary objective. The prime contractors assist the SCDOT programs with knowledge and expertise on building and maintaining roads and bridges.

¹ Program benefits and incentives can be but not limited to project preference and proposal evaluation score increases. Mentor will also be eligible for compensation for costs associated with the MPP approved Action Plan via a change order

Data Collection

The project aims to collect facts, figures, objects, and events from different sources to make better decisions. The project aims to collect data about the reasons for the lack of interest in the participation of prime contractors in SCDOT MPP. The primary goals of the data collected include:

Determining the Factors that Motivate Firms to Participate in the Program

Incentives are vital in attracting others to participate in an organization's programs. Understanding what motivates contractors and other employees in an organization enables the organization to function effectively and efficiently, and that organization meets its goals on time and accurately (Ozkeser, 2019). The primary objective is to determine both negative and positive negative experiences facing contractors and understand the factors that the SCDOT MPP will use to increase the participation of other prime contractors. One main motivating factor is the reward and recognition of the employees, sub-contractors, and prime contractors.

Another critical factor of motivation to assess is the development of contractors within the program. Development is an essential factor of motivation. It entails enlarging and changing the organization to a better stage. It makes the organization self-dependent and allows it to contribute effectively in the workplace and enhance its input to the organization's productivity.

Notably, the goal aims to assess the leadership support from SCDOT and FHWA essential in motivating other contractors to develop the interest to participate in the SCDOT MPP as mentors. Leadership support is a vital factor of motivation that this project goal aims to determine. Consequently, other important aspects that this goal seeks to determine include are the work-life in the SCDOT MPP and the work environment. These factors will give evidence on the reasons for prime contractors' complete lack of interest in participating as mentors in the SCDOT MPP.

Determining the Right Number of Mentors in a Program

The incorrect number of mentors in a program can also contribute to the lack of interest from other organizations in participating as mentors in other organizations. The goal is to assess the correct number of mentors that the SCDOT MPP needs to be effective. The data will determine whether some organizations, such as prime contractors, lack interest in participating as mentors in the SCDOT MPP due to the restriction of the maximum number of mentors required to participate. Currently the program is limited to the number of MPP partnerships due to lack of administrator support.

Determine what Potential Mentors Look for in the Protégé

When prime contractors decide to participate as mentors in SCDOT MPP, they assess various factors to ensure they fit correctly in the program. Most potential mentors and contractors look for the most common aspects between each partner: organizational values, means of communication, willingness, and organization expectations. The goal aims to determine whether the SCDOT MPP values, communication, anticipation, and willingness contribute to the lack of interest from prime contractors in participating as mentors. However, data collected from the research question will help determine the reason for prime contractors' complete lack of interest in participating as mentors in the SCDOT MPP.

Determine the Types of Projects SCDOT will let in Future

This research goal aims to determine the contribution of prospects of the SCDOT MPP to the participation of prime contractors as mentors. Opportunities entail the organization's visions and what the organization aims to achieve in a certain period. For this, other prime contractors can use these prospects to determine their engagement with the SCDOT MPP because most mentors use the organization's vision as opportunities for their expansion and development.

Determine the Most Suitable Projects for MPP Relationship

The relationship is another critical element that contributes to the participation of mentor contractors in the SCDOT MPP. This goal aims to determine the projects that best suit the MPP. It assesses the program to determine the best projects with a good relationship with the MPP. This relationship gives evidence for prime contractors' complete lack of interest to participate as mentors in SCDOT mentor programs.

Determine whether the Amount of Paperwork Administration Associated with the Program is a Concern

The use of paperwork for administration functions can also affect the participation of mentors in various organizations. The paperwork can induce multiple challenges such as poor record-keeping, inaccurate data, poor communication, and increased loss of essential documents. However, having associated with paperwork may lead to increased adverse effects within the program. It will influence other prime contractors to lose interest in participating as mentors in SCDOT mentor programs.

Determine whether 12 to 24 Months is a Reasonable and Appropriate the Length of Time for the MPP

The duration of the program also influences the interest of other prime contractors to participate in the mentorship program. Time affects the organization's involvement in programs because most organizations need to have enough time to achieve the desired goals. As such, the goal tries to assess whether the 12 to 24 months period is appropriate for the MPP and how this period contributes to a lack of interest from prime contractors to participate as mentors in the SCDOT MPP.

Determine whether a Third-Party Contractor can manage/administer the program

Management of the program is another critical factor that influences the interest of prime contractors from participating in the MPP. This goal investigates if a third party can manage the program, and to this end, some prime contractors may be discouraged, as they may want to control the program as a third party. This may be the reason for the lack of interest from prime contractors in participating as mentors in the SCDOT MPP.

Methods of Data Collection

The project used interviews and surveys to gather data. The discussion refers to a face-to-face conversation with the people in which the interviewer seeks information from the interviewees by asking oral questions. The interviews were conducted among the prime contractors, potential contractors, and program administrators over a five-month period. Discussions are essential in research because they offer opportunities for an interviewer to help the interviewee understand, explain, and explore the research subject. The interviews allow the interviewees to provide accurate and precise questions. This is because the interviewers give a strong positive attitude that will enable interviewees such as prime contractors, subcontractors, and program administrators to provide information about what the interviewers wanted to know. To get a good sample size of potential participants, 30 was determined to be the target number of responses. We solicited the assistance of 73 contractors to get to our target number of participants. This equated to a return rate of 41%.

The projects also used surveys to gather information from the targeted people. It used questionnaires and electronic mails surveys to collect data from the target group. The researcher administered structured questions to prime contractors, subcontractors, and program administrators. This method was used because the research needed to sample a broad population

to draw and make essential decisions. The technique was also used because it collects a large amount of data within a short period (Roh et al., 2019). Other data was obtained from published articles, newspapers, white papers, internet websites discussing the program and the program summaries.

Data Analysis

This section identifies the key findings from the collected data, potential causes, and contributing factors to prime contractors' complete lack of interest in participating as mentors in the SCDOT MPP. The key findings are represented under the following major topics: motivation factors, number of mentors needed, the organization vision, suitable projects for MPP relationship, and third-party management. The project also presents the key findings under the organization's values, communication, willingness, and expectation.

Motivation Factors

A survey was conducted among thirty SCDOT pre-qualified prime contractors to assess the motivations factors that affect the prime contractors in participating as mentors in the SCDOT MPP. The survey and interview also concentrated on leadership support, training and development, and reward and recognition.

Leadership Support

Leadership support is one of the motivating factors that affected prime contractors from participating as mentors in the SCDOT MPP. Out of the thirty contractors interviewed and surveyed, twenty-two contractors confirmed that they lost interest in participating in SCDOT MPP because of the limited leadership support associated with SCDOT and the FHWA. They indicated that limited leadership support in the SCDOT mentors protégé program were associated with a lack of vision, low morale, and failure to meet the organization's goals. These factors made it

difficult for prime contractors to involve themselves as mentors in the MPP. They lost interest due to a lack of appropriate vision, low morale, and poor program that could not meet their goals. Prime contractors made statements that the program was not promoted and supported strongly enough by SCDOT and FHWA leadership. They felt that other programs such as the On-the-Job Training (OJT) program was more of a priority of the two organizations' leadership.

Recognition and Reward

Another essential factor contributing to the lack of interest from prime contractors participating as mentors in the MPP is the lack of recognition and reward in SCDOT MPP. Data collected from the survey and interviews indicated that twenty-six out of thirty prime contractors interviewed lacked the interest to participate in MPP because the program had poor recognition and reward strategies to the prime contractors that had engaged with them previously. Lack of recognition and reward within the SCDOT MPP made the prime contractors feel undervalued. For this reason, 86.6% of the prime contractors lost interest in engaging in MPP as mentors.

Training and Development

Data collected indicated that ten of the thirty prime contractors interviewed had no interest in participating as mentors in the SCDOT mentors protégé program due to SCDOT MPP's training and development approaches. SCDOT mentors protégé program does not support training and development of other non-disadvantaged business enterprise (DBE) contractors. This is attributed to the increased lack of interest from prime contractors in participating as mentors in the MPP. Most prime contractors desired to participate in programs that would give them room for development. Thus, this is one of the reasons for the complete lack of interest from prime contractors to participate as mentors in the SCDOT MPP.

Number of Mentors

Data from the successful survey and questionnaire indicate that the MPP only required two mentoring firms to participate in their program annually. According to the collected data, 98% of the prime contractors lacked interest in participating in the SCDOT program since the MPP restricted the number of mentors that could participate in the program within a specified time.

The Organization Vision

The primary focus of the SCDOT is to build roads and maintain bridges. According to the collected data, 90% of the prime contractors are interested in participating in SCDOT MPP based on that vision alone. This data suggests that the organization's vision attracted most prime factors to participate as mentors in the SCDOT MPP. The organization's vision was not considered a reason for the lack of interest from prime contractors to participate as mentors in the SCDOT MPP.

Third-Party Administration/Management

The collected data indicate that twenty-six out of thirty prime contractors interviewed wanted to participate in a program that allows management from a third party administrating consultant. This data suggests that 87% of the prime contractor lacked interest in participating in the SCDOT MPP because the MPP does not currently allow third-party administration. Besides, according to data from surveys, 52% of the prime contractors indicated that they could not participate in a program that does not allow third-party administration/management. 31% did not consider management as a reason for lack of interest, and 17% did not give their opinion regarding third-party administration/management issues. As such, this data suggests that prime contractors lacked the interest to participate as mentors in the SCDOT MPP.

Length of Time for MPP

The collected data indicate that 70% of the prime contractors considered 12 to 24 months for the program as too short for them to be involved as mentors in the SCDOT MPP. This data suggests that 21 prime contractors out of the 30 prime contractors surveyed lacked the interest to participate as mentors in the SCDOT MPP since the length for the MPP was short. Thus, the program's length affected the welfare of prime contractors from participating as mentors in the SCDOT MPP.

Implementation Plan

The project's primary goal is to improve the SCDOT MPP and significantly increase the number of mentors participating in the program. However, to achieve this, the organization needs to take appropriate action in line with the identified reasons for lack of interest from the prime contractor and other subcontractors participating as mentors in the SCDOT MPP. The organization must increase the motivational factors by developing training and development programs, providing leadership support, and establishing a recognition culture. In addition, the organization must increase the number of mentors allowed to participate in the program within a specific period and allow other prime contractors to manage the program. The SCDOT MPP leaders should carry out these actions and guide other interested parties on the engagement process. Besides, the organization should identify a committee of ten members that will fund, oversee the progress of actions, execute different roles and provide oversight for required adjustments towards better implementation of the plan. These members should include;

- i. Projects sponsors
- ii. Projects manager

- iii. Government project officer
- iv. Quality assurance manager
- v. Configuration manager
- vi. Database administrator
- vii. System administrator
- viii. Plan implementation representative
- ix. Security officer

The project managers will ensure proper allocation of time, money, and human resources to ensure that project managers effectively implement the actions required to improve SCDOT MPP and increase the number of mentors participating in the program. During the implementation process, the project managers may face hostile prime contractors, lack of enough funds, and lack of appropriate support to perform specific tasks in the project implementation. The projects managers should ensure effective communication among the project stakeholders. Proper communication allows project stakeholders to refer to standardized plans and effectively interact with project managers, colleagues, and prime contractors. An effective communication strategy also allows everyone to have adequate information to communicate about the project, maintain consistency and avoid ambiguity. To this end, the project managers will integrate the actions into a standardized operating procedure to improve the SCDOT MPP and increase the number of mentors.

Evaluation Method

The project managers will employ a goal-based evaluation method to evaluate if the project has met its objectives. This method will focus on assessing the organizational goal of improving the SCDOT MPP and increasing the number of mentors participating in SCDOT MPP. The goal-

based method determines the extent to which the program has achieved its goals by heavily relying on evaluating its goals and objectives (Elwyn & Vermunt, 2020). The method will focus on assessing how the program has enhanced motivation factors such as leadership support, training and development, and reward. It will also evaluate whether the program has increased the number of mentors participating in the SCDOT MPP. For this, the organization will use interviews, questionnaires, and surveys to collect data that project evaluators will monitor the progress and measure the results.

Summary and Recommendations

The primary identified reasons for the lack of interest from prime contractors as mentors in the SCDOT MPP are the lack of motivation factors in the program, a limited number of mentors that participate in the program, and lack of third-party management. The organization has implemented a plan to address these issues primarily to increase the number of mentors in the program and improve the SCDOT MPP.

The MPP should work with other firms with successful professional service providers to allow the MPP to benefit from expertise and knowledge. This attributes to creating a more competitive and diverse pool of contractors who will participate in transport projects. Therefore, MPP needs to collaborate with other firms to increase the number of mentors and improve the SCDOT mentor protégé program.

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Appendix 1

(Current)

SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION DBE Supportive Services Program Mentor-Protégé Program

Purpose:

The purpose of the Mentor-Protégé Program (MPP) is to establish a link between businesses certified under the South Carolina Unified Certification Program (UCP), successful professional service providers, and general contractors who contract with the South Carolina Department of Transportation (SCDOT) on highway design/ engineering and construction projects. The program is sponsored by SCDOT in coordination with the Federal Highway Administration (FHWA) and is designed to build a more effective, competitive and diverse pool of contractors capable of bidding on future projects.

Objectives:

The objectives of the Mentor-Protégé Program include:

- Promoting the development of business management and technical skills for certified Disadvantaged Business Enterprises (DBEs) to compete more successfully.
- Developing an effective method for engineering consultants, general contractors and subcontractors who wish to participate in the MPP and help certified DBEs to acquire greater access to business support systems that facilitate growth and development.

Scope:

The program is designed to allow the Mentor firm to provide the Protégé with guidance, technical support as well as the benefit of the Mentor's expertise and experience in:

- Strategic Planning
- Marketing and Business Development
- Financial Management
- Contract Procurement
- Purchasing/Leasing
- Bid Preparation and Procedures
- Request for Proposal Preparation
- Business Management
- Personnel Management
- Operational Management

Each approved Mentor-Protégé Program will be conducted over a period no longer than (24 months) during which time, the Mentor-Protégé team will identify strategies to assist the Protégé with accelerating growth, securing resources and entering target markets. A final report documenting “lessons learned” by both the Mentor and Protégé will be submitted to SCDOT and FHWA.

At the end of the program, the Protégé should be empowered to grow and thrive as a successful growing business.

Methodology:

The Mentor Protégé Program (MPP) will be introduced through a series of public informational meetings and a carefully planned advertisement initiative that will explain the intent and purpose of the program, along with a list of the requirements.

An informational packet will be distributed to professional service providers and contractors who perform design, engineering, and other professional and construction services on SCDOT projects and firms certified with the South Carolina UCP.

An orientation/overview session will be held to review the key components of the MPP and solicit potential mentors and protégés. An application list will be maintained by the Division of Minority & Small Business Affairs. Based upon the criteria established, the Division of Minority & Small Business Affairs, along with Construction and Pre-construction offices will determine which firms will be recommended as mentors and protégés.

SCDOT will identify potential projects for MPP relationships and will solicit proposals from professional service providers and contractors. A Memorandum of Understanding will be developed by SCDOT, the mentor and the protégé outlining the responsibilities of each entity and the monitoring requirements established for participation in the program.

The MPP relationship will have periodic reviews to ascertain the progress of the relationship and consider any further assistance SCDOT may be able to provide. Upon completion of the Mentor-Protégé relationship, a final review will be conducted by the SCDOT to evaluate the goals and objectives established for the MPP.

Mentor Requirements:

- The Mentor firm must have at least seven (7) years of experience as a contractor (preferably, but not necessarily as a prime contractor) of SCDOT highway construction contracts.
- A brief outline of the type of assistance, services and/or resources the Mentor will provide to the Protégé and describe how this assistance will benefit the Protégé.
- Information that demonstrates the Mentor’s ability to provide management and technical assistance to the Protégé.
- The Mentor firm must agree to devote a minimum of fifteen (15) hours per month to working with the Protégé.

- Mentors must specify the lead individual responsible for implementing the plan as identified in the Mentor application.
- The Mentor must give assurance of a solid financial foundation, maintain good-standing with state and federal agencies, and maintain a minimum CPS (Contractor Performance Score) score of 71 or above. A consultant evaluation score of 300 or above for Professional Services. A score below either threshold will require a written request and justification for approval.

Protégé Requirements:

- The Protégé firm and/or the firm’s CEO/President/Managing Member must have at least three (3) years of experience in the highway construction industry, be an SCDOT certified DBE, and remain an eligible DBE firm, in good standing, throughout the duration of program participation.
- Complete a company assessment and business plan, which includes a marketing plan prior to the implementation of the Mentor-Protégé Team.
- Provide a written description of the anticipated benefits that will be gained from the relationship with the Mentor firm.
- Priority consideration will be given to those who become pre-qualified as a prime bidder with SCDOT (construction only).
- The Mentor-Protégé team will identify areas for improvement; set targets for improvements; and establish deadlines to accomplish the goals and objectives of the MPP team.
- The Protégé firm must agree to devote a minimum of fifteen (15) hours per month to working with the mentor.
- Protégés must specify the lead individual responsible for implementing the plan as identified in the Protégé application.
- Protégés must have minimum Annual Gross Receipts (Three year average) of:
 - Professional Services: \$1.5 Million not to exceed \$5 Million
 - Construction Services: \$ 1.5 Million not to exceed \$5 Million

SCDOT Participation:

The South Carolina Department of Transportation will provide support to the Mentor Protégé Program as follows:

- Host periodic networking session for Mentors and Protégés.
- Review all Mentor Protégé applications and announce the firms that are approved for the Mentor Protégé program.
- Assist with development and approve MOU
- Facilitate a “Partnering Session” with the Mentor and Protégé.

- Identify projects that are potentially feasible for mentor protégé relationships.
- Conduct periodic reviews with the Mentor and/or Protégé to establish the status of the program.
- Identify appropriate construction projects that support business partnerships and foster cooperative, compatible relationships.
- Establish review sessions with Mentors and Protégés to access and monitor the progress of the Protégés toward their achievement of the Program goals.

Deliverables:

1. Memorandum of Understanding

The Department and Mentor will execute a Memorandum of Understanding, and each party will identify the resources allocated to the MPP.

The MOU must be signed by authorized representatives of the Mentor, Protégé and SCDOT. This document will be retained on file.

2. Action Plan

The Mentor-Protégé team will develop an action plan outlining the goals and objectives of the MPP relationship, along with measurable statements of desired outcome. The action plan will identify the roles and responsibilities of the Mentor, the Protégé and SCDOT. Also, review intervals for the MPP relationship and target dates will be established. The action plan and an agreement will serve as a contract between the Mentor and the Protégé and this document will be legally binding. The action plan must be signed by an authorized representative from each entity prior to the implementation of the Mentor Protégé relationship.

3. Monitoring and Reporting

SCDOT will monitor the progress of the Mentor-Protégé relationship and request information for periodic status reports. SCDOT may require representatives of the Mentor and/or Protégé to provide verbal and written intermediate reports of the MPP. A final report will be submitted prior to the termination of the MPP relationship and shall be developed with narratives from all parties including input/data regarding major accomplishments/challenges for the program. SCDOT will submit to FHWA quarterly status reports of active MPP agreements, a report forty-five days upon termination of each agreement and a final program report sixty days upon program completion.

Incentives for the Mentor:

SCDOT has established an incentive program for mentors who desire to participate in the MPP program. The Office of Minority & Small Business Affairs will work with the SCDOT Construction and Pre-construction offices, to determine which projects will be a good fit for the MPP, and work with firms to develop and establish Mentor-Protégé relationships. For construction projects that are identified as Mentor Protégé opportunities, the Mentor will be

eligible for compensation for costs associated with the MPP approved Action Plan via a change order. MPP activities performed as a part of the change order will not negatively impact the Contractor's Performance Score.

For professional services and design build projects, SCDOT will consider potential Mentor-Protégé opportunities and may include a Mentor-Protégé component in the evaluation and selection process. Invoices submitted to this program will be evaluated utilizing the attached procedures. (See Attachment #1)

In addition to, goodwill and corporate responsibility, the mentor has the opportunity to develop a long-term relationship with a potential subcontractor, develop innovative approaches and technology and potential joint venture with small business.

Appendix 2

SCDOT Mentor-Protégé Program Questionnaire

1. What are your thoughts on the leadership support of the SCDOT Mentor-Protégé Program (MPP)?
2. What are your thoughts on the SCDOT MPP recognition and reward system?
3. What are your thoughts on the SCDOT MPP training and development goals?
4. What are your thoughts (positive or negative) on the number of Mentors currently allowed in the SCDOT MPP?
5. Is the SCDOT vision (building and maintaining roads, bridges and highways) a contributing factor in your interest in the SCDOT MPP?
6. Would you prefer an SCDOT administrator or a third party administrator of the SCDOT MPP?
7. What are your thoughts on the 24-month program limit?
8. Is the amount of paperwork associated with the SCDOT MPP a concern?