

Office of School Board Attorney
Walter J. Harvey, School Board Attorney

SUBJECT: ACCEPT FINDINGS OF EUQUANT, INC., AND INITIAL READING OF PROPOSED AMENDMENTS TO BOARD POLICIES 6320.02, SMALL/MICRO AND MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE PROGRAMS, AND 6320.05, LOCAL VENDOR PREFERENCE

COMMITTEE: INNOVATION, GOVERNMENTAL RELATIONS AND COMMUNITY ENGAGEMENT

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE & SUSTAINABLE BUSINESS PRACTICES

This item requests that the Board accept the disparity findings and conclusions of Euquant, Inc., and authorize the Superintendent to initiate rulemaking procedures to amend Policies 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, and 6320.05, *Local Vendor Preference*, as described below.

A. Small/Micro and Minority/Women-Owned Business Enterprise Programs

In 1985, the School Board adopted its first policy to address disparities existing in contract awards to Minority/Women-Owned Business enterprises (M/WBE) based on disparity studies conducted in 1985 and 1990. Pursuant to the US Supreme Court decision in *City of Richmond v. J.A. Croson*, 109 S. Ct. 706 (1989), the Board determined on November 21, 2012, that in order to continue its program, a new disparity study would need to be conducted. In February 2013, the Board commissioned MGT of America, Inc. (MGT) to conduct Phase I of a Comprehensive Disparity Study to determine if disparity existed in the utilization M/WBEs in the Board's procurement of capital construction and design and construction related professional services. At the same time, the Board adopted a gender and race neutral small and micro business enterprise program.

The MGT study reported statistically significant disparities in the District's utilization of ready, willing and able M/WBE's in prime construction, construction-related professional services, and design and construction-related professional service subcontracts for

G-1

African-American, Asian-American, Native American, and Non-Minority women businesses. For construction subcontracts, however, the study found disparities only in Asian-American and Native American companies. After significant public input, discussion with the Board, and an initial review of MGT data by the Board's Office of Management and Compliance Audits, it was determined that additional analysis of African-American sub-contracting disparity by an independent third party was warranted. The Board did, however, accept MGT's findings of disparity in other areas and adopted amendments on January 14, 2015, to Board Policy 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, to re-establish its MWBE program in the identified categories supported by the MGT study.

At the same time, the Board retained Dr. Thomas Boston, CEO of the firm Euquant, Inc., (Euquant) to conduct an empirical analysis of the findings, conclusions, and methodology employed by MGT in their analysis of disparity as it related to African-American construction subcontractors. After completing its analysis, Euquant concluded that "there is a strong basis in fact and a compelling governmental interest in establishing a remedial subcontracting program for African-Americans in the construction industry."

This item requests that the Board accept the Euquant findings and conclusions and consider amending Board Policy 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, to include African-American construction subcontractors. Other proposed amendments will: (1) expand MWBE certification eligibility from Miami-Dade County to the Metropolitan Statistical Area (Miami-Dade, Broward and Palm Beach Counties), (2) clarify and adjust the gross revenue levels for Small and Micro Business Program eligibility and graduation, (3) correct and clarify various internal inconsistencies in appeal eligibility timelines, formatting, and other provisions, (4) authorize the development and implementation of programs to provide incentives for bidders to increase diversity in their use of subcontractors consistent with new Policy 6320.06, *Diversity, Equity and Inclusion in Business Operations and Practices*, (5) delete references to specific forms, (6) add fair subcontracting and prompt payment requirements, (7) include provisions addressing local vendor preference changes mandated by the state to conform to 6320.05 as described below, and (8) specifically authorize the establishment of affirmative procurement initiatives to increase the participation of service disabled veteran businesses in the Board's procurement processes.

B. Local Vendor Preference

During the 2015 Florida Legislative Session, the Legislature passed a statutory amendment prohibiting the use of local preference in competitive solicitations for construction services in which 50% or more of the cost will be paid from state-appropriated funds which have been appropriated at the time of the competitive solicitation. The solicitation documents for construction services in this event must disclose that no local preference will be applied. State-appropriated funds are defined as all funds appropriated in the General Appropriations Act, excluding federal funds. This does not include funds that derive from local sources, including but not limited to, general obligation bond funds for capital construction or funds raised through local

capital outlay millage and local sales taxes. In addition, the policy is proposed to be updated to include state business vendor preferences and the requirement for construction contracts funded by the state to include a mandate that the contractor hire state residents when they are substantially equal in qualifications to nonresidents. The changes are expected to have minimal impact on the Board's current capital construction projects since they are primarily funded through capital construction general obligation bonds and other local sources. This item requests that the Board approve amendments to 6320.05, *Local Vendor Preference* to add these requirements. Other proposed amendments correct, clarify and reformat the policy and it is proposed to be renamed *Vendor and Employment Preferences*.

Attached are the Notice of Intended Action and the proposed amended policies. Changes are indicated by underscoring words to be added and ~~striking through~~ words to be deleted.

Authorization of the Board is requested for the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to amend Policies 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, and 6320.05, *Local Vendor Preference*.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida,

- (1) accept the findings and conclusions of Euquant, Inc., that there is a significant disparity in the Board's utilization of African-American construction subcontractors; and
- (2) authorize the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to amend Policies 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, and 6320.05, *Local Vendor Preference*.

NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on September 9, 2015, its intention to amend Policies 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, and 6320.05, *Local Vendor Preference*, at its meeting of October 14, 2015.

PURPOSE AND EFFECT: In order to further the Board's commitment to commercial anti-discrimination and inclusion of small/micro and minority/women-owned business enterprises (MWBE) in its construction and construction-related procurement of professional services, Policy 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, is proposed to be amended to find that there is a statistically significant disparity in the Board's utilization of ready, willing, and able African-American construction subcontractors and that the Board include this category of subcontractors in its affirmative procurement initiatives. Other proposed amendments will: (1) expand MWBE certification eligibility from Miami-Dade County to the Metropolitan Statistical Area (Miami-Dade, Broward and Palm Beach Counties), (2) clarify and adjust the gross revenue levels for Small and Micro Business Program eligibility and graduation, (3) correct and clarify various internal inconsistencies in appeal eligibility timelines, formatting, and other provisions, (4) authorize the development and implementation of programs to provide incentives for bidders to increase diversity in their use of subcontractors consistent with new Policy 6320.06, *Diversity, Equity and Inclusion in Business Operations and Practices*, (5) delete references to specific forms, (6) add fair subcontracting and prompt payment requirements, (7) include provisions addressing local vendor preference changes mandated by the state and to conform to amendments to Policy 6320.05 as described below, and (8) specifically authorize the establishment of affirmative procurement initiatives to increase the participation of service disabled veteran businesses in the board's procurement processes.

Policy 6320.05, *Local Vendor Preference*, is proposed to be amended to incorporate a legislative amendment prohibiting the use of local preference in competitive solicitations for construction services in which 50% or more of the cost will be paid from state-appropriated funds which have been appropriated at the time of the competitive solicitation. The proposed amendments also include the legislative requirement solicitation documents for construction services in this event must disclose that no local preference will be applied. State-appropriated funds are defined as all funds appropriated in the General Appropriations Act, excluding federal funds and does not include capital construction projects funded by local sources, including general obligation bonds. In addition, the policy is proposed to be updated to include statutory requirements for state business vendor preferences and that construction contracts funded by the state include a mandate that the contractor hire state residents when they are substantially equal in qualifications to nonresidents. The changes are expected to have minimal impact on the Board's current capital construction projects since they are primarily funded through capital construction general obligation bonds and other local sources. The policy is proposed to be renamed *Vendor and Employment Preferences*.

SUMMARY: In order to further the Board's commitment to commercial anti-discrimination and inclusion of small/micro and minority/women-owned business enterprises (MWBE) in its construction and construction-related procurement of professional services, Policy 6320.02, *Small/Micro and Minority/Women-Owned Business Enterprise Programs*, is proposed to be amended to find that there is a statistically significant disparity in the Board's utilization of ready, willing, and able African-American construction subcontractors and that the Superintendent may develop narrowly tailored race-conscious measures to address the disparity. Policy 6320.05, *Local Vendor Preference*, is proposed to be amended to incorporate statutory changes prohibiting the use of local preference in competitive solicitations for construction services in which 50% or more of the cost will be paid from state-appropriated funds which have been appropriated at the time of the competitive solicitation and to include state business vendor preference and state hiring requirements. The policy is proposed to be renamed *Vendor and Employment Preferences*.

SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED: 120.74, 1001.41 (1), (2), F.S.

LAWS IMPLEMENTED INTERPRETED OR MADE SPECIFIC: 218.735, 255.099, 255.0991, 287.055, 287.084, 1001.43 (2), (4), and (10), F.S.

IF REQUESTED, A HEARING WILL BE HELD DURING SCHOOL BOARD MEETING OF October 14, 2015, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided in Section 120.54(1), F.S., must do so in writing by October 5, 2015, to the Superintendent, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by The School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is to be based. Section 286.0105, F. S.

COPIES OF THE PROPOSED AMENDED POLICIES are available at cost to the public for inspection and copying in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

1 SMALL/MICRO AND MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE
2 PROGRAMS

3 In 1985 and 1990, the School Board determined through its own statistical analysis
4 of current contracting expenditures and evaluation of economic and sociological
5 studies, that a disparity existed in contract awards to Minority/Women-Owned
6 Business Enterprises (M/WBE) and that the disparity was a result of past
7 discriminatory practices. In order to comply with the United States Supreme Court
8 holding in *City of Richmond v. J.A. Croson*, 109 S. Ct. 706 (1989), that all race
9 conscious programs would require direct evidence of past discrimination, the Board
10 then commissioned a disparity study.

11 The 1990 study concluded that market area industry practices in construction,
12 construction support services, professional services, and commodities and services
13 were discriminatory toward M/WBEs and that the School District had been a
14 passive participant in discrimination against M/WBEs. Based on the results of that
15 study, the Board modified its existing Business Development and Assistance
16 Program to establish incentives that would increase opportunities specifically for
17 M/WBEs contracting with the Board. The Board also implemented several race and
18 gender-neutral initiatives methods in an effort to eliminate disparities in the
19 utilization of M/WBE firms such as bond waivers, establishing insurance
20 requirements that provided appropriate protection but did not discourage M/WBE
21 firms from competing for contracts, enhancing technical assistance programs, and
22 increasing outreach efforts to M/WBEs.

23 On November 21, 2012, the Board determined that a ~~current~~new disparity study
24 would need to be conducted in order to continue its M/WBE program. The Board
25 repealed its Business Development and Assistance Program Policy with the
26 understanding that it would develop a new M/WBE Program if supported by the
27 results of a ~~current~~newly commissioned disparity study. At the same time, the
28 Board approved the Small/Micro Business Enterprise (SMBE) Program and the
29 continuation of the Minority/Women Owned Business Enterprise MWBE
30 Certification Program (SMBE) ~~to continue to~~ provide legally permissible race and
31 gender neutral participation by small and micro businesses in Board procurement of
32 goods and services, construction, and professional services and to allow M/WBEs to
33 participate in Board contracting as small and micro business enterprises while the
34 study was being conducted. The ~~policy~~program continued to certify M/WBEs, to
35 include aspirational goals for M/WBEs in contracts, and to track and monitor the
36 utilization of M/WBEs through the SMBE Program.

1 | ~~Shortly thereafter,~~ In February 2013, the Board contracted with MGT of America, a
2 Tallahassee consulting firm, to conduct Phase I of a Comprehensive Disparity Study
3 (Disparity Study) to provide data regarding the Board's design and
4 construction-related professional services procurement activity and race- and
5 gender-neutral remedial efforts for the study period between July 1, 2006, through
6 June 30, 2012. The purpose of the Disparity Study was to analyze the utilization of
7 minority and women-owned business enterprises (M/WBEs) in the Board's
8 procurement of capital construction and design and construction related
9 professional services. The Disparity Study was accepted by the Board on
10 November 19, 2014. In February 2015, the Board commissioned Euquant, Inc., to
11 provide further disparity analysis of the Board's utilization of African-American
12 subcontractors in construction (Subcontractor Disparity Study). The Subcontractor
13 Disparity Study was accepted by the Board on September 9, 2015. The Disparity
14 Study and the Subcontractor Disparity Study are both incorporated by reference
15 and made a part of this policy.

16 The Disparity Study addressed (1) whether there is a disparity in the utilization of
17 M/WBEs in the District's procurement of construction and professional services,
18 (2) whether any disparity is the product or result of past discrimination or other
19 factors related to race or gender based discrimination, (3) whether any disparity can
20 be effectively ameliorated through race and gender neutral programs, and (4) if the
21 appropriate remedy is a race- or gender-conscious program, how the program
22 should be narrowly tailored to remedy the current effects of past discrimination and
23 conform to constitutional guidelines.

24 | The Disparity Study and the subsequent Subcontractor Disparity Study reported
25 findings that within the relevant geographic market of the Miami-Dade Metropolitan
26 Statistical Area (Miami/Broward/Palm Beach) there are statistically significant
27 disparities in the District's utilization of ready, willing and able M/WBEs in the
28 following categories of contracts and business owners:

- 29 A. Prime Construction Contracts (African-American, Asian-American,
30 Native-American and Non-Minority Women)
- 31 | B. Construction Subcontracts (African-American, Asian-American and
32 Native-American)
- 33 C. Prime Design and Construction-Related Professional Services
34 (African-American, Asian-American, Native-American and
35 Non-Minority Women)
- 36 D. Design and Construction-Related Professional Services Subcontracts
37 (African-American, Asian-American, Native-American and
38 Non-Minority Women)

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 3 of 37

1 Other significant findings in the Disparity Study report include, but are not limited
2 to, the following:

- 3 A. Non-minority firms received the majority of the public sector
4 construction permits for prime contracts.
- 5 B. Non-minority firms received an even larger percentage of
6 construction building permits for private sector commercial
7 construction and subcontracts. MBE primes received only two
8 percent (2%) of building permits and certified non-minority
9 women-owned businesses received zero. Of the .27% of
10 subcontractors who received building permits, nearly all went to
11 Hispanic-American owned businesses.
- 12 C. There are significant disparities for entry into self-employment for
13 African-Americans, Hispanic Americans, Asian Americans and
14 Nonminority Women.
- 15 D. There is a statistically significant positive relationship between the
16 probability of commercial bank loan denial and African American
17 business ownership. About fifteen percent (15%) of M/WBE loan
18 applicants reported being denied commercial bank loans, compared
19 to 64.7% of African American applicants, 21.6% of Hispanic
20 American applicants, 0% of Asian American-owned firms, 0% of
21 Native American applicants, and twenty percent (20%) of Non-
22 Minority women applicants.
- 23 E. Interviews with District staff and M/WBE firms identified various
24 discriminatory barriers affecting the relevant job market including
25 unequal access to bonding, finance, and insurance, having to
26 unfairly compete against large firms in the selection process,
27 unnecessarily restrictive contract requirements, an informal network
28 that precluded M/WBE firms from obtaining work in the private
29 sector, seldom or never being solicited where there were no M/WBE
30 goals, being dropped from a project after being included to satisfy
31 good faith effort requirements, contract bundling, slow or
32 non-payment by contractors, limited time to prepare bid packages,
33 difficulty obtaining notification of contract/bid opportunities, and
34 discriminatory experiences in dealing with the District and prime
35 contractors.
- 36 F. The implementation of numerous race and gender-neutral
37 assistance efforts and programs throughout the relevant market
38 over the past two (2) decades have been unsuccessful in eliminating
39 these persistent and significant disparities in the District's ready,
40 willing and able M/WBE firms. The efforts have included technical
41 assistance, loan guarantee assistance, bonding assistance, business

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 4 of 37

1 development assistance, financial assistance, and mentoring
2 programs.
3

4 Together, these District and private sector disparities currently establish an
5 inference of discrimination that is adversely affecting the Board's utilization of ready,
6 willing and able minority- and women-owned firms.

7 Based upon the totality of the evidence gathered and presented to the Board since
8 1990, the Board has concluded that there is a strong evidentiary basis establishing
9 that the District has a compelling interest in remedying the ongoing effects of
10 discrimination that is occurring in the broader relevant market and adversely affects
11 the District's utilization of ready, willing and able minority- and women-owned firms
12 in District construction and construction-related contracts. The Board also
13 concludes that it needs to take action to avoid becoming a passive participant in
14 private sector discrimination.

15 The Board has further concluded that race- and gender-neutral remedies, in and of
16 themselves, may not be sufficient to eliminate the effects of the identified forms of
17 discrimination, and that a narrowly tailored combination of race- and
18 gender-neutral and race and gender-conscious remedies are warranted. Accordingly,
19 this policy specifically authorizes the establishment of a narrowly tailored
20 combination of race and gender-neutral and race and gender-conscious programs
21 that address discrimination in the Board's procurement processes and business
22 operations.

23 **General Policy**

24 A. The District shall resort to the use of race- and gender-conscious
25 means for addressing disparities only when it is apparent that the
26 use of neutral means alone will likely be insufficient to remedy the
27 effects of identified discrimination. The determination of when to
28 use race conscious measures will be made on a project-by-project or
29 contract-by-contract basis pursuant to this policy.

30 B. Having found that it has a compelling governmental interest to
31 remedy the effects of identified discrimination in the procurement of
32 construction and professional services contracts, the Board directs
33 and authorizes the Superintendent to establish procedures and
34 implement remedies that are consistent with this policy and are
35 narrowly tailored to the findings and conclusions of the Disparity
36 Study.

37 C. In addition, the Board shall take all necessary, reasonable, and legal
38 action to prevent discrimination and to ensure that all businesses,
39 including M/WBEs, are afforded the maximum equitable
40 opportunity to participate in the District's procurement process.

1 D. The District shall take all necessary and reasonable steps
2 permissible by law to ensure full equitable participation by M/WBEs
3 in the procurement of construction and professional services for the
4 District, including:

5 1. developing programs and services as described in this policy
6 that will achieve the Board's diversity objectives in business
7 practices and operations in a manner that is consistent with
8 this objective;

9 2. publicizing and enforcing ~~its~~the Board's commercial nonanti-
10 discrimination provisions in Policies 6465 and Policy 6320 to
11 ensure that District employees and companies doing business
12 with the Board do not discriminate in the solicitation,
13 selection, or treatment of subcontractors, suppliers, vendors,
14 or commercial customers on race, color, ethnic or national
15 origin, religion, marital status, disability, genetic information,
16 age, political beliefs, sexual orientation, gender, gender
17 identification, social and family background, linguistic
18 preference, pregnancy, and any other legally prohibited basis;

19 3. developing additional Board policies, administrative
20 programs, procedures and affirmative procurement initiatives
21 consistent with Policy 6320.06 to directly address inequities
22 and disparities related to the underutilization of M/WBE
23 subcontractors on Board construction projects;
24

25 34. ensuring that the Office of Economic Opportunity (OEO) is
26 included on all selection committees for bids, contracts and
27 professional services; and

28 The OEO shall review contract specifications to ensure that
29 they are not unnecessarily restricting the availability and
30 participation of SMBEs and M/WBE firms in the procurement
31 and contracting process.

32 45. evaluating the levels of availability and utilization in SMBE
33 and M/WBE participation and adjusting the implementation
34 of this policy according to changing needs and circumstances
35 to ensure that appropriate utilization objectives are
36 established and achieved/maintained.

1 **Office of Economic Opportunity (OEO)**

2 The OEO shall administer and implement the SMBE and M/WBE Business
3 Enterprise Program including certification, technical assistance and compliance,
4 and:

- 5 A. enforce the Board's commercial anti-discrimination Policy 6465 in
6 the award of contracts for construction projects, procurement of
7 goods and services, and professional services and implement the
8 measures developed pursuant to Policy 6320.06 to increase
9 diversity, equity and inclusion in business practices and operations;
- 10 B. provide maximum legally permissible opportunities for SMBEs and
11 M/WBEs to participate in the award and performance of all Board
12 contracts, including construction, professional services including
13 A/E and non-A/E, and goods and services;
- 14 C. monitor, track, and certify small/micro businesses and
15 minority/women business enterprises;
- 16 D. to develop procedures and processes to enforce compliance with this
17 policy for all Board vendors, including construction, professional
18 A/E and non-A/E services, and goods and services and when
19 applicable, to recommend appropriate sanctions;
- 20 E. develop and implement necessary administrative procedures to fully
21 implement these programs;
- 22 F. establish insurance requirements which, although providing
23 appropriate protection, are not more restrictive than necessary to
24 protect the public's interest;
- 25 G. establish economic incentives that encourage the waiver of bonds,
26 and enhance the bonding technical assistance program;
- 27 H. establish administrative procedures to expeditiously resolve
28 monetary disputes and motivate prime contractors to make timely
29 payments;
- 30 I. establish a comprehensive contract reporting and monitoring system
31 to evaluate the effectiveness of these programs in increasing
32 contracting opportunities for small/micro and
33 minority/women-owned businesses;

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 7 of 37

- 1 J. serve as chair of the Goal-Setting Committee and staff liaison to the
2 Small/Micro and Minority/Women-Owned Business Enterprise
3 Advisory Committee;
- 4 K. monitor, coordinate, and provide support for any disparity study
5 that may be conducted regarding minority/women-owned business
6 participation in Board procurement for construction, professional
7 A/E and non-A/E services, and goods and services;
- 8 L. develop and coordinate any recommendations as a result of any
9 such disparity study findings;
- 10 M. maintain, distribute, and publish a directory of certified SBE, MBE,
11 and M/WBE firms; and
- 12 N. report ~~quarterly~~ annually through the Superintendent to the Board
13 regarding the effectiveness of these programs; and
14
- 15 O. monitor local workforce development initiatives and/or goals
16 through community based agreements with reputable and reliable
17 referral agencies for Board construction, professional A/E and non-
18 A/E services, and goods and services.

19 **Small/Micro and Minority/Women-Owned Business Enterprise Advisory**
20 **Committee**

21 The Small/Micro and Minority/Women-Owned Business Enterprise Advisory
22 Committee shall be established to:

- 23 A. provide guidance on the implementation of the SMBE and MWBE
24 Programs and to promote the participation and use of SBEs/MBEs
25 and M/WBEs in the all procurement activities of the Board;
- 26 B. identify and evaluate issues related to economic opportunities within
27 the Board for small, micro and minority/women owned businesses;
- 28 C. provide recommendations to the Board to improve the SMBE/MWBE
29 programs;
- 30 D. annually evaluate and report to the Board on the effectiveness of the
31 SMBE/MWBE programs in increasing minority and women owned
32 business participation in the Board's procurement process;
- 33 E. monitor any disparity study that may be conducted by the Board
34 and make recommendations based on the results of any such study.

1 The Board and Superintendent shall each appoint a community member who is not
2 employed by the Board and does not have any direct or indirect business
3 relationship with the Board. The committee shall have representation from local
4 small, micro, minority, women, and majority business interest organizations,
5 community based organizations and local government entities which may include
6 professional, construction and trade, business, and socio-economic organizations.
7 The Board and Superintendent shall approve a list of representative organizations
8 and the Superintendent shall appoint a member nominated by each recommended
9 organization from their membership. The term of each Board appointee shall be
10 coterminous with the appointing Board member and the term of the
11 Superintendent's appointees shall be at the will and discretion of the
12 Superintendent. In no event shall any committee member serve more than four (4)
13 consecutive years. All appointments must comply with Policy 9140, Citizen Advisory
14 Committees. The committee shall annually elect a chair and vice-chair, meet at
15 least six(6) times per year, and be governed by the latest edition of *Robert's Rules of*
16 *Order*. The committee may adopt bylaws, to be recommended by the Superintendent
17 to the Board for approval, to facilitate the operation of the committee.

18 **Terms and Definitions**

- 19 A. ***Affirmative Procurement Initiatives*** – any procurement tool to
20 enhance contracting opportunities for SBE/MBE firms including:
21 bonding waivers, bid incentives, sheltered market, mandatory
22 subcontracting, competitive business development demonstration
23 projects, and SBE/MBE evaluation preference points in the scoring
24 of proposal evaluations.
- 25 B. ***Available or Availability*** – to have, prior to bid submission, the
26 ability to provide goods or services under a contract by having
27 (a) reasonably estimated, uncommitted capacity; (b) all necessary
28 licenses, permits, registrations and certification, including SMBE or
29 M/WBE certification to provide the type of goods or services being
30 purchased under the contract; (c) ability to obtain reasonably
31 required financing/insurance that is consistent with normal
32 industry practice; and (d) ability to otherwise meet bid
33 specifications.
- 34 C. ***Award*** – final selection of a bidder or offer or for a specified
35 contract.
- 36 D. ***Award Amount*** – the dollar value of the contract when awarded.

- 1 E. **Bid** – quotation, proposal, letter of interest or offer by any bidder in
2 response to any kind of invitation, solicitation, request or public
3 announcement to submit such quotation, proposal, letter of interest
4 or offer for a contract.
- 5 F. **Bidder** – any person, partnership, corporation or other business
6 entity that submits a bid or proposal.
- 7 G. **Certification** – process by which the OEO Office of Economic
8 Opportunity (“OEO”) determines that a business meets the criteria
9 for classification as a small/micro business enterprise and/or a
10 minority/women-owned business enterprise.
- 11 H. **Commercially Useful Function** – an SMBE or M/WBE performs a
12 commercially useful function when it is responsible for execution of
13 the work of the contract and is carrying out its responsibilities by
14 actually performing, managing, and supervising the work involved.
15 To perform a commercially useful function, the SMBE or M/WBE
16 must also be responsible for negotiating the price of contract
17 materials and supplies, determining the quantity and quality of
18 materials, ordering and installing materials if applicable, and paying
19 for the materials. To determine whether an SMBE or M/WBE is
20 performing a commercially useful function, an evaluation must be
21 performed of the amount of work subcontracted, normal industry
22 practices, whether the amount the SMBE or M/WBE is to be paid
23 under the contract is commensurate with the work it is actually
24 performing and the SMBE or M/WBE credit claimed for its
25 performance of the work, and other relevant factors. Specifically, an
26 SMBE or M/WBE does not perform a commercially useful function if
27 its role is limited to that of an extra participant in a transaction,
28 contract, or project through which funds are passed in order to
29 obtain the appearance of meaningful and useful SMBE or M/WBE
30 participation, when in similar transactions in which SMBE or
31 M/WBE firms do not participate, there is no such role performed.
- 32 I. **Construction Services—and Construction-Related Specialty**
33 **Trades** - means all labor, services, and materials provided in
34 connection with the construction, alteration, repair, demolition,
35 reconstruction, or any other improvements to real property.

- 1 J. **Contract** - an agreement for purchase of goods or services,
2 including professional services and construction. It does not include
3 agreements to purchase, lease, or rent real property, or a grant,
4 license, permit, franchise, or concession.
- 5 K. **Goal** - The annual or contract-specific goals for contract
6 participation that express the anticipated level or proportion of
7 contract dollars in a given time frame that would be expected to be
8 received by a particular segment of the total population of Ready,
9 Willing, and Able (RWA) firms. These goals are based upon
10 availability analysis derived from a database established by the OEO
11 and Purchasing. Upon completion of availability analysis, such
12 goals for specific contract participation may, under certain
13 circumstances, be set and narrowly tailored by race, gender, and
14 industry codes. Annual goals are intended as an administrative
15 guide only to assist the District in its annual policy review to
16 determine whether the use of more aggressive or less aggressive
17 remedies are warranted in the future. Annual goals shall not be
18 routinely applied to specific contracts absent independent
19 availability analysis demonstrating that they are appropriate for
20 application to a specific contract.
- 21 L. **Goal Setting Committee** - committee established by the
22 Superintendent that is chaired by the OEO and is responsible for
23 establishing SMBE and M/WBE Program goals and selecting
24 appropriate Affirmative Procurement Initiatives for application to
25 specific Board contracts based upon industry categories, vendor
26 availability, and project-specific characteristics.
- 27 M. **Good Faith Efforts** - documentation of the bidder's intent to
28 comply with SMBE and M/WBE Program goals and procedures,
29 including, but not limited to the following: (1) documentation within
30 a bid submission or proposal reflecting the bidder's commitment to
31 comply with program goals as established by the Goal Setting
32 Committee for a particular contract; or (2) documentation of efforts
33 made towards achieving the program goals, including but not
34 limited to, timely posting of SMBE or M/WBE subcontract
35 opportunities on the Board web site; solicitations of bids from all
36 qualified SME or M/WBE firms listed in OEO's directory of certified
37 firms; correspondence from qualified SMBE or M/WBE firms
38 documenting their unavailability to perform SMBE or M/WBE
39 contracts; documentation of efforts to subdivide work into smaller
40 quantities for subcontracting purposes to SMBE or M/WBE firms;
41 documentation of efforts to assist SMBE and M/WBE firms with
42 obtaining financing, bonding, or insurance required by the bidder;

1 and documentation of consultations with trade associations and
2 consultants that represent the interests of small and local
3 businesses in order to identify qualified and available SDBE and
4 M/WBE subcontractors.

5 N. **Goods and Services** - refer to all items, supplies, materials, and
6 general support services, except consulting services and
7 infrastructure projects, which may be needed in the transaction of
8 public business or in the pursuit of any government undertaking,
9 project, or activity. The term refers to, among other subjects,
10 equipment, furniture, food, information technology, materials for
11 construction, or personal property or any kind, including
12 non-personal or contractual services such as the repair and
13 maintenance of equipment and furniture. It also refers to trucking,
14 hauling, janitorial, security, and related services as well as
15 procurement of material and supplies provided by the procuring
16 entity for such services. The term "related" shall include but not be
17 limited to, lease or purchase of office space, media advertisements,
18 health maintenance services, and other services essential to the
19 operation of the procuring entity.

20 O. **Gross Revenue** - all revenue in whatever form received or accrued
21 from whatever source, including sales of products or services,
22 interest, dividends, rents, royalties, fees or commissions, reduced by
23 returns and allowances. Gross revenue does not include proceeds
24 from sales of capital assets, and investments, proceeds from
25 transaction between a firm and its domestic and foreign affiliates.

26 P. **Independently Owned, Managed, and Operated** - ownership of
27 an SDBE or M/WBE firm must be direct, independent, and by
28 individuals only. Business firms that are owned by other
29 businesses or by the principals or owners of other businesses that
30 cannot themselves qualify under the eligibility requirements shall
31 not be eligible to participate in the program. The day-to-day
32 management of the firm must also be direct and independent of the
33 influence of any other businesses that cannot themselves qualify
34 under the eligibility requirements.

35 Q. **Industry Categories** - procurement groupings of Board contracts
36 for administering the Affirmative Procurement Initiatives that shall
37 include construction, professional services, and goods and services
38 procurement. Industry categories may also be referred to as
39 "business categories."

40 R. **Joint Venture** - an association of two (2) or more persons or
41 businesses under a contract conducting a single business enterprise
42 in which they combine capital, efforts, skills, knowledge and/or
43 property and share profits and losses equally. A joint venture

1 composed of qualified business organizations is itself a separate and
2 distinct organization that must be qualified according to Board
3 policies and F.S. 489.119(2)(c).

4 S. **Micro-Business Enterprise (MBE)**- any contractor, subcontractor,
5 manufacturer or service company (a) that has been doing business
6 under the same ownership or management and has maintained its
7 principal place of business in Miami-Dade County, Florida, for a
8 period of at least one (1) year immediately prior to the date of
9 application for certification under this section, (b) that had annual
10 gross revenues not exceeding the thresholds for a Micro-Business
11 Enterprise as identified in this policy for each industry, and (c) at
12 least fifty-one percent (51%) of the ownership of which is held by a
13 person or persons who exercise operational authority over the daily
14 affairs of the business and have the power to direct the management
15 and policies and receive the beneficial interests of the company.
16 Representations regarding average gross revenue and payroll are
17 subject to audit. If a business has not existed for three (3) years,
18 the employment and gross revenue limits shall be applied based
19 upon the annual averages over the course of the existence of the
20 business.

21 T. **Minority/Women-Owned Business Enterprise (M/WBE)** – see the
22 definitions under the Minority/Women Business Enterprise Program
23 section of this policy.

24 U. **Points** – the quantitative assignment of value for specific evaluation
25 criteria in the vendor or consultant selection process.

26 V. **Prime Contractor** – the vendor or contractor to whom a purchase
27 order or contract is awarded by the Board for purposes of providing
28 goods or services to the Board.

29 W. **Professional Services** - those services within the scope of the
30 practice of architecture, professional engineering, landscape
31 architecture, or registered surveying and mapping, as defined by the
32 laws of the State, or those performed by any architect, professional
33 engineer, landscape architect, or registered surveyor and mapper in
34 connection with his/her professional employment or practice;
35 Professional Services A/E shall not include job order contracting
36 consultants, asbestos consultants, program management,
37 geotechnical, construction materials testing, and environmental
38 assessment services.

39
40 Professional Services also includes services rendered by members of
41 a recognized profession or possessing a special skill. Such services
42 are generally acquired to obtain information, advice, training, or
43 direct assistance.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

- X. **Ready, Willing and Able** – any vendor who has registered an interest in doing business with the Board and has the technical expertise, training, and licenses to perform in accordance with the contract document. SDBEs and M/WDBEs must also be certified pursuant to this policy.

- Y. **Responsible** – means that a firm is capable in all respects of fully performing the contract requirements and has the integrity and reliability to assure good faith performance.

- Z. **Responsive** – description of a firm’s bid or proposal that conforms in all material respects to the invitation to bid or request for proposal and shall include compliance with SBE Program requirements.

- AA. **School Board** – The School Board of Miami-Dade County, Florida, which is the legal entity with authority to enter contracts on behalf of the District school system under F.S. 1001.41(4).

- BB. **Service-Disabled Veteran** - a veteran who is a permanent Florida resident with a service-connected disability as determined by the United States Department of Veterans Affairs or who has been terminated from military service by reason of disability by the United States Department of Defense.

- BB.CC. **Sheltered Market** – an affirmative procurement initiative designed to set aside a Board contract bid for bidding or selection exclusively among SDBE/M/WDBE firms.

- CC.DD. **Significant Employee Presence** – no less than twenty-five percent (25%) of a firm’s total number of employees are domiciled in Miami-Dade County, Florida.

- DD. ~~**SDBE and M/WDBE Plan Execution Certification (SBE/DBE Form C)** form certifying the general contractor’s intent to use a SDBE or M/WDBE subcontractor and verifying that an agreement has been executed between the prime and the SDBE or M/WDBE.~~

- EE.—**SDBE or M/WDBE Directory** - listing of certified SDBEs and M/WDBEs.

- FF. ~~**SDBE and M/WDBE Certification/Re-certification Application (Form R)** form that a company must complete when applying for and/or recertifying SDBE or M/WDBE status for participation in the SDBE or M/WDBE Program. This form shall be completed every~~

1 two (2) years by certified companies by the anniversary date of their
2 original certification.
3

4 ~~GG. **Schedule for Subcontractor Participation (Form - S)** form that~~
5 ~~must be completed by all non SMBE or M/WBE firms that~~
6 ~~subcontract to SBE or M/WBE firms, must be submitted for each~~
7 ~~SMBE or M/WBE subcontractor, and must be reviewed and~~
8 ~~approved by the OEO manager before contract award.~~
9

10 FF. **State Appropriated Funds** - all funds appropriated in the General
11 Appropriations Act, excluding federal funds. This does not include
12 funds that derive from local sources, including but not limited to,
13 general obligation bond funds for capital construction or funds
14 raised through local capital outlay millage and local sales taxes.

15 ~~HH. **Unavailability Certification (Form - U)** form demonstrating a~~
16 ~~bidder's unsuccessful good faith effort to meet the small business or~~
17 ~~minority/women owned local participation requirements of the~~
18 ~~contract which shall only be considered after proper completion of~~
19 ~~the outreach and compliance efforts and methods used to notify and~~
20 ~~inform SMBE or M/WBEs firms of contracting opportunities have~~
21 ~~been fully exhausted.~~

22 H.GG. **Small Business Enterprise (SBE)** - any contractor, subcontractor,
23 manufacturer or service company (a) that has been doing business
24 under the same ownership or management and has maintained its
25 principal place of business in Miami-Dade County, Florida, for a
26 period of at least one (1) year immediately prior to the date of
27 application for certification under this section, (b) that had annual
28 gross revenues not exceeding the thresholds identified in this policy
29 for each industry, and (c) at least fifty-one percent (51%) of the
30 ownership of which is held by a person or persons who exercise
31 operational authority over the daily affairs of the business and have
32 the power to direct the management and policies and receive the
33 beneficial interests of the company. Representations regarding
34 average gross revenue and payroll are subject to audit. If a business
35 has not existed for three (3) years, the employment and gross
36 revenue limits shall be applied based upon the annual averages over
37 the course of the existence of the business.

38 JHH. **Spend Dollars** - dollars actually paid to prime and/or
39 subcontractors and vendors for Board contracted goods and/or
40 services.

1 | KKII. **Subcontractor** – any vendor or contractor that is providing goods or
2 | services to a prime contractor in furtherance of the prime
3 | contractor's performance under a contract or purchase order with
4 | the Board.

5 | LLJJ. **Subcontractor Goal** – a proportion of a total contract value stated
6 | as a percentage to be subcontracted to SMBEs or M/WBEs to
7 | perform a commercially useful function.

8 | MMKK. **Suspension** – the temporary stoppage of an SBE or M/WBE
9 | firm's participation in the Board's contracting process for a finite
10 | period of time.

11 | Application

12 | These programs apply to Board contracts funded in whole or in part by Board funds
13 | except where Federal or State laws or regulations prohibit its application. The
14 | Superintendent has the discretion to identify classes of contracts or parts of
15 | contracts that are subject to either the SMBE or M/WBE program and are legally
16 | permissible. The Superintendent shall also prepare necessary procedures, bid and
17 | contract documents to implement these programs.

18 | Subcontractor Goals and Incentives

19 | Subcontractor goals may be applied to a contract based on estimates made prior to
20 | bid advertisement of the quality, quantity, and type of subcontracting opportunities
21 | provided by the contract and the availability of either SMBEs or M/WBEs to perform
22 | the work. The Superintendent may also develop affirmative initiatives and/or
23 | incentive programs that can be applied to identified contracts in the selection and
24 | contract award process to increase the utilization of SMBE and M/WBE
25 | subcontractors pursuant to Policy 6320.06.

26 | Goal Setting Committee

27 | The Superintendent shall create and staff a Goal Setting Committee (GSC) to
28 | establish SMBE and M/WBE Program goals and select appropriate incentives to
29 | apply to specific contracts based upon industry categories, vendor availability, and
30 | project-specific characteristics. The Superintendent shall determine the size of the
31 | GSC that is to be chaired by the OEO who shall serve as a voting member. The
32 | Superintendent shall also appoint the remaining members of the GSC from the
33 | Board's procurement personnel and other Board departments affected by this
34 | program. The GSC shall meet as often as it determines necessary, but not less than
35 | twice annually, to develop the goal setting methodologies to be implemented by the
36 | OEO on a project-by-project or contract-by-contract basis, and monitor and support
37 | the implementation of this policy.

38 | Small/Micro Business Enterprise Program

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

1 The SMBE Program is a race and gender-neutral program to provide greater SMBE
2 availability, capacity development and contract participation in Board contracts, to
3 advance the Board's compelling interest in ensuring that it is neither an active nor
4 passive participant in private sector marketplace discrimination, and to promote
5 equal opportunity for all segments of the contracting community to participate in
6 Board contracts.

7 **SMBE Eligibility and Certification**

8 A. The OEO shall certify a company or other business entity as a Small
9 Business Enterprise (SBE) or a Micro Business Enterprise (MBE)
10 upon its submission of a completed District required certification
11 form, supporting documentation, and a signed affidavit stating that
12 it meets all of the following criteria:

13 1. Is an independently owned and operated business that is not
14 dominant in its field of operation and is performing a
15 commercially useful function.

16 2. The business must have an actual place of business in
17 Miami-Dade County for at least one (1) year preceding the
18 application and be registered as a vendor with the District.

19 3. The business has been established for at least one (1) year or
20 the principals of the business have at least three (3) years of
21 relevant experience prior to forming or joining the business.

22 4. The business has a local business tax receipt and all required
23 professional licenses, contractor qualifier licenses, and/or
24 Certificate of Competency.

25 5. The owner of the business and/or qualifier must have the
26 required professional license(s) and contractor qualification
27 license.

28 6. The Board may honor a valid Small Business Enterprise
29 Certification and/or Micro Business Enterprise Certification
30 granted by another agency if the agency's requirements are
31 consistent with the District's SBE/MBE certification criteria.
32 The Superintendent shall develop procedures to implement
33 this policy.

34 B. Additionally, the requirements for SBE/MBE Program eligibility
35 based on industry are:

36 1. **Micro Business Enterprise**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

- a. **Professional Services A/E:** The annual gross revenue averaged over the previous three (3) years shall not exceed \$500,000.
- b. **Professional Services non-A/E:** The annual gross revenue averaged over the previous three (3) years shall not exceed \$1,000,000.
- c. **Goods and Services (Procurement Program):** The annual gross revenue averaged over the previous three (3) year period shall not exceed \$1,000,000.
- d. **Construction and Construction-Related Specialty Trades:** The annual gross revenue averaged over the previous three (3) years shall not exceed \$1,000,000.

2. **Small Business Enterprise**

- a. **Professional Services A/E:** The annual gross revenue averaged over the previous three (3) years shall be greater than \$500,000 and not exceed \$1,000,000 (Tier 1) or \$2,000,000 (Tier 2).
- b. **Professional Services non-A/E:** The annual gross revenue averaged over the previous three (3) years shall be greater than \$1,000,000 and not exceed \$2,000,000 (Tier 1) or \$4,000,000 (Tier 2).
- c. **Goods and Services (Procurement Program):** The annual gross revenue averaged over the previous three (3) year period shall be greater than \$1,000,000 and not exceed \$2,000,000 (Tier 1) or \$4,000,000 (Tier 2).
- d. **Construction and Construction-Related Specialty Trades:** The annual gross revenue averaged over the previous three (3) years shall be greater than \$1,000,000 and not exceed \$3,000,000 (Tier 1) or \$6,000,000 (Tier 2).

C. Applicant shall submit a verified declaration that the information provided for certification and re-certification is truthful and accurate. Any applicant who knowingly makes a false statement on the application and/or in writing with the intent to mislead OEO and/or its representatives in the performance of their official duties of reviewing and/or approving an application is guilty of a second degree misdemeanor under F.S. 837.06. In addition, anyone who knowingly

1 makes a false verified declaration is guilty of perjury, a third degree
2 felony under F.S. 92.525.”
3
4

5 ED. Upon receipt of a certification or re-certification application, the
6 OEO shall review all enclosed forms, affidavits and documentation
7 and determine whether the applicant satisfies the eligibility
8 requirements. The OEO shall send a letter to ineligible applicants
9 stating the basis for the denial of eligibility. Applicants may appeal
10 an ineligibility determination in accordance with this policy.
11 Applicants determined ineligible shall not be eligible to submit a new
12 application for at least one (1) year after the date of the notice of
13 denial of eligibility.

14 DE. Applicants determined eligible to participate in the program shall
15 ~~submit a completed re-certification form (SBE/MBE R) every two (2)~~
16 ~~three (3) years to the OEO for review and continued certification.~~
17 However, upon application for re-certification, an SBE/MBE firm
18 must be an independently owned and operated business concern,
19 and maintain its principal place of business or have a significant
20 employment presence in Miami-Dade County in accordance with
21 this policy. To qualify for recertification, a firm must comply with
22 the thresholds established and published in its OEO Procedures
23 Manual. the firm’s average gross revenue for the three (3) fiscal years
24 immediately preceding the application for recertification shall not
25 exceed \$9 million for construction, \$6 million for goods and services,
26 \$2.5 million for specialty trade, or \$2.5 million for professional
27 services. The eligibility criteria regarding years of existence shall
28 only apply for the initial certification.
29

30 F. SBE/MBEs must notify the OEO within fifteen (15) business
31 days of any material changes to the company’s ownership and/or
32 management of the firm. Any misrepresentation by a company of its
33 MBE/SBE status shall be grounds for termination of any contract
34 awarded based on the misrepresentation and subject the signatories
35 to any other penalties provided by law and/or Board policies.

36 EG. In considering certification or re-certification status of any firm, the
37 OEO shall periodically conduct audits and inspect the office, job
38 site, records, and documents of the firm, and shall interview the
39 firm’s employees, subcontractors, and vendors as reasonably
40 necessary to ensure that all eligibility standards are satisfied and
41 that the integrity of this program is maintained.

42 **SBE/MBE Program Graduation and Suspension**

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 19 of 37

1 A bidder may not count towards its SBE/MBE participation the amount
2 subcontracted to an SBE/MBE firm that has graduated ~~or been suspended~~ from the
3 SBE/MBE program as follows:

4 A. An SBE shall be permanently graduated after its three (3) fiscal year
5 average gross revenue exceeds \$9 million for construction and
6 construction-related specialty trades, ~~or \$76 million for goods and~~
7 services, \$52.5 million for professional services (Architectural and
8 Engineering), and specialty trade, and \$72.5 million for professional
9 services (Non Architectural and Engineering).

10 B. When an MBE exceeds the eligibility certification thresholds, it
11 automatically graduates and is subject to the small business criteria
12 and restrictions.

13 C. If an SBE exceeds the size standards for the Small Business
14 Program during any fiscal year, it shall be allowed to complete any
15 pending contractual obligation(s), and its participation can be
16 counted in the goals.

17
18 D. Upon graduation from the SBE/MBE program, the OEO shall
19 provide the SBE/MBE with written notice that includes the basis for
20 graduation.

21
22 **SBE/MBE Program Suspension, Certification Revocation, and/or Disbarment**

23 DA. The OEO may ~~permanently~~ revoke SBE/MBE eligibility if it fails to
24 perform a commercially useful function under a contract, or if it
25 allows its SBE/MBE status to be fraudulently used for the benefit of
26 a non-SBE/MBE firm or the owners of a non-SBE/MBE firm so as
27 to provide the non-SBE/MBE firm or firm owners benefits from
28 Affirmative Procurement Initiatives for which the non-SBE/MBE
29 firm and its owners would not otherwise be entitled.

30 EB. Upon suspension from the SBE/MBE program, the OEO shall
31 provide written notice to the SBE/MBE ~~upon graduation or~~
32 suspension from the SBE/MBE program including the including
33 specific findings constituting the reasons basis for suspension,
34 certification revocation and/or debarment. The notice must also
35 provide the applicable sanctions and the process to appeal the
36 decision.

37 **SBE/MBE Certification Appeals**

38 A business that is denied eligibility, whose eligibility is revoked, or who has been
39 denied a waiver request, may appeal the decision to the Superintendent. A written
40 notice of appeal must be received by the Superintendent within fifteen (15)
41 business calendar days of the date of the written notice. ~~Upon receipt of a t~~Timely

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 20 of 37

1 ~~notice of appeals will be reviewed pursuant to procedures developed and~~
2 ~~implemented by, the Superintendent shall conduct a hearing. The Superintendent,~~
3 ~~The Superintendent shall make a recommendation on the appeal to the School~~
4 ~~Board which shall make a final determination. shall develop procedures for the~~
5 ~~appeal process and report quarterly to the Board on the status of appeals.~~

Service Disabled Veteran Enterprise Program

The Service Disabled Veteran Enterprise (SDVE) Program is a race and gender neutral program designed to benefit service disabled veteran businesses. The OEO shall certify SDVE businesses in accordance with state guidelines and law. Vendor preferences for SDVEs are governed by Policy 6320. In addition, the Superintendent is authorized to develop and implement affirmative procurement initiatives to increase participation by SDVEs in all of the Board's procurement processes to the extent allowed by law.

6 **Minority/Women Business Enterprise Program**

7 The Minority/Women Business Enterprise (M/WBE) Program is established to
8 enhance the bidding and selection opportunities for M/WBEs on certain contracts
9 and to address findings in the 2014 Disparity Study and 2015 Subcontractor
10 Disparity Study pursuant to this policy and as provided in Policies 6610 and
11 6320.06.

12 A. **Terms and Definitions**

13 1. ***Minority Ownership*** – minority ownership means that for:

- 14 a. Sole Proprietorship - a sole proprietor must be a
15 minority person or woman.
- 16 b. Partnership - a minority/woman individual's interest
17 must include at least fifty-one percent (51%) of the
18 ownership, profit/loss, voting control, and capital of
19 the partnership.
- 20 c. Corporation - minority/women must own at least
21 fifty-one percent (51%) of all voting stock, issued by a
22 corporation. No stock held in trust, or by any guardian
23 for a minor, shall be considered held by the
24 minority/woman individual, in determining ownership
25 and control.
- 26 d. Limited Liability Company (LLC) – minority/women
27 must control the management and operations, as well
28 as hold at least fifty-one percent (51%) of the
29 company's ownership interest.

1 A minority owner(s) also has voting rights to elect the board of
2 directors, chief executive officer, and all other management
3 personnel.

4 2. **Minority Person** - is a person born or naturalized in the
5 United States. Resident aliens and holders of permanent
6 visas are not considered to be citizens. The following groups
7 are considered:

8 a. An African American, a person having origins in any of
9 the black racial groups of the African Diaspora,
10 regardless of cultural origin.

11 b. A Hispanic American, a person of Spanish or
12 Portuguese culture with origins in Spain, Portugal,
13 Mexico, South America, Central America, or the
14 Caribbean, regardless of race.

15 c. An Asian American, a person having origins of the Far
16 East, Southeast Asia, the Indian Subcontinent, or the
17 Pacific Islands, including the Hawaiian Islands before
18 1778.

19 d. A Native American, a person who has origins in any of
20 the Indian Tribes of North America before 1835, upon
21 presentation of proper documentation as established
22 by rule of the Department of Management Services.

23 e. An American born or naturalized woman.

24 ~~f. A service disabled veteran means a veteran who is a~~
25 ~~permanent Florida resident with a service connected~~
26 ~~disability as determined by the United States~~
27 ~~Department of Veterans Affairs or who has been~~
28 ~~terminated from military service by reason of disability~~
29 ~~by the United States Department of Defense.~~

30 B. **M/WBE Eligibility and Certification**

31 1. The OEO shall certify a company or other business entity as a
32 M/WBE upon its submission of a completed certification
33 form, ~~(M/WBE Form 3920),~~ and supporting documentation.
34 The applicant may self-identify as a Minority Person pursuant
35 to the definitions above. The Board recognizes that there is a
36 clear distinction between race and ethnicity. The OEO may

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 22 of 37

1 request additional documentation on the applicant's minority
2 status only if it suspects fraud or misrepresentation and
3 provides the reasons in writing to the applicant.; In addition,
4 the application must submit and a signed affidavit stating
5 that it meets the following criteria:

6 a. it employs 200 or fewer permanent full-time employees
7 and that, together with its affiliates, has a net worth of
8 not more than \$5 million.

9 For sole proprietorships, the \$5 million net worth
10 requirement shall include both personal and business
11 investments.

12 b. it is owned and controlled by at least fifty-one
13 percent (51%) by a minority person/s who are
14 members of an insular group that is of a specific racial,
15 ethnic, or gender makeup or national origin which has
16 been subjected historically to disparate treatment due
17 to identification in and with that group resulting in an
18 underrepresentation of commercial enterprises under
19 the group's control, and whose management and daily
20 operations are controlled by such persons.

21 A minority business enterprise may primarily involve
22 the practice of a profession.

23 c. the business must have an actual place of business in
24 the Miami-Dade Metropolitan Statistical Area County
25 (Miami-Dade County, Broward County, and Palm
26 Beach County, FL) for at least one (1) year preceding
27 the application and be registered as a vendor with the
28 District.

29 d. the business has an occupational license and all
30 required professional licenses and/or contractor
31 qualifier licenses.

32 e. the owner of the business must have the required
33 professional license(s) and contractor qualification
34 license.

35 2. Other factors in determining ownership that will be
36 considered shall include, but are not limited to the following:

37 a. Whether minority/women owners are entitled to share
38 in the profits of the business, through salaries,

1 bonuses, profit sharing, dividends, and all other
2 benefits, commensurate their ownership.

3 b. Whether minority/women owners share in all the risks
4 of business, including, but not limited to, third party
5 agreements, bonding and financial arrangements.

6 c. Ownership by a minority person does not include
7 ownership that is the result of a transfer from a
8 non-minority person to a minority person within a
9 related immediate family group if the combined total
10 net asset value of all members of such family group
11 exceeds \$1 million. The term "related immediate
12 family group" means one (1) or more children under
13 sixteen (16) years of age and a parent of such children
14 or the spouse of such parent residing in the same
15 house or living unit.

16 d. Minority/Women owners must also demonstrate
17 control over the affairs, management, and operations of
18 the business. The discretion of minority/women
19 owners shall not be subject to any formal or informal
20 restrictions (including, but not limited to, bylaw
21 provisions, partnership agreements, trust agreements,
22 or requirements for cumulative voting) that would
23 impact or usurp the minority/women owners'
24 managerial and operational discretion.

25 Documents that establish control include but are not
26 limited to: corporate bylaws, operating agreements,
27 partnership agreements, management agreements or
28 other agreements. Such documents should be free of
29 restrictive language which dilutes a minority/woman
30 owner(s)' control and prohibits him/her from making
31 decisions.
32

33 1) The minority/woman owner(s) must submit
34 documentation demonstrating control through
35 the authority and responsibility to sign company
36 checks, for all bank accounts, and letters of
37 credit, negotiate contracts on behalf of the
38 business, signature responsibility for insurance,
39 bid bonds, and performance and payment
40 bonds, negotiate bank transactions, and
41 guarantee all instruments which indebt the
42 business.

1 signatories to any other statutory penalties and Board
2 policies.

3 | 67. M/WBE certification shall be valid for a three (3) year period.
4 Certified M/WBEs shall not request a change in their
5 minority/woman designation, to another minority designation
6 during the certification period, unless changes are due to
7 extenuating circumstances.

8 | 78. The Board may honor a valid minority business certification
9 granted by another agency if the agency's requirements are
10 consistent with the District's M/WBE certification criteria.
11 The Superintendent may develop procedures to implement
12 this policy.

13 | 89. An M/WBE must apply for recertification at least thirty (30)
14 days prior to the certification expiration. A Board M/WBE
15 Recertification Form may be submitted only if an M/WBE's
16 certificate has not expired and no material changes have
17 occurred in the ownership and control of the M/WBE. If
18 certification has expired, the M/WBE must submit a new
19 application.

20
21 | 910. An M/WBE may be decertified if the firm no longer meets the
22 certification requirements; for failure to comply with the
23 Board's M/WBE policies and procedures regarding requests
24 for information or documents pertaining to ownership,
25 control, or operation of the business; failure to submit a
26 complete M/WBE Recertification Application; debarment; or
27 by written request from the firm's minority/women owners for
28 voluntary removal from the M/WBE Directory.

29 | **M/WBE Certification C.— Appeals**

30 Applicants denied certification or recertification as an M/WBE may appeal
31 to the Superintendent or his/her designee. A written request to appeal
32 must be received by the Superintendent within ~~five (5)~~ fifteen (15) business
33 days of the date of the written notice. Upon receipt of a timely
34 notice appeals will be reviewed pursuant to procedures developed and
35 implemented by the Superintendent. The Superintendent shall make a
36 recommendation on the appeal to the School Board which shall make the
37 final determination. of appeal, the Superintendent or designee shall
38 conduct a hearing. The Superintendent shall develop procedures for the
39 appeal process and report quarterly to the Board on the status of appeals.

40 | **Industry Specific Programs**

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 26 of 37

1 Remedial programs for the purpose of eliminating the disparities in M/WBE contract
2 participation in District and private contracts caused by discrimination will be
3 developed and implemented. The following industry-specific programs are to be
4 established and implemented in a narrowly tailored manner consistent with the
5 factual predicate established in the 2014 Disparity Study, the 2015 Subcontractor
6 Disparity Study, and consistent with the terms of this policy.

7 **A. Construction Programs**

- 8 1. A Small/Micro Business Enterprise Program permitting the
9 use of set asides of small prime contracts that are below
10 competitive dollar thresholds for bidding exclusively among
11 certified SBME firms and also establishing mandatory
12 subcontracting goals for the participation of certified SMBE
13 subcontractors or those construction contracts that are above
14 the competitive bidding threshold and that have commercially
15 useful subcontract opportunities.
- 16 2. A Minority/Women-Owned Business Enterprise Program
17 establishing bid preferences on certain construction and
18 construction-related contracts on behalf of certified M/WBE
19 African-American, Non-Minority Women Owned,
20 Asian-American and Native-American businesses, including
21 the use of contract-specific subcontracting goals on selected
22 contracts with genuine opportunities for commercially useful
23 subcontracting pursuant to this policy.

24 **B. Non-Professional Services Program**

- 25 1. A Small/Micro Business Enterprise Program permitting the
26 use of set asides of small prime contracts that are below
27 competitive dollar thresholds for bidding exclusively among
28 certified SBME firms and also establishing mandatory
29 subcontracting goals for the participation of certified SMBE
30 subcontractors or those contracts that are above the
31 competitive bidding threshold and that have commercially
32 useful subcontract opportunities pursuant to this policy.
- 33 2. A Minority/Women Business Enterprise Program for
34 non-professional services contracts may be established if
35 future studies establish disparities that may be legally
36 addressed through such a program. If disparities are found,
37 this policy will be amended to allow a legally permissible
38 M/WBE program.

39 **C. Professional Services Program**

- 1 1. A Small/Micro Business Enterprise Program to establish bid
2 preferences, joint venture incentives, and evaluation
3 preferences on behalf of certified SMBE firms.
- 4 2. A Minority/Women Business Enterprise Program permitting
5 the use of bid preferences, joint venture incentives, and
6 evaluation preferences on construction-related professional
7 services contracts among certified M/WBE firms that are
8 owned by African-Americans, Asian-Americans, Native
9 Americans and Non-Minority Women and also establishing
10 contract-specific subcontracting goals for the participation of
11 certified M/WBE subcontractors on those
12 construction-related professional services contracts that are
13 above the competitive bidding thresholds and that have
14 commercially useful subcontract opportunities.

15 **D. General Procurement Programs**

- 16 1. A Small/Micro Business Enterprise Program permitting the
17 use of set asides of small prime contracts that are below
18 competitive dollar thresholds for bidding exclusively among
19 certified SBME firms and also establishing mandatory
20 subcontracting goals for the participation of certified SMBE
21 subcontractors on those construction contracts that are
22 above the competitive bidding threshold and that have
23 commercially useful subcontract opportunities.
- 24 2. A Minority/Women Business Enterprise Program may be
25 established if future studies establish disparities that may be
26 legally addressed through such a program. If disparities are
27 found, this policy will be amended to allow a legally
28 permissible M/WBE program.

29 **Administration**

30 Procedures to ensure that the OEO will periodically conduct the following the
31 following kinds of analyses using data captured by an automated mandatory
32 centralized bidder registered system will be adopted.

33 **A. Availability Analysis**

- 34 1. Overall Availability – The measure of overall availability is
35 based on all the vendors and contractors that register in the
36 automated and mandatory centralized bidder registration
37 system. Such availability measurements shall be segmented
38 according to the proportion of business ownership by race,
39 gender and size within appropriate industry codes.

- 1 2. SMBE Availability – The proportion of overall availability of
2 the ready, willing, and able (RWA) vendors that are certified
3 as SBE or MBE firms within the SMBE Program, categorized
4 by industry codes and relevant markets.
- 5 3. M/WBE Availability – The proportion of overall availability of
6 the ready, willing, and able (RWA) vendors that are certified
7 within the M/WBE program, categorized by race, gender,
8 industry codes, and relevant market.
- 9 4. Race-Neutral SMBE Contract Goals – Availability analysis
10 shall be used to set contract participation goals on an annual
11 basis and on a contract-specific basis. The contract
12 participation goals shall be set based on the relevant
13 measures of SMBE availability as compared to all RWA
14 vendors within the specific industry code of the contract in
15 the relevant market.
- 16 5. M/WBE Contract Goals – Availability analysis shall be used
17 whenever setting contract participation goals on an annual
18 basis or on a contract-specific basis. The contract
19 participation goals shall be set based on the relevant
20 measures of M/WBE availability as compared to all RWA
21 vendors within the specific industry code of the contract in
22 the relevant market.

23 B. **Utilization Analysis**

24 The utilization analysis shall be based on the total dollar amount
25 paid in a given year to the vendors and contractors that were
26 registered in the automated and mandatory centralized bidder
27 registration system. This analysis reflects the proportion of contract
28 dollars that are spent, by industry code, and within SBME or
29 M/WBE vendor categories, as compared to the total contract dollars
30 spent with the overall vendor population within those industries.

31 C. **Disparity Analysis**

32 1. The disparity analysis shall be based on the eighty
33 percent (80%) statistical significance rule adopted under
34 *Croson v. Richmond*, which is defined as two (2) standard
35 deviations between utilization and availability. Utilization of
36 RWA M/WBE firms that is eighty percent (80%) or less of the
37 level of availability or M/WBE firms in a particular market is
38 considered statistically significant under-utilization.
39 Utilization that is above 100% of the level of availability is
40 considered over-utilization.

- 1 2. Statistically significant underutilization creates an inference
2 of discrimination, and in combination with other factors,
3 permits consideration of the use of narrowly tailored race-
4 and gender-conscious remedies to ameliorate the effects of
5 such discrimination.

6 D. **Remedy Analysis**

- 7 1. If disparity is shown in the disparity analysis above, the
8 District shall review the findings and recommendations from
9 the 2014 MGTDisparity Study, the 2015 Subcontractor
10 Disparity Study,—(or from the District’s most recent
11 independent disparity study,) to determine the most
12 appropriate and effective remedies to apply to a given set of
13 contracts to eliminate barriers and overcome the effects of
14 various forms of discrimination identified through the 2014
15 MGTDisparity Study, the 2015 Subcontractor Disparity
16 Study, or any subsequent studies.
- 17 2. In selecting a remedial approach for any given contract, the
18 District shall seek to identify the remedy that is most likely to
19 be effective in promoting fair and equitable contract
20 participation by all segments of the relevant vendor
21 population, yet does not impose any undue burden on
22 innocent third parties.

23 E. **Periodic Review of Factual Predicate**

- 24 1. At least once every four (4) years, the OEO and
25 Superintendent shall recommend a contract with an
26 independent disparity study consultant to the Board to
27 conduct an updated review of the factual predicate for the
28 District’s M/WBE programs to determine whether there is
29 any ongoing need for the use of race- and gender-conscious
30 remedies.
- 31 2. Each successive disparity study update shall use
32 methodologies and data sources that are preferred or
33 consistent with the most recent controlling legal precedents.
- 34 3. Each successive disparity study update shall make specific
35 findings and recommendations regarding the ongoing need for
36 race- and gender- neutral and race- and gender-conscious
37 remedies for certain categories of contracts. Study
38 recommendations should also suggest appropriate
39 modifications to existing District procurement procedures,
40 SMBE programs, and M/WBE programs to promote fair and
41 equitable participation in District contracting opportunities in

1 the most effective but least restrictive and least burdensome
2 manner.

- 3 4. In the event that the District determines that there is no
4 ongoing need for any race- and gender-conscious remedies,
5 the M/WBE programs shall be gradually phased out and
6 shall sunset within two (2) years after such determination is
7 made.

8 **Affirmative Procurement Initiatives**

9 The following Affirmative Procurement Initiatives may be used in awarding Board
10 contracts to SBE/MBEs or M/WBEs according to the industry-specific programs
11 identified in this policy. However, no preference for SBE/MBEs or M/WBEs may be
12 applied to competitive solicitations for construction services in which 50 percent or
13 more of the cost will be paid from state-appropriated funds which have been
14 appropriated at the time of the competitive solicitation. The solicitation documents
15 for construction services in this event must disclose that no SBE/MBE or M/WBE
16 will be awarded based upon the state restriction regarding the utilization of local
17 vendor preference.

- 18 A. **Bonding Waiver.** The District's Purchasing and OEO Directors are
19 authorized, in accordance with F.S. 255.05, to waive the
20 requirements for performance and payment bonds for projects
21 having a dollar value up to \$200,000 or less, at their discretion.
22 This exemption from bonding requirements may be made on a
23 project-by project or contract-by-contract basis depending on the
24 type of contract and whether the bonding requirements would deny
25 the SMBE or M/WBE an opportunity to perform the contract which
26 the SMBE or M/WBE has shown itself otherwise capable of
27 performing. If the exemption is granted, neither the Board, the
28 District, or its officers and officials shall be personally liable to
29 persons suffering loss because of granting this exemption.

30 B. **Bid Preferences:**

31 **Bid Preference:** Specific goals for each project or contract may be
32 adopted on a project-by-project, or contract-by contract basis, in
33 which the contract award shall be made to the lowest responsive,
34 responsible bidder meeting the SMBE or M/WBE subcontracting
35 goals for the contract/project, when that bidder's price does not
36 exceed the lowest bidder's price by an amount greater than the
37 dollar or percentage amount set by the Goal Setting Committee.

38 **Evaluation Preference** - In ranking and evaluating proposals for
39 "best value" contracts in which factors other than price are relevant
40 to the selection process, the Board may award up to twenty
41 percent (20%) of the total points available to a SMBE or M/WBE or a

1 joint venture with an SMBE or M/WBE partner in response to a
2 request for proposal.

3 **Professional Services Evaluation**

4 1. In the selection process for the award of certain professional
5 services contracts, the District may include as one (1) of its
6 evaluation criteria the level of SBE or M/WBE participation
7 on the team or in subcontract participation. Under this
8 remedial approach, the maximum number of evaluation
9 points is available to an SMBE or M/WBE proposer.

10 2. A summary of any applicable SMBE or M/WBE Program
11 procedures shall be plainly stated in each solicitation. For
12 competitive professional services contracts, a point system of
13 evaluation will be used by an evaluation committee to
14 determine the recipient of the contract award
15 recommendation. Businesses submitting proposals to
16 provide professional services to the District will be eligible to
17 receive on a sliding scale a designated number of the total
18 possible points based upon their SMBE or M/WBE
19 participation. The distribution of points allocated to the
20 evaluation criteria shall be stated in the request for proposal.
21 SMBE or M/WBE participation shall be only one of several
22 criteria used to evaluate each proposal. Maximum points
23 shall be awarded when the proposer is a certified SMBE or
24 M/WBE. The provisions within this section pertaining to the
25 procurement of professional services are not intended to be
26 used to the exclusion of other provisions of this policy.

27 **C. Mandatory Subcontracting:**

28 1. The GSC may at its discretion and on a contract-by-contract
29 basis, require that a predetermined percentage up to forty
30 percent (40%) of a specific contract be subcontracted to
31 eligible SMBEs or M/WBEs.

32 2. An SMBE or M/WBE prime contractor may not subcontract
33 more than forty-nine percent (49%) of the contract value to a
34 non-SMBE or M/WBE.

35 3. A prospective bidder on a Board contract shall submit at the
36 time of bid Form S providing the name of the SMBE or MWBE
37 subcontractor or subcontractors and describing both the
38 percentage of subcontracting by the SMBE or MWBE and the
39 work to be performed by the SMBE or M/WBE. A bidder may
40 request a full or partial waiver of this mandatory
41 subcontracting requirement from the OEO for good cause by

1 submitting the Unavailability Certification Form to the OEO
2 prior to bid opening. Under no circumstances shall a waiver
3 of a mandatory subcontracting requirement be granted
4 without submission of adequate documentation of good faith
5 efforts by the bidder and careful review by the OEO. The
6 OEO shall determine a waiver request upon the following
7 criteria:

8 a. whether the requestor of the waiver has made good
9 faith efforts to subcontract with qualified and available
10 SMBEs or M/WBEs;

11 b. whether subcontracting would be inappropriate and/or
12 not provide a "commercially useful function" under the
13 circumstances of the contract; or

14 c. whether there are no certified SMBEs or M/WBEs that
15 are qualified and available to provide the goods or
16 services required.

17 4. In the absence of a waiver granted by the OEO, failure of a
18 prime contractor to commit in its bid or proposal to satisfying
19 the mandatory SMBE or M/WBE subcontracting goal shall
20 render its bid or proposal non-responsive.

21 5. In the absence of a waiver granted by the OEO, failure of a
22 prime contractor to attain a mandatory subcontracting goal
23 for SMBE or M/WBE participation in the performance of its
24 awarded contract shall be grounds for termination of existing
25 contracts with the Board, debarment from performing future
26 Board contracts, and/or any other remedies available under
27 the terms of its contract with the Board or under the law.

28 6. A prime contractor is required to notify and obtain written
29 approval from the OEO in advance of any reduction in
30 subcontract scope, termination, or substitution for a
31 designated SMBE or M/WBE Subcontractor. Failure to do so
32 shall constitute a material breach of its contract with the
33 Board.

34 **D. Sheltered Market:**

35 1. The OEO and GSC may select certain contracts for award to a
36 SMBE or M/WBE or a joint venture with a SMBE or M/WBE
37 through the Sheltered Market Program.

38 2. In determining whether a particular contract is eligible for the
39 Sheltered Market Program, the OEO and GSC shall consider

1 whether there are at least three (3) SDBEs or M/WDBEs that
2 are capable and available to participate in the Sheltered
3 Market Program for that contract; the degree of
4 underutilization of the SDBE or M/WDBE prime contractors in
5 the specific industry categories; and the extent to which the
6 Board's SDBE or M/WDBE prime contractor utilization goals
7 are being achieved.

- 8 3. If a responsive and responsible bid or response is not received
9 for a contract that has been designated for the Sheltered
10 Market Program, or the apparent low bid is determined to be
11 too high in price, the contract shall be removed from the
12 Sheltered Market Program.

13 **Contract Solicitation and Award**

- 14 A. The OEO shall preview all solicitations for construction,
15 procurement and professional services prior to public dissemination
16 for compliance with the objectives stated in this policy and to ensure
17 that bid specifications do not unnecessarily restrict the ability of
18 SDBE and M/WDBE firms to compete and bid. All District award
19 recommendations shall bear the review signature of the OEO
20 Director.
- 21 B. Disqualification/Rejection - The District and Board may reject any
22 proposals from bidders who have previously failed to perform
23 properly and who have done so by commission or omission of an act
24 of such serious and compelling nature that the act indicates a
25 serious lack of business integrity or honesty.
- 26 C. Contract Compliance - As the Superintendent's designee, the OEO
27 will establish procedures for monitoring and evaluating program
28 performance and compliance.
- 29 D. The District and Board may reject any proposal deemed
30 non-responsive for failing to meet the diversity requirements.
- 31 E. A firm's failure to comply with the contract may constitute a
32 violation of the anti-discrimination provisions of Policy 6465 and
33 result in suspension or debarment pursuant to Policy 6320.04.

34 **Pre-Award Waiver**

36 At any time prior to the award of a contract for a purchase of goods and supplies,
37 the Superintendent or designee may grant a partial or complete waiver of diversity
38 requirements for reasons such as (1) emergency procurement; (2) where a
39 non-M/WDBE is the sole source of the needed goods or services and there are no
40 apparent commercially useful functions available to be performed by Ready, Willing,

1 and Able SMBE or M/WBE subcontractors; or (3) good faith efforts to meet the
2 contract goal have proven unsuccessful. The Department making an emergency
3 procurement shall consider the availability of SMBEs or M/WBEs from which to
4 make the purchases. The Purchasing Director shall make available a report of
5 procurement activities, including at a minimum, project name, project number,
6 project description, awarded vendor, advertisement date, waivers and reasons for
7 the waiver, and an estimated dollar value to include change orders.

8
9 **Fair Subcontracting Practices**

The Board is committed to promoting diversity, equity and inclusion in the use of
subcontractors on Board contracts pursuant to Policy 6320.06. Bidders are
encouraged to adopt policies and procedures that (a) notify the broadest number of
local subcontractors of the opportunity to be awarded a subcontract, (2) invite local
subcontractors to submit bids in a practical, expedient manner, (3) provide local
subcontractors access to the information necessary to prepare and formulate a
subcontracting bid, (4) allow local subcontractors to meet with the bidder to discuss
the bidder's requirements, and (5) award subcontracts based on full and complete
consideration of all submitted proposals and in accordance with the bidder's stated
objectives.

Prompt Payment

It is the Board's policy that payment for all purchases by the Board be made in a
timely manner. The Superintendent is authorized to develop and implement
administrative directives and procedures to provide that contractors and vendors
will receive prompt payment from the Board, upon receipt of proper documentation,
including an approved invoice for the amount due and confirmation that the goods
or services have been received and accepted by the appropriate district staff. Prompt
payment provisions may be waived or suspended if the Superintendent has made a
determination, after consultation with the Chief Financial Officer, that an urgent
situation, crisis or other compelling condition exists that seriously impacts normal
business operations. The Board may also provide for expedited payments to prime
SMBE and M/WBEs. Late-penalty interest payments will only be made by the Board
pursuant to the Florida Prompt Payment Act, Section 218.735, F.S.

In addition, the Superintendent shall develop and include appropriate language in
Board contracts to require the prime vendor to issue prompt payment to SMBEs and
M/WBEs. Prime vendors must have dispute resolution procedures in place to
address disputed payments to subcontractors.

10 **Violations and Sanctions**

- 1 A. Violations of this policy, include but are not limited to:
- 2 1. fraudulently obtain, retain or attempt to obtain, or aid
3 another in fraudulently obtaining, retaining, or attempting to
4 obtain or retain certification status as an SMBE or M/WBE
5 for purposes of this policy;
- 6 2. willfully falsify, conceal or cover up by a trick, scheme or
7 device, a material fact or make any false, fictitious or
8 fraudulent statements or representations, or make use of any
9 false writing or document, knowing it contains any false,
10 fictitious, or fraudulent statements or entry pursuant to this
11 policy;
- 12 3. willfully obstruct, impede or attempt to obstruct or impede
13 any authorized official or employee who is investigating the
14 qualifications of a business entity that has requested
15 certification as an SMBE or M/WBE;
- 16 4. fraudulently obtain, attempt to obtain or aid another person
17 fraudulently obtaining, or attempting to obtain public monies
18 to which the person is not entitled under this policy;
- 19 5. failing to cooperate in any investigation of violations of this
20 policy or Policy 6465;
- 21 6. making false statements to any entity that any other entity is
22 or is not certified as an SMBE or M/WBE for purposes of this
23 policy.
- 24 B. Sanctions – Any person or business entity that violates this policy
25 shall be subject to suspension, contract cancellation, or debarment
26 pursuant to Policies 6320 and 6320.04 and any other penalty
27 provided by law.
- 28
29 C. The Superintendent shall apply appropriate sanctions for violations
30 of this policy upon recommendation of OEO.
31

32 **Anti-Discrimination Complaints**

33 Complaints alleging discrimination maybe filed according to Policy 6465 against
34 employees and companies doing business with the Board in the solicitation,
35 selection or treatment of subcontractors, suppliers, vendors, or commercial
36 customers on the basis of race, color, ethnic or national origin, religion, marital
37 status, disability, genetic information, age, political beliefs, sexual orientation,
38 gender, gender identification, social and family background, linguistic preference,
39 pregnancy, and any other legally prohibited basis. The anti-discrimination
40 prohibitions must be included in every contract under this policy and each

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.02/page 36 of 37

1 contractor must certify that it will comply with anti-discrimination provisions. A
2 violation of this policy may constitute a violation of Policy 6465.

3 **Pre-Award Waiver**

4 ~~At any time prior to the award of a contract for a purchase of goods and supplies,~~
5 ~~the Superintendent or designee may grant a partial or complete waiver of diversity~~
6 ~~requirements for reasons such as (1) emergency procurement; (2) where a~~
7 ~~non M/WBE is the sole source of the needed goods or services and there are no~~
8 ~~apparent commercially useful functions available to be performed by Ready, Willing,~~
9 ~~and Able SMBE or M/WBE subcontractors; or (3) good faith efforts to meet the~~
10 ~~contract goal have proven unsuccessful. The Department making an emergency~~
11 ~~procurement shall consider the availability of SMBEs or M/WBEs from which to~~
12 ~~make the purchases. The Purchasing Director shall make available a report of~~
13 ~~procurement activities, including at a minimum, project name, project number,~~
14 ~~project description, awarded vendor, advertisement date, waivers and reasons for~~
15 ~~the waiver, and an estimated dollar value to include change orders.~~

16 **SMBE and M/WBE Program Performance Review**

17 A. The OEO shall monitor the implementation of this policy and the
18 progress of these programs. On an annual ~~quarterly~~ basis, the OEO
19 shall report to the Superintendent and Board on the progress of
20 achieving the goals and objectives established for awards to certified
21 SMBE and M/WBE firms, reporting both dollars awarded and
22 expended. In addition, the OEO shall annually report on the
23 progress in achieving the stated program objectives, including, but
24 not limited to, enhancing competition, establishing and building new
25 business capacity, and removing barriers to and eliminating
26 disparities in the utilization of available minority business
27 enterprises and women business enterprises on Board contracts.

28 B. The Board shall ~~quarterly~~ annually review these programs to
29 determine whether the various contracting procedures used to
30 enhance SMBE or M/WBE contract participation needs to be
31 adjusted or used more or less aggressively in future years to achieve
32 the stated program objectives.

33 **Policy Review**

34 As required by F.S. 120.74, the Board shall review and revise this policy as often as
35 necessary to ensure that it complies with legal requirements such as applicable
36 current standards of binding decisions of the Eleventh Circuit Court of Appeals and
37 the United State Supreme Court. In addition, at least every (4) years, the Board will
38 review the successes and failures of the M/WBE program and make a determination
39 as to the need for a continuing M/WBE program.

40 **Severability**

1 If any section, paragraph, sentence, clause, phrase or word of this policy is for any
2 reason held by a court to be unconstitutional, inoperative, or void, it is intended that
3 to the maximum extent practicable, such holding shall not affect the remainder of
4 this policy.

5 **Statutory Citations**

6 Citations in this policy refer to the statute in place at the time this policy is adopted
7 or as amended from time to time.

8 | F.S. 218.735, 287.093, 607.11, 1001.41(2), 1013.46(1)(b)

9 Revised 11/21/12
10 Revised 1/16/13
11 Revised 9/3/13
12 Revised 6/18/14
13 Revised 1/14/15

14 © MIAMI-DADE 2015

1 LOCAL VENDOR AND EMPLOYMENT PREFERENCES

2
3 **Purpose:**

4 The Board provides bidding and award preferences in certain contracts for state and local businesses and employment preferences for state residents as required by law.

5
6 **Definitions**

7
8 **Competitive Solicitation** - an invitation to bid, a request for proposals, request for qualifications or an invitation to negotiate, which are defined in Policy 6320, 6320.03, 6330 and 6331.

9
10
11
12 **Construction Services** - all labor, services, and materials provided in connection with the construction, alterations, repair, demolition, reconstruction, or any other improvements to real property.

13
14
15
16 **Local Business** - a vendor or business that has a valid business license, issued by a jurisdiction located in Miami-Dade County, that has either (1) its headquarters, manufacturing facility, or locally-owned franchise located within the legal boundaries of Miami-Dade County, for at least twelve (12) months, or (2) has an office with a street address within the boundaries of Miami-Dade County for at least twenty-four (24) months, calculated from the bid or proposal opening date. Post office boxes are not verifiable and shall not be used for the purpose of establishing said physical address. In order to be considered for local preference, vendors must provide a copy of their business license and the local business affidavit of eligibility with their bid or proposal.

17
18
19
20
21
22
23 **State Appropriated Funds** - all funds appropriated in the General Appropriations Act, excluding federal funds. This does not include funds that derive from local sources, including but not limited to, general obligation bond funds for capital construction or funds raised through local capital outlay millage and local sales taxes.

24
25
26
27
28
29
30
31
32 **A. Vendor Preferences**

33
34 (1) **State** - When the Board is required to make purchases of personal property through competitive solicitation and the lowest responsible and responsive bid, proposal, or reply is by a vendor whose principal place of business is in a state or political subdivision thereof which grants a preference for the purchase of such personal property to a person whose principal place of business is in that state, then the Board shall award a preference to the lowest responsible and responsive vendor having a principal place of business within this state. This preference must be equal to the preference granted by the state or political subdivision thereof in which the lowest responsible and responsive vendor has its principal place of business. In a competitive solicitation in which the lowest bid is submitted by a vendor whose principal place of business is located outside the state and that state does not grant a preference in competitive solicitation to vendors having a principal place of business in that state, the preference to the lowest responsible and responsive vendor having a principal place of business in this state shall be 5 percent.

35
36
37
38
39
40
41
42
43
44
45
46
47
48

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

FINANCES
6320.05/page 2 of 4

1 A vendor whose principal place of business is outside this state must accompany any
2 written bid, proposal, or reply documents with a written opinion of an attorney at law
3 licensed to practice law in that foreign state, as to the preferences, if any or none,
4 granted by the law of that state to its own business entities whose principal places of
5 business are in that foreign state in the letting of any or all public contracts.
6

7 A vendor whose principal place of business is in this state may not be precluded from
8 being an authorized reseller of information technology commodities of a state
9 contractor as long as the vendor demonstrates that it employs an internationally
10 recognized quality management system, such as ISO 9001 or its equivalent, and
11 provides a warranty on the information technology commodities which is, at a
12 minimum, of equal scope and length as that of the contract.
13

14 (2) Small/Micro and Minority/Women-Owned Business Enterprises – Preferences for
15 small/micro and minority/women-owned business enterprises will be given in
16 accordance with Policies 6320 and 6320.02.

17 ~~To give (3) **Local** - p~~Preference will be given to businesses located in Miami-Dade County,
18 Florida, when evaluating the lowest responsible, responsive bid or submittal for the
19 purchase of goods and services, professional and construction-related services, in
20 excess of \$50,000 dollars or the current formal bidding threshold set by statute. The
21 preference does not apply to purchases of goods or services exempted by statute as
22 reflected in Policy 6320; or where prohibited by Federal or State law; or other funding
23 source restrictions.
24

25
26 **Definition:**

27 request for qualifications, 6320.03, 6330 and 6331

28 ~~**Local business** means the vendor has a valid business license, issued by a jurisdiction~~
29 ~~located in Miami Dade County, with its headquarters, manufacturing facility, or locally-~~
30 ~~owned franchise located within the legal boundaries of Miami Dade County, for at least~~
31 ~~twelve (12) months, (or having a street address for at least twenty four (24) months), prior to~~
32 ~~the bid or proposal opening date. Post office boxes are not verifiable and shall not be used~~
33 ~~for the purpose of establishing said physical address. In order to be considered for local~~
34 ~~preference, vendors must provide a copy of their business license and the local business~~
35 ~~affidavit of eligibility with their bid or proposal. A vendor who misrepresents the local~~
36 ~~preference status of its firm in a proposal or bid submitted to the School Board will lose the~~
37 ~~privilege to claim local preference status, and shall lose eligibility to claim local preference~~
38 ~~status for a period of one (1) year. The Superintendent may also recommend that the firm be~~
39 ~~referred for debarment in accordance with Policy 6320.04.~~

40 **PROCESS:**

Application

41 **1. Competitive Bid:**

42 When a responsive, responsible non-local business submits the lowest
43 price bid, and the bid submitted by one or more responsive,
44 responsible local businesses is within five percent (5%) of the price
45 submitted by the non-local business, then each of the aforementioned
46 local businesses shall have the opportunity to submit a best and final
47 bid equal to or lower than the amount of the low responsible,
48 responsive bid submitted by the non-local business. Contract award
49 shall be made to the responsive, responsible business submitting the

1 lowest best and final bid. In the case of a tie bid in the best and final
2 bid between the local businesses, the tie shall be broken as delineated
3 in Policy 6320.

4 **2. Request for Proposals:**

5 If following the completion of initial evaluations, a local firm has
6 submitted a proposal and is competing with a non-local proposer(s),
7 then the local vendor(s) shall have the opportunity to proceed to be
8 considered for further evaluation provided the price is within five
9 percent (5%) of the cost proposed by the non-local vendor, all other
10 technical requirements being equal. In the case of a tie in the best and
11 final proposal between a local business, the tie shall be broken as
12 delineated in Policy 6320.

13 **3. Professional Services:**

14 Local preference policy shall apply to services ~~of which that~~ is are
15 subject to the Consultants' Competitive Negotiation Act, as delineated
16 in F.S. 287.055. When a local firm that is not initially short-listed for
17 interviews, and has a scores within 5% of the lowest-ranked short-
18 listed firm's score, it will be added to the short-list if the lowest-ranked
19 short-listed firm is non-local. ~~If two (2) firms, one local and one non-~~
20 ~~local are within five percent (5%) of each other's total qualitative~~
21 ~~scores, and for design build solicitations, the adjusted low bid as~~
22 ~~defined in the corresponding implementing order, the local firm shall~~
23 ~~be ranked higher than the non local firm in the final ranking. In case~~
24 ~~of a two tiered evaluation process, the local preference shall also apply~~
25 ~~at the conclusion of the first tier to allow eligible local proposers within~~
26 ~~five percent (5%) of the points assigned to those recommended to~~
27 ~~participate in the second tier evaluation.~~

28 **Waivers and Exceptions**

29
30 The application of local preference to a particular purchase, contract, or
31 category of contracts for which the Board is awarding authority may be waived
32 upon written justification and recommendation by the Superintendent.

33 The local preference established in this policy does not prohibit the ~~right of the~~
34 Board, or other authorized purchasing authority, from giving preference
35 permitted by law in addition to the preference authorized in this policy.

36 The preference established in this policy does not prohibit the right of the
37 Board, or other authorized purchasing authority, to compare quality or fitness
38 for use of supplies, materials, equipment and services proposed for purchase
39 and compare qualifications, character, responsibility and fitness of all
40 persons, firms or corporations submitting bids or proposals.

41
42 **Restrictions**

43
44 In addition to any other restrictions, no local preference may be applied to
45 competitive solicitations for construction services in which 50 percent or more
46 of the cost will be paid from state-appropriated funds which have been
47 appropriated at the time of the competitive solicitation. The solicitation

documents for construction services in this event must disclose that no local preference will be applied.

Sanctions

A vendor who misrepresents the local preference status of its firm in a proposal or bid submitted to the School Board will lose the privilege to claim local preference status and shall lose eligibility to claim local preference status for a period of one (1) year. The Superintendent may also recommend that the firm be referred for debarment in accordance with Policy 6320.04.

B. Employment Preference for Florida Residents

Each contract for construction that is funded by state appropriated funds must contain a provision requiring the contractor to give preference to the employment of state residents in the performance of the work on the project if state residents have substantially equal qualifications to those of nonresidents. A contract for construction funded by local funds may contain such a provision.

As used in this section, the term “substantially equal qualifications” means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are better suited for the position than the qualifications held by the other person or persons.

A contractor required to employ state residents must contact the Department of Economic Opportunity to post the contractor’s employment needs in the state’s job bank system.

No contract shall be let to any person refusing to execute an agreement containing the provisions required by this section. However, in work involving the expenditure of federal aid funds, this section may not be enforced in such a manner as to conflict with or be contrary to federal law prescribing a labor preference to honorably discharged soldiers, sailors, or marines, or prohibiting as unlawful any other preference or discrimination among the citizens of the United States.

255.0991, 255.099, 287.055, 287.084, F.S.

Adopted 10/19/11

Revised 10/16/13