



Small Business
Office

SMALL BUSINESS ENTERPRISE MANUAL

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Executive Summary

The district is committed to promoting the participation of small business enterprises (SBEs) in the procurement of goods, services, construction, and related activities. On June 26, 2025, the Board of Trustees approved amendments to Board Policies CH (Local) and CV (Local), which govern purchasing and acquisition and facilities construction, respectively.

The district transitioned from a Minority/Women Business Enterprise (M/WBE) program to a race-neutral Small Business Enterprise Program (“SBE”). This transition provides greater flexibility to implement legally compliant strategies that promote economic opportunities while ensuring a level playing field for all qualified businesses. For the purposes of this program, an SBE includes all qualified small businesses that meet the Small Business Administration’s current size standards or as amended.

The Small Business Office will undergo a one-year full implementation period to establish a successful foundation for the SBE Program. The implementation period commences on June 26, 2025, and will conclude on June 26, 2026, one year from the date the amended Board policies were approved.

This implementation period will help to ensure a smoother transition to the SBE program and will allow time to:

- Transition from an MWBE to an SBE program.
- Process SBE certifications more efficiently.
- Conduct targeted educational sessions.
- Update the vendor database to include SBE designations.
- Develop a comprehensive SBE reporting structure.
- Revise and develop SBE forms, processes, procedures, materials, social media accounts, and website.

The Small Business Enterprise Program manual outlines the district’s policies and procedures for increasing contracting opportunities for SBE firms. It defines key terms, including what qualifies as a small business enterprise, and details the roles and responsibilities of key stakeholders, including the Board-appointed SBE Advisory Committee.

This districtwide goal of SBE utilization is the responsibility of every employee, department, and school. Each employee, department and school have the responsibility to support and adhere to the SBE Program, as set forth in the Board Policies CH and CV (Local). The SBE program policies and procedures are binding on all departments, campuses, and any individuals who create, review, procure, award, modify, or administer procurement and financial transactions within the district.

The SBE manual includes:

- A list of accepted SBE certifications recognized by the district.
- Compliance standards and procedures.
- Requirements for demonstrating good faith efforts.
- Conditions under which SBE goals may be waived.
- How SBE participation is counted.
- Policies related to joint ventures and prime-subcontractor teaming agreements.
- Prime, Subcontractor and Consultants’ Obligations
- Fraud prevention and penalties for misrepresentation or non-compliance.

The required Dallas ISD Master Joint Venture Agreement and Dallas ISD Master Prime Subcontractor Teaming Agreement are available on the district’s website at www.dallasisd.org/sbo.

Small Business Enterprise Program

The Dallas Independent School District has a long history of supporting businesses owned by minorities and women. The district has made the policy decision to transition from an MWBE program to an SBE program. It is the district's goal to provide a level playing field and foster the participation of small business enterprises in all aspects of the district's contracting and purchasing activities. The district's aspirational SBE goal is 30 percent for goods, services, and construction. For bond-funded contracts, the district's aspirational SBE goal for construction is 30 percent and 35 percent for professional services. The SBE goal is applicable to any change orders, modifications, and/or revisions to the original contract. To help achieve the district's aspirational SBE goal, the district will assign 20 percent of the points used to evaluate bids/proposals toward SBE considerations.

The Board delegates to the Superintendent of Schools the overall responsibility to interpret, administer, and enforce the SBE Program, definitions, criteria, and procedure in a manner consistent with their stated objectives and purposes.

The Small Business Office shall develop a race neutral Small Business Enterprise Program including criteria for bids/proposals to foster the participation of SBE firms and take all reasonable steps to eliminate obstacles to their participation.

The District's Small Business Enterprise (SBE) Program assists small businesses through advocacy, contract compliance, education, entrepreneurial support, outreach, and technical assistance.

All purchases and transactions shall follow the guidelines specified in the SBE Compliance Guidelines & Forms. The SBE Program Guidelines shall be incorporated into the Purchasing Manual but shall be displayed as a separate process and section.

Scope

The policies, procedures and contract clauses established under these SBE Compliance Guidelines & Forms shall be applicable to all contractors, consultants, vendors, and related subcontractors and/or subconsultants. These policies, procedures, and contract clauses shall apply to all construction, professional services, goods, and general services solicitations, contracts, and agreements, unless the provisions conflict with federal, state or rules and regulations of the district.

The SBE Compliance Guidelines & Forms will not apply to solicitations or existing contracts or procurements that were issued prior to the effective date of this policy. The SBE Compliance Guidelines & Forms supersede, except as otherwise stated herein, all other previous SBE Compliance Guidelines & Forms or Manuals.

Small Business Office Responsibilities

The Small Business Office is responsible for the implementation, coordination, and monitoring of the SBE program. The Small Business Office will enforce or seek to enforce the procedures for implementation of the program and will perform in a manner necessary to achieve the program objectives.

The district has developed a Small Business Office with responsibilities to administer the program, make periodic reports to the Board, and act as a liaison (central clearing house) for all small business enterprises interested in pursuing purchasing and contracting opportunities with the district.

Duties of the Small Business Office staff shall include, but not be limited to:

1. Developing and maintaining procedures to ensure that SBEs are afforded an equitable opportunity to compete on all district contracts. Such procedures include, but are not limited to:
 - a. Monitoring certification standards and procedures for SBEs.
 - b. Developing a listing of SBEs for prime and subcontracting opportunities.
 - c. Attending prebid/preproposal meetings.
 - d. Monitoring contracts for SBE program compliance.
 - e. Establishing an outreach and internal marketing initiative to increase and encourage SBE utilization.
 - f. Providing bond referral assistance.
 - g. Disseminating bidding, procurement, and contracting information to SBE advocacy organizations.
 - h. Utilizing SBE-focused newspapers, social media outlets, and publications.
 - i. Developing guidelines and procedures for administering sanctions for noncompliance with policies, procedures, or commitments.
 - j. Conducting workshops, trade fairs, and related educational activities.
 - k. Identifying areas of district policies or practices that restrict the participation of SBEs.
 - l. Advocating for SBEs relating to contracting and small business issues.
 - m. Participating as voting members in all pre-proposal, selection, review, and other relevant committees.
 - n. Providing philanthropic support for district schools and students.
2. Evaluating the District's procurements prior to public solicitation to determine whether it is appropriate to set an SBE participation goal.
3. Establishing narrowly tailored goals, which shall be based on current evidence of utilization and availability. Such goals are applicable to any contract change order, modification, and/or revision.
4. Coordinating the development of the district's SBE goal as a joint effort with each department and school within the district.
5. Obtaining payment activity reports from the prime contractors/vendors to allow the district to continuously monitor the SBE commitment throughout the life cycle of a contract.
6. Preparing and presenting quarterly and ad hoc reports to the Board on the activities of the SBE Program and recommending SBE goals and program changes.
7. Developing and maintaining listings of certified SBEs and providing listings of appropriate SBEs to vendors for utilization.
8. Reviewing and verifying the certification status of SBEs.
9. Evaluating documentation of good-faith effort by bidders/proposers/contractors.
10. Initiating and tracking the success of vendor rotation initiatives.
11. Evaluating the role of Small Business Enterprise firms to determine if the firm is performing a commercially useful function.

12. Evaluating the contractor's performance regarding SBE utilization as part of the contract closeout process, resulting in a rating of Satisfactory, Non-Satisfactory, or Minimally Satisfactory.
13. Representing the District on the Board of Directors for the North Central Texas Regional Certification Agency (NCTRCA).
14. Making administrative revisions to the SBE Program as deemed necessary. Major changes shall require Board approval. Major changes are defined as the 20% SBE weight assigned to any procurement solicitation, aspirational SBE goals, board approved SBE evaluation scoring criteria, etc.
15. Utilizing the B2GNow and Vantage Apex System to provide SBE reports, contract compliance and monitoring, outreach campaigns, etc.
16. Ensuring and maintaining the SBE program's continued compliance with any current and legislative (federal, state, or local) changes and incorporate those changes into the program.

All Departments Responsibilities

Responsibilities for all departments may include, but are not limited to:

1. Actively supporting the district's SBE Program.
2. Committing to achieve the district's numerical SBE goals.
3. Adhering to a process for timely reviews and approval of all bids and proposals by the Small Business Office, prior to recommendation to the Board to allow adequate time to address and maximize SBE utilization.
4. Ensuring the inclusion of a Small Business Office representative as a voting member on all pre-proposal, selection, review, and other relevant committees.
5. Including a standard SBE score of 20 percent as part of the evaluation criteria on bids/proposals.
6. Providing the Small Business Office with timely notification of change orders that would impact, either positively or negatively, the utilization of SBEs.
7. Recommending SBEs when available, for all quotations.
8. Ensuring the inclusion of the applicable SBE Compliance Guidelines & Forms in the bid/proposal package.
9. Notifying the Small Business Office in conjunction with Procurement Services of any issues that arise concerning SBEs (i.e., performance, subcontractor complaints, and the like).
10. Appointing a department representative(s) to serve as an SBE point of contact(s) and attend outreach activities, when requested by the Small Business Office.
11. Monitoring the utilization of SBE participation in department contracts and solicitations.

Specific Departments Responsibilities

In addition to the requirements documented in the section entitled All Departments Responsibilities, the following departments have additional administrative requirements listed below:

Board Services	Construction Services	Education Technology
Financial Services	Food and Child Nutrition	Graphics
Internal Audit	Legal Services	Procurement Services
Professional Standards	School Leadership	

Board Services

1. Coordinate and facilitate the dissemination of SBE information to the Board of Trustees.
2. Coordinate and facilitate the electronic posting of SBE reports and related materials in Diligent.

Construction Services

1. Establish the Small Business Office as the primary contact and the authority for compliance, monitoring, and enforcement of the district's SBE Program relating to any current and future bond program(s).
2. Provide the Small Business Office with advance information about contracting opportunities sufficient for the Small Business Office to establish narrowly tailored participation goals.
3. Provide resources to the Small Business Office to help implement, monitor, enforce, report, and ensure compliance with bond projects. This will include bond-funded staff, program management firms with a full-time SBE Coordinator, and funding for important SBE strategies like Bond Academies, Construction Bid Previews, Building B.I.G., and other bond-focused initiatives.
4. Include an SBE representative as a full voting member on all prebid meetings, preproposal, selection, review, and other relevant evaluation committees.
5. Include a standard SBE score of 20 percent as part of the evaluation criteria on bids/proposals.
6. Include all SBE Compliance Guidelines & Forms with the bid/proposal packages.
7. Provide the Small Business Office with timely written notification of bond projects.
8. Provide the Small Business Office with a proposed engineering estimate of bond projects.
9. Provide the Small Business Office with timely written notification of any change orders to projects that would impact, either positively or negatively, the utilization of SBEs.
10. Obtain the Small Business Office's evaluation of the contractor's performance regarding SBE utilization as a part of the contract closeout process.
11. Provide a department representative with outreach activities and educational workshops upon request by the Small Business Office.
12. Encourage joint ventures, prime subcontractor teaming agreements, and mentor protégé programs for companies responding to district solicitations.
13. Place certified SBEs on bid lists and/or notify them of bond opportunities and information. Bid notifications may include but not be limited to bonfire, email blasts, phone calls, etc.
14. Encourage prime vendors to utilize SBEs to meet or exceed the district's SBE goal.
15. Coordinate with the Small Business Office to make available construction plans and specifications to various SBE organizations without them incurring the cost of these plans and specifications.
16. Provide SBE program compliance assistance to all vendors upon request.

Education Technology

1. Consider purchasing options to maximize SBE utilization for technology-related procurements.
2. Establish appropriate vendor rotation initiatives designed to provide opportunities for SBEs that have been awarded district contracts relative to Education Technology.
3. Insure the inclusion of a Small Business Office representative as a voting member on the Technology Evaluation Committee and any other relevant committees.
4. Prior to bidding, review and update specifications for sole source items and educate staff on alternatives including but not limited to open-source software programs and applications. This should promote fairness in the bidding process and encourage optimum opportunities for participation by SBEs.
5. Assist with developing SBE reports, analysis, software implementation, and related technology services.

Financial Services

1. Provide assistance as needed to monitor, retrieve payment, and invoice data required for compliance and utilization reporting.
2. Establish prompt payment practices to prime contractors in accordance with district policy.
3. Provide assistance in any matters regarding SBE payments.
4. Provide training to SBE companies regarding payment processes and procedures.

Food and Child Nutrition Services

1. Coordinate with the Small Business Office to educate SBE food service vendors about the district's Food & Child Nutrition Services program and applicable guidelines.
2. Coordinate with the Small Business Office to identify opportunities for outreach to SBE food service vendors.

Graphics

1. Contact SBE vendors to contract or outsource of services undertaken by the Graphics Department.
2. Establish appropriate vendor rotation initiatives designed to provide opportunities for SBEs that have been awarded district contracts related to the Graphics Department.
3. Provide the Small Business Office with a list of areas which are outsourced by the Graphics Department so that areas of opportunity can be communicated during outreach activities.

Internal Audit

1. Provide independent, objective assurance, consulting, and investigative service to improve operations of the Small Business Office.
2. Provide audit assistance, as necessary, to ensure department and contract compliance with policies and procedures set forth in the SBE Program.

Legal Services

1. Review contracts to ensure that all applicable SBE provisions are included.
2. Provide legal assistance, advice, and directions on issues regarding SBE Policy and Program implementation.
3. Provide assistance regarding sanctions, etc.
4. Provide legal assistance regarding Availability & Disparity Studies and other related studies.

Procurement Services

1. Establish the Small Business Office as the primary contact and the authority for compliance, monitoring, and enforcement of the district's SBE Program.
2. Establish the identification, participation, and utilization of SBEs as departmental goals.
3. Incorporate the responsibility to support the district's SBE Program into each job description within Procurement Services.
4. Assist the Small Business Office with completing the district's Availability & Disparity Study.
5. Insure the inclusion of a Small Business Office representative as a voting member on all pre-proposal, selection, review, and other relevant committees.
6. Include the SBE Compliance Guidelines & Forms within procurement solicitations.
7. Include a standard SBE score of 20 percent as part of the evaluation criteria on bids/proposals.

8. Ensure SBEs are considered for all quotations and cooperatives, when appropriate. While it may not be solely Procurement Services' responsibility, staff should encourage SBE participation.
9. Identify areas of opportunities for SBE utilization within Procurement Services.
10. Collaborate with the Small Business Office to encourage and educate end user departments regarding the availability of SBE vendors with initiatives designed to actively pursue participation and utilization of qualified SBEs, when appropriate.
11. Assist the Small Business Office in determining availability of qualified SBEs.
12. Assist the Small Business Office in identifying and correcting issues confronting SBEs and affecting SBE utilization.
13. Coordinate with the Small Business Office to provide informational workshops/meetings to educate vendors about the district's purchasing processes and procedures and contracting opportunities.
14. Assist the Small Business Office in its outreach efforts by providing program support at trade fairs, workshops, etc.
15. Provide the Small Business Office with bid calendars and notices of upcoming bid solicitations and RFPs prior to advertising such solicitations.
16. Coordinate with the Small Business Office to notify the appropriate organizations/associations regarding availability of business opportunities in the district.
17. Provide the Small Business Office with a listing of awarded SBE price agreement vendors.
18. Make all solicitations available to prospective bidders/proposers within sufficient time for proper review, consideration, and response.
19. Assist departments within the district in developing bid packages and RFPs that would increase the potential for SBE participation.
20. Educate user departments on specification writing techniques with consideration for specifications that are not too restrictive for SBEs to compete fairly.
21. Prior to bidding, review, and update specifications to allow greater SBE involvement.
22. Prior to bidding, review and update specifications for sole source items and educate staff of alternatives to promote fairness in the bidding process and encourage optimum opportunities for participation by SBEs.
23. Utilize the variety of purchasing and contract awarding options provided by law to maximize opportunities for SBE participation and utilization.
24. Identify SBEs regarding catalog purchasing and cooperative purchasing programs.
25. Establish procedures to maintain the vendor database to maximize contact with SBEs.
26. Consider the insurance and bonding requirement alternatives with each project, with consideration to the district's legal responsibilities and risk management guidelines that would allow smaller enterprises to bid more competitively.
27. Respond to requests for clarification and information on specification language in a timely and professional manner.
28. Submit all bids and proposals to be reviewed by the Small Business Office for program compliance prior to recommendation to the Board of Trustees.
29. Provide timelines, schedules of work and other documentation of awarded contracts for compliance monitoring by the Small Business Office.
30. Encourage and consider joint ventures that would allow the opportunity for SBE participation.

Professional Standards Office

1. Assist and collaborate with the Small Business Office to conduct SBE compliance reviews.
2. Support the Small Business Office in monitoring joint ventures.
3. Collaborate with the Small Business Office regarding site visits for construction projects.
4. Provide periodic training to Small Business Office on the district's audit and compliance functions.

School Leadership

1. Consider purchasing options to maximize SBE utilization for school and education-related procurements.
2. Establish appropriate vendor rotation initiatives designed to provide opportunities for SBEs that have been awarded district contracts related to School Leadership.
3. Insure the inclusion of a Small Business Office representative as a voting member on evaluation committees and any other relevant committees.
4. Coordinate with the Small Business Office to educate SBE vendors about district programs and applicable guidelines related to school and education-related procurements.
5. Prior to bidding, review and update specifications for sole source items and educate staff on alternatives. This should promote fairness in the bidding process and encourage optimum opportunities for participation by SBEs.

Small Business Enterprise Advisory Committee

The district shall appoint a Small Business Enterprise (SBE) Advisory Committee composed of people appointed by the Board. The SBE Advisory Committee member may not be a current district vendor (or an owner, officer, director, employee, or independent contractor of a current district vendor). For the purposes of this section, employees and members of chambers of commerce, contractors' associations, and SBE advocacy organizations are not considered "current district vendors" if the only relationship is that the district pays membership dues to that organization and attend community-focused events.

Each Trustee has the right to appoint two members to the advisory committee. Members of the committee are limited to a maximum of two **terms**. If a committee member attempts to become a district vendor during his/her term, such as by submitting a bid/proposal for district work or otherwise receiving compensation for services to the district, that member shall immediately resign, and the Trustee will appoint a new member.

Purpose

The purpose of the SBE Advisory Committee is to support the district's goal to foster the participation of small business enterprises in the district's contracting opportunities. The Committee reinforces the district's dedication to transparency, accountability, and continuous improvement within the SBE Program.

The Committee's role is to enhance the effectiveness of the Small Business Office by providing structured, ongoing communication and feedback. Through a systematic approach, the Committee helps evaluate and strengthen the administration, performance, and overall impact of the SBE Program.

Scope

The SBE Advisory Committee is tasked with examining and evaluating the governance, risk management practices, internal controls, and the overall effectiveness of the Small Business Office in achieving the district's Small Business Enterprise (SBE) goals and objectives. This includes assessing how responsibilities are conducted and identifying opportunities to enhance management oversight and operational efficiency. Any such opportunities identified during reviews will be communicated to the Deputy Chief of Special Projects.

In addition, the Committee may provide collaborative input and community-focused recommendations in the following areas:

1. SBE Program outreach is appropriately identified and effective.
2. SBE prime and contracting specific subcontracting goals accurately identify available opportunities.
3. SBE contract monitoring is performed by staff members with regards to policies, procedures and applicable laws and regulations.
4. SBE processes are continuously improved and evaluated.
5. Legislative or regulatory issues impacting the organization are recognized and addressed appropriately.
6. Barriers impacting SBE utilization are identified and addressed.

Meetings

The SBE Advisory Committee shall meet quarterly.

Responsibility

The SBE Advisory Committee serves in an advisory capacity only. In this role, the committee members shall:

1. Select a Chair and Vice Chair to facilitate meetings in coordination with the Executive Director of the Small Business Office (SBO).
2. Prepare, submit an annual report, and other periodic reports to the Deputy Chief of Special Projects, SBO Executive Director, or their designee.
3. Offer guidance to enhance the effectiveness and efficiency of the SBE Program, including formal recommendations for program improvement.
4. Identify and report project-specific or systemic issues related to the administration or implementation of the SBE Program.
5. Offer community insight and assist Dallas ISD in achieving the goals and objectives of the SBE Program and related Board policies.
6. Share information regarding challenges and opportunities that impact Small Business Enterprises (SBEs).
7. Act as a liaison between the district and the SBE community to foster collaboration.
8. Review applicable state statutes on SBE, purchasing, and contracting, and recommend strategies to increase participation.
9. Provide updates or reports upon request from the Board of Trustees, Superintendent, executive leadership, or SBO leadership.

Small Business Enterprise (SBE) Goals

The district's aspirational SBE goal is 30 percent of the total dollar value of all contracts for goods, services, and construction. For bond-funded contracts, the district's aspirational SBE goal for construction is 30 percent and 35 percent for professional services. However, district solicitations and contracts may be assigned a contract specific SBE goal. Additionally, the SBE goal is applicable to any change of orders, modifications, and/or revisions to the original contract. To help achieve the district's aspirational SBE goal, the district will assign 20 percent of the points used to evaluate solicitations toward SBE considerations. These SBE goals are only intended to be benchmarks for evaluating overall performance of the SBE Program. These participation goals are not and shall not be quotas.

This districtwide goal of SBE utilization is the responsibility of *every employee, department, and school*. Each employee, department and school have the responsibility to support and adhere to the SBE Program, as set forth in the Board Policies CH and CV (Local). The requirements and intent of the SBE program are binding and material to all departments, campuses, and other individuals who create, review, procure, award, modify, or administer financial transactions within the district.

Narrowly Tailored (Contract Specific) Small Business Enterprise Goals

The Small Business Office may develop individual projects, contract specific, narrowly tailored, or annual goals. The Executive Director of the Small Business Office, or his/her designee, may set SBE contracting and procurement goals for each specific prime contract, including those with subcontracting and/or supplier possibilities, and will include goals for SBE subcontracting where applicable. The Executive Director of the Small Business Office, or his/her designee, on a contract-by-contract basis shall first reference the aspirational SBE Goal for the specific contract category and then shall also have the authority to maintain, increase, reduce or waive SBE goals based on the type of contract, the type of subcontracting work that will be required, and the availability of SBEs. The respondents will also be subject to the subcontracting goals for SBE subcontractors as well. These goals are based on the criteria cited below.

The following criteria may be considered when establishing individual project, narrowly tailored, contract specific or annual SBE utilization goals for the district:

- The number, types, and dollar value of contracting and procurement opportunities expected for award for the fiscal year; and/or
- Opportunities for subcontracting, sub-consulting and joint venture; and/or
- The number of SBEs ready, willing, and able to compete for contracts and other procurement opportunities; and/or
- The district's past results in contracting and procuring from SBEs; and/or
- Outreach strategies to increase awareness and participation by SBEs in the district's procurement practices; and/or
- SBE firms demographics; and/or
- The number of SBE firms certified in each industry category or eligible for certification; and/or
- The availability of small business enterprises eligible for certification that are willing to do business with the district; and/or

- Annual participation figures for SBE businesses in both district and the other public entities; and/or
- Analysis of disparities between the availability and utilization of SBE businesses; and/or
- The findings and conclusions contained in Availability & Disparity Studies and other reports undertaken by the district, and other governmental and quasi-governmental entities, which studies and reports may be relevant or beneficial to district and its SBE Program; and/or
- Reviews and analysis of the reports generated by other government or quasi- governmental entities in the Dallas County market area; and/or
- Consider any other known circumstances or conditions which could affect the SBE marketplace and service providers.

The following categories are hereby established to identify the contracting and procurement activities covered by these SBE Compliance Guidelines & Forms, which categories may be amended from time to time by the Small Business Office:

Construction: Including, but not limited to, contracts relating to new construction and the construction of commercial, or industrial buildings and facilities, jails, roads, bridges, for renovation and/or maintenance of buildings, facilities, underground utilities, and other erected structures owned or leased by the district; and the rehabilitation, remodeling and repairs of roads and other non-building structures, when appropriate.

Supplies/Services: Including, but not limited to, the purchase of goods, equipment, office and other supplies, art, furniture, and other tangible personal property, and services such as the procurement of advertising, printing, non-construction repairs, janitorial services, training seminars and workshops, computer and information systems security, shipping and mailing, microfiche and microfilm, courier, storage, travel, consulting, and other non-professional services, when appropriate.

Professional Services: Including, but not limited to, program management firms, and services for which applicable selection criteria may require a respondent or contractor to possess a state license or other certificate of competency, such as in the areas of architecture and engineering, accounting and auditing, technology, insurance, laboratory, legal, medical, and transportation, or as otherwise described as "consultants", when appropriate.

Small Business Enterprise Certification

Vendors do not have to be certified as SBE to participate in the district's contracting and purchasing activities. However, only "certified" SBEs may be counted towards the district's SBE goals at the prime and subcontracting level. As a result, the district strongly recommends and encourages SBE certification(s).

The district will recognize SBE and Veteran-Owned Business certifications from the following:

- North Central Texas Regional Certification Agency (NCTRCA);
- Texas Comptroller of Public Accounts (VetHUB);
- Texas Department of Transportation (DOT);
- Small Business Administration (SBA): 8A, Women-Owned Small Business, Veteran-Owned Small Business, Service-Disabled Veteran-Owned Small Business, or HUBZone;
- South Central Texas Regional Certification Agency (SCTRCA);
- City of Houston;

- Corpus Christi Regional Transportation Authority;
- Texas Department of Transportation;
- Dallas/Fort Worth Business Council;
- National Minority Supplier Development Council;
- Women's Business Council Southwest;
- Women Business Enterprise National Council;
- City of Austin;
- Cherokee Tribal Employment Rights Office;
- Choctaw Nation of Oklahoma;
- Chickasaw Nation;
- Muscogee Nation;
- Other SBE certifying agencies may be considered on an individual basis.

The certifying enterprise will cooperate with the district by providing any additional information as requested by the Small Business Office regarding certification status or eligibility. The district reserves the right to accept or reject certifications from other entities. The district reserves the right to review or audit any certification or request a review by the certifying body or an audit of a certification or certification application. The objective of the review is to determine the integrity of the certification process to prevent SBE front companies. In addition, the district reserves the right to prioritize a certification application by the NCTRCA for review if the vendor is participating in the district's bidding process or is pending award of a contract from the district or one of its prime contractors/proposers.

Small Business Enterprise Compliance Guidelines and Forms

All purchases and transactions shall follow the guidelines specified in the *SBE Compliance Guidelines & Forms*. These *SBE Compliance Guidelines* shall be incorporated into a separate section of the Purchasing Manual but shall be displayed as a separate process and section. The Board delegates to the Superintendent of Schools the overall responsibility to interpret, administer, and enforce the *SBE Compliance Guidelines & Forms*, definitions, criteria, and procedure in a manner to achieve their stated objectives and purposes.

The policies, procedures and guidelines established under the SBE Program are applicable to district bidders/proposers and recipients of contracts and subcontracts. They apply to all contracts unless the provisions conflict with federal, state or rules and regulations of the district.

The completed and signed SBE Compliance Guidelines and Forms should be attached to all responses to procurement documents totaling \$50,000 or more (single transaction or fiscal year aggregate). For bond-funded projects, the completed and signed SBE Compliance Guidelines and Forms should be attached to all responses to procurement documents. If the completed and signed SBE Compliance Guidelines and Forms are not attached by the due date, the respondent will not be deemed non-responsive. However, late submissions of the SBE Compliance Guidelines and Forms will not be accepted and provided a numerical SBE score.

Evaluation of the completed SBE Compliance Guidelines & Forms shall be the responsibility of the Small Business Office or designated representative. The Small Business Office, in conjunction with Procurement Services, reserves the right to obtain additional information/clarification after responses to the procurement documents are due.

The district reserves the right to address and resolve SBE issues prior to approving the award of a contract and, after consideration, make a decision that is in the best interest of the district.

Bidders who subcontract portions of the work on a bid or proposal shall submit a letter of intent to subcontract for each proposed subcontractor prior to an agreement being executed by the Board or district or committing the district to an expenditure of funds. Changes to the list of subcontractors must be reviewed and approved by the Small Business Office prior to any changes being made.

The district shall determine if the bidder's proposal meet the standards for a “good-faith effort” as contemplated and defined by the district’s SBE Program.

Good Faith Efforts

The Good Faith Effort (GFE) Program provides an opportunity for prime vendors who plan to use only noncertified SBE subcontractors to demonstrate their collaborative efforts to engage and include Small Business Enterprises (SBEs) in the project. To qualify, the vendor must show that a reasonable and comprehensive effort was made to identify, solicit, and engage qualified SBE subcontractors. The submission should include sufficient documentation supporting these efforts, such as outreach records, communications, or other engagement activities. The GFE criteria allows Dallas ISD to determine whether a prime vendor has made a bona fide good faith effort to meet SBE aspirational goals.

Should the respective Bidder not achieve the SBE participation goals, the contract may still be awarded if the Small Business Office determines that the respondent has satisfied the Good Faith Efforts requirement. The Bidder shall submit with its bid the completed SBE Compliance Guidelines & Forms. To be responsible and/or responsive, the Bidder must make good faith efforts to meet the goal. The Bidder can meet this requirement in either of two ways. First, the Bidder can meet the goal, documenting commitments for participation by small business enterprises sufficient for this purpose. Second, even if the Bidder does not meet the goal, the Bidder can document adequate good faith efforts. The Bidder must show that it took all reasonable steps calculated to achieve the SBE goal. The Bidder shall outline the Good Faith Efforts that it made prior to submission of its bid, to meet the SBE goals for the contract. The Bidder may be required to provide documentary evidence to support those Good Faith Efforts made by the respondent. The Executive Director of the Small Business Office, or his/her designee, will review the documents submitted and make its Good Faith Efforts determination based on those submitted documents.

In determining a Good Faith Effort, the Executive Director of the Small Business Office or his/her designee shall be guided by the principle, if given all relevant circumstances, the contractors’ efforts could reasonably be expected to produce a level of SBE participation sufficient to meet the goal. The SBE Program shall apply the Good Faith Efforts criteria outlined in 49 CFR Part 26 outlined below in considering a Contractor’s Good Faith Efforts. The Good Faith Efforts include, but are not limited to, the following:

- Advertising and marketing opportunities to SBEs
- Providing outreach opportunity to identify qualified SBEs
- Participating in the pre-bid meeting to engage potential SBE subcontractors
- Providing timely written notice to qualified SBEs at least two weeks before bid opening
- Providing sufficient time for SBEs to prepare and submit competitive bids
- Soliciting work scopes that are feasible for SBEs to perform
- Negotiating in good faith with qualified SBEs
- Offering help with financing, bonding, insurance, certification, or mentoring to SBEs

When evaluating whether a bidder has made good faith efforts, you may take into account how other bidders performed in meeting the contract requirements. For instance, if the apparent successful bidder does not meet the contract goal while others do, it may be appropriate to consider whether additional reasonable efforts could have enabled them to achieve the goal. Conversely, if the apparent successful bidder does not meet the goal but achieves SBE participation equal to or greater than that of other bidders, this may be considered—along with other factors—as evidence of good faith efforts.

Request for Waiver

Procurement Services may request a waiver of SBE goals before solicitation if fewer than two certified SBE firms exist in the relevant NAICS codes or based on project scope. If the Executive Director or designee classifies a solicitation as No Goals, Good Faith Efforts documents are not required. The SBE Program also does not apply to emergency procurements or when there is an immediate threat to public safety or district employees. The Small Business Office may, at its discretion, request further documentation at any stage of procurement.

Small Business Enterprise (SBE) Contract Compliance and Monitoring

The Small Business Office will monitor the compliance of awarded contracts to ensure that the requirements of the SBE Program are satisfied. Continuous compliance monitoring of bids/proposals and awarded contracts shall be provided by the Small Business Office, and shall include:

- Review of all bids/proposals meeting and exceeding \$50,000 for compliance with requirements as presented in the SBE Program. The Small Business Office will determine if good faith efforts were demonstrated and documented as outlined in the program compliance documents. For bond-focused projects, review all bids/proposals regardless of the amount.
- Monitoring timelines, invoices, and payments to subcontractors/subconsultants to track and ensure proper utilization, performance, and payment.
- Monitoring SBE compliance throughout the project's lifecycle to determine if SBE utilization is achieved as proposed in the initial SBE commitment documents.
- Monitoring changes to the list of subcontractors/subconsultants/suppliers submitted with the bid/proposal. Any changes to the original submittal must be approved by the Small Business Office prior to the addition, deletion, or modification.
- Evaluating bids/proposals where the district's SBE goal will not be achieved (as claimed by the prime) due to the provision of the deliverable being provided by the contractor/consultant/supplier without the use or need of subcontractors/consultants/suppliers. The district will evaluate and monitor those instances to determine the validity of such situations.
- Evaluating contractor's performance regarding SBE utilization *as part of the contract closeout process*.

The district may request additional information to determine whether:

- the standard industry practice of the contractor is to perform elements of the contract with its own workforce; and/or
- the nature of the project/services does not facilitate subcontracting/consulting/supply opportunities; and/or
- the contractor has demonstrated its capabilities to perform all elements of the contract with its

- own workforce; and/or
- the contractor utilizes SBEs in other facets of the organization's business operations.

The Small Business Office will assist all bidders/proposers with the district's compliance requirements, including:

- Assistance to SBEs by developing outreach strategies and disseminating information about the district's contracting opportunities and purchasing procedures.
- Assistance to SBEs regarding the NCTRCA, DFW Business Council, Women's Business Council Southwest, or other certifying entities.
- Assistance to SBEs in overcoming traditional barriers, such as the inability to obtain bonding, financing, or other SBE Program compliance assistance on an individual project basis.
- Assistance to prime contractors/proposers on proper documentation of good faith efforts made to satisfy the district's SBE goal(s).
- Assistance to prime contractors/proposers by providing lists of certified SBEs for the purpose of achieving the district's SBE goal(s).

Onsite and Office Inspections

The Small Business Office will perform on-site or office inspections during a project. This process provides the opportunity to verify that the SBE prime, SBE joint venture partners, SBE subcontractors or SBE subconsultants, as listed in the SBE Compliance Guidelines & Forms, are providing the services listed. The Contractor shall, if requested, provide a project work schedule together with a list of all subcontractors, certified and non-certified, for the scheduled work. The contractor also agrees to cooperate with the Small Business Office and provide inspection reports, daily logs, and other information or documents requested during the on-site inspection. The Small Business Office will coordinate with the contractor to avoid or minimize any inconvenience related to the on-site inspection or office reviews.

The Small Business Office shall attend safety training and follow appropriate safety protocols.

Small Business Enterprise Substitution

Contractors shall request prior written approval to terminate or substitute an SBE subcontractor, supplier, or vendor used or proposed to be used by a contractor, by completing and submitting a copy of the Request to Change Contract Form. If the termination is approved, the Contractor shall make a good faith effort as defined herein to substitute an SBE firm with another SBE firm. Written request for approval shall provide the name of the listed SBE subcontractor, supplier, or vendor; the name of the replacement; the reason(s) for the proposed substitution; a brief description of the work to be performed by the substituted party; and the dollar amount of the subcontract or procurement involved. The selection process for the substitute subcontractor, supplier, or vendor shall be evaluated by the Executive Director or his/her designee for demonstrated good cause to terminate or substitute the SBE firm.

The contractor's documentation to the Executive Director or his/her designee should include the specific reasons for the proposed termination and substitution. Stated reasons that are acceptable include but are not limited to: a SBE was found not able to perform; the SBE was not able to provide the bonding or insurance requirements; and/or the SBE has made an unreasonable escalation in price to perform the designated scope of work; and/or the SBE is barred from doing work with the district.

Prior to submitting a substitution based on non-performance or defective work, the contractor shall provide notice to the subcontractor of the specific deficiency or deficiencies in performance and an opportunity to cure the non-performance. The contractor shall submit documentation detailing the notice and the efforts to cure the non-performance or defective workmanship to the Executive Director or his/her designee as part of the contractor's request for substitution.

This provision shall not apply to an emergency or an immediate threat to the health and/or safety of the personnel or contractors on the project site, district employees or public. The Small Business Office reserves the right to request any additional information and/or documentation in its sole discretion that it deems appropriate to evaluate the request for substitution.

Counting Small Business Enterprise Contract Participation

1. If a subcontractor/subconsultant is not currently certified as an SBE at the time of the submission of the proposal or bid to the solicitation, the Executive Director, or his/her designee, shall not count the business's participation toward any SBE goals.
2. The SBE subcontractor/subconsultant must be certified as an SBE in the NAICS code(s) for the type of work performed.
3. When an SBE subcontractor/subconsultant performs on a project, the Executive Director, or his/her designee, shall count a portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the SBE performs with its own forces toward the SBE goals.
4. A contractor's affiliates or its own workforce shall not be counted toward the SBE participation goal at the subcontracting level.
5. The Executive Director or his/her designee shall count the entire fee or commissions charged by an SBE for providing a bona fide service, such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance contract toward SBE goals, provided the fee was determined to be reasonable and not excessive as compared with fees customarily allowed for similar services.
6. When an SBE subcontracts part of the work of its contract to another business it is subject to the determined goal for subcontracting as well, and the value of the subcontracted work may be counted toward the SBE goals only if the SBE's subcontractor is itself a certified SBE. Work that an SBE subcontracts to a non-SBE business does not count toward the SBE goals.
7. When calculating participation, SBE subcontractors, suppliers, and/or vendors must be first, second or third tier subcontractors, suppliers, and/or vendors.
 - a. First tier – contracts directly with the prime
 - b. Second tier – contracts directly with the first tier
 - c. Third tier – contracts directly with the second tier
8. The district will only apply the participation of an SBE subcontractor/subconsultant toward the prime contractor's SBE achievement or toward the overall goal when the associated amount being counted toward the goal has been actually paid to the SBE.
9. The Executive Director, or his/her designee, shall count expenditures to a subcontractor/subconsultant toward SBE goals only if the SBE is performing a commercially useful function on that contract. To determine whether an SBE is performing a commercially useful function the Executive Director, or his/her designee, will look at any relevant factors including those listed in this section. The following factors that must be considered in making this determination are:
 - a. An SBE performs a commercially useful function when it is responsible for

execution of the work of the contract and is fulfilling its responsibilities by performing, managing, and supervising the work involved. To perform a commercially useful function, the SBE must also be responsible with respect to materials and supplies used on the contract, negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether an SBE is performing a commercially useful function, the following factors may be considered:

- The amount of work subcontracted; and/or
 - The work conforms to industry standards and practices; and/or
 - The amount the SBE is to be paid under the contract is commensurate with the work it is performing; and/or
 - The amount of SBE credit claimed for its performance.
- b. An SBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed to obtain the appearance of SBE participation. In determining whether an SBE is such an extra participant, the Executive Director, or his/her designee, will examine similar transactions, particularly those in which SBEs do not participate.
 - c. If an SBE prime contractor does not perform or exercise responsibility for at least 10% of the total cost of its contract with its own work force, or the SBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, the Executive Director, or his/her designee, shall presume that it is not performing a commercially useful function.
 - d. When an SBE is presumed to not be performing a commercially useful function as provided herein, the SBE may present evidence to rebut this presumption. The Executive Director, or his/her designee, may determine that the business is performing a commercially useful function given the type of work involved and normal industry practices.
 - e. The Executive Director, or his/her designee, shall exercise sole discretion in determining whether the company is performing a commercially useful function.
10. The Executive Director, or his/her designee, shall count expenditure by SBEs for materials or supplies toward SBE goals as provided in the following:
- a.
 - If the materials or supplies are obtained from an SBE manufacturer or regular dealer, the Executive Director, or his/her designee, shall count 100% of the cost of the materials or supplies toward SBE goals.
 - For purposes of this section, a manufacturer is a business that operates or maintains a factory or establishment that produces, on the premises, materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications.
 - For purposes of this section, a regular dealer is a business that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles, or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and regularly sold or leased to the public in the usual course of business.

- To be a regular dealer, the business must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question.
- A person may be a regular dealer in bulk items such as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business if the person both owns and operates distribution equipment for the products. Any supplementing of regular dealers' own distribution equipment shall be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis.
- Packagers, brokers, manufacturers' representatives, or other people who arrange or expedite transactions are not regular dealers within the meaning of this Section.

b.

- With respect to materials or supplies purchased from an SBE which is neither a manufacturer nor a regular dealer, the Executive Director, or his/her designee, shall count only the amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on a job site, towards SBE goals, provided the Executive Director, or his/her designee, determines the fees to be reasonable and not excessive as compared with fees customarily allowed for similar services.

11. If the SBE certification lapses, the SBE shall have one hundred eighty (180) days from the lapse date to resubmit the firm's certification paperwork to the appropriate certifying body.

Counting Small Business Enterprise Post Award Participation

If the SBE firm's prime, subcontractor or subconsultant, certification status lapses or becomes ineligible during the contract, the Small Business Office may grant a grace period in which the SBE firm's participation may continue to be counted toward the participation goal. If the SBE firm's certification status may be reinstated or established, all payments made to the SBE firm shall be credited toward the participation goal. If the firm's certification status cannot be corrected because of a change in ownership, control or other circumstances that render the firm ineligible, the payments made to the non-certified firm shall not be counted on future district contracts. The Contractor shall make a good faith effort to meet the SBE participation goal and will cooperate with the Small Business Office in reviewing the project scope of work to find additional opportunities to meet the SBE participation goal.

If the certification status of an SBE subcontractor/subconsultant becomes ineligible during the contract due to fraud, misrepresentation, or other conduct the Dallas ISD considers in its sole discretion contrary to the goals of the program, Dallas ISD may elect not to count the firm's SBE payments toward the SBE participation goal from a date or payment cycle it deems appropriate under the circumstances.

Small Business Enterprise Evaluation Scoring Criteria

The district will assign 20 percent of the points used to evaluate solicitations toward SBE considerations. Each proposal will be evaluated independently against other proposals. The 20 percent point value is allocated as follows:

Proposer's proposal demonstrates proposer's commitment to the district's SBE Program by implementing processes and initiatives that support and build SBE capacity. Responses should describe current strategies and activities that promote SBE growth, development, and long-term participation in district contracts, with supporting documentation provided. Examples may include, but are not limited to:

- a. Expedited payments to SBEs to support cash flow; and/or
- b. Business development programs, such as coaching, mentoring, or mentor-protégé partnerships; and/or
- c. Early release of retainage to assist SBEs with project sustainability; and/or
- d. Expanding opportunities for certified subcontractors, particularly firms that have not conducted business with the district within the past five (5) years; and/or
- e. Outreach activities designed to strengthen SBE engagement, such as workshops, training, networking sessions, or one-on-one consultations.

(Maximum of three (3) points)

Proposer submitted a list of two (2) SBE subcontractor references the proposer has utilized on projects.
(Maximum of two (2) points)

Proposer is a certified SBE Prime that is self-performing with its own forces, consistent with industry standards, and a proportionate share of the work, calculated on the total contract amount. To be eligible for these points the SBE prime must be a bona fide business with real and continuing ownership for more than a year which was not created merely for the purpose of meeting this evaluation criteria. An SBE business acting as a passive conduit rather than performing a commercially useful function does not meet the criteria for an economically independent business.
(Maximum of five (5) points)

Or

Proposer submitted a Joint Venture Agreement with a certified SBE joint venture partner that provides prime SBE management, control, and supervision of a clear and distinct portion of the project scope of work in meaningful and significant roles. To be eligible for award of these points, the proposer must submit as their joint venture agreement an executed Dallas ISD Master Joint Venture Agreement which is signed, dated, and notarized. The Proposer must submit any modifications or amendments to the Dallas ISD Master Joint Venture Agreement highlighted or underlined for review and approval.

(Maximum of five (5) points)

Or

Proposer submitted a Prime Subcontractor Teaming Agreement with a certified SBE firm(s) that provides SBE firm(s) prime management, control, and supervision of a clear and distinct portion of the project scope of work in meaningful and significant roles. To be eligible for award of these points, the proposer must submit a Dallas ISD Master Prime Subcontractor Teaming Agreement which is signed, dated, and notarized. **(Maximum of five (5) points)**

Proposer submitted a qualified list of certified SBE subcontractors, subconsultants or suppliers schedule that meets or exceeds the district's SBE aspirational goal in meaningful and significant roles or demonstrated outreach calculated to meet the SBE subcontracting goal with a qualified SBE team of subcontractors, suppliers and subconsultants. **OR** Proposer has demonstrated a bona fide good faith effort to engage certified SBEs toward the aspirational goal.

(Maximum of five (5) points)

Proposer intending to utilize SBE-certified subcontractors to meet the district's Small Business Enterprise participation goals may submit a detailed SBE Participation Plan. This plan should demonstrate the proposer's commitment to meaningful utilization of SBEs and provide clear procedures for oversight, compliance, and accountability. The plan should address how you will implement the following:

- Engage and collaborate with your proposed SBE-certified subcontractors
- Identify the individual responsible for SBE compliance and oversight
- Ensure that all proposed subcontractors are utilized as committed
- Meet or exceed your proposed SBE commitment
- Obtain approval from the Small Business Office prior to making any changes
- Submit proof of certified SBE subcontractor payments via the B2G Now Database or Pay Activity Report (PAR)

(Maximum of five (5) points)

Prompt Payment

All invoices should be paid within 30 days from the date the original invoice is received and approved to comply with the Prompt Payment Act, or sooner if required by the contract terms. Contractors are encouraged to pay subcontractors and subconsultants electronically to facilitate prompt payment of invoices. Contractors are encouraged to pay subcontractors retainage once the subcontractor's scope of work is completed.

To ensure that prime contractors comply with their payment obligations under the contract and the SBE Compliance Guidelines & Forms, the Small Business Office will monitor the payments to subcontractors and subconsultants throughout the term of the contract including any amendments, change orders, or extensions from the original contract term. The contractor shall submit a Pay Activity Report concurrent with the contractor's submission of a payment request for each invoice. The Prime vendor shall submit a Pay Activity Report (PAR) indicating the amounts paid (along with required proof of payments) to its subcontractors with each pay application as requested by the district. Hard copy information and/or electronic updates within the B2G Now system will be used.

- Acceptable proof of payments includes:
 1. Emails from the Subcontractor verifying the payment amount, date paid, school name and/or org number, and project information.
 2. Partial Lien Releases; and/or
 3. Cancelled Checks; and/or
 4. Proof of Electronic Funds Transfer; and/or
 5. B2G Now Confirmation
- For construction-related procurements, all prime vendors must pay all submitted invoices, including retainage to subcontractors, suppliers, or entities within **10 days** of receiving

payment from the district. Contractors are encouraged to pay subcontractors retainage once the subcontractor's scope of work is completed.

- No prime vendor shall withhold a non-disputed subcontractor payment.
- No prime vendor may withhold retainage greater than 5% from the subcontractor.

Contractor shall maintain records showing the subcontractor/supplier awards, subcontractor payments history, executed contracts and communication to the subcontractors/subconsultants regarding payments, credits, and offsets. Contractor shall provide the Small Business Office information and documents to verify SBE participation and payments.

Dallas ISD may withhold all or part of any progress payments otherwise due a contractor if the contractor fails to make prompt payments as defined herein to its subcontractors, suppliers, material suppliers, or laborers or fails to comply with the district's contract provisions, policy and the requirements outlined in the SBE Compliance Guidelines & Forms. Dallas ISD may, in its sole discretion, elect to make direct payments if it determines that the contractor has failed to make timely payments.

Small Business Enterprise Reporting

The Superintendent of Schools or designee shall report to the Board on a quarterly basis, or as directed, regarding the district's progress toward satisfying the SBE program policy objectives and making recommendations for any necessary adjustments or amendments to the policy and administration of the program to fully effectuate its purposes.

To measure the success of the district's goal of increasing SBE utilization, the Small Business Office will establish a reporting and monitoring system to:

- Provide quarterly, periodic and ad-hoc reports to the Board of Trustees on SBE utilization.
- Monitor the effectiveness of outreach, advocacy, and education efforts to include and increase the participation of SBEs in the district's purchasing and contracting process.
- Identify SBEs participating in the district's purchasing and contracting process.
- Monitor the compliance of prime contractor's obligations to subcontractors/proposers as submitted with the bid/proposal.
- Report and monitor the performance of individual departments, schools, and/or divisions within the district regarding SBE participation and utilization.
- Provide SBE Reports for district leadership.

B2G Now Software System

The B2G Now Software System provides a comprehensive management functionality: vendor management, contract compliance, outreach and event management, reporting, etc. B2Gnow's turn-key, hosted software solution streamlines and automates data-gathering, tracking, reporting, vendor management, and administrative processes. The functionality includes but is not limited to the following:

- Help to maintain compliance with the district's SBE Policy and Program.
- Enhance communication with certified firms and prime contractors.
- Provides access to SBE certified firms.
- Assists with monitoring, reporting and tracking the district's SBE utilization.
- Assists with vendor notifications and outreach.

Joint Venture Program

Statement of Policy

The Dallas Independent School District ("District") has established the Small Business Enterprise Program ("SBE Program") for the purpose of promoting equal business opportunities for SBE businesses. It is a continuing goal of the district to foster the participation of small business enterprises in all facets of the district's contracting and purchasing activities. The district aspires to increase the participation of SBEs, directly or indirectly, through contracting, subcontracting, joint ventures, teaming agreements, and/or procurement activities. It is also the goal of district to utilize eligible SBEs to enhance the capacity of small business enterprises and provide economic opportunity. The SBE Program has been established to ensure non-discrimination in the award and administration of district contracts and procurements to SBEs.

The SBE Program encourages the creation of joint venture partnerships, teaming agreements, strategic partnership and prime subcontracting team arrangements based upon the scope of work, market availability, and economic feasibility. For purposes of the program, Joint Ventures or Teaming Agreements must be evaluated by the Small Business Office. At least one participant in the Joint Venture or Teaming Agreement must be a certified SBE. The evaluation will be related to a specific district contract or project. Joint Venture or Teaming Agreement approval will terminate upon completion of the contract for which the Joint Venture or Teaming Agreement was approved. The Joint Venture Partners are required to complete, sign, attach and notarize the Dallas ISD Master Joint Venture Agreement.

The Executive Director and/or designee may review contractual agreements regarding the terms and provisions of each Joint Venture relationship, prior to the award of a contract or project, including any of the following:

- The initial capital investment of each venture partner or bonding; and/or
- The proportional allocation of profits and losses to each venture partner (no SBE venture partner's liability should ever exceed said partner's percentage of revenue earned while a participant in the joint venture); and/or
- The sharing of the right to control the ownership and management of the Joint Venture; and/or
- The distinct and clearly delineated portion of the work of the venture partners on the project; and/or
- The method of and responsibility for accounting; and/or
- The method by which disputes are resolved; and/or
- Any additional or further information required by the Executive Director as set forth in bid documents or otherwise; and/or
- Certificate of Formation.

Agreements must be submitted on or before the date set for receipt of bids or proposals on an eligible project. A bid or proposal submitted as a joint venture or teaming agreement that does not include a required Dallas ISD Master Joint Venture Agreement or Dallas ISD Master Prime Subcontractor Teaming Agreement, will not be awarded SBE point allocations for the respective criteria.

The Joint Venture, and each member of the Joint Venture, shall provide the Executive Director or

designee with access to review all records pertaining to joint venture or strategic partnership or teaming agreements, before and after the award of a contract to reasonably assess compliance with this subdivision.

Penalties for non-compliance: Any responsible respondent who fails to comply with this section shall be subject to all penalties and remedies available to the district. Failure to adhere to the terms and conditions outlined within the Dallas ISD Master Joint Venture Agreement may deem your Joint Venture response as non-responsive and result in a non-point award during evaluation.

Administrative Requirements

1. The district shall review all joint venture agreements and support documentation to ensure that the agreement meets the district's requirements and is consistent with the goals of the SBE program.
2. The proposer must submit an executed, approved, and notarized Dallas ISD Master Joint Venture Agreement and exhibits. Any modifications to the Dallas ISD Master Joint Venture Agreement and amendments must be submitted for review with the proposal and include any proposed changes or modifications to the Agreement highlighted for review and approval of Dallas ISD's Small Business Office.
3. The district reserves the right to accept or reject any SBE certified firm and in its sole discretion is not bound by the certifying agencies determination if the district has a concern regarding the eligibility of the firm to meet SBE guidelines or standards. The district in its sole discretion may refer the certification review to the certifying body or undertake an internal review.

SBE Joint Venture Participation and Subcontracting

The district encourages the respondent to make a good faith effort to explore all available options to meet goals, to the maximum extent possible to foster the development of the SBE prime's capacity through joint venture and teaming agreements. The respondent is required to either meet the goal or demonstrate adequate Good Faith Efforts to meet the SBE goal. When an SBE participates in a contract, either as a prime or joint venture partner or subcontractor, only the payments to the SBE for value of the work performed shall be counted towards the goal, in accordance with the following provisions:

1. The Executive Director or his/her designee shall count only the joint venture participation of an SBE toward the goal in accordance with the Dallas ISD Master Joint Venture Agreement; clearly defines each party's role in the joint venture and is approved by the Executive Director or his/her designee.
2. The joint venture participants shall only be counted toward the goal if the SBE participant is a firm, corporate entity, or sole proprietorship and not an individual. The SBE joint venture partner must be certified as an SBE in the NAICS code(s) for the type of work performed by the SBE joint venture partner.
3. When an SBE performs as a participant in a joint venture, the Executive Director, or his/her designee, shall count that portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the SBE performs with its own forces toward the joint venture prime participation and the SBE subcontracting goal credit.
4. A contractor's affiliate's participation in the joint venture as a joint venture partner or as a

subcontractor shall not be counted toward the participation goal and will not be considered to count toward the SBE participation goal.

Prime Subcontractor Teaming Agreement

The Prime-Subcontractor Teaming Agreement's objective is to further the development, growth, and capabilities of small business enterprises that allow such businesses to offer the district the best combination of performance, cost, and delivery of service. The Teaming Agreement is a tool whereby a prime contractor and subcontractor agree to combine resources to bid on a major government system procurement. A Prime-Subcontractor Team is a Teaming Agreement wherein a prime firm enters into a binding agreement with a major subcontractor to pursue opportunities. The Teaming Agreement does not replace a prime contractor's responsibility to satisfy applicable SBE program requirements, including contract specific goals. The teaming agreement should define the SBE subcontractor commitment, what trade(s) the subcontractor will perform, and the subcontractor is certified in the respective subcontracting trade scope. The certified SBE firm(s) provides prime management, control, and supervision of a clear and distinct portion of the specialty trade(s) or project scope of work in a meaningful and significant role(s).

Prime Subcontractor Partners are required to complete, sign, attach and notarize the Dallas ISD Master Prime Subcontractor Teaming Agreement. A copy may be located at www.dallasisd.org/sbo.

Mentor Protégé Agreement

The Mentor-Protégé Agreement is designed to foster the growth and success of small business enterprises by providing education, business development, and training opportunities. Through meaningful mentorship relationships, the program aims to strengthen the capacity of emerging businesses to compete effectively, thrive in the marketplace, and secure district contracts. To receive a numerical Small Business Enterprise (SBE) score in the procurement process, a formal written agreement between the mentor and protégé must be attached to the procurement response. This agreement must be signed, dated, and notarized by both parties. Additionally, any progress reports or meeting minutes documenting the mentorship activities should also be signed, dated, and notarized by both the mentor and protégé.

Mentor Criteria

A mentor is an experienced business owner who demonstrates strong leadership, upholds confidentiality, and is willing to guide and share their knowledge, skills, and experiences with a protégé.

To be eligible, a mentor must meet the following criteria:

1. Have a minimum of two years of experience operating a business; and
2. Be willing to advise, support, and help identify the developmental needs and goals of a protégé; and
3. Be willing to provide hands-on help in key areas such as SBE certification, strategic planning, marketing, financial management, and internal business systems; and
4. Demonstrate financial stability in their own business operations; and
5. Not be currently debarred or suspended from doing business.

Protégé Criteria

A protégé is an emerging business owner who is eager to learn and value the guidance, experience, and expertise of a mentor.

To be eligible, a protégé must meet the following criteria:

1. Be a current Dallas ISD vendor; and/or
2. Be registered in Bonfire; and
3. Not be currently debarred or suspended from doing business; and
4. Be SBE-certified or willing to pursue SBE certification; and
5. Hold at least 51% ownership equity in the business.

Right to Audit

District contracts are subject to an SBE audit. The contractor will be required to maintain records pertaining to the joint venture agreement, prime subcontractor teaming agreement, mentor protégé agreement, including but not limited to subcontractor/supplier awards, subcontractor payment history, efforts to identify and award contracts to SBEs, and copies of executed contracts with subcontractors. The contractor shall provide access as requested to the Contractor's books, records, and accounts to authorized District representatives for the purpose of verifying SBE participation and good faith efforts.

Remedies

All participants in the Dallas ISD SBE Program must comply with the SBE guidelines, policies, and procedures. Dallas ISD reserves the right to apply contract remedies available under federal, state, and local law, including but not limited to responsibility determinations in future contracts, suspension and debarment procedures and liquidated damages for non-compliance.

The prime shall carry out applicable requirements of the SBE Program in the award and administration of the district's contracts. Failure by the prime to carry out these requirements is a material breach of this contract which may result in the termination of this contract or such other remedy as the district deems appropriate.

The contractor agrees to provide access to all books, records, accounts, documentation, or information including but not limited to joint venture agreements, prime subcontractor teaming agreements, mentor protégé agreements, financing arrangements, distributions, and any related agreement that would permit the district to monitor and verify SBE compliance. Contractor's compliance with the SBE Program requirements may have a bearing on consideration of the contractor for future contract awards.

The SBE participation percentage commitment made by the contractor at the time of contract award is deemed contractual in nature. Therefore, the failure of the contractor to meet the SBE percentage commitment may constitute a material breach of contract.

Dallas ISD may report any suspected false, fraudulent, or dishonest conduct in the commitment and attainment of the SBE participation goal on any contract to Dallas ISD Internal Audit Department, Professional Standards Office or applicable enforcement agency including the Office of United States Attorney General or the state's Attorney's General's Office.

Falsification or misrepresentation of a joint venture agreement, prime subcontractor teaming agreement, sub-agreement, and any related agreements as to company name, contract amount and/or actual work performed by subcontractor, submitted on any contracts or forms required or otherwise requested by the district, will result in sanctions including assessment of penalty fines, termination of contract, and/or debarment.

Sanctions

Violation of any procurement-related program policies, procedures, or contractual obligations may result in any one or more of the following sanctions imposed by the Superintendent of Schools or designee:

- Administrative Warning
- Administrative Reprimand
- Loss of points on future bids/proposals
- Denial of opportunity to bid on future quotation or proposals
- Debarment from participating in future contracts.

Reporting Violations

Concerns related to a violation of these policies and procedures, whether by a District employee, a Trustee, or a vendor, should be reported to the district's hotline. [See CAA and CHE (Local)]

1-888-203-7954 or 1-800-530-1608 or www.dallasisd.org Click on the Dallas ISD Hotline link.

Severability

If any section, paragraph, sentence, clause, phrase or word of this SBE Program, or the application thereof, to any person or circumstances is for any reason held by a Court of competent jurisdiction to be unconstitutional, inoperative, invalid or void, such holding shall not affect the remainder of this Policy or the application of any other provision of this Policy which can be given effect without the invalid provision or application, and to this end, all provisions of this Policy are hereby declared severable.

Review and Sunset Policy

The district may issue a Request for Proposal to undertake a comprehensive Availability & Disparity study update every five to seven years. Upon completion of each Availability & Disparity Study, the District shall present the study findings and recommendations to the Board of Trustees for review and approval. Following a review of the study findings and recommendations, the district shall consider any proposed modifications to, or sunset of, this Policy, and shall propose modifications to the SBE Program and Policy and submit any amendments to the Trustees for adoption as appropriate to effectuate the continuation, modification, or termination of the SBE Program.

Federal Requirements

Policies, procedures, and contract clauses required under applicable federal regulations are hereby specifically incorporated under the district's SBE program. All federal requirements shall be specifically

passed on to the district's contractors and shall be in full compliance. The Small Business Office shall have the responsibility for implementation, coordination, monitoring, and compliance with the applicable federal requirements.

It is the contractors' responsibility to be aware and in compliance with all local, state, and federal regulations and requirements related to SBE programs.

Definitions

Affiliate - To associate oneself as a subordinate, subsidiary or member with another firm or entity.

Affiliation - Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party or parties or has the power to control both.

Availability - The calculated estimate of qualified business enterprises in trade, profession, or service.

Bid - A quotation, proposal, or offer by a bidder or contractor to perform or provide labor, material or supplies to the district for a price.

Bidder/Proposer/Respondent - Any person, firm, partnership, corporation, association, etc. seeking to be awarded a District contract through the district's purchasing/procurement process.

Brokerage or Broker - A firm or person who contracts with third parties on behalf of the broker's principal or a specialist who represents purchasers of goods, or an agent employed to make bargains and contracts for compensation. A broker acts as an intermediary in transactions between a buyer and a seller, receiving a commission or fee for work performed. An independent manufacturer's representative or distributor is not a broker.

Business Enterprise - Any legal entity that is organized to engage in lawful commercial transactions for the purpose of making a profit and is actively engaged in such transactions.

Certification or Recertification - The process by which the district verifies that an SBE meets the qualification criteria set forth in these Rules and Guidelines formulated under the authority of the district for participation on the Program in the appropriate construction, supply, or service category. Certification or re-certification relates to qualifications regarding ownership and control, not the quality of the service or product.

Commercially Useful Function - A business that is solely responsible for providing the supplies or services to the district as required by the solicitation or request for quotes, bids, or proposals. An SBE is considered to perform a commercially useful function when responsible for the execution of a distinct element of the work of a contract and carries out its responsibilities by performing, managing, and supervising the work involved. A business that stocks enough quantities of supplies in direct inventory, held for sale or resale, to cover anticipated future demands for the suppliers is performing a commercially useful function.

Commodity/Commodity Codes - The District's system to describe a vendor's goods or services, including but not limited to the purchase of all construction, supplies and service, and professional services by the district's departments. All vendors identify the commodity code associated with their business from the district's list of commodity codes.

Construction - Any type of newly created infrastructure, demolition, alteration, rehabilitation, or repair identified by Contract Administration as a common unit for purchasing purposes.

Contract - An award by the district whereby the district expends or commits the expenditure of funds in return for work, labor, services, supplies, equipment, materials, goods, or any combination of the foregoing. A legally binding relationship obligates the seller to furnish supplies, goods, or services (including but not limited to construction and professional services) and the district to pay.

Contractor – One who participates through a contract or subcontract.

Control – The primary power to direct the management of a business enterprise. Specifically, the power and ability to direct or cause the direction of management and policies and to make the day-to-day decisions, as well as major decisions, on matters of management, policy, and operations.

Distributors - Individuals or companies that sell or disseminate a product of another company or corporation. They can hold title and/or take possession of the product(s) they are distributing, but it is not mandatory. The term "distributor" can be distinguished from "broker". A distributor affects transactions of his own account and keeps inventory for resale; a broker affects transactions for the account of others.

Goal – A numerically expressed flexible or aspirational target determined by the district to be achieved through the district's contracting activity and by contractor's good faith efforts.

Good Faith Effort – Those efforts set forth in these Rules and Guidelines inclusive of required documentation that demonstrates a contractor's efforts to seek and utilize SBEs on contracts with the district.

Independent Ownership - The degree to which an SBE owns and participates in the management of the partnership, corporation or joint venture, by considering: 1) the SBE's participation in the decisions affecting day-to-day operations of the business; 2) the ability of the SBE to function and carry out daily business activities without assistance from the majority partner, other than in ways specified in the partnership or corporation papers; and 3) the SBE's proportionate interest in the capital, assets, profits and losses of the business. In determining whether a partnership or corporation is at least 51% independently owned and controlled by an SBE, and in determining whether such SBE has at least 51% independent ownership and control, the Executive Director of the district's Small Business Office and/or his/her designee may use discretion in weighing the foregoing factors, as well as any other factor which, in the Executive Director's determination, affects independent ownership and control.

Joint Venture - An association of two or more businesses established to carry on a business activity that is limited in scope and duration. SBE participation in a joint venture shall be based on the sharing of real economic interests in the venture and shall include proportionate control, management, risk, and profits of the joint venture are commensurate with its ownership interest in the joint venture.

Manufacturer's Representative - An independent sales agent for a manufacturer or a group of manufacturers (principal) in a described sales territory who takes neither title nor possession of the merchandise he or she sells. This person or individual may not be certified.

Operate - To be actively involved in the day-to-day management of the business.

Own - To have possession of at least 51% ownership of a business. Ownership is interpreted to ensure that SBE firm(s) enjoy the normal and customary incidents of ownership.

Owner - An individual or entity that has possession of at least 51% ownership of a business. Ownership is interpreted to ensure that SBE firm(s) enjoy the normal and customary incidents of ownership.

Participation – The rate of SBE utilization.

Prime Contractor – Any person, firm, partnership, corporation, association, joint venture, etc., that has been awarded a district contract.

Respondent - A general term that refers to a contractor, consultant, vendor, prime, or any individual, company or corporate entity seeking to do work for the district regardless of the method used to procure the services or products.

Site Visit - An inspection of the SBE firm(s) operation performed by the SBE Executive Director or his/her designee to ensure an existing business complies with the applicable requirements for SBE certification. An on-location review conducted by the owner, agency, or project representative to verify that a Small Business Enterprise (SBE) firm is actively performing the specific scope of work it proposed and was contracted to complete. The visit is used to confirm that the SBE is executing its designated responsibilities, utilizing its own workforce and resources as required, and complying with contractual and participation commitments.

Size Standards - A size standard is the maximum threshold—typically based on average annual revenue or number of employees—established by a governing agency to determine whether a business qualifies as a Small Business Enterprise (SBE) within a specific industry. The district will adopt the U.S. Small Business Administration's (SBA) size standards to determine eligibility for Small Business Enterprise (SBE) certification and participation. Firms must meet the applicable SBA size standard, as defined by their primary NAICS code, to qualify as a small business under the district's program.

Small Business Enterprise - A for-profit business pursuant to section 3 of the Small Business Act and Small Business Administration regulations (13 CFR Part 121) that is independently owned and operated.

Small Business Enterprise Program - A district-wide initiative designed to foster the participation of small business enterprises in all facets of the district's contracting and purchasing activities. The program aims to foster opportunities and accessibility, encourage business development, and ensure compliance with applicable policies and regulations to enhance the growth and success of small businesses within the district's procurement and contracting activities.

Small Business Office - A dedicated department within the district responsible for overseeing the Small Business Enterprise (SBE) Program. Its primary functions include implementing, monitoring, enforcing, and ensuring compliance with SBE policies and procedures related to district contracts and bond projects. The SBO facilitates resources, manages program initiatives, provides technical assistance to small businesses, and promotes equitable opportunities for certified Small Business Enterprises in alignment with district goals and regulatory requirements.

Specialty Items - An area where there are no certified SBEs or where no SBEs have the capacity, financial resources, or experience, to perform.

Strategic Partnership - An alliance between two entities that is not a formal legal partnership.

Subcontractor - A firm or individual that enters into an agreement with a prime contractor to perform a specific portion of the work required under a prime contract. The subcontractor is responsible for completing the designated scope of work in accordance with the terms of the subcontract agreement and applicable project requirements, but does not hold a direct contractual relationship with the owner or contracting agency.

Subsidiary – Companies owned or controlled by the respondent, bidder, proposer, prime, contractor, vendor, or prime.

Supplier – A person, firm, partnership, corporation, association, joint venture, etc., directly involved in the manufacture or distribution of supplies or materials or otherwise warehouses and ships the supplies in a manner that is the standard practice of the industry.

Utilization – The profitable use of an enterprise by awarding of a contract.

Vendor Registration - The formal process by which a business provides required company information, certifications, and documentation. This process typically includes submission of business details (such as legal name, tax identification number, contact information, licenses, and applicable certifications). Completion of vendor registration places the firm in the agency's approved vendor system but does not guarantee contract award.

Waiver - The district's approval relinquishing a contractor's obligation to comply with one or more provision(s) of the SBE Program.