



POLICY: 6Hx28:2-06

Responsible Executive:

Vice President, Business Operations, and
Chief Financial Officer

Policy Contacts:

Specific Authority: 1001.64-65, F.S.

Law Implemented: 1001.64-65, F.S.

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Date of Last Policy Review:

12-21-2004

Developing Business Program

Policy Statement:

The College recognizes the importance of small businesses to the economic vitality of the Orlando SMSA. The College further recognizes the contribution of small businesses to employment opportunities in the local area. The Local Developing-Business ("LDB") Program ("Program") of the College shall be designed to promote the development of local businesses to ensure availability of firms to compete for upcoming work. The Program shall also be designed to promote the economic vitality and employment opportunities in the Orlando SMSA. The Program will seek to provide full and equal business opportunities to all local developing-businesses in the College's construction contracting, and procurement.

Policy

History:

Adopted 12-10-02; Amended 12-21-04

Procedures:

I. Definitions

- A. "Certification" means: The process by which an applicant is determined to be a bona fide local developing-business.

- B. "Contract" means: Any agreement with the College for construction projects or for the purchase, lease or disposal of supplies or other goods, or maintenance, installation or other services, but not including leases of real property, space use licenses, employee benefits, taxes, judgments, dues, pensions, utilities, subscriptions, insurance, items purchased for resale, or postage.
- C. "Domicile" means: A firm whose principal place of business is in the Orlando SMSA or a firm which is at least fifty percent (50%) owned by a person or persons whose primary residence is in the Orlando SMSA.
- D. "Vice President for Administrative Services" means: The Vice President of Business Operations and Finance of the College or the person or persons designated by the Vice President for Administrative Services to act on his/her behalf with respect to issues delegated to the Vice President of Business Operations and Finance's responsibilities in this program.
- E. "Goods" means: Personal property of all types without limitation, including office supplies, equipment, tools, vehicles, and materials.
- F. "Local Area" means: The Orlando Standard Metropolitan Statistical Area (Orlando SMSA). This area, according to the United States Department of Census, includes the counties of Orange, Seminole, Osceola and Lake.
- G. "Local Developing-Business" or "LDB" means: A business concern that is domiciled in the Local Area and that meets the Revenue Limitations, and that is owned and controlled by one or more individuals whose personal net worth does not exceed the Net Worth Limitation.
- H. "LDB Direct Contract" means: A request or invitation for bids or proposals which is limited exclusively to LDBs.
- I. "Net Worth" means: The sum of the fair market value of the interests owned by the individual in all assets {if an asset is owned jointly as husband and wife, then fifty percent {50%} of the fair market value for that asset will be counted if only one spouse participates in the firm being reviewed} minus the debt of the individual {if debt is attributable to an asset owned jointly as husband and wife then fifty percent {50%} of the debt will be counted if only one spouse participates in the firm being reviewed}. For purposes of establishing Net Worth, the following items will be excluded: 1} the equity in the individual's primary residence up to \$500,000; and 2} any businesses in which the individual is actively involved in the management and day to day operation.

- J. "Net worth Limitation" means: Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00). The Net worth Limitation will be reviewed annually by the LDB Director and recommendations for adjustment presented to the College.
- K. "Ownership and Control" means: Individuals who do not exceed the Net worth Limitation, must own at least fifty-one percent (51 %) of the business, and they must control and manage the operations of the business on a daily basis.
- L. "Principal place of business" means: The LDB's headquarters, or the place where the chief or principal affairs and business of the firm are transacted as of the date the Request for Proposal, Request for Bids or Request for Letters of Interest is published. This is the office where the LDB's books are and where the partners, directors, officers, or managers assemble to discuss and transact the important day-to-day business of the firm.
- M. "Revenue limitations" means: Construction contracting services and consulting services related to planning, design, and construction related improvements and architectural and engineering services - \$2,500,000 in annual gross revenues averaged over the preceding three (3) years.
- N. Procurement of goods and services not including construction related services included above - \$1,000,000 annual gross revenues averaged over the preceding three (3) years.
- The revenue limitation amount will be reviewed annually by the LDB Director and recommendations for adjustments presented to the College.
- O. "Primary Residence" means: A place of abode which is recognized and intended to be maintained as the person's principal residence. Persons maintaining other places of abode in some other state, or other county within Florida, may manifest evidence of their primary residence to the College by submitting a certified copy of a sworn statement, filed pursuant to § 222.17, Florida Statutes, as to what residence constitutes their predominant and principal residence and that they intend to continue it permanently as such.
- P. "Services" means: The furnishing of labor, time, expertise or effort, but does not include the rendition of professional services, employment or collective bargaining agreements, or the providing of a tangible end product.

II. Establishment of Goals

In order to promote the utilization of LDBs, the College has set annual percentage goals for the dollar value of work to be awarded to LDBs. In addition to the annual overall Program goals established by the College, the College may set contract goals for

individual projects. The College's overall goals will be reviewed at least annually. The initial annual overall goals are: for Construction 2.5% and for Procurement 1.7%.

III. Designation of a Program Director for LDB Programs.

A. The Vice President of Business Operations and Finance has been designated as the College's LDB Director. The LDB Director will be responsible for managing the College's LDB Policy. The LDB Director will conduct periodic surveys to determine whether the College's LDB Policy is achieving its objectives. Reports of surveys will be the basis for appropriate action to correct deficiencies. Where action is prescribed, the LDB Director will make appropriate recommendations to the College.

B. A Business Opportunity Council may be established by the College to review and suggest Program elements and implementation efforts and make recommendations to the College for the improvement and refinement of the Program.

C. The LDB Director will also be responsible for:

1. Providing information to LDBs on the College's contractual needs and future plans;
2. Providing assistance in resolving major procurement and contracting issues affecting LDBs;
3. Scheduling seminars to acquaint LDBs with information on College bid specifications, procurement policies, and general bidding requirements;
4. Providing bid specifications and plans to LDB contractor associations;
5. Evaluating the effectiveness of the LDB program;
6. Ensuring that only LDBs benefit from the LDB program;
7. Ensuring that the LDB directories utilized by the College accurately reflect LDBs available to compete for contracts.
8. Developing, where reasonable, on-the-job technical assistance and participation programs for LDBs;
9. Assist in monitoring contractors' and subcontractors' compliance with LDB commitments throughout the performance period of contracts;

10. Attending Pre-Bid, Pre-Proposal and Pre-Construction Conferences to explain LDB requirements and respond to questions;
11. Assisting in monitoring mentoring relationship;
12. Participating on Bid and Proposal Review Panels, and;
13. Performing related duties, as assigned.

IV. Procedures to ensure that LDBs have an Equitable Opportunity to Compete for Contracts and Subcontracts.

- A. In order to ensure that LDBs have an equitable opportunity to compete for contracts and subcontracts, the College will take affirmative steps to facilitate their involvement. These steps include:
 1. Notification to small business assistance organizations that College contracting and subcontracting opportunities are available.
 2. Providing plans and specifications to small business assistance organizations at reduced cost.
 3. Conducting pre-bid/pre-proposal conferences to provide firms with an opportunity to ask questions about LDB requirements; LDB firms will be encouraged to attend these conferences.
 4. Upon request, providing LDBs with lists of firms bidding as prime contractors.
 5. Specific and continuing recruitment efforts directed at LDBs.
 6. Disseminating the College's LDB policy by advertising in news media, specifically including small business news letters and other publications, and by notifying and discussing this policy with all firms who seek to be awarded contracts by the College.
 7. Subdividing as many trade items as reasonable and prudently possible into small contractual work elements which will enable small firms to compete effectively.
 8. Assisting bidders/proposers in efforts to obtain the names and addresses of LDB firms that may be utilized as subcontractors.

V. Procedures to Ascertain the Eligibility of LDBs

- A. In order to ensure that only bona fide LDBs, and joint ventures involving LDBs, benefit from the College's program, certain information must be provided to the College prior to award of the contract, and updated upon request during contract performance. This information will be used to certify the eligibility of LDBs who are named by the apparent successful bidder/proposer, and joint ventures involving LDBs who are the apparent successful bidders/proposers. Specifically, proposed LDBs must submit to the College a completed application for certification promulgated by the College's LDB office and upon request, submit such additional information and documentation as the LDB office may request.
- B. Financial information to verify personal Net worth Limitation compliance will only be requested from the apparent low bidder or apparent successful proposer and LDBs subcontractors to an apparent low bidder or apparent successful proposer. Firms who enter into contracts with the College should note that the College reserves the right to approve all substitutions - of subcontractors before award and during contract performance.
- C. The College's LDB Director will determine prior to the award of each contract which is subject to the procedures set forth in this Policy whether each firm claiming LDB status and submitting its bid, proposal or quotation to the College shall be recognized as a LDB firm.
- D. Any firm which believes that it has been wrongfully denied certification as a LDB or joint venture involving LDBs, may file an appeal in accordance with this policy.
- E. In the event a firm is denied LDB certification, the College's LDB office shall promptly provide a written explanation of the basis for denial. A firm denied certification may appeal the LDB office's determination to the Vice President of Business Operations and Finance. The appeal must be filed in writing and within five (5) working days after receipt of the written explanation of the basis for rejection.

VI. Support and Technical Assistance Initiatives

The College has determined that technical assistance shall be focused in the following areas:

- A. Providing or furnishing information regarding industry specific and general information education programs which include, but are not limited to the following areas:

1. Estimating the cost of performance and preparing schedules for completion;
2. Submitting accurate and timely bids/proposals;
3. Contract law and contract requirements;
4. Money management and projecting cash flow requirements;
5. Obtaining access to and maintaining credit relationships with lending institutions;
6. Obtaining access to and maintaining relationships with corporate sureties for contract bonds;
7. Securing rights to payment;
8. Risk management and obtaining adequate insurance coverage;
9. Project management controls and percentage of completion analysis;
10. Efficient processing of contract close-out requirements;
11. Managing the growth of a small business.

- B. The College shall participate in technical assistance and other support initiatives developed in the community for the purpose of assisting the growth and development of LDB firms, subject to approval of the President and Board of Trustees, as necessary.

VII. Other Initiative for Procurement of Goods and Services

- A. Discretionary purchasing limits shall be increased to permit small purchases of goods and services in an amount up to a maximum of \$4,000.00 from LDB firms without requiring competitive bidding by the Purchasing Manager or his designee. The Purchasing Manager or designee shall have the authority to issue purchase orders to LDB firms through this non-competitive method when the dollar value of the purchase order does not exceed \$4,000.00 and a properly executed and authorized requisition is received.
- B. In the discretion of the Vice President of Business Operations and Finance, direct contracts may be utilized to increase LDB participation in the procurement of goods and services.

Procedure History:

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Date of Last Procedure Review: 12-21-2004