
From: Dodie Keith-Lazowick <DKeith@keithteam.com>

Sent: Thursday, May 7, 2020 2:20 PM

To: Rich, Nan <NRICH@broward.org>

Subject: FW: Local Headquarter Determination

Importance: High

Nan,

I have heard about the Calvin Giordano effort to twist the County procurement policy of awarding extra points for a company that has its HQ in Broward. They were purchased by a national firm out of Colorado a number of years ago. I do not understand how purchasing is giving them Local Headquarter points. Here is a brief White Paper which summarizes the situation. I not involved in this procurement so have no cone of silence issue. I am hopeful you will weigh in on this abuse of the system. In this time of a potential down turn in economy, we need to be sure our local firms are protected and our \$ stay in Broward County as much as possible.

I would love to chat w you on this.

Dodie



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White Paper

The Dangerous Hijacking of Broward's Local Headquarters Preference

The Broward County Commission, following the action of Miami-Dade County, adopted an ordinance which awards extra points in an RFP to companies which have their national corporate headquarters or nerve center in Broward County. The purpose of the Broward ordinance is to protect Broward-based firms to ensure that they receive a fair share of County-awarded projects.

Whether a company claiming to be headquartered in Broward County is in fact entitled to those extra points is typically a fact-driven analysis undertaken by County Purchasing staff and the County Attorney's office.

A recent RFP (PNC 2119168P1 Continuing Engineering Services for Traffic Roadway and Civil Projects) has raised serious concerns about how Broward County Staff may be interpreting the local headquarters determination.

In this RFP, the County intends to select two firms. Calvino Giordano & Associates, Inc. ("CGA") claimed that its corporate nerve center and national headquarters are in Broward County. CGA certified in writing that it was not a wholly owned subsidiary of another firm headquartered outside of Broward County. None of the other shortlisted firms responding to this RFP claim to be headquartered in Broward County.

When the final votes of the Evaluation Committee were totaled, CGA finished first having received the automatic extra 25 points (5 points for each of the five Committee members). Had CGA not received those 25 points, it would have finished third. Thus, the award of the local preference points to CGA was outcome determinative. The County Commission has not yet approved the rankings.

If CGA were in fact a company whose headquarters/nerve center were truly in Broward County, one might say that the local preference ordinance had in fact achieved its objective. The problem is, however, that CGA was acquired in February 2018 by SAFEbuilt, Inc., a national operating company which has its headquarters and has its nerve center in Loveland, Colorado.

After the ranking by the Evaluation Committee, LSN Government Affairs, LLC submitted an Objection Letter containing extensive factual detail about the SAFEbuilt, Inc. 2018 acquisition of CGA and detailing how SAFEbuilt, Inc. has both ownership and corporate control of CGA and its corporate policies and major human resource decisions. In our letters, we included not only information from SAFEbuilt's website and press releases, but also a package of information contained in the SAFEbuilt Acquisition Welcome Package presented to the CGA employees as part of the SAFEbuilt, Inc. acquisition.

CGA not only provided misinformation when it certified that it **was not** a wholly-owned subsidiary of a company headquartered outside of Broward County, it also submitted a contorted response in an effort to preserve its ill-begotten award of local preference points. Sadly, the Director of Purchasing rejected our objection to CGA's receipt of the preference points.

If this decision is allowed to stand, it will make a mockery out of the local headquarters preference. Moreover, it will create an incentive for other companies which have been or will be acquired by outside firms, to game the County ordinance and defy the intent of the policy. This may be good business for lawyers and their creativity for structuring such deals, but it will be bad business for Broward County's policy of seeking to protect its real locally-based firms.

Please contact us if you want copies of the information that was submitted to Purchasing. You will see clearly that the CGA nerve center, as that term is legally defined is no longer based in Broward County. In its Welcome Package for CGA employees, the following Q&A is most revealing in addressing the SAFEbuilt, Inc. acquisition of CGA from Dennis Giordano and the other CGA principals:

“Why does CGA want SAFEbuilt's investment?”

The time had come for Dennis to start thinking about his succession and transition plan to ensure success and opportunity continued for all employees and clients. Dennis found SAFEbuilt to be the best fit due to similarities and alignment in services, culture, clientele and growth plans. Your company will benefit almost immediately from SAFEbuilt's training, HR and IT support, expanded sales and marketing resources and purchasing power.”

We remind you that this issue is not about the quality of CGA or its parent company, SAFEbuilt, Inc. It is about seeking a fair, rationale and legitimate interpretation of an ordinance that is expressly intended to provide a preference to truly local companies whose nerve center/headquarters are based in Broward County. While we appreciate the fact that there may be a time for locally grown companies to transition ownership and control to an out-of-county company, it is a transition that should involve the surrender of the local headquarters points when reflected by the real facts. It is doubtful that the Broward County Commission intended the illogical result of a local company surrendering ownership and control but having its cake and eating it too by continuing to gather local preference points.

We anticipate that this item will be on the County Commission Agenda on May 19, 2020.

If you want to support the integrity and intent of a preference for locally headquartered companies, please let the County Commissioners know where you stand. Feel free to share this document with others. Let us know if you have any questions.

Thank you for your interest in these important issues.