

Pinellas County  
Small Business Enterprise  
Program  
Enhancement  
Findings & Recommendations

August 7, 2018



“...Even if you’re on the right track, you’ll get run over if you just sit there....”

Will Rogers



## Pinellas County Ordinance 2-165

- In 2002, the Board of County Commissioners approved the Pinellas County Small Business Assistance Program
- The ordinance provides for the establishment of a small business assistance program.....providing for the authority of the Board or the designee, providing for a business assistance office.....



## Target audience identification

### Two evaluation tools:

- Program eligibility standards
- Notice and Vendor Response



## Existing Eligibility Criteria:

- Commercially Useful function
- Principally domiciled in the county limits of Pinellas
- Annual Sales and number of employees of the business does not exceed the maximum 3 - year average gross revenue of two (2) million and a maximum of fifty (50) employees
- Small Business





## Recommended Eligibility Criteria

Based upon Small Business Local  
Conversation held at Collaborative Labs

- Commercially Useful Function
- Principally domiciled in the county limits of *Pinellas, Hillsborough, Polk, Manatee, Sarasota and Hernando*
- Annual Sales and number of employees of the business does not exceed the maximum 3-year average *net* revenue of two (2) million dollars or less for businesses providing goods and services *or eight (8) million dollars or less for construction service providers*
- Small business, *including minority, women and service - related disabled veterans*



## Vendor Communication

- One of the key tests in any assessment of small, women, veteran or minority owned business utilization is the individual company's awareness of the potential opportunity
- The famed minority business Supreme Court decision of Croson vs. the City of Richmond established the second fundamental inquiry before true measurement of utilization – were the vendors in question “ready, willing and able” to perform the desired service or deliver the solicited product?



## Communication - Quality Control & Validation

- Measurement of the quality of vendor communication is based upon two platforms:
  - Did the governmental agency adequately communicate the opportunity?
  - Do you have the capacity to measure the capable vendor community response to the confirmed invitation?





## Communication - Quality Control & Validation (continued)

- Existing Condition: Pinellas County's vendor communication capability - requires intensive care
- Recommendation: Adoption of a client management system that collects program participation, monitors utilization and provides a strategic communication tool for all stakeholders, vendors and users alike.
  - Having a technology - based communication tool adds great flexibility, efficiency, saves time, and ultimately diversifies the communication pathway by all parties.



## Internal Small Business Systems Infrastructure

- Existing Condition – Utilization Tracking:
  - Currently, there appears to be no capability to track small business utilization by the County – either overall or by department.
  - The current electronic application is the only process used to validate vendor eligibility.
    - This self-verifying process lacks monitoring, controls and ownership.
    - Moreover, entry and coding of the eligible prospective vendors by business size or diversity categories into the County's financial software is an essential companion component for reporting efficiency.



## Internal Small Business Systems Infrastructure (continued)

- Existing Condition: Construction – related Spending
  - The use of general contractors, construction management firms and other construction - related firms thru the Consultant Competitive Negotiation Act (CCNA) requires a parallel monitoring capability,
  - In these instances, the County is engaging prime vendors to contract and spend on its behalf
  - The challenge – because subcontractors or subconsultants are paid by the prime vendor, not the County, vendor coding doesn't provide the bridge needed for accountability and tracking of this critical small business utilization platform.



# Internal Small Business Systems Infrastructure (continued)

- Existing Condition: Inter – Agency County Tax Funding
  - Failure to extend the small business program to agencies who receive County tax funding
  - Exclusion of inter- agency transfers is an opportunity exemption, within which the County's small business community loses the capability to compete and serve





## Internal Small Business Systems Infrastructure (continued)

- Existing Condition: Managerial / Supervisory Discretionary Spending
  - The capacity for supervisors and managers to purchase non-bid list items – mostly today done thru P-cards.
  - A wonderful small business opportunity is missed if not seen thru the lens of small business utilization.
  - The out of sight alignment means that classic “low-hanging fruit” has been missed – when a supervisor or manager could impact small business utilization right now.



# Internal Small Business Systems Infrastructure (continued)



- Existing Condition – Minimal Organizational Chart Presence
  - Reliance upon vendor good faith effort and a limited internal platform predictably yields the County's unimpressive outcomes.
  - The absence of cross – departmental senior – level program ownership. As a result, the limited small business internal infrastructure of the County undercuts potential staff creativity, sends the message that accountability is not a priority and assures that small business utilization sustainability will always be at best elusive.



## Performance Assessment Tools

- Existing Condition – Limited Capacity for Statistical Analysis
  - In race based vs. race neutral business program litigation, statistical analytics became the key component in determining legally defensible or indefensible outcomes.
  - The County has a limited platform to deliver a data driven SBE program which would insure supply chain diversification
  - Without data confirmation, the absence of race - based animus in the decision process for securing County goods or services cannot be validated.



## Performance Assessment Tools

- Existing Condition – Limited Capacity for Statistical Analysis (continued)
  - Can the County today engage in verifiable small business utilization performance assessment? Our conclusion – no.
  - Can the County today confirm that racial disparities between opportunity and utilization in tax spending do not exist? Our conclusion – no.
  - Is there the data to assess the absence or presence of race – based disparity in the selection of service or product providers? Our conclusion – no.





# Findings



- Pinellas County currently has a small business program that has individual components that are not tied into a cohesive delivery system.
- Program compliance is driven by undefined “good faith” solicitation efforts, without dedicated staff and without a framework for defining such an intangible and elusive standard.
- Additional staffing for a proper implementation foundation is immediately needed to address this functional gap, otherwise the Program will continue its “name only” status.



## Findings:

- In the absence of enforcement criteria or performance measurement, the County is left with an initiative dictated by the whim of its prime vendors.
- The Board of County Commissioners and County Administrator have asked its Economic Development Department, in collaboration with Purchasing and the Office of Technology & Innovation, to facilitate the realignment of the current SBE program



## Recommendations – Phase 1

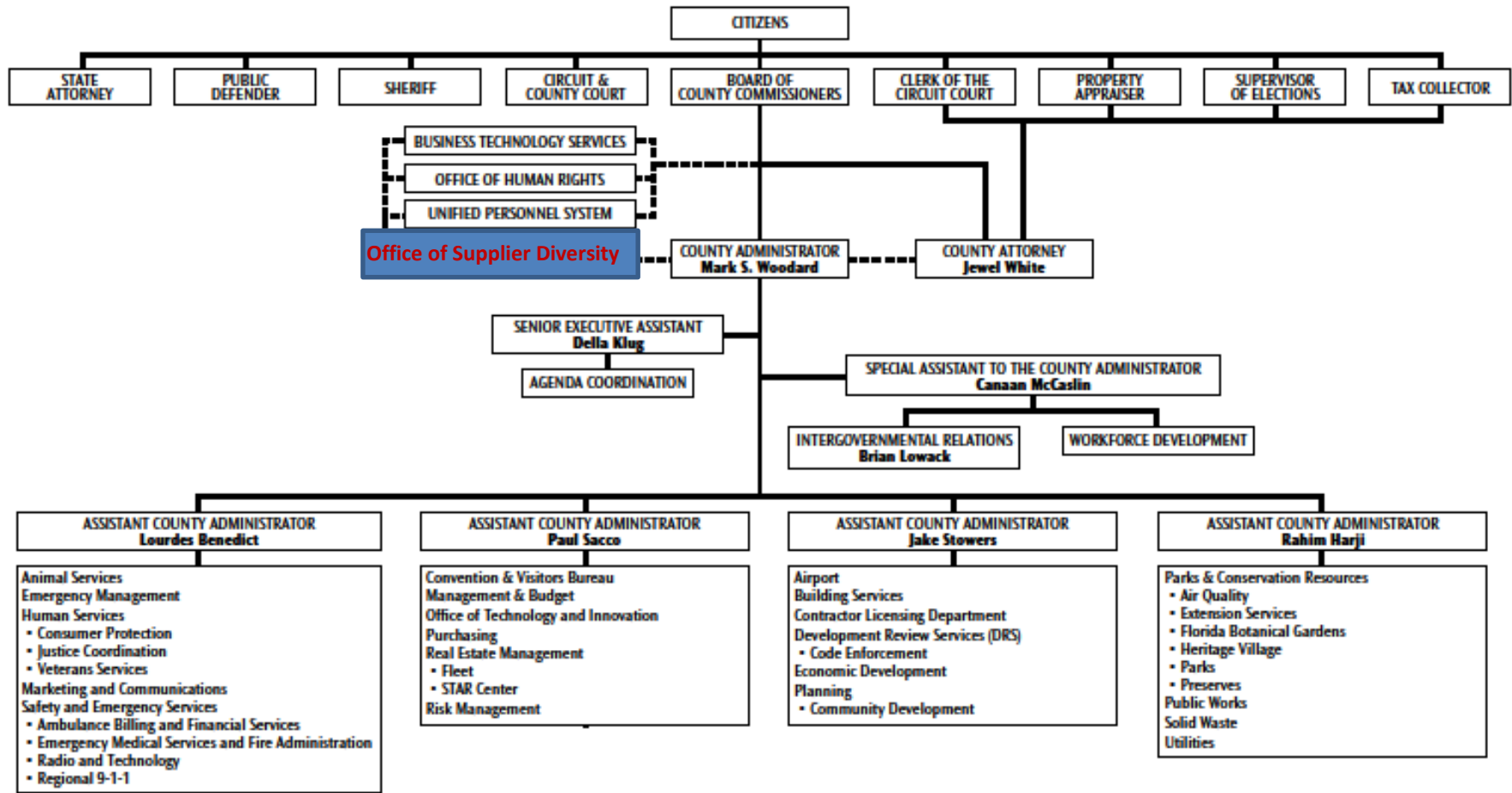
### Software & Leadership Realignment:

- B2G Diversity Management Software installation and training is an urgent realignment first step.
- The ongoing day to day installation and operations associated with projected enhancements to the County's Small Business Program must be delegated to a new position that reports to the County Administrator.
  - The failure to implement this action step will handicap the required short and long-term cross-departmental coordination.

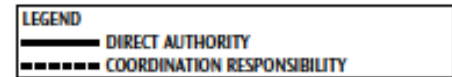




# Government Organizational Chart



## SBE Program Org Chart Recommendation





## Recommendations – Phase 2

### Staff Deployment

- Staff has recommended funding for four (4) staff positions to facilitate the enhancement of the SBE Program. We concur with this investment recommendation as mandatory to trigger meaningful analysis and performance accountability.
- The recommended four positions offer a proper allocation of staff resources to align both Purchasing and Economic Development to fast track the multi-layered protocol required for software integration, vendor communication / registration, bid analysis and end-user department scope evaluation and assistance.



## Recommendation – Phase 2

### Staff Deployment (continued)

- Equally critical is the ability to grow the pool of competition,
- Staff working with end user departments to unbundle bids or Requests for Proposal modification is a key element to the anticipated cost savings which is the short and long - term yield from this enhancement.
- The quicker these human resources are deployed accelerates the potential for competitive cost of doing business reduction.



## Recommendation – Phase 3

### Vendor Certification Policy & Procedures

- Vendor Certification Reciprocity:
  - City of St. Petersburg,
  - Hillsborough County,
  - City of Tampa,
  - Hillsborough County School Board,
  - Hillsborough County Aviation Authority
  - State of Florida
  
- Uncertified Vendor Applications:
  - City of St. Petersburg
  - Hillsborough County
  - State of Florida



## Recommendation – Phase 3

### SBE Program Best Practices

- Training Program

Doing Business with the County as a SBE Program registration prerequisite

- Sheltered Market Component

Increase informal contract maximum value from \$25,000 to \$100,000

- Consultant Competitive Negotiation Act Selection (CMs, Architects, Engineers)

Expand point system to award prime vendors for SBE utilization





## Recommendation – Phase 3

### SBE Program Best Practices (continued)

- Informal Dispute Resolution

System to intervene in vendor related disputes in a non – binding format

- Insurance Liability and Related Coverage Requirements

Joint effort with SBE Program and Risk Management to explore flexible risk allocation strategies

- Disparity Study Delay

- Consultant cost = to one year of the proposed staff
- Implement aggressive SBE platform while installing measurement capacity
- Initiate study in time frame to test SBE utilization initiatives as well as need for race – based goals.



“Purpose without priority is  
powerless”.

Gary Keller  
“the One Thing”

