COUNTY ADMINISTRATION

MEMORANDUM

TO: Faye W. Outlaw, MPA, County Administrator

FROM: Lee Ann Lowery, Assistant County Administrator

DATE: April 7, 2010

SUBJECT: Local Economic Stimulus Work Group – Final Report

Background

The Board of County Commissioners (BOCC) initiated the St. Lucie County Local Economic Stimulus Program (LESP) in an effort to increase business development and employment opportunities for County residents. This initiative focuses on moving forward with short- and long-term construction and renovation projects by:

- Expediting approved projects
- Reprioritizing projects in approved budgets
- Reallocating available funding to new projects
- Seeking grant funding for new projects, including American Recovery & Reinvestment Act (ARRA) funding

To ensure that the effort maximizes the benefit to businesses and citizens of St. Lucie County, the BOCC adopted two new ordinances in April 2009:

Local Preference Ordinance
This ordinance provides the opportunity for a bidder with a physical location in St. Lucie, Martin, Indian River or Okeechobee County that is within 5% of the lowest bid to match the lowest bidder.

Local Economic Stimulus Ordinance
This ordinance requires that certain projects approved by the BOCC be bid with requirements that the contractor agree to use a minimum of 75% local laborers, local subcontractors and local material suppliers.

Prior to the adoption of these ordinances, the BOCC had approved revisions to the criteria for award of Requests for Qualifications (RFQ) to provide additional points for businesses with offices in St. Lucie County.

Work Group

To ensure successful implementation of the BOCC initiative, the LESP Work Group was formed. Members of the Work Group included:

- Lee Ann Lowery, Assistant County Administrator and Facilitator
- Heather Lueke, Assistant County Attorney
- Marie Gouin, OMB Director
- Roger Shinn, Central Services Director
- Don West, Public Works Director
- Mike Powley, County Engineer
- Debbie Brisson, Parks & Recreation Director
- Erick Gill and David Wood, Media Relations
- William Hoeffner, Grants & Disaster Recovery Director

The Work Group began meeting bi-weekly in May 2009 to establish the structure and procedures for implementing and tracking the LESP, including the following:

- Bid and contract documents were developed to reflect the applicable conditions of the Local Preference and/or the Local Economic Stimulus ordinances. These included the creation of forms to be submitted throughout the project to verify compliance with the required percentage of local labor, subcontractors and material supplies. Forms were also developed to verify each bidder's eligibility to be considered a local vendor under the ordinances.

- The LESP tracking report was developed and updated regularly by project managers. This report provides information on each project, cost, status, funding sources and location of the contractor. In addition, this report tracks the total "job years" created by the LESP. Per the American Recovery and Reinvestment Act (ARRA) standards, a job year is one job for one year. One job year is created for every $92,000 in expenditures.

- The LESP web page was created and provides citizens with an overview of the program, jobs created and a link to the LESP tracking report.

- Creation of a LESP logo and construction signs which were installed at projects with high public visibility. As of 1/31, this web page has had 1330 hits.

- Administrative procedures were developed to implement the Local Economic Stimulus Ordinance. The procedures require contractors to submit reports on the use of local labor, material suppliers and subcontractors with each request for payment. These reports are randomly audited to ensure compliance.

- A "Vendor Library" was implemented for use by departments and divisions seeking formal and informal quotes to assist in identifying local vendors. This library is

accessible by all staff and provides updated information as to the location, goods and services provided and contact information for vendors.

A Vendor Registration form and procedures were developed and distributed via press releases from the County, EDC and Chamber of Commerce. Information is also available on the County's internet site under the Business section.

Outcomes

Overall, the following results were generated:

- 457 jobs are projected to be created by the LESP based on ARRA standards.
- 86 construction projects totaling almost $42 million were identified as part of the LESP. This total includes over $7 million in ARRA grants that have been received.
- Of the 86 construction projects identified, 59 have been completed.
- The remaining 27 projects are primarily large projects totaling over $31 million which are expected to yield more long-term employment opportunities. In addition, some projects, such as the infrastructure improvements at the Treasure Coast Research Park and the Airport West Commerce Park, are expected to set the stage for opportunities to attract economic development and create a more sustainable St. Lucie County.
- All Local Economic Stimulus Ordinance projects which have been bid yielded commitments by contractors to utilize local laborers, subcontractors and material suppliers which met or exceeded the required 75% threshold.
- The implementation of the two local preference ordinances does not appear to have resulted in increased project costs. To date, all projects which have been bid or quoted have come in under budget; in some cases, significantly under budget.
- It was clear that submittal and auditing of reports was necessary to keep contractors on track as it relates to meeting the percentage requirements in their contract. It was clear that the contractors did not share the same level of concern for the LESP as County staff and/or the construction management team.
- As could be expected, monitoring of smaller projects for compliance with the materials, labor and subcontractor requirements was significantly easier than for large projects. For these projects, Public Works began requiring the construction management company to assume responsibility for monitoring and auditing compliance with hiring requirements as part of their contract with the County.

- To date, 126 St. Lucie County businesses have registered with St. Lucie County's Vendors Library, an increase of 69 companies since its implementation approximately 6 months ago. In addition, 31 companies from Indian River and Martin Counties have registered. A total of 248 companies have now registered with St. Lucie County's Vendor Library, including 14 from outside Florida. Purchasing reports that the Library is being used on a regular basis by departments and divisions for formal and informal quotes.

At the March 23, 2010 Informal Meeting, the BOCC agreed to allow the Local Economic Stimulus ordinance to sunset as written, April 27, 2010, while continuing with the adopted Local Preference ordinance. Projects programmed as Local Economic Stimulus ordinance projects which have not been bid by that date will be bid under the Local Preference ordinance.

As a team, County Administration, the County Attorney's office and the LESP Work Group ensured the successful implementation of the BOCC Local Economic Stimulus Initiative.

C: Board of County Commissioners
Local Economic Stimulus Work Group
Dan McIntyre, County Attorney