



2018

Annual Report | Minority, Women, Small Business Enterprise

## TABLE OF CONTENTS

Letter	3
Community impact	4
Promoting economic equity through procurement	4
Charlotte Business INClusion Advisory Committee	5
Award-winning entrepreneurs and organizations	6
Diligent research is the key to success for local MBE	7
City of Charlotte wins \$100,000 grant!	8
Study used to increase access and opportunities for MWSBEs	9
Fund established to give businesses access to capital	10
Solutions through technology	11
Over \$4 million spent on disadvantaged business enterprises programs	12
More than \$42 million in revenue for minority airport concession businesses	13
MBE spend achievements	15
Citywide direct discretionary spend with city certified MWSBEs	17
MWSBE certification	20

As America's Queen City, Charlotte is working diligently to ensure that the Queen's arms embrace and lift all its residents. With steadfast focus on racial equity and economic inclusion, the city's Charlotte Business INclusion program continued to partner with Charlotte's business community and city leaders and staff to grow the city's spending with Minority Women Small Business Enterprises (MWSBEs). As a result, ***for a fourth straight year, the city has surpassed its prior year spending with MWSBEs for a new record of \$110.4 million!***

As we highlight FY 2018 accomplishments and successes throughout the pages of this annual report, we recognize that there is more work to be done. Together with our business community, we will continue to embrace inclusive and equitable contracting strategies that will directly impact outcomes for MWSBEs and transform our Queen City!



**Nancy Rosado**

Charlotte Business INclusion Manager



**Robert Campbell**

Finance Director

## Community impact

City of Charlotte spends \$110.4M with MWSBEs in FY 2018, a new record!



### Outreach

In FY 2018 CBI staff actively participated in more than 100 outreach, networking, and community events offering businesses onsite registration, certification initiation, and information on how to do business with the city.

### Education

In FY 2018 CBI continued to support MWSBE growth, advocacy, and sustainability, investing \$12,300 in support of 54 MWSBE firms through tuition assistance and professional association sponsorships.



**Judy Helene**  
**/ CES GROUP**  
**ENGINEERS,**  
**LLP CES Group**  
**Engineers, LLP**  
provides civil and environmental engineering, land planning, land surveying and environmental management services.

“Our WBE/SBE certification through the CBI program provided the recognition needed to gain a foot in the door as both a Prime and Sub consultant to many larger engineering firms. The ongoing CBI support has helped us expand our business across all service offerings.”



In 2013, the Charlotte City Council adopted the Charlotte Business INClusion (CBI) Policy to promote diversity, inclusion and local business opportunities in the city's contracting and procurement process for Minority, Women, Small Business Enterprises (MWSBEs) in the Charlotte region.

CBI provides benefits for both the city and the business community in our region. For MWSBEs, participation in the program provides greater exposure to business opportunities and access to resources. For the city, participation helps increase contracting opportunities with MWSBE companies, resulting in greater job availability and business growth for the local business community.

The Charlotte Business INClusion Advisory Committee (CBIAC) was created by Charlotte City Council to support and provide input on the work of the city's Charlotte Business INClusion (CBI) Program. The 15-member community stakeholder committee had an active, engaging and productive FY 2018 term. The CBIAC has identified three key focal areas - Dynamic Opportunity, Integrated Development, and Measured Sustainability - and has worked to improve MWSBE job readiness, opportunity development, foundational stability and long-term contribution to the Charlotte region.

Throughout FY 2018, the CBIAC was also heavily engaged in reviewing and helping to shape CBI program policy enhancements in response to Charlotte's MWBE Disparity Study which was completed in November 2017.

In FY 2019, the CBIAC will work to connect MWSBEs with opportunities, facilitate education and capacity building, increase the number of MWSBE certified firms ready and able to meet Charlotte's growing economy and improve long-term and measurable sustainability. The CBIAC works actively to champion and advocate for inclusion, opportunity, and economic development for all diverse businesses in Charlotte.



# Congratulations to Charlotte's award-winning entrepreneurs and organizations

In May 2018, the City of Charlotte and Mecklenburg County hosted the 7th Annual Crowns of Enterprise Awards Ceremony. The annual ceremony is one of Charlotte's premier Small Business Month events and recognizes businesses for their exemplary business practices and community engagement.



**Gerald Carr**  
**Minority Business Enterprise (MBE) of the Year**

All-Pro Builders & Restorations, LLC was established in 2008 as a North Carolina-based, minority-owned and operated licensed Building and Highway General Contracting firm providing services to both the public and private sector throughout the Carolinas.



**Pedulla Inc.,**  
**Excavating - Paving**  
**Woman Business Enterprise (WBE) of the Year**  
Pedulla Inc., Excavating - Paving was established in 1980 in New York and relocated to Mooresville, NC in 1997. Pedulla started its Mooresville operations with only two employees and today, employs more than 100 individuals with up to 15 different crews working year-round.



**Rhonda Caldwell**  
**Small Business Enterprise (SBE) of the Year**  
The Main Event was established in 2008 by Rhonda E. Caldwell. The Main Event has produced and managed events for the Democratic National Convention, Bank of America, Wells Fargo, Carolinas Healthcare System and the NBA Supplier Diversity Summit in Charlotte.



**Natalie Williams**  
**Diversity Advocate of the Year**  
Natalie Williams is the Executive Director of the Women's Business Center of Charlotte. Natalie is a professional leader committed to diversity and inclusion with extensive knowledge and experience in the effective execution and implementation of policy, procedure, and programs.



**Jeff Owens and Kevin Jenkins**  
**Turner Construction / Prime Contractor of the Year**  
Turner Construction Company was incorporated in 1902 and is recognized as the largest general builder in the United States. Turner has a long history of supporting diversity and inclusion and has a reputation for ensuring the participation of Charlotte MWSBEs on construction projects.

## Diligent research is the key to success for local MBE

Silverback Brothers was established in 2015 by Gregory Faulcon. The company is currently certified as both a MBE and Disadvantaged Business Enterprise (DBE) and holds Unlimited Unclassified General Contractor's license for Highway, Building and Utilities. Gregory, along with 15 full-time employees, provides services such as dump truck hauling, concrete paving, utilities and building construction.

Silverback Brothers has been fortunate to oversee projects as both a subcontractor and Tier 1 DBE Contractor. Over the past 24 months, Silverback Brothers was designated as the Tier 1 DBE contractor for dump truck hauling services on the I-77 Toll Lane Project, which entailed providing oversight of 30 subcontractors and 50 dump trucks daily. Silverback Brothers has also been awarded several city contracts at both the prime and subcontractor level.

Gregory attributes his success to taking the time to study the city and State's procurement process to see how solicitation needs apply to his business. Additionally, Gregory credits his success to the importance of establishing relationships with CBI, departmental decision makers and prime contractors. All of these tools have been critical in navigating the government contracting space to land contracts.

"A big part of my company's success on city projects has been my diligence in research and discovery of the procurement process. The CBI Program gives smaller companies an opportunity to land contracts, hire employees and grow their business."



## City of Charlotte wins one hundred thousand dollar grant!

In 2017 the Citi Foundation and Living Cities selected Charlotte as one of only five cities across the country to participate in the City Accelerator for procurement and inclusive economic opportunities. As a participant in the City Accelerator program, Charlotte received a \$100,000 grant along with coaching and technical assistance to pursue new strategies aimed at increasing the diversity of city vendors, building minority business capacity, and ultimately directing more spend to local, minority-owned businesses.

The City of Charlotte successfully leveraged the grant award to:

- Enhance transparency and access to contract opportunities with the creation of a Citywide Strategic Forecasting Application. By launching an unprecedented effort to combine strategic procurement forecasting efforts across city departments, this initiative will provide a dynamic, interactive,

cloud-based application to communicate contract opportunities to MWSBEs.

- Build MBE capacity through the creation of the AMP UP Charlotte Program, a 13-week intensive business development program for local minority business owners. AMP UP utilizes Interise's award-winning curriculum called "StreetWise 'MBA,'" to build MBE capacity. The curriculum uses a facilitated peer-learning method to provide established small business owners with the business knowledge, management know-how, and relationships they need to achieve scale. The inaugural AMP UP Charlotte cohort was developed in partnership with the NBA to prepare minority-owned businesses for contracting opportunities during NBA All Star Week taking place in Charlotte in February 2019.



**Dee Dixon,  
CEO of Pride  
Communications**  
"The opportunity to enroll in AMP UP came at a critical time for me, as I needed to get some deeper insight into what direction to take my business. I didn't really know if the curriculum would help, but decided to give it a try. Indeed, it has been very helpful."

The class has given me new insight about how to develop a concrete growth plan by getting it out of my head and putting it on paper."



# Study used to increase access and opportunities for MWSBEs

The City of Charlotte has been using the data and information obtained from its 2017 Disparity Study, (released in November 2017) to develop policy and program enhancements aimed at increasing MWSBE contracting and procurement.

## 2017 Disparity Study Key Findings

- MWBEs are available for 20.9% of city contracting dollars.
- Overall, MWBEs are substantially underutilized on city contracts (MWBE Disparity Index<sup>1</sup> = 71%).
- Underutilization is much worse on city contracts awarded without subcontracting goals (MWBE Disparity Index<sup>1</sup> = 47%).
- Subcontracting goals are effective in encouraging MWBE participation (MWBE Disparity Index<sup>1</sup> = 99%).
- Anecdotal evidence suggests there are many barriers in the marketplace for small businesses and MWBEs.

## Next Steps

CBI is working to implement MWBE Disparity Study recommendations designed to provide for increased access and opportunities for the MWBE community, including but not limited to, changes to Good Faith Efforts point values, decreased construction subcontracting thresholds, and an enhanced SBE Sheltered Market initiative, all of which is expected to be implemented in 2019.

1MWBE Disparity Index: A disparity index of less than 100 indicates a disparity between MWBE participation and MWBE availability. A disparity index of less than 80 indicates a substantial disparity between participation and availability.



**Ramiro Rao / RRC Concrete, Inc.**  
RRC Concrete has 20 employees servicing the Charlotte area providing Concrete Flatwork – Curb and Gutter, Sidewalks, Driveways and Curb Ramps.

“The CBI Program has been a positive benefit to our business and continues to provide access to projects throughout the city.”

<sup>1</sup> MWBE Disparity Index: A disparity index of less than 100 indicates a disparity between MWBE participation and MWBE availability. A disparity index of less than 80 indicates a substantial disparity between participation and availability.

## Fund established to give businesses access to capital

Access to capital is essential for operating and growing a business. In 2003, the City of Charlotte partnered with corporations and foundations to establish the Charlotte Community Capital Fund (CCCF), which provides loan guarantees to support equipment and inventory purchases and working capital needs.

Similarly, in 2012 the city implemented the innovative Small Business Mobilization Loan Program (SBMLP), which provides City of Charlotte certified SBEs access to short-term, low rate financing to support their temporary working capital needs as they participate on city projects.

### In FY2018

The Charlotte Community Capital Fund made loans to small businesses, totaling \$274,500.

The SBMLP provided loans totaling \$90,000 in support of payroll needs and the purchase of inventory.



### **Anointed Future Child Development Center Janice and Edward**

**White** established Anointed Future Child Development Center seven years ago as a home-based child care center. Today, the Whites have grown their business into two fully functional facilities serving the East Charlotte area. They attribute part

of that success to their participation in the city's access to capital program with loan support from the Self-Help Credit Union and the Charlotte Community Capital Fund (CCCF).

"We have had two wonderful experiences with the CCCF loan program and have learned a lot along the way."

# B2Gnow



The City of Charlotte's commitment to diversity and inclusion has prompted the purchase and implementation of the B2Gnow diversity compliance system. B2Gnow is a diversity management software that will centralize MWSBE contract compliance, support spend analysis, and streamline SBE online certification. The software allows the city to centralize and monitor the utilization of MWSBEs on city contracts.

Starting in FY 2019, city departments will utilize B2Gnow to track and monitor MWSBE participation. In addition:

- Vendors can use B2Gnow to certify as a City of Charlotte SBE and renew SBE certifications online;
- Prime vendors can use B2Gnow to search for potential MWSBE subcontractors; and
- MWSBE subcontractors can track and confirm payments from prime contractors.

# Over \$4 million spent on disadvantaged business enterprises programs

The Disadvantaged Business Enterprise (DBE) Program established by the United States Department of Transportation (USDOT), is an important component to the city’s diversity and inclusion efforts, particularly for the Charlotte Douglas International Airport and the Charlotte Area Transit System (CATS). By removing barriers to participation, the DBE program provides greater opportunity for disadvantaged business firms to fairly compete in the marketplace.

FY 2018 Total Contracts Awarded to DBE Firms on CATS Projects

African American Owned	\$996,758
Hispanic Owned	\$7,925
Non-Minority Women Owned	\$3,605,583
<b>TOTAL</b>	<b>\$4,610,266</b>

FY 2018 Total Contracts Awarded to DBE Firms on Airport Projects

African American Owned	\$971,067
Hispanic Owned	\$48,000
Non-Minority Women Owned	\$3,332,633
<b>TOTAL</b>	<b>\$4,351,700</b>



**Darmel Lee / Global Team Electric, LLC**  
**Global Team Electric, LLC** provides commercial construction, renovation electrical services, industrial electrical and electrical equipment supply.

“Since being connected to Charlotte Business INclusion, I have seen first-hand why their existence matters. I appreciate CBI’s efforts to maintain integrity in the construction industry here in the Charlotte market.”

## More than \$42 million in revenue for minority airport concession businesses

The Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program fulfills a similar objective to the DBE program in that it is a Department of Transportation (USDOT) program designed to level the playing field for small businesses that wish to participate in contracting opportunities at airports. In FY 2018, ACDBE firms that provide concession related services at Charlotte Douglas International Airport (CLT), including food and beverage, retail and advertising, generated combined total gross revenues of more than \$42 million.



### **Roz-Kareem Jackson / R.A. Signs**

**R.A. Signs** is a visual imaging and sign company providing indoor and outdoor sign solutions and film covering, including ADA signage, fleet graphics, Di-Noc Architectural Finishes and Graphic Designs and more.

“We (R.A. Signs) stand proudly as a city certified MBE and SBE continually progressing as a sustainable company working towards growth that ultimately helps to promote positive change.”



# Record spending with MWSBEs and DBEs

# Citywide direct prime discretionary spend with city certified MWSBEs by race, ethnicity, and gender

The economic inclusion of MWSBEs in city contracts at both the prime and subcontractor level is a core foundation in the CBI Program's work. In FY 2018 the City of Charlotte's contracts with MWSBEs totaled \$110,413,539, a new record.

The table below highlights the City's FY2018 spend with 248 MWSBEs totaling \$59,727,192 broken out by Race, Ethnicity and Gender.

\$110,413,539, A New Record

The \$110,413,539 includes \$59,727,192 in prime contracts, \$41,724,381 in MWSBE subcontracts, and \$8,961,966 in DBE spending<sup>1</sup> with MWSBEs.

	Female	Male
African American	\$89,637	\$5,146,543
Asian	\$84,909	\$642,167
Hispanic / Latino	\$331,358	\$1,390,918
Native American	N/A	\$390,958
Non-Minority	\$18,641,102	\$33,009,600
GENDER TOTALS	\$19,147,006	\$40,580,186
COMBINED TOTAL	\$59,727,192	

<sup>1</sup> DBE: Federal Fiscal Year that applies to DBE Spend is October 1, 2017–September 30, 2018.

## Construction subcontractor spend with city certified MWSBEs

In FY 2018 prime contractors reported spending \$41,724,381 with 116 city-certified MWSBE subcontractors on active city-funded construction projects.

Department	Total Subcontractor Spend (\$)	Total MWSBE Spend (\$)	MWSBE Utilization Spend (%)
Aviation	\$82,491,138	\$17,048,751	20.67%
Charlotte Dept. of Transportation	\$3,964,187	\$639,988	16.14%
Charlotte Water	\$21,409,776	\$12,326,343	57.57%
Engineering & Property Management	\$18,458,967	\$11,709,299	63.43%
<b>TOTAL</b>	<b>\$126,324,068</b>	<b>\$41,724,381</b>	<b>33.03%</b>

Table illustrates the city's performance as compared to target goals established in the city's 2017 Disparity Study.

## Citywide direct discretionary spend with city certified MWSBEs

In FY 2018, the City's Economic Development Focus Area Plan established a 14% Citywide spend target with City-certified MWSBEs. The established MWSBE goal is based on tangible MWSBE spend opportunities defined as those purchases and contracts where there was a MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

The table reflects the City's total spend by department for the twelve-month period beginning July 1, 2017 and ending on June 30, 2018. Total MWSBE spend opportunities for the reporting period equaled \$322,205,827; of this amount, \$59,727,192 or 18.54% was spent with 248 City-certified MWSBEs.

The City's FY 2018 spending with certified MWSBEs of \$59,727,192 represents a \$8,329,840 or 16.2% increase over the same period in FY 2017.

## Citywide direct discretionary spend with city certified MWSBEs

City Department/Office	Total Discretionary Spend <sup>1</sup>	Total MWSBE Opportunities <sup>2</sup>	MWSBE Spend (\$) <sup>3</sup>	MWSBE Spend <sup>4</sup>
Aviation	\$222,403,153	\$88,948,889	\$8,752,410	9.84%
Charlotte Area Transit System	\$31,120,443	\$10,805,330	\$983,030	9.10%
Charlotte Dept. of Transportation	\$22,103,846	\$17,539,964	\$3,872,561	22.08%
Charlotte Fire Department	\$8,740,498	\$2,196,376	\$300,045	13.66%
Charlotte Water	\$167,424,481	\$76,217,577	\$22,882,468	30.02%
Charlotte-Mecklenburg Police Department	\$22,059,319	\$7,223,588	\$1,312,587	18.17%
City Attorney's Office	\$66,296	\$12,330	\$1,078	8.75%
City Clerk's Office	\$12,040	\$7,366	\$691	9.38%
City Manager's Office	\$781,302	\$763,882	\$93,973	12.30%
Economic Development	\$8,001,020	\$7,998,149	\$211,450	2.64%
Engineering & Property Management	\$89,458,765	\$85,265,782	\$18,047,136	21.17%
Human Resources	\$1,508,556	\$366,143	\$102,389	27.96%
Innovation & Technology	\$8,287,470	\$7,426,675	\$588,393	7.92%
Finance	\$11,824,108	\$5,893,462	\$874,465	14.84%
Mayor's Office	\$33,131	\$33,131	\$32,386	97.75%
Housing & Neighborhood Services	\$10,840,745	\$8,145,358	\$1,173,167	14.40%
Planning	\$530,575	\$284,172	\$51,142	18.00%
Solid Waste Services	\$19,411,786	\$3,008,003	\$447,177	14.87%
Strategy & Budget	\$76,487	\$69,650	\$644	0.92%
<b>TOTAL</b>	<b>\$624,684,021</b>	<b>\$322,205,827</b>	<b>\$59,727,192</b>	<b>18.54%</b>

<sup>1</sup> Total Discretionary Spend reflects all direct citywide expenses, with the exception of certain "Spend Exclusion" transactions, defined as those in which the City did not have full discretion in making the procurement (i.e. externally-funded projects; utility payments to government entities; sole source contracts; vendor-exclusive warranties; and other similar non-discretionary type purchases).

<sup>2</sup> Total MWSBE Opportunities reflects transactions with tangible opportunity for MWSBEs to participate in the procurement process.

<sup>3</sup> MWSBE Spend (\$) reflects the cumulative amounts spent with certified MWSBEs.

<sup>4</sup> MWSBE Spend (%) is the calculation of 'MWSBE Spend' / 'Total MWSBE Opportunities.'

## Citywide direct discretionary spend with minority and women-owned businesses

Citywide direct discretionary spending in FY 2018 totaled \$624,684,021. Of this amount, \$79,279,533 was spent with minority and women-owned businesses that may or may not be certified with the City of Charlotte. The following table illustrates the city's performance as compared to target goals established in the city's 2017 Disparity Study.

Work Category	Disparity Target (%)	Minority/Women Total Spend (\$)	Minority/Women Total Spend (\$)	Total Citywide Dollars Spend (\$)
Architecture & Engineering	20.80%	2.72%	\$1,722,472	\$63,380,205
Construction <sup>1</sup>	19.60%	12.39%	\$36,427,465	\$294,015,325
Goods & Commodities <sup>1</sup>	12.80%	10.52%	\$8,225,816	\$78,199,298
Other Services	37.00%	17.41%	\$27,704,371	\$159,107,347
Professional Services	33.70%	17.34%	\$5,199,409	\$29,981,846
<b>CITYWIDE TOTALS</b>			<b>\$79,279,533</b>	<b>\$624,684,021</b>

<sup>1</sup> For the Construction, Goods and Commodities 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/women-owned business.



## Construction subcontractor spend with minority and women – owned businesses

In FY 2018, prime contractors reported subcontractor spending on city-funded construction projects totaling \$126,324,068. Of this amount, \$28,151,559 was spent with minority and women-owned businesses that may or may not be certified with the City of Charlotte.

Ownership Category	Disparity Target <sup>1</sup> Availability	Minority / Women <sup>2</sup> Spend (%)	Minority / Women Spend (\$)
African American	6.70%	6.98%	\$8,818,085
Asian American	0.60%	1.33%	\$1,674,328
Hispanic / Latino	3.80%	5.56%	\$7,024,900
Native American	1.60%	0.76%	\$964,435
Non-Minority Female	17.10%	7.65%	\$9,669,811
<b>TOTAL</b>			<b>\$28,151,559</b>

<sup>1</sup> Table illustrates the city's performance as compared to target goals established in the city's 2017 Disparity Study.

<sup>2</sup> Spend by ethnicity as a percent of total sub-contractor spend of \$126,324,068.

# MWSBE certification

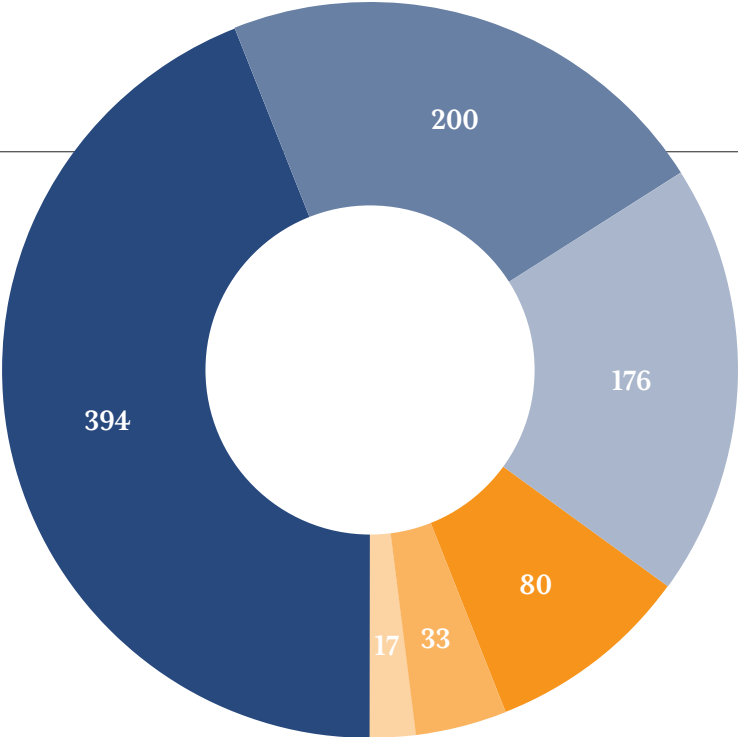
Certification is an important part of the city’s efforts to increase MWSBE utilization on city contracts. The CBI Office ended FY 2018 with a total of 900 certified MWSBEs.

900 firms were owned and operated by:

- African American 44%
- Non-Minority Females 22%
- Non-Minority Males 19%
- Hispanic/Latino 9%
- Asian 4%
- Native American 2%

Certified	174 SBEs
Recertified	117 SBEs

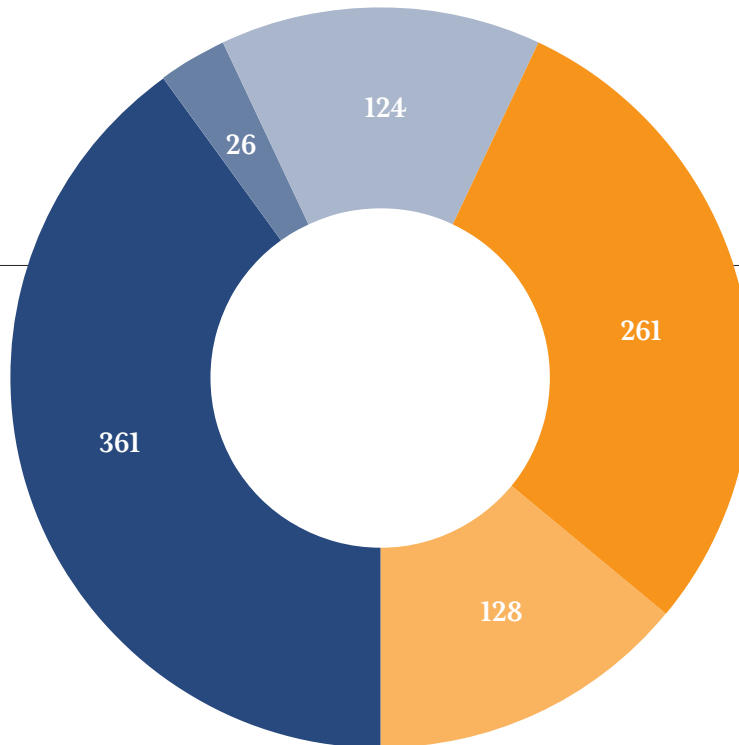
74% of MWSBES Are Located in Mecklenburg County



## Total certified MWSBEs by work category

Of the 900 MWSBE certified firms, the largest number of firms were certified to perform work in Other Services with 40%, followed by Construction, Commodities, Architecture and Engineering Services (AES), and Professional Services.

- Other Services 40%
- Professional Services 3%
- Architecture & Engineering 14%
- Construction 29%
- Commodities 14%



## Here's a glimpse of what's to come in FY 2019:

- Implementation of citywide Diversity Management and Inclusion Software (B2Gnow)
- Execution of MWBE Disparity Study recommendations
- Increased collaboration with local partners and anchor institutions
- Enhanced support of MWSBE growth, advocacy and sustainability

Printed by



Report Design: John Wyatt



A blue-tinted photograph of three construction workers wearing hard hats and safety glasses, looking off-camera to the right. The worker in the center is the most prominent, with the others slightly behind and to the sides.

THANK  
YOU

to all our  
stakeholders for  
your engagement  
and support in  
FY 2018!



