

SMALL BUSINESS ENTERPRISE PARTICIPATION STATEMENT OF INTENT

Instructions to Respondents: To receive SBE participation credit, include one executed Statement of Intent ("SOI") for each Small Business Enterprise ("SBE") you propose to use on the Project, including PHA-enrolled SBEs and SBEs not yet enrolled with PHA but certified with our recognized certifying partners. PHA will verify the certification status of all SBEs. The SOI must be signed by **both the Prime Contractor and the SBE**.

This SOI (1) describes the SBE's anticipated subcontract scope of services, and (2) confirms to PHA that the SBE will perform a commercially useful function and is not acting as a pass-through.

*If the Prime Contractor is awarded the contract, the Prime Contractor and SBE agree to enter into a subcontract consistent with this SOI. **Any material change to the SBE, its scope, or its subcontract value must be approved in writing by Strategic Sourcing and the Project Owner (or designee) before implementation.***

The Prime Contractor further agrees to comply with the PHA Small Business Development Program's dispute resolution provisions and PHA's Nondiscrimination Mandate in procuring and performing SBE-eligible work, and to meet all Program requirements.

Statement of Intent (SOI)

Project Name and Number ("Project"):

Prime Contractor ("Prime"):

Certified Small Business Enterprise ("SBE"):

Subcontract Scope of Services (Describe goods/services the SBE will provide):

Subcontract Amount (total dollars to be paid by Prime to SBE for the scope above):
\$_____.

SBE Credit Amount (if different from the Subcontract Amount, state the amount eligible for SBE Credit): \$_____.

If the solicitation includes a "Work Breakdown" that is to be completed by a Respondent, the SBE Credit Amount should match the amount shown in the Work Breakdown for this SBE.

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Certifications

By signing this SOI, the Prime Contractor certifies that:

- (i) The Prime intends to subcontract with the SBE for the scope described above and will pay the SBE the amount stated above, as applicable.
- (ii) The SBE is not being used as a pass-through on this Project and SBE will perform a commercially useful function on the Project.
- (iii) The Prime will promptly notify PHA in writing of any change that could affect these certifications.

By signing this SOI, the Small Business Enterprise certifies that:

- (i) The SBE will perform the above-described scope by using its own workforce and/or by directing and controlling the work for which it is responsible, consistent with commercially useful function standard below.
- (ii) The SBE is not acting as a pass-through on this Project.
- (iii) The SBE will promptly notify PHA in writing of any change that could affect these certifications.

This SOI is submitted to PHA as an official procurement document. A false statement may subject the signer(s) to disqualification and to civil and/or criminal penalties under applicable law.

Prime Contractor/Vendor

Name of Company	
Address	
City/State	Zip
Telephone Number	
Email	
Name of Officer (Print or Type)	
Signature of Officer	
Date	

Certified SBE

Name of Company	
Address	
City/State	Zip
Telephone Number	
Email	
Name of Officer (Print or Type)	
Signature of Officer	
Date	

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Notes and Definitions:

Eligible SBE Participation Credit. Credit is allowed only for Project-specific services/goods actually provided for the Project (e.g., labor and materials incorporated into the Project). No credit is allowed for non-Project-specific costs such as overhead allocation, capital expenditures (e.g., purchase equipment for general use), or ordinary office expenses.

Tiering. Credit is allowed only for first-tier certified SBEs that contract directly with the Prime. Lower-tier participation is not creditable.

Pass-Through Business. A pass-through is an SBE that does not perform a commercially useful function and instead operates as a conduit for another firm to perform the work or supply the goods the SBE is committed to provide. Using a pass-through on a PHA project violates PHA's operational integrity requirements.

Commercially Useful Function (CUF) means work that an SBE controls and executes or for which it is directly responsible for executing by actually performing, managing, and supervising the work, including negotiating price, determining quality and quantity, ordering, installing, and paying for materials, supplies, and services as applicable. An SBE participating on a project as a supplier performs a CUF when it sells materials, supplies, articles, or equipment out of its own inventory from a warehouse, yard, or other facility that it owns or leases. An SBE does not perform a CUF if it fulfills an order for a customer by ordering, purchasing, or receiving supplies from a third-party supplier rather than out of its own inventory. An SBE is generally not considered to be performing a CUF if it subcontracts more than 50% of the work being counted toward the SBE goal, unless PHA approves a waiver based on demonstrated industry practice.

Examples. The following SBEs would be considered pass-through businesses:

Example 1. The SBE is listed as a supplier but merely purchases goods/services from a third party and resells them to the Project without performing a CUF (e.g., no meaningful value-added role, control, or responsibility).

Example 2. The Prime commits a dollar amount to an SBE, and the SBE then more than 50% of that credited work to a non-SBE without an approved waiver.