

# West Palm Beach, FL

## Mayor Joel T. Daves

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### ***Small Business Program***

The City of West Palm Beach's new small business program ordinance was passed October 2, 2000. The Mayor and City Commission thought it was good public policy in an economic sense, to foster the creation and maintenance of small businesses in Palm Beach County, and more specifically the City of West Palm Beach. This assumption was well based, since the small business category of employers is the single largest one in Palm Beach County as well as in the Nation.

Overall the Small Business Program intends to meet the aim of the Commission's policy by generally expanding contract opportunities that are really available to small businesses. Essentially this is accomplished by providing preferences in bidding and requests for proposals for local small businesses, relaxing bonding requirements, dividing projects into smaller sizes and making sure that small businesses are paid promptly by the City.

Other important features of the program include the provision of ongoing disparity study to monitor the utilization of racial and gender minorities, establishment of delivery schedules that do not eliminate or discourage small businesses, reciprocal certification with other political subdivisions to ease the paperwork requirement, setting forth good-faith criteria for the objective granting of waivers (when absolutely necessary) of the program's established goals, and organized access to procurement opportunities valued at between \$2,500 and \$25,000.

In the previous sheltered market business program only procurements valued at over \$25,000 were subject to its requirements because of the additional staff effort required to implement such. The result of which was the exclusion of small procurements that more often than not comported with the capacities of a great number of small businesses certified to participate in the program.

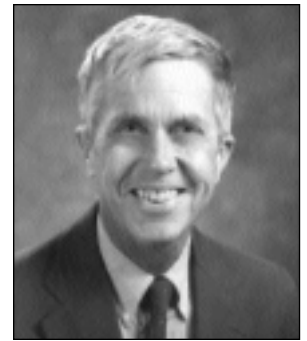
In the fashioning of the current program, the basic strategy was to hold town meetings to ascertain what the small, minority- (including women) owned business communities wanted in the way of a program. There were more than one hundred participants at each one. The Mayor then appointed a Small

Business Enterprise Committee composed of City staff and business leaders to fashion a small business program.

The Committee's first order of business was to hold a series of focus group meetings with business owners to prioritize all of the program elements that had been gleaned from business owners at the town meetings. The outcomes from the focus groups were documented and provided to the Committee. The Committee then scrutinized the ideas that the business owners gave against the criteria "is it legal" and "are resources available?" Most of the ideas proffered by the business owners were included in the Program.

The most noteworthy feature of the City's program is its ability to do ongoing disparity study. People knowledgeable in this area know that many of the newly-instituted small business programs have come into existence to bolster a city's ability to have a minority business program or replace a minority business program because the city could not provide justification that met the standard established in the landmark "Croson" case. The implementation of a Small Business Program in West Palm Beach resulted from the latter. As a result, the City of West Palm Beach faced great disaffection from the minority-owned business community because its inability to provide sufficient justification for an MBE program did not change the perception or belief of minority business owners that institutional discrimination is a real obstacle to their participation in the City's procurement system. On the other hand, the City faced equal disaffection from white male business owners who perceive or believe that MBE programs are tantamount to reverse discrimination against them. So in essence, the City, politically, was caught between the verbal campaigns of the two factions.

The advent of and ability to do ongoing disparity study is the mechanism that moved the City off of the well-known dime. The City is in the process of installing the Champ Software system, the only known software system that does ongoing disparity study. Incidentally, this system is only in operation in three States in the U.S. Now, the City can factually know when any group, including



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***"This program is truly one of economic development as it provides assistance in winning City contracts to the single largest employer in the City of West Palm Beach, small business - which in turn is incentive for them to hire more people - thereby increasing the quality of life for all."***

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Program has been running one+ years

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white males is treated disparately by its procurement system. When and if the City learns of a disparity, then a race-conscious preferential element within the program can be turned on to cure it. If this happens, the City will be able to show that it has a factual predicate for doing so, and one that is consistent with the standards set by the U.S. Supreme Court in Croson.