ECONOMIC DEVELOPMENT & DIVERSITY COMPLIANCE DEPARTMENT
SMALL BUSINESS ADVISORY COMMITTEE (SBAC)
MEETING SUMMARY
Thursday, October 27, 2022

Meeting Summary

Carolyn Jones called the meeting to order at 4:01p.m. Lavinia Freeman conducted the Roll Call, and quorum was established. The agenda and September 22, 2022 SBAC Meeting Summary were unanimously approved.

Welcome and Introductions

SBAC welcomed new member Marie K. Compas, Board Member Rupert's appointee. She introduced herself followed by committee member introductions.

Board Member Communication

Marie Compas reported Board Member Rupert's request for an update of each Disparity Study (DS) recommendation. Robert stated the Board approved the DS recommendations in December 2019 and received an update in March 2020 that resulted in an update to Policy 3330. To date, EDDC has executed all Board approved DS recommendations. There were also dozens of recommendations from the previous Disparity Study Work Group (DSWG), that were not approved by the Board. With Board approval at the Nov. 9th School Board meeting, the DS update will occur from November 2022 – November 2023, and the Board and staff have a list of items to address in the process. He noted the rate of the upcoming DS contract is variable with a maximum cost of $289k, and the cost savings resulted from the B2Gnow system implementation.

Dodie recommended SBAC review the DSWG's recommendations that did not get approved and discuss the merits or resubmitting them to the new School Board. In addition, she recommended each SBAC member contact their appointing Board Member and ask for their support of the DS contract on Nov. 9th. The committee expressed unanimous support of the contract.

Carlton requested the full list of DSWG recommendations, from all industries, and noted the complexity of Dade Schools' process which studied each industry in separate studies. EDDC will provide the list to SBAC and the new consultants.

Annual Superintendent's Meeting

Carolyn Jones gave an overview of the Oct. 14th Annual Chair's meeting with the Superintendent. Meeting attendees included Dr. Cartwright, Ernie Lozano (Chief of Staff), Carolyn Jones, Robert Ballou, and Lavinia Freeman. The two key points discussed were:

1. EDDC's need for additional staff resources
2. The DS Update

EDDC has 7 staff members compared to MDCPS's 15. Robert announced approval of an Administrative Assistant on Oct. 25th and looks forward to a future review of the EDDC overall staffing plan.

Regarding the DS update, Supt. Cartwright expressed interest in adding an LGBTQ certification category. Also, Chair Alston has expressed interest in the same as well as a Veteran's certification. Robert stated the current certification program requires suppliers to be small and local first, and therefore both categories are covered under the current program. Consequently, while the categories would increase, the pool of eligible suppliers will not. Lavinia added that EDDC's size standard, at 50% of the federal requirement, is the largest in the region and opens the door for more firms to be eligible for certification with BCPS.

EDDC will provide SBAC a copy of the presentation provided to Dr. Cartwright, and Robert noted her 90-day plan includes the topic of supplier diversity, and he anticipates additional meetings. Carolyn invited SBAC to bring items forward they would like to see on the Superintendent's radar.

Diversity Spend

Robert reported the FY22 aggregate diversity spend was $230M (or 16%) of $1.49 billion with certified prime contractors. Construction spend was approximately 22% and commodities approximately 8%. Through the SMART Bond Program, District percentage spend with local Hispanic contractors has increased exponentially and spend with African American (AA) contractors increased incrementally. AA construction spend has increased in dollars and doubled to 2% spend in FY22 Q4. Previously, our spend was less than 1%. Chair Alston has been critical of the amount of AA spend based on the 1.9%, however, it is important to note the percentage is limited to the Bond Program.

Overall, on construction projects, the District spend is 22% with all local suppliers. Additionally, the District is at 16% in total diversity spend across all categories. In the governmental sector, the normal range is 15% – 20%. In Construction, the normal range is 20% – 25%, and most agencies are below 20% while BCPS exceeded achieved 22%.

The gains are a direct result of EDDC's work. EDDC's charge is to find more AA contractors and do business with them and communicate to the Board diversity spend across all categories.

In addition, EDDC's two primary goals are:

1. Increase the commodities spend to the 20% level.
2. Make BCPS a more compelling place to do business for AA firms that want to do business with us.

Brian and Shaheewa are focused on increasing the commodities spend, but Robert welcomed everyone to weigh in on the solutions, even in advance of the DS. Shaheewa recommended to also engage small business owners in each respective industry for input because they know what is common in the industry, what are roadblocks, and appropriate percentages. She also suggested creating a review panel for the Affirmative Procurement Initiative (API) review process. Robert suggested EDDC can set up a specific day of the week to review the restrictive language in the contracts and more aggressive percentage goal assignments. Finally, she recommended clear, detailed communication about the changes in the way the District is doing business to attract suppliers. Brian added, if you show support, they will come. Contrarily, they will not continue to be part of a process where no success comes their way.

Carlton, spoke with *d2 Construction Inc.* and he will contact Robert. He has contracts, but no work and is frustrated with doing business with Broward. Robert echoed the frustration because every contractor he speaks to has something negative to say.

Note: As an update to the conversation regarding vendor rotation, S3S Construction received a Notice to Proceed on thirteen (13) projects under contract FY20-130 Construction Services Minor Projects for a total of $244K.

Dodie stated the AA male suppliers were by far the most underutilized. sides, but PWS would not implement. Notwithstanding implementation of set-asides, she has long argued for Procurement to put the requirements in the Request for Proposals to force the big companies to find the AA subs because they are out there. Robert stated
EDDC has been assigning segmented goals for 18 months and have done Prime Preference Programs for AA and for women-owned firms. (EDDC will provide several examples of segmented goals.) He added, in the sub-contractor space, EDDC is very robust with 29% goals on all construction contracts, which also have very specific requirements for AA contractors.

Our B2G system can report 2nd tier/subcontractor spend by ethnicity. EDDC will provide a B2G report on 1st Tier and 2nd Tier spend by ethnicity and gender. On a granular level, Robert advised the aggregate bonding capacity with AA contractors is $36M and the District is currently contracting at $25M or 73% capability. This is a result of our commitment to Florida Taxwatch to lead contractors back to a better business atmosphere, otherwise *All-Site Construction Inc.* and *ACT Services* would not be doing business with us today.

Dr. Reggie expressed that, historically, it has been a challenge holding primes accountable through compliance and asked what staff is doing to monitor the goals on construction and commodities contracts. Robert replied that EDDC monitors all contracts monthly through the B2Gnow system. B2G provides a high level of visibility on contracts, and also gives alerts that prompt staff to take action. Through the B2G audit process, the Compliance team can identify the primes and contact them to rectify any payment issues promptly. In addition, we work directly with Finance on the payouts to primes to ensure the subs' payments are not delayed. The team also works continuously to ensure the primes are compliant with their commitment percentages, and they are required to get approval from EDDC to change subs and percentages.

Brian Farrell asked if Procurement & Warehousing Services (PWS) is onboard. Robert stated PWS is 100% engaged because EDDC writes the APIs and works with each Purchasing Agent to remove any restrictive language, an issue brought to our attention early last year. Since then, EDDC now reviews every contract for restrictive language. Furthermore, he invited the committee to notify him or EDDC, immediately, if they see a bid with restrictive language, and the process will pause, and an addendum will be issued without the language.

Robert then walked SBAC through the API Assignment process which includes the following steps:

Receive API Request Form from PWS

Includes Contract Type, Scope, Spend Authority, Subcontracting Opportunities, Contract Term, Licenses/Certifications, Limitations/Restrictive Language, and Award Method

1. **Research**

EDDC Compliance Team reviews historical data and metrics and identifies SBBC Certified firms. Process involves review of BCPS Certified Supplier Directory, eProcure Supplier Portal, B2Gnow, and NAICS codes

2. **Survey & Analysis**

Survey designed and sent to certified suppliers who could potentially bid, based on a generic description of the opportunity. Survey is followed up with a phone call. The results determine if an API will be assigned.

3. **API Assignment**

If certified suppliers are in database, and/or available to do business, an API will be assigned. API options include:

- *S/M/WBE Subcontracting Goals*
- *M/WBE Segmented Subcontracting Goals*
- *Minority Inclusion Language in RFPs/RFQs*
- *Evaluation Preference for E/S/M/WBE Prime Bidders*
- *Evaluation Preference for "Best Value" RFPs*
- *S/M/WBE Vendor Rotation*
- *SBE Reserve for Contracts up to $50k*

The goal is to apply one of the APIs. Aspirational Goals are **only** assigned if none of the APIs are applicable, and no suppliers are available after going through the API Assignment process. Robert invited the committee members to notify EDDC immediately if they see an Aspirational Goal, they think should have an API, and we will stop the process to review it and issue an addendum, if needed. EDDC has a zero tolerance for restrictive language and writing an aspirational goal when there could have been a goal.

The remainder of the API process includes executing five (5) additional marketing and outreach campaigns to continue the solicitation awareness process using DemandStar, E/S/M/WBE supplier emails, e-blasts to the small business community, EDDC social media posts, and PWS e-blasts. From bid posting through the Request for Information period, EDDC can fix a solicitation without violating the Cone of Silence rule. We can also fix historical documents for future bids.

Dodie expressed the current API process forces the goals down because it relies on the numbers of certified suppliers, which has decreased. She recommends the reverse (as other agencies do): set high goals to force suppliers to the table which allows for private industry to help bring new suppliers. Robert clarified that subcontractor utilization is more common in Construction, but not Commodities based on the procurement vehicles used. However, this may be an approach to take in the future. He delved further into the FY22 diversity spend.

Last year, the District's aggregate diversity spend was 16%, or $230M, of $1.49 billion in direct contracting. Construction was approximately 22% spend, and commodities approximately 8% spend. EDDC is focused on the following two goals:

1. Increase the commodities spend to the 20% level. Brian and Shaheewa are focused on this, but everyone is invited to weigh in on the solutions now, even in advance of the DS.
2. Make BCPS a more compelling place to do business for AA firms that want to do business with us.

Shaheewa recommended EDDC engage small business owners in each category as industry experts to learn what:

- is common in the industry
- is unnecessary
- are roadblocks, and
- percentages count

She added that increasing the percentages in commodities will make it worthwhile for firms to bid repeatedly. Finally, she suggested a review panel for the API review process. Robert said we can set up a specific day of the week to review the restrictive language in the contracts, and the goals with the objective to be more aggressive. Brian said if you show support, they will come. Contrarily, they will not continue to be part of a process where no success comes their way.

In doubling our construction spend to 2%, we added *All-Site Construction Inc.* and *ACT Services*, two African American (AA) suppliers, and they are using AA suppliers as subs, so it's a win-win that added $9M in spend. Messam is re-engaged, and we are interested in meeting with *d2 Construction Inc.* to discuss the opportunity to do business with us. Robert appealed to SBAC to recommend any AA contractors for him to contact. He also shared the FY23 Q1 Quarterly Scorecard, showing $55.5M in diversity spend, by commodity. EDDC will include it with the meeting summary and on a quarterly basis with meeting materials. He also showed how to access the report, and all EDDC and SBAC reports, online at
EDDC By the Numbers.

Reciprocal Certification

The week of Nov. 7th, EDDC is launching the B2Gnow Reciprocal Certification. The process is paperless, and the system gives access to Dade and Palm Beach schools' certified suppliers, and we will invite them to get certified and do business with us.

Dodie commended EDDC for this accomplishment which has been discussed for many years. Lavinia added, as Dodie and Carlton have said, many of the things that are happening now are not new concepts. However, the accomplishments are a direct result of EDDC being established as an independent department. Carolyn and Dodie agreed, and Shaheewa as well stating they fought for this to happen.

Open Discussion

Lavinia reported the School Board approved *Policy 1070 - District Committees & Their Membership*. It will be discussed at a future meeting, and we will also move forward with creating the SBAC Bylaws, accordingly. Lavinia also mentioned the grand opening of the Blue Tree Café on Sistrunk Boulevard, a BCPS certified supplier.

Future SBAC Meeting Dates

Wednesday, November 17, 2022	March (*No Meeting due to Spring Break*)
Wednesday, December 15, 2022	Thursday, April 27, 2023
Thursday, January 26, 2023	Thursday, May 25, 2023
Thursday, February 23, 2023	Thursday, June 22, 2023

The meeting adjourned at 4:52 p.m.

Approval of Minutes: _____

SBAC Members Present	Appointing Board Member
Carolyn Jones, Chair	Lori K. Alhadeff, District 4
Shaheewa Jarrett Gelin, Vice Chair	Member At-Large
Gino Perez-Ferrari	Ann Murray, District 1
Carlton Crawl	Patricia Good, Vice Chair, District 2
Will De Faria	Daniel Foganholi, District 5
Dr. Reggie Lewis	Laurie Rich Levinson, Chair, District 6
Dodie Keith-Lazowick	Donna P. Korn, Countywide At-Large, Seat 8
Jimmy Witherspoon	Debra Hixon, Countywide At-Large, Seat 9
Brian Farrell	Member At-Large
Members Absent	
Hebertny Perez	Sarah Leonardi, District 3
Will De Faria	Daniel Foganholi, District 5

Economic Development & Diversity Compliance Department Staff Present

Robert Ballou, Officer
Lavinia Freeman, M/WBE Specialist III (Business Intelligence & Process Management Section)
Vincent Jones, M/WBE Inclusion Team (SMART Bond Program)