

**OFFICE OF THE CITY COUNCIL**

117 WEST DUVAL STREET, SUITE 425

4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

904-255-5200

**JACKSONVILLE SMALL & EMERGING BUSINESS SPECIAL COMMITTEE**

**Hybrid Virtual/In-Person Meeting Minutes - Amended**

**February 5, 2021**

**9:00 a.m.**

**Location:** Hybrid Virtual/In Person Meeting

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

**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**: 9:00 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. Dinah Mason, Procurement Division, will conclude her presentation, then the committee and Lawsikia Hodges, Office of General Council, will discuss what is needed to turn the recommendations into drafted legislation.

Presentation by Dinah Mason – Procurement Division

There was a brief discussion between the Committee, Ms. Hodges, and Ms. Mason regarding micro-loan programs and other facets that were left over from the previous meeting. Ms. Mason explained that contracts of $250,000 and less would be set aside for small businesses within this micro-loan program. The tiers and ranges of contract amounts for each tier were discussed. Council Member Freeman asked if the funding for the micro-loan program comes from the Access to Capital Program. Ms. Mason provided the history of the Access to Capital Program and explained how the JSEB businesses access those funds. Council Member Dennis likes the idea of having business recertify every two years instead of annually and have the recertifications conducted internally. Ms. Mason continued her PowerPoint presentation on Part 6B of the JSEB Section of the Ordinance Code. Recommended changes to the section include:

* Sec. 126.615 – Project Goals: The language used in regard to Project Specific Goals have been recognized as language remaining from a previous program that is no longer within the guidelines in which the City can promote. Recommend exploring programs that can be considered for DBE and/or Historically Underutilized Business.
* Sec. 126.616 – Pre-award review of compliance w/ numerical goals, including good faith efforts: Recommend Director be changed to JSEB Administrator.

Ms. Mason referred back to Sec. 126.607 and said that this section needs to be made stronger to make Sec. 126.616 stronger. Having less of a “blanket” clause will help to focus the section and help agencies meet the predetermined goals in varied professional services and industries. Chair Pittman noted that a previous speaker, Devin Reed, also mentioned strengthening the language to get agencies to set and meet goals and asked if it would be better to put the goal language within the policy or enacted through legislation. Ms. Mason said that either way would work, but things tend to last longer when they are enacted in legislation. Chair Pittman asked about staffing. Ms. Mason said that she would need additional staff to handle the additional workload, particularly at the administrative assistant level to handle the ample amount of paperwork involved in the process. Additionally, a project manager and financial analyst would be essential staff. Chair Pittman asked if the department has the software needed for effective tracking purposes. Ms. Mason said that the department is currently working with the 1Cloud system and believes that the software, and with support of the IT department, should be more than sufficient for the program’s needs.

* Sec. 126.617 – Contract performance compliance procedures: Recommend changing the process to the JSEB Administrator being the approving authority of changes to the Schedule of Participation or substitute for the reason the Compliance Officer should first review the qualified JSEBs that can be used in the substitution. Recommend the Ombudsman along with the JSEB Administrator review the Request for Substitution to ensure the Participation Goal remains in effect after such substitution is made (if deemed necessary and approved). The Ombudsman shall engage the JSEB Administrator for cases involving a JSEB subcontractor or prime contractor. Recommend adding language for on-the-job site visits during the term of the JSEB contract/subcontract.

Ms. Mason said that it is important that when a contract is put out that the scope of services and what is expected of the JSEB business is clearly identified and quantifiable. This will help to identify the JSEB businesses that have the capacity to complete the contract. Chair Pittman shared her support of the recommendation. Angie Dixon, Ombudsman Office, agrees with the vetting of JSEB businesses prior to being awarded contracts and suggested adding language for vetting post-contract award to make sure that the JSEB businesses are not getting kicked from the project once the contract has been awarded or other performance issues. Council Member Freeman asked Ms. Mason about the inclusion of the word “Post-Contract” or “Post-Award” in the topic line. Ms. Mason said that she is hesitant to include the post-award language because there are times when subcontracts are not given out to the JSEB businesses and instead they are told what to do by word of mouth. Council Member Freeman asked Greg Pease, Procurement Office, for his thoughts on what has been discussed so far. Mr. Pease suggested having the Ombudsman Office and the JSEB office be on the same page regarding compliance procedures. Chair Pittman urged the group to come to a consensus on how to handle these issues. Mr. Pease said that the Procurement Department was already planning on having those discussions. Council Member Dennis wanted to go on record asking if the current 2013 Disparity study is sufficient for the JSEB Office to conduct their work. Council Member Dennis stressed the importance of having strong compliance within the JSEB Program and made the recommendation to have the contractors write and submit to the JSEB Office subcontracts if they are using a JSEB subcontractor. Council Member Freeman shared his concerns about the potential lack of anonymity in the grievance process if the “person/department” you are complaining about is sitting in the same room/office as the Ombudsman. There needs to be a bridge between the person making the complaint and the recipient of the complaint with the Ombudsman or Inspector General acting as the bridge to keep the parties separate.

* Sec. 126.618 – Other provisions of purchasing code to apply: No Change
* Sec. 126.619 – JSEB and Program eligibility: Recommend adding language for onsite inspection of business location. Change Director to JSEB Administrator.

Chair Pittman asked if both businesses need to be certified in a joint venture through the JSEB Program. Ms. Mason said that businesses that are not eligible for the JSEB Program are not allowed to get contracts through a joint venture with a JSEB business unless they meet the provisions listed in this section.

* Sec. 126.620 – Counting subcontracting participation of JSEBs: Recommend adding language to ensure that any changes to the contract that increase the contract amount (e.g., Change Orders) will be added to the required Participation Goal
* Sec. 126.621 – Acts which may result in expulsion from the JSEB program, fines, and criminal offenses: No Change
* Sec. 126.622 – Annual Budget Appropriation: Recommend Staff changes to include adding the following staff: Admin Assistance, Investigator (Site Visits), Project Manager.

Council Member Freeman asked to meet with Ms. Mason to further discuss the various appropriation options and shared his concerns over the lack of prime vendors that have been involved with the JSEB Committee meetings, particularly as it relates to potential changes that will be made to the JSEB Program. Council Member Dennis said that many of the hindrances to the JSEB Program are caused by the prime vendors and he feels that they have the means and ability to abide by whatever rules are set forth in the JSEB Program. Council Member Dennis feels that the committee should definitely hear from the prime vendors, but should not hold off on putting forward legislation if they are not heard from. Chair Pittman noted that there have been several prime vendors that have participated in the JSEB Committee meetings naming Curtis Hart as an example. The Committee agreed that it is important to have heard from prime vendors during this process so that any legislation that is put forward has weight to it and cannot be labeled as biases or one-sided. Chair Pittman asked about the advisory portion of the program. Ms. Mason recommends that the advisory committee be reconstructed to include more individuals from the different industry areas within the JSEB Program. Additionally, a local big business CEO should be on the advisory committee with a two-year commitment to serve.

Council Member Dennis went back to the topic of using the 2013 Disparity study and asked for Ms. Mason and Ms. Hodges for their input on the issue. Ms. Mason discussed the in-house data gathering that will compare current information with the 2013 Disparity study to identify areas of disparity. Council Member Dennis said that he is comfortable with continuing with the current disparity study if the other committee members will agree to try and find funding for an updated disparity study in the next fiscal year’s budget. Ms. Hodges added that because of time it would take to complete the process, the 2013 Disparity study would be outdated and would not be able to be used to create a race-based JSEB Program, but is sufficient for a race-neutral program. Ms. Hodges suggested including language in the proposed legislation to require a new disparity study to be commissioned by any upcoming date that seems fitting. Mr. Pease said that the Administration is onboard with trying to find funding for an updated disparity study, including future direct appropriations from the budget and checking budget balances as the year progresses to where funds can be gleaned from. Council Member Freeman asked if it would be a good idea to ask the independent authorities and agencies to contribute to the disparity study fund. Mr. Pease said that it would be a good idea depending on the scope of the report. The quotes given by Mason Tillman have been to update the disparity study for the City alone and not the other authorities and agencies.

Council Member Freeman suggested bringing the issue to the Social Justice Committee and request funding from their current budget of $1,600,000. A discussion was had between the Committee and Ms. Hodges regarding the procedures for presenting the idea of an updated disparity study to the Social Justice Committee. Council Member Dennis suggested getting a bill drafted that requests the funds for the study from the Social Justice Committee and submit the bill as soon as possible. Ms. Hodges said that the proper procedure would be to go and present to the Social Justice Committee first and then draft the legislation. The Committee agreed to go before the Social Justice Committee and present their request for funding to update the 2013 Disparity Study.

Chair Pittman and Ms. Hodges discussed the timeline for drafting the proposed legislation. There were two meeting scheduled for the following week. Chair Pittman decided to cancel the meeting on Wednesday 2/10/2021 and finish up the Committee’s work at the Friday 2/12/2021 meeting. Ms. Hodges said that the week timeline should be sufficient for her to meet with Ms. Mason and the Chair to draft the legislation. Mr. Pease asked if the updated study would be solely for the City or would it include the authorities and agencies as well. The Committee agreed that the updated study would be for the City only.

Public Comment (if time permits) – Stanley Scott discussed the possibility of having a flat rate for all government agencies. He opined on the problems with the government concerning equity.

**Meeting adjourned:** 11:04 a.m.

Minutes: Anthony J. Baltiero, Council Research Division

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