

Charlotte council pushing to improve minority business participation in city projects, contracts

By Erik Spanberg – Senior Staff Writer, Charlotte Business Journal
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Frustration over a spending goal of 10% for minority businesses as part of a new Charlotte police station led City Council to defer a decision on the project two weeks ago. On Monday night, it's expected to win approval from council members.

What changed? Not much, with the \$20 million, 31,000-square-foot police station scheduled to open in 2020. James Mitchell, a council Democrat who heads the economic development committee, said this month that the main point of delaying the vote was less about the police station and more about putting the spotlight on efforts to increase the targets for all of the city government's minority- and women-owned small business participation programs.

On Monday, Mitchell's committee spent 90 minutes poring over the current requirements, many of which are mandated by state and federal law.

Despite those restrictions, committee members and city administrators agreed there are several important aspects controlled by the city that could be tweaked and, in turn, help more small businesses qualify for city contracts.

Construction contracts came under scrutiny during the committee meeting as council members and city staffers discussed how to make sure so-called good faith efforts — criteria scored to allow a general contractor to retain a contract if participation goals aren't met — leave little room for skirting the targeted amounts.

Other concerns raised Monday included complaints from some minority vendors shared with committee members over slow payments for their work. The city pays the main contractor, and it's then the responsibility of that contractor to pay the smaller vendors.

Committee members want a shorter leash on those prime contractors for payment schedules.

"I think council needs to spend time on the good faith effort (part of city contracts) so we can close the loopholes," Mitchell told me Monday. "Secondly, we want to make sure our subcontractors get paid in a timely fashion. And, thirdly, is when do you set the goal (for minority- and women-owned small business participation)?"

Mitchell told me Monday the diversity program should be revamped and approved by the end of summer.

LaWana Mayfield and Justin Harlow, committee Democrats, pushed for tighter rules to further emphasize the importance of higher participation rates.

Ed Driggs, the lone committee Republican, referred to the deferred vote on the police station and a \$20 million connector building at Bojangles' Coliseum and Ovens Auditorium — both up for consideration by council on Monday night — as projects that should move forward as planned. Driggs' point: the committee and, ultimately, the full 11-member council should continue upgrading the contracting participation program but not penalize projects already well along the way to starting construction.

Council is expected to approve Charlotte construction firm Edifice Inc. as general contractor for the police station on Monday. Eric Laster, Edifice CEO, could not be reached for comment about the delayed vote.

Nancy Rosado, head of the city's business inclusion program, told committee members about a range of existing and upcoming awareness campaigns aimed at encouraging more minority- and women-owned small businesses to seek certification so they can bid for city contracts.

For the fiscal year beginning July 1, Charlotte's business outreach will include a new emphasis on spreading the word through marketing and public relations campaigns about which vending and contracting categories lack bids and potential participants. City government also plans to provide more visible advance notice to possible bid candidates about upcoming projects to be awarded as well as spending forecasts.

In other cases, Rosado and others said, ancillary benefits such as city-paid \$300 tuition bonuses for certified companies to seek additional expertise through courses at Central Piedmont Community College will also be more prominently mentioned.

Vilma Betancourt-O'Day, board member at the National Association of Women Business Owners-Charlotte and owner of government procurement firm Women Wrule, attended the committee meeting Monday.

Betancourt-O'Day said many of the committee members spent too much time discussing how the program works rather than what's needed to make business owners aware of, and comfortable with, earning certification to bid for government projects.

"This is one of the easiest certifications in the country," she told *CBJ*. "The problem is small business owners are scared, particularly immigrants, who don't want to share (information with the government). The city needs to focus more on educating (business owners)."

The NAWBO board member said she is optimistic things are going to get better soon, citing the committee's push for higher participation rates and forthcoming technology upgrades in Rosado's department. The improved technology will help city government advance from "an archaic system" and provide better tools to track and analyze progress for new contracting targets, she said.