



OFFICE OF THE CITY COUNCIL

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JACKSONVILLE SMALL & EMERGING BUSINESS SPECIAL COMMITTEE Virtual Meeting Minutes

October 9, 2020
10:30 a.m.

Location: Virtual Meeting

In attendance: Council Members Ju’Coby Pittman (Chair), Terrance Freeman, Garrett Dennis

Also: Anthony Baltiero and Yvonne Mitchell – Council Research Division; Lawsikia Hodges – Office of General Counsel; Steve Cassada, Eric Grantham, and Melanie Wilkes – Council Staff Services

Meeting Convened: 10:32 a.m.

Call to Order / Remarks from the Chair – Chair Pittman convened the meeting and introduced the attending Council Members. A quick procedural overview of the meeting was presented noting the guest speakers and the scope of the meeting.

Approval of 9/25/2020 JSEB Meeting Minutes – The minutes for the 9/25/2020 JSEB Special Committee Meeting were reviewed and approved as distributed.

Follow-up Presentation by Greg Pease and Rose Nettles, Procurement Division – Mr. Pease provided a brief overview of the presentation that he and Ms. Nettles presented at the previous JSEB meeting. Mr. Pease went through the presentation slides and quickly noted the topic that was covered for each. Council Member Freeman, although very appreciative of the meeting minutes, asked Mr. Pease if he could share a hardcopy of the presentation so that he could have all of the facts and figures verbatim. The slides from the presentation will be included in the public record.

Mr. Pease provided updates and answers to questions that were raised at the previous JSEB meeting. The JSEB budget from previous years was discussed and Mr. Pease noted that from 2005 to the present there have been significant fluctuations both up and down with the budget over that time span. Explanations for some of the fluctuations were presented, including the fact that the office originally had 13 employees and that number has lessened over the years, an initial high budget due to the need to fund a disparity study, and other mitigating issues.

Mr. Pease provided the potential costs of having a new, updated, or partially updated disparity study. After reaching out to Mason Tillman Associates, they provided two quotes for the potential updates. The first option would cost \$325,000 and the second option would cost \$380,000. Mr. Pease said that he will reach back out to the company to see if the quotes were for all of the City's agencies and if it would be possible just to update the COJ portion of the study and what those costs would be. Additionally, Mr. Pease said that he will ask them what the company could do for the City if we paid \$70,000. At the very least, it was suggested to have someone from Mason Tillman to come to a JSEB meeting to discuss and dissect the current disparity study. Another option would be to have the other City agencies chip in funding to update the disparity study.

Council Member Dennis urged Mr. Pease and the committee to reach out to the other City agencies and see if they would be willing help fund an updated disparity study and suggested to check with the Office of General Counsel to see what the legal impacts would be of only conducting a partial update to the current disparity study as it relates to a consolidated government. After consulting with Lawsikia Hodges, Office of General Counsel, Mr. Pease will make contact with the other City agencies about assisting in funding an updated disparity study. Chair Pittman agrees with the suggestions of Council Member Dennis and Mr. Pease and would like to have representatives from Mason Tillman to come to a JSEB meeting for information purposes.

Presentation by Deborah K. Thompson, Former Black Chamber President and JSEB Vendor – Ms. Thompson spoke about her experiences as being the President of the Black Chamber and her experiences as a JSEB Vendor. Ms. Thompson spoke of the importance, struggles, and shortcomings that are involved with having proper minority representation across the business community in Jacksonville. Ms. Thompson opined on the state of small businesses in Jacksonville since the 1960s. A major concern is that many of the local small business are unaware of or confused by the City's procurement process. It is difficult to expect compliance from small businesses when they do not know and/or understand the rules and regulations that govern the staff and departments that are supposed to be supporting them.

Ms. Thompson said that it was one of the major tasks at the Black Chamber to spread awareness to minority and women owned businesses about projects and contracts that would soon become available. The suggestion was made to have a value and goal system established at the Administrative level that finds areas in the City's CIP projects where the big projects can be broken down into smaller projects so that smaller businesses can make a competitive bid on them. Ms. Thompson stressed the fact that JSEB businesses need the opportunity to be the main or prime contractor on some of the projects. Typically, the smaller JSEB businesses are subcontractors on City contracts. The city or the state government is often far removed from the actual contractual agreement between a subcontractor and a prime contractor. This is why small contractors need to know how to negotiate their contracts and not be misused by unfair and unreasonable practices in that process. Another concern is that when a JSEB small business does get awarded a large contract, they should not have the extra burden of having to train other JSEB businesses to be able to complete the work of the contract. Ms. Thompson said that she does agree with this type of mentoring model in principal, but the training burden should be placed on larger, more established businesses that have more resources to conduct such trainings. Ms. Thompson again stressed the importance of breaking down some of the large City projects into smaller ones that can be bid on by smaller JSEB businesses. It was also noted that charitable giveaway programs can be greatly lessened if all the small businesses had the means to make a livable wage.

The point was made that many times JSEB small businesses have to take a contract at a loss just to be able to get the contract. Ms. Thompson said that there has to be more focus put on the relationship between the prime contractors and subcontractors because often times this is where the smaller JSEB businesses get "squeezed" or unfairly treated. Communication is another major concern. JSEB businesses need to understand the procurement process, what the City needs in terms on Contracts, and what types of

businesses are needed to complete the contracts. Ms. Thompson proposed some suggestions regarding local small businesses, including the creation of partnerships between prime and subcontractors with already established local prime vendors and establishing local mentor/protégé programs.

Ms. Thompson made the suggestion to look at the process of conducting a disparity study, or updating the current one, and see if there is a company locally that can conduct the disparity study. Additionally, you could have a large company like Mason Tillman Associates train a local company on how to conduct disparity studies. Ms. Thompson closed by stressing the importance of providing opportunities for small JSEB businesses, the importance of understanding the procurement process, and providing effective communication between the City and the JSEB businesses regarding contracts and procedures. Following the presentation, Chair Pittman opened the floor to questions.

Council Member Freeman asked Ms. Thompson to share some specific examples of challenges, difficulties, and other shortcomings that she has experienced during her tenure with the JSEB program. Ms. Thompson opined on the importance of knowing what projects are coming along to be able to stay continuously employed and the importance of prime contractors not continuously using the same subcontractors for every project. The example was made that the same professional painter was used from project to project, but there are 300 other painters trying to get contracts.

Council Member Freeman asked the Procurement Division about the idea of continuous contracts and if they reach out to other disciplines when applicable contract situations arise. Mr. Pease said that the procurement division is constantly looking for opportunities to set aside contracts for JSEB businesses. An example was provided of a City contract that has been continuously renewed for years, but the Procurement Division identified the contract as being able to be 100% set aside for JSEB businesses. Mr. Pease said that the procurement Division regularly reaches out to JSEB businesses to let them know what contracts are soon becoming available.

Ms. Thompson added to Council Member Freeman's question and Mr. Pease's response saying that another major issue involves the timing of contracts. A regular complaint from JSEB businesses is that they are not given enough time to prepare to make a competitive bid for a contract. The idea was proposed of having a prime contractor be a subcontractor on a contract where the prime contractor is a JSEB business.

Chair Pittman opined on the state of the JSEB program and the overall procurement processes of the City. The Chair shared her agreement and support of much of what Ms. Thompson had presented. Chair Pittman said that she finds the personal testimonials of JSEB business owners to be the most telling and informative bits of information because they are the ones experiencing the pros and cons of the program firsthand. The Chair asked if there were any JSEB business owners present at the meeting that would like to share their experiences.

Chair Pittman opened the floor to public comment to hear from JSEB business owners and any other public comments.

Public Comment (if time permits) – Akia McDaniel asked about the specific requirements for small businesses to qualify for the JSEB Program, such as licensures, bonding, and resumes. Ms. Nettles said that there are some residence requirements and noted that there is a checklist within the certification application that provides all the documents that are required. Ms. Nettles provided her contact information to Ms. McDaniel for her to reach out for additional information.

Stanley Scott opined on JSEB small businesses and the need for \$90,000 to go out into the community on a monthly basis. Mr. Scott applauded Ms. Thompson's presentation.

Anthony Ammons shared his appreciation for Ms. Nettles in the procurement division and said that his company has been awarded several contracts over the past year. Mr. Ammons suggested making the contract advertisements more transparent through direct emails or some other method.

Chair Pittman asked if someone from the Procurement Division could discuss the current methods for advertising contracts to address the concern shared by Mr. Ammons. Mr. Pease said that the major change has been the launch of the 1Cloud website that went live on February 29th, 2020. Mr. Pease said that the new process on 1Cloud is highly functional and encouraged Mr. Ammons to reach out to him to further discuss his concern. Mr. Pease said that there is a dearth of social media presence as it relates to the City's contract procurement process and feels that this is an area where the City can expand their communication efforts.

Vanessa Cullins Hopkins asked about the connection between the Office of Economic Development and the JSEB office and if there is public access to the vendor registry. Ms. Nettles said that the vendor registry is available on the JSEB website and said that the JSEB office does work with the Office of Economic development through the capital loan program and for identifying applicable JSEB vendors for projects.

Mal Jones opined on his experiences within the JSEB Program. He shared his entertainments successes that spanned over a ten-year period. Mr. Jones talked about the struggles with taking the next steps after the program and how to stay in contact with other similar business contacts. Mr. Jones discussed his partnership in developing an app that connects black business owners. Mr. Pease gave Mr. Jones his contact information for him to reach out for further discussion.

The possibility of having in-person meetings was discussed. The decision comes down to the Governor and is to be determined. With no further comments from the committee, Chair Pittman adjourned the meeting.

Meeting adjourned: 12:18 p.m.

Minutes: Anthony J. Baltiero, Council Research Division

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Posted 10.16.20 4:00 p.m.