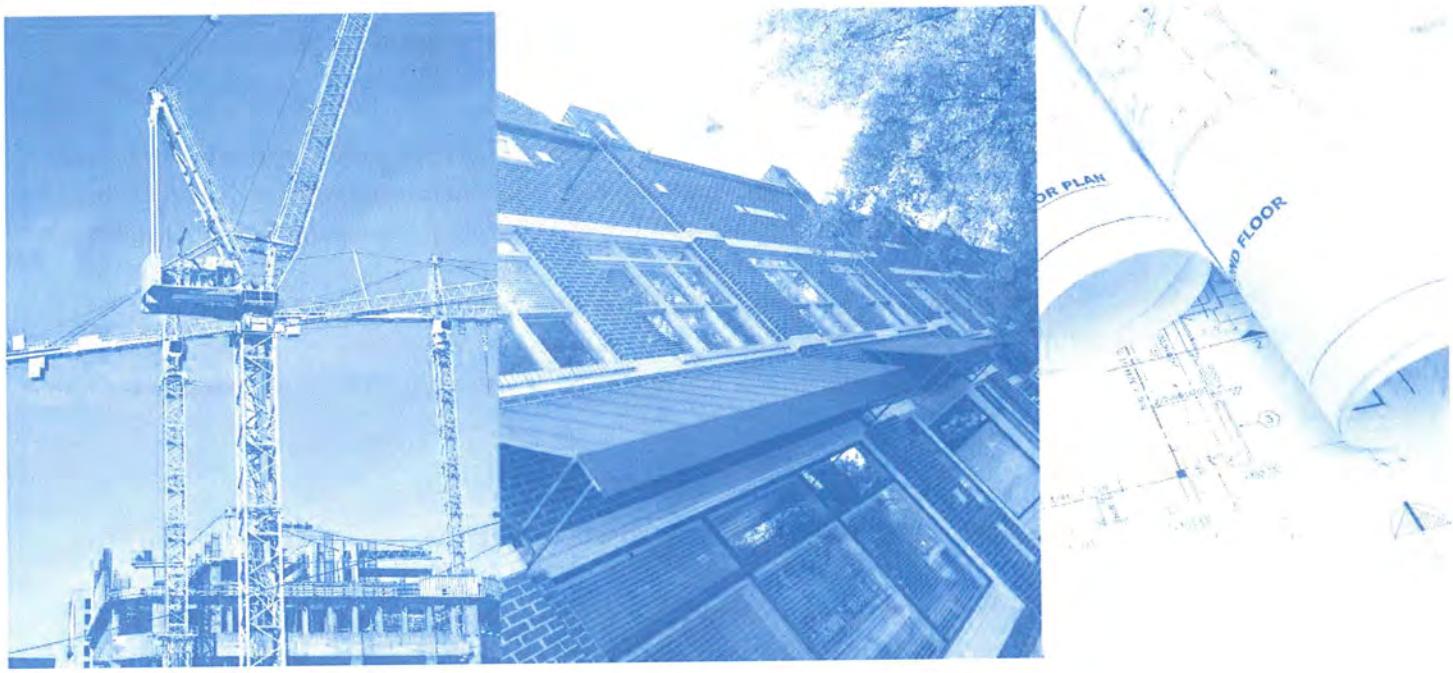
Minority, Women, Small Business Enterprise Utilization Report

JULY 1, 2013 – JUNE 30, 2014

FY 2014 | YEAR END



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CHARLOTTE BUSINESS INCLUSION
Connecting MWSBEs with opportunities.

In April 2013, the City of Charlotte reaffirmed its commitment to developing and strengthening Minority, Women, Small Business Enterprises (MWSBEs) by adopting the Charlotte Business INClusion (CBI) Policy. The CBI Policy is designed to promote diversity, inclusion, and local business opportunities in the City's contracting and procurement for businesses headquartered in the Charlotte region.

For Fiscal Year 2014 (FY14), the City established a 5% Citywide Small Business Enterprise (SBE) Goal for direct spending with City certified SBEs. The City exceeded the 5% SBE Goal for the second year in a row, achieving 5.18% SBE spending. The top five City departments with the highest spending in FY14 accounted for $23.8M, or 85%, of the City's total FY14 SBE spending.

Citywide spending in FY14 with minority and women-owned businesses totaled $49.3M, which represents an $8.5M increase over FY13. The $49.3M represents the City's direct spending with 533 minority and women-owned firms, with Non-Minority Females, African-Americans, and Hispanics/Latinos, respectively achieving the highest spending.

In FY14, the City successfully implemented a new subcontracting goal setting formula, resulting in higher subcontracting goals and thus more SBE opportunities and increased SBE economic growth. For example, in FY13 the average SBE subcontracting goal set on City funded projects was 8.75%, however, in FY14, the average SBE subcontracting goal increased to 11.5%.

Other CBI Program highlights for FY14 included:

- Successful expansion of the program's geographic participation eligibility from eight to thirteen counties.
- Technology enhancements that provide greater efficiencies and effectiveness in capturing MWSBE data.
- Outreach to and registration of 389 Minority Women Business Enterprises, toward a goal of 400.
- Certification of 105 new SBEs and recertification of 110 existing SBEs.
- Award of $22.1M in SBE subcontracting commitments.

The CBI Program is positioned for a new fiscal year of continued progress that will help foster growth, sustainability, and financial success for MWSBEs. Strategic FY15 CBI Program goals include:

- Development of an FY15-FY18 CBI Strategic Plan.
- Increased engagement of community partners, including the release of a community stakeholder feedback survey and the establishment of a Community Input Committee.
- Development of a pilot Mentor Protégé Program that will build the capacity of MSBEs working in construction.

We are confident that the FY15 goals, combined with our FY14 accomplishments, will lead to greater community confidence in the CBI Program and increased economic opportunities for MWSBEs.

Sincerely,

Nancy Rosado

Nancy Rosado
Charlotte Business INClusion Manager

Citywide Spending

Small Business Enterprise (SBE) Spend

For FY14, the City established a 5% Citywide Goal for direct spending with City of Charlotte certified SBEs. During this reporting period, citywide combined spending (informal and formal) equaled $533,809,830. Of this amount, $27,630,693 (5.18%) was spent with a total of 209 certified SBE firms.

Department	Combined Informal & Formal Spending ($)	Combined SBE Spend ($)	Combined SBE Spend (%)
Aviation	$148,294,320	$3,536,604	2.38 %
Budget; City Attorney; City Clerk	1,040,997	5,718	0.55 %
Charlotte Area Transit	41,468,517	1,550,155	3.74 %
Charlotte Dept. of Transportation	30,376,017	2,523,222	8.31 %
Charlotte Fire Department	2,440,711	224,208	9.19 %
Charlotte-Mecklenburg Police	20,543,240	784,238	3.82 %
Charlotte-Mecklenburg Utilities	130,896,382	7,395,883	5.65 %
City Manager's Office	9,214,173	647,985	7.03 %
Engineering & Property Mgmt.	103,624,401	8,856,697	8.55 %
Finance	4,040,029	203,630	5.04 %
Human Resources	1,171,141	35,264	3.01 %
Mayor's Office	144,074	42,406	29.43 %
Neighborhood & Business Services	12,268,729	1,210,985	9.87 %
Planning	415,100	19,922	4.80 %
Shared Services	16,224,421	366,263	2.26 %
Solid Waste Services	11,647,577	227,513	1.95 %
Citywide Totals	**$533,809,830**	**$27,630,693**	**5.18 %**

Minority/Women[1] Business Spend

Citywide informal and formal spending during FY14 totaled $533,809,830. Of this amount, $49,257,678 (9.23%) was spent with a total of 533 minority and/or women-owned businesses.

Work Category	Citywide Total Spending ($)	Minority / Women Total Spend ($)	Minority/Women Total Spend (%)
Architecture & Engineering	$35,961,224	$4,319,087	12.01 %
Construction[2]	217,130,228	14,726,627	6.78 %
Goods & Supplies[2]	97,032,494	4,806,524	4.95 %
Other Services	166,877,155	21,292,369	12.76 %
Professional Services	16,808,729	4,113,071	24.47 %
TOTAL	**$533,809,830**	**$49,257,678**	**9.23 %**

[1] Minority/Women consists of businesses that have self-identified as a minority and/or woman-owned firm.

[2] For the Construction and Goods & Supplies categories, the City must follow State bidding laws, and award contracts to the lowest responsive, responsible bidder. This can limit the City's ability in contracting with minority and women-owned businesses.

Construction Subcontractor Spending

Minority/Women[1] Business Spend

Citywide construction subcontractor spending in FY14 totaled $47,647,862. Of this amount, $27,976,091 (58.71%) was paid to 141 minority and/or woman-owned firms as subcontractors.

Subcontractor Ownership	Minority /Women Total Spend ($)	Minority/Women Total Spend (%)
African-American	$3,729,220	7.83 %
Asian-American	916,225	1.92 %
Hispanic / Latino	$2,100,422	4.41 %
Native-American	$72,372	0.15 %
Non-Minority Female	$21,157,852	42.75 %
TOTAL	**$27,976,091**	**58.71 %**

[1] Minority/Women consists of businesses that have self-identified as a minority and/or woman-owned firm.

Completed Construction Contracts

In FY14, a total of 43 construction projects with established SBE goals were completed, with total contract values equaling $53,502,782. Of this amount, $6,779,467 (12.67%) was paid to SBE firms as subcontractors.

Department	Projects Completed	Total Contract Amounts	SBE Total Spend ($)	SBE Total Spend (%)
Aviation	5	$1,404,320	$299,682	21.34%
Charlotte-Mecklenburg Utilities	19	$26,374,519	$3,180,415	12.06%
Engineering & Property Mgmt.	19	$25,723,943	$3,299,370	12.83%
TOTAL	**43**	**$53,502,782**	**$6,779,467**	**12.67%**

Completed Public-Private Partnership Projects

The City participates in the funding of various Alternative Construction Agreements. During FY14, two of these projects were completed.

	MWSBE Goals and Utilization											
	MBE			WBE			SBE			Aggregate		
Project Name	Goal	Utilization (% and $)		Goal	Utilization (% and $)		Goal	Utilization (% and $)		Goal	Utilization (% and $)	
BB&T Ballpark *(Knights Stadium)*	11%	16.0%	$5,435,054	5%	6.5%	$2,209,196	5%	14.8%	$5,041,391	**16%**	**24.0%**	**$8,151,491**
Panther Stadium Renovations [1]	11%	13.0%	$3,840,461	5%	24.6%	$7,275,817	5%	11.8%	$3,504,323	**16%**	**37.3%**	**$11,036,325**

[1] Project work was completed during FY2014; figures reflected are for payments made as of 8/15/2014.