



OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT

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MEMORANDUM

DATE: December 7, 2017

TO: Ian Mitchell, Project Administrator
Facilities Management Division

THRU: Sandy-Michael McDonald, Director *SM*
Office of Economic and Small Business Development

FROM: Freddy Castillo, Small Business Development Manager *FC*
Office of Economic and Small Business Development

SUBJECT: RFP No. R0921804P1- Janitorial Services at the S. Regional Courthouse
CBE Reserve Compliance Review for the Third Amendment to the
Agreement

The Office of Economic and Small Business Development (OESBD) has conducted a review of Chi-Ada Corporation's CBE participation as of October 31, 2017. This RFP is a CBE Reserve contract and Chia-Ada Corporation committed to 100% CBE participation. An overview is provided as follows:

<u>Firm</u>		<u>Reported Payment</u>	<u>Verified Payment</u>
Chi-Ada Corporation	CBE	\$512,633.40	\$512,633.94
Guarantee Window Cleaning	Non-CBE	\$6,643.54	0.00
Total		\$519,276.94	\$512,633.94

- Original two-year term not-to-exceed amount: \$248,923.58
- Three one-year period renewals for an estimated five-year amount of \$622,308.95
- Proposed month-to-month extension not to exceed six months or until a replacement contract is awarded, not to exceed \$62,231
- Total Amount Paid to CBE: \$512,633.94
- Total CBE Participation as of March 30, 2017: 98.72%
(\$512,633.94/\$519,276.94)

Compliance Comments:

Based on Monthly Utilization Report (MUR) dated October 31, 2017, Chi-Ada Corporation (Chi-Ada) has performed 98.72% of the work under contract. Payment to the CBE firm was verified through an independent payment verification process. Chi-Ada reported on its MUR using Guarantee Window Cleaning for subcontractual work valued at \$6,643.54. Guarantee Window Cleaning is a Non-CBE firm. Consequently, Chi-Ada is not compliant with the CBE Reserve requirements of this RFP and a Notice of Violation will be issued by OESBD to this firm.

Per the "Broward County Business Opportunity Act Administrative Procedures, Section 19-40.2(b)(4) it notes "that in projects involving a CBE reserve, all work associated with the reserve must be performed by CBE firms in order to be considered responsible under the reserve requirement." Therefore, per the "Broward County Business Opportunity Act of 2012" (the "Act"), Section 1-81.6, only the work actually performed by a CBE (whether as a prime contractor or subcontractor) shall be counted toward satisfaction of the applicable goal.

The Facilities Management Division reported that an extension of this RFP is needed until a replacement contract is awarded. OESBD will continue to monitor this contract for CBE Reserve compliance to project conclusion.

cc: Claudja Henry, Senior Contract/Grant Administrator, Facilities Management
Oswaldo Casco, Small Business Development Specialist, OESBD