Introduced by the Jacksonville Small and Emerging Business (JSEB)

Special Committee (Council Members Arias and Amaro):

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#### ORDINANCE 2024-437

AN ORDINANCE AMENDING SECTION 126.608 (CREATION OF BOND ENHANCEMENT PROGRAM), SUBPART C (PROGRAM SUPPORT SERVICES; MARKETING OUTREACH; DISPARITY STUDY UPDATE), PART 6 (JACKSONVILLE SMALL AND BUSINESS PROGRAM), CHAPTER EMERGING (PROCUREMENT CODE), ORDINANCE CODE, TO REMOVE REQUIREMENT OF BOND ENHANCEMENT PROGRAMS; AMENDING SECTION 126.614 (JSEB AND PROGRAM ELIGIBILITY), SUBPART D (PROGRAM ELIGIBILITY PROCEDURES, AND OTHER REQUIREMENTS) PART 6 (JACKSONVILLE SMALL AND EMERGING BUSINESS PROGRAM), CHAPTER 126 (PROCUREMENT CODE), ORDINANCE CODE, TO REQUIRE RE-CERTIFICATION EVERY 36 MONTHS INSTEAD OF EVERY 24 MONTHS; AMENDING SECTION 126.620 (CONTINUING OBLIGATIONS OF JSEBS AND GRADUATION), SUBPART D (PROGRAM ELIGIBILITY PROCEDURES, AND OTHER REQUIREMENTS) PART 6 (JACKSONVILLE SMALL AND EMERGING BUSINESS PROGRAM), CHAPTER (PROCUREMENT CODE), ORDINANCE CODE, TO REMOVE MANDATORY GRADUATION AT NINE YEARS, STRONGLY ENCOURAGING MENTORSHIP PARTICIPATION, EXTENDING MANDATORY GRADUATION TO FIFTEEN YEARS; PROVIDING FOR CODIFICATION INSTRUCTIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville ("City") determined in 2004 that growing Jacksonville small and emerging businesses ("JSEBs") was beneficial to the City and its individual residents; and

WHEREAS, to that end, the City devised the Jacksonville Small Emerging Business Program (the "Program") to address several concerns that were found to impede the growth of small businesses, including bonding issues, access to capital, training, city procurement barriers, and lack of resources for growth; and

WHEREAS, a Special Committee on the Jacksonville Small & Emerging Business ("Special Committee") was established on January 5, 2024, to review the Program and make improvements and recommendations to the Program based on feedback from various Program participants, City staff, and community stakeholders; and

WHEREAS, the Special Committee held multiple meetings and heard from various guest speakers and presenters, including JSEB vendors, and other stakeholders, interested parties, and the public; and

WHEREAS, based on the Special Committee's review of the Program, the City desires to further improve certain aspects of the Program to better assist JSEBs in achieving their individual and collective goals and to promote continued participation in the Program, ensuring continuity and mentorships within the Program; now therefore

BE IT ORDAINED by the Council of the City of Jacksonville:

Section 1. Amending Section 126.608 (Creation of Bond Enhancement Program), Subpart C (Program Support Services; Marketing Outreach; Disparity Study Update), Part 6 (Jacksonville Small and Emerging Business Program), Chapter 126 (Procurement Code), Ordinance Code. Section 126.608 (Creation of Bond Enhancement Program), Subpart C (Program Support Services; Marketing Outreach; Disparity Study Update), Part 6 (Jacksonville Small and Emerging Business Program), Chapter 126 (Procurement Code), Ordinance Code, is hereby amended to read as follows:

### CHAPTER 126 - PROCUREMENT CODE

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PART 6. - JACKSONVILLE SMALL AND EMERGING BUSINESS PROGRAM

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SUBPART C. - PROGRAM SUPPORT SERVICES; MARKETING OUTREACH
Sec. 126.608. - Bid Bonds Creation of Bond Enhancement Program.

2.2

- (a) Subject to the availability of funds, the JSEB Administrator shall competitively procure and maintain annually a contract with a third-party contractor or contractors to provide a bond enhancement program for the benefit of JSEBs. The bond enhancement program shall provide support services to assist JSEBs in their efforts to secure performance and payment bonds for public and private contracts. The program shall not provide the underlying bond but shall provide a refined basis for underwriting bonds, small business support services, and contractor monitoring necessary for such bond underwriting, as well as improvement plans for JSEBs who do not qualify.
- (b) Section 126.201(b) of the Code provides that JSEBs are not required to submit bid bonds for projects under \$500,000. Section 126.201(g) provides that JSEBs shall be exempt from obtaining a payment and performance bond for projects that are (i) equal to or less than the "Discretionary Bond Threshold" amount, as defined in Chapter 126, Part 2 of the Code; and (ii) equal to or less than the payment and performance bond waiver amount permitted in Section 18.11 of the Charter.

Section 2. Amending Section 126.614 (JSEB and Program Eligibility), Subpart D (Program Eligibility, Procedures, and Other Requirements), Part 6 (Jacksonville Small and Emerging Business Program), Chapter 126 (Procurement Code), Ordinance Code. Section

126.614 (JSEB and Program eligibility), Part 6 (Jacksonville Small and Emerging Business Program), Chapter 126 (Procurement Code), Ordinance Code, is hereby amended to read as follows:

## CHAPTER 126 - PROCUREMENT CODE

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# PART 6. - JACKSONVILLE SMALL AND EMERGING BUSINESS PROGRAM

# SUBPART D. - PROGRAM ELIGIBILITY, PROCEDURES, AND OTHER REQUIREMENTS

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### Sec. 126.614. - JSEB and Program eligibility.

- (a) Only businesses that meet the criteria of the Program may be certified for participation in the Program. The applicant has the burden of persuasion.
- (b) The certification status of all JSEBs shall be reviewed every 36 24 months from the date of initial certification through a re-certification application. Failure of the firm to see re-certification by filing the necessary documentation with the Equal Business Opportunity Office withing 60 days from the date of receipt of written notification from the Equal Business Opportunity Office may result in de-certification.
- (c) It is the responsibility of the JSEB to notify the JSEB

  Administrator of any change in its circumstances affecting

  its continued eligibility for the Program. Failure to do so

  may result in the firm's de-certification.
- (d) The JSEB Administrator shall decertify a firm that does not meet the eligibility criteria.
- (e) A JSEB may receive no more than five prime contracts set aside, including prime contracts from participation goals, per year or an aggregate total prime contracts set aside per year in the amount of \$4,000,000, whichever is greater.

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(f) Joint ventures between JSEBs and non-JSEBs are not eligible for the Program, unless they provide structured, detailed, mentoring opportunities, proof of which shall be provided to the JSEB Administrator.

126.620 Section 3. Amending Section (Continuing obligations of JSEBs and graduation), Subpart D (Program Eligibility, Procedures, and Other Requirements), Part 6 (Jacksonville Small and Emerging Business Program), Chapter 126 (Procurement Code), Ordinance Section 126.620 (Continuing obligations of JSEBs graduation), Subpart D (Program Eligibility, Procedures, and Other Requirements, Part 6 (Jacksonville Small and Emerging Business Program), Chapter 126 (Procurement Code), Ordinance Code, is hereby amended to read as follows:

### Sec. 126.620. - Continuing obligations of JSEBs and graduation.

A JSEB shall apply for re-certification every 36 24 months from the date of initial certification through a re-certification application developed by the JSEB Administrator. Failure of the firm to seek re-certification by filing the necessary documentation with the Equal Business Opportunity Office within 60 days from the date of receipt of written notification from the Equal Business Opportunity Office may result in de-certification.

- It is the responsibility of the JSEB to notify the Equal (a) Opportunity Office of any changes in its circumstances affecting its continued eligibility for the Program. Failure to do so may result in the firm's decertification and preclusion from future participation.
- The JSEB that no longer meets certification may be decertified (b) at any time.
- A firm, or qualifying individuals, who have participated in the JSEB program for a total of nine years from the date of the JSEB's first contract as a prime contractor of the City

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or as a subcontractor retained by a prime contractor of the City, whichever is earlier, <u>may earn the designation JSEB</u>

Prime Member and are strongly encouraged to serve as mentors

to other participants in the Program shall graduate from the Program.

(d) A firm, or qualifying individuals, who have participated in the JSEB program for a total of fifteen years from the date of the JSEB's first contract as a Prime Contractor of the City or as a subcontractor retained by a prime contractor of the City, whichever is earlier, and subject to the extensions for good cause provided in Section 126.613, shall graduate from the Program.

Section 4. Codification Instructions. The Codifier and the Office of General Counsel are authorized to make all chapter and division "tables of contents" consistent with the changes set forth herein. Such editorial changes and any other necessary to make the Ordinance Code consistent with the intent of this legislation are approved and directed herein, and changes to the Ordinance Code shall be made forthwith and when inconsistencies are discovered.

Section 5. Effective Date. This Ordinance shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

/s/Shannon MacGillis

Office of General Counsel

Legislation Prepared By: Shannon MacGillis

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