



Richland County Council
Office of Small Business Opportunity Ad Hoc Committee
March 6, 2018 – 5:00 PM
4th Floor Conference Room
2020 Hampton Street, Columbia 29204

COMMITTEE MEMBERS PRESENT: Norman Jackson, Chair; Bill Malinowski, Yvonne McBride, and Paul Livingston

OTHERS PRESENT: Michelle Onley, Angela McCallum, and Melissa Watts

1. **CALL TO ORDER** – Mr. N. Jackson called the meeting to order at approximately 5:00 PM
2. **ELECTION OF CHAIR** – Mr. Malinowski moved, seconded by Mr. Livingston, to elect Mr. N. Jackson to the position of Chair. The vote in favor was unanimous.
3. **APPROVAL OF MINUTES**
 - a. **December 12, 2017** – Mr. Malinowski moved, seconded by Mr. Livingston, to defer the minutes. The vote in favor was unanimous.
4. **ADOPTION OF AGENDA** – Mr. Livingston moved, seconded by Mr. Malinowski, to adopt the agenda as published.

Mr. Malinowski inquired why we have 10 items in front of us and there is no backup material for any of the items. He stated once again we come into a meeting and are possibly take item on the items, but we have had nothing to review. To provide it to us now and expect us to review it is not proper.

Mr. Livingston stated he agrees about the information, but he did not think there was anything for action. Most of this is for discussion.

Mr. Malinowski stated wouldn't it be nice if we had all those updates ahead of time, so that if we did have questions on them we could ask. Now we get this and later on move along and come back another time and do it. We just keep pushing back.

Mr. N. Jackson stated #5 on the agenda should have been titled "Items for Discussion/Action" because some of the things were for action also.

Mr. Malinowski moved, seconded by Mr. N. Jackson, to adopt the agenda as amended to change the title on #5 to "Items for Discussion/Action". The vote in favor was unanimous.

Mr. N. Jackson stated for the future we ask that we have backup material for the agenda, so Council members can

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review the documentation prior to the meeting. We received an email on the Administrator's opinion on the NAICS Codes, but at the end of the day it was Council's decision, not the Administrator's decision on whether to change it or not.

5. **ITEMS FOR DISCUSSION**

- a. Preparation from OSBO Office to Assure Contractor Participation – Ms. McCallum stated they have established partnerships with the City and the State as far as training. We have been sending out some solicitations for external training for the SLBEs to participate. We are also doing some internal training. She stated she brought her laptop to show the committee all the different external trainings they have been sending out to the SLBE community for training. Since tax season is coming up they sent out a site from IRA where the SLBEs can get their taxes done free of charge. They have also planned their schedule for internal training for the skill sets.

Mr. N. Jackson inquired if notice for this meeting was sent out to all the businesses. He stated he received calls from businesses saying they were not informed of the meeting.

Ms. McCallum stated when they received notice from Michelle it was sent out. She talked with her staff and notice will go out to the businesses when they receive notice of the meetings.

Mr. N. Jackson requested Ms. McCallum to provide what her office has done in writing.

- b. Status of Mentor Protégé Program and Projects – Ms. McCallum stated the first phase of this is the 9 series workshops the office has established. There is a workshop each month with a different industrial standard. They are working with the primes and people of that arena for their training. That is on the website and is the start of the protégé program leading into the mentor protégé program. On the side, they are looking at business development again. Establishing a baseline and what is required for each part of the dirt road project. Then look at our firms. From there we will find skill sets that are missing and build upon that.

Mr. N. Jackson stated his understanding of the mentor protégé program was that people who go through the course of the mentor protégé, there is a certain percentage set aside for those that went through that program.

Ms. McCallum stated Mr. N. Jackson is exactly right. That is the first phase of it. They are starting out with the industrial standard and those courses. The next phase is to, with the primes, work on the mentor and protégé. The mentor being the primes and the protégé being the firms that will be working alongside them. She stated her staff is working on with the mentors, which is Lane, McClam, and Armstrong.

Mr. Livingston inquired as to how the participants are identified from the workshop.

Ms. McCallum stated they are going to lay out a baseline of every skill set that is need for the dirt road project. Based on that baseline, sort of like a timeline, they will lay the SLBEs out and find out where the gaps are in the process and build upon that. They can also go outside and find other SLBEs that can accommodate those.

Mr. Livingston stated, for clarification, we would engage them. We would not wait on them to find out

stuff from us.

Ms. McCallum stated they will engage them. That is a part of the process. They have to be able to hear the voice of the customer, but also do their homework and know what the baseline is.

Mr. N. Jackson stated he is just thinking of the end result because there has to be a point where they complete the course for them to be qualified because there is a set aside for mentor protégé program. That means whenever anything comes up because they have been through the program there is something set aside for them to do.

Mr. N. Jackson requested Ms. McCallum to provide documentation on how it is laid out and the process.

- c. Status of Staff's Recommendation on NAICS Code Funding Limit – Mr. N. Jackson stated an email was sent with the Administrator's recommendation regarding this item.

Ms. McCallum stated she basically stands on the letter from the Administrator and Ordinance 049-13HR. She stated she will follow-up with the Administrator and her Director regarding this item.

Mr. N. Jackson requested Ms. McCallum provide documentation regarding this matter. There was a lengthy discussion about the limit from \$3 million to \$7 million and the reason why. The committee had a recommendation, but we wanted to hear from staff also. He stated he got a letter from staff and his interpretation, but at the end of the day the committee makes that decision, not the Administrator.

- d. Status of Sheltered Market Projects – Ms. McCallum stated in the past they had Sidewalk S-1 with Armstrong (1/5/16), Sidewalk S-2 performed by CDD (2/18/16), Sidewalk S-3 (12/21/16), Sidewalk S-4 (3/30/16), and Sidewalk S-5 (12/21/17). She stated there are a couple not listed because they have not started yet. The PDT has submitted them and her office recommended the sheltered market.

Mr. N. Jackson requested Ms. McCallum to provide documentation prior to the next meeting to allow committee an opportunity to respond.

- e. Discussion of original intention of OSBO and Penny Sales Tax Program for Small Local Businesses – Ms. McCallum stated Ordinance 049-13HR says the purpose of the division is to provide a race and gender neutral procurement tool for the County to use in its efforts to ensure that all segments of its local business community have a reasonable and significant opportunity to participate in County contracts for the 6 industrial categories.

Mr. N. Jackson requested a copy of the ordinance be forwarded to the committee. He stated he made the motion for the OSBO Office and the intent was to pattern it similar to the City of Columbia. The Department of Revenue got involved about the Penny Tax funding and how it had to be split.

Ms. McCallum stated Ordinance O39-14HR that was an addendum. Sec. 2-234. Responsibilities; powers; duties, states (a) Management of the county's SLBE program (Sec. 2-639); b. Management of the county's Minority, Women and Disadvantaged Business Enterprise programs; c. Management of the county's program for business enterprises owned and operated by persons with disabilities; d. Management of the Business Development program; and e. Other programs or functions assigned to the department by the county administrator or county council.

- f. Training/Certification Programs for SLB Status (SCDOT collaboration) – Ms. McCallum stated in the month of February one of her main objectives was to go out and build partnerships with the City and State. Their main focus was training for the SLBEs and how best to collaborate. In speaking with the SCDOT, it was mentioned they could not have training with the County’s SLBEs because our SLBEs would not be able to participate. The DBEs can come, but she cannot send an e-blast out to the DBEs, which is one of the roadblocks she has run into with the SCDOT because they are federally funded. Whenever they get training notices from the DBEs, the City, the State or government they send out e-blast for “external training” to the SLBEs to let them know about the DBE training.
- g. Status of Quick Pay Program – Ms. McCallum stated she does not see anything as far as the “Quick Pay Program”. The only thing she can reference is “Prompt Payment”. She stated that Melissa Watts has been very proactive with the prompt payment program. They have cleaned up B2G. They have trained the primes about the prompt payment and entering the information into B2G, so there are no undocumented participation.

Mr. N. Jackson stated he thought the B2G program was to ensure when the primes got paid, the subs would be paid within 7 days. He inquired if that was still happening.

Ms. McCallum stated it is still happening, but some of the primes were not entering it in. Per the ordinance they are supposed to. They have trained the primes and brought it to their attention. They have gone a step further and have added it into the prime’s contracts.

Ms. Sumter stated she gets sick when she comes here as to where they are with the County. Their problem is not getting paid when the primes get paid. The problem is the prime is not getting paid. When you go to the contracts they say “pay when paid”. If you look at the when paid, we have been back to July/August just getting it. Having your B2G system is fine for those that are the prime, but you can count how many DBEs are primes. Or how many SLBEs are prime. The really issue is your subcontractors. In being a subcontractor, we get a contract with that prime. It says in that contract, we will pay you when we get paid. And most of them do. State law says you are to be paid within 7 days. Prompt pay is in our law from the State, but that is not our problem. The primes are not being paid. If you look at, it goes beyond them. She has tried to explaining but there is a gap in the knowledge base, so you see exactly where we are and where we need to be.

Mr. N. Jackson stated the OSBO Office and the Transportation Department will need to work closely to get the primes paid.

Mr. Malinowski requested some input on why the primes are not being paid.

Ms. McCallum stated in some case they have responded to them. When they find out the primes have not been paid, they take aggressive measures to get them paid. There was one instance where they hand walked through the process and hand carried the check. She stated she was speaking from what they have established now since they have filled some of their offices in the OSBO Department.

Mr. Livingston stated, you may recall, when the Auditor was presenting information and the reason why he asked the question about is what you are talking about really measure how long it takes for invoices to be completed. He gets a lot people telling him they are sending invoices and it is taking forever to get the invoices through the system and the administrators are saying the invoice was not completed. We need to get a clear understanding on what is happening. Why those invoices are getting bogged up and

all the difference reasons they are given for that. Obviously these must be the primes that are not getting paid.

Mr. Malinowski stated maybe that is why the Transportation Director and Ms. McCallum need to get together and figure this out.

Mr. N. Jackson inquired if the process changed because they have been doing this for a while and now it is not being done correct. If they are doing the same process, why is it...

Mr. Tolleson stated, in his view, when you are a sub, but there is a procedure that would have probably benefitted in every SLBEs negotiation with the prime. A prime and the sponsor (County) come together and negotiate terms and specifics of the scope. Sometimes there are a task or 2 that trickle down to SLBEs. SLBEs are almost never at the table in that conversation. That is not necessarily wrong, if the County would have an expectation that the prime is in full conversation with their subs and in their subs best interest. He does not think the County has done a wrongdoing when the subs are not there. On the other hand, there might be some procedure in the negotiation of work tasks on either existing contracts, or in future contracts, whereby the County imposes a statement or affidavit that makes the prime disclose to the County that it has gotten some input and feedback from the sub. Because what ordinarily will happen is a work tasks will come down to a sub. The task, budget and schedule has probably already been worked out. It is handed to the SLBE and the SLBE may be asked to start now. That means a SLBE will get an assignment on day 1. Will work for 1 month. Will invoice and a week or so will pass to give the prime the time he needs to process. It goes to the County. The County may take about 28 days, which is not that abnormal. Your sub has been working for a month, plus a week, plus 4 weeks. Then the check is mailed to the prime. Now that sub has worked well into month 3 before he is paid the first time. So every time he gets a task, he/she does not have the scope necessarily input. There is a whole litany of things.

Ms. Sumter stated the City wanted to be certain that the process was working. If the County would do the same. If you would go and ask Transportation or OSBO to give you a spreadsheet on the past year on when the prime sent the bill in and when they were paid. Then you will see the gap of the days, which is running 120+ days for some. As of right now, we are suffering because the primes have not been paid. You can get that by having your internal look at a process to see when the bill came to you, how long it took in the County and then asking us, etc.

Mr. N. Jackson inquired if the process has changed. How was it before? Was it more prompt or has it changed?

Ms. Sumter stated at one time it was smoother. We had never gone as far as we have since July 2017. Prior to July 2017 things were moving better. After July something happened that affected us severely. July and August payments were received last week. If you go check now there still out. So that form they sent us saying, "Have you been paid?" had no merit to us completing it because the prime had not been paid.

Mr. Malinowski moved, seconded by Mr. Livingston, to have staff determine how long it is taking to pay the bills since July 2017. If it is inordinate amount of time, why it is taking that amount of time and bring back a process to get this timeframe shortened to what it should be. The vote in favor was unanimous.

h. Status of Bonding Program – Ms. McCallum stated in reference to the bonding program, Ordinance 049-

13HR, Sec. 2-644 states, the County contract officer and may utilize the initiatives to promote the award County contracts to SLBEs or emerging SLBEs. It further states, "The County, at its discretion, may waive or reduce the bonding, or insurance requirements depending on the type of contract and whether the County determines that the bonding and or insurance requirements would deny the SLBE or emerging SLBE an opportunity to perform the contract which the SLBE or emerging SLBE has shown itself otherwise capable of performing."

Mr. N. Jackson inquired as to what the status of the program is. He inquired if the program has been set up to address yet.

Ms. McCallum stated they are looking at different bonding program and vetting out and doing research on that right now.

Ms. Sumter stated the State law waived up to \$250,000, and it is still in law. There is a vehicle in State law that speaks to waiving the bond. She stated she does not care what you doing, unless you start at financial statements and charter accounts. For the bonding company, it must have liquidity in it. They want to be certain you can carry that job 60 days. The training is the same for every time, three years financial statements, what is your liquidity, what is your past performance, etc. We know that your SLBEs need a different look. That different look is, what are they doing in other places? (1) State the law or waiving the bond; (2) Taking your projects and making them not as large and are within reach; and (4) Maybe deciding to buy the asphalt.

- i. Consultant to assist with getting programs in place – Ms. McCallum thought this was in reference to the bonding program. She will bring back information regarding this item at the next meeting.

Ms. Sumter inquired if McClam had filled out the mentor forms and approved to be a mentor because he already has a protégé in the City's program.

Ms. McCallum stated they have had a sit down with McClam and he was one of the most proactive. He has committed to the County's first phase to act as an instructor/mentor. They are discussing the protégé part of it also.

Ms. Sumter stated McClam is a mentor in the City of Columbia program. She stated he would certainly be good and that is the road construction. The City already has all of these forms. Franklin Lee, when he came to the City, and the attorney out of Atlanta, helped to develop the forms, so they are the same forms the County could use versus reinventing the wheel.

Mr. Malinowski inquired as to how it is decided who will should be a mentor. Is it just requested and the people apply? And what kind of background do you look into to be sure they are what we want as mentors?

Ms. Sumter stated she will send the County the City of Columbia's form.

5. **ADJOURN** – The meeting adjourned at approximately 5:40 PM