



Cover Memorandum/Staff Report

File #: 18-0319 CRA

Agenda Date: 5/14/2019

Item #:

TO: CRA Board of Commissioners
FROM: Joan K. Goodrich, Economic Development Director
THROUGH: Jeff Costello, CRA Executive Director
DATE: May 14, 2019

DISCUSSION - KEEP IT LOCAL + DISPARITY STUDY RESEARCH

Background:

Over the years, the City of Delray Beach and the Delray Beach Community Redevelopment Agency (CRA) have explored various "Keep It Local" strategies designed to positively impact the community and the local economy through more local procurement of goods and services and by growing the number of local firms associated with public capital improvements and/or redevelopment projects.

In 2014, the Office of Economic Development (OED) published a report entitled "Growing Delray Beach's Small Business Program and Approaches" after benchmarking and seeking best practices from more than 25 cities and counties in Florida and beyond. A key data point at that time revealed that 3% of the City's spending (\$1,809,802) in FY 2014 totaling \$60,949,929 was with S/MWBE firms.

One of the ten recommendations made in the 2014 Small Business Program and Approaches report included the establishment of a new local business preference policy. While there was support for the new policy from the DDA, CRA and West Atlantic Redevelopment Coalition (WARC), WARC also suggested that the City commission a Disparity Study and "tag on" to Palm Beach County's 2014 Disparity Study.

While the City Commission did not allocate the estimated funding of \$100,000 for the Disparity Study, it did rescind Administrative Policy PUR_15 Minority Vendor Program established in 1987 due to legalities and created a new Local Business Preference Policy on May 5, 2015 through Ordinance No. 11-15.

From there and during FY 2016, a cross-functional, internal City team entitled "Local Business - Local Jobs Action Team" was formed to develop actions "to increase local business participation and the creation of new jobs by creating public outreach and training plan associated with the City's CIP and Procurement Programs." The team's work got as far as drafting an action plan and recommending several improvements to improve City business processes yet ended abruptly in July 2016 when several key changes in City executive leadership occurred.

In 2017, the City Commission through Ordinance No. 21-17 repealed and replaced Chapter 36 of the City's Code of Ordinances in its entirety - "Acquisition of Goods and Services and Disposal of City Property" - and adopted new Purchasing Policies and Procedures, which unfortunately eliminated the previously adopted Local Business Preference Policy.

The Office of Economic Development (OED) will lead a discussion focused on obtaining input and direction on how best to advance Delray Beach "Keep It Local" initiatives, programs and policies to build a stronger and more resilient economy. The City's Purchasing Department has been invited to attend as a subject matter expert.

A related agenda item on the CRA's May 14 Regular Meeting will seek Board direction on the topic of advocating to the City of Delray Beach for a Disparity Study or moving forward with other options.

Attachments: Exhibit A - Disparity Study Research and Recommendations Memo Dated November 1, 2018
 Exhibit B - City of Delray Beach Ordinance 11-15 (2015)
 Exhibit C - City of Delray Beach City Attorney's Office General Law on Minority Business Preferences or Set Asides Memo Dated June 5, 2014
 Exhibit D - 2014 Growing Delray Beach's Small Business Program Recommendations
 Exhibit E - City of Delray Beach PUR-15 Minority Vendor Program (1989)