

**Wayne County Airport Authority
Small Business Enterprise (SBE) Program**

SBE Equalization Credit

Certified SBE firms that submit bids, proposals, responses or quotes in response to Airport Authority solicitations for goods and services will be eligible to receive an equalization credit.

The application of the equalization credit is dependent upon the type of solicitation. When price is the only factor in determining the award of a contract, the amount bid or proposed by a SBE firm will be reduced by a percentage (as specified below) of the lowest bid submitted by a non-SBE firm. When contracts are awarded based on multiple evaluation criteria (e.g., years of experience, price, etc.), the SBE firm will receive additional points equal to a percentage (as specified below) of the total available points.

The percentage of the equalization credit depends on the value of the contract being solicited.

For contracts valued at or below \$100,000, a 3% equalization credit is available. For contracts valued above \$100,000, a 2% equalization credit is available. A certified SBE contractor who will not self-perform at least 30% of the work bid, proposed or quoted will be treated as a business that is not a SBE certified and will only be eligible for equalization credit if their response includes work designated to Certified SBE subcontractor(s).

For contracts valued at or below \$100,000, a 2% equalization credit is available to Primes who will subcontract at least 30% or more of the contract value to Certified SBE subcontractor(s). For contracts valued over \$100,000, a 1% equalization credit is available to Primes who will subcontract at least 30% of the contract value to Certified SBE subcontractor(s). For all contracts, a 1% equalization credit is available to Primes that propose to subcontract at least 20% but less than 30% of the value of services or goods solicited to Certified SBEs.

The following 2 tables illustrate how SBE equalization credits are applied on four bids, on a contract valued under \$100,000, when price is the only factor in determining the award of the contract. The first table shows bidder B as the lowest bidder before equalization credits are factored in.

Bidder	Bid Amount	Work Proposed to Certified SBE(s)	Equalization Credit
A	\$60,650.00	SBE Prime Contractor - self-perform more than 30% of the work solicited	3%
B	\$60,350.00	Non-SBE Prime Contractor - subcontracts 30% or more of the work to Certified SBE subcontractor(s)	2%
C	\$60,700.00	Non-SBE Prime Contractor - subcontracts 20% but less than 30% of the work to certified SBE subcontractor(s)	1%
D	\$60,920.00	Non-SBE Prime Contractor – no SBE subcontractors	0%

The bids are then reduced by the amount of the above assessed equalization credit as follows:

Bidder	Bid Amount	Equal. Credit Calculation (Lowest Non-SBE Bid x Equal. Credit)	Bid Amt. – Equal. Credit	Adjusted Bid Amount
A	\$60,650.00	\$60,350 x 3% = \$1,810.50	\$60,650.00 - \$1,810.50	\$58,839.50
B	\$60,350.00	\$60,350 x 2% = \$1,207.00	\$60,350.00 - \$1,207.00	\$59,143.00
C	\$60,700.00	\$60,350 x 1% = \$603.50	\$60,700 - \$603.50	\$60,096.50
D	\$60,920.00	\$60,350 x 0% = \$0.00	\$60,920 - \$0.00	\$60,920.00

Bidder A, a SBE Prime would be awarded the contract at their actual bid price, \$60,650.

The following 2 tables demonstrate how SBE equalization credits are applied on four proposals, on a contract valued under \$100,000, when contracts are awarded based on multiple evaluation criteria (e.g., years of experience, price, etc.). In the example, there are three (3) evaluation committee members who can each assign up to 100 points, for a maximum score of 300 points. The first table shows proposal C with the highest number of evaluation points before equalization credits are factored in.

Bidder	Evaluation Points	Work Proposed to Certified SBE(s)	Equalization Credit
A	245	SBE Prime Contractor - self-perform more than 30% of the work solicited	3%
B	246	Non-SBE Prime Contractor - subcontracts 30% or more of the work to Certified SBE subcontractor(s)	2%
C	247	Non-SBE Prime Contractor - subcontracts 20% but less than 30% of the work to certified SBE subcontractor(s)	1%
D	235	Non-SBE Prime Contractor – no SBE subcontractors	0%

The equalization credit is then multiplied by the maximum points available (300), and the equalization credit is computed as follows:

Bidder	Evaluation Points	Equal. Credit Calculation (Max. Points x Equal. Credit)	Equal. Points + Eval. Points	Adjusted Eval. Points
A	245	300 points x 3% = 9 points	9 points + 245 points	254
B	246	300 points x 2% = 6 points	6 points + 246 points	252
C	247	300 points x 1% = 3 points	3 points + 247 points	250
D	235	300 points x 0% = 0 points	0 points + 235 points	235

Bidder A, a SBE Prime, now has the greatest number of evaluation points (254 points) and is awarded the contract.