



2013 Durham Small Disadvantaged Business Enterprise (SDBE) Contracting

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GENERAL OBSERVATIONS

- General statutes must be followed
- Estimated dollar value of projects/proposals determines contracting process
- SDBE monitoring focuses on construction & professional services



GENERAL OBSERVATIONS

- Equal Business Opportunity Program (EBOP) is the City's law for minority/women business inclusion
- The EBOP determines project-specific goal setting
- Goals not set on projects estimated at \$100,000 or less

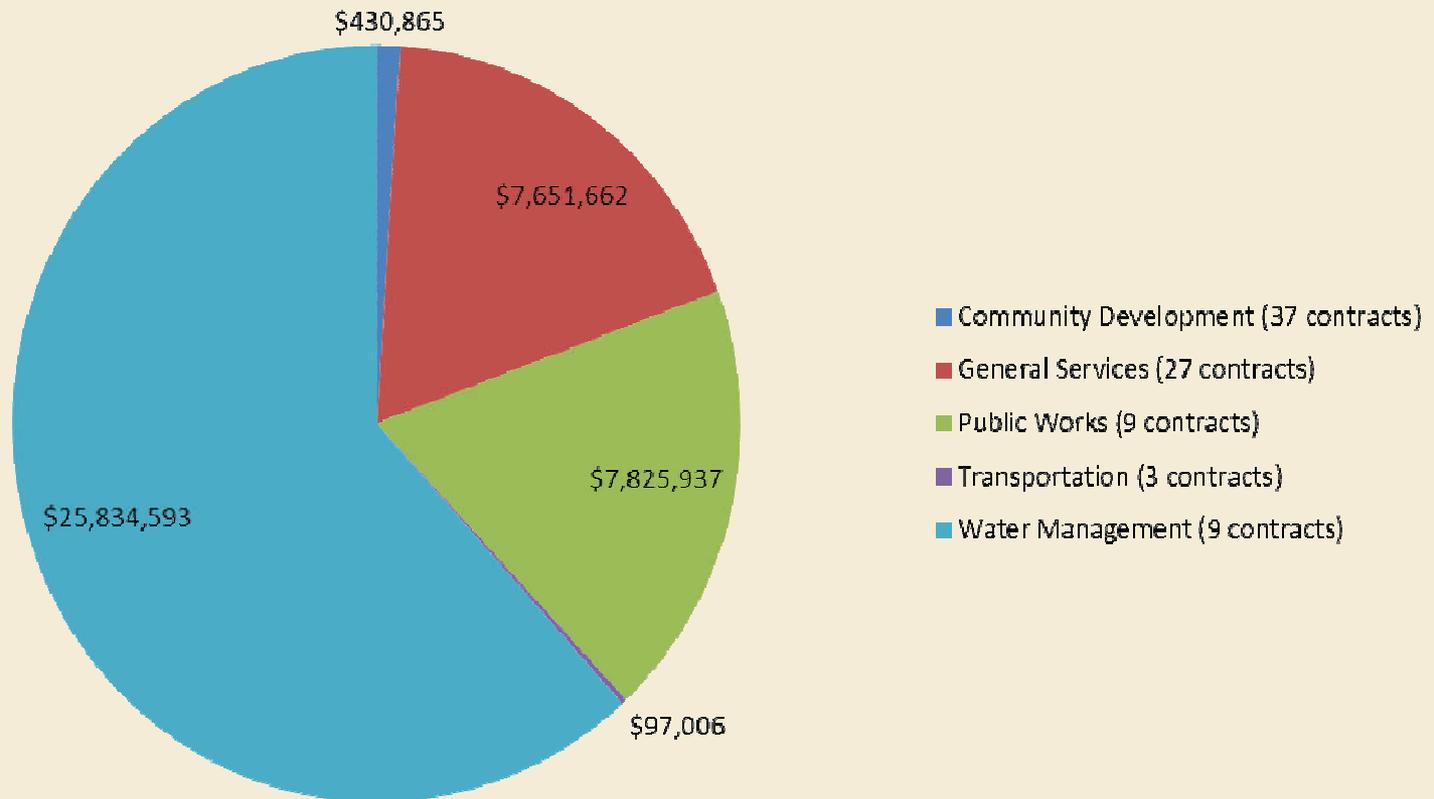
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CONSTRUCTION

Departmental View





CONSTRUCTION

- 85 construction contracts
- 59 of the contracts were <\$100,000 with no goals
- SDBEs were primes on only 3 contracts <\$100,000
- 26 projects >\$100,000 with no goals set on 7 projects



CONSTRUCTION

- 19 projects with goals, 12 met/exceeded
- 7 projects had good-faith effort reviews with 2 awarded – best interest of the City
- SDBEs were primes on 5 contracts >\$100,000



CONSTRUCTION

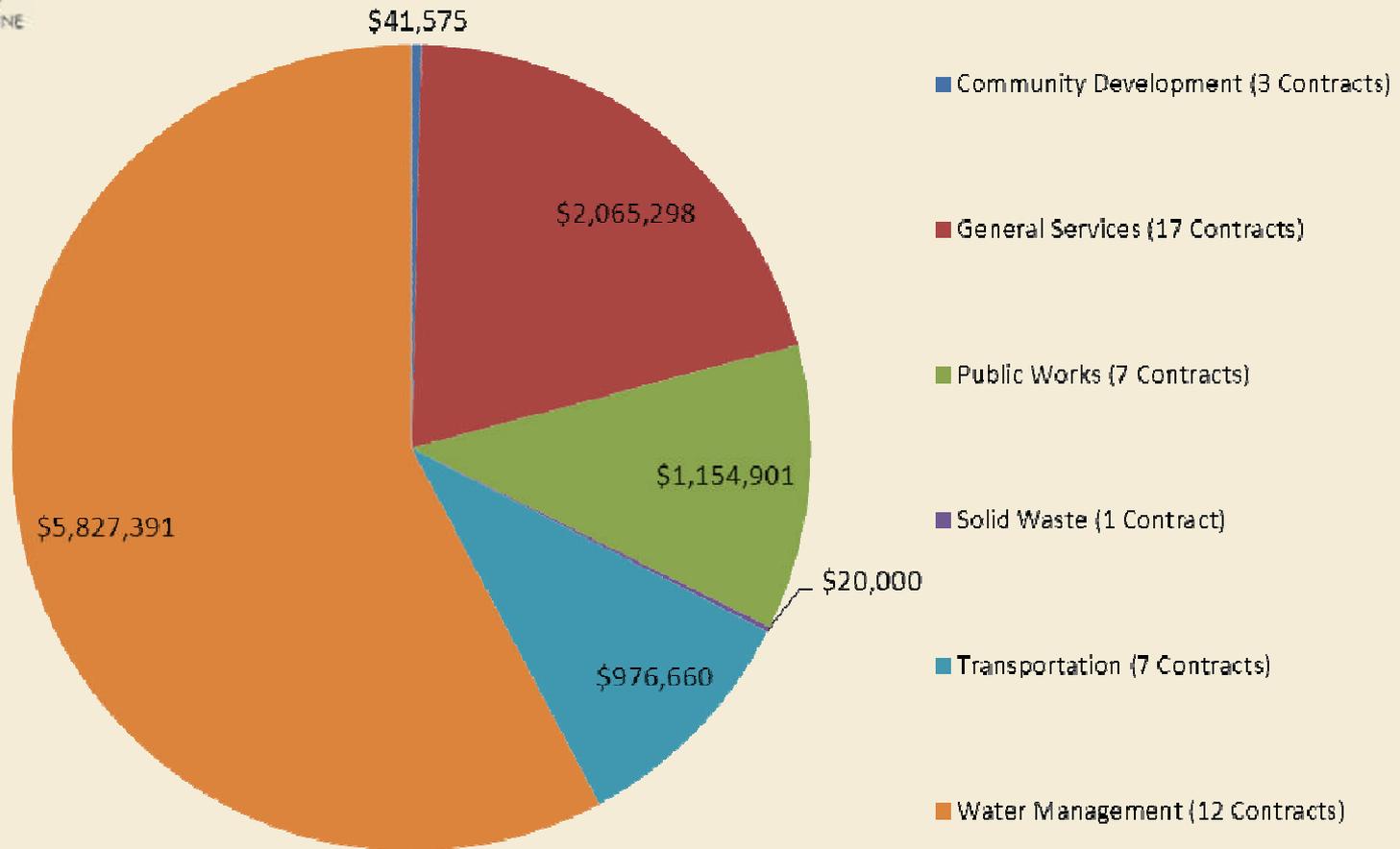
Comparison/Summary

Construction	FY 2011-12	FY 2012-13
Total Dollars	\$28,748,147	\$41,840,062
MSDBE \$/%	\$ 1,113,036 (4%)	\$2,803,742 (7%)
WSDBE \$/%	\$303,305 (1%)	\$2,115,570 (5%)

*Benchmark used were 15% minority and 5% women participation.
Benchmarks not met, but improved.*



PROFESSIONAL SERVICES Departmental View





PROFESSIONAL SERVICES

- 47 professional services contracts
- 34 contracts were <\$100,000 with no goals
- SDBEs were primes on 5 contracts <\$100,000
- 13 projects >\$100,000 with no goals set on 5 projects



PROFESSIONAL SERVICES

- 5 projects with goals and all met/exceeded
- 2 contracts awarded from on-call lists and 1 considered exempt
- SDBEs were primes on only 1 contract >\$100,000



PROFESSIONAL SERVICES Comparison/Summary

Professional Services	FY 2011-12	FY 2012-13
Total Dollars	\$14,587,184	\$10,085,825
MSDBE \$/%	\$876,959 (6%)	\$839,412 (8%)
WSDBE \$/%	\$1,101,255 (8%)	\$316,145 (3%)

*Benchmarks used were 10% minority and 5% women participation.
Benchmarks not reached.*



ANALYSIS

- Majority of construction and professional services contracts were <\$100,000
- SDBEs were unavailable/rarely selected as primes
- Participation enhanced when SDBEs serve as primes
- When goals are set, generally met



ANALYSIS

- In professional services contracting, firms may be selected from a pre-qualified on-call list
- Few SDBEs selected to participate
- Significant number of <\$100,000 contracts awarded from on-call list

CONCLUSIONS

- No change seems indicated in dollar thresh-holds for subcontracting opportunities
- Capacity exists to increase:
 - number and value of awarded contracts
 - number and percentages of eligible firms in all pre-qualified lists and routine informal requests



CONCLUSIONS

- Significant variances when sub-contracting and prime contracting participation are tracked and reported in aggregate
- Benchmarks set for SDBE participation have been approved annually, but are not the result of detailed analysis of previous results or current disparity study



CONCLUSIONS

- Capacity to increase number and percentages of eligible SDBEs in:
 - all pre-qualified selection pools
 - routine informal requests
- Analysis shows the effect of awarding prime contracts with SDBEs



CONCLUSIONS

- Community Development Dept. executed 37 contracts with 8 firms:
 - majority are believed to qualify as SDBEs if the firms had applied to the program



RECOMMENDATIONS

- Target efforts to engage SDBEs in professional services for planned City projects and normal business operations
 - *In Process*
- Conduct annual seminar with bidders and estimators to explain SDBE requirements/expectations to advance percentage of contracts with goals achieved
 - *In Process*

RECOMMENDATIONS

- Develop reference guide for City project managers to assist in reinforcing SDBE requirements with prospective bidders
 - *Complete*
- Conduct bi-annual training of new project managers on EBOP requirements
 - *In Process*



RECOMMENDATIONS

- Engage minority and women-owned vendors servicing contracts in Community Development Dept. to increase certified firms
 - *In Process*
- Engage other City departments to target/recruit known minority and women-owned firms in under-represented specialty areas to increase certified firms
 - *In Process*

RECOMMENDATIONS

- Continue offering technical assistance to build project bidding capacity
 - *In Process*
- Develop annual targets and measures for both prime/sub-contracting opportunities and expand reporting
 - *Partially Complete; see page 12-13 of report for expanded reporting tables*



RECOMMENDATIONS

- Review and update administrative purchasing and contracting policies for SDBE inclusion when seeking quotes for City contracts/projects
 - *Planning*
- Develop administrative procedure to increase inclusion of qualified SDBEs in City on-call/pre-qualified lists
 - *Planning*

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QUESTIONS?



Durham Small Local Business Enterprise Program Update



SMALL BUSINESS ENTERPRISE PROGRAM

- Race-gender neutral program
- Support local small businesses, enhance tax base & employment opportunities
- Only applicable to individuals/firms in Durham, Orange, Person & Chatham Counties (*Durham MSA*)
- Applies to all <\$500,000 construction contracts



SMALL BUSINESS ENTERPRISE PROGRAM

- All architectural, engineering and surveying services contracts of <\$100,000
 - Provision to allow Manager to add other services as appropriate
 - Program does ***not*** apply to procurement of materials, apparatus or equipment



SMALL BUSINESS ENTERPRISE PROGRAM

- City certifies firm eligibility to participate in SLBE Program
- Program fully implemented – November 2013



SMALL BUSINESS ENTERPRISE PROGRAM

33 Certified SLBEs including:

Architectural Firms	9
Landscape Architectural Firms	3
Engineering Firms	12
General Contracting Firms	7 (1 additional application pending)
Electrical Contractors	2



SMALL BUSINESS ENTERPRISE PROGRAM

Reviewed 26 projects; 7 met program criteria

Department	# Projects Reviewed	# Projects Accepted	# Contracts Awarded	Dollars Awarded
General Services	6	5	1 (1 pending)	\$57,826.50
Water Management	19	2	1 pending	\$23,643
Public Works	1	0	0	0

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QUESTIONS?