

I. History:

For over 20 years, the Minority, Women, and Small Business (MWSBE) Office has proactively worked to increase the participation of minority, women and small businesses through inclusive procurement activities. Results are achieved through fairness, integrity and strict adherence to the law to maximize MWSBE participation. The MWSBE Office consists of five core service areas:

- Marketing and Outreach
- Certification
- Utilization
- Monitoring and Reporting
- Training and Technical Assistance

The MWSBE Office is staffed by one administrator and two compliance coordinators who work primarily on construction-related projects. Under Capital Program Services, staffing levels fluctuate based on the number of bond-funded projects allowing for maximum flexibility. This arrangement is unique because it combines existing Charlotte-Mecklenburg Schools (CMS) employees with outsourced staff and other consultants under one umbrella to manage and carry out the activities of Capital Program Services.

Marketing and Outreach

We engage the community and share information through bid notifications via various mediums, one-on-one and group new vendor orientations, tradeshow/vendor meetings, technical assistance classes, and leveraged relationships with other entities.

Certification

CMS does not certify Minority, Women, or Small Business Enterprises. CMS accepts certification from any bona fide certifying entity. The MWSBE Office actively engages all MWSBE firms doing business with the school district to provide proof of certification. Businesses interested in becoming certified are referred to recognized certifying agencies.

Utilization

A proactive approach provides MWSBEs equal opportunity to participate in all aspects of CMS contracting and purchasing activities, including participation in procurement contracts for equipment, leases, professional and other services contracts, and construction. The MWSBE Office works closely with design managers to identify packages or areas of opportunity that will enhance utilization in construction related projects, routinely consults with Procurement Services and others regarding use of the MWSBE vendor sourcing system, participates in proposal evaluations, and reviews all bids/requisitions above \$5,000 through the Finance Department Lawson financial management system. Non-compliance of MWSBE notification procedures can result in the rejection of a bid/requisition and additional solicitations may be required.

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Monitoring and Reporting

Clear, concise and accurate reporting is the foundation of our program. The MWSBE Office monitors all contracts to determine whether contractors achieve the ranges of participation set forth on the MWSBE identification forms submitted by contractors. All written statements, affidavits or intentions made by the bidder become a part of the agreement between the contractor and CMS. Failure to comply with any of these statements, affidavits or intentions or with the MWSBE program guidelines shall constitute a breach of contract. In determining whether a contractor has made good faith efforts, CMS evaluates all efforts made by the contractor and determines compliance in regard to quantity, intensity, and results of these efforts.

The MWSBE Office provides regular utilization reports to the Charlotte-Mecklenburg Board of Education, North Carolina Department of Administration Historically Underutilized Business Office, Bond Oversight Committee, City of Charlotte Small Business Program and Carolinas Minority Supplier Development Council. Compliance coordinators conduct site visits of various construction-related projects, attend owner/architect/contractor meetings, review pay application/tax statements, attend pre-bid meetings, and serve as a vendor sourcing reference for the contracting community.

Training and Technical Assistance

In an ongoing effort to provide the contracting community with the necessary technical skills, the MWSBE Office routinely partners with other entities by offering assistance on a variety of topics targeted to increase capacity of minority, women and small business owners. The series of interactive workshops taught by experienced professionals allows participants to obtain real-life, hands-on experience in the areas of bidding, estimating, procurement, marketing and presentation skills development, understanding bid/contract documents, and contract negotiation/dispute resolution. We also offer "How to do Business" orientation sessions for new vendors.

Staff meets quarterly with small business technical assistance providers to discuss current business development needs in the community, available venture capital funding, Small Business Assistance (SBA) loans, workforce development programs, and credit repair options for start-up firms.

II. Governance:

In implementing programs and services around the five core areas, the MWSBE Office develops and administers MWSBE rules and statutes. This is aimed at ensuring full and equal access to system-wide procurement opportunities in accordance with Board of Education policy and North Carolina general statutes (See Attachment A).

III. Budget:

The MWSBE Office's proposed 2016-2017 budget, which includes salaries and benefits and purchased services, is \$181,157. This represents a slight increase due to system-wide pay increases.

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IV. 2015-2016 Goals:

CMS has implemented an MWSBE program that includes annual aspirational goals for use in proportion to the availability of vendors in particular areas of procurement. The aspirational goals are based on an analysis of factors such as size and scope of the contract and the availability of MWSBEs to perform various elements of the contract.

| Category | MBE Goal | WBE Goal | SBE Goal | MWSBE Goal |
|---|----------|----------|----------|------------|
| Construction | 10% | 6% | 5% | 21% |
| Architecture, engineering and surveying | 4% | 7% | 5% | 16% |
| Contracted services (other than construction) | 5% | 4% | 5% | 14% |
| Goods | 3% | 3% | 5% | 11% |

V. Performance Results:

Performance is measured based on community engagement, overall MWSBE utilization in dollars and percent, year-over-year percent increase, notification of opportunities, internal/external program compliance, and capacity building activities.

Marketing and Outreach:

Goal: Increase internal/external customer knowledge of MWSBE program

The MWSBE Office participated in and/or sponsored more than three dozen community outreach sessions throughout the 2015-2016 (See Attachment B).

Utilization:

Goal: Provide MWSBEs equal opportunity to participate in the various procurement opportunities

Procurement Services is ultimately responsible for all procurement related-activities. However, school and administrative departments have the authority to purchase certain commodities and contracted services. Procurement greater than \$90,000 are advertised in local newspapers, on the North Carolina Interactive Purchasing System, E-Procurement, or through direct contact (i.e. phone, fax, or email). In addition, the MWSBE Office maintains a database of MWSBEs and other firms that have expressed an interest in doing business with the school system.

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All formal construction-related bid opportunities are advertised and emailed to the entire MWSBE construction database. In addition, the MWSBE Office sends out a listing of the general contractors bidding on each formal project, contact information for each general contractor bidding, and a listing of available subcontracting opportunities. Follow-up emails regarding pre-bid meeting dates and bid due dates are also sent. Over 35,000 notification emails were sent out for fiscal year 2015-2016. In addition, due to the various outreach sessions, the MWSBE construction base continued to grow. The database now consists of 2,772 firms:

| MWSBE Database | ABE | BBE | HBE | NBE | WBE | SBE | Non-MWSBE |
|-----------------------|------------|------------|------------|------------|------------|------------|------------------|
| 2,772 | 19 | 230 | 93 | 19 | 372 | 59 | 1980 |

Definitions:

ABE: Asian-Owned Business Enterprise

BBE: Black-Owned Business Enterprise

HBE: Hispanic-Owned Business Enterprise

NBE: Native American-Owned Business Enterprise

WBE: Women-Owned Business Enterprise

SBE: Small Business Enterprise

In addition, bid notifications are sent to the following community partners for database distribution:

Association of General Contractors

Charlotte Housing Authority

City of Charlotte

Hispanic Contractors Association

Metrolina Minority Contractors Association

United Minority Contractors of NC

University of North Carolina at Charlotte

Carolinas-Virginia Minority Supplier Dev. Council

Monitoring and Reporting:

Goal: Provide clear, concise and accurate reports

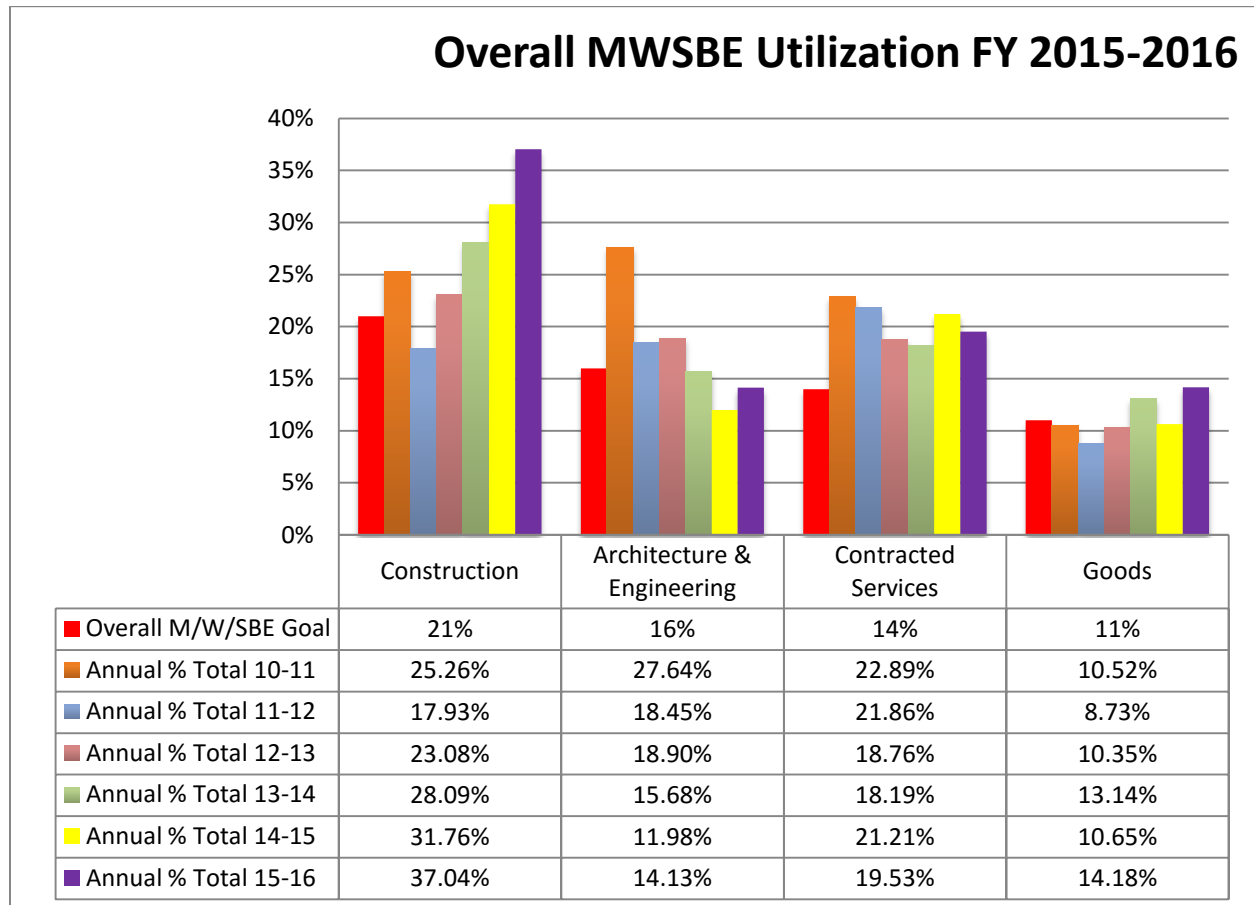
Overall, \$298.6 million of eligible expenditures for fiscal year 2015-2016 were analyzed with \$61.2 million or 20.51 percent spent with MWSBE firms. Of the \$61.2 million, CMS spent 41 percent or \$25 million with non-minority females, 38 percent or \$23 million with minority firms and 21 percent or \$13 million with small businesses. Overall spend with minority businesses increased by \$2 million over the previous fiscal year primarily due to construction-related projects.

The following chart summarizes utilization in Construction, Architecture/Engineering, Contracted Services, and Goods:

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CMS exceeded the overall MWSBE aspirational goals set for Construction, Contracted Services and Goods. The increase is primarily due to extensive use of MBE and SBE firms. In addition, 90 percent of schools and departments purchased goods and contracted services from MWSBE firms (See Attachment C).

VI. Challenges

The MWSBSE Office has worked very closely with departments and others regarding the various opportunities within the school district. MWSBEs continue to express interest in doing business with CMS resulting in an increase in utilization. The school system has experienced great success in most areas; however, the following challenges remain:

- Availability of subcontractors
- Collaborative opportunities

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VII. Major Initiatives:

In an ongoing effort to provide diverse businesses with the necessary tools and technical skills, the MWSBE Office has partnered with The Institute's Women's Business Center of Charlotte (WBCC) to assist women-owned businesses start and grow. WBCC empowers women by offering tools and support to establish businesses, stabilize their companies, generate sustainable profits, strategize for future growth and contribute to the growth and economic development of the community.

WBCC small business experts offer:

- Customized, one-on-one business counseling.
- Seminars and classes focused on key business topics, such as marketing, finance, certification and small business resources.
- Review and feedback on written business plans.
- Loan package preparation assistance and lender referrals.
- Certification assistance and review.
- Networking opportunities to find mutual support, access to resources and business referrals

This new partnership will further expand the MWSBE Office ability to offer assistance to increase the capacity of women-owned firms. The Women's Business Center of Charlotte is a partnership program between the U.S. Small Business Administration (SBA) and the North Carolina Institute of Minority Economic Development Inc. (The Institute).

VIII. Next Steps:

To further expand utilization for minority, women and small business enterprises, the MWSBE Office will continue to:

- Host joint outreach sessions with the three selected Construction Manager at Risk firms
- Review procurement plans and meet with key stakeholders regarding utilization of MWSBEs
- Implement initiatives, processes and programs to better leverage, strengthen and develop diverse suppliers

**Charlotte-Mecklenburg Schools
Board of Education Policy and North Carolina general statutes:**

- CMS Policy DJA
Minority-owned, women-owned and small business enterprises (collectively MWSBE) as well as other responsible vendors shall have a fair and reasonable opportunity to participate in CMS business opportunities
- General Statute 143-48
Purchase and Contract: cooperation in promoting the use of small contractors, minority contractors, physically handicapped contractors and women contractors
- General Statute 143-48.4
Statewide uniform certification of historically underutilized businesses (HUBs)
- General Statute 143-128
Requirements for certain building contracts
- General Statute 143-128.1
Construction Management at Risk contracts
- General Statute 143-128.2
Minority Business Participation Goals (defines good-faith efforts and the full scope of the law)
- General Statutes 143-128.3
Administration (Public Entity Responsibilities)
- General Statutes 143-128.4
Historically Underutilized Business (2007 Amendment Definition)
- General Statutes 143-131
Informal Bidding: scope of applicable law for construction projects less than \$500,000 (increased from \$300,000 in 2007 legislation)
- Senate Bill 914, Session Law 2001-496 December 2001
To enhance and improve good-faith efforts to recruit and select minority businesses for participation in public construction contracts
- House Bill 1035, Session Law 2010 – 148
Increase the Performance and Payment Bonding Requirements for Construction Project Contracts Awarded by State Departments, State Agencies, and the University of North Carolina that exceed \$500,000
- NC Administrative Code – 301.0101 Minority Business Participation Goals
Rules governing minority participation goals and responsibilities of owners, HUB office, designers, contractors, HUB contractors and state construction office

2015-2016 Community Outreach Sessions

- Carolinas-Virginia Minority Supplier Development Council Business Opportunity Conference
- Mecklenburg County Commissioner Vilma Leake's Small Business Consortium Meeting
- Metrolina Minority Contractors Association Annual Banquet
- Mecklenburg County Vendor Management Outreach
- Charlotte Minority Enterprise Development Week
- CMS Contractor Information Session for Construction Manager at Risk Projects (JM Alexander Middle, Pre-K8 Berryhill/Reid Park Relief, South Meck High School Addition/Renovation, East Meck High School Addition/Renovation, West Charlotte Track/Field and Northwest School of the Arts Addition/Renovation)
- Charlotte Business Journal Small Business Expo
- UNC Charlotte Meet and Greet
- CMS Mobile Unit/ Grounds/Track Resurfacing/Technology Project Pre-bid meetings
- CMS Atrium Renovation/Telecom Pre-Bid Meetings
- Carolinas-Virginia Minority Supplier Development Council MBE Summit
- Metrolina Minority Contractors Association monthly meetings (quarterly)
- NC Minority and Women Business Enterprise Coordinators Network Quarterly Meetings
- North Carolina State Construction Conference
- North Carolina Institute of Minority Economic Development Executive Network Conference
- BMW Tier One Supplier Diversity Matchmaker Conference
- How to do Business with CMS outreach sessions
- United Minority Contractors of North Carolina Industry Meeting
- UNC System Triad Coalition Sixth Annual Minority Construction and Supplier Outreach
- Get Connected! Incubator & Accelerator Expo
- Hispanic Contractors Association Trade Fair
- Charlotte Small Business Summit hosted by Pride Magazine
- Crowns of Enterprise Awards
- Women's Business Center of Charlotte Open House
- National Minority Supplier Development Council Leadership meetings

Charlotte-Mecklenburg Schools Commendations

The MWSBE Office commends the following schools and departments for achieving and/or exceeding the aspirational goal in the following categories:

Goods:

| | | |
|---|--------------------------------|-------------------------------|
| ASEP Administration* | Building Services* | Business Systems Technology |
| Child Nutrition* | Cochrane K-9 | Coordinated School Health* |
| Crown Point Elementary | Data Operations* | Finance Office* |
| Food Warehouse* | Information Systems & Support* | Northeast Learning Community* |
| Magnet Schools | Media Services | NC Pre-K |
| Office of Accountability* | Performing Arts* | Planning Services |
| Project L.I.F.T. | Public Information* | Safety Department |
| School of Technology, Entrepreneurship & Advanced Manufacturing at Olympic High | Strategic Partnerships Office | Strategic Planning |
| Superintendent* | Title I | Transportation |
| Trillium Springs Montessori K-6 | UNCC-Epic Early College | West Charlotte High |

*Achieved/Exceeded the goal in the previous fiscal year

Contracted Services:

| | | |
|--------------------------------------|---------------------------------|---|
| Albemarle Road Elementary | Albemarle Road Middle | Ardrey Kell High |
| Ashley Park K-8 | Berryhill K-8* | Biotechnology, Health & Public Admin. at Olympic High |
| Bright Beginnings | Business Systems Technology* | Career & Technical Education* |
| Child Nutrition* | Cochrane K-9 | Collingswood K-8 |
| David Cox Road Elementary | Driver Education* | Elon Park Elementary |
| ESL Student Education* | First Ward Performing Arts* | Bradley Middle |
| Building Services* | Garinger High | Harding University High* |
| Hidden Valley Elementary | Highland Renaissance Academy | Hopewell High |
| Hornets Nest Elementary | Human Resources | Humanities |
| Idlewild Elementary* | Independence High* | Information Systems & Support* |
| Information Systems & Technology | Instructional Technology | Inventory Management |
| James Martin Middle | Lansdowne Elementary | Learning Community - Central |
| Learning Community - East | Learning Community – Northeast* | Lebanon Road Elementary |
| Magnet Schools | Mallard Creek High* | Math, Engineering, Technology & Science at Olympic High |
| Metro School | Mint Hill Middle* | Montclair Elementary |
| Myers Park High* | North Meck High* | Northridge Middle* |
| Oakdale Elementary | Office of Academics | Paw Creek Elementary |
| Performing Arts* | Providence High | Public Information |
| Ranson Middle | Reid Park Elementary | Renaissance at Olympic High* |
| River Oaks Academy* | Safety Department | Southwest Middle |
| Strategic Partnerships Office | Strategic Planning | Statesville Road Elementary* |
| Sterling Elementary | Stoney Creek Elementary | Student Applications & Web Development* |
| Superintendent | Thomasboro Elementary | Transportation* |
| University Park Creative Arts School | Winding Springs Elementary | Winget Park Elementary |
| Zebulon B. Vance High* | | |

*Achieved/Exceeded the goal in the previous fiscal year