

ServiceMaster expects to exceed minority contractor goal

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It's really like a city inside a building.

It's the new head office for ServiceMaster taking shape Downtown inside the old Peabody Place shopping mall.

FlintCo LLC began moving workers in last week to begin the \$14.8 million interior as Belz Enterprises winds up \$12 million worth of exterior work.

Just the other day, ServiceMaster vice president Terry Ingram showed off the dusty interior. While there isn't much to see yet, there is something to say: about minority hiring.

By the time the company moves its 1,200 workers in next year, contractors will have employed about 800 construction workers on the site, including about 390 women and minorities, Belz and Flintco executives estimated.

They were off-the-cuff estimates, but they show Memphis' effort to build a black economy shows signs of taking hold in this 300,000-square-foot mall.

When it accepted city-county tax breaks for the project, ServiceMaster agreed minority firms would receive 20 percent of the value of construction contracts.

"We're shooting higher than 20 percent," ServiceMaster vice president Terry Ingram said. "We won't know for sure where we'll be for several more months."

Flintco, the Tulsa contractor that built most of the newer structures around the mall, including the Westin Hotel and the Hampton Inn, intends to also monitor what it calls inclusion.

"We're also going to track by the number of subcontractors," said Flintco vice president Tim Weatherford, the Memphis-based manager for the Southeast region. "Inclusion is what really touches the community."

Bigger subcontracts have been sliced into pieces. That addresses a concern of small firms: They can't scale up quickly to handle big orders.

Rather than bid out window shades and doors as a single contract, they'll be split up. The same is happening in paint. Where there might have been 15 contracts on a similar project prior to the inclusion policy, there are now about 25, Weatherford said, and steps have been taken to provide mentor firms for minority contractors that can use advice.

Memphis has seen this kind of parsing of contracts before. For example, Grinder Taber & Grinder, general contractor on the \$200 million Sears Crosstown renovation in Midtown, divided big contracts into smaller pieces.

Once the interior project reaches full swing, Flintco will have 650 employees on the site, Weatherford said, estimating more than half will be women, blacks, Latinos and other minorities.

On the exterior, Belz Enterprises vice president Jack Bearden estimated nearly 40 percent of the 150 workers on the site are minorities.

What the Belz workers have been doing since fall is getting the building ready for renovation.

Crews tore through exterior walls and installed 144 windows, entirely gutted the old IMAX theater and installed a second floor that will become office space for information technology staff. The former Isaac Hayes night club looking out at FedExForum was dismantled to open way for the executive offices.

Still in place are the rooftop atrium shining sunlight onto the second floor courtyard that will become like a town commons for workers. Offices will be put in what had been stores looking out over the courtyard.

“Any city would have loved to have us, but it was this space that brought us Downtown,” said James Robinson, ServiceMaster corporate communications manager.

Ted Evanoff, business editor of The Commercial Appeal, can be reached at evanoff@commercialappeal.com and 901-529-2292.