

2017 Annual Report

Minority, Women, Small Business Enterprise



CHARLOTTE™



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Marcus D. Jones
Charlotte City Manager

“As wealth inequality increases and communities work to overcome racial disparities, the City of Charlotte will be a leader in providing equal access and opportunity for all businesses to grow.”

The City of Charlotte has made economic inclusion a core foundation in our work. Through our Charlotte Business INclusion (CBI) Program, we engage in this commitment daily with elected officials, City staff, and, most importantly, Charlotte residents and the Charlotte region's business community to ensure that Minority, Women, Small Business Enterprises (MWSBEs) are included in the City's contracting and procurement opportunities.

FY2017 was a year of “Performance with Purpose” for the City's CBI Program as we achieved the following successes:

- **Record spending with City certified MWSBEs:** The City's contracts with MWSBEs at both the prime and subcontractor level in FY2017 totaled \$81,817,400, a new record!
- **Stakeholder engagement:** In January 2017, the Charlotte City Council created a council-appointed advisory committee that informs the work of the CBI Program.
- **City Accelerator Grant Award:** In June 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 for Inclusive Economic Opportunity, which includes a \$100,000 grant to help develop new, innovative approaches to increasing inclusion opportunities.
- **Completion of MWBE Disparity Study:** The findings from the City's 2017 Disparity Study will help inform the city's continued implementation of the CBI Program and efforts to increase MWBE spending.

We hope you enjoy this annual report and thank you for your continued commitment to the CBI Program.

Nancy Rosado
Charlotte Business INclusion
Program Manager

Randy Harrington
Chief Financial Officer
Director of Management & Financial Services

CBI Program Pillars



Customer Service



Community
Economic Impact



Organizational
Capacity



Financial Spend



Internal Operational
Efficiency



Promoting Business Opportunities & Growth

In April 2013, the City of Charlotte 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 greater 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.

Charlotte Business INClusion Advisory Committee



In January 2017, the Charlotte City Council created the Charlotte Business INClusion Advisory Committee (CBIAC) to support and provide input on the work of the City's Charlotte Business Inclusion (CBI) Office. The 15-member community stakeholder committee consists of three members appointed by the Mayor and twelve members appointed by City Council.

The members represent the construction and professional services industry, as well as local Minority, Women, Small Business Enterprise firms, and area chambers of commerce.

For more information on the CBI Advisory Committee, visit us at CharlotteBusinessINClusion.com.



SWEETS ETC. CATERS

Established in February 2011, Sweets Etc. Caters is a full-service catering company owned and operated by Lillie Platts-Smith.

"Participation in the CBI Program as a certified SBE has offered Sweets Etc. Caters opportunities for growth and expansion, and has helped me establish our footprint in the Charlotte-Mecklenburg area."

*- Lillie Platts-Smith,
Sweets Etc. Caters*



Congratulations to Charlotte's Award-Winning Entrepreneurs & Organizations

In May 2017, the City of Charlotte and Mecklenburg County hosted the 6th 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.



Allan Evora / Minority Business Enterprise of the Year

Affinity Energy is a system integrator that specializes in mission critical and distributed generation electric power management systems. Affinity Energy services solar farms, data centers, medical campuses, energy plants, waste energy plants and manufacturing companies.



Michelle Boller / Woman Business Enterprise of the Year

Boller Logistics is a woman-owned, third-party logistics company committed to providing cost effective supply chain solutions through innovative technology, unlimited expertise, and dynamic shipping strategies.



Ed Roper / Small Business Enterprise of the Year

NJR Construction offers Division 9 construction services, including metal framing, drywall and acoustical ceilings. NJR – the product of a merger of two City of Charlotte certified small business firms – is positioned to provide exemplary construction services to commercial clients.



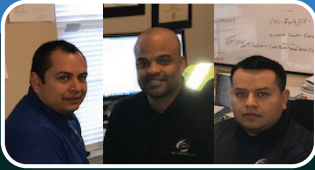
Henry Rock / Diversity Advocate of the Year

City Startup Labs provides an academy of instruction, training, mentoring and coaching to prepare young men of color to become viable entrepreneurs, thereby contributing not only to themselves, but their families, communities and the country in a fundamentally positive way.



Eric Laster-Edifice / Prime Contractor of the Year

Since 1978, Edifice has built its reputation on a basic set of principles: attend to the needs of clients; concern for employee wellbeing; take care of business partners; and give back to the community by helping those in need. Edifice offers construction services as well as budget and schedule management services.



“The CBI program has created an easier path for small businesses to become certified with the City of Charlotte and furthermore earn contracts with the City.”

*- Ed Roper,
NJR Construction*

Two SBE Certified Firms Find Growth Through Merger

NJR Construction, LLC is headquartered in Charlotte and was formed by a merger of two City of Charlotte certified Small Business Enterprise firms, Roper Construction, LLC and NJD Construction, Inc. NJR has three principal owners: Ed Roper, Nelson Benitez Romero and Jose Benetiz Romero. Ed owned Roper Construction, a small commercial general contracting business. Nelson and Jose owned NJD, a Division 9 commercial metal framing, drywall and acoustical company. The three men met each other at a function held by one of CBI's partner associations, the Hispanic Contractors Association of the Carolinas.

After networking and exchanging business cards, Ed, Nelson, and Jose partnered on a few projects. While working together, the two firms recognized that they could accomplish more together by combining their resources and intellectual property. The merger became effective in March 2016, and NJR began offering metal framing, drywall, and acoustical ceiling services as a Division 9 subcontractor.

Today, NJR has nine employees led by Ed Roper and Nelson Benitez. Jose Benetiz Romero handles field operations. Since the merger NJR has tripled in annual gross revenue. Ed, Nelson, and Jose were recognized in May 2017 by the City of Charlotte and Mecklenburg County with the Crowns of Enterprise Small Business Enterprise of the Year Award.



Charlotte Selected for City Accelerator Grant

In June 2017, the City Foundation and Living Cities selected the City of Charlotte as one of only five cities across the country to participate in the City Accelerator for Procurement for Inclusive Economic Opportunity.

As a participant in the City Accelerator program, Charlotte will receive coaching, technical assistance and a \$100,000 grant to pursue new strategies to increase the diversity of city vendors, build minority business capacity, and ultimately direct more spend to local, minority-owned businesses.

By participating in City Accelerator, the City of Charlotte hopes to achieve three main goals:

- Build MBE capacity by providing educational and mentoring opportunities;
- Increase the City's procurement with MBEs; and
- Develop a process to increase Charlotte corporation and anchor institution procurement with MWSBEs.

To keep up-to-date on the City's progress, visit CharlotteNC.gov/CityAccelerator.



CAROLINA WETLAND SERVICES, INC.

Owned and operated by Kristin Doebler, Carolina Wetland Services, Inc. offers a variety of water quality services, including environmental permitting and restoration, installing and more.

“The Charlotte Business INclusion Program has given Carolina Wetland Services opportunities to gain valuable experience and contacts that have helped us grow and succeed as a company.”

*- Kristin Doebler,
Carolina Wetland Services, Inc.*

2017 Disparity Study

The City of Charlotte completed the 2017 Minority and Women-owned Business Enterprise (MWBE) Disparity Study. The Disparity Study evaluated the participation of MWBEs in City contracts from July 1, 2011 through June 30, 2016, and will support Charlotte Business INclusion in its ongoing efforts to increase access, resources, and business opportunities for the MWBE community. Addressing disparity is only one aspect of the City's ongoing effort to promote transparency, accountability, and equity in all aspects of city government.

The 2017 Disparity Study Executive Summary and full report are available at CharlotteBusinessInclusion.com.

Access to Capital

Access to Capital is essential for operating a business. In 2003, the City of Charlotte partnered with corporations and foundations to establish the Charlotte Community Capital Fund, 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 Small Business Enterprises (SBE) access to short-term, low-rate financing to support their temporary working capital needs as they participate on City projects.

In FY2017

The Charlotte Community Capital Fund

made a total of nine loans to small businesses, totaling \$623,700.

The SBMLP provided two loans totaling \$79,700 to SBEs in support of payroll and the purchase of inventory.



9 ROUNDS FITNESS

Owned and operated by Amy Penwell, 9 Rounds Fitness offers 30 minute full-body workouts in a convenient circuit format for members.

"I can't say enough about the support I received from all involved in the Charlotte Community Capital Fund. I recommend the Charlotte Community Capital fund program to entrepreneurs looking for a loan."

- Amy Penwell,
9 Rounds Fitness



RED ROOSTER CONTRACTORS

Owned by Millie Aguilar, Red Rooster Contractors provides commercial and residential roofing installations, interior and exterior renovations and general home improvements.

“The networking and training opportunities facilitated by the CBI Office have helped me grow my business 25% since becoming certified. The project plan review assistance provided by the CBI Office has really allowed me to take my company to the next level and access new and different projects. Thanks to being a certified company, Red Rooster Contractors has been able to achieve sustainable growth.”

- Millie Aguilar,
Red Rooster Contractors

Disadvantaged Business Enterprise Program

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. By removing barriers to participation, the DBE program provides greater opportunity for disadvantaged business firms to fairly compete in the marketplace.

FY2017 TOTAL CONTRACTS AWARDED TO DBE FIRMS ON CATS PROJECTS		FY2017 TOTAL CONTRACTS AWARDED TO DBE FIRMS ON AIRPORT PROJECTS	
African American Owned	\$520,607	African American Owned	\$397,900
Hispanic Owned	\$2,550,000	Hispanic Owned	\$7,960
Non-Minority Women Owned	\$8,932,402	Non-Minority Women Owned	\$553,582
Asian Owned	N/A	Asian Owned	\$175,614
TOTAL	\$12,003,009	TOTAL	\$1,135,056

Airport Concessions Disadvantaged Business Enterprise Program

The Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program fulfills a similar objective to the DBE program in that it is a Department of Transportation (DOT) program designed to level the playing field for small businesses that wish to participate in contracting opportunities at airports.

In FY2017, 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 \$46 million.



SOUTHEASTERN PUBLIC SAFETY

Owned and operated by Keith Williams, Southeastern Public Safety offers police, security and flagging services.

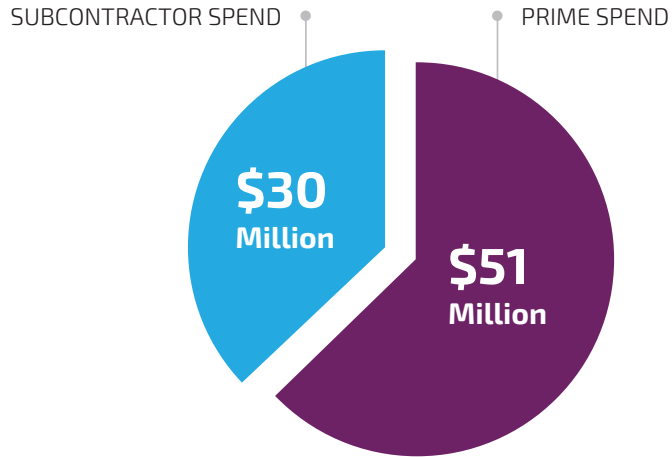
"This field is extremely competitive, and the DBE certification helped get us noticed. Having the certification gave us the ability to shine and show the value we add to these projects, which, I believe, provides the opportunity to get more work."

*- Keith Williams,
Southeastern Public Safety*

MWSBE SPEND ACHIEVEMENTS

Record Spending with MWSBEs

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 FY2017 the City of Charlotte's contracts with MWSBEs totaled \$81,817,400, a new record. The \$81.8 million includes \$51,397,352 in prime contracts and \$30,420,048 in subcontracts with MWSBEs.



Citywide Direct Prime Discretionary Spend with City Certified MWSBEs by Race, Ethnicity & Gender

The table below highlights the City's FY2017 spend with MWSBEs totaling \$51,397,352 broken out by Race, Ethnicity and Gender.

GENDER	AFRICAN AMERICAN	ASIAN	HISPANIC	NATIVE AMERICAN	NON-MINORITY
Male	\$3,953,143	\$375,463	\$738,451	\$349,140	\$25,959,441
Female	\$840,743	\$77,185	\$376,631	N/A	\$18,727,154
TOTAL					\$51,397,352

Construction Subcontractor Spend with City Certified MWSBEs

In FY017 Prime contractors reported spending \$30,420,048 with city-certified MWSBE subcontractors on active city-funded construction projects.

DEPARTMENT	TOTAL SUB-CONTRACTOR SPEND (\$)	TOTAL MWSBE SPEND (\$)	UTILIZATION SPEND (%)
Aviation	\$26,328,218	\$5,680,967	21.58%
Charlotte Dept. of Transportation	\$215,411	\$120,334	55.86%
Charlotte Water	\$17,378,882	\$6,054,561	34.84%
Engineering & Property Management	\$19,086,424	\$18,564,186	97.26%
TOTAL	\$63,008,935	\$30,420,048	48.28%



Citywide Direct Discretionary Spend with City Certified MWSBEs

In FY2017, the City's Economic Development Focus Area Plan established a 14% Citywide spend target with City-certified Minority, Women, Small Business Enterprises (MWSBEs). The established MWSBE goal is based on tangible MWSBE spend opportunities, defined as those purchases and contracts where there was MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

The table to the right reflects the City's total spend by department for the twelve month period beginning July 1, 2016 and ending on June 30, 2017. Total MWSBE spend opportunities for the reporting period stood at \$205,500,524; of this amount, \$51,397,352 or 25.01% was spent with 246 City-certified MWSBEs.

The City's FY2017 spending with certified MWSBEs of \$51,397,352 represents a \$10,349,047 or 25% increase over the same period in FY2016.

Citywide Direct Discretionary Spend with City Certified MWSBEs

DEPARTMENT	TOTAL DISCRETIONARY SPEND ¹	TOTAL MWSBE OPPORTUNITIES ²	MWSBE SPEND (\$) ³	MWSBE SPEND (%) ⁴
Aviation	\$134,574,206	\$36,353,318	\$3,997,888	11.00%
Charlotte Area Transit System	\$23,444,531	\$8,073,261	\$942,622	11.68%
Charlotte Dept. of Transportation	\$30,353,718	\$10,995,876	\$3,324,274	30.23%
Charlotte Fire Department	\$9,576,174	\$2,723,419	\$203,808	7.48%
Charlotte-Mecklenburg Police Department	\$17,769,174	\$7,283,469	\$1,556,231	21.37%
Charlotte Water	\$152,022,730	\$47,037,691	\$24,531,738	52.15%
City Attorney's Office	\$77,239	\$15,314	\$302	1.97%
City Clerk's Office	\$25,526	\$24,915	\$0	0%
City Manager's Office	\$705,496	\$647,039	\$88,210	13.63%
Engineering & Property Management	\$69,897,306	\$67,727,134	\$13,934,185	20.57%
Human Resources	\$566,797	\$250,696	\$67,330	26.86%
Innovation & Technology	\$3,733,740	\$3,728,480	\$523,368	14.04%
Management & Financial Services	\$14,366,097	\$8,296,800	\$591,642	7.13%
Mayor's Office	\$70,040	\$66,917	\$26,114	39.02%
Neighborhood & Business Services	\$12,004,564	\$9,379,141	\$1,256,253	13.39%
Planning	\$921,054	\$175,908	\$28,246	16.06%
Solid Waste Services	\$8,311,314	\$2,721,145	\$325,141	11.95%
TOTAL	\$478,419,705	\$205,500,524	\$51,397,352	25.01%

¹ Total Discretionary Spending 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).

² Total MWSBE Opportunity Spending reflects transactions with tangible opportunity for MWSBEs to participate in the procurement process.

³ Total MWSBE Utilization (\$) reflects the cumulative amounts spent with certified MWSBEs.

⁴ Total MWSBE Spend Utilization (%) is the calculation of 'MWSBE Spend Utilization' / 'Total MWSBE Opportunity.'

Citywide Direct Discretionary Spend with Minority & Women-Owned Businesses

Citywide direct discretionary spending in FY2017 totaled \$478,419,705. Of this amount, \$66,142,796 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 2011 Disparity Study.

WORK CATEGORY	DISPARITY TARGET (%)	MINORITY/WOMAN TOTAL SPEND (%)	MINORITY/WOMAN TOTAL SPEND (\$)	TOTAL CITYWIDE DOLLARS SPENT (\$)
Architecture & Engineering	12.13%	5.48%	\$2,310,595	\$42,166,187
Construction ¹	27.47%	14.63%	\$33,585,549	\$229,561,821
Goods & Supplies ¹	11.78%	11.17%	\$7,183,266	\$64,325,612
Other Services	15.87%	16.32%	\$20,989,145	\$128,589,909
Professional Services	12.13%	15.06%	\$2,074,240	\$13,776,176
CITYWIDE TOTAL			\$66,142,796	\$478,419,705

¹ 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/women-owned businesses.

Construction Subcontractor Spend with Minority & Women-Owned Businesses

In FY2017, prime contractors reported subcontractor spending on City-funded construction projects totaling \$63,008,935. Of this amount, \$23,921,079 was spent with minority and women-owned businesses that may or may not be certified with the City of Charlotte.

WORK CATEGORY	DISPARITY TARGET ¹	MINORITY/WOMAN TOTAL SPEND (%)	MINORITY/WOMAN TOTAL SPEND (\$)
African American	11.73%	14.81%	\$7,614,298
Asian	0.56%	3.14%	\$1,615,715
Hispanic / Latino	7.82%	11.34%	\$5,832,149
Native American	1.68%	1.24%	\$642,358
Non-Minority Female	19.71%	15.98%	\$8,216,559
TOTAL			\$23,921,079

¹ Table illustrates the City's performance as compared to target goals established in the City's 2011 Disparity Study.

CERTIFIED

135 | NEW SBEs

RE-CERTIFIED

117 | SBEs

75% OF MWSBES

ARE LOCATED IN
MECKLENBURG COUNTY

**873 firms were
owned and
operated by:**

40% = AFRICAN
AMERICANS

23% = NON-MINORITY
FEMALES

21% = NON-MINORITY
MALES

10% = HISPANIC/
LATINOS

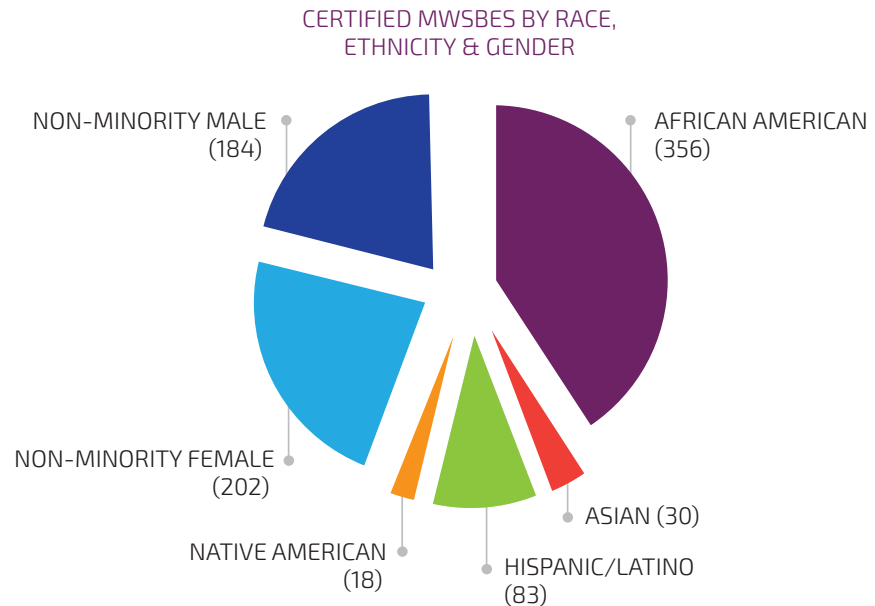
4% = ASIANS

2% = NATIVE
AMERICAN

MWSBE Certification

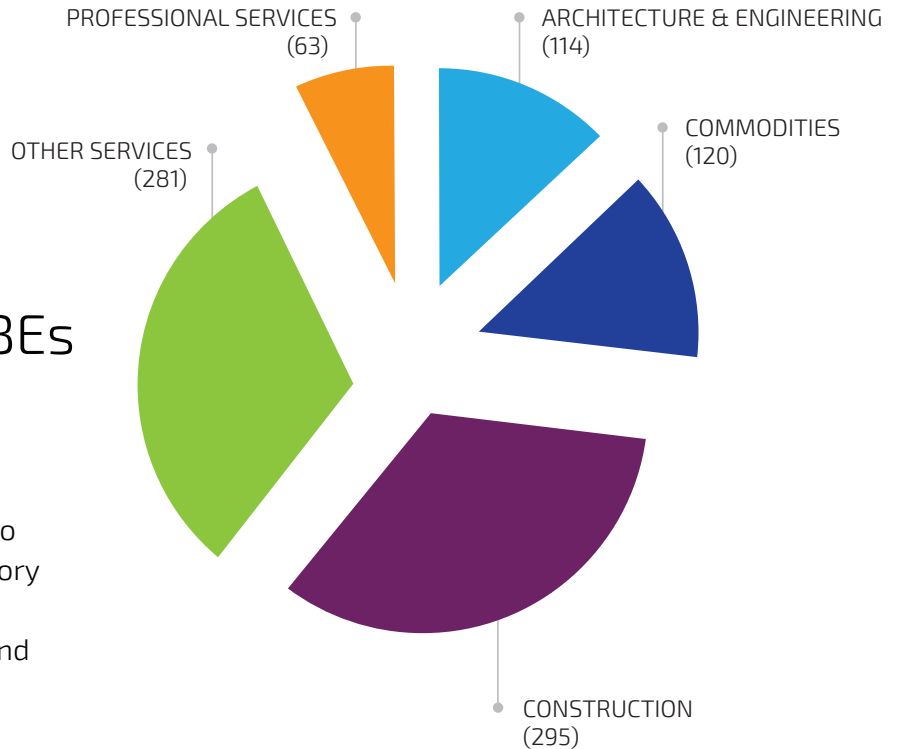
Certification is an important part of the City's efforts to increase Minority, Women, Small Business Enterprise (MWSBE) utilization on City contracts.

The CBI Office ended FY2017 with a total of 873 certified MWSBEs in its database.



Total Certified MWSBEs by Work Category

Of the 873 MWSBE certified firms, the largest number of firms were certified to perform work in the Construction category with 33%, followed by Other Services, Goods and Commodities, Architecture and Engineering Services (AES), and Professional Services.



Thank You!

The City of Charlotte is not only proud to utilize the local SBE network, but grateful for the innovation and perspective they bring to our business community. We extend a most gracious thank you to their continued dedication to Charlotte-Mecklenburg.





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