



MEMORANDUM

Date: November 7, 2017

To: Chair and Members
Sales Tax Advisory Committee

From: 
Nicole Fyffe
Executive Assistant to the
County Administrator

Re: **Pima County's Small Business Enterprise Program in Relation to Road Repair Contracts**

At the Committee's last meeting there was a question as to whether women and minority-owned contractors could be prioritized when procuring road repair contracts. In 2010, voters approved a constitutional amendment, referred to the voters by the Arizona Legislature, that effectively prohibited the state and its localities from giving preferential treatment to any person or group on the basis of race, sex, color, ethnicity or national origin. As a result, Pima County revised its Minority, Woman and Small Business Enterprise Program (SBE) to eliminate preference to women or minorities.

A summary of the County's SBE Program is attached. The purpose of the program is to increase job opportunities at the local level by encouraging contracting with local small businesses. With regard to the procurement of future road repair contracts, Pima County's SBE Division, located within our Procurement Department, would review the road repair projects and determine if it is feasible to set a subcontracting goal. Assuming there are at least two ready, willing and able SBE subcontractors, a goal would be included such that any contractor responding to bids would be required to subcontract to SBE contractors for a particular percent of the overall value of the project. For example, if the SBE goal for a road repair project was set at 5 percent and the project was a \$1 million project, contractors bidding on the project would have to commit to using SBE subcontractors for \$50,000 worth of work for the project.

For more information about this program visit <http://webcms.pima.gov/cms/One.aspx?pageld=90819> or call Pima County Procurement at 520-724-8161.

NF/dr

Attachment

c: Terri Spencer, Design and Construction Division Manager, Pima County Procurement

PIMA COUNTY SMALL BUSINESS ENTERPRISE PROGRAM

Upon the passage of Proposition 107, which amends the Arizona Constitution by adding Section 36 to Article II, Pima County's Minority, Woman and Small Business Enterprise Program was revised to a solely Race and Gender Neutral Small Business Enterprise Program.

It is the policy of Pima County to ensure full and equitable economic opportunities to persons or businesses that compete for business with Pima County, including small business enterprises. Pima County's Small Business Enterprise (SBE) Program is administered pursuant to Title 20 of the Pima County Code and Board of Supervisors Policy D29.8. The goal of the race and gender neutral SBE Program is to expand employment opportunities and promote the local economy by fostering the formation and growth of local small businesses and to encourage contracting with all small local businesses.

A SBE is defined as a small business located in Pima County certified through the City of Tucson agency process approved by Pima County, operating as an independent and continuing business for profit, performing a commercially useful function, that is owned and controlled by one or more persons each of whose personal net worth does not exceed the limits established by the Small Business Administration and adopted by the City of Tucson SBE Program.

A qualified SBE is listed on the current, authorized Pima County SBE Construction Business Certification Directory maintained by the City of Tucson that is ready, willing, and able to perform work.

The SBE Certified Business Directory is located at: <http://webcms.pima.gov/sbedirectory>

Pursuant to Board of Supervisors Policy D 29.8, the Procurement Department, Small Business Enterprise Division, reviews all Public Works construction projects, except those that require a Disadvantage Business Enterprise (DBE) goal pursuant to State and Federal law, budgeted in excess of \$100,000 to determine if subcontracting goals are feasible.

The Business Enterprise Program Coordinator will recommend no goal set due to limited SBE availability when a subcontracting trade category does not have at least two (2) ready, willing and available SBEs which creates insufficient competition.

SBE Goals less than 4% or greater than 15% shall be reviewed and approved by the Procurement Director.