

LOCAL DEVELOPING BUSINESS PROGRAM

FILE: DJFB

TITLE: Local Developing Business Program

POLICY:

The School Board of Orange County, Florida (“Board”) recognizes the importance of small businesses to the economic vitality of the Orlando Standard Metropolitan Statistical Area (“Orlando SMSA”). The Board further recognizes the contribution of small businesses to employment opportunities in the Orlando SMSA. The Board is undertaking an unprecedented expansion project within its district to construct and rehabilitate physical assets of the Board. This Local Developing-Business (“LDB”) Policy (“Policy”) of the Board is designed to promote the development of local businesses and facilitate the availability of firms to compete for upcoming projects at the Board. This Policy will promote economic growth and enhance employment opportunities within the Orlando SMSA, will also diversify the pool of qualified contractors vying for contracts to be let by the Board for construction contracting, procurement, and professional services. This Policy will increase the competitiveness for such contracts. This Policy will seek to provide full and equal business opportunities to all LDBs in the Board’s construction contracting, procurement, and professional services activities.

- (1) Definitions. The following definitions shall be utilized in the procedures to be implemented by the Superintendent or designee and the Superintendent or designee shall adopt such other definitions and procedures as deemed reasonable to implement this Policy:
 - (a) “Domicile” means a firm whose principal place of business is within the Orlando SMSA or a firm which is at least fifty percent (50%) owned by a person or persons whose primary residence is within the Orlando SMSA.
 - (b) “Local Area” means the Orlando SMSA. This area, according to the United States Department of Census, includes the counties of Orange, Seminole, Osceola, and Lake.
 - (c) “Local Developing-Business” or “LDB” means a business concern that is domiciled in the Orlando SMSA, that meets the Revenue Limitations, and that is owned and controlled by one or more individuals whose personal net worth does not exceed the Net Worth Limitation.
 - (d) “LDB Direct Contract” means a Request for Proposal, Invitation to Bid, or other solicitation which is limited exclusively to LDBs.
 - (e) “Net Worth” means the sum of the fair market value of the assets owned by each individual owner of the business seeking LDB status (if an asset is owned jointly as husband and wife, then fifty percent (50%) of the fair market value for that asset will be counted if only one spouse participates in the firm being reviewed)

minus the debt of the individual (if debt is attributable to an asset owned jointly as husband and wife then fifty percent (50%) of the debt will be counted if only one spouse participates in the firm being reviewed). For purposes of establishing Net Worth, the following items will be excluded: (a) the equity of the individual in any businesses in which the individual's primary residence up to \$500,000.00; and (b) the equity of the individual in any businesses in which the individual is actively involved in the management and day to day operation which may include the business seeking LDB status.

- (f) "Net Worth Limitation" is set at Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00). The Net Worth Limitation will be reviewed annually by the Board's Senior Director of Procurement Services or designee and recommendations for any adjustment to the Net Worth requirement shall be presented to the Board.
- (g) "Ownership and Control" means individuals who do not exceed the Net Worth Limitation must own at least fifty-one percent (51%) of the business and they must control and manage the operations of the business on a daily basis.
- (h) "Primary Residence" means a place of abode which is recognized and intended to be maintained as the person's whole principal residence. Persons maintaining other places of abode in some other state, or county other than Orange County, Florida, may manifest evidence of their primary residence to the Board by submitting a certified copy of a sworn statement, filed pursuant to Section 222.17, Florida Statutes, as to what residence constitutes their predominant and principal residence and that they intend to continue it permanently as such.
- (i) "Principal Place of Business" means the LDB's headquarters or the place where the chief or principal affairs and business of the firm are transacted as of the date the Request for Proposal, Invitation to Bid, or other solicitation is published. This is the office where the LDB's books are kept and where the partners, directors, officers, or managers assemble to discuss and transact the important day-to-day business of the firm.
- (j) "Revenue Limitations" shall consist of the following:
 - i. Construction contracting services and consulting services related to planning, design, and construction related improvements and architectural and engineering services - \$7,500,000.00 in annual gross revenues averaged over the preceding three (3) years.
 - ii. Professional Services - \$2,000,000.00 annual gross revenues averaged over the preceding three (3) years.

- iii. Procurement of commodities and contractual services (not including professional and construction services included in sections (i) and (ii) immediately above) - \$1,000,000.00 annual gross profit averaged over the preceding three (3) years.
 - iv. The revenue limitation amount will be reviewed annually by the Superintendent or designee and recommendations for adjustments presented to the Board.
- (2) In order to promote the utilization of LDBs, the Board has set annual percentage goals for the dollar value of work to be awarded to LDBs. In addition to the annual overall goals established by the Board, the Superintendent or designee may set contract goals for individual projects. The Board's overall goals within this Policy shall be reviewed as needed. However, the Superintendent or designee has the discretion to initiate a more frequent review of the overall goals established hereunder, if warranted.
- (3) The initial annual overall goals are as follows:
- (a) Construction work and construction materials – 10%;
 - (b) Procurement of Goods and Non-Professional Services – 10%; and
 - (c) Professional Services of Architects, Engineers, Landscape Architects, Land Surveyors, Attorneys, etc. – 10%
- (4) The Board expects to increase the participation level of LDBs through the adoption of this Policy, which shall be implemented by the Superintendent or designee through appropriate procedures.

SPECIFIC AUTHORITY:

Sections 222.17; 287.084, Florida Statutes

ADOPTED: 11/17/08

REVISED: 6/23/15