Small Business Enterprise Utilization Report

OCTOBER. 1. 2009 – DECEMBER. 31. 2009

FY 2010 | Q2

CHARLOTTE.

NEIGHBORHOOD & BUSINESS SERVICES

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Since 2003, the City of Charlotte's Small Business Opportunity Program (SBO Program) has successfully certified more than 800 Small Business Enterprises (SBEs) from the Charlotte Regional Area, and the City has spent over $79 million with SBEs. Entering our 7th year as of March 2010, the SBO Program remains an integral part of the City's economic development strategy by promoting small business opportunity in all aspects of the City's contracting and procurement.

The SBO Program creates an environment where all small businesses can compete fairly for contracts financed by City dollars that support and encourage local business growth in our community. The SBO Program's "Advance Your Business" training and development initiatives have also helped prepare SBEs to be competitive when bidding for City contracts.

In January 2010, Mayor Anthony Foxx appointed 15 citizens to the Small Business Opportunity Program Task Force. Charged with reviewing the City's SBO Program, the task force will identify strategies to further promote small business growth and strengthen SBE utilization in the City's procurement processes.

Highlights for this reporting period include:

- Payments to SBEs totaled $5.07 million
  - Payments to SBEs on Informal contracts[1] totaled $2.03 million
  - Payments to SBEs on Formal contracts[1] totaled $3.04 million
- Payments to Minority or Women owned firms totaled $14.7 million
- Disparity was found within Construction Subcontracting in one ownership group

The accomplishments of the SBO Program over the past seven years could not have been possible without the support and cooperation of each of the City's Key Business Units (KBUs). The SBO Program Office thanks each KBU for their tireless efforts in developing and implementing strategies to promote SBE participation in achieving annual and project participation goals.

Patrick Mumford, Director
Neighborhood & Business Services

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1: The term "Contract" is used interchangeably to mean Invoices, Purchase Orders, and Contractual Agreements.

SBE Utilization | Q2

The City distinguishes City purchases as either Formal or Informal based on the purchase type, dollar size, or solicitation method. Informal denotes all goods or service purchases under $100,000 and construction contracts under $200,000.

Citywide informal spending equaled $25,363,339; of this amount **$2,032,786 (8.0%)** was spent with City certified SBE firms.

Citywide formal spending equaled $90,595,896; of this amount **$3,044,741 (3.4%)** was spent with City certified SBE firms.

KEY BUSINESS UNIT (KBU)	INFORMAL TARGET (%)	INFORMAL UTILIZATION ACHIEVED (%)	INFORMAL UTILIZATION ACHIEVED ($)	FORMAL UTILIZATION ACHIEVED ($)	TOTAL UTILIZATION ACHIEVED ($)
CITYWIDE	**12.0%**	**8.0%**	**$2,032,786**	**$3,044,741**	**$5,077,527**
AVIATION	**11.0**	7.2	124,744	1,357,812	1,482,556
BUSINESS SUPPORT SERVICES	**4.0**	4.0	49,024	N/A[1]	49,024
BUDGET & EVALUATION	**7.0**	88.7	2,737	N/A[1]	2,737
CHARLOTTE AREA TRANSIT	**4.0**	4.3	61,531	74,928	136,459
CHARLOTTE DEPT. OF TRANSPORTATION	**5.0**	4.8	190,390	201,403	391,793
CHARLOTTE FIRE DEPARTMENT	**5.0**	3.0	19,457	9,947	29,404
CITY ATTORNEY'S OFFICE	**1.0**	36.5	583	N/A[1]	583
CITY CLERK'S OFFICE	**1.0**	0.0	-	N/A[1]	-
CITY MANAGER'S OFFICE	**10.0**	12.6	67,905	N/A[1]	67,905
CHARLOTTE-MECKLENBURG POLICE	**9.0**	2.2	104,089	N/A[1]	104,089
CHARLOTTE-MECKLENBURG UTILITIES	**9.0**	11.6	421,454	1,041,787	1,463,241
ENGINEERING & PROPERTY MANAGEMENT	**12.0**	17.0	764,429	358,850	1,123,279
FINANCE	**7.0**	13.3	78,996	N/A[1]	78,996
HUMAN RESOURCES	**4.0**	11.9	14,607	N/A[1]	14,607
MAYOR'S OFFICE	**10.0**	32.0	7,660	N/A[1]	7,660
NEIGHBORHOOD & BUSINESS SERVICES	**5.0**	6.4	112,577	N/A[1]	112,577
PLANNING	**8.0**	0.6	225	N/A[1]	225
SOLID WASTE SERVICES	**7.0**	3.5	12,378	N/A[1]	12,378

1: Denotes KBUs that typically do not have significant SBE formal utilization opportunities.

SBE Utilization Comparison | Year To Date

SBE Utilization figures below represent City payments made directly to SBE firms on formal and informal contracts. Subpayments are not included in the figures below.

	INFORMAL SBE UTILIZATION ($)	ALL INFORMAL DOLLARS SPENT	FORMAL SBE UTILIZATION ($)	ALL FORMAL DOLLARS SPENT
FY10 – 6 month	$3,305,623	$43,597,964	$5,092,376	$182,938,110
FY09 – 6 month	3,570,164	39,422,156	3,894,287	216,756,577
FY08 – 6 month	2,213,271	18,647,014	804,351	65,415,986

Construction Projects Snapshot | Q2

The table below provides a snapshot of construction projects **completed** this reporting period with a contract value of $1 million or more. Please note this table does not include all construction projects completed this reporting period.

- **Established SBE Target** is the SBE utilization target set by the SBO Program prior to project bidding.
- **Committed SBE Target** is the SBE utilization target set by the Prime/General Contractor at bid opening.
- **SBE Utilization** represents the SBE utilization at project completion.

PROJECT NAME	CONTRACT VALUE ($)	ESTABLISHED SBE TARGET (%)	COMMITTED SBE TARGET (%)	SBE UTILIZATION (%)	KBU
FY08 Water Main, Contract D	$1,267,599	5%	5.1%	5.6%	CMU[1]
FY09 Water Main, Contract 1	1,267,025	5	5.1	4.2[2]	CMU[1]
Fire Station #39 Arboretum	3,180,784	10	5.5	8.5	EPM[1]
Freedom Dr/Stewart Creek Pkwy	775,700	7	7	12.3	EPM[1]

1: CMU stands for Charlotte-Mecklenburg Utilities. EPM stands for Engineering & Property Management.
2: Project scope was altered to adjust for market conditions.

Construction Subcontracting Utilization | Q2

One finding of disparity existed in construction subcontracting within the five ownership categories.[4]

OWNERSHIP	PAYMENTS ($)	TARGET[3] (%)	UTILIZATION (%)	MET TARGET
Asian American	$207,706	0.23%	1.07%	✓
African American	500,162	2.91	2.57[4]	-
Non-Minority Female	1,587,458	2.02	8.16	✓
Hispanic/Latino	215,046	0.50	1.11	✓
Native American	35,971	0.15	0.18	✓
TOTAL	**2,546,343**			

3: Subcontractor Utilization is used to benchmark usage of minority or woman owned firms on construction projects against targets recommended by MGT America 2002 Study.
4: Ownership category exceeded target by 46.4% in the prior quarter.

Minority / Woman Business Utilization | Q2

Citywide informal and formal spending equaled approximately $116 million; of this amount roughly **$14.7 million (12.7%)** was spent with minority and/or woman owned firms.

WORK CATEGORY	UTILIZATION ($)	TARGET[1] (%)	UTILIZATION (%)	MET TARGET
Architectural & Engineering	$1,519,341	12.82%	11.53%	-
Construction under $30K	108,496	15.13	14.00	-
Construction over $30K	7,959,333	15.41	17.88	✓
Goods & Supplies	1,027,531	6.70	4.31	-
Other Services	3,835,828	9.14	14.86	✓
Professional Services	305,748	17.67	3.89	-
TOTAL	**14,756,278**			

1: Targets based from 1998/2002 MGT Disparity Study

Public-Private Partnerships | Year To Date

The table below provides a snapshot of the City's major Public-Private partnerships with SBE utilization through December 31, 2009. Please note this table does not include all Public-Private partnership projects for this reporting period.

- **Paid to SBEs** represents the amount paid to SBEs since the project's inception.
- **Established SBE Target** is the SBE utilization target set by the SBO Program prior to project bidding.
- **SBE Utilization** represents the SBE utilization through the end of the reporting period.

PROJECT NAME	PROJECT VALUE ($)	PAID TO SBEs ($)	ESTABLISHED SBE TARGET (%)	SBE UTILIZATION (%)	MET TARGET
NASCAR Hall of Fame	$158,919,043	$25,472,344	$16 %	16%	✓
Discovery Place	13,800,554	1,839,161	7	13	✓
Double Oaks	12,597,777	122,293	N/A[3]	18[2]	N/A[3]

2: Represents combined MWBE/SBE utilization.
3: SBE targets were not established for this project. Combined MWBE/SBE targets were established.