

6A-2

Agenda Item #: \_\_\_\_\_

**PALM BEACH COUNTY**

**BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

Meeting Date: November 18, 2008 [ ] Consent [X] Regular  
[ ] Workshop [ ] Public Hearing

Department County Administration

Submitted By: Office of Small Business Assistance (OSBA)

Submitted For: Office of Small Business Assistance (OSBA)

**I. EXECUTIVE BRIEF**

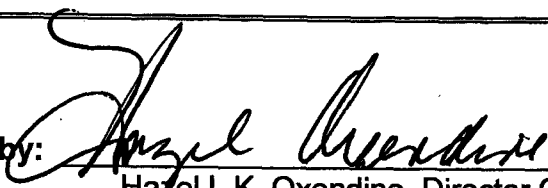
**Motion and Title:** Staff recommends motion to approve: The 2003 through 2008 Annual Reports of the Office of Small Business Assistance (OSBA).


**SUMMARY:** The Office of Small Business Assistance has prepared annual reports for the Board of County Commissioners to account for activities and accomplishments of 2003 through 2008 . Countywide (TKF)

**Background and Justification:** Since the inception of the County's SBE Program in 2003, the Office of Small Business Assistance primary goal has been to increase the number of contract awards to Palm Beach County S/M/WBEs and to increase the number of S/M/WBEs certified to do business with Palm Beach County. This report will present the annual activities and accomplishments of the OSBA since the inception of the County's SBE Program.

**Attachments:**

- 1. 2003 – 2008 Annual Report

Recommended by:  10/29/08  
Hazel L.K. Oxendine, Director OSBA Date

Approved by:  11/6/08  
Verdenia C. Baker, Deputy County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind March (County)					
Net Fiscal Impact	<i>No fiscal impact.</i>				
#Additional FTE					

Is Item Included in Current Budget?	Yes	No X		
Budget Account No:	<u>Fund</u>	<u>Agency</u>	<u>Org</u>	<u>Object</u>
Reporting Category				

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

**C. Department Fiscal Review:**

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Dev. and Control Comments:**

B.

*adwillhite 11.4.08*  
OFMB *11/4/08*

*Ann J. Jacoby 11/5/08*  
Contract Dev. and Control *11/5/08*


**B. Approved as to form and Legal Sufficiency:**

*[Signature]* *11/6/08*  
Assistant County Attorney

**C. Approved as to terms and conditions:**

*[Signature]*  
Director, Office of Small Business Assistance

**(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)**



Palm Beach County  
Office of Small Business  
Assistance

[A Review of the SBE Program 2003 - 2008]



## **Review of Palm Beach County's SBE Program (FYs 2003 – 2008)**

### **Executive Summary**

On October 1, 2002, the Board of County Commissioners adopted Ordinance No. 02-64, replacing Minority and/or Women Business Enterprise (M/WBE) Ordinance 91-34, as the new Small Business Enterprise (SBE) Ordinance in response to the success of the M/WBE Program. This ordinance has undergone several amendments and is codified in the Palm Beach County Code, Sections 2-80.13 through 2-80.35. The pre-existing race and gender based goals program had been in existence for over a decade and was scheduled to sunset on September 30, 2002. The SBE Ordinance had six (6) months phase-in period prior to the sunset of the M/WBE program. The Office of Small Business was created to facilitate, and monitor the SBE program and report on the utilization. In accordance with the County Code, the OSBA also monitors the utilization of M/WBEs for possible disparity after the sunset.

#### **Findings**

Since the County has not met the 15% goal in any of the three reporting areas since the program's inception, OSBA recommended that the County implement the Sheltered Market Program to review all contracts that in the area of construction to establish SBE goals based on the availability of SBE businesses. To achieve this, the county must develop a program that analyzes the SBE vendor database and produces a report that identifies the available businesses within the scope of services needed for each project. This program would be similar to the program used under the M/WBE program used to establish goals.

OSBA also recommends that there be a link between contractor performances, as it relates to their SBE commitment, and their recommendation for future contract awards. Currently, there are no established penalties or sanctions established for contractors that fail to meet their SBE commitment. This link would emphasize the county's commitment to the SBE community and discourage contractors from renegeing on their commitment.

1. Overall, the County has not met its 15% SBE utilization goal since the inception of the small business program.
2. For the most part, the SBE Program increased the participation of small businesses in the procurement of County goods and services.
  - The annual goals achieved for construction was 10.34% for FY04, 8.33% for FY05, 4.30% for FY06, 11.49% for FY07, and 11.68% through the first half of FY 2008. The lack of SBE participation can be partially attributed to the lack of SBE participation documentation on CM @ Risk contracts during reporting periods.
  - The annual goal achieved for procurement was 7.61% for FY04, 7.70% for FY05, 12.45% for FY06, 11.63% for FY07 and 17.12% through the first half of FY08. This area has shown a steady increase of SBE participation each year.

- The annual goal for professional services was 3.33% for FY04, 11.23% for FY05, 11.08% for FY06 and 8.16 for FY07, and 6.20% through the first half of FY08.
3. County utilization of Blacks, Hispanics and women-owned businesses has significantly declined since the sunset of the M/WBE Program.
    - In the first year of the SBE program, certified Black-owned businesses were awarded approximately 1% of construction contracts; 2% of purchasing contracts; and no professional services contracts. In FY05, Blacks received 3% in construction; 2% in purchasing; and 1% in professional services contracts. In FY06 Blacks were awarded approximately 3% of construction; 1.7% of procurement and .07% of professional services contracts. In FY07 Blacks were awarded 6.4% in construction, 1.7% in purchasing, and .44% in professional services contracts. For the first half of FY08 Black were awarded 8.67% in construction contracts; 1.25% in purchasing and .40% in professional service contracts.
    - In the first year of the SBE program, certified Hispanic-owned businesses were awarded less than 1% of construction contracts; 2% of purchasing contracts; and 1% professional services contracts. In FY05, Hispanics were awarded 1.9% in construction contracts; 1.8% in purchasing; and 1.9% in professional services contracts. In FY06 Hispanic business were awarded .76% of construction contracts; 1.5% of procurement and 4.4% of professional services contracts were awarded to Hispanics. In FY07, Hispanics received .02% in construction; 1.5% in procurement; and 2.9% in professional services. For the first half of FY08 Hispanics were not awarded any construction contracts. .65% of procurement contracts were awarded to Hispanics and 2.13% of the contracts in professional services were awarded to Hispanics.
    - In the first year of the SBE program, certified Women-owned businesses were awarded approximately 9% of construction contracts; 2.3% of purchasing contracts; and 0.4% professional services contracts. In FY05, Women received 2.7% in construction; 1.9% in purchasing; and 3.4% in professional services contracts. In FY06, approximately .89% of construction, 3% of procurement and 3.8% of professional services contracts were awarded to Women. In FY07, Women received 4.6% in construction; 3% in purchasing; and 3.3% in professional services. For the first half of FY08 Women received 1.26% in construction contracts; 11.22% in procurement contracts and 2.34% in professional services contracts.
  4. Certification, training, and outreach have all significantly increased the overall utilization of the County's SBE.
  5. SBEs (including M/WBEs) believe that Prime contractors create a prohibitive environment rendering SBEs unable to perform as subcontractors on County contracts. This environment includes non-payment and/or non-utilization by Primes after contract award, and prohibitive pre-award expenditure requirements of the County. SBEs believe that County Departments support this atmosphere by not effectively monitoring Primes to eliminate fraud.

## **Recommendations**

- 1.** Encourage County procurement employees to utilize SBEs in the procurement of goods and services to the fullest extent practicable by reinstating performance measures.
- 2.** Include Schedule 2s (utilization contracts) in CM @ Risk Bid Documents so the Prime Contractors will have to commit to SBEs at the beginning of their awarded contract.
- 3.** Institute the Sheltered Market focusing on expenditures under \$250,000. The type of program has proven to be successful Hollywood, Miami-Dade, Broward County FL, and at the South Florida Water Management District. A Sheltered Market program will assist departments/divisions that are not achieving their goals.
- 4.** Since the County has not met the 15% goal in any of the three reporting areas since the program's inception, OSBA recommends that the county implement a committee to review contracts and determine what may be sheltered for SBE utilization based on the availability of SBE businesses. This program would be similar to the program used under the M/WBE program used to establish goals.
- 5.** OSBA also recommends that there be a link between contractor performances, as it relates to their SBE commitment, and their recommendation for future contract award. Currently, there are no penalties or sanctions established for contractors that fail to meet their SBE commitment. This link would emphasize the county's commitment to the SBE community and discourage contractors from reneging on their commitment.
- 6.** Discontinue including County SBE-exempt expenditures in totals against which SBE utilization is counted.

## **Small Business Enterprise Program**

It is the policy of Palm Beach County (County) that all businesses be afforded an opportunity for full and equitable participation in the provision of goods and services to the County. In 1991 the County implemented a Minority/Women Business Enterprise (M/WBE) Program to facilitate this policy. The percentage participation rates for Fiscal Year 2002 were 14.8 percent for Construction, 7.12 percent for Procurement, and 11.10 percent for Professional Service Contracts. The M/WBE program was scheduled to sunset on March 31, 2003 and did so.

To provide broader support to Small Business Enterprises (SBE) in County procurement, the Board of County Commissioners (BCC) adopted Small Business Enterprise (SBE) Ordinance 02-64 effective October 1, 2002. The SBE Ordinance had a six-month phase-in period until sunset of the M/WBE Ordinance. Thus, the SBE program went into full effect on April 1, 2003. The SBE program is a race and gender-neutral program, with emphasis on the size and location of firms. The SBE Ordinance established annual program participation goals of 15 percent for each of the three categories: Construction, Procurement, and Professional Service Contracts.

The Office of Small Business Assistance (OSBA) aids small businesses by serving as a clearinghouse for business information and referral services, monitoring and enforcing the SBE program, as well as ensuring that opportunities exist for County SBEs. OSBA certifies the qualifications of M/WBE and SBE firms to participate in the programs, and is responsible for verifying that M/WBE and SBE firms are utilized as planned. OSBA is also responsible for reporting the results of the M/WBE and SBE programs. The Palm Beach County Small Business Program has been in effect for three and a half years since the transition from the M/WBE program.

### **Small Business Enterprise Utilization Summary**

The County has fallen short of meeting its goals since the inception of the SBE program overall as compared to the M/WBE program. In particular, ethnic minorities experienced a significant decline during the transition.

For the first six months of the SBE program (April 1 through September 30, 2003), Palm Beach County did not meet the goals established under Ordinance 02-64 in any of the categories. As shown below, the goals compared to actual performance were as follows:

<b>Category</b>	<b>Actual</b>	<b>Goal</b>
<b>Construction</b>	<b>14.30%</b>	<b>15%</b>
<b>Procurement</b>	<b>4.46%</b>	<b>15%</b>
<b>Professional Services</b>	<b>5.14%</b>	<b>15%</b>

Palm Beach County exceeded the M/WBE goals established under Ordinance 91-34 for each of the categories of Construction, Procurement, and Professional Service Contracts for the six-month period ending March 31, 2003. The goals compared to actual performance were as follows:

Category	PBC Goal	MWBE FY2003	Actual FY 2004		Actual FY 2005		FY 2006 <sup>1</sup>		FY 2007 <sup>2</sup>		YTD 2008 <sup>3</sup>	
			SBE	M/WBE	SBE	M/WBE	SBE	M/WBE	SBE	M/WBE	SBE	M/WBE
Construction	15%	23.11%	10.34%	10.34% <sup>4</sup>	8.33%	7.96%	4.30%	4.30%	11.49%	11.49%	11.68%	11.64%
Procurement	15%	9.47%	7.61%	6.68%	7.70%	5.72%	12.45%	6.24%	11.63%	6.26%	17.12%	13.39%
Professional Services	15%	7.95%	3.33	1.8%	11.23%	8.39%	11.08%	9.77%	8.16%	7.51%	6.20%	5.55%

Compared to the former M/WBE program, the SBE program had increased goals, particularly in the Procurement and Professional Service Contract categories. However, the County's past performance under the M/WBE program came close to meeting all of the goals of the new SBE program. For example, for Fiscal Year 2002, the County achieved actual performance of 18.64 percent in Construction, 13.96 percent for Procurement, and 12.94 percent for Professional Service Contracts. The goals established under the M/WBE and the SBE programs should not alone have been a major deterrent to success under the SBE program. Differences between the M/WBE and SBE qualifications were significant. For example:

- The SBE program established new size requirements for adjusted gross margin and number of employees in order to be considered as a small business. These requirements were more restrictive than the M/WBE program which closely resembled the State of Florida program.
- The SBE program required that the firm be located in, and have the related business licenses in Palm Beach County. The M/WBE program extended throughout the State of Florida.

During the transition from the MWBE program in between October 2002, and March 2003, ethnic minorities, particularly black businesses received **9.6%** of construction contracts, **6.60%** of procurement contracts, and **2.19%** of professional services contracts. Construction and procurement contract awards exceeded their respective goals, while professional services contract awards fell short of their goals.

Subsequent to the initial program transition, Black business owners received no construction contracts (which were all awarded during the M/WBE program), less than .60% of procurement contracts, and .38% of professional services contracted.

Overall, in FY 2003/2004 SBE black businesses received less than 1% of construction contracts, 2% of procurement contracts, and 3% of professional services contracts. During that same time period, no other ethnic minorities received awards in construction with 2% of the procurement contracts awarded to women and Hispanics each, and approximately 1% of the professional services contracts awarded to Hispanics.

In FY 2004/2005, black businesses received 3% of construction contracts, 2% of procurement contracts, and 1% of professional services contracts. 2% of construction awards went to women, and 2% went to Hispanics. In procurement, 2% went to Hispanics and women each. 3% of

<sup>1</sup> Un-audited estimates compiled by OSBA.

<sup>2</sup> Un-audited estimates compiled by OSBA.

<sup>3</sup> Un-audited Semi-Annual SBE Participation

<sup>4</sup> Construction contracts awarded during the M/WBE program still in existence.



professional services contracts went to women, 2% went to Hispanics, and 2% were awarded to ethnics of "other" origins.

Although minority-owned businesses have experienced high growth rates, they still account for only 11.4 percent of all small businesses in the United States and only 6.1 percent of small business revenue. In contrast, businesses owned by non-minority males constitute 58.6 percent of all small businesses and 76.0 percent of small business revenue. Current figures are an improvement over 1987, when the 424,165 Black-owned firms comprised 3.1 percent of all small firms and accounted for just 1 percent of all small business revenue, and the average gross revenue per Black business, \$46,593, was exactly 25 percent of the gross revenue of businesses owned by non-minority men and 32 percent of the average revenue of all U.S. firms. Blacks also had smaller annual revenues than Hispanics (\$58,555) and other minorities (\$93,222). By 1992, there had been some marginal growth; the 621,912 Black-owned firms comprised 3.6 percent of all small businesses, but their gross revenue was still only 1 percent of all small business revenue. Average 1992 revenues ranged from \$249,800 for non-minority male-owned firms; \$192,680 for all small businesses; \$94,400 for Hispanic-owned businesses; \$164,400 for businesses owned by other minorities; and \$51,855 for Black-owned firms.

The relative disparity for Blacks was wider than other minorities in a number of key areas. For example, in 1996, only 60.1 percent of Blacks still owned the business they owned in 1992, whereas the average for all the other groups was 68.9 percent. The next lowest percentage was women-owned businesses at 66 percent; the highest was non-minority males at 70.5 percent. In regard to the reason for the change in ownership, 26.0 percent of Blacks indicated that their business no longer existed, as opposed to being sold or transferred to another owner; overall, 18.3 percent of ex-owners cited this as the reason. Further, 20.7 percent of Blacks indicated that their business was unsuccessful at the time it was discontinued, compared to 14.1 percent of all ex-owners. Finally, 23.9 percent of Black ex-owners indicated that the reason their business was unsuccessful was because they lacked access to business or personal loans or credit, whereas only 11.5 percent of all ex-owners cited this as a reason. Although 44.5 percent of all small businesses earned \$10,000 or less in 1992, this was true for 46.6 percent of Hispanic-owned businesses, 35.1 percent of businesses owned by other minorities, 38.5 percent of businesses owned by non-minority males, and 56.1 percent of businesses owned by Blacks (U.S. Bureau of the Census, 1991, 1997).

The U.S. Census Bureau's 1997 survey of Minority-Owned Business Enterprises estimated a total of 4,781 Black-owned businesses in the West Palm Beach-Boca Raton Metropolitan Statistical Area (MSA). The MSA includes all of Palm Beach County, and this number amounted to approximately 4.3% of the total number of firms in the MSA. The majority (3,191 firms) of these firms were concentrated in the Services and Retail Trade Industries. Transportation (346 firms) and Construction (257 firms) industries account for the next largest number of firms owned by Black business people in Palm Beach County.

By comparison, there were a total of 12,868 Black-owned businesses in the Fort Lauderdale PSMA (all of Broward County). Again, these businesses were concentrated in the Services and Retail Trade industries, with 773 businesses located in the Construction sector. Additionally, there were 16,918 Black-owned businesses in the Miami PMSA (all of Dade County) during the same census survey. The majority of these businesses were concentrated in the Services industries, and 870 in the Construction industry.

### **Conclusions**

Although there has been a marked decline in utilization from the M/WBE program to the SBE program, this decline is spread consistently throughout the ethnic and women minority categories. Several reasons why include:

1. Domicile requirements eliminate many minority firms from becoming certified
2. Adjusted Gross Margin prohibits others.
3. County employees do not utilize SBEs to the fullest extent practicable.
4. Prime contractors are not compelled to subcontract with SBEs.

The OSBA has modified the SBE Ordinance to revise the Adjusted Gross Margin and subcontractor utilization requirements.

In the meantime, in order to achieve 15% SBE utilization, OSBA recommends that the County:

- Encourage County employees to use SBEs in their procurement of goods and services in behalf of the County;
- Implement a sheltered market plan which may allow the County departments to achieve by selecting procurement/contracting opportunities to be designated for SBE competitive bidding exclusively not to exceed \$250,000.

### **Program Performance Under M/WBE and SBE Ordinances - One Year Anniversary**

Palm Beach County did not meet the SBE goals established in Ordinance 02-64 in each of the categories of Construction, Procurement, and Professional Service Contracts for the first twelve months of the program ended March 31, 2004.

For the SBE goals under Ordinance 02-64, the County achieved a 10.34% performance in the Construction category; 7.61% performance in the area of Procurement; and 3.33% in Professional Service Contracts. All three areas of the County procurement processes fell short of the 15% goal with professional services being the farthest away from the goal.

<b>Category</b>	<b>Actual</b>	<b>Goal</b>
<b>Construction</b>	<b>10.34%</b>	<b>15%</b>
<b>Procurement</b>	<b>7.61%</b>	<b>15%</b>
<b>Professional Services</b>	<b>3.33%</b>	<b>15%</b>

During the first year of the SBE program, there were a few contracts in construction awarded with SBE requirements. This was a result of departments exercising their renewal options on contracts containing M/WBE participation requirements, which were awarded prior to the start of the SBE program. Even though only a few construction contracts were awarded during this time period, SBEs received 10.34% of the \$132.5 million total awards in the area of construction.

In the area of procurements, the Purchasing Department was able to make a quick transition from the M/WBE program to the SBE program. Along with the new program eligibility requirements came the need for some vendors to re-register because of the new Advantage system the county had purchased. These two actions reduced the number of vendors in the database and also led to

the misidentification of vendors. As a result, the level of SBE participation was 7.61%, of the total expenditure of \$132.5 mil, which was half the required goal under the new program.

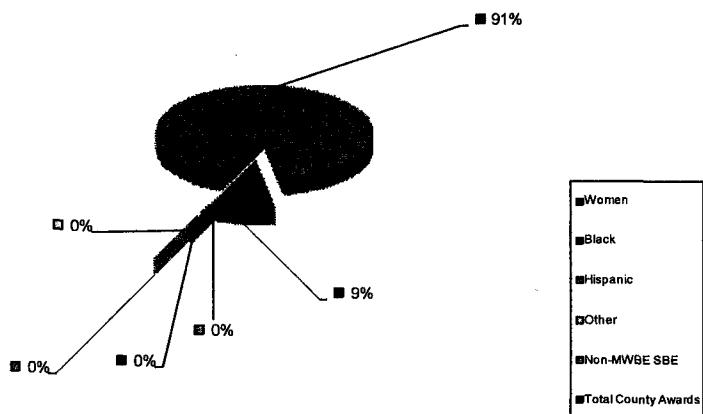
In the area of Professional Services, firms outside of Palm Beach County, which would not qualify under the new program, may participate under the CCNA process provided that they are certified as an M/WBE. Since there were very few professional services firms in Palm Beach County that were eligible to participate under the new program, they had to compete against the larger M/WBE firms for contracting opportunities. Because of these issues, SBE participation was 3.33% of the approximately \$29 million expended in the area of professional services.

Taking the aforementioned into account, the shortfalls can be attributed to the transition from M/WBE to SBE which reduced the pool of certified SBE vendors due to the size and domicile requirements; the lack of understanding on the part of County departments of the new program requirements; and the lack of understanding on the part of the general public all contributed to the underutilization of SBEs in Palm Beach County. OSBA took several steps to correct the deficiencies, including implementing a comprehensive outreach program and again modifying the SBE Ordinance to increase the adjusted gross margin and eliminate the required number of employees. These steps resulted in the increasing the available pool of Certified SBEs by 150 vendors within the second quarter of 2004, or an average of approximately 75 new vendors quarterly.

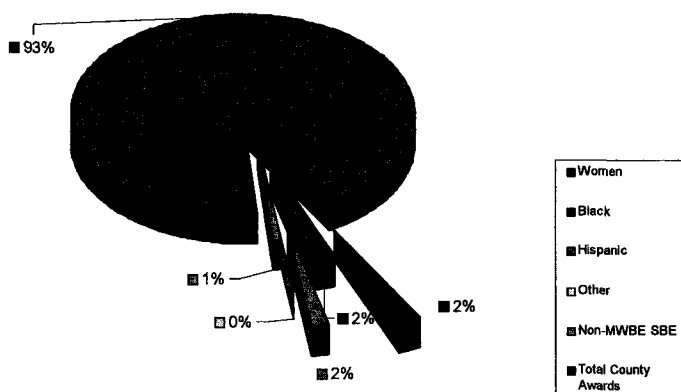
**Schedule of First Year Small Business Enterprise Participation**  
**April 1, 2003 through March 31, 2004**  
**Audit Adjusted**

<b>Category</b>	<b>Amount Awarded</b>	<b>Percentage of Total Awards</b>	<b>Annual Goals</b>	<b>Over/(Under) Annual Goal</b>
<b><u>Construction Contracts</u></b>				
Women	1,061,622	9.66%		
Black	73,000	0.66%		
Hispanic	2,100	0.02%		
Other	00	0.0%		
Non-MWBE SBE	00	0.0%		
<b>Total SBE Participation</b>	<b>1,136,722</b>	<b>10.34%</b>	<b>15.00%</b>	<b>-4.66%</b>
<i>Total County Awards</i>	<i>10,993,751</i>			
<b><u>Procurement Awards</u></b>				
Women	3,043,015	2.30%		
Black	3,214,173	2.42%		
Hispanic	2,486,227	1.88%		
Other	101,856	0.08%		
Non-MWBE SBE	1,058,791	0.93%		
<b>Total SBE Participation</b>	<b>9,904,062</b>	<b>7.61%</b>	<b>15.00%</b>	<b>-7.39%</b>
<i>Total County Awards</i>	<i>132,551,579</i>			
<b><u>Professional Service Contracts</u></b>				
Women	124,492	0.43%		
Black	86,090	0.30%		
Hispanic	299,145	1.03%		
Other	10,250	0.04%		
Non-MWBE SBE	444,035	1.53%		
<b>Total SBE Participation</b>	<b>964,012</b>	<b>3.33%</b>	<b>15.00%</b>	<b>-11.67%</b>
<i>Total County Awards</i>	<i>29,062,102</i>			

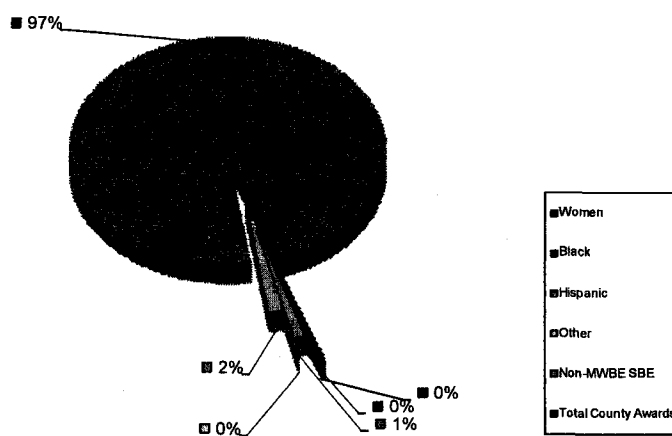
**First Year (4/2003 - 3/2004) MWBE/SBE Participation Construction Contracts**



**First Year (4/2003 - 3/2004) MWBE/SBE Participation Procurement Contracts**



**First Year (4/2003 - 3/2004) MWBE/SBE Participation Professional Services Contracts**



**SBE Participation FY2005 (Oct. 1, 2004– Sept. 30, 2005)**

During the second year of the SBE program, SBE participation declined from the 10.34% participation level achieved during the first year of the program to the current 8.33% level. The predominant factor that currently affects the SBE participation statistics is the lack of documentation regarding SBE utilization on CM @ Risk contracts.

<b>Category</b>	<b>Actual</b>	<b>Goal</b>
<b>Construction</b>	<b>8.33%</b>	<b>15%</b>
<b>Procurement</b>	<b>7.70%</b>	<b>15%</b>
<b>Professional Services</b>	<b>11.23%</b>	<b>15%</b>

A footnote needs to be made regarding the level of SBE participation for the second year where the County recorded \$13,000,000 under the CM @ risk process without any SBE participation. This current method of construction procurement is recorded without specific SBE participation and the total contract value is counted at the time of contract award. Although SBE participation is reported over the life of the construction project, this method skews actual SBE participation percentages during the reporting period. If the \$13,000,000 were excluded from the total expenditures for the year (and only counted when SBEs are utilized which could occur at any time over the contract period), SBE participation in the area of Construction would increase by 34% from 8.33% to 11.19%.

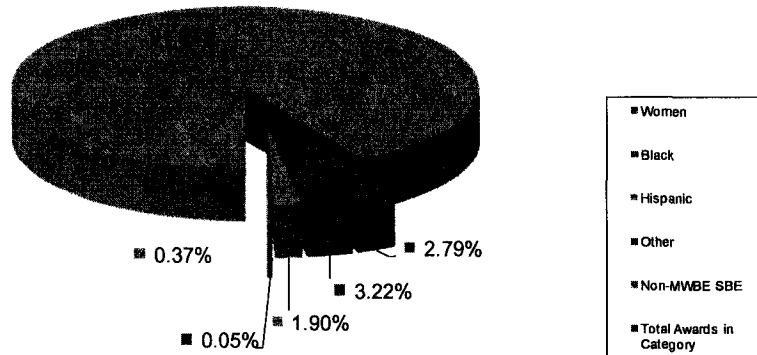
Although area of procurements missed the 15% SBE goal during the second year of the program, the SBE level of participation increased 2% over that of the first year of the program. SBEs received 7.70% of the \$126.7 million awarded in the area of procurements during the second year. Some contributing factors to the small increase in SBE participation could be a result of the 8% increase in the number of certified SBEs. In addition, the percentage of DPOs awarded to SBEs fell from 12.4% from the previous fiscal year to 10.8% this the second year of the program.

SBEs received 11.23% of the \$27.7 million awarded for professional services contracts, representing a 53% increase in participation over that of the first year of the program. SBEs in this area continued to compete with the M/WBEs whom participated as both primes and sub-consultants under the M/WBE program that were eligible to compete equally with SBEs on all contracts. Since the CCNA PPM had yet to be revised, it was difficult to meet the 15% goal in this area. However, one positive sign is that OSBA certified SBEs received county contracts as prime contractors during this time.

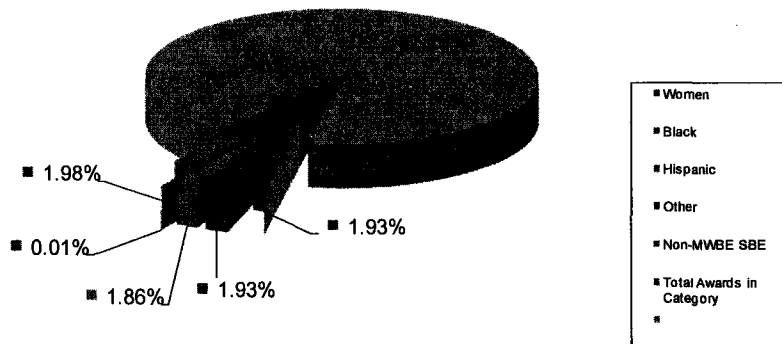
**SCHEDULE OF FISCAL YEAR 2005 SMALL BUSINESS ENTERPRISE PARTICIPATION**

<b>Category</b>	<b>Amount Awarded</b>	<b>% Total Awards</b>	<b>Annual Goal</b>
<b><u>Construction Contracts</u></b>			
Women	\$1,416,512	2.79%	
Black	\$1,637,923	3.22%	
Hispanic	\$966,589	1.90%	
Other	\$24,882	0.05%	
Non-MWBE SBE	\$189,589	0.37%	
<b>SBE Participation</b>	<b>\$4,235,495</b>	<b>8.33%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$50,842,788</i>		
<b><u>Procurement Awards</u></b>			
Women	\$2,448,118	1.93%	
Black	\$2,441,827	1.93%	
Hispanic	\$2,351,459	1.86%	
Other	\$16,528	0.01%	
Non-MWBE SBE	\$2,502,795	1.98%	
<b>SBE Participation</b>	<b>\$9,760,728</b>	<b>7.70%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$126,705,356</i>		
<b><u>Professional Services</u></b>			
Women	\$963,219	3.47%	
Black	\$273,311	0.98%	
Hispanic	\$539,319	1.94%	
Other	\$556,807	2.00%	
Non-MWBE SBE	\$787,871	2.84%	
<b>SBE Participation</b>	<b>\$3,120,526</b>	<b>11.23%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$27,775,655</i>		
<b>Total SBE Participation</b>	<b>\$17,116,749</b>	<b>8.34%</b>	<b>15.00%</b>
<i>Total Procurements</i>	<i>\$205,323,799</i>		

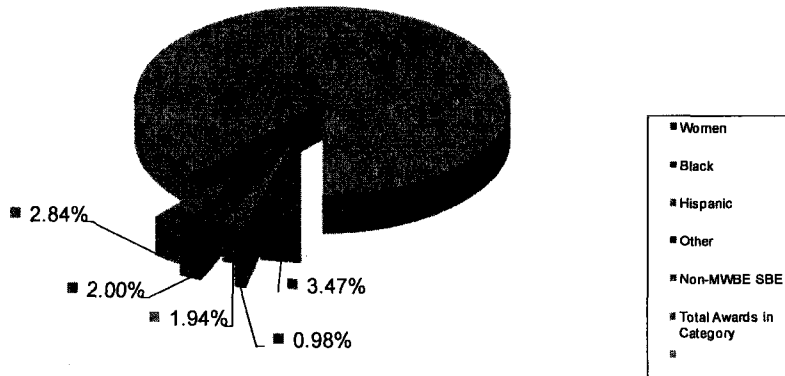
**FY 2005 SBE Participation Construction Contracts**



**FY 2005 SBE Participation Procurement Contracts**



**FY 2005 SBE Participation Prof. Sers. Contracts**





**SBE Participation FY2006 (Oct. 1, 2005– Sept. 30, 2006)**

This marks the Third year of reporting since the County implemented the SBE program in April 2003. Overall, the SBE participation in the areas of Construction, Procurement and Professional Services has fallen short of meeting the 15% goal. However, over the last three (3) year period, SBE participation has been on the rise specifically in the areas of Procurement Services. This increase in participation is partially due to the increased number of SBE businesses participating in the program in addition to OSBA's outreach and training efforts.

<b>Category</b>	<b>Actual*</b>	<b>Goal</b>
Construction	4.30%	<b>15%</b>
Procurement	12.45%	<b>15%</b>
Professional Services	11.08%	<b>15%</b>

\*Un-Audited Numbers

Overall, there was decrease in SBE utilization in construction activity. Again, the area of concern stems from the CM @ Risk projects and the method in which SBE participation is recorded in contracts. The current procedure allows a selected contractor to receive a contract award without any specifics with regard to SBE participation. The contract is approved with the contractor's promise of fulfilling a certain SBE percentage, but they do not specify which SBEs will be utilized on the project. Although the contractor has committed to meeting or exceeding the 15% SBE goal, the contract is recorded without any SBE dollars assigned to the contract. This Fiscal year there was \$34.9 million dollars in CM @ Risk contract awarded that reported only 0.086% SBE participation.

Since the beginning of the SBE program, the area of procurement has steadily increased its participation percentages. Contracts awarded to SBEs this year increased by more than 61% over that of the previous year and fell just 2.55% short of meeting the SBE goal of 15% for the year.

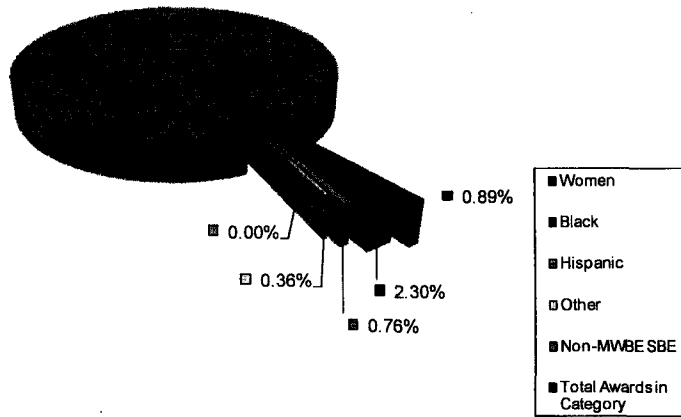
The area of professional services fell short of the County goal by approximately 35%. SBEs received 11.08% of the \$50.35 million dollars expended during this time period compared to 11.23% of \$27.7 million dollars expended during the previous fiscal year. This represents a 1.3% decrease over last year's participation.

With the completion of a revised CCNA PPM which puts greater emphasis on utilizing local small SBEs and the continued outreach and training for county departments, the participation levels in this area should continue to climb.

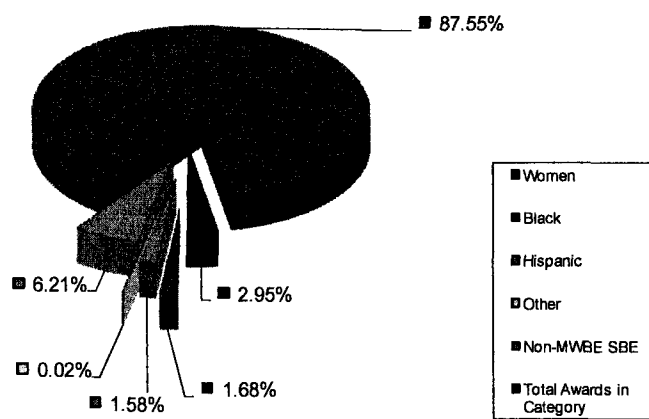
**SCHEDULE OF FISCAL YEAR 2006 SMALL BUSINESS ENTERPRISE PARTICIPATION**

<b>Category</b>	<b>Amount Awarded</b>	<b>% Total Awards</b>	<b>Annual Goal</b>
<b><u>Construction Contracts</u></b>			
Women	\$656,940	0.89%	
Black	\$1,701,615	2.30%	
Hispanic	\$559,500	0.76%	
Other	\$266,816	0.36%	
Non-MWBE SBE	\$0	0.00%	
<b>SBE Participation</b>	<b>\$3,184,872</b>	<b>4.30%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$73,988,589</i>		
<b><u>Procurement Awards</u></b>			
Women	\$5,872,882	2.95%	
Black	\$3,355,027	1.68%	
Hispanic	\$3,144,662	1.58%	
Other	\$49,736	0.02%	
Non-MWBE SBE	\$12,377,308	6.21%	
<b>SBE Participation</b>	<b>\$24,799,615</b>	<b>12.45%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$199,189,161</i>		
<b><u>Professional Services</u></b>			
Women	\$1,929,437	3.83%	
Black	\$389,867	0.77%	
Hispanic	\$2,251,424	4.47%	
Other	\$352,439	0.70%	
Non-MWBE SBE	\$657,197	1.31%	
<b>SBE Participation</b>	<b>\$5,580,364</b>	<b>11.08%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$50,353,637</i>		
<b>Total SBE Participation</b>	<b>\$33,564,851</b>	<b>10.37%</b>	<b>15.00%</b>
<i>Total County Procurements</i>	<i>\$323,531,387</i>		

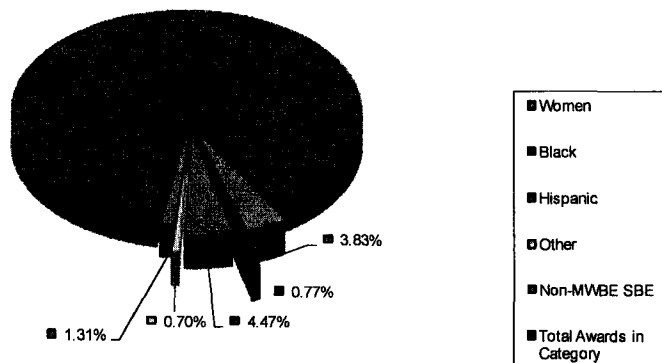
### Construction SBE Utilization FY 2006



### Purchasing SBE Utilization FY 2006



### Professional Services Utilization FY 2006



**SBE Participation FY2006 (Oct. 1, 2006– Sept. 30, 2007)**

During this fiscal year, Palm Beach County experienced budget cuts due to Amendment 1 of the Florida State Constitution, which effectively decreased County revenues. Although SBE participation has not been adversely affected, we anticipate a decline in utilization over the next Fiscal Year. During this fourth year of reporting, SBE participation in the areas of Construction, Procurement and Professional Services continues to fall short of meeting the 15% goal. However, both Construction and Procurement showed an increase from FY 2005 to FY 2006.

<b>Category</b>	<b>Actual*</b>	<b>Goal</b>
Construction	11.49%	15%
Procurement	11.63%	15%
Professional Services	8.16%	15%

\*Un-Audited Numbers

Because SBE vendors are typically utilized at the end of CM@Risk projects, we segregated this portion of reporting in order to see if there was an increase in the Construction category indicated during this time due to completion of some CM@Risk contracts and activity in the Job Order Contract (JOC) activities. As expected, there was increase in SBE utilization in construction activity due to the method in which SBE participation is recorded on these types of contracts.

With the current procedure, a selected contractor is allowed to receive a contract award without any specifics with regard to SBE participation. The contract is approved with the contractor's promise of fulfilling a certain SBE percentage, but they do not specify which SBEs will be utilized on the project. Although the contractor has committed to meeting or exceeding the 15% SBE goal, the contract is recorded without any SBE dollars assigned to the contract. SBE utilization on CM@Risk contracts usually occur toward the end of the contract, which typically occurs two to three years after the contract award date. In this case, we were able to look at those CM@Risk contracts that ended in FY 2006.

Since the beginning of the SBE program, the area of procurement has steadily increased its participation percentages. Contracts awarded to SBEs this year fell just 3.37% short of meeting the SBE goal of 15% for the year.

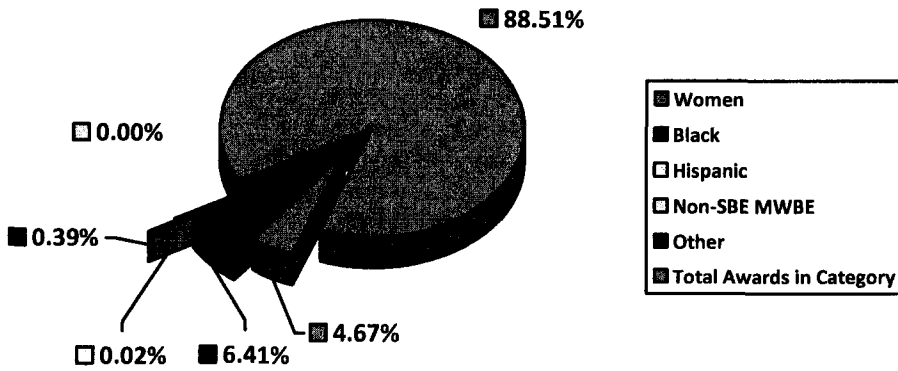
The area of professional services fell short of the County goal by approximately 6.83%. SBEs received 8.16% of the \$98.9 million dollars expended during this time period. Additionally, this was even less than the 11.23% of \$27.7 million dollars expended during the previous fiscal year.

With the completion of a revised CCNA PPM which puts greater emphasis on utilizing local small SBEs and the continued outreach and training for county departments, the participation levels in this area should continue to climb.

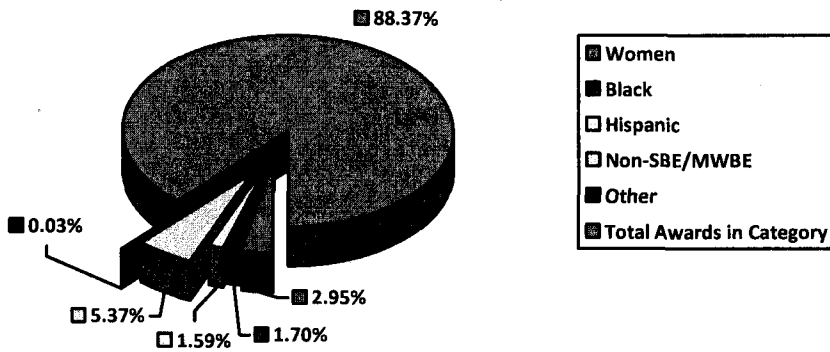
**SCHEDULE OF FISCAL YEAR 2007 SMALL BUSINESS ENTERPRISE PARTICIPATION**

<b>Category</b>	<b>Amount Awarded</b>	<b>% Total Awards</b>	<b>Annual Goal</b>
<b><u>Construction Contracts</u></b>			
Women	\$1,491,419	4.67%	
Black	\$2,045,836	6.41%	
Hispanic	\$5,416	0.02%	
Other	\$125,838	0.39%	
Non-MWBE SBE	\$0	0.0%	
<b>SBE Participation</b>	<b>\$3,668,508</b>	<b>11.49%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$31,937,987</i>	<i>11.49%</i>	
<b><u>Procurement Awards</u></b>			
Women	\$2,448,118	2.95%	
Black	\$2,441,827	1.70%	
Hispanic	\$2,351,459	1.59%	
Other	\$16,528	0.03%	
Non-MWBE SBE	\$2,502,795	5.37%	
<b>SBE Participation</b>	<b>\$22,986,864</b>	<b>11.63%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$197,725,658</i>	<i>6.26%</i>	
<b><u>Professional Services</u></b>			
Women	\$3,284,357	3.32%	
Black	\$438,199	0.44%	
Hispanic	\$2,877,778	2.91%	
Other	\$831,341	0.84%	
Non-MWBE SBE	\$642,096	0.65%	
<b>SBE Participation</b>	<b>\$8,073,771</b>	<b>8.16%</b>	<b>15.00%</b>
<i>Total Awards in Category</i>	<i>\$98,969,339</i>		
<b>Total SBE Participation</b>	<b>\$17,116,749</b>	<b>8.34%</b>	<b>15.00%</b>
<i>Total Procurements</i>	<i>\$205,323,799</i>		

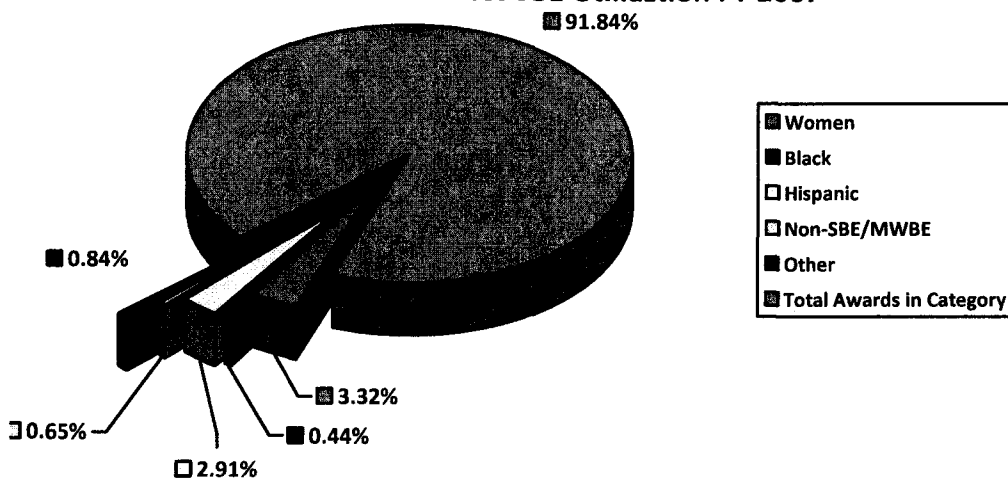
**Construction SBE Utilization FY 2007**



**Procurement SBE Utilization FY 2007**



**Professional Services SBE Utilization FY 2007**



**Semi Annual SBE Participation FY2007 (Oct. 1, 2007– March 31, 2008)**

Palm Beach County implemented some of the budget cuts due to Amendment 1 of the Florida State Constitution which decreased the number of capital projects awarded by county departments. Next year will bring further cuts to the capital projects and procurements awarded by the county which will have an impact on SBE opportunities and SBE participation. We expect these cuts to decrease the level of SBE participation percentages over the next two Fiscal Years and potentially have a longer effect on the availability of SBE businesses in the county.

<b>Category</b>	<b>Actual*</b>	<b>Goal</b>
Construction	11.68%	15%
Procurement	17.12%	15%
Professional Services	6.20%	15%

\*Un-Audited Numbers

The level of SBE utilization in construction during the first two quarters of FY 2007 exceeds the level of SBE utilization for the entire year during FY 2006. Blacks received 8.67% participation in the area of construction which represents more than half of the total SBE participation for this reporting period. This also represents the highest level of participation for blacks in the area of construction since the start of the SBE program.

A new reporting requirement for contract awarded under the CM @ Risk process will require the contractors to submit their list of proposed subcontractors prior to the award of a contract. This requirement will give a better representation of SBE awards in construction during the reporting period.

The area of procurements exceeded the 15% goal with 17.12% participation during the first half of this reporting period. Women business achieved the highest level of participation with 11.22% followed by non-minority SBEs with 3.73%, and blacks with 1.25%. SBE participation has steadily increased in the area of procurement over the last few years and with the increased number of certified SBE, the area of procurements should exceed the 15% goal this fiscal year.

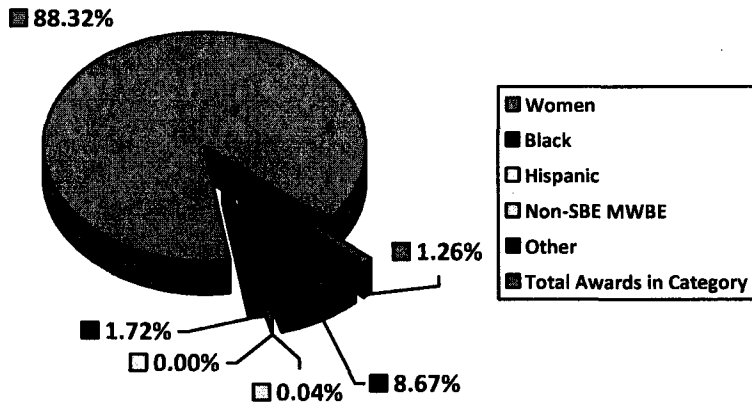
The area of professional services had the lowest level of SBE utilization of all the reporting areas. SBE's achieved 6.20% utilization, which is a little more than half the level of SBE participation reported in the previous fiscal year. Women and Hispanics continue to receive the most utilization with 2.34% and 2.13%, respectively, while black participation was less than half a percent. The lack of certified black SBE professional services firms has been reflected in the level of participation since the inception of the SBE program.

**SCHEDULE OF SEMI-ANNUAL 2008 SMALL BUSINESS ENTERPRISE PARTICIPATION**

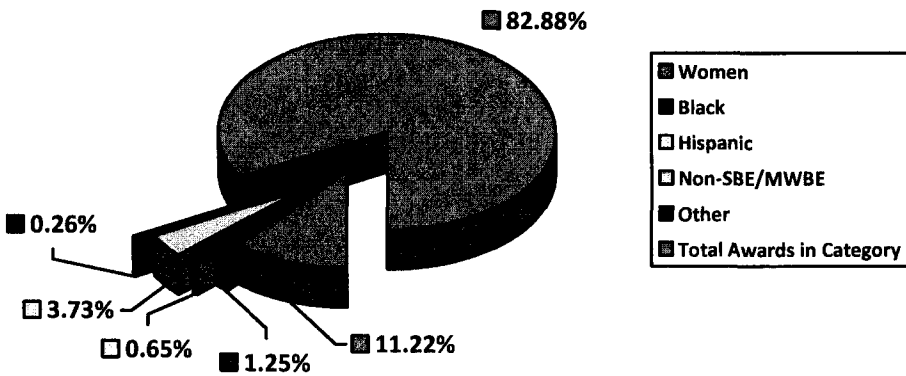
<b>Category</b>	<b>Amount Awarded</b>	<b>% Total Awards</b>	<b>Annual Goal</b>
<b><u>Construction Contracts</u></b>			
Women	\$1,073,114.19	1.26%	
Black	\$7,401,330.37	8.67%	
Hispanic	\$3,500.00	0.00%	
Other	\$1,468,031.72	1.72%	
Non-MWBE SBE	\$30,050.00	0.04%	
<b>SBE Participation</b>	<b>\$9,976,026.28</b>	<b>11.68%</b>	<b>15.00%</b>
<b>Total Awards in Category</b>	<b>\$85,414,617.94</b>	<b>11.64%</b>	
<b><u>Procurement Awards</u></b>			
Women	\$26,917,752.86	11.22%	
Black	\$3,003,466.78	1.25%	
Hispanic	\$1,567,708.87	0.65%	
Other	\$613,095.05	0.26%	
Non-MWBE SBE	\$8,956,473.50	3.73%	
<b>SBE Participation</b>	<b>\$41,058,497.06</b>	<b>17.12%</b>	<b>15.00%</b>
<b>Total Awards in Category</b>	<b>\$239,885,290.33</b>	<b>13.38%</b>	
<b><u>Professional Services</u></b>			
Women	\$1,879,222.95	2.34%	
Black	\$321,453.54	0.40%	
Hispanic	\$1,715,635.46	2.13%	
Other	\$323,926.97	0.40%	
Non-MWBE SBE	\$642,096	0.65%	
<b>SBE Participation</b>	<b>\$4,990,521.28</b>	<b>6.20%</b>	<b>15.00%</b>
<b>Total Awards in Category</b>	<b>\$80,463,203.01</b>	<b>5.27%</b>	
<b>Total SBE Participation</b>	<b>\$46,049,018.34</b>	<b>8.34%</b>	<b>15.00%</b>
<b>Total Procurements</b>	<b>\$320,348,493.30</b>		



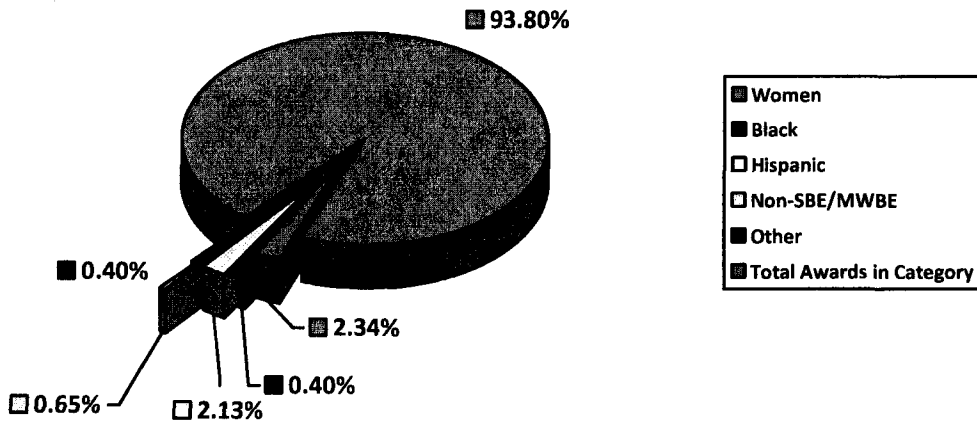
**Construction SBE Utilization FY 2008**



**Procurement SBE Utilization FY 2008**



**Professional Services SBE Utilization FY 2008**



## OSBA Initiatives

### **Business Partner Roundtable**

The Business Partner Roundtable (BPR) was initially developed as a mechanism to unite each of the varying financial and technical assistance organizations that are funded in whole or in part by Palm Beach County and has since become a model organization for excellence in uniting economic development resources to serve the greater community.

The roundtable has as its mission to build a stronger business community by connecting local resources, facilitating purposeful relationships, sharing opportunities and providing educational opportunities through a network of dedicated organizations and individuals.

This partnership achieves the mission through the following:

1. Establishing and monitoring results-driven performance measurements
2. Building relationships with the public and private sector that will benefit small business
3. Providing education for continuous improvement and skill development training

Initially, meetings were held quarterly. However due to the growth in population and businesses in Palm Beach County, the BPR decided to hold monthly meetings to stay abreast of activities. The membership has increased from 16 members in 2003 to its current 48 members. Monthly attendance averages 25 persons. A chair and vice chair is elected by the participating agencies and meetings are held at various locations with the host agency being given the opportunity to make a formal presentation of "best practices" regarding activities within their organization.

The Business Partner Roundtable is a vehicle for governmental and quasi-governmental agencies/organizations service the same business community to facilitate collaboration between similar agencies and development of services to clients.

### **Banking Consortium**

The Palm Beach County Banking Consortium was founded by the Palm Beach County Board of County Commissioners, six financial institutions, and the U.S. Small Business Administration.

Ameribank, BankAtlantic, Bank United, Citibank, First National Bank and Trust (now known as Seacoast National Bank and Trust) and Newtek Small Business Finance, agreed to set aside \$2 million over a two-year period dedicated to Palm Beach County SBEs, for unique financial services to local businesses certified as Small Business Enterprises by Palm Beach County in the form of loans, lines of credit, mortgages, business banking account, etc. Since the Consortium agreement allows other banks to participate, Regions Bank and Fidelity Federal Bank & Trust (now known as National City) subsequently joined, making an additional \$4 million available for financing certified small businesses.

Since the Consortium agreement was signed into effect on January 11, 2005, financing for SBEs have been provided by each member of the Consortium. Qualified SBEs were able to purchase equipment, expand their operations and continue to work and solicit County contracts as a result of the Consortium. Most recently, a Certified SBE was able to develop a credit relationship with

BankAtlantic, a founding member of the banking consortium. BankAtlantic originally helped the SBE purchase raw materials and supplies for production during 2005-2007. Working capital was scarce in 2008 when the SBE needed financing to perform the Voting Booths Supply contract for Palm Beach County. With no payment advance from the County to complete the contract within 90 days, the SBE had to arrange the working capital for this project. With the banking credit crunch and mortgage crises, several banks refused to even look at the project. Underwriters thought it impossible for the SBE to complete the election supply project in time. In spite of several declined loan applications, the SBE mobilized funds through an SBA loan with Regions Bank who is also a member of Banking Consortium. The SBE supplied the Palm Beach County Election Supply contract on time, saving the County approximately \$500,000.

### **Business and Trade Alliance**

The program and initiatives provided by OSBA are designed to increase the number of local small businesses procuring contracts with Palm Beach County. OSBA assists entrepreneurs in developing the skills they need to grow and operate an efficient and profitable business. These programs are tailored to support existing and start-up small businesses in Palm Beach County.

The Business and Trade Alliance is one of OSBA's initiatives. In March, 2006 OSBA invited several area Trade Associations and Chambers of Commerce to come together in an effort to formulate a partnership which would further benefit small business enterprises. The purpose of the alliance between businesses and trade associations include helping more businesses secure private sector work, targeting industries not bidding on County work; and to increase the availability pool, and provide certified small businesses with tools to become more competitive through the support of business and trade associations such as Underground Contractors Association of South Florida, Inc. (UCA), the Association of General Contractors (AGC), The Hispanic Chamber of Commerce, and the National Association of Women in Construction (NAWIC)

Potential benefits of a Trade Association Consortium that supports the growth of small businesses include: opening up new resources; greater access to contracting opportunities; promoting business through member referral networks, newsletters, and other media sources; access to industry developments through media advisories, research and development publications, industry newsletters, industry issues and statistics; increased networking opportunities and possibilities for joint ventures.

### **Inter-local Certification**

After working together to alleviate the cumbersome process from County Vendors who seek to be certified by multiple certifying agencies, the Board of County Commissioners, School District of Palm Beach County and the City of West Palm Beach entered into an Interlocal agreement to simplify the certification process and reduce the volume of paperwork required of Small and Minority/Women owned Business Enterprises.

The "Inter-local Certification Cover Sheet" will be accepted by each participating agency as verification of certification and in lieu of the volumes of backup documentation. Since each agency is governed by unique rules, additional documents may be requested.

### **Minority Business Survey**

Since the beginning of Palm Beach County's Small Business Enterprise program in 2003, the number of minority-owned businesses participating in the County's procurement process has fallen below historic levels achieved with the County's Minority/Women Business Enterprise (M/WBE) program.

To determine some of the reasons why this was happening, the Office of Small Business Assistance (OSBA) conducted an on-line survey from August 1 – 14, 2006. The survey appeared on the websites of several organizations on the Business Partner Roundtable.

The public's responses to survey questions were designed to help OSBA determine why local minority-owned businesses, particularly African-American and Hispanic-owned firms, were not taking advantage of the County's procurement process.

The survey addressed general knowledge of the procurement process, the capability of firms available to enter into procurements, and how Palm Beach County government is perceived in the marketplace.

In conjunction with the Black Chamber of Commerce and the Hispanic Chamber of Commerce, OSBA hosted a series of Town Hall Meetings for minority businesses throughout the county. The forums were designed for all minority business owners to:

- Discuss their experiences with the County, OSBA and the procurement process.
- Recommend strategies to encourage more minority-owned businesses to apply for County certification and to help minority-owned businesses secure more County contracts.

The survey and Town Hall meetings were developed in FY2006 but were not completed until FY2007. There were a total of 186 respondents to the minority business survey on-line. However, the majority of the respondents were non-minority females. It was anticipated that more of the minority owned firms would show up for the Town Hall Meetings.

Five Town Hall Meetings were set up throughout the county to have open discussions with businesses. This did not happen. The Riviera Beach and Greenacres meetings had 15 and 7 participants, respectively. Belle Glade had three (3), South County had one (1) participant and North County had (1) participant. The majority of those businesses that did attend were start-ups looking for financial or technical assistance. In fact, the one (1) participant at the South County event was from Broward County and was seeking technical assistance.

## **Outreach**

### **Small Business Summit**

The Office of Small Business Assistance organized a Summit for small business entrepreneurs with big ideas. The Summit was held at the County's new Convention Center in West Palm Beach on Saturday, February 14, 2004.

Participants and presenters from the largest government entities and purchasers of supplies and services within the County, such as the School District and the South Florida Water Management District, municipalities included the City of West Palm Beach, City of Riviera Beach, as well as The Scripps Research Institute. Representatives from other Palm Beach County departments and/or divisions, such as Facilities Development & Operations, Housing and Community Development, and the Office of Economic Development were on hand. Attendees gained a working knowledge of not only *how* to do business but with *whom* to do business.

Attendance at the Summit exceeded the expectations of the county's Office of Small Business Assistance with more than 400 businesses present. This fact supported our long standing premise, "Small Business is Big Business in Palm Beach County."

### **On-Site Certification Workshops**

OSBA conducts a monthly "Open House" at which time we perform on-site certification. When asked, staff schedules personalized information sessions on "Doing Business with Palm Beach County." The Open House is held on the second Tuesday of each month from 9 a.m. to 4:30 p.m. in OSBA's office.

### **"Business Pulse" Newsletter**

OSBA's newsletter, The Business Pulse, is published quarterly and contains notices of upcoming training opportunities, OSBA initiatives, information pertinent to owning and operating a small business, highlights SBE Advisory Committee members and spotlights successes among small business enterprises in Palm Beach County.

Having an SBE highlighted in this publication is an ideal opportunity to introduce the small business to the greater community of small and large vendors in Palm Beach and surrounding counties. The publication is distributed to Department and Division Directors, the business resource partners, i.e. incubators, Small Business Development Center, Palm Beach County Resource Center, Florida Women's Business Center, County departments, and outside government and non-profit organizations.

### **Channel 20**

To increase visibility of the OSBA programs and services, the OSBA will tape three shows which will feature County Administration, certified SBEs, staff, and community partners. These shows will be used to increase the number of businesses certified to do business with Palm Beach County and will also serve to feature SBEs who have been successful in our program. Segments will be taped in studio and on site of certified SBE businesses.

### **Prime Time**

One of the biggest concerns of our certified small business vendors is lack of relationship with prime contractors. In an effort to reduce the concerns of the certified small business vendors, the

OSBA will initiate networking opportunities for the prime and certified small business vendors. During these networking opportunities, certified small vendors will meet with the primes, exchange information and hear upcoming projects being bid on by prime contractors. These networking sessions will be held monthly and will serve to increase visibility of the SBE to create more opportunities for obtaining work on the larger projects.

**Professional Services Outreach**

Responding to a request of the Engineering Department, the OSBA is planning a tri-county professional service outreach to increase the number of professional service businesses included in the county database. OSBA has contacted the other local governmental agencies to obtain a listing of their professional service vendors and will implement tri-county networking opportunities to increase professional service vendor visibility and participation in Palm Beach County projects.

## **Training**

### **Staff Training**

In order to provide additional professional services to the County's SBEs, OSBA staff underwent Professional Development training tailored to the County's Small Business Program. The director collaborated with FAU/SBDC and established a training program to enable OSBA to develop their referral skills and achieve designation as small business specialists

To launch the OSBA Professional Development Program a mix of professional development opportunities is integrated over a 3-month period to fast-track learning. Classroom training, one-on-one individual meetings, role-playing and case studies are utilized. Certificates of completion are awarded at the conclusion of the program. Each member of the OSBA has completed the required courses and continues with on-going continuing education courses.

The OSBA partnered with Human Resources, CDC and the Procurement Departments to provide SBE utilization training for County procurement staff.

### **SBE Training**

OSBA in conjunction with the Small Business Development Center sponsored free seminars and "hands-on training opportunities for Palm Beach County business people, with topics ranging from procurement opportunities, match making opportunities, on-site certification, marketing and financial.

### **Bids and Business in Palm Beach County - Roadmap to Progress**

The primary objective of the Office of Small Business Assistance (OSBA) is to increase the number of local small businesses that do business with Palm Beach County. This workshop series was developed for small businesses seeking to do business with the County.

The Small Business Development Center provides a general overview of the bidding process. OSBA's SBE Program Coordinator presented an overview of OSBA services and County staff decision makers with Purchasing, Engineering, Water Utilities, and Facilities Development & Operations presented the mechanics of how their departments operate in Palm Beach County. The OSBA then demonstrates how we could assist firms in navigating through the County procurement system. These sessions were particularly useful because participants got a full understanding of the different instruments used in the bidding process that included RFPs, RFSs, RFQs, and IFBs.

The workshops support the theme "How to Do Business with Palm Beach County" and focus on identifying and responding to opportunities in procurement, professional services and construction. Workshops are held quarterly.

The evaluation forms turned in by the participants included comments such as: "good info; the session took the mystery out of the bidding process; rules were made clear; and, the OSBA staff are knowledgeable and approachable." The negative comments were that the workshops were too short and more in-depth information was needed. Those persons in need of additional information were invited by to a one-on-one meeting to determine the extent of their needs and if appropriate, referrals were made for financial or technical assistance.

Under County contract, FAU/PTAC facilitated thirty government procurement seminars throughout the County during this contract year. These were as follows: Ten certification seminars which included presentations by the County on the SBE certification, four Proposal/Bid Process seminars, six Bids and Business seminars along with county staff. PTAC also presented four "Searching the Internet for Government Opportunity" seminars and six seminars on "How to Market after Certification" seminars. FAU/PTAC also provided one-on-one assistance to one hundred eleven (111) businesses exclusive of workshop attendees but including referrals from OSBA.

The Bids & Business Workshops have proven to be an invaluable tool for businesses. Business people enjoy learning in groups and become inspired when they hear another's questions that pertain to their own situation. There is an average of 18 businesses attending each workshop and many come because they are referred by someone else.

**Mandatory On-Site Certification Information Clinic**

Due to the overwhelming response to personalized "pre-certification reviews," OSBA staff will conduct a monthly clinic on the requirements for certification. This will include eligibility requirements, vendor registration, completing the certification application and identifying the required backup documents for each attendee.

This clinic will take place at 10:00 a.m. on the third Wednesday of each month. You must pre-register for the class by calling (561) 616-6840. Attendance at this clinic is mandatory for anyone wishing to come to on-site certification on the second Tuesday of every month, which will be by appointment only.

**Mandatory Business Training**

The Board of County Commissioners approved amendments to the SBE Ordinance. One of the changes concerns eligibility for SBE certification. Eligible applicants must be in business at least one (1) year. Those who have been in business less than one (1) year must prove prior business ownership or a degree or training certificate in an accredited business course. Otherwise, the owner is required to take a mandatory class at the Small Business Development Center, the Palm Beach County Resource Center, Palm Beach Community College or other OSBA-approved course before OSBA can accept their SBE certification application.

**Consultant Contracts**

In addition to the training and outreach activities aforementioned, OSBA also makes referrals to resources for financial and technical assistance through the Palm Beach County Resource Center (PBCRC) and the Small Business Development Center (SBDC) at FAU. Each of the consultants has loan and procurement deliverables to meet. Although due to recent budget changes, OSBA had to terminate its relationship with PBCRC, throughout the SBE program, both consultants have exceeded their respective goals providing financial and procurement opportunities for County SBEs as follows:

**FY2004 (10/1/03 thru 9/30/04)**

	<u>Contracted</u>	<u>Achieved</u>	
PBCRC			
Loans Approved	\$1,400,000	\$1,435,150	102 %
Procurements Approved	\$4,000,000	\$5,810,895	145 %



SBDC				
Loans Approved	\$ 700,000	\$ 2,150,500		307 %
Procurements Approved	\$2,500,000	\$ 2,657,904		106 %

**FY2005 (10/1/04 thru 9/30/05)**

	<u>Contracted</u>	<u>Achieved</u>		
PBCRC				
Loans Approved	\$1,470,000	\$1,536,144		104 %
Procurements Approved	\$4,200,000	\$7,647,575		182 %

SBDC				
Loans Approved	\$ 875,000	\$ 1, 289,750		147 %
Procurements Approved	\$2,750,000	\$13,177,483		479 %

**FY2006 (10/1/05 thru 9/30/06)**

	<u>Contracted</u>	<u>Achieved</u>		
PBCRC				
Loans Approved	\$1,470,000	\$2,560,180		174 %
Procurements Approved	\$4,200,000	\$8,867,244		211 %

SBDC				
Loans Approved	\$1,000,000	\$ 2,663, 200		266 %
Procurements Approved	\$2,750,000	\$14,847,919		539 %

**FY 2007 (10/1/06 thru 9/30/07)**

	<u>Contracted</u>	<u>Achieved</u>		
PBCRC – as of 5/31/07 (8 mos.)				
Loans Approved	\$1,543,500	\$1,366,457		88 %
Procurements Approved	\$4,410,000	\$2,809,494		63 %

SBDC – as of 3/31/07 (6 mos.)				
Loans Approved	\$1,750,000	\$ 885,430		50 %
Procurements Approved	\$3,500,000	\$23,000,000		657 %

**FY 2007 (10/1/07 thru 9/30/08)**

	<u>Contracted</u>	<u>Achieved</u>		
PBCRC				
Loans Approved	\$ 1,543,500	\$ 2,577,000		167%
Procurements Approved	\$ 4,410,000	\$11,369,776		258%

SBDC				
Loans Approved	\$1,750,000	\$ 1,992,650		138%
Procurements Approved	\$3,500,000	\$36,037,594		1029%

## Certification Activities

Palm Beach County has a Small Business certification program that was created to increase procurement opportunities for local small businesses. These businesses must be registered as vendors with the PBC Purchasing Department, and then submit an SBE application with backup documents to OSBA. Certification staff reviews these applications to determine eligibility for the SBE Program. If approved, a business is certified for three (3) years.

At the sunset of the M/WBE Program on March 31, 2003 there were 689 certified vendors. On April 1, 2003 only 308 of these vendors were converted into the new SBE Program because they were domiciled in PBC and met the size criteria. After five complete years of the SBE Program the OSBA database still cannot generate accurate reports for a given date range, as the data cannot be historically captured. Subsequently, the total number of certified vendors is derived from a hand count of certified and recertified vendors for each quarter added to the beginning number, minus decertifications and expired vendors who do not recertify.

Since program inception, the number of certified vendors has increased significantly; in FY05 there were 541 certified vendors. As of FY06 there were 542 certified vendors, an increase of only one. However, this number includes 120 newly-certified businesses during FY06. This number is offset by the fact that 45% of eligible vendors did not recertify when they were eligible in FY06 (121 eligible for recertification; 35 recertified prior to expiration and, 32 vendors were recertified after expiration; the remainder continue to be expired). In FY07 there were 541 certified vendors, a decrease of one since FY06. Although 115 were newly certified, of the 232 vendors eligible for renewal, only 147 recertified during FY07. Some applicants did not complete the process, while others were denied certification. As of the second quarter of FY08, there were 665.

The number of certified vendors fluctuates daily with new companies becoming certified and existing companies expiring or being decertified. In FY05 22 vendors were decertified; in FY06 five vendors were decertified; 3 in FY07; and as of June 2008, 5 vendors were decertified. Additionally, in FY06 OSBA adopted a policy where any vendor expired for more than one month must go through the certification process, not recertification.

The increase in the number of newly certified SBEs can be partially attributed to the monthly on-site certifications on the second Tuesday of every month that began in February 2005 (33 applicants, 10 new certifications in FY05; 37 applicants, 14 new certifications in FY06; 88 applicants, 44 certifications in FY07; and through June 2008, 91 applicants, 65 new certifications.)

In FY05 OSBA held nine certification events which occurred out of the office, eight of which were at PBC libraries and one at BCC Chambers for Scripps. All nine events yielded only seven (7) certified businesses. Due to this low number, these outside certification events were discontinued. However, some vendors who did not complete the process at these events did come back at some point to become certified, but they were not tracked from the event.

**CATEGORICAL BREAKDOWN OF CERTIFIED BUSINESSES**

A categorical breakdown of certified businesses from 10-1-2004 through 6-30-2008 is as follows:

**10-1-04 – 9-30-05 TOTAL CERTIFIED =541**

<b>Small</b>	<b>WBE</b>	<b>Hispanic</b>	<b>Black</b>	<b>Asian</b>	<b>Native American</b>
195	143	80	108	15	0
36.04%	26.43%	14.79%	19.96%	2.78%	

**10-1-05 – 9-30-06 TOTAL CERTIFIED =542**

<b>Small</b>	<b>WBE</b>	<b>Hispanic</b>	<b>Black</b>	<b>Asian</b>	<b>Native American</b>
195	147	73	112	15	0
35.98%	27.12%	13.47%	20.66%	2.77%	

**10-1-06 – 9-30-07 TOTAL CERTIFIED =541**

<b>Small</b>	<b>WBE</b>	<b>Hispanic</b>	<b>Black</b>	<b>Asian</b>	<b>Native American</b>
224	114	67	122	14	0
41.41%	21.07%	12.38%	21.55%	2.59%	

**10-1-07 – 6-30-08 (YTD) CERTIFIED = 665**

<b>Small</b>	<b>WBE</b>	<b>Hispanic</b>	<b>Black</b>	<b>Asian</b>	<b>Native American</b>
290	130	83	143	19	0
43.65%	19.43%	12.41%	21.67%	2.84%	

There was very little difference in the categorical numbers from FY05 to FY06. However, in FY07 there was an increase in the number of SBEs, a decrease in the number of S/WBEs, a decrease in S/MBE Hispanic, an increase in S/MBE Black and one fewer S/MBE Asian. The total number of certified vendors increased from 541 from the 4<sup>th</sup> quarter of FY07 to 627 at the end of the 1<sup>st</sup> quarter of FY08, an increase of 86 certified vendors. This increase can be attributable to increased outreach efforts by OSBA, as well as a slow-down in available work in the private sector. Forty-eight additional vendors were certified or recertified during the second quarter of FY08 resulting in a net 17 additional vendors. The discrepancy is attributable to attrition where some vendors go out of business and/or relocate outside of Palm Beach County. By the third quarter of FY08, staff certified an additional 77 vendors resulting in a net of 25, when some vendors did not seek recertification during that quarter. Oftentimes vendors apply for recertification after they have expired from the program. Currently there are a total of 665 certified SBEs in the OSBA database, more than double the vendors since the beginning of the program, and comparable to the number of certified vendors during the M/WBE program at sunset.

The successful recruiting of SBEs into the County's program is directly related to concentrated outreach efforts, staff providing additional customer services including business development,

training, the Scripps and Max Planck development projects and, unfortunately, the downturn in the economy.

Following is a chart showing the breakdown of certified SBEs by business classification. The numbers should be similar for FY05 and FY06 since the overall numbers have not significantly increased or decreased.

**Categorical Breakdown  
(As of 6-30-08\*\*)**

<b>Business Classification</b>	<b>Certified</b>	<b>Recertified</b>	<b>Total</b>
Broker	0	0	0
Commodities	71	46	117
Construction	138	111	249
Dealer	2	2	4
Distributor	5	3	8
Factory Rep	1	1	2
Importer/Exporter	0	1	1
Jobber	0	0	0
Manufacturer	3	8	11
Other	28	55	83
Professional	68	102	170
Retailer	6	7	13
Supplier	0	3	3
Wholesaler	1	3	4
<b>Total</b>	<b>323</b>	<b>342</b>	<b>665</b>

**CONCLUSIONS**

According to the OSBA database, comparing the total number of certified vendors from FY05 to FY08 there was a small increase. This is due to the fact that some vendors do not apply for recertification. However, a physical hand count of certified businesses shows that the number of newly-certified businesses exceeds the number of businesses that do not recertify. There are two possible explanations for vendors not applying for recertification: (1) they are not receiving PBC work; or (2) they have gone out of business during their 3-year certification period.

The greatest influx of certification applications appears to be driven by the bidding process and Scripps contracts. When a large PBC project is publicized we receive numerous applications from businesses related to the work being advertised.

In-office on-site certification held the second Tuesday of every month appears to be the most successful certification outreach event, compared to going out to regional venues such as PBC libraries or other locations. Additionally, certification staff often meets with vendors prior to on-site day to provide one-on-one assistance in completing the application and paperwork needed for presenting a complete application at on-site.

In addition to meeting vendors to discuss the certification process, certification staff also meets with individuals seeking small business development assistance. In FY05 certification staff met with 187 such vendors and in FY06 met with 204 vendors seeking either small business or certification assistance. During FY07, OSBA met with 137 vendors and 137 additional vendors were met through June 2008. Many people seeking start-up or financial assistance are referred to business partners for additional help in starting or growing their business and the Banking Consortium. Additionally, some individuals who come to OSBA seeking assistance with growing their small business are not aware of the certification program. Staff is then able to encourage them to apply for SBE certification, thus expanding their business opportunities.