

**SMALL BUSINESS ENTERPRISE UTILIZATION REPORT**  
**FY2008 Year End Report**



**BUSINESS**  
OPPORTUNITY • INVESTMENT • GROWTH



The Small Business Opportunity (SBO) Program has experienced several successes over the past fiscal year. As an essential component of the City of Charlotte's Economic Development Office (EDO), the program is focused on the following goals: customer service, outreach, technology, and partnerships. FY2008 continued the successful trend of previous years by celebrating small business development in the community and participation in City procurement.

During FY2008 specifically, there are several achievements worth noting:

- Citywide Small Business (SBE) utilization for informal purchases was 11.74%, exceeding our citywide goal of 10%---the City has consistently exceeded this goal since program inception in 2003.
- There was no finding of construction subcontracting disparity in any of the five ownership categories.
- There is ongoing commitment to utilize SBEs in several public-private development projects. This commitment is evident in projects such as: NASCAR Hall of Fame, Double Oaks Redevelopment, Ikea Boulevard, Wachovia First Street, and Seaboard Street. To date, developers have utilized over \$9.7 million with SBE firms.
- The SBO Program continued to build momentum for initiatives spearheaded in previous years. The EDGE (Enhancing, Developing, and Growing Enterprises) initiative has been remodeled to develop small business capacity. Through the EDGE program, local small businesses are able to access development opportunities such as sponsored development courses at CPCC and networking opportunities with partnering agencies, such as the Charlotte Chamber of Commerce, NAWBO (National Association of Women Business Owners), the MMCA (Metrolina Minority Contractors Association), and the AGC (Carolinas Association of General Contractors).
- In April 2008, the SBO Program launched COMPASS, our new and improved vendor management system which encompasses vendor, contract, and report functionality, thus streamlining system capabilities organization-wide.

With the recent addition of talented staff who are focused on customer service, the program will continue to focus on becoming a resource internally (by advocating usage of small business enterprises in City procurement) and externally (by creating sustainable programs and strategies to ensure the continued development of small business). The City of Charlotte remains steadfast in our commitment to small business development and creating opportunities for growth, development, and sustainability.



Tom Flynn, Director  
Economic Development



Alicia Jolla, Program Manager  
Small Business Opportunity Program

# FY2008 SBE Utilization

## Citywide Informal Purchases

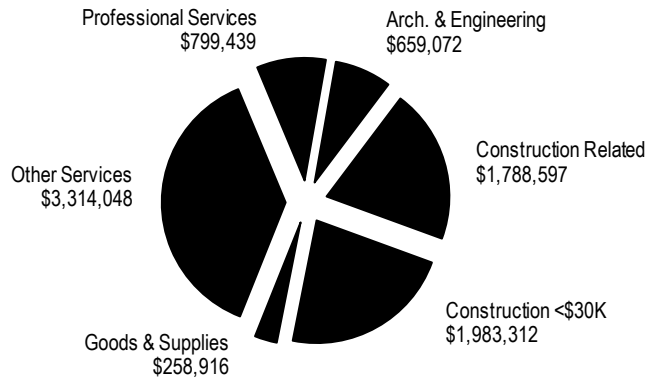
(Construction contracts less than \$200,000 and all other Contracts less than \$100,000)

### SBE Utilization (By Work Category)

#### FY08 Year-End Highlights

- \$75.0 million in informal contract purchases were analyzed for FY2008.
- \$8.80 million or 11.74% was spent with SBE firms during this time period.
- The City exceeded the established 10% goal for each quarter of FY08.
- The majority of overall SBE dollars were spent with Other Services<sup>1</sup> (38%) and Construction-related (43%) firms.

#### FY08 Year End



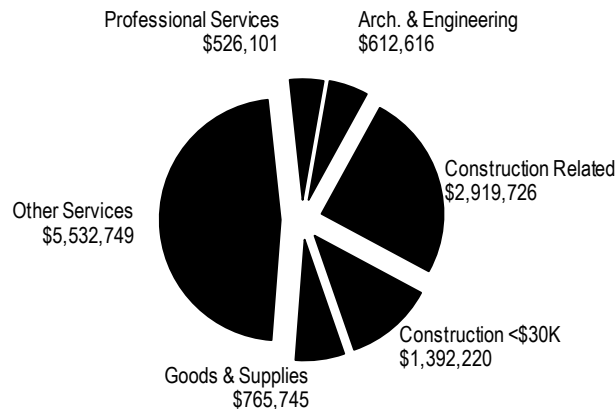
**TOTAL: \$8,803,384**

<sup>1</sup> 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.

#### FY07 Year-End Highlights

- \$86.9 million in informal contract purchases were analyzed for FY2007.
- \$11.75 million or 13.52% was spent with SBE firms during this time period.
- The majority of overall SBE dollars were spent with Other Services<sup>1</sup> (47%) and Construction-related (37%) firms.

#### FY07 Year End



**TOTAL: \$11,749,157**

**SBE Utilization.** SBEs represent a wide variety of industries, and the utilization of SBE firms on Informal contracts occurs in all facets of the City's procurements. Of the \$8.67 million paid directly to SBE's during FY2008, 43% was for Construction-related; 38% for Other Services; 9% for Professional Services; 8% for Architectural and Engineering Services; and 2% for Goods and Supplies. The City exceeded its 10% annual citywide SBE utilization goal for informal expenditures achieving 11.74% for FY2008.

**Organizational Commitment.** The success of the Small Business Opportunity Program depends on the commitment of each Key Business Unit. Over the past five years, we have witnessed an increased level of understanding and commitment to provide small businesses the opportunity to participate in informal City procurements. SBEs provided a variety of goods and services from catering to developing technology solutions and KBUs continue to explore ways to include SBEs. With the introduction of additional initiatives and an enhanced vendor management system, we anticipate continued achievement of our informal SBE utilization goals.

## FY08 SBE Utilization

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

KBU	SBE Goal (%)	4Q SBE Utilization (%)	4Q SBE Utilization (\$)	FY08 Utilization YTD (%)	FY08 Utilization YTD (\$)
Aviation	11.00 %	7.78%	143,107	10.16%	565,196
Budget & Evaluation	7.00 %	0.00%	0	6.87%	662
Business Support Services	4.00 %	1.45%	31,108	0.75%	62,903
Charlotte Area Transit System	4.00 %	4.09%	55,850	4.39%	173,915
Charlotte Dept. of Transportation	5.00 %	7.17%	131,306	11.35%	634,841
Charlotte-Mecklenburg Police Department	9.00 %	10.49%	87,573	9.95%	338,705
Charlotte-Mecklenburg Utilities	9.00 %	13.62%	928,566	16.31%	3,901,761
City Attorney	1.00 %	3.22%	578	1.71%	3,877
City Clerk	1.00 %	0.00%	0	0.11%	117
City Manager's Office	10.00 %	19.05%	1,975	7.83%	3,579
CIO Office	N/A	0.00%	0	0.00%	0
Corporate Communications	3.00 %	1.86%	1,701	1.11%	3,823
Community Relations Committee	3.00 %	2.22%	712	3.11%	2,863
Customer Service / 311 Call Center	3.00 %	1.61%	2,643	2.73%	9,727
Economic Development	10.00 %	18.08%	19,106	22.52%	78,120
Internal Audit	21.00 %	54.42%	3,332	38.57%	115,250
Engineering & Property Management	12.00 %	19.47%	672,195	15.75%	1,895,043
Finance	7.00 %	28.91%	77,075	23.46%	234,404
Fire	5.00 %	9.84%	91,485	5.69%	191,782
Human Resources	4.00 %	1.30%	3,228	1.32%	6,528
Mayor/Council	10.00 %	23.59%	3,324	12.15%	10,843
Neighborhood Development	5.00 %	7.88%	49,202	6.36%	227,925
Planning	8.00 %	6.08%	10,196	8.07%	28,495
Solid Waste Services	7.00%	4.06%	22,025	22.32%	313,028
<b>Citywide Totals</b>	<b>10.00 %</b>	<b>10.83%</b>	<b>\$2,336,289</b>	<b>11.74%</b>	<b>\$8,803,386</b>

In addition to Informal SBE targets for each respective KBU, the City also tracks payments made to SBEs through Formal Procurement channels. For FY08, the City paid \$5.71 million on Formal contracts to SBEs. This is a reduction of 27% from FY07.

### SBE Utilization for Formal Projects (Construction contracts more than \$200,000 and all other Contracts more than \$100,000)

By Work Category	FY08 Year-End	FY07 Year-End	By Ethnicity	FY08 Year-End	FY07 Year-End
Architectural & Engineering	1,803,813	\$ 1,568,450	African American	717,326	1,427,730
Construction Related	2,158,034	4,352,098	Asian American	911,302	190,271
Goods & Supplies	—	114,866	Hispanic American	646,417	415,987
Other Services	677,864	1,661,606	Non-Minority Female	1,419,995	2,371,821
Professional Services	1,070,225	129,507	Non-Minority Male	2,014,896	3,420,628
<b>Total Utilization</b>	<b>\$ 5,709,936</b>	<b>\$ 7,826,527</b>	<b>Total Utilization</b>	<b>\$ 5,709,936</b>	<b>\$ 7,826,527</b>

# Citywide M/WBE Participation

## Informal and Formal Purchases

Over \$353 million in informal and formal purchases were reviewed for all of FY2008. Of this amount, \$52.6 million (14.87%) was spent with minority - and/or women-owned firms as "prime contractors". The FY08 M/WBE Citywide goal is to achieve the 80% availability percentage for each work category. The City met the Citywide M/WBE goals in five of the six categories analyzed.

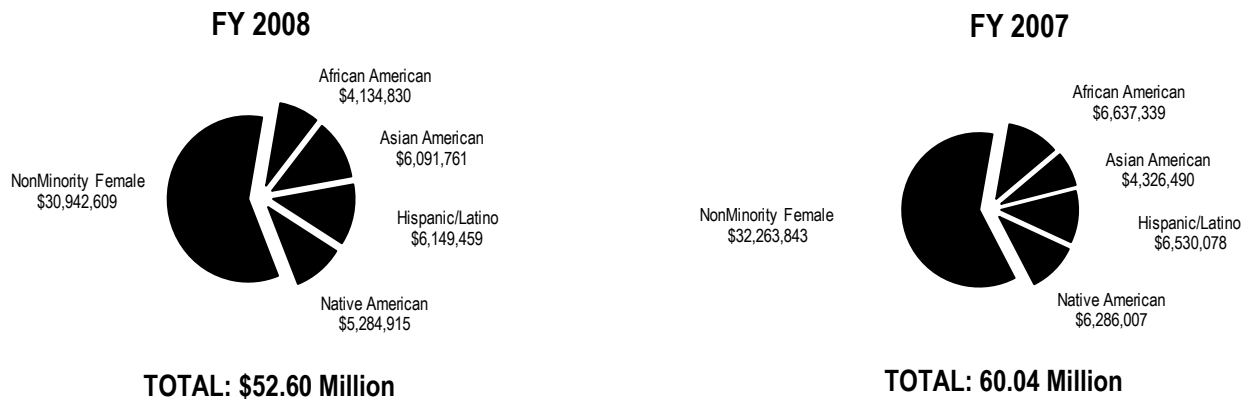
Work Category	FY08 YTD Utilization (\$\$)	FY08 YTD Utilization (%)	Availability <sup>1</sup> (Target Goal)	Met Goal	FY07 YTD Utilization (\$\$)	FY07 YTD Utilization (%)	Availability <sup>1</sup> (Target Goal)	Met Goal
Architectural & Engineering	3,644,617	10.53 %	12.82 %		\$ 3,508,646	14.64 %	12.82 %	✓
Construction Under \$30K	1,251,034	26.18	15.13 %	✓	803,673	20.88 %	15.13 %	✓
Construction Over \$30K	28,096,897	16.42 %	15.41 %	✓	34,103,981	16.86 %	15.41 %	✓
Goods & Supplies	4,269,495	8.62 %	6.70 %	✓	3,389,885	6.91 %	6.70 %	✓
Other Services	12,590,295	15.73 %	9.14 %	✓	17,151,415	15.10 %	9.14 %	✓
Professional Services	2,751,238	19.94 %	17.67 %	✓	1,086,255	12.35 %	17.67 %	
<b>Total<sup>2</sup></b>	<b>\$ 52,603,575</b>				<b>\$ 60,043,855</b>			

<sup>1</sup>Based on MGT availability analysis from 1998-2002 Disparity Analysis

<sup>2</sup>Figures are rounded

## Breakdown by Ownership

Utilization of minority and women-owned firms on City procurements through informal and formal purchases



Of the \$52.6 million spent with M/WBE firms during all of FY2008, the City spent 59% with Non-Minority Females, 12% with Hispanic/Latinos; 12% with Asian Americans; 10% with Native Americans; and 8% with African Americans for informal and formal purchases.

## FY08 Construction Subcontractor Utilization

For FY08, there was no finding of disparity in construction subcontracting for any of the five minority owner categories.

Ownership	FY08 YTD Utilization (\$\$)	FY08 YTD Utilization (%)	Availability <sup>1</sup> (Target Goal)	Met Goal	FY07 YTD Utilization (\$\$)	FY07 YTD Utilization (%)	Availability <sup>1</sup> (Target Goal)	Met Goal
African American	4,048,996	6.86	2.91 %	✓	\$ 4,172,626	4.41 %	2.91 %	✓
Asian American	216,264	0.37	0.23 %	✓	310,048	0.32 %	0.23 %	✓
Hispanic American	870,276	1.47	0.50 %	✓	597,071	0.62 %	0.50 %	✓
Native American	1,000,315	1.69	0.15 %	✓	405,881	0.41 %	0.15 %	✓
Non-Minority Female	5,411,806	9.22	2.02 %	✓	10,005,171	10.47 %	2.02 %	✓
<b>Total</b>	<b>\$ 11,577,657</b>				<b>\$ 15,490,797</b>			

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

<sup>2</sup> "Met Goal" means for each respective ethnic group, the City utilized firms at a percent equal to or greater than the availability of that ethnic group represented in the relevant market area that are available to perform.

# Small Business Enterprise (SBE) Participation — Private-Public Development Projects

During the course of FY2008, the Small Business Opportunity Program expanded its scope of encouraging small, minority and women business participation on Private-Public projects. With the continuous pace of development in the Charlotte area, the City leveraged relationships with private developers on several high-profile projects, including Double Oaks, Ikea Blvd, and Seaboard St. The City has an investment in these projects, and has thus established S/M/WBE (Small / Minority / Woman-Owned Business Enterprise) goals. Through June 30, 2008, these private developers have committed over \$45 million to S/M/WBEs and utilized over \$9 million with SBEs thus far.

## Private-Public Development Projects SBE / MWBE Utilization

S / MWBEs						SBEs Only			
Project Name	S/MBE Goal	Committed Amount (\$) <sup>1</sup>	% of Total Project	Paid to Date Amount (\$)	% Utilized to date <sup>2</sup>	Committed Amount (\$) <sup>1</sup>	% of Total Project	Paid to date Amount (\$)	% Utilized to date <sup>2</sup>
EpiCentre <sup>3</sup>	10%	\$2,788,159	8.27%	\$1,936,217	6.73%	\$1,474,765	5.13%	\$1,182,042	4.11%
Metropolitan	10%	- <sup>4</sup>	-	\$9,289,750	10.02%	- <sup>4</sup>	-	\$2,111,928	1.86%
Wachovia First Street	20%	- <sup>4</sup>	-	\$13,673,344	15.52%	- <sup>4</sup>	-	\$1,068,154	1.21%
NASCAR Office Tower	12.50%	- <sup>4</sup>	-	\$1,647,498	5.25%	- <sup>4</sup>	-	\$199,347	0.64%
NASCAR Hall of Fame <sup>5</sup>	16%	-	-	-	-	\$19,811,926	12.49%	\$3,837,822	2.42%
Double Oaks	15%	- <sup>4</sup>	-	\$935,646	3.74%	- <sup>4</sup>	-	\$1,187,020	4.74%
Ikea Blvd. <sup>5</sup>	10%	-	-	-	-	\$366,317	12.39%	-	-
Seaboard St. <sup>5</sup>	10%	-	-	-	-	\$270,098	15.88%	\$131,707	7.74%

<sup>1</sup>Committed Amounts provided represent dollars committed to date for each respective project.

<sup>2</sup>Utilized to date % is a calculation of (Amount paid to date to S/MBEs) divided by (Total amount paid to all contractors to date).

<sup>3</sup>Amounts listed are for the period ending December 31, 2007.

<sup>4</sup>Numbers provided to the City represent only payments to date, not committed totals.

<sup>5</sup>The NASCAR Hall of Fame, Ikea Blvd, and Seaboard St. project has an SBE goal only.



**CHARLOTTE**  
ECONOMIC DEVELOPMENT

City of Charlotte  
Economic Development  
600 East Fourth Street, Suite 138  
Charlotte, NC 28202

<http://smallbiz.charmeck.org>  
704.336.2473