

# Executive Order 20: Advancing Equity for Small, Women, and Minority-Owned Businesses

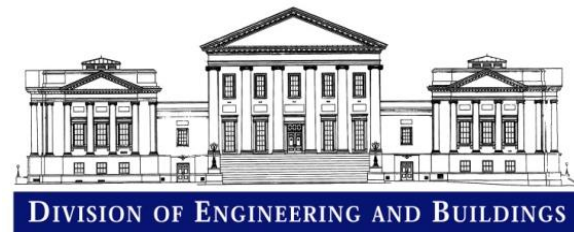


FORUM 2015

Presented by

**Ed Gully, P.E.**

Director, DGS Division of  
Engineering and Buildings



# Overview



- **Definitions**
- **What has not changed**
- **What has Changed**
- **Procurement Plan**
  - **IFB Construction**
  - **RFP Construction**
- **Set-Aside Program: Construction**
- **Procurement Plan- RFP Professional Services**
- **Set-Aside Program for Professional Services**
- **A/E Term Contracts for Professional Services**

# Definitions



## Micro Business

- Certified by Dept. of Small Business and Supplier Diversity (DSBSD)
- No more than 25 employees **AND** \$3M in annual revenue

## Small Business

- Certified by DSBSD
- 250 or fewer employees **OR** \$10M or less average annual gross

# What Has Not Changed



- Race and gender-neutral program
- Firms **must be** DSBSD certified
- Decentralized program that is managed by each agency
- Purchases greater than \$30k and up to \$100k require:
  - Posting of initial public notice
    - not required if using DEB Pre-Qualified Pool
  - Posting of notice of award

# What Has Changed

1 of 2



- Small business participation goal increased from 40% to 42%
- Micro small business designation created
- Set aside programs created
  - Construction  $\leq$  \$100k
  - Professional Services  $\leq$  \$50k
- Emphasis on ensuring and documenting compliance
- Review prior small business compliance before renewing or issuing new contracts

# What Has Changed

2 of 2



- Added a requirement for a procurement plan to accompany all bids/proposals
  - Construction procured via Invitation for Bid (IFB) or Design-Bid-Build
  - Construction procured via Request for Proposal (RFP)
  - Professional Services procured via Request for Proposal (RFP)

# Procurement Plan- IFB Construction



1 of 2

- Construction procured via IFB or Design-Bid-Build
  - Bidders are required to include their small business participation percentage on the bid form
  - Must be equal to or greater than agency's minimum requirement
- Compliance Concept
  - Procurement plan represented by the small business participation percentage
  - Zero is acceptable if the agency has chosen not to specify a minimum
  - Bidders are considered responsive if their percentage entry is greater than or equal to the minimum specified by the agency



## Tools to evaluate requirements:

- No evaluation of prior small business compliance
  - Cost is basis of award
- Evaluate proposed small business procurement plan on the bid form
  - Bidder is considered responsive/non-responsive based on small business participation percentage
- After award
  - Use CO-12, DGS-30-360 or other locally specified format to report actual participation and progress towards percentage





- Construction procured via RFP
  - Including Construction Management at Risk (CM@Risk) and Design Build (DB)
  - Proposed small business procurement plan is represented by the proposed small business participation percentage
  - Entered on standardized forms included in the RFQ/RFP



## Tools to evaluate requirements for **Design Build**:

- Use modified CO-16 for evaluation of prior small business compliance during RFQ process
- Evaluate proposed small business procurement plan on specialized RFQ and RFP forms
- After award
  - Use DGS-30-360 to provide detailed small business participation plan within 30 days of **award**
  - Use CO-12, DGS-30-360 or other locally specified format to report actual participation and progress towards percentage



## Tools to evaluate requirements for **CM@Risk**:

- Use modified CO-16 for evaluation of prior small business compliance during RFQ process
- Evaluate proposed small business procurement plan on specialized RFQ and RFP forms
- After award
  - Use DGS-30-360 to provide detailed small business participation plan within 30 days of agreement to a **GMP**
  - Use CO-12, DGS-30-360 or other locally specified format to report actual participation and progress towards percentage

# Set-Aside Program - Construction



- **Micro Businesses**

- Less than \$10k
- Contact 2 business
  - Award to lowest bidder, if fair/reasonable
  - Proceed to small business set aside if not

- **Small Businesses**

- Greater than \$10k but less than \$100k
- Contact 4 small and 1 micro
  - Award to lowest bidder, if fair/reasonable
  - If unfair/unreasonable remove set aside



# Procurement Plan- RFP Professional Services

## Professional Services procured via RFP

- Proposed plan is entered on AE forms (AE 1a)
- Evaluated against available points in RFP

## Tools to evaluate requirements:

- Prior to award
  - Use AE-5 to evaluate prior compliance
  - Use AE-1a to evaluate proposed plans
- After award
  - Use locally specified format to report actual participation and progress towards percentage



# Set-Aside Program - Professional Services

- **Micro Businesses**

- Less than \$10k
- Contact 1 micro business
  - Award if fair/reasonable
  - Repeat process until fair/reasonable price is available or all options are exhausted, then contact a small business

- **Small Businesses**

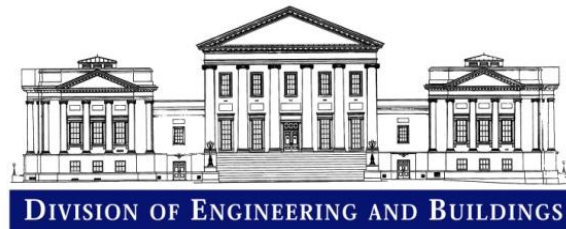
- Greater than \$10k but less than \$50k
- Contact 1 micro business
  - If not fair/reasonable contact a small business
  - Continue to contact small businesses until a fair/reasonable price is available



# A/E Term Contracts for Professional Services

- Task orders under \$10k
  - Term contractor must be micro business and qualified
  - If not use a term contractor that is a small business
- Task orders greater than \$10k but less than \$50k
  - Term contractor must be small business certified and appropriately qualified
- Repeated use of term contractor is not allowed
- Term contract may not be used if the A/E fee exceeds \$200k

# QUESTIONS?



**Ed Gully, P.E.**

**Director, Division of Engineering and Buildings**