

Wayne County Airport Authority Small Business Enterprise (SBE) Program

SBE Equalization Credits

To determine a winning contractor on a competitively solicited Airport Authority agreement, all submitted proposals, responses or quotes must be analyzed and rated based upon the evaluation criteria contained in the solicitation documents. To encourage the use of WCAA SBE certified firms, solicitation bids, proposals, responses or quotes which include SBE participation in excess of 20% of the contract value are eligible to receive additional points in the evaluation process (SBE Equalization Credits).

SBE Equalization Credits are solely used to determine the lowest bidder or most responsible proposer, and do not affect the actual bid/quote total. The amount and application of equalization credits during the evaluation process is dependent upon the anticipated contract value and type of solicitation, as outlined below:

Equalization Credit Percentage:

- Contracts valued at or below \$100,000 are eligible for equalization credit percentages of 1%, 2% and 3%, dependent on the proposed extent of work to be performed by the SBE firm(s).
- Contracts valued above \$100,000 are eligible for equalization credit percentages of 1% or 2%, dependent on the proposed extent of work to be performed by the SBE firm(s).

The maximum amount of SBE Equalization Credit percentages are reserved for SBE firms responding to a solicitation as a Prime Contractor and self-performing at least 30% of the contract work. Lower value credit percentages are available to non-SBE Prime Contractors, and SBE Prime Contractors self-performing less than 30% of work, if at least 20% of work is completed by certified SBE(s) (prime or subcontracted).

SBE Participation Type	Contract Value	
	≤ \$100,000	> \$100,000
SBE Prime self-perform $x \geq 30\%$	3%	2%
SBE Participation $x \geq 30\%$ <i>(Prime & sub combined)</i>	2%	1%
SBE Participation $20\% \leq x < 30\%$ <i>(Prime & sub combined)</i>	1%	1%

Table 1

Equalization Credit Calculation:

- When price is the only factor in determining the award of a contract, the amount bid/proposed by the SBE credit eligible firm will be reduced by the applicable percentage (see Table 1) of the lowest bid submitted by a non-SBE credit eligible firm.
- When multiple evaluation criteria (e.g., years of experience, price, etc.), is used in determining the award of a contract, the SBE credit eligible firm will receive additional points equal to the applicable percentage (see Table 1) of the total available points.

NOTE: Firms intending to be counted as an SBE for equalization credit purposes must be certified as a WCAA SBE by the solicitation submission deadline.

SBE Equalization Credit Examples

Example 1.

Contract Value: Under \$100,000
Evaluation Criteria: Price

Actual Bids

Bidder	Bid Amount	SBE Participation	Equalization Credit Percentage
A	\$60,650.00	SBE Prime Contractor - self-performing more than 30% of the work	3%
B	\$60,300.00	Non-SBE Prime Contractor - subcontracts 30% or more of the work to SBE(s)	2%
C	\$60,700.00	Non-SBE Prime Contractor - subcontracts 20% but less than 30% of the work to certified SBE(s)	1%
D	\$60,350.00	Non-SBE Prime Contractor – no SBE subcontractors	0%

SBE Credit Adjustments

Bidder	Bid Amount	Equalization Credit Calculation		Adjusted Bid Amount
		<i>(lowest non-SBE credit eligible bid x Equal credit percentage)</i>		<i>(Evaluation Purposes Only)</i>
A	\$60,650.00	\$60,350 x 3% = \$1,810.50	\$60,650.00 - \$1,810.50 =	\$ 58,839.50
B	\$60,300.00	\$60,350 x 2% = \$1,207.00	\$60,300.00 - \$1,207.00 =	\$ 59,093.00
C	\$60,700.00	\$60,350 x 1% = \$603.50	\$60,700.00 - \$603.50 =	\$ 60,096.50
D	\$60,350.00	\$60,350 x 0% = \$0.00	\$60,350.00 - \$0.00 =	\$ 60,350.00

Based on the actual bid values, Bidder B is the lowest bidder; however, once SBE Equalization Credits are applied, Bidder A would be awarded the contract at the actual bid price of \$60,650.00.

SBE Equalization Credit Examples

Example 2.

Contract Value: Under \$100,000
 Evaluation Criteria: Multiple
 Maximum Points: 400 (4 evaluation committee members, 100 points each)

Actual Evaluation Scoring

Bidder	Evaluation Points	SBE Participation	Equalization Credit Percentage
A	345	SBE Prime Contractor - self-performing more than 30% of the work	3%
B	346	Non-SBE Prime Contractor - subcontracts 30% or more of the work to SBE(s)	2%
C	350	Non-SBE Prime Contractor - subcontracts 20% but less than 30% of the work to certified SBE(s)	1%
D	325	Non-SBE Prime Contractor – no SBE subcontractors	0%

SBE Credit Adjustments

Bidder	Evaluation Points	Equalization Credit Calculation		Adjusted Bid Amount
		<i>(lowest non-SBE credit eligible bid x Equal credit percentage)</i>	<i>(Evaluation Purposes Only)</i>	
A	345	$400 \times 3\% = 12$	$345 + 12 =$	357
B	346	$400 \times 2\% = 8$	$346 + 8 =$	354
C	350	$400 \times 1\% = 4$	$350 + 4 =$	354
D	325	$400 \times 0\% = 0$	$325 + 0 =$	325

Based on the actual evaluation scoring, Bidder C has the highest score; however, once SBE Equalization Credits are applied, Bidder A would be awarded the contract because they have the highest adjusted score.