



Richland County Council

OFFICE OF SMALL BUSINESS OPPORTUNITY AD HOC COMMITTEE
OCTOBER 16, 2018 – 12:00 PM
4TH FLOOR CONFERENCE ROOM
2020 Hampton Street, Columbia, SC 29204

Bill Malinowski	Yvonne McBride	Norman Jackson, Chair	Paul Livingston	Gwen Kennedy
District One	District Three	District Eleven	District Four	District Seven

1. **CALL TO ORDER**

The Honorable Norman Jackson, Chair

2. **APPROVAL OF MINUTES**

- a. July 10, 2018 Meeting

3. **ADOPTION OF AGENDA**

4. **ITEMS FOR DISCUSSION/ACTION**

- a. Staffing of OSBO
- b. Status of Mentor Protégé Program
- c. NAICS (North American Industry Classification System) Code
Funding Limit
- d. Small Business Focus Group
- e. Sheltered Market/Goal Setting Ordinance Amendment
Recommendations
- f. SLBE Program Graduate Recommendations

5. **ADJOURNMENT**



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Richland County Council
Office of Small Business Opportunity Ad Hoc Committee
July 10, 2018 – 3:00 PM
4th Floor Conference Room
2020 Hampton Street, Columbia 29204

COMMITTEE MEMBERS PRESENT: Norman Jackson, Chair; Bill Malinowski, Yvonne McBride, and Paul Livingston

ADDITIONAL COUNCIL MEMBERS PRESENT: Dalhi Myers

OTHERS PRESENT: Michelle Onley, Jamelle Ellis, Michelle Rosenthal, Melissa Watts, John Thompson, Beverly Harris, Nathaniel Miller, Jennifer Wladischkin, and Bryant Davis

1. **Call to Order** – Mr. N. Jackson called the meeting to order at approximately 3:05 PM

2. **Approval of Minutes**

a. March 6, 2018 – Mr. Malinowski moved, seconded by Ms. McBride, to approve the minutes. The vote in favor was unanimous.

3. **Adoption of Agenda** – Dr. Ellis requested to add an item entitled “Guidance concerning PDT contract and Sheltered Market”.

Mr. Malinowski moved, seconded by Ms. McBride, to adopt the agenda as amended. The vote in favor was unanimous.

4. **Items for Discussion/Action**

a. New Function and Staffing of the OSBO Office – Dr. Ellis requested clarification of this item.

Mr. N. Jackson inquired if the OSBO Office has been restructured. He has been hearing there are some partnerships and changes in the office.

Dr. Ellis stated, in the packet distributed to Council members, Memorandum 9-7 details the structure of the office. Nothing has changed, in terms of the function of the office.

Ms. McBride inquired if the office is fully staffed now.

Dr. Ellis stated the office is not fully staffed. We are in the process of looking for a new OSBO Manager. The Financial Resources Coordinator has moved to Procurement, so we are looking to fill that position,

Office of Small Business Opportunity Ad Hoc Committee
July 10, 2018

as well. Because of our limited funding for FY19, the Assistant position is frozen for the current fiscal year.

Mr. N. Jackson inquired if the funding was reduced.

Dr. Ellis stated the funding has been reduced for those five (5) positions.

Mr. N. Jackson stated, for clarification, they presented a budget, and it was reduced.

Dr. Ellis stated we have been told that the budget is currently frozen. It is not that the position is not there, we just do not have access for the position.

Mr. N. Jackson inquired if Council or Administration froze the budget. It is going to affect the function of the office. He stated he would like some information on why it is frozen.

Dr. Ellis stated she will forward some information regarding this by the end of the week.

Ms. McBride stated she is not aware of any positions being frozen.

b. Partnership with SBA

1. What is the benefits and cost to the County? Dr. Ellis stated she had included the initial agreement that the SBA presents to any entity that they enter into an agreement with, as well as, the IGA we developed based on the agreement.

c. OSBO and the Transportation Department – Mr. N. Jackson stated he wanted to the know the relationship and/or the partnership with the Transportation and OSBO Office. A lot of the firms that are qualified and tracked by the OSBO Office are then awarded a contract through the Transportation Department. The last few times we have asked questions; we were told that you would have to go to the Transportation Department. In the past, the Transportation Department was also here with OSBO because both of you work together.

Dr. Ellis stated the current staff works very closely, in terms of trying to understand what the status of prompt payments are. She sat in for a few minutes today on one of the meetings with the Transportation Department over at the PDT. We understand there have been some gaps in the past, and we are working diligently to try to close the gap.

Mr. N. Jackson inquired if the OSBO Office is supposed to track the payment.

Dr. Ellis stated they track the payments through the B2G Software.

Mr. N. Jackson stated it is his understanding if the prime gets paid, the sub will be paid within 7 business days.

Dr. Ellis stated according to the prompt payment ordinance. It is 30 days for the prime, and then 7 days for the subs to be after the prime has been paid.

Mr. N. Jackson stated he is getting some calls that there are some subs that have not been paid since

September.

Dr. Ellis stated she had conversations yesterday with Transportation, and we are trying, through a cross functional team, to work with Procurement to make sure we understand where the payment is. She thinks the issue, in the past, has been OSBO is not necessarily formally written into the process. So, now we are trying to determine at what points, in the process, from the time the invoice is received until that final payment is made, so we can ensure the firms are paid on time.

Mr. N. Jackson stated we pay for the software, and if OSBO is going to track to ensure payment, at what point do you contact the prime to make sure the subs get their money.

Dr. Ellis stated OSBO follows up immediately. They follow up with the PDT, and work with the 2 entities, in terms of the prime and the SLBE. There is no lag time when the office finds out about late payments.

Mr. N. Jackson stated he wanted to know what the benefits of tracking the payments, and what the OSBO Office and Transportation are doing to try to get the firms their money.

Dr. Ellis inquired if Mr. N. Jackson has, or if he could provide her with a list of those companies. She is not aware of any right now.

Ms. McBride inquired as to who uses the software.

Dr. Ellis stated OSBO uses the software.

Ms. McBride inquired as to who makes the payments.

Dr. Ellis the payments do not come from the OSBO. They come from the prime contractor.

Ms. McBride stated, for clarification, the prime contractor sends the payments directly.

Dr. Ellis stated the PDT pays the prime contractor, and the prime has a contract with the SLBE, which the prime pays directly.

Ms. McBride stated the OSBO Office just follows it through the tracking.

Dr. Ellis stated they have issues sometimes where SLBEs are working to try to ensure their invoices are uploaded into B2G, in a timely fashion, to help us to better track it. If they do not upload the invoice into the software package, it is a hindrance to us, in terms of us being able to have an eye on where they are in receiving their payment.

Mr. N. Jackson inquired if the SLBE is notified when the prime is paid. He stated that has been one of the problems, the SLBE do not know when the prime gets paid. They are waiting a couple months, and then they find out the prime was paid. If we are ensuring the SLBEs that we are working to make sure they get paid in a timely manner, the notice should go out to the sub that the money has been released to the prime.

Ms. Myers inquired if the PDT would do that because they are the ones that are paying.

Mr. N. Jackson stated either the PDT or the OSBO Office. When the PDT makes the payment, the OSBO Office is tracking it, so they know when the prime is paid.

Mr. Beaty stated, for clarification, the PDT has about 12 other firms that are part of their team, and not all of them are SLBEs. He stated they always pay within 7 days, when they get paid. The issue is they do not always get paid within 30 days. Sometimes the check gets held up. They do not know when they are going to get paid, so they cannot tell their teammates when they are going to get paid. He stated the PDT has no control over the 5 OETs, and all of their teammates. The PDT has no control over construction contractors, and all of their subcontractors.

Ms. Myers inquired if Mr. Beaty is referring to lack of control over all of the participants in the “food chain” for PDT contracts, or non-PDT contracts.

Mr. Beaty stated he was referring to non-PDT contracts.

Mr. N. Jackson stated his concern is the subs being paid in a timely manner, and the notification to the subs.

Mr. Beaty stated the PDT is relatively up to date.

1. Benefits of Merging Offices
2. Separating OSBO and SLBE – Mr. N. Jackson stated this came up when the court ruled about the OSBO and SLBE. The SLBE was part of the referendum.

Dr. Ellis stated she could speak to the ordinance. The program was established in 2013, and the office was established in 2014.

Mr. N. Jackson stated the office was designed to complement the SLBE.

Dr. Ellis stated that is the first program listed in the OSBO ordinance. The OSBO is to be responsible for the SLBE Program.

Mr. N. Jackson inquired if the funding was cut on the OSBO or SLBE part.

Dr. Ellis stated funding, as it relates to the ruling, was just moved so that it is 100% from the General Fund. The funding is still there to operate the office. It is just not funded from the Penny Program anymore.

Mr. N. Jackson inquired as to what has been frozen.

Dr. Ellis stated it is just the position, and she will have to follow-up to get better information.

Mr. N. Jackson stated one of his concerns was the ruling of the court, and if it had any effect on what we have staff doing. For example, certain promotions/advertising cannot be outsourced anymore.

Dr. Ellis stated that portion of the ruling did not have anything to do with OSBO. It was specifically for the Penny Program.

- d. Status of Mentor Protégé Program and Projects – Dr. Ellis stated they have been working diligently to secure mentors, in order to establish the program. There are different elements of the mentor protégé program that is working, but they have established March 1, 2019, in tandem with the release of the annual letting schedule, to also roll out a formal mentor protégé program. She has been talking with Mr. McBride at the City of Columbia, and she knows one of the recommendations is for us to work closely with the City, and they are trying to do that. There are a lot of elements they have in place. It is just going to take them some time to sit down and meet with the companies that can serve as mentors. As the City does, for instance, they have an agreement with mentors. They have to formalize the process, so that they can get to the point where they do not just have people signing agreements, but they are committing to a comprehensive program.

Mr. N. Jackson stated part of the mentor protégé program was 20% of the set aside for the program. Since it has not been established, some of the contractors have not had the opportunity to benefit or participate in that program.

Ms. McBride stated, based on what was just said, we do not have an actual mentor protégé program in place, at this time.

Dr. Ellis stated it is not a formal program. They have workshops that are established through the end of the year, which are listed online. There are some of the SLBEs and primes, in the area, that have committed to leading those sessions. From that perspective, that is one of the elements they have in place, but it is not presented anywhere yet in a formal, written packet. She stated she will give updates at each ad hoc committee meeting.

- e. Status of NAICS Code Funding Limit – Mr. N. Jackson stated, as you recall, we have had several discussions that some firms are limited because they are at \$3.5 million. There is a discussion about taking it to \$7 million or using what the federal government uses. He inquired if there has been a recommendation from the body, so we can address it. He stated the business community has had concerns about it.

Ms. McBride inquired what NAICS stood for.

Dr. Ellis stated she does not remember the exact acronym.

Mr. Malinowski stated it is the North American Industry Classification System.

Dr. Ellis stated she knows we have had this topic as a discussion for several meetings. She thinks, in the past, staff has recommended no change in status. That being because there has been no evidence of a need to do that, in order to nurture new businesses. She believes it could be counterproductive, and this has been determined collectively by the team. If you look at the purpose of the program, and nurturing businesses, and allowing new businesses in those different areas of specialty to get involved and grow, it is more conducive to graduate those firms out, if at all possible. That beings said, they understand fully this is a Council decision. Just as we follow the ordinance now, if Council decides to change that staff will certainly honor it.

Mr. N. Jackson stated, if some of these companies reach a certain limit, and graduate out of the program, then we will have to begin going outside of Richland County, to certify more people to get in the program. If a company bids, and get a \$3.5 million contract, it does not mean the company is going

to make \$3.5 million. The argument was that it was unfair that they are limited to that number when they are not getting that amount. A lot of the work is subbed out. It should be based on what they made, and not the contract they receive.

Dr. Ellis inquired if the issue is the wording. Administration has not dissected the wording, in the way Mr. N. Jackson described. She stated they could certainly go back and look at that.

Mr. N. Jackson stated the wording was one of the concerns.

Mr. Malinowski stated his recollection is, that several meetings ago, Ms. Diane Sumpter had offered some recommendations on figures, and how to correct the problem. He inquired if anyone had contacted her, and gotten any input from her.

Dr. Ellis stated this is the first she is hearing about that.

Mr. Malinowski stated she attended severally of these meetings.

Dr. Ellis inquired if it was specifically regarding size standards.

Ms. Myers stated, if the language currently reads that it is based on gross annual revenue, that is distinct for contract size. The gross annual revenue is not tied to the...you could get 10 contracts for \$3.5 million, and your gross annual revenue is not necessarily a reflection of that. Your gross annual revenue is what goes into your business. So, tying it to contracts, based on what Dr. Ellis just said, seems like the language already ties it to what you make. To the extent that you are growing companies, you would then have a new business, if you doubled that number. You have a new business competing with a \$7 million business. That would defeat the whole point of the program. She has worked with the NAMC for years, and she would dare say they would support that.

Mr. N. Jackson stated, he understands, but when we had the meetings those were the comments that came in. He did hear the other comments. He is just addressing what they said. He is not sure exactly what the code says, but whatever it is, it was affecting them.

Ms. Myers inquired if it was consistent, or inconsistent, with national standards.

Dr. Ellis stated it is not common practice. It is done, but it is not something that is gone into lightly.

Mr. N. Jackson stated different counties have different tomography. He inquired what the federal size standards are. He is just saying, we can adjust it. When we built up the SLBE program, it was to train small, and local businesses in Richland County, and for them benefit. We have limited amount, and then they have to graduate. Based on what they were telling us was affecting them, we were trying to fix the problem.

Ms. Myers stated, all she is asking is, how big you want a small business to be, and still meet the definition of a small business.

Ms. McBride stated, obviously there is an issue, because you have raised it. What is the actual problem that we are seeing now?

Mr. N. Jackson stated, from the industry, when they spoke the last time, they unfairly have to leave the

program because the ceiling was too low.

Ms. McBride inquired if we have a number of businesses that are involved.

Mr. N. Jackson stated even if you have 2 codes you are still limited to one ceiling.

Ms. McBride stated, for clarification, so we do not have enough businesses participating in the initiative.

Dr. Ellis stated the point that has been made by the graduating firms is, that if you graduate out there will be no other firms with that skill set to fill the gap.

Ms. McBride inquired as to what the small businesses are saying.

Mr. Malinowski stated, the problem, as he understands it, is we are not taking the Internal Revenue gross maximum. What is happening is that if a small business gets a \$1 million contract awarded by the County, that \$1 million is charged to them as revenue, even though they may be paying 40% of it to subcontractors.

Dr. Ellis stated she does not believe that is not the way it is done. She will follow-up.

Mr. Willie Farmer, Farmer Construction, stated that will be totally different between Professional Services, Architectural Engineering, and a construction contract. He stated it is understandable, as a general contractor, that they may keep 40% of the \$1 million, and 60% is going out to the subcontractors. For an Architect or Engineering firm, they get all of that, even though he still has expenses, it still goes to his company.

Ms. McBride stated that is the distinction.

Mr. Andy Tolleson, Tolleson Engineering and Design, stated he is a SLBE on the PDT Team. He was on another team, on another matter under the Penny. He stated we use the term small business, local business enterprise. It sounds small business might be defined under other terms (i.e. federal SBA Program), so size standards differ, in different kinds of programs. There are probably a couple ways to manage this. In professional liability (i.e. insurance), you can exclude contractor, or subcontractor services, to establish a size standard. There would be a way the County could differentiate...the small business approach. He stated, he thinks, early on when this program was being developed, and we had a consultant, Franklin Lee, he sat with him a number of times and talked about a "Super SLBE". For example, his firm could have 9 employees, a web presence, and professional licensures. And, then, an emerging company only has 1 or 2 people. If he can get all the contracts, and you make the standard high enough, he could graduate up to the upper tier, and will get just about all of the work. In other words, all of the rain will not fall on everybody. He thinks that whatever you do, if you are interested in the emerging, and smaller shop, an effective Sheltered Market, with tangible goals, would be the way to get there.

Mr. N. Jackson stated he would like to see the small business community meet with staff to work on these problems, and bring back recommendations to the committee. He stated staff is trying to develop these programs, the industry has a better idea of how it affects them, and how it works.

Mr. Malinowski moved, seconded by Ms. McBride, to direct staff to work with the small business community, and bring recommendations back to the committee by September 11th.

Mr. Tolleson stated every time he has called the Transportation Department, the OSBO Office, or Administration he receives a call back. He believes responsive is good, so what he is thinking is if you had a quorum of the SLBEs to discuss amongst themselves.

Ms. McBride inquired if we will have staff to organize that meeting.

Mr. N. Jackson responded in the affirmative.

The vote in favor was unanimous.

- f. Status of Sheltered Market Projects – This item was taken up with Item (e).
- g. Discussion of original intention of OSBO and Penny Sales Tax Program for Small Local Businesses – This item was taken up with Item (e).
- h. Training/Certification Programs for SLBE Status (SCDOT) – This item was taken up with Item (e).
- i. Status of Quick Pay/Prompt Pay – This item was taken up with Item (e).
- j. Guidance concerning PDT contract and Sheltered Market – Dr. Ellis stated one of the things that comes up frequently is the Sheltered Market discussion. In the packet she provided, she included an example. The OSBO Office met with part of the PDT Team this morning, and we are trying to figure out the balance between what is practical for primes, but we are bound by contract to the PDT contract, which requires 51% SLBE participation for the life of the contract. What the OSBO Office has done is to go through the packet line by line and pull out the projects that are eligible for Shared Markets. In talking with the PDT this morning, they have some concerns because, as we have identified, in terms of participation for this particular package is a little over 27%. Some time back in the Fall, they were given 3%. There is obviously a discrepancy between 3% and 27%. Now, there are some concerns about what is practical. If you enter into the discussion with primes, and they have to give 27% of their business to SLBEs, there will not be enough primes to bid on the packages. By contract, we have to meet, both the PDT and the SLBE, because the SLBE is written into the contract. It is a part of their responsibility to ensure that we are meeting that 51%. She stated they need guidance from the committee, in terms of enforcing the 51%, and perhaps if it is impractical, what are the alternatives to not meeting the 51%? For clarification, 51% is not on each contract, it is the life of the contract, but we have to work toward that incrementally. If we settle for 3%, we are never going to meet 51%. She stated they want to work with the PDT in getting the work done, but by law/contract, we are obligated to meet the 51%.

Mr. N. Jackson stated, by law it is what it is, and they understand that when they get involved with the contract.

Mr. Livingston stated it is just not practical right now.

Mr. N. Jackson stated we need some recommendations on what the problem is.

Ms. Myers inquired how we are determining that it is not practical. Have we found out what efforts they have used to get to the number. She would say there are a lot of small businesses around town that would be willing to do some of this work. She would not like for us to shy away from it because it's not practical. She would like to know what efforts have been used to get the number up. She stated 3% is

small. She believes we can do better than that. She stated she could give them a list of small businesses that would be delighted to be doing some of this Penny work. She would like for us to exhaust the options before saying that is it not practical.

Mr. Livingston stated, for clarification, the 51% is based on the contract agreement with the Program Development Team. The main problem is the changes in the Program Development Team when we pulled out the SLBE from there. We pulled out the folks that were doing the Public Information. All of the stuff that was pulled out will tremendously effect this number.

Ms. Myers inquired if the number has dramatically dropped.

Dr. Ellis stated, one of the questions she has is, you have the ruling, which has led to the office no longer being funded by the Penny Program, but you still have an active contract. So, does the ruling impact the PDT contract, only as it relates to SLBE? She inquired how the ruling impacts the SLBE's involvement with an active contract. As it stands right now, we are bound and operating according to an active contract.

Mr. Beaty stated, we are talking a little bit of apples, and a little bit of oranges. The PDT's Program Management Contract, which involves their 13 teammates. When they got selected, and got under contract, they said they would attempt to make a goal of 51%, based on a number of givings, and assumptions. Now, things have changed in the last 3 ½ years, including the SCDOR ruling, which removed 2 of their SLBE teammates from their team. Things have changed in regards to the PDT's goal of 51%.

Ms. Myers inquired as to what the number was before the change.

Mr. Beaty stated around 39% – 40%. He stated, that is just the PDT's contract. They are not held accountable, contractually, for what contractor's percentages are. For example, a construction contract may be 3%, or may be 20%. They have no role. They do not set that number, and they are not held accountable for meeting that number.

Ms. Myers inquired who drafts the procurement guidelines for that.

Mr. Beaty stated County staff does. The PDT presents the project, and the quantities, then County staff looks at it and says, out of these quantities, these can be done by the SLBE community. So, some projects have more, and some projects have less. County staff says, the SLBE goal on this construction contract is 5%. The PDT does not set that.

Ms. McBride stated, for clarification, the PDT has to fulfill it.

Mr. Beaty stated the PDT does not have to fulfill it. The contractor, who bids on the construction, has to fulfill it. They administer the contract. They do not set the contractor's goal, that is a commitment by the contractor when they bid on the project.

The contractor has a contract with the County, not the PDT. The OETs have contracts with Richland County, and not the PDT.

Mr. Malinowski stated, the way he is looking at what Dr. Ellis provided, it says there can be changes in the 51% SLBE representations, and it is recognized that the parties, at the time this agreement went into

effect, there are a lot of unknown factors involving the future implementation. It says, the County recognizes that the contractor, should the contractor act in good faith to comply, but does not meet those representations because of those factors beyond their reasonable control, they will work with the OSBO Office, and make reasonable efforts to adjust those figures, and reach as high of an overall percentage that is commercially possible. He believes the answer is in the ordinance provided. It also mentions, something about an aggregate over 5 years. Does that mean that if they get 10% per year, over 5 years, that they have met their 50%? As long as they are working to achieve it, but the Council can change it.

Mr. Livingston stated the question sometime is good faith effort.

When PIO was pulled out of their contract, the 51% is coming down big time. They are probably losing a good 15% - 20%. As you probably well know, both of the firms in the program were SLBEs.

Mr. N. Jackson stated, he would suggest based on what is written in the ordinance, that the PDT and OSBO meet, and make some recommendations to the committee.

Ms. McBride inquired if there is a timeframe we are trying to get this information.

Mr. N. Jackson stated the first meeting in September.

Dr. Ellis stated we also need to loop in Gerald Walker and Brian.Keys.

5. **ADJOURN** – The meeting adjourned at approximately 3:57 PM



OSBO Ad Hoc Committee
Staff Report

During its July 10, 2018 meeting, the OSBO Ad Hoc Committee presented several concerns and questions for staff to review and report back its findings to the Committee. Enumerated below are the results of staff's review:

1. New Function and Staffing of the OSBO Office

During the July 10, 2018 meeting, members of the Ad Hoc committee inquired if the OSBO office is fully staffed now. Staff, inclusive of the County Budget, Finance and Human Resources Department, review revealed that the OSBO is fully funded and does not have any "frozen" positions. There is total of five (5) positions within the OSBO: OSBO Manager; OSBO Assistant Manager; Business Development Coordinator; Compliance and Certification Specialist; and the Financial Resources Coordinator. Of those positions, the OSBO Assistant Manager and Financial Resources Coordinator remain vacant.

- New OSBO Manager Erica Wade started October 1, 2018. Mrs. Wade is a 1995 graduate of Benedict College with a degree in Business Administration and also obtained a Master of Arts in Organizational Leadership in 2007 from Webster University. She is a Certified Supplier and Diversity Professional and is currently working on receiving her Certified Compliance Administration certification, and is also a Benedict College Hall of Famer. Prior to joining the County, Mrs. Wade worked in the Office of Business Opportunities at the City of Columbia where she worked on the Supplier Diversity Team as a Program Coordinator for Supplier Diversity and Contracts.

2. Status of Mentor Protégé Program

Members of the Committee requested the current status of the Mentor Protégé Program. Staff has completed the development of a draft Mentor Protégé Program which incorporates the feedback received from small local businesses during its August 22, 2018 Small Business Focus Group on the merits and structure of the Program (see attached draft). You may wish to note the following suggestions presented by small local businesses on the Mentor Protégé Program:

- The Program should be county-wide accounts for non-technical businesses.
- The Program should include a cross functional mentoring component
- Begin with a pilot program focused on a specific specialty area
- Focus group participants should review the draft Program and allowed an opportunity for feedback.

3. Status of NAICS (North American Industry Classification System) Code Funding Limit

During its July 10, 2018 meeting, the directed staff to work with the small business community and present size standard recommendations to the Committee for its consideration. Pursuant to the conclusion of the Small Business Focus Group with representatives from each SLBE industry and the completion of researching the size standards prescribed by other local governments, the table below provides a summary of findings vis-à-vis size standards.



NAICS Industry Description	Richland County Size Standards (in millions)	Charleston County Size Standards (in millions)	City of Savannah (Chatham County) Size Standards (in millions)	SBA Size Standards (in millions)	SCDOT Size Standards (in millions)
Construction	\$7	\$7.50	N/A	\$36.5	\$36.5
Construction Services	N/A	N/A	\$5	N/A	N/A
Contractual Services	N/A	N/A	\$1	N/A	N/A
Architectural	\$3	\$7.50	N/A	\$7.5	\$7.5
Professional Services	\$3	\$7.50	\$500,000*	\$7.5	\$7.5
Engineering	\$2.50	\$7.50	N/A	\$15	\$15
Retail Trade and Services	N/A	N/A	N/A	\$7.5	\$7.5
Wholesale	\$2	\$7.50	N/A	N/A	N/A
Other Services (i.e. janitorial, landscape maintenance, communications, automotive, towing, security)	N/A	\$7.50	N/A	N/A	N/A
Goods and Supplies	N/A	\$7.50	N/A	N/A	N/A
Retail Trade	N/A	N/A	N/A	\$7.5	\$7.5

Staff recommends no changes to the County's current size standards.

4. Report of Small Business Focus Group

Staff conducted a Small Business Focus Group on August 22, 2018. Attached for your review is a debriefing report of the focus group's discussion.

5. Guidance Concerning PDT Contract and Sheltered Market

Sheltered Markets were originally outlined in the SLBE Program Ordinance 049-13HR to have a contract value of \$250,000 or less for award to a SLBE or joint venture with a SLBE; or have a value of \$50,000 or less for award to an Emerging SLBE through the Sheltered Market Program.

In 2016, pursuant to Ordinance No. 028-16HR, the contract value was increased to five hundred thousand (\$500,000) dollars or less for award to a SLBE or a joint venture with a SLBE through the sheltered market program. The contract value for ESLBEs remains at \$50,000 for sheltered markets. The attendant ordinance(s) are attached for Council's consideration. This item was also discussed during the August 22, 2018 Focus Group. The results of which are summarized in the attached report. Staff will operate as prescribed in the ordinances

Richland County Government
Office of Small Business Opportunity (OSBO)
Mentor-Protégé Program
2018
Agreement Template

The Richland County Mentor-Protégé Program (MPP) is designed to motivate and encourage large business prime contractor firms to provide mutually beneficial developmental assistance to small, minority, disadvantaged, veteran, woman-owned small business enterprises. Prime contractors that have been approved as mentors in the MPP and have identified a protégé firm (a certified Richland County Small Local Business Enterprise) must submit a signed MPP agreement for each mentor-protégé relationship to the Richland County Manager of OSBO.

The purpose of the mentor-protégé relationship is to:

- Enhance the capabilities of the protégé
- Help the protégé meet the goals established in MPP Program Guidelines
- Improve the protégé's ability to compete for contracts

A protégé can get valuable assistance from a mentor in several areas, including:

- Technical and/or management assistance
- Financing in the form of equity investments and/or loans??
- Trade education (on the job training, Continuing Education Units)
- Government contracting

Eligibility requirements

In order to qualify as a protégé, a business must:

- Meet all of the eligibility requirements for a Richland County certified Emerging or Small Local Business Enterprise (ESLBE/SLBE) as outlined in Ordinance No. 049-13HR Sec 2-641.
- Have at least one year remaining in the SLBE Program

Although it is typical for a protégé to have only one mentor at a time, OSBO may authorize up to three mentors at one time for a protégé.

In order to qualify as a mentor, businesses must:

- Be able to carry out its responsibilities to assist the protégé
- Possess favorable financial health and good character

- Not appear on Richland County and/or the State of South Carolina list of debarred or suspended contractors
- Be able to impart value to the protégé through lessons learned and/or practical experience gained
- Must have current or past contracts with RichlandCounty

Although it is typical for a protégé to have only one mentor at a time, OSBO may authorize up to three mentors at one time for a protégé.

Application Process

The proposed mentor and protégé must draft a written agreement to submit to the Richland County OSBO. The mentor-protégé agreement must meet the following requirements:

- Address how the mentor’s assistance will help the protégé meet the goals established in the MPP Program Guidelines
- Establish a single point of contact from the mentor who is responsible for managing and implementing the mentor/protégé agreement
- Provide that the mentor will assist the protégé for at least one year

When writing your joint venture agreement, use the [agreement template](#) and the [agreement guide](#).



MPP Agreement Guide

The following template is provided as a guide to assist in the preparation of the mentor-protégé agreement, however at a minimum all elements below must be addressed. Attachments/addendums are welcome.

- 1. Period of Performance:** State the period of time (in months) over which the developmental assistance will be performed – not less than 1 year or greater than three years.

Number of Months:	
Anticipated Start Date:	
Anticipated Completion Date:	

Estimated Cost of Agreement: Provide an estimate of the total cost of the developmental assistance provided by the mentor. Include a cost breakdown of each year of effort.

Employee Labor			
Equipment			
Other Direct Costs			
Subtotal			
Total Estimated Cost			

- 2. Mentor Eligibility.** Mentors should provide a statement (including a date of approval) that the Mentor was approved by the OSBO to participate in Mentor-Protégé Program and attach it to the MPP application.

Mentor Firm Information. Please provide the following.

- 3. Mentor Historical Background.** Provide a brief summary about the company, including the company profile, and historical and recent activities and accomplishments (successful contracts) as a Richland County prime contractor. Indicate whether your company has been a Small Local Business Enterprise (SLBE), Minority-owned small business, Disadvantaged Business Enterprise (DBE), woman-owned small business, or a veteran-owned small business. Please note if you are a graduated firm from the SLBE Program.
- 4. Subcontract Awards to Protégé.** The number and total dollar amount of subcontract awards made to the identified protégé firm by the mentor firm during the two preceding fiscal years (if any). Please note the Richland County fiscal year is July 1 through June 30.

Total County Subcontract Awards to this Protégé		
Fiscal Year	Number	Dollar Amount
FY-		\$
FY-		\$



5. **Non-County Subcontract Awards to Protégé.** The number and total dollar amount of subcontract awards (Non-County contracts) made to the identified protégé firm by the mentor firm during the two preceding fiscal years (if any). Please note the Richland County fiscal year is July 1 through June 30.

Total Non-County Subcontract Awards to this Protégé		
Fiscal Year	Number	Dollar Amount
FY-		\$
FY-		\$

6. **Potential Subcontracts.** The anticipated number, dollar value, and type of subcontracts to be awarded the protégé firm consistent with the extent and nature of the mentor firm’s business, and the period of time over which they will be awarded. Please note the Richland County fiscal year is July 1 through June 30.
7. **Protégé Eligibility.** Provide a statement that the protégé firm is currently eligible pursuant to one of the following criteria below:

An entity may qualify as a protégé firm if it meets the Richland County ESLBE/SLBE eligibility criteria:

1. Must be an independently owned and operated, for-profit business as defined by SC Code of Laws, Title 33, Chapter 31;
2. Must meet size standard eligibility requirements for Small Business Enterprises

8. **Protégé Firm Information.** Provide the following.

Name of Firm:				
Address:				
Telephone/ext.:				
Fax:				
Homepage (web address):				
Industry/Bus. Type: (for example, Service – 80% Manufacturing – 20%)	Architectural			
	Engineering			
	Construction			
	Wholesale			
	Professional Services			
	Non-professional Services			
Year Established:				
Number of Employees:				
Annual Gross Revenue: (for previous Corporate				



FY)				
Richland County certification dates:	Entrance Date:		Expiration Date:	

North American Industrial Classification System Codes (NAICS). The NAICS code which represents the contemplated supplies or services to be provided by the protégé firm to the mentor firm and a statement that at the time the agreement is submitted for approval, the protégé firm does not exceed the size standard for the appropriate NAICS code.

	Code (6-digit)	Title
Primary NAICS		
Additional NAICS		

Percent (%) Owned. Provide percent of the Protégé Firm currently owned by the Mentor Firm, if applicable.

% Mentor Owned:	
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Protégé-Obtained Richland County Subcontract Awards. The number and total dollar amount of subcontract (protégé) awards obtained by the protégé firm with Richland County directly during the two preceding fiscal years (if any). Please note the Richland County fiscal year is July 1 through June 30.

Total Richland County Subcontract Awards to this Protégé			
Fiscal Year	Number	Funded Contract Value	Dollar Amount
FY-		\$	\$
FY-		\$	\$
FY-		\$	\$

Protégé-Obtained Prime contract Awards. The number and total dollar amount of subcontract (protégé) awards obtained by the protégé firm with Richland County primes during the two preceding fiscal years (if any). Please note the Richland County fiscal year is July 1 through June 30.

Total Subcontract Awards to this Protégé (via contracts with Richland County primes)			
Fiscal Year	Number	Funded Contract Value	Dollar Amount
FY-		\$	\$
FY-		\$	\$
FY-		\$	\$



9. **Protégé Firm Historical Background.** Provide a brief summary about the company, including the company profile, and historical and recent activities and accomplishments. Indicate whether your company is a small, minority, disadvantaged, veteran, or woman-owned small business enterprise. Include a description of the firm’s ability to participate in the Richland County Mentor-Protégé Program without impairing the company’s day-to-day operations (i.e., business management, revenue stream).
10. **Protégé Firm’s Previous Program Participation.** Provide the following information if the protégé firm has previously participated in the Richland County Mentor-Protégé Program. Provide a statement (separate enclosure to this agreement) that there will be no duplication of effort (i.e., developmental assistance provided by the mentor firm) previously provided to the protégé firm under prior agreements. This must be agreed upon and presented on letterhead from both the mentor and protégé firms.

Previous Mentor Firm Name:	
Project Name/Type:	
Period of performance of previous agreement: (in months)	
Termination Date: (if applicable)	
Termination Reason: (if applicable)	

11. **Developmental Assistance Program.** Describe the developmental program for the protégé firm specifying (using a sentence or two for each item listed) the type of assistance planned. Provide how this plan will address the protégé’s identified needs to enhance their ability to perform successfully under contracts or subcontracts with Richland County and Non-County agencies/firms.
12. **Mentor-Protégé Evaluation.** The Office of Small Business Opportunity (OSBO) will distribute a semi-annual electronic evaluation to firms that are approved mentors and protégés so they may provide feedback regarding the effectiveness of the Mentor Protégé Program. OSBO will also schedule and conduct a MPP Project Completion exit interview at the close of every MPP project. The interview will be standardized in format and designed to address all requisites of the MPP Program, as well as the business and implementation plan.
13. **Program Facilitation.** The OSBO will assist both mentors and protégés with the business planning process. The OSBO will also offer technical assistance and training to help build the capacity of protégés. Protégés will have the opportunity to work one on one with OSBO personnel to develop and implement business plans required by the MPP.

Liability Disclaimer

This program is designed to develop small, minority, women, veteran-owned businesses, as well as those owned by persons with disabilities. The assistance provided by Richland County OSBO and participating mentors is to encourage and offer advice and opportunities to perform on projects so that protégé firms can gain the experience necessary to grow their businesses. The success of the program is not guaranteed, but it is hoped that an opportunity will be provided for success. The County does not guarantee that protégés will be awarded a contract based on participation in the MPP Program.





Small Business Focus Group
Workshop Summary
Office of Small Business Opportunity
August 22, 2018
11:00 AM – 2:30 PM

11:00 – 11:30 AM	Working Lunch
12:00 – 12:30 PM	Sheltered Market
12:30 - 1:15 PM	NAICS Codes/Size Standards
1:15 – 2:30 PM	Mentor Protégé Program

Prior to beginning discussion of the meeting topics, the format and purpose of the meeting were outlined. The purpose of the focus group is follow up on the July 10th request for OSBO staff to meet with certified SLBE firms from each of the industry categories (Architectural, Engineering, Construction, Professional Services, Non-professional services, and Wholesale/Commodities) listed in the SLBE Program Ordinance (No. 049-13HR) to obtain input and recommendations on the Richland County OSBO SLBE Program (1) Sheltered Market Program, (2) Size Standards, and (3) Mentor-Protégé Program.

In the interest of time for all stakeholders present, OSBO staff shared that the team’s intention was to strictly observe the proposed agenda as presented to the focus group, and revisit any outstanding discussion topics at the end of the meeting time. Additional time was offered to SLBE focus group attendants after the meeting in the OSBO office, if necessary. The role of staff was to serve solely as facilitators, not participants, in order to optimize unbiased feedback from our cohort of small business firms. A 15 minute warning was provided near the end of each session. Candid discussion was encouraged. Each participant was asked to introduce themselves and briefly describe their business service/specialty. One of the participating firms asked staff to share with the group the anticipated outcomes of this meeting. Anticipated outcomes were addressed at the beginning of the meeting, however, that question was also added for each of our firms to address during their introductions.

OSBO staff asked that as we addressed each topic, focus group participants be mindful that the SLBE Program was established as a result of the 2012 Transportation Penny Tax referendum and until this year (2018), it has focused primarily on transportation-related projects. This workshop is one of several efforts the office is taking to move toward a County-wide SLBE Program. As a part of the “rules of engagement” for the focus group, it was stressed by staff that it was imperative our team receive feedback from everyone in the room in order to best facilitate discussions that move OSBO in a direction of a County-wide program.

Introductions

- Dr. Robert Hill, (SLBE)
- Mr. Andy Tolleson, Tolleson (SLBE)
- Mr. Kelvin Washington, Tolleson (SLBE)
- Mr. Ron Harvey, (SLBE)
- Mr. Peter Hill, Jackie’s Uniforms (ESLBE)
- Ms. Lasenta Lewis-Ellis, (SLBE)
- Mr. Gene Dinkins, Cox & Dinkins (SLBE)
- Mr. Taz Little, Skyward Drone (ESLBE)

OSBO/CGS staff present: Cheryl Cook, Michelle Rosenthal, Bryant Davis, John Duffey, Jamelle Ellis

Anticipated Outcomes of the Small Business Focus Group (desired by SLBEs present):

- What are the anticipated outcomes of this meeting?
- Will you give us time to look over the mentor-protégé program notes? (reference to the draft Mentor Protégé Program shared during the meeting)
- What is the extent to which long-term business owners will be amenable to working with new businesses?
- What is the true intention of the Penny Tax Program?
- Will you protect program participants insofar that they will be paid for work?
- Would like to learn how the SLBE Program functions
- I would really like to see the program operate more efficiently in regards to SWMBE, particularly in related to sheltered markets. How can we be more inclusive?
- Ensuring that there are long-term benefits for small businesses that certify with the County. Have discussions on intermittency of projects “feast and famine”.
- When you have a new service or business, how will you be able to come in and offer those services? Where can I offer the services of my business?

Ombudsman related topic brought up by SLBE firm: *****(*Lucius Rd. eroding area, about to be a sinkhole [over near the bus station]. It’s eroding under the road.*)*****

I. Sheltered Market

Topic Introduction (by OSBO staff)

- What should be the goal of our Sheltered Market Program? How do we close the gap on disparities? How do we increase contract opportunities for SLBEs, in general? How do we optimize implementation of Sheltered Markets for building capacity?
- Sheltered Markets were originally outlined in the SLBE Program Ordinance 049-13HR to have a contract value of \$250,000 or less for award to a SLBE or joint venture with a SLBE; or have a value of \$50,000 or less for award to an Emerging SLBE through the Sheltered Market Program.
- In 2016, pursuant to Ordinance No. 028-16HR, the contract value was increased to five hundred thousand (\$500,000) dollars or less for award to a SLBE or a joint venture with a SLBE through the sheltered market program. The contract value for ESLBEs remains at \$50,000 for sheltered markets.

Objective/Anticipated Outcomes: For SLBE focus group participants to discuss the current OSBO process for determining sheltered market opportunities and provide feedback on how staff can improve the current process, and future contract opportunities for certified SLBEs.

Focus Group discussion

Explanation (by OSBO staff) of Sheltered Markets, Process for Determining Sheltered Markets, and Challenges in identifying Sheltered Market projects

What can we do to help emerging businesses, particularly with emerging industries? [OSBO staff]

“When we’re bidding against a contractor like that, it’s discouraging because they always have lower numbers. We go after projects that we know we’re going to get. When I look at... Procurement needs to be involved, particularly with how many buildings you have... What OSBO needs to do is to get the departments and their heads to understand that there’s other options.

When you say, being creative, the NAICS codes don't say what we actually do. We take codes from other industries that are similar to what we do. We can provide many, many services. If there was another way to explain what we do, or a time to explain it ourselves to the County Departments/Agencies with open bids.”

[Discussion on expanding the NAICS codes? Getting new SLBE's contracts, getting them at the table, how? Contracting out work from overloaded departments, fill the gap with SLBE's and their specialty areas.]

“You have to have at least 3 contractors in the category (Three contractors within that same industry). Why is that? Do you have a pre-qualified list? Within the SLBE group, you have a pre-qualified list and do a round-robin. Once that group is listed, staff and such can select from that county list.”

“Structuring activities outside the norm. Each line becomes almost like a commodity. (Ex. Painting 4 inch stripes on the outside of the roads.) Put as many commodities together and it becomes a bid. Efficient and less expensive to the tax payers. The big guys have all the iron, equipment, lower lines of credit... They are less expensive than the small businesses.”

“Go into the actual bids and harvest the line items to commoditize the items. Open it up, creates more contracts, by dividing projects into smaller jobs. Establishes a rate for those line items, county is guaranteed the lowest price and SLBE would receive consistent flow of contracts. Look in PDT office and Transportation project. Have engineers birdog those available line items. Do it round robin, keep consistent work. Might not be a bad idea if OSBO has a charge, if they're measured by the success of minority and w/SLBE program. Have a staffer in OSBO that knows the construction/engineering side of things. Standard unit pricing, on-call contracts, harvesting line items.”

“A lot of participants will not be engineers; will not have a technical orientation. What can you do with those businesses to increase participation? Ex. Community service work... streets to pave, sidewalks to be built... The community ought to be informed about it, especially long-term projects. Work that can be done by non-technical groups that you'll be dealing with.”

“What's the signing authority for a Department head? What's the dollar amount for that?”

“The county has many projects that come through procurement. One of the recommendations is building a partnership with procurement. So that SLBE's know what contracts are coming out and can be more involved with the contracting process. Making a list of smaller projects (under \$50,000) happening throughout the county and in its departments and increasing the capacity to be able to those contracts.”

“How do we get diversity in who gets contracts?”

“We record who gets what, that'll help to identify any possible disparities.”

“How do non-technical institutions get work?”

“How effective has the program been for businesses? I want to make sure that I'm not being put into a box, that there's room for growth? How does the county leverage all of its resources? How do you make sure that information makes it to your office on a consistent

basis? I feel that there are offices that are registered that aren't getting as much reward as those that aren't being registered."

“I think it also depends on what you’re breaking out. I can see breaking out small parts of large projects into smaller projects. I just want to make sure that the timeline and process do not get disrupted.”

“The Penny was supposed to be for local small businesses.”

“You could mess these contracts up if you do it haphazardly (bundling and harvesting). Consideration with bonding requirements. The small business will bankroll the entire project.”

“Community bank...”

“County helping with bonding and helping to buy heavy equipment? Program at county? Around a few years ago? If a small business can’t afford the cost of bonding, how can they get into doing business?”

“The County once had a program to assist small businesses with bonding and purchasing equipment.”

Outcomes/Action Items:

- Procurement plays a critical role in the SLBE process. OSBO and Procurement must work hand in hand to ensure a successful program.
- OSBO must revisit using a pre-qualified list. Research Oregon and San Diego study. Contact Franklin Lee to better understand how to implement the use of a pre-qualified list.
- We need to be intentional on identifying opportunities for SLBE’s through sheltered markets as well as external opportunities.
- How can we ensure that small businesses can make mistakes and not be penalized (by primes or the County limiting future opportunities)?
- An evaluation of the impacts of mobilizations costs on construction contracts
- Building capacity is critical so that SLBEs are actually able to do the work.
- More creativity should be exercised in helping SLBEs meet bonding requirements. Perhaps the County can participate in underwriting or working with Community Bank.

II. NAICS Codes/Size Standard Eligibility Requirements

Topic Introduction (by OSBO staff)

Pursuant to Ordinance No. 016-14HR, Richland County size standards should be reviewed at least once per year and adjusted periodically by Richland County Council to meet changes in the market conditions. The current Richland County SLBE size standards are:

- \$7 Construction
- \$3 Architectural
- \$3 Professional Services
- \$2.5 Engineering
- \$2 Wholesale

Objective/Anticipated Outcome: To discuss current size standards as outlined in the ordinance and determine the need to modify size standards.

Focus Group discussion

“Two and a half million is significantly too low for engineering. SBA NAICS code standard for engineering is 15 million dollars. South Carolina also states 15 million dollars. Charleston County has their standard at seven and a half million. There isn’t any firm that can handle everything in the OET Penny project. If it’s a million dollar job then about half of that makes it to the firm’s team. ‘Put all their eggs in one basket, and they can’t do more at risk of being disqualified.’ Size standard should be raised at least to Charleston County amount. Considering that firm only takes in around half... 7.5 million dollars becomes 3.75 million dollars net.”

Size standards purpose? To create more competition.

“Is it a matter of semantics? Is it something that could be addressed by (instead of gross annual revenue number) changing the wording to specific annual revenue brought into the company (net vs gross annual revenue). So... amount minus subcontracted amount. If you’re a small firm doing half a million a year and then become 2-3 million a year you get more freedoms, have more options to stay within the size standard for a protracted period.”

Threshold should be high enough to build capacity.

Should look at each industry separately so that firms remain competitive.

“Driven mostly by consulting side, not the engineering side. (Referendum and size standards).”

Size standards in the current ordinance are based on arbitrary standard selections.

“Much of the OET’s gross annual revenues (50%) go to subcontracting. Only about 50% stays in-house.”

Rotating a list of qualified firms. Pre-certified list. Increase size standard and rotate SLBEs to ensure equitable opportunities for SLBEs.

“If we only look at what we have, 98% are 200,000 or less in revenue per year. Look at SLBE community and let them drive size standards. Set threshold large enough that company can get on their feet. So SLBE program isn’t their sole lifeline.”

“Look at industry categories and look at them individually.”

“Start with federal guidelines, look at state as well. National doesn’t always apply to local.”

“Look at demographic profile and compare to national profile. Compare results.”

“Needs to be a disparity study done.”

“Under current size standards, many of the dollars are cycling through companies.”

“We need to look at each one of the industry categories individually, compare with national and state standards.”

Outcomes/Action Items:

- OSBO will research Charleston County’s size standards. Staff will also contact their office to inquire about the justification used to set \$7.5 as the limit. **Staff spoke with**

Holly Chesser SBE Manager at Charleston County on August 23rd. She

indicated that the \$7.5 million dollar limit was established as a result of a study conducted for Charleston County. A copy of the study has been requested.

- Staff will compile national/state/local size standards and send out an email to focus group participants. A recommendation will be presented to the OSBO ad hoc committee once a consensus has been reached by this group.

III. Mentor Protégé Program

A Mentor-Protégé program is designed to motivate and encourage large business prime contractor firms to provide mutually beneficial developmental assistance to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

Objective/Anticipated Outcome: To discuss the merits and structure of a successful Richland County Mentor Protégé Program; to compile useful information for OSBO staff to develop a draft MPP for presentation to the OSBO Ad Hoc Committee.

Focus Group Discussion

Review of draft Mentor Protégé Program

Purpose of the program is to build capacity.

Making sure the program is effective up front. On the front end.

Training – There are some certifications that are only through DOT. DOT only has those courses one or two times a year. Help with upfront costs of training? Is there a way to provide assistance to cover the cost of that training? Reimbursement program for training/certifications?

Look up the SC DOT program for 30 day program offered once a year covering inspections, concrete, asphalt, etc.

Does having two or three protégés allow the mentor the opportunity to “beat up” one of the protégés by focusing more on one/another (extortion).

Were you thinking of setting aside projects for MPP? Or are you making them bid the work to get it? Offering an incentive?

What’s the motivator for the mentor?

Sometimes the protégé doesn’t get to do the assigned percentage of work (20%).

Large firms would show the percentage, and they would give you a run around having you do “other” work rather than the assigned work.

What are the checks and balances for making sure protégés are getting the proper percentages?

Where do you see the OSBO fit into that?

Most of the projects have to have a schedule...

Inspect work schedules; require a verification statement stating that the prime is upholding their end of the bargain.

“See that the OSBO is like an auditing agency for making sure protégés are being treated properly.”

Who has a mentor protégé program that is running efficiently? (Atlanta, Raleigh-Durham)

“How do you see this program working in industries besides construction?”

One of the firms didn't see many ways that a mentor protégé program could help their firm. Doesn't see many businesses who could mentor theirs.

Giving small companies a chance to be seen by larger companies?

How do you make it work?

How do you get it to work when some companies are unreceptive to mentoring smaller companies?

Opportunities for mentoring in stuff like program management, administration, cross-functional training?

Need to look into cross-training for cross-industry to ensure non-competition.

Check out/ research into Portland Oregon MPP program.

Have a pilot program and identify where you want this program to go.

What's an incentive to participate in a MPP program?

Larger project, more projects, paid a bit more for handling the protégé... specific MPP assigned projects?

You expose yourself to obligatory recording, reporting... alter multiplier required.

County needs to understand that if they do it, it'll be more money.

Like to see sheltered markets solidified rather than a mentor-protégé program.

Like to see joint-ventures promoted.

Do we need an MPP program at all? Would like to see a pilot program and test the MPP program with one project. Maybe combine it with joint-venture.

Outcomes/Action Items:

- Research other universal/County-wide MPP programs that account for non-technical businesses.
- Research options for cross functional mentoring within the MPP
- Begin with a pilot program focused on a specific specialty area.
- OSBO staff should provide focus group participants with a draft of the MPP throughout its development to better inform the process.

DIVISION 7. SMALL BUSINESS ENTERPRISE PROCUREMENT REQUIREMENTS

📖 Sec. 2-639. General provisions.

(a) *Purpose.* The purpose of this division is to provide a race- and gender-neutral procurement tool for the county to use in its efforts to ensure that all segments of its local business community have a reasonable and significant opportunity to participate in county contracts for construction, architectural and engineering services, professional services, non-professional services, and commodities. The small local business enterprise ("SLBE") Program also furthers the county's public interest to foster effective broad-based competition from all segments of the vendor community, including, but not limited to, minority business enterprises, small business enterprises, and local business enterprises. This policy is, in part, intended to further the county's compelling interest in ensuring that it is neither an active nor passive participant in private sector marketplace discrimination, and in promoting equal opportunity for all segments of the contracting community to participate in county contracts. Moreover, the SLBE program provides additional avenues for the development of new capacity and new sources of competition for county contracts from the growing pool of small and locally based businesses.

(b) *Scope and limitations.* This SLBE program may be applied by the county on a contract-by-contract basis to the maximum practicable extent permissible under federal and state law.

(c) *Definitions.*

Affirmative procurement initiatives. Refers to any procurement tool to enhance contracting opportunities for SLBE firms including: bonding/ insurance waivers, bid incentives, price preferences, sheltered market, mandatory subcontracting, competitive business development demonstration projects, and SLBE evaluation preference points in the scoring of proposal evaluations.

Award. The final selection of a bidder or offeror for a specified prime contract or subcontract dollar amount. Awards are made by the county to prime contractors or vendors or by prime contractors or vendors to subcontractors or sub-vendors, usually pursuant to an open invitation to bid ("ITB") or request for proposal ("RFP") process. (Contract awards are to be distinguished from contract payments in that they only reflect the anticipated dollar amounts instead of actual dollar amounts that are to be paid to a bidder or offeror under an awarded contract.)

Bid incentives. Additional inducements or enhancements in the bidding process that are designed to increase the chances for the selection of SLBE firms in competition with other firms. These bid incentives may be applied to all solicitations, contracts, and letter agreements for the purchase of architectural and engineering services, construction, professional services, non-professional services, and commodities including change orders and amendments.

Centralized bidder registration system ("CBR"). A web-based software application used by the County of Richland to track and monitor SLBE availability and utilization (i.e., "spend" or "payments") on county contracts.

County. Refers to the County of Richland, South Carolina.

Commercially useful function. An SLBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the SLBE must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quantity and quality, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether an SLBE is performing a commercially useful function, an evaluation must be performed of the amount of work subcontracted, normal industry practices, whether the amount the SLBE firm is to be paid under the contract is commensurate with the work it is actually performing and the SLBE credit claimed for its performance of the work, and other relevant factors. Specifically, an SLBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of meaningful and useful SLBE participation, when in similar transactions in which SLBE firms do not participate, there is no such role performed.

Emerging SLBE. An emerging firm that meets all of the qualifications of a small local business enterprise, and that is less than five (5) years old, but has no more than five (5) full-time employees and annual gross sales as averaged over the life of the firm that are less than one million (\$1,000,000) dollars.

Goal. A non-mandatory annual aspirational percentage goal for SLBE contract participation is established each year for architectural and engineering services, construction, professional services, non-professional services, and commodities contracts. Mandatory percentage goals for SLBE subcontract participation may be established on a contract- by-contract basis by either the director of the Office of Small Business Opportunity or a goal setting committee.

Goal setting committee. A committee established by the director of the Office of Small Business Opportunity for the county (including a representative of the procurement department and a representative of the end-user agency) and chaired by the director of the Office of Small Business Opportunity that establishes SLBE program goals and selects appropriate SLBE affirmative procurement initiatives to be applied to each contract for the county based upon industry categories, vendor availability, and project-specific characteristics. The director of the Office of Small Business Opportunity may establish as many as five (5) separate goal setting committees (i.e., one (1) for each industry category).

Good faith efforts. Documentation of the bidder's intent to comply with SLBE program goals and procedures, including, but not limited to the following: (1) documentation within a bid submission or proposal reflecting the bidder's commitment to comply with SLBE program goals as established by the director of the Office of Small Business Opportunity or a goal setting committee for a particular contract; or (2) documentation of efforts made towards achieving the SLBE program goals (e.g., timely advertisements in appropriate trade publications and publications of wide general circulation; timely posting of SLBE subcontract opportunities on the county web site; solicitations of bids from all qualified SLBE firms listed in the county's SLBE directory of certified SLBE firms; correspondence from qualified SLBE firms documenting their unavailability to perform SLBE contracts; documentation of efforts to subdivide work into smaller quantities for subcontracting purposes to SLBE firms; documentation of efforts to assist SLBE firms with obtaining financing, bonding, or insurance required by the bidder; and documentation of consultations with trade associations and

consultants that represent the interests of small and local businesses in order to identify qualified and available SLBE subcontractors.)

Graduation. An SLBE firm permanently graduates from the county's SLBE program when it meets the criteria for graduation set forth in this policy.

Independently owned, managed, and operated. Ownership of an SLBE firm must be direct, independent, and by individuals only. Business firms that are owned by other businesses or by the principals or owners of other businesses that cannot themselves qualify under the SLBE eligibility requirements shall not be eligible to participate in the SLBE program. Moreover, the day-to-day management of the SLBE firm must be direct and independent of the influence of any other businesses that cannot themselves qualify under the SLBE eligibility requirements.

Industry categories. Procurement groupings for county contracts for purposes of the administration of affirmative procurement initiatives shall be inclusive of architectural and engineering, construction, professional services, and nonprofessional services, and commodities procurements. Industry categories may also be referred to as "business categories."

Joint venture. An association of two (2) or more persons or businesses carrying out a single business enterprise for which purpose they combine their capital, efforts, skills, knowledge and/or property. Joint ventures must be established by written agreement.

Local business enterprise ("LBE"). A firm having a principal place of business or a significant employment presence or a significant business presence in Richland County, South Carolina. This definition is subsumed within the definition of "small local business enterprise."

Non-professional services. Non- construction, non-architectural, and non-engineering services that are other than professional services, and such "other" services that do not require any license or highly specialized training and credentials to perform.

Office of Small Business Opportunity. The office which shall manage and administer the SLBE Program (see Section [2-639](#) et seq.) and shall undertake other functions and duties as assigned by the county administrator or county council.

Points. The quantitative assignment of value for specific evaluation criteria in the selection process.

Prime contractor. The vendor or contractor to whom a purchase order or contract is awarded by the county for purposes of providing goods or services to the county.

Principal place of business. A location wherein a firm maintains a company headquarters or a physical office and through which it obtains no less than fifty percent (50%) of its overall customers or sales dollars, or through which no less than twenty-five percent (25%) of its employees are located and domiciled in the County of Richland and/or Richland County.

Professional services. Any non-construction and non-architectural and engineering services that require highly specialized training and/or licensed credentials to perform, such as legal, accounting, scientific, technical, insurance, investment management, medical, or real estate services.

Responsive. A firm's bid or proposal conforms in all material respects to the invitation to bid or request for proposal and shall include compliance with SLBE program requirements.

Sheltered market. An affirmative procurement initiative designed to set aside a county contract bid for bidding exclusively among SLBE firms.

Significant business presence. A physical office within Richland County through which a firm obtains no less than fifty percent (50%) of its overall customers or sales dollars.

Significant employee presence. Having a physical office within Richland County and no less than twenty-five percent (25%) of a firm's total number of full and part-time employees are domiciled in Richland County.

SLBE certification/re-certification application (SLBE Form-R). This form shall be completed by small local business enterprises (SLBEs) when applying for and/or recertifying SLBE status for participation in the county's small local business enterprise program. This form shall be completed every two (2) years by certified small local business enterprises by the anniversary date of their original certification.

SLBE directory. A listing of the small local businesses that have been certified by the procurement department for participation in the SLBE program.

SLBE plan execution certification (SLBE Form-C). The form certifying the general contractor's intent to use a SLBE subcontractor, verifying that an agreement has been executed between the prime and the SLBE.

SLBE schedule for subcontractor participation (SLBE Form-S). This form must be completed by all non-SLBE firms that subcontract to SLBE firms. A form must be submitted for each SLBE subcontractor. This form(s) must be reviewed and approved by the director of the Office of Small Business Opportunity before contract award.

SLBE schedule of size standard eligibility requirements. A document separate and apart from this division, adopted by the county council, which defines the SLBE size standard eligibility requirements, in number of employees and annual gross revenue dollars, applicable to the SLBE program. The size standards shall be reviewed not less than annually and adjusted periodically by the county council to meet changes in market conditions.

SLBE unavailability certification (SLBE Form-U). This form demonstrates a bidder's unsuccessful good faith effort to meet the small, local participation requirements of the contract. This form will only be considered after proper completion of the outreach and compliance efforts and methods used to notify and inform SLBE firms of contracting opportunities have been fully exhausted.

Small business enterprise ("SBE"). A small business enterprise is any for-profit enterprise as defined by S.C. Code 1976, Title 33, Chapter 31 that is not a broker, that is independently owned and operated, that is not a subsidiary of another business, and that is not dominant in its field of operation; and that also meets the size standard limitations as adopted and periodically amended in the SLBE schedule of size standard eligibility requirements. Once the gross annual receipts of a business exceed the gross sales average limits, it should no longer be eligible to benefit as an SLBE firm and should be graduated from the program. The size standards in number of employees and annual gross revenue dollars should be reviewed annually and adjusted periodically to meet economic changes. Joint ventures must be certified on a bid-by-bid basis. The joint venture shall not be subject to the average gross receipts and employee limits imposed

by this section. However, each individual business participating in the joint venture must be certified by the procurement department as an SLBE.

Small local business enterprise ("SLBE"). An independently owned firm that is not dominant in its industry, and that satisfies all requirements of being both a "small business enterprise" and a "local business enterprise."

Spend dollars. Dollars actually paid to prime and/or subcontractors and vendors for county contracted goods and/or services.

Subcontractor. Any vendor or contractor that is providing goods or services to a prime contractor in furtherance of the prime contractor's performance under a contract or purchase order with the county.

Suspension. The temporary stoppage of a SLBE firm's participation in the county's contracting process under the SLBE program for a finite period of time due to the cumulative contract payments the SLBE received during a fiscal year.

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 016-14HR, §§ II, III, 5-6-14; Ord. No. 050-14HR, § I, 10-21-14; Ord. No. 058-16HR, § II, 12-6-16)

📖 Sec. 2-640. Program objectives and general requirements.

(a) To meet the objectives of this program, the county is committed to:

(1) Increasing the participation of small local business enterprises ("SLBEs") in county contracting, and, to the extent possible, ameliorating through race- and gender- neutral means, any disparities in the participation of minority business enterprises or women business enterprises on county contracts;

(2) Regular evaluation regarding the progress of the program using accumulated availability and utilization data to determine specific program provisions that require modification, expansion, and/or curtailment;

(3) Establishing one (1) or more goal setting committee(s) ("GSCs") to provide guidance on the implementation of the rules under this policy;

(4) Continuous review and advice of the GSC in administering the policy and goals herein. The county's director of the Office of Small Business Opportunity shall determine the size of each GSC that is to be chaired by the procurement director. The procurement director shall also appoint the remaining members of the GSC from the county's procurement personnel and other county departments affected by this program; and

(5) Providing accountability and accuracy in setting goals and in reporting program results through the implementation of a mandatory centralized bidder registration process capable of identifying with specificity the universe of firms that are available and interested in bidding on and/or performing on county contracts, and of providing the means of tracking actual county bids, contract awards, and prime contract and subcontract payments to registered bidders on the basis of firm ownership status, commodity or sub-industry codes, firm location, and firm size. Accordingly, prime contractors and subcontractors will be required to register and input data into

the CBR or other related forms and systems as a condition of engaging in business with the county.

(b) At a minimum, the procurement director shall:

(1) Report to the county administrator and the county council on at least an annual basis as to the county's progress towards satisfying SLBE program objectives;

(2) Formulate program waivers, improvements and adjustments to the GSC goal-setting methodology and other program functions;

(3) Have substantive input in a contract specification review process to be undertaken in advance of the issuance of county's RFPs and bid solicitations to ensure that contract bid specifications are not unnecessarily restrictive and unduly burdensome to small, local, minority-owned, and other businesses;

(4) Receive and analyze external and internal information including statistical data and anecdotal testimonies it deems appropriate to effectively accomplish its duties; and

(5) Monitor and support the implementation of the rules under this program, and where appropriate, make recommendations to the county administrator for approval of changes to established size standards for SLBE firms, and provide notice of all approved changes to the county council.

(c) At a minimum, each goal setting committee shall:

(1) Meet as often as it deems necessary to accomplish its duties but not less than twice annually;

(2) Develop the SLBE goal setting methodology to be implemented by the director of the Office of Small Business Opportunity on a contract-by-contract basis; and

(3) Monitor and support the implementation of the rules under this program policy.

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 058-16HR, § III, 12-6-16)

Sec. 2-641. Eligibility for SLBE program.

(a) For the purpose of this program, a firm will be certified as a small and local business enterprise (SLBE) with the procurement department upon its submission of a completed certification form (SLBE Form-R), supporting documentation, and a signed affidavit stating that it meets all of the SLBE eligibility criteria as set forth below:

(1) It is an independently owned and operated for-profit business concern as defined by S.C. Code 1976, Title 33, Chapter 31 that is not a broker, that is not a subsidiary of another business, that is not dominant in its field of operation; whose owners are actively involved in day-to-day management and control of the business, and that also is performing a commercially useful function;

(2) It meets size standard eligibility requirements for small business enterprises as adopted and periodically amended in the SLBE schedule of size standard eligibility requirements;

Once the gross annual revenues of a business exceed the three (3)-year average gross annual revenue limits, it should no longer be eligible to benefit as an SLBE firm and should be permanently graduated from the program. The size standards in number of employees and annual gross revenue dollars should be reviewed annually and adjusted periodically to meet changes in market conditions. Joint ventures must be certified on a bid-by-bid basis. The joint venture itself shall not be subject to the size standard limitations imposed by this section. However, each individual business participating in the joint venture must be certified by the procurement department as an SLBE in order for the joint venture to receive the benefits of the SLBE program;

(3) The firm is a local business enterprise as defined in this division with a principal place of business or significant employee presence or significant business presence in Richland County as defined herein;

(4) The firm has established its principal place of business or significant employee presence or significant business presence in Richland County for at least one (1) year prior to seeking certification as an SLBE; and

(5) In the year preceding the date of the initial certification application, the applicant has not received more than one million (\$1,000,000) dollars in county contract payments as a result of contract awards from the county achieved through an open competitive bidding process.

(b) Upon receipt of SLBE certification or re-certification applications, the director of the Office of Small Business Opportunity or designated procurement department staff shall review all enclosed forms affidavits and documentation to make a prima facie determination as to whether the applicant satisfies the SLBE eligibility requirements as set forth in this policy. Applicants determined ineligible to participate as a SLBE shall receive a letter from the director of the Office of Small Business Opportunity stating the basis for the denial of eligibility. Applicants determined ineligible shall not be eligible to submit a new application for one (1) year after the date of the notice of denial of eligibility.

(c) Applicants determined eligible to participate in the SLBE program shall submit a completed re-certification form (SLBE Form-R) every two (2) years to the procurement department for review and continued certification. However, upon application for re-certification, an SLBE firm must be an independently owned and operated business concern, and maintain a principal place of business or significant employment presence in Richland County in accordance with this Section [2-641](#). To qualify for re-certification, an SLBE's maximum employment numbers and annual gross revenues average for the three (3) fiscal years immediately preceding the application for re-certification shall not exceed the size standard eligibility requirements.

(d) In the course of considering the certification or re-certification status of any SLBE firm, the director of the Office of Small Business Opportunity or his or her designees shall periodically conduct audits and inspect the office, job site, records, and documents of the firm, and shall interview the firm's employees, subcontractors, and vendors as reasonably necessary to ensure that all eligibility standards are satisfied and that the integrity of the SLBE program is maintained.

(e) For purposes of this program, a firm will be certified as an emerging SLBE by the procurement department upon its submission of a completed certification form (SLBE Form-R), supporting documentation, and a signed affidavit stating that it meets all of the emerging SLBE eligibility criteria as set forth below:

(1) The firm complies with SLBE criteria as specified above in Section [2-641](#) (a)(1), (a)(3) and (a)(4);

(2) The firm has been in existence for less than five (5) years;

(3) The firm has no more than five (5) full-time employees; and

(4) The firm's annual gross revenues as averaged over the life of the firm are less than one million (\$1,000,000 dollars).

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 016-14HR, § IV, 5-6-14; Ord. No. 050-14HR, § II, 10-21-14; Ord. No. 058-16HR, § III, 12-6-16)

Sec. 2-642. Graduation and suspension criteria.

(a) A bidder may not count towards its SLBE or emerging SLBE participation the amount subcontracted to an SLBE or emerging SLBE firm that has graduated or been suspended from the program as follows:

(1) An SLBE firm shall be permanently graduated from the SLBE program after it has received a cumulative total of five million (\$5,000,000) dollars of county- funded prime contract or subcontract payments in at least five (5) separate contracts since its initial certification as an SLBE firm;

(2) An SLBE firm shall be permanently graduated from the SLBE program after its three (3) fiscal year average gross sales exceed the size standard eligibility requirements;

(3) An SLBE firm shall be temporarily suspended by the director of the Office of Small Business Opportunity for the balance of any fiscal year after it has received a cumulative total of one and one-half million (\$1,500,000) dollars in payments as a prime contractor and/or subcontractor for that fiscal year; provided, however, that the SLBE firm shall be eligible to participate in affirmative procurement initiatives in the following fiscal year so long as the firm has not yet satisfied the graduation criteria;

(4) An SLBE firm may have its SLBE eligibility permanently revoked by the director of the Office of Small Business Opportunity if it fails to perform a commercially useful function under a contract, or if it allows its SLBE status to be fraudulently used for the benefit of a non-SLBE firm or the owners of a non-SLBE firm so as to provide the non-SLBE firm or firm owners benefits from affirmative procurement initiatives for which the non-SLBE firm and its owners would not otherwise be entitled;

(5) An emerging SLBE firm shall be permanently graduated from emerging SLBE status after it has received a cumulative total of two and one-half million (\$2,500,00) dollars of county-funded prime contracts or subcontract payments in at least five (5) separate contracts since its initial certification as an emerging SLBE firm;

(6) An emerging SLBE firm shall be permanently graduated from emerging SLBE status once its three (3)-year average annual gross sales exceeds two million (\$2,000,000) dollars; and

(7) An emerging SLBE firm shall be temporarily suspended from emerging SLBE status by the director of the Office of Small Business Opportunity for the balance of any fiscal year after it has received a cumulative total of seven hundred fifty thousand (\$750,000) dollars in payments as a prime contractor and/or subcontractor for that fiscal year; provided, however, that the emerging SLBE firm shall be eligible to continue participating in affirmative procurement initiatives as an SLBE firm for the remainder of the fiscal year, and may also participate in affirmative procurement initiatives as an emerging SLBE firm in the following fiscal year so long as the firm has not yet satisfied the graduation criteria for such status.

(b) The director of the Office of Small Business Opportunity shall provide written notice to the SLBE firm or emerging SLBE firm upon graduation or suspension from the SLBE program, and such notice shall clearly state the reasons for such graduation or suspension.

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 058-16HR, § III, 12-6-16)

Sec. 2-643. Appeals.

A business concern that is denied eligibility as an SLBE or as an emerging SLBE, or who has its eligibility revoked, or who has been denied a waiver request can appeal the decision to the county administrator. A written notice of appeal must be received by the county administrator within fifteen (15) days of the date of the decision. Upon receipt of a timely notice of appeal and request for hearing, the director of the Office of Small Business Opportunity, or designee (other than the director of the Office of Small Business Opportunity), shall also participate in a hearing conducted by the county administrator or the county administrator's designee soon as practicable. The decision of the county administrator, or designee, shall be the final decision of the county.

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 058-16HR, § III, 12-6-16)

Sec. 2-644. Affirmative procurement initiatives for enhancing SLBE and emerging SLBE contract participation.

(a) The county in conjunction with the appropriate contract officer and the director of the Office of Small Business Opportunity may utilize the following affirmative procurement initiatives in promoting the award of county contracts to SLBEs or emerging SLBEs.

(1) *Bonding and insurance waiver.* The county, at its discretion, may waive or reduce the bonding, or insurance requirements depending on the type of contract and whether the county determines that the bonding and or insurance requirements would deny the SLBE or emerging SLBE an opportunity to perform the contract which the SLBE or emerging SLBE has shown itself otherwise capable of performing.

(2) *Price preferences.* The county may award a contract to a SLBE or emerging SLBE which submits a bid within ten percent (10%) (inclusive) of a low bid by a non-SLBE. However, this price preference would not apply if the award to the SLBE would result in a total contract cost that is, on an annual basis, more than twenty-five thousand (\$25,000) dollars higher than the low bid; nor would it apply on a contract in which the total contract cost would exceed the county's budgeted price for the contract.

(3) *Evaluation preferences.* The county may reserve up to twenty percent (20%) of the total points available for evaluation purposes for respondents to an RFP to firms that are certified as SLBE or emerging SLBE firms, or to joint ventures that have SLBE and/or emerging SLBE partners:

a. For architectural and engineering, professional services, other services, and design/build or CM at risk contracts that are awarded based on evaluation criteria, there shall be SLBE or emerging SLBE participation criterion for all contracts let at predetermined percentage of the total points awarded. The determination will be made using the suggested model outlined in the Point Evaluation Table below:

<i>POINT EVALUATION TABLE</i>	
<i>10 Points for SLBE Participation</i>	<i>20 Points for SLBE</i>
> 51% =10 points	>51% = 20 points
> 45% = 7 points	> 45% =17 points
> 40% = 6 points	> 40% =16 points
> 35% = 5 points	> 35% =14 points
> 30% = 4 points	> 30% =12 points
> 25% = 3 points	> 25% =10 points
> 20% = 2 points	> 20% = 8 points
> 15% = 1 point	> 15% = 6 points
	> 10% = 4 points

Contractors may be evaluated on their SLBE or emerging SLBE participation by utilizing the following schedule, which is most often used by architectural and engineering:

<i>Points Awarded</i>	<i>% of Participation Criteria</i>
5.0 51- 100	Proposals by registered SLBE owned and/or controlled firms
4.0 36-50	Majority prime with registered SLBE participation
3.0 30-35	Majority prime with registered SLBE participation
2.0 24-29	Majority prime with registered SLBE participation
0 0-23	Less than the goal for registered SLBE participation

(4) *Mandatory subcontracting.*

a. The goal selection committee may, on a contract-by-contract basis, at its discretion, require that a predetermined percentage of a specific contract, up to forty percent (40%), be subcontracted to eligible SLBEs or to eligible emerging SLBEs, provided however, that if the prime contractor is a certified SLBE or emerging SLBE, then the prime contractor shall be able to count the dollar value of the work performed by its own forces towards satisfaction of the mandatory subcontracting goal for that contract.

b. An SLBE or emerging SLBE prime contractor may not subcontract more than forty-nine percent (49%) of the contract value to a non-SLBE.

c. A prospective bidder on a county contract shall submit at the time of bid SLBE - Form S providing the name of the SLBE or emerging SLBE subcontractor or subcontractors and describing both the percentage of subcontracting by the SLBE or emerging SLBE, and the work to be performed by the SLBE or emerging SLBE. A bidder may request a full or partial waiver of this mandatory subcontracting requirement from the director of the Office of Small Business Opportunity for good cause by submitting the SLBE unavailability certification form to the director of the Office of Small Business Opportunity at the time of bid. Under no circumstances shall a waiver of a mandatory subcontracting requirement be granted without submission of adequate documentation of good faith efforts by the bidder and careful review by the director of the Office of Small Business Opportunity. The director of the Office of Small Business Opportunity shall base his or her determination on a waiver request on the following criteria:

1. Whether the requestor of the waiver has made good faith efforts to subcontract with qualified and available SLBEs or emerging SLBEs;

2. Whether subcontracting would be inappropriate and/or not provide a "commercially useful function" under the circumstances of the contract; and

3. Whether there are no certified SLBE or emerging SLBE firms that are qualified and available to provide the goods or services required.

d. In the absence of a waiver granted by the director of the Office of Small Business Opportunity, failure of a prime contractor to commit in its bid or proposal to satisfying the mandatory SLBE subcontracting goal shall render its bid or proposal non-responsive.

e. In the absence of a waiver granted by the director of the Office of Small Business Opportunity, failure of a prime contractor to attain a mandatory subcontracting goal for SLBE participation in the performance of its awarded contract shall be grounds for termination of existing contracts with the county, debarment from performing future county contracts, and/or any other remedies available under the terms of its contract with the county or under the law.

f. A prime contractor is required to notify and obtain written approval from the director of the Office of Small Business Opportunity in advance of any reduction in subcontract scope, termination, or substitution for a designated SLBE or emerging SLBE subcontractor. Failure to do so shall constitute a material breach of its contract with the county.

(5) *Sheltered market.*

a. The director of the Office of Small Business Opportunity and the appropriate county contracting officer may select certain contracts which have a contract value of five hundred thousand (\$500,000) dollars or less for award to a SLBE or a joint venture with a SLBE through the sheltered market program. Similarly, the director of the Office of Small Business Opportunity and the appropriate county contracting officer may select certain contracts that have a value of fifty thousand (\$50,000) dollars or less for award to an emerging SLBE firm through the sheltered market program.

b. In determining whether a particular contract is eligible for the sheltered market program, the county's contracting officer and director of the Office of Small Business Opportunity shall consider: whether there are at least three (3) SLBEs or emerging SLBEs that are available and capable to participate in the sheltered market program for that contract; the degree of underutilization of the SLBE and emerging SLBE prime contractors in the specific industry categories; and the extent to which the county's SLBE and emerging SLBE prime contractor utilization goals are being achieved.

c. If a responsive and responsible bid or response is not received for a contract that has been designated for the sheltered market program or the apparent low bid is determined in the procurement director's discretion to be too high in price, the contract shall be removed from the sheltered market program for purposes of rebidding.

(6) *Competitive business development demonstration project.*

a. With the concurrence of the director of the Office of Small Business Opportunity, the appropriate county contracting officer may reserve certain contracts for placement into a competitive business development demonstration project ("CBD demonstration project") wherein those contracts require the purchase of goods or services from an industry that routinely has too few sources of bidders to provide meaningful or sufficient competition for such county contracts. The purpose for the placement of a contract into the CBD demonstration project shall be to encourage the development of new capacity within an industry to competitively bid on the future supply of specialized goods or services to the county.

b. Contracts reserved for CBD demonstration projects shall be subject to a request for proposals process whereby the selected firm will be required to be a joint venture between an established firm or experts in that relevant industry and an SLBE firm. The scope of work for the selected joint venture shall include teaching a hands-on curriculum to SLBE firms that have expressed an interest in diversifying into the relevant industry, in addition to performing the customary functions of the contract. This curriculum shall include both administrative skills (e.g. cost estimating, bidding, staffing, project management) and technical skills (e.g., hands-on demonstration of how to perform necessary tasks in the field) required to qualify for future county contracts and to successfully compete in the industry.

c. The director of the Office of Small Business Opportunity shall be required to select SLBE candidate firms for participation on such CBD demonstration projects on the basis of an assessment of their current capabilities and their likely success in diversifying into the new relevant industry once given technical assistance, training, and an opportunity to develop a performance track record in the industry.

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 028-16HR, § I, 7-26-16; Ord. No. 058-16HR, § III, 12-6-16)

Sec. 2-645. SLBE program performance review.

(a) The director of the Office of Small Business Opportunity or designee shall monitor the - implementation of this policy and the progress of this program. On at least an annual basis, the director of the Office of Small Business Opportunity or designee shall report to the county administrator and county council on the progress of achieving the goals established for awards to certified SLBE and emerging SLBE firms, reporting both dollars awarded and expended. In addition, the director of the Office of Small Business Opportunity or designee shall report on the progress in achieving the stated program objectives, including, but not limited to, enhancing competition, establishing and building new business capacity, and removing barriers to and eliminating disparities in the utilization of available minority business enterprises and women business enterprises on county contracts.

(b) The county shall periodically review the SLBE program to determine whether the various contracting procedures used to enhance SLBE contract participation need to be adjusted or used more or less aggressively in future years to achieve the stated program objectives. The county council shall conduct a public hearing at least once every two years in order to solicit public comments on the program.

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 058-16HR, § III, 12-6-16)

Sec. 2-646. Conflicts.

To the extent language in this division conflicts with other language in Article X, the language in this division controls only with respect to contracts wherein the small local business enterprise program is being applied by the director of the Office of Small Business Opportunity. In all other respects, prior language in this article shall remain in full force and effect.

(Ord. No. 049-13HR, § II, 9-17-13; Ord. No. 058-16HR, § III, 12-6-16)

DIVISION 8. COMMERCIAL NONDISCRIMINATION ORDINANCE

Sec. 2-647. General provisions.

(a) *Statement of policy.* It is the policy of the county not to enter into a contract or to be engaged in a business relationship with any business entity that has discriminated in the solicitation, selection, hiring or commercial treatment of vendors, suppliers, subcontractors or commercial customers on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendor's, supplier's or commercial customer's employees or owners; provided that nothing in this policy shall be construed to prohibit or limit otherwise lawful efforts to remedy the effects of discrimination that have occurred or are occurring in the relevant marketplace.

(b) *Implementation.* The small local business enterprise division shall implement this ordinance by periodically conducting outreach and distributing educational materials to the county's contracting and vendor community and related trade associations to advise such contractors, vendors and prospective offerors of this ordinance and the procedures to be followed

in submitting complaints alleging violations of this ordinance. The director of procurement, in consultation with the county attorney, shall promulgate regulations and procedures to establish due process for the filing of complaints pursuant to this ordinance, as well as for the investigation of complaints, the conduct of administrative hearings, the issuance of factual determinations, the establishment of an appeals process, and the establishment and application of sanctions and other remedies pursuant to this ordinance. In addition, the county administrator or designee, the director of procurement, and the county attorney's office shall insure that the following commercial nondiscrimination clause language is set forth in, and incorporated into, all the county contracts that result from formally advertised solicitations:

(1) Every contract and subcontract shall contain a nondiscrimination clause that reads as follows:

As a condition of entering into this agreement, the Contractor represents and warrants that it will comply with the County's Commercial Nondiscrimination Ordinance, as described under Section [2-647](#) of the Richland County Code of Ordinances. As part of such compliance, the Contractor shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall the Contractor retaliate against any person for reporting instances of such discrimination. The Contractor shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the County's relevant marketplace. Moreover, the Contractor affirms that it will cooperate fully with any County inquiries regarding Contractor's compliance with this Ordinance. The Contractor understands and agrees that a material violation of this clause shall be considered a material breach of this agreement and may result in termination of this agreement, disqualification of the Contractor from participating in County contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

(2) All formal solicitations issued for county contracts shall include the following certification to be completed by the offeror:

The undersigned Offeror hereby certifies and agrees that the following information is correct:

In preparing its response on this project, the Offeror has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in "discrimination" as defined in the County's Commercial Nondiscrimination Ordinance, Section [2-647](#); to wit: discrimination in the solicitation, selection or commercial treatment of any subcontractor, vendor, supplier or commercial customer on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, or on the basis of disability or other unlawful forms of discrimination. Without limiting the foregoing, "discrimination" also includes retaliating against any person or other entity for reporting any incident of "discrimination". Without limiting any other provision of the solicitation for responses on this project, it is understood and agreed that, if this certification is false, such false certification will constitute grounds for the County to reject the response submitted by the Offeror on this project,

and terminate any contract awarded based on the response. As part of its response, the Offeror shall provide to the County a list of all instances within the immediate past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the State of South Carolina that the Offeror discriminated against its subcontractors, vendors, suppliers or commercial customers, and a description of the status or resolution of that complaint, including any remedial action taken. As a condition of submitting a response to the County, the Offeror agrees to comply with the County's Commercial Nondiscrimination Ordinance, Section [2-647](#) of the Richland County Code of Ordinances, and further agrees to fully cooperate with the County in its inquiries relating to compliance with this Ordinance.

(Ord. No. 016-14HR, § V, VI, 5-6-14)

DIVISION 9. PROMPT PAYMENT REQUIRED

📖 Sec. 2-648. Prompt payment required.

(a) Right of county prime contractor and subcontractor to prompt payment.

(1) Performance by a prime contractor in accordance with the provisions of its Richland County contract entitles prime contractor to payment from the county in a prompt manner. Provided there are no bona fide disputes relating to the adequacy of performance by the contractor, the county shall pay contractor no later than thirty (30) days after receipt of a proper invoice from the contractor that summarizes the services provided or goods delivered to county by contractor and the cost of same. For each thirty (30)-day interval that payment from the county is late, contractor shall be entitled to interest penalty payments from the county equal to five percent (5%) of the late balance. This late penalty fee payment shall be in addition to the payment of the undisputed original balance due by the county.

(2) Performance by a subcontractor in accordance with the provisions of its subcontract agreement with county's prime contractor while providing goods or services on behalf of Richland County entitles subcontractor to payment from the prime contractor in a prompt manner. Provided there are no bona fide disputes relating to the adequacy of performance by the subcontractor, the prime contractor shall pay subcontractor no later than seven (7) days after prime contractor has received payment from the county for the goods or services that subcontractor has properly invoiced prime contractor for by summarizing the goods or services delivered on behalf of the county through the prime contractor.

Alternatively, in instances where, through no fault of subcontractor, prime contractor has not been paid by the county for goods or services rendered by subcontractor, and more than thirty-seven (37) days have lapsed since prime contractor received a proper invoice from subcontractor, the prime contractor shall authorize the county to pay subcontractor's undisputed invoice directly and to then deduct subcontractor's payment portion from prime contractor's account receivables due under its contract with the county. For each thirty (30)-day interval beyond thirty-seven (37) days that payment to subcontractor is late, subcontractor shall be entitled to an interest penalty fee equal to five percent (5%) of the late balance. This late penalty fee shall be in addition to the payment of the undisputed original balance due by the prime contractor, and shall be payable by either the prime contractor or the county depending upon which party is responsible for the late payment under these terms.

(3) The county shall place language establishing these prompt payment terms as described above in (1) and (2) in any county bid solicitation and resulting contract awarded under county ordinance, [Chapter 2](#), Administration, Article X, Purchasing, § [2-591](#) and in each instance wherein the county determines to apply the provisions of county ordinance, [Chapter 2](#), Administration, Article X, Purchasing, Division 7 to a solicitation. In addition, each prime contractor shall be required to include similar prompt payment flow-down provisions for each tier of subcontractors that perform services or provide goods on behalf of the county through the prime contractor or a subcontractor.

(4) Any prevailing party that makes a final written demand for payment and late penalty fees to the responsible party pursuant to this ordinance and fails to receive payment in full within thirty (30) days, and subsequently takes legal recourse to enforce these prompt payment provisions, shall also be entitled to the award of reasonable attorneys' fees by a court of competent jurisdiction.

(b) Grounds on which county, prime contractor, or subcontractor may withhold application and certification for payment; contract terms unaffected.

(1) Nothing in this ordinance prevents the county, the contractor, or a subcontractor from withholding application and certification for payment because of the following: unsatisfactory job progress, defective construction not remedied, disputed work, third party claims filed or reasonable evidence that claim will be filed, failure of contractor or subcontractor to make timely payments for labor, equipment, and materials, damage to county, contractor, or another subcontractor, reasonable evidence that contract or subcontract cannot be completed for the unpaid balance of the contract or subcontract sum, or a reasonable amount for retainage.

(2) Nothing in this ordinance requires that payments due a contractor from the county be paid any more frequently than as set forth in the construction documents, nor shall anything in this ordinance affect the terms of any agreement between the county and any lender.

(c) Failure of contractor or subcontractor to make timely payments. In addition to the interest on late payments provided in section (a), if any contractor or subcontractor makes late payments more than three (3) times during the course of a contract, unless sufficient justification is made to the county and the county determines not to count the payment as late, the county can withhold the amount of the late payment due from the contractor to the subcontractor or to the lower tier subcontractor and make such late payment directly to the subcontractor or the lower tier subcontractor.

(Ord. No. 029-14HR, § I, 6-3-14)



OSBO Ad Hoc Committee Meeting
Briefing Document

Agenda Item

SLBE Program Graduate Recommendations

Background

The County's Small Local Business Enterprise Program governed by County Ordinance No. 049-13HR and instituted to ensure broad-based competition from all segments of the vendor community.

Ordinance 049-13HR; Sec. 2-641 Eligibility for the Small Local Business Enterprises (SLBE) Program states:

"Once the gross annual revenues of a business exceed the three-year average gross annual revenue limits, it should no longer be eligible to benefit as an SLBE firm and should be permanently graduated from the program."

Pursuant to this ordinance, staff is recommending the following SLBEs for graduation as these firms have exceeded the SLBE program's gross annual revenue (GAR) standards:

- Chao & Associates
- Cox & Dinkins
- Dennis Corporation
- OLH, Inc.
- Premier Constructors, Inc.

Staff is requesting authorization to proceed with distributing the attached graduation letters.

Issues

During the July 10, 2018 OSBO Ad Hoc Committee meeting, members of the Committee expressed concerns regarding the SLBE's programs GAR standards.

Fiscal Impact

None

Past Legislative Actions

None

Alternatives

1. Consider the request and proceed accordingly.
2. Consider the request and do not proceed accordingly.

Staff Recommendation

Staff recommends proceeding with transmitting the graduation letters as presented in the agenda packet.



FIRMS EXCEED GROSS ANNUAL REVENUE (GAR) STANDARDS

Applicant's Name	Category	Taxes (3yrs)	GAR	Contracts Awarded	Comments
Civil Engineering; NAICS 541330 - Engineering Svc	Professional	2013	\$4,431,707	(2) Prime Contractor Awards	GAR > 3M Professional/Engineering Firm
		2014	\$5,678,226	Paid to Date: \$727,100.00	
		2015	<u>\$14,817,117</u>	AWD Value: \$2,180,747.00	
			\$24,927,050	\$8,309,017	
Chao & Associates; NAICS 541330 - Engineering Svc	Professional	2013	\$3,891,774	(7) Sub Contractor Awards	GAR > 3M Engineering/Professional Firm
		2014	\$4,550,964	Amt Paid to Date: \$258,125.00	
		2015	<u>\$4,144,622</u>	AWD Value: \$502,915	
			\$12,587,360	\$4,195,787	
Cox & Dinkins: NAICS 541330-Engineering Svc	Professional	2013	\$2,923,487	(2) Prime Contractor Awards	GAR > 3M
		2014	\$3,421,768	Paid to Date: \$1,209,889	
		2015	<u>\$4,246,517</u>	AWD Value: \$1,801,336	
			\$10,591,772	\$3,530,591	
Dennis Corp: NAICS 541330-Engineering Svc	Engineering	2013	\$5,096,022	(2) Prime Contractor Awards	GAR > 2.5 Engineering Firm
		2014	\$3,901,019	Paid to Date: \$1,763,290	
		2015	<u>\$3,447,608</u>	AWD Value: \$4,193,381	
			\$12,444,649	\$4,148,216	
OLH, Inc.: NAICS 541990-Professional Svc	Professional	2013	\$5,329,282	(2) Subcontractor Awards	GAR > 3M Professional Firm
		2014	\$6,634,623	Paid to Date: \$1,133,772	
		2015	<u>\$7,147,545</u>	AWD Value: \$1,331,052	
			\$19,111,450	\$6,370,483	

Premier Constructors, Inc. NAICS Codes: 238210 Electrical Contractors	Construction	2017	\$7,908,284	(3) Subcontractor Awards	GAR > 7M
		2016	\$4,342,874	Paid to Date: \$4,961,300	
		2015	<u>\$9,166,553</u>	AWD Value: \$4,761,856	
			\$21,417,711	\$7,139,237	

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October 1, 2018

Mr. Jimmy Chao
Chao & Associates, Inc.
7 Clusters Court
Columbia, SC 29210

RE: Gross Annual Revenue (GAR) Limits

Dear Mr. Chao:

The Richland County Office of Small Business Opportunity (OSBO) is committed to promoting, growing, building capacity, and providing resources to our small businesses through an inclusive, diverse, and supportive business environment. A significant component of our OSBO is the Small Local Business Enterprise Program governed by Richland County Ordinance No. 049-13HR and instituted to ensure broad-based competition from all segments of the vendor community.

Ordinance 049-13HR; Sec. 2-641 Eligibility for the Small Local Business Enterprises (SLBE) Program states that "Once the gross annual revenues of a business exceed the three-year average gross annual revenue limits, it should no longer be eligible to benefit as an SLBE firm and should be permanently graduated from the program."

The eligibility requirements and criteria for Engineering Services firms to remain in the SLBE Program are listed below. If one or both requirements are met, graduation is recommended for a firm.

- GAR within the largest primary NAICS commodity code averaged over the past three fiscal years may not exceed \$2.5 million dollars;
- No more than 50 full-time employees.

Upon our review of submitted documentation Chao & Associates, Inc. for the Renewal Certification Application in 2016, it has been determined that the three (3) year GAR for Chao & Associates, Inc. is \$4,195,787.00 which has exceeded the \$2.5 million dollars threshold for Engineering Services. Our calculations are based upon the firm's GAR for following last three (3) fiscal years when you lasted applied:

Year Ending	Gross Receipts
2015	\$4,144,622
2014	\$4,550,964
2013	\$3,891,774

Based on the calculations provided above and pursuant to Richland County Ordinance 049-13HR; Sec. 2-641, Chao & Associates, Inc. has met the SLBE Program graduation criteria. As a Richland County SLBE program



graduate, you will continue to have access to upcoming training and networking sessions provide by the OSBO. Additionally, we encourage you to serve as a mentor to emerging businesses in the SLBE program. Thank you for your participation in the SLBE program and congratulations on the success of your firm.

Should you have any questions or need additional information, please call me at (803) 576-1540.

Sincerely,

Erica B. Wade
Manager

Cc: Brandon Madden, Acting Director Government and Community Services

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October 1, 2018

Mr. Gene Dinkins
Cox & Dinkins, Inc.
724 Beltline Boulevard
Columbia, SC 29205

RE: Gross Annual Revenue (GAR) Limits

Dear Mr. Dinkins:

The Richland County Office of Small Business Opportunity (OSBO) is committed to promoting, growing, building capacity, and providing resources to our small businesses through an inclusive, diverse, and supportive business environment. A significant component of our OSBO is the Small Local Business Enterprise Program governed by Richland County Ordinance No. 049-13HR and instituted to ensure broad-based competition from all segments of the vendor community.

Ordinance 049-13HR; Sec. 2-641 Eligibility for the Small Local Business Enterprises (SLBE) Program states that "Once the gross annual revenues of a business exceed the three-year average gross annual revenue limits, it should no longer be eligible to benefit as an SLBE firm and should be permanently graduated from the program."

The eligibility requirements and criteria for Engineering Services firms to remain in the SLBE Program are listed below. If one or both requirements are met, graduation is recommended for a firm.

- GAR within the largest primary NAICS commodity code averaged over the past three fiscal years may not exceed \$2.5 million dollars;
- No more than 50 full-time employees.

Upon our review of submitted documentation by Cox & Dinkins, Inc. for the Renewal Certification Application in 2016, it has been determined that the three (3) year GAR for Cox & Dinkins, Inc. is \$3,530,591.00 which has exceeded the \$2.5 million dollars threshold for Engineering Services. Our calculations are based upon the firm's GAR for following last three (3) fiscal years when you lasted applied:

Year Ending	Gross Receipts
2015	\$4,246,517
2014	\$3,421,768
2013	\$2,923,487

Based on the calculations provided above and pursuant to Richland County Ordinance 049-13HR; Sec. 2-641, Cox & Dinkins has met the SLBE Program graduation criteria. As a Richland County SLBE program

graduate, you will continue to have access to upcoming training and networking sessions provide by OSBO. Additionally, we encourage you to serve as a mentor to emerging businesses in the SLBE program. Thank you for your participation in the SLBE program and congratulations on the success of your firm.

Should you have any questions or need additional information, please call me at (803) 576-1540.

Sincerely,

Erica B. Wade
Manager

Cc: Brandon Madden, Acting Director Government and Community Services

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October 1, 2018

Ms. Suzy Howell
Civil Engineering Consulting Services, Inc.
200 Park Street, Suite 201
Columbia, SC 29201

RE: Gross Annual Revenue (GAR) Limits

Dear Ms. Howell:

The Richland County Office of Small Business Opportunity (OSBO) is committed to promoting, growing, building capacity, and providing resources to our small businesses through an inclusive, diverse, and supportive business environment. A significant component of our OSBO is the Small Local Business Enterprise Program governed by Richland County Ordinance No. 049-13HR and instituted to ensure broad-based competition from all segments of the vendor community.

Ordinance 049-13HR; Sec. 2-641 Eligibility for the Small Local Business Enterprises (SLBE) Program states that "Once the gross annual revenues of a business exceed the three-year average gross annual revenue limits, it should no longer be eligible to benefit as an SLBE firm and should be permanently graduated from the program."

The eligibility requirements and criteria for Engineering Services firms to remain in the SLBE Program are listed below. If one or both requirements are met, graduation is recommended for a firm.

- GAR within the largest primary NAICS commodity code averaged over the past three fiscal years may not exceed \$2.5 million dollars;
- No more than 50 full-time employees.

Upon our review of submitted documentation by Civil Engineering Consulting Services, Inc. for the Renewal Certification Application in 2016, it has been determined that the three (3) year GAR for Civil Engineering Consulting Services, Inc. is \$8,309,017.00 which has exceeded the \$2.5 million dollars threshold for Engineering Services. Our calculations are based upon the firm's GAR for following last three (3) fiscal years when you lasted applied:

Year Ending	Gross Receipts
2015	\$14,817,117
2014	\$5,678,226
2013	\$4,431,707

Based on the calculations provided above and pursuant to Richland County Ordinance 049-13HR; Sec. 2-641, Civil Engineering Consulting Services has met the SLBE Program graduation criteria. As a Richland County SLBE program graduate, you will continue to have access to upcoming training and networking sessions provide by the OSBO. Additionally, we encourage you to serve as a mentor to emerging businesses in the SLBE program. Thank you for your participation in the SLBE program and congratulations on the success of your firm.

Should you have any questions or need additional information, please call me at (803) 576-1540.

Sincerely,

Erica B. Wade
Manager

Cc: Brandon Madden, Acting Director Government and Community Services

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October 1, 2018

Ms. Regina K. Bennett
OLH, Inc.
8300 Dunwoody Place, Suite 205
Sandy Springs, GA 30350

RE: Gross Annual Revenue (GAR) Limits

Dear Ms. Bennett:

The Richland County Office of Small Business Opportunity (OSBO) is committed to promoting, growing, building capacity, and providing resources to our small businesses through an inclusive, diverse, and supportive business environment. A significant component of our OSBO is the Small Local Business Enterprise Program governed by Richland County Ordinance No. 049-13HR and instituted to ensure broad-based competition from all segments of the vendor community.

Ordinance 049-13HR; Sec. 2-641 Eligibility for the Small Local Business Enterprises (SLBE) Program states that "Once the gross annual revenues of a business exceed the three-year average gross annual revenue limits, it should no longer be eligible to benefit as an SLBE firm and should be permanently graduated from the program."

The eligibility requirements and criteria for Engineering Services firms to remain in the SLBE Program are listed below. If one or both requirements are met, graduation is recommended for a firm.

- GAR within the largest primary NAICS commodity code averaged over the past three fiscal years may not exceed \$2.5 million dollars;
- No more than 50 full-time employees.

Upon our review of submitted documentation by OLH, Inc. for the Renewal Certification Application in 2016, it has been determined that the three (3) year GAR for OLH, Inc. is \$6,370,483.00 which has exceeded the \$3 million dollars threshold for Professional Services. Our calculations are based upon the firm's GAR for following last three (3) fiscal years when you last applied:

Year Ending	Gross Receipts
2015	\$7,147,545
2014	\$6,634,623
2013	\$5,329,282

Based on the calculations provided above and pursuant to Richland County Ordinance 049-13HR; Sec. 2-641, OLH has met the SLBE Program graduation criteria. As a Richland County SLBE program graduate, you will

continue to have access to upcoming training and networking sessions provided by the OSBO. Additionally, we encourage you to serve as a mentor to emerging businesses in the SLBE program. Thank you for your participation in the SLBE program and congratulations on the success of your firm.

Should you have any questions or need additional information, please call me at (803) 576-1540.

Sincerely,

Erica B. Wade
Manager

Cc: Brandon Madden, Acting Director Government and Community Services



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October 1, 2018

Mr. Freeman H. Bell
Premier Constructors, Inc.
102 Briargate Circle, Suite B.
Columbia, SC 29210

RE: Gross Annual Revenue (GAR) Limits

Dear Mr. Bell:

The Richland County Office of Small Business Opportunity (OSBO) is committed to promoting, growing, building capacity, and providing resources to our small businesses through an inclusive, diverse, and supportive business environment. A significant component of our OSBO is the Small Local Business Enterprise Program governed by Richland County Ordinance No. 049-13HR and instituted to ensure broad-based competition from all segments of the vendor community.

Ordinance 049-13HR; Sec. 2-641 Eligibility for the Small Local Business Enterprises (SLBE) Program states that "Once the gross annual revenues (GAR) of a business exceed the three-year average gross annual revenue limits, it should no longer be eligible to benefit as an SLBE firm and should be permanently graduated from the program."

The eligibility requirements and criteria for Engineering Services firms to remain in the SLBE Program are listed below. If one or both requirements are met, graduation is recommended for a firm.

- GAR within the largest primary NAICS commodity code averaged over the past three fiscal years may not exceed \$2.5 million dollars;
- No more than 50 full-time employees.

Upon our review of submitted documentation by Premier Constructors, Inc. for the Renewal Certification Application in 2016, it has been determined that the three (3) year GAR for Premier Constructors, Inc. is \$7,139,237.00 which has exceeded the \$7 million dollars' threshold for Construction Companies. Our calculations are based upon the firm's GAR for following last three (3) fiscal years:

Year Ending	Gross Receipts
2017	\$7,908,284
2016	\$4,342,874
2015	\$7,147,545

Based on the calculations provided above and pursuant to Richland County Ordinance 049-13HR; Sec. 2-641, Premier Constructors has met the SLBE Program graduation criteria. As a Richland County SLBE program

graduate, you will continue to have access to upcoming training and networking sessions provide by OSBO. Additionally, we encourage you to serve as a mentor to emerging businesses in the SLBE program. Thank you for your participation in the SLBE program and congratulations on the success of your firm.

Should you have any questions or need additional information, please call me at (803) 576-1540.

Sincerely,

Erica B. Wade
Manager

Cc: Brandon Madden, Acting Director Government and Community Services