

Memorandum



Date: March 4, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Request for Information - Small Business Program Comparison

HCD
Agenda Item No.7(C)
March 11, 2009

This memorandum is in response to your request that the Director of the Department of Small Business Development (SBD) provide your office with a comparative analysis of the program components and effectiveness of Miami-Dade Expressway Authority's (MDX) Small Business Program and that of Miami-Dade County. SBD has completed the analysis of MDX's Procurement and Small Business Participation Policy. A comparison chart outlining the main components of the two programs is attached for your review.

The analysis reveals that both programs are very similar, as MDX modeled its program after the County's and utilizes the County's pool of certified firms. MDX utilizes an additional incentive to increase small business opportunities and participation. Differences in the two programs are as follows:

1. **Bonus Points:** MDX offers bonus points for up to 30 percent small business utilization in excess of an established small business goal. Proposers may receive bonus points for exceeding the established small business goal which are added to the proposer's final evaluation score. Bidders may receive a percentage reduction of their bid for purposes of evaluation only, based upon exceeding the small business goal. Proposers/Bidders may receive project bonus points or percentage discounts for utilizing small businesses in construction, architectural & engineering, and/or goods and services, provided it is within the scope of services. The County's Small Business Program does not include Bonus Point incentives.
2. MDX has a 10 percent annual objective for small business participation for all purchases. MDX has an internal policy of assessing a 15 percent goal on each awarded project. Projects are reviewed prior to advertisement at which time goals are adjusted up or down according to availability. The County's objective is to expend no less than 10 percent of annual expenditures with small businesses in construction and architectural & engineering services. Projects are reviewed and assessed small business goals according to scope of work and availability. The County's objective is to expend no less than 5 percent of annual expenditures for purchases \$50,000 or less, with small businesses.

MDX advised that the Bonus Points incentive has resulted in an overall increase in small business opportunities and utilization. They currently have 50 open contracts primarily in the areas of construction and civil engineering. Low volume and narrow scopes allow ease of review for goals and goal compliance. To date, no statistical data has been provided by MDX.

Sustaining and increasing small business participation are the objectives of both programs. The application of a point incentive in the form of Bid Preferences and Selection Factors for small business utilization in the absence of or in excess of established goals is being explored by SBD for inclusion in the County's small business programs. The ability to achieve multiple program goals across industries has met resistance from the County's Community Small Business Enterprise (CSBE) Advisory Board.

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The proposed small business preference would increase overall small business participation without diminishing opportunities in primary trade areas. We expect to present legislation for Board consideration in the near future.

Please do not hesitate to contact me directly at 305-375-1880 or SBD Director Penny Townsley at 305-375-3134 if you have additional questions.

Attachment

- c: Honorable Carlos Alvarez, Mayor
- Denis Morales, Mayor's Chief of Staff
- Assistant County Managers
- Penelope Townsley, Director, Department of Small Business Development

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ATTACHMENT

SMALL BUSINESS PROGRAM COMPARISON

MDX	MDC
<p>Small Business Goals: An independent review is conducted on each project to determine whether a small business percentage goal can be assigned. Based on availability in trades identified for the project, a percentage goal is assigned to the project.</p> <p>100% Set-Asides: When the Agency identifies a sufficient number of certified small firms that can respond to the solicitation, the project will be set-aside 100% for small firms.</p>	<p>Small Business Goals: An independent review is conducted on each project to determine whether a small business percentage goal can be assigned. Based on availability in trades identified for the project, a percentage is assigned to the project.</p> <p>100% Set-Asides: SBD reviews each project to determine availability for small business participation for all trades. When a minimum of 3 eligible firms are found for all trades, project may be set-aside for 100% small business participation.</p>
<p>Small Business Policy: MDX has a policy that not less than 10% of all MDX annual procurement expenditures be dedicated to small businesses, unless specifically exempted by the MDX Board. Administratively, MDX strives to place no less than 15% small business goals on all projects (individual reviews are conducted to determine actual goal).</p>	<p>Small Business Policy:</p> <p>Construction/Architectural and Engineering: MDC's objective is to ensure that no less than 10% of annual expenditures are with small businesses.</p> <p>Goods and Services: Projects not assigned specific small business goals or set-asides are assigned a Bid Preference or Selection Factor measure unless otherwise prohibited (federal/state contracts). The County's objective is to ensure that no less than 5% of annual expenditures up to \$50,000 are with small businesses.</p>
<p>Bonus Points: Proposers/Bidders receive bonus points or percentage reduction for exceeding small business requirement. Bonus points are added to a proposer's final evaluation score and the highest score shall be the apparent successful proposer. Percentage reductions (for evaluation purposes only) are given to bidder and lowest bid shall be the successful bidder. Proposers/Bidders may meet project goals utilizing small businesses in construction, architectural & engineering, and/or goods and services, providing they are within the project's scope of services</p>	<p>Proposers are given no incentive for exceeding established goals and must satisfy the goal in the assigned business enterprise.</p>
<p>Program Incentive: Firms that participate in the Mentor-Protégé or Worker Training Programs may receive a reduction of 2% of bid price (for evaluation purposes only) or the addition of up to 10% of the total evaluation points of bidders' total score. NOT IMPLEMENTED TO DATE</p>	<p>Program Incentive: Firms that participate in the Mentor-Protégé or Worker Training Programs may receive a reduction of 2% of bid price (for evaluation purposes only) or the addition of up to 10% of the total evaluation points of bidders' total score.</p>
<p>Good Faith Efforts: Contractors who fail to meet the small business requirement at the time of bid must demonstrate in the submission package all evidence of "good faith effort" in securing small businesses participation, otherwise bid will be deemed nonresponsive.</p>	<p>Bidders whose bids do not meet the specified goal, in order to remain eligible, must submit evidence proving the lack of available small businesses by bid due date.</p>
<p>DBE Policy: MDX has committed that no less than 25% of all of the projects that are procured at the Agency will be made available to small, minority and disadvantaged businesses.</p>	<p>DBE Goals: Federally funded projects governed by federal guidelines are reviewed individually for DBE measures.</p> <p>Airport Concessions Yearly Commitment: 30%; all other applicable projects are reviewed individually for DBE measures.</p> <p>Transit Yearly Commitment: 20%; each project is reviewed for applicable measures.</p>