

SMALL BUSINESS ENTERPRISE UTILIZATION REPORT

FY 2009 Mid-Year Report (July–December 2008)



BUSINESS

OPPORTUNITY • INVESTMENT • GROWTH



CHARLOTTE
NEIGHBORHOOD & BUSINESS
SERVICES

The City of Charlotte's Small Business Opportunity (SBO) Program continues to grow and develop small businesses in the Charlotte Regional Area. Through the Small Business Enterprise (SBE) Certification, the SBO Program identifies, tracks, and reports SBE utilization within City purchasing. Additionally, the SBO Program remains focused on building strong business environments through our outreach, partnerships, and auxiliary services.

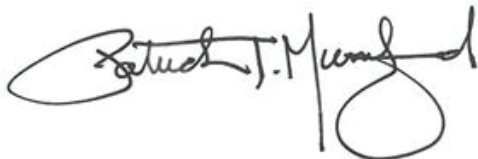
During the first six months of Fiscal Year (FY) 2009¹, the SBO Program continued to meet many of its goals, however SBE utilization did decline in some areas. Staff also spent significant time on a program review directed by Council's Restructuring Government Committee, and on correcting a discrepancy with the City's internal SBE reporting system. The discrepancy resulted in some transactions not being reported in previous quarterly reports.

This SBE Utilization Report highlights performance measures for the first six months of the FY 2009 reporting period. The metrics reported as "BASELINE" reflect activity absent the discovered additional transactions, and serve to benchmark against FY 2008 measures. The metrics reported as "ADJUSTED" account for the inclusion of the additional FY 2009 transactions and serve to establish a new baseline moving forward.

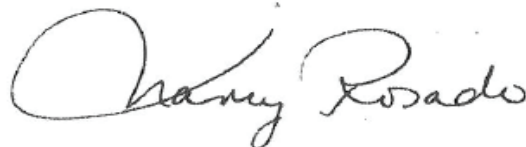
Several achievements showcase the City's commitment to fostering development of small businesses in our community. Some highlights during the first half of FY 2009 include:

- SBE payments on Informal and Formal contracts increased by 9.19% (BASELINE) and 24.99% (ADJUSTED), compared to FY 2008
- Minority/Women expenditures increased by 9.52% (BASELINE) and 17.17% (ADJUSTED)
- No findings of disparity in construction subcontracting existed within any of the ownership categories (See FY 2009 Construction Subcontractor Utilization chart on page 5)
- The Mentor Protégé Program exceeded its development target by 10%
- Partnerships in several large Public-Private development projects continue, such as the NASCAR Hall of Fame and Wells Fargo Cultural Campus, leveraging additional opportunities for local, small businesses

The SBO Program and the City of Charlotte are committed to continuous improvement in our service delivery. By consistently evaluating our management processes against best practices in the industry we will continue to improve our efficiency, effectiveness and flexibility so we may continue to foster growth to small businesses in the Charlotte Regional Area.



Patrick Mumford, Director
Neighborhood & Business Services



Nancy Rosado, Manager
Small Business Opportunity Program

¹ FY2009 begins July 1, 2008 and ends June 30, 2009. This report covers activity from July through December 2008.

Organizational Commitment. The success of the SBO Program relies heavily on the collective commitments of our Key Business Units (KBU). Many SBEs provide goods and services, from catering to technology solutions to construction services, and KBUs continue to explore ways to engage SBEs within their procurement efforts.

Informal SBE Utilization (July–December)

KBU Breakdown of Informal Purchases (Construction contracts less than \$200,000 and all other Contracts less than \$100,000)

KBU	SBE Goal %	FY 2009 SBE ADJUSTED		FY 2009 SBE BASELINE		FY 2008 SBE Utilization	
		(%)	(\$)	(%)	(\$)	(%)	(\$)
Aviation Department	11.00	5.37	245,069	4.11	94,160	12.79	301,301
Budget & Evaluation	7.00	84.42	22,400	84.42	22,400	11.24	662
Business Support Services	4.00	1.39	64,507	1.66	64,207	0.48	20,252
Charlotte Area Transit System	4.00	8.15	228,806	1.89	42,232	4.02	62,814
Charlotte Dept. of Transportation	5.00	4.56	167,842	5.38	144,432	15.69	406,786
Charlotte Fire Department	5.00	3.37	68,697	3.37	68,697	4.47	74,730
Charlotte-Mecklenburg Police	9.00	6.74	77,194	7.47	76,980	9.92	174,136
Charlotte-Mecklenburg Utilities	9.00	12.82	1,245,766	13.42	1,168,863	17.48	2,105,442
City Attorney's Office	1.00	1.35	641	0.00	0	1.67	2,852
City Clerk's Office	1.00	0.63	286	0.67	286	0.00	0
City Manager's Office ¹	10.00	6.88	96,837	11.88	95,990	17.72	127,444
Engineering & Property Management	12.00	16.79	1,054,523	17.28	904,226	12.81	682,851
Finance Department	7.00	21.78	103,821	22.81	103,821	25.44	101,064
Human Resources	4.00	2.33	6,823	2.07	2,941	2.03	3,300
Mayor / Council	10.00	26.68	3,950	27.63	3,950	11.05	4,912
Neighborhood Development	5.00	11.46	152,968	11.56	152,968	6.16	132,348
Planning Department	8.00	8.35	12,189	3.74	5,189	14.21	12,895
Solid Waste Services	7.00	2.39	17,846	6.50	17,846	39.86	195,018
Citywide Totals	10.00%	9.06%	\$3,570,164	9.51%	\$2,969,188	12.31%	\$4,408,807

¹ All divisions under City Manager's Office are reflected within this figure (311, CIO, Corp. Comm., CRC, ED, and Internal Audit)

SBE Utilization by Work Category

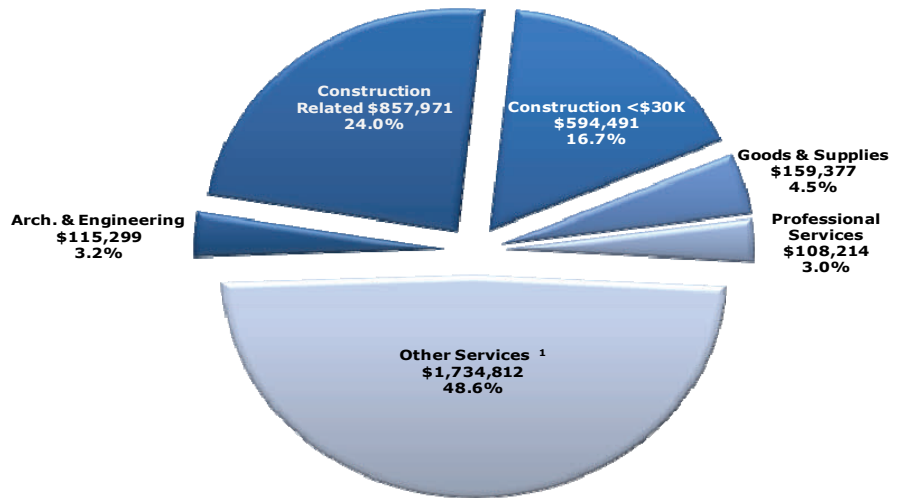
Citywide Informal Purchases

(Construction contracts less than \$200,000 and all other Contracts less than \$100,000)

ADJUSTED

FY 2009 Highlights

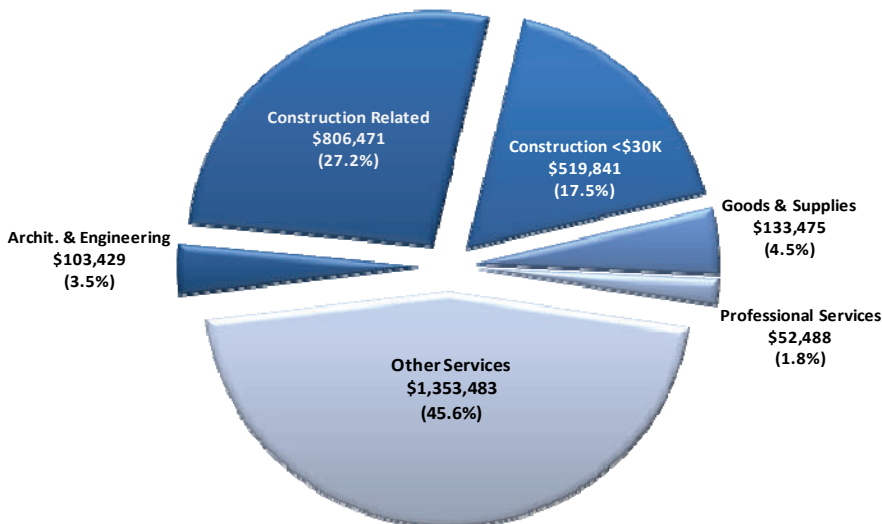
- \$39.42 million in informal contract purchases were analyzed during the first six months of FY 2009.
- \$3.57 million or 9.06 % was spent with SBE firms during this time period.



BASELINE

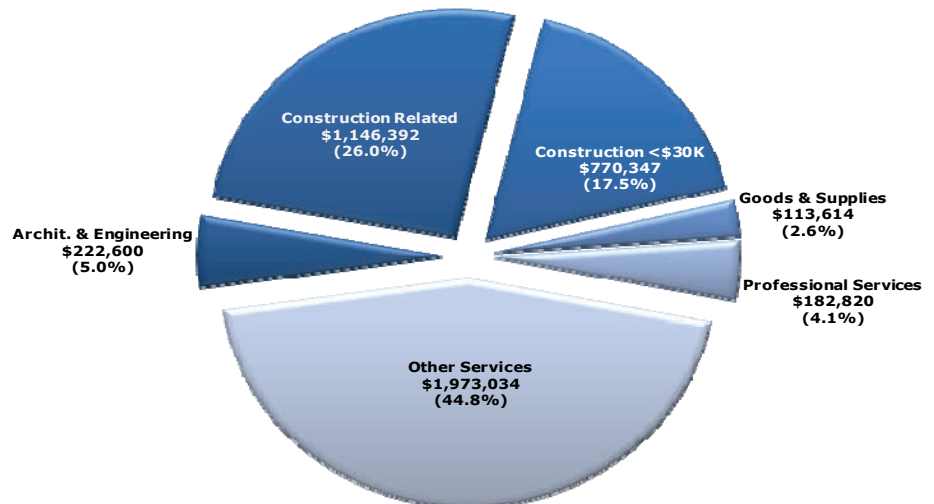
FY 2009 Mid-Year Highlights

- \$31.21 million in informal contract purchases were analyzed during the first six months of FY 2009.
- \$2.97 million or 9.51% was spent with SBE firms during this time period.



FY 2008 Mid-Year Highlights

- \$35.82 million in informal contract purchases were analyzed during the first six months of FY 2008.
- \$4.41 million or 12.31% was spent with SBE firms during this time period.



¹ Other Services include services that are labor intensive and not professional or construction related, including, but not limited to: catering, janitorial, printing, and security services.

Citywide Minority / Women Business Participation

Informal and Formal Purchases (July–December)

Citywide Informal and Formal spending totaled more than \$256 million in ADJUSTED purchases (\$204 million in BASELINE activity). Of this amount, \$28.34 million or 11.06% of the ADJUSTED purchases were spent with minority and/or women-owned firms as “prime contractors” (\$26.49 million or 12.96% in BASELINE activity). For FY 2009, the City met the availability goals in two of the six categories analyzed, based on the ADJUSTED activity.

Work Category	Availability Target Goal% ¹	FY 2009 ADJUSTED UTILIZATION			FY 2009 BASELINE UTILIZATION			FY 2008 Utilization		
		(%)	(\$)	Met Goal	(%)	(\$)	Met Goal	(%)	(\$)	Met Goal
Architectural & Engineering	12.82	10.16	2,189,086		13.95	2,169,198	✓	10.37	1,460,241	
Construction Under \$30K	15.13	20.79	275,822	✓	20.15	250,422	✓	26.48	545,455	✓
Construction Over \$30K	15.41	14.05	15,224,755		16.24	15,161,073	✓	18.04	12,384,575	✓
Goods and Supplies	6.70	4.70	2,011,293		6.07	1,864,477		11.34	2,613,291	✓
Other Services	9.14	10.80	8,091,768	✓	11.34	6,581,044	✓	18.30	6,249,530	✓
Professional Services	17.67	7.56	546,451		8.33	462,821		17.96	933,099	✓
Total			28,339,176			26,489,035			24,186,192	

Construction Subcontracting Utilization

For the first half of FY 2009, there was no finding of disparity in construction subcontracting for any of the five minority owner categories. **(NOTE: The following subcontractor utilization figures were unaffected by the data discrepancy, and therefore no ADJUSTED figures are reported.)**

Ownership	Availability Target Goal%	FY 2009 Mid-Year			FY 2008 Mid-Year		
		Utilization (%)	Utilization (\$)	Met Goal	Utilization (%)	Utilization (\$)	Met Goal
African American	2.91	3.24	2,096,411	✓	5.81	2,341,288	✓
Asian American	0.23	0.46	294,824	✓	0.37	147,335	✓
Hispanic American	0.50	1.50	969,438	✓	1.05	422,569	✓
Native American	0.15	3.55	2,298,096	✓	0.13	51,634	✓
Non-Minority Female	2.02	5.72	3,699,417	✓	8.81	3,550,497	✓
Total			\$ 9,358,185			\$ 6,513,323	

¹ Availability is based on the 1998-2002 MGT Disparity Study. Disparity is analyzed for minority and women-owned companies.

Citywide Formal SBE Utilization (July–December)

(Construction contracts more than \$200,000 and all other Contracts more than \$100,000)

Work Category	FY 2009 (ADJUSTED)	FY 2009 (BASELINE)	FY 2008 Utilization
Architecture & Engineering	\$ 1,523,437	\$ 1,489,315	\$ 447,392
Construction Related	\$ 1,199,054	\$ 1,199,054	\$ 526,290
Goods and Supplies	\$ 6,327	\$ 6,327	—
Other Services	\$ 1,035,123	\$ 726,370	\$ 377,556
Professional Services	\$ 130,347	\$ 130,347	\$ 211,850
Total Utilization	\$ 3,894,287	\$ 3,551,413	\$ 1,563,088

Ethnicity	FY 2009 (ADJUSTED)	FY 2009 (BASELINE)	FY 2008 Utilization
African American	\$ 795,827	\$ 652,912	\$ 258,789
Asian American	\$ 392,528	\$ 392,528	\$ 97,865
Hispanic American	\$ 452,786	\$ 452,786	\$ 268,627
Non-Minority Female	\$ 522,977	\$ 513,877	\$ 448,966
Non-Minority Male	\$ 1,730,170	\$ 1,539,311	\$ 488,842
Total Utilization	\$ 3,894,287	\$ 3,551,413	\$ 1,563,088

Public-Private Development Projects

In FY 2009, the Small Business Opportunity Program continued to encourage small, minority and women business participation on Public-Private projects. Through December 31, 2008 private developers committed more than \$25 million to S/M/WBEs and utilized more than \$14 million with SBEs.

Project Name	SBE / MWBE Goal	S/M/WBEs				SBEs only			
		Committed Amount ¹	% of Total Project	SMWBE Payments to Date (\$)	Utilized to date % ²	Committed Amount ¹	% of Total Project	SBE Payments to date (\$)	Utilized to date % ²
Wells Fargo Cultural Campus	20%	-	-	21,824,113	24.77 %	-	-	1,326,951	1.51 %
NASCAR Office Tower	12.5%	-	-	5,783,352	18.38 %	-	-	2,140,719	6.81 %
NASCAR Hall of Fame ³	16%	-	-	-	-	\$ 25,238,676	15.88 %	10,291,636	6.47 %
EpiCenter	10%	\$ 2,788,159	8.27 %	1,936,217	6.73 %	\$ 1,474,765	5.13 %	1,182,042	4.11 %
Double Oaks	15%	-	-	589,557	2.35 %	-	-	44,828	0.18 %

¹ Committed Amounts provided represent dollars committed to date for each respective project.

² Utilized to date % is a calculation of (Payments to date) divided by (Total amount paid to all contractors to date).

³ The NASCAR Hall of Fame project has an SBE goal only.



CHARLOTTE

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