



MINORITY AND WOMEN BUSINESS ENTERPRISES PROGRAM

2017-2018
END OF YEAR
REPORT

PRESENTED BY:



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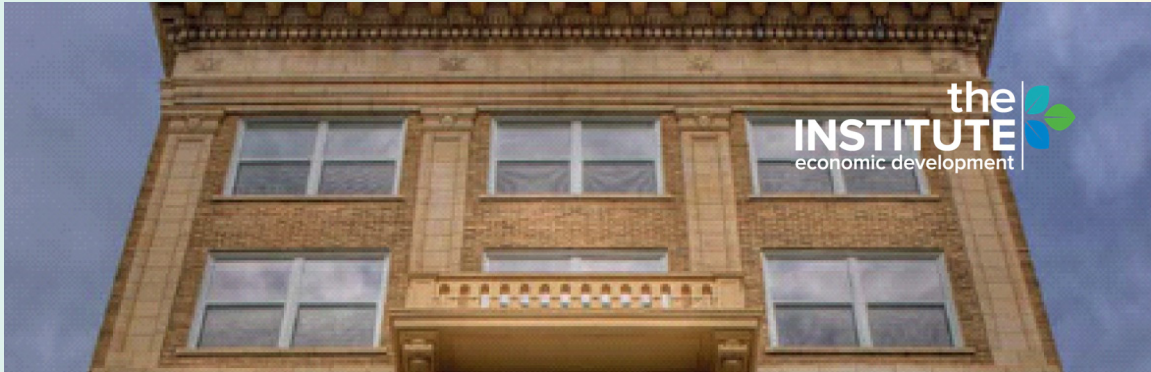
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EXECUTIVE SUMMARY



The Institute of Minority Economic Development (The Institute) is a 31-year-old organization with a focus on diversity. Our organization operates:



- **The Women's Business Center of North Carolina and The Women's Business Center of Charlotte** in partnership with the U.S. Small Business Administration that supports the growth and development of women owned businesses;
- **The South Atlantic Small Business Transportation Resource Center** in partnership with the U.S. Department of Transportation that works with prime contractors on major federal Department of Transportation projects to utilize diverse contractors and provide bonding assistance in North Carolina, Virginia, West Virginia, Kentucky and Washington, D.C.; and
- **The Minority Executive Education Institute (MEEI)** delivers comprehensive and robust graduate-level business education, designed to help minority business executives strengthen and grow their companies. MEEI business education builds the capacity and extends the capabilities of minority firms through the following program features:
 - **Extensive course content** based on proven best practices and research
 - **Leading business experts** from university and corporate partners
 - **Access to new business resources** through networking and strategic partnerships

PARTNERSHIP WITH THE COUNTY OF DURHAM

The Institute has partnered with the County of Durham, working closely with the County's MWBE Management Team, to assist with diversity and inclusion strategy, including identification of minority and women vendors, workforce development, training and development, outreach, collaboration with community partners, stakeholders and resources, performance and tracking, and support providing information and connections to build efficient internal and external processes.

Minority and Women Business Enterprises (MWBEs) are major contributors to our national, state and local economies. The success of our MWBEs is essential to providing jobs, promoting growth, and diversifying our economy. Over the past year, we were very active in solidifying our partnership with the County in conducting MWBE training and outreach. We highlighted the importance of certification as a historically underutilized business to measure outreach, inclusion and utilization activities. Additionally, some of the training (presentations) for later use by interested parties were digitally uploaded on the County's MWBE Facebook page.

In addition to training, we shifted our focus to working directly with County department directors to learn about future procurement opportunities, how each department procure goods and services, discuss their department's strategy for inclusion and how we can be supportive to leverage their work for more inclusion. The Institute, with the MWBE Management Team, made a presentation at one of the department director's meeting about our intent to work directly with their departments. The message was well received and the individual departmental meetings are ongoing. We have uncovered a number of opportunities to heighten the measurement and utilization of MWBEs and strategies for their success.



MWBE EXTERNAL ADVISORY COUNCIL

The County has established an MWBE External Advisory Council. This is a forum for discussion on issues that will directly impact the new MWBE ordinance, contract, subcontracting and projects with minority and women participation goals. This workgroup consists of a diverse group and meets on a quarterly basis.



ELLEN CASILLY

Ellen Cassilly, principal of Ellen Cassilly Architect, opened her architectural studio in 1998 at the corner of Foster and Corporation Streets after an early career working with distinguished architects in Paris, Tokyo, Boston, and Raleigh NC. Ellen and her firm have been at ground zero for the downtown renaissance having designed such projects as the Durham Central Park pavilion-home of the popular Durham Farmers' Market, Fullsteam Brewery, Fowler's (now Parker and Otis), and Rodgers' Alley. ECA's award-winning residential projects include Cassilhaus and 14 Condominiums in the Kress building.



JARVIS MARTIN

Jarvis Martin founded Martin & Company in 1975, while working as a mortgage loan officer for a local savings & loan company. Mr. Martin joined the Society of Real Estate Appraisers as an associate member in 1977 and obtained his (SRA) Senior Residential Appraiser designation in 1982. He is past chapter President for the Piedmont Chapter of the Appraisal Institute. In the early 1990's when state license became a requirement to complete appraisal assignments for federally Insured Financial Institutions, Mr. Martin was selected by the NC State Appraisal License Board to take the initial North Carolina License exam and provided feedback to the state board. As a result of this experience Mr. Martin was one of the first 50 appraisers to be licensed in the State of North Carolina.



DALE NICHOLS

Dale Nichols is originally from Lumberton, North Carolina and a proud Lumbee Indian from Robeson County, where for many years he worked in the farm and tobacco fields in order to pay his way through school. He eventually took plumbing at Durham Tech as a self-interest class. He now teaches plumbing at Durham Tech and employs over 40 people as one of the biggest plumbing service and commercial contractors in the area. In 2016 his company was selected as Contractor of the Year, by the PHCC National Association along with many other awards over the years. Dale is a proud sponsor of several local charity organizations, including Transitions Hospice of Wake County and Ronald McDonald House of Durham.



IVAN PARRA

An experienced community organizer and trainer, Ivan Kohar Parra cofounded three organizations that engage hundreds of grassroots leaders in social change. He is Executive Director of the Latino Credit Union, a member-owned non-profit financial institution offering a full package of ethical, bilingual financial services, affordable credit options and financial education to thousands of immigrants. The North Carolina Latino Coalition strengthens the leadership, voice and participation of immigrants in local, statewide and federal issues. Durham Congregations Associations and Neighborhoods aims to strengthen congregations and community institutions by developing the skills and capacity of their leaders to be change agents in the public process. A native of Bogota, Colombia, Parra arrived in the United States 20 years ago with his family. He serves on the board of the Mary Reynolds Babcock Foundation.



MAGGIE QUAN, PhD

Maggie Quan works for TradeMark Properties as a Commercial Real Estate Advisor and specializes in commercial real estate sales advisory services (\$1M-20M) with extensive knowledge in due diligence underwriting, commercial loan consulting, land and new construction planning and government relations. Prior to joining TradeMark Properties, Maggie obtained a PhD in Biomedical Engineering from Duke University and led and managed a successful biotech startup for three years. She has applied her knowledge and entrepreneurial spirits to assisting sellers and buyers, landlords and tenants with unparalleled ethics and dedication to details. Maggie serves as a leader or volunteers in many Asian cultural and business groups including North Carolina Chinese Business Associations (NCCBA), Carolinas Chinese Chamber of Commerce (CCCC) and Asian Focus. Maggie is originally from China and has lived in the Triangle area for over ten years.



SILVIA RINCON

Silvia Rincon is VP, Communications and Brand Management, Latino Community Credit Union, responsible for overseeing the development and execution of internal and external communications, managing member service quality initiatives, implementation of new products as well as overseeing LCCU's financial education program. She previously spent 8 years working in banks and credit unions before joining in LCCU in 2013. She has moved through various positions at the credit union, including loan officer and communications and service specialist. She earned her Bachelor's degree in Financial Engineering from the Universidad Autonoma de Bucaramanga in Colombia.



GLORIA SHEALEY

With more than 25 years in building construction and project management as a general contractor and construction manager, Shealey started The Daniele Company in 1995. Since then, she has led her company to complete over \$200 million in projects in higher education, healthcare, manufacturing in the pharmaceutical industry, automotive and aviation and government. No stranger to political leadership, Shealey was a founding board member of the United Minority Contractors of North Carolina (state chapter of NAMC), where she served as Chair from 2007 to 2009. She also was selected to participate in President Obama's Council on Jobs and Competitiveness Roundtable in Durham, NC. In addition, she received the 2011 Women of Color Achievement Award from the 100 Black Men of America, Women Presidents Organization and American Express Open. Shealey is a member of the North Carolina Coordinators Network, and the US Green Building Counsel as a LEED Accredited Professional.

The MWBE External Advisory Council was created to help the MWBE Management Team and the Durham County Government educate, inform, navigate, and communicate with Durham County business owners and the Durham County community. We were able to have one meeting per quarter with the Council to help us with outreach. We valued the group and listened to the many ideas for training, business concerns about following up with businesses and informing them about concerns in their bids and building a tracking system for supportive services.

The collaboration between the County of Durham, The Institute, The External Minority and Women Business Enterprise Advisory Council, The City of Durham, and our external and internal partners have heightened our community engagement work, increased the economic impact in the Durham business community and leveraged societal contributions by providing workforce opportunities.



HIGHLIGHTS OF MWBE TRAINING AND OUTREACH ACTIVITIES

The Institute provides supportive services to the County's MWBE Management Team to advance opportunities for Minority and Women Business Enterprises (MWBEs) to participate in training and development activities. This effort aligns with the purpose of the County's MWBE Program Ordinance, which is to establish a plan of action to help ensure that the County's contracting practices, including but not limited to construction, goods and services provide for participation and equal opportunities for businesses owned and controlled by minorities and women.

As a result of this active collaboration, some of the seminars during the year included:

TRAINING

- August 12, 2017 – Doing Business with Durham County @ Northeast Regional Library. Business basics covered, including how to register as a diverse business in the NCHUB and NC Secretary of State. Class taught by The Institute.
- October 14, 2017 – Doing Business with Durham County @ Archie Conference Center in RTP. Business basics covered, including how to register as a diverse business in the NCHUB and NC Secretary of State. Class taught by The Institute.
- January 13, 2018 - How to Use Community Resources to Maximize Your Business Potential in The Digital Age @ Stanford Warren Library. Collaborative event with the City of Durham and The Institute. Instructions provided by County MWBE and County Library, City of Durham and The Institute.
- March 24, 2018 – Where's the Work? Finding Opportunities in 2018 @ Northeast Regional Library. Collaborative event with the City of Durham and The Institute. Local government website navigation instructions for the County, The City of Durham, and the NC Historically Underutilized Businesses website provided.
- May 5, 2018 – Grow Your Business! Learn About Understanding Proposals, Bid Item Requests and More... @ Stanford Warren Library. Collaborative event with the City of Durham and The Institute. Hands-on instruction provided covering various requirements necessary during the bid process.
- May 23, 2018 – Durham County Annual Contract Compliance Class. County departments educated on basic contract requirements, including MWBE contract compliance.



OUTREACH

- October 2, 2017 – Durham County Vendor Expo @ County Human Services Building. County MWBE Team occupied a table to provide informational hand-outs and answer questions about the County's MWBE Program. On the spot demonstration of the County's eBid system was also provided.
- November 7, 2017 – Contractor's Forum @ City of Durham. Collaborative event with the City of Durham and The Institute. Minority firms were given the opportunity to make inquiries and meet with panelists consisting of professional contractors, City and County project managers and others in attendance.
- February 28, 2018 – County MWBE Team and The Institute made a short presentation at the County's Department Head Meeting. The intent was to introduce The Institute and discuss a new plan of action to increase minority participation by directly engaging departments.
- June 9, 2018 - Contractors Empowerment Event. Collaborative event with the City of Durham and The Institute, to provide minority firms an opportunity to connect with support organizations.

Each event was customized to meet the needs of MWBEs and to help them be prepared to participate in the County's bid opportunities.



TRAINING AND OUTREACH KEY PERFORMANCE MEASURES

The following key performance measures and targets for expected results provides a systematic process for the County to evaluate how effective the program is with regards to providing MWBE training and outreach services to MWBEs in the Durham community. Although estimated levels of expected results exist, it is considered convenient in order to validate the actual baseline measurement of each key performance during the year. Progress in performance measurements are monitored and intervention strategies are discussed between The Institute and the County's MWBE Management Team to develop an action plan for implementation of changes for each area when improvements are needed.

Measure 1: The total number of outreach programs

Explanation

This is the total number of outreach programs/events provided per quarter. Outreach programs focuses on promoting the County's MWBE Program and educating MWBEs in Durham and the surrounding community on upcoming projects with the County and other business partners. Outreach programs provide MWBEs with networking opportunities and help identify and introduce new MWBEs to the County who are ready and capable.

QUARTER	TARGET	ACTUAL
1 st	2	0
2 nd	2	2
3 rd	2	1
4 th	2	1

Table 1 - Total number of outreach programs/events per quarter

Measure 2: The total number of participants attending outreach programs

Explanation

Participants are defined as those that have registered in the County's MWBE outreach programs/events and have completed a written engagement for attending. The growth in the number of participants will help demonstrate the program's success and contribution to the Durham community.

QUARTER	TARGET	ACTUAL
1 st	10	0
2 nd	15	186
3 rd	20	25
4 th	20	34

Table 2 - Total number of participants attending outreach programs per quarter

Note:

Two outreach events held during 2nd quarter with a total number of 186 participants. One event had 11 participants; second event 176 participants.

Measure 3: The total number of training sessions**Explanation**

This is the total number of training sessions provided per quarter. Training (business and project management, finance, contract law, bid solicitation and response, etc.) are taught to MWBEs. Training is expected to provide MWBEs with capacity building and assessment tools to help support their development and growth.

QUARTER	TARGET	ACTUAL
1 st	2	1
2 nd	2	1
3 rd	2	2
4 th	2	2

Table 3 - Total number of training sessions per quarter

Measure 4: The total number of participants attending training sessions**Explanation**

Participants are defined as those that have registered in the County's MWBE training sessions and have completed a written engagement for attending. The growth in the number of participants will help demonstrate the program's success and contribution to the Durham community.

QUARTER	TARGET	ACTUAL
1 st	10	25
2 nd	15	4
3 rd	20	25
4 th	20	81

Table 4 - Total number of participants attending training sessions per quarter

Note

Two training sessions in 3rd quarter with total of 25. One session had 13 participants; second had 12. Two training sessions in 4th quarter with total of 81. One session had 18 participants; second had 63.

Measure 6: Satisfaction rating of MWBE clients served**Explanation**

An annual program survey is conducted to measure MWBE client customer satisfaction of services provided.

YEAR	TARGET	ACTUAL
2018	70%	69.3%

Table 5 - Satisfaction rating of MWBE clients served in 2018

OVERVIEW OF MWBE UTILIZATION FOR FY 2018 AND 2017

Here is a cumulative report of the results for Fiscal Year 2018 (July 2017-June 2018) of the Minority and Women Business Enterprise Program.

Percentage of Funds Spent Overall with MWBE Firms by Gender/Race in FY 18

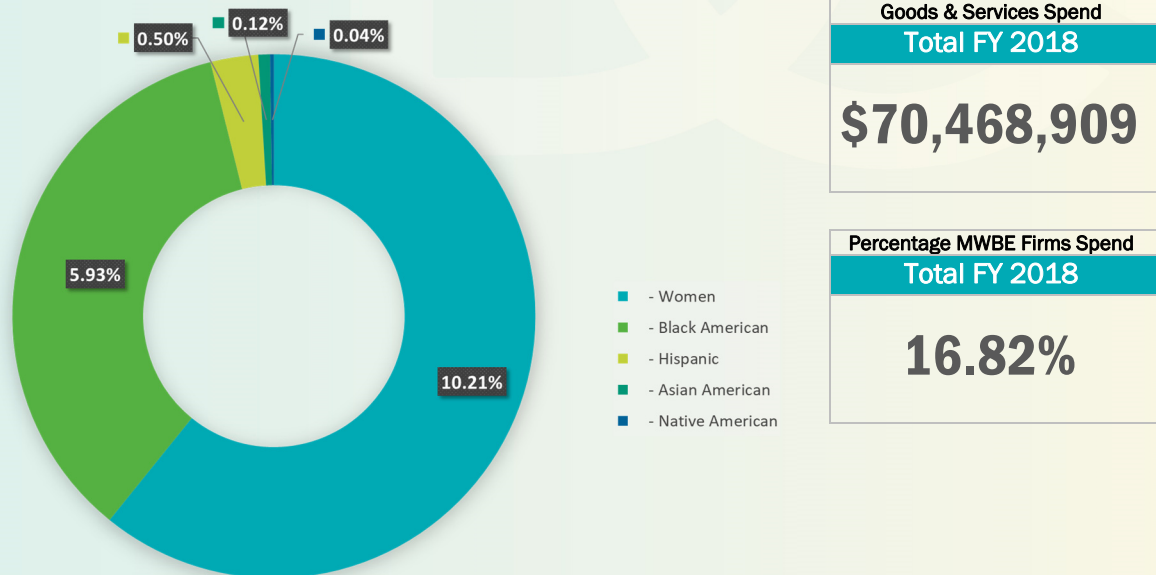


Figure 1 - Total Percentage of Funds Spent Overall with MWBE firms by Gender and Race in FY 2018

GENDER/RACE	TOTAL FY2018	QTR 4	QTR 3	QTR 2	QTR 1
Woman	10.21%	11.61%	12.67%	9.70%	6.88%
Black American	5.93%	7.84%	5.04%	6.38%	4.44%
Hispanic	0.50%	0.51%	0.57%	0.81%	0.09%
Asian American	0.12%	0.23%	0.11%	0.14%	0.00%
Native American	0.04%	0.01%	0.00%	0.02%	0.14%

Table 6 - Category of Spend by Race and Gender by Percentage in FY 2018

Here is a cumulative report of the results for Fiscal Year 2017 (July 2016-June 2017) of the Minority and Women Business Enterprise Program.

Percentage of Funds Spent Overall with MWBE Firms by Gender/Race in FY 17

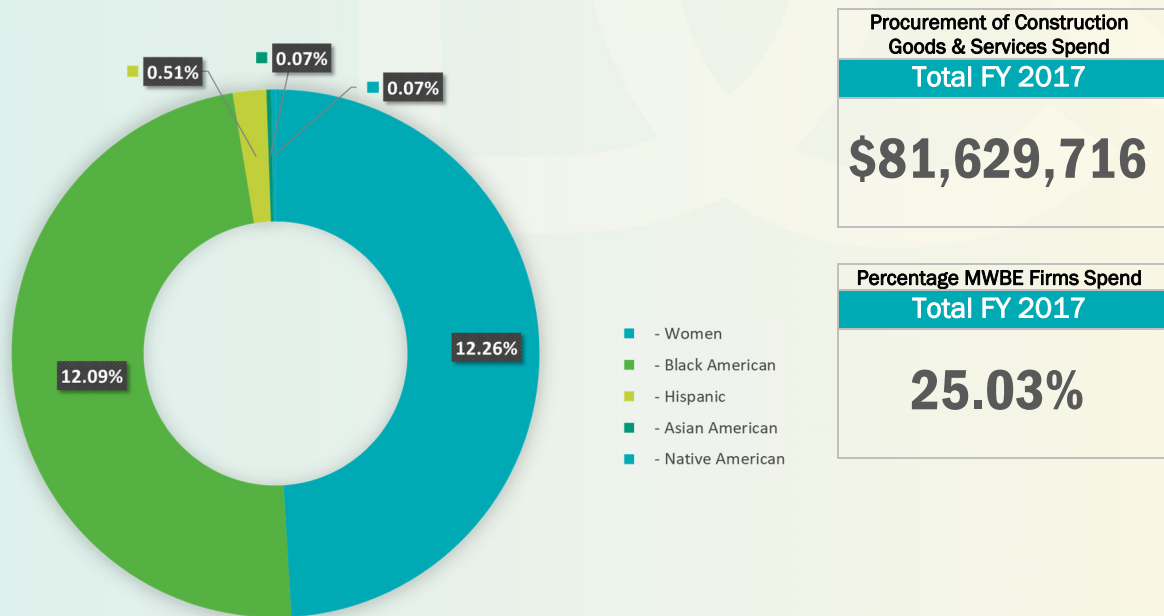


Figure 2 - Total Percentage of Funds Spent Overall with MWBE firms by Gender and Race in FY 2017

GENDER/RACE	TOTAL FY2017	QTR 4	QTR 3	QTR 2	QTR 1
Woman	12.26%	18.65%	16.94%	6.77%	6.69%
Black American	12.09%	6.11%	14.51%	13.80%	13.93%
Hispanic	0.51%	.43%	1.03%	0.34%	0.24%
Asian American	0.07%	0.09%	0.02%	0.11%	0.06%
Native American	0.07%	0.08%	0.05%	0.07%	0.07%

Table 7 - Category of Spend by Race and Gender by Percentage in FY 2017

MINORITY AND WOMEN BUSINESS COMPARATIVE FOR FY 2018 AND 2017

In 2018, Durham County had procurement spend for construction, goods and services of \$70,468,909. This is \$11,160,807 less than the previous year spend of \$81,629,716. Most of the reduction in total spend is a reflection of completion or final phase of major construction projects. As a result, the total spend with minority and women businesses decreased from \$20,435,721 in 2017 to \$11,626,713 in 2018. This also equates to a 16.82% minority and women business utilization compared to the 25% the previous year.

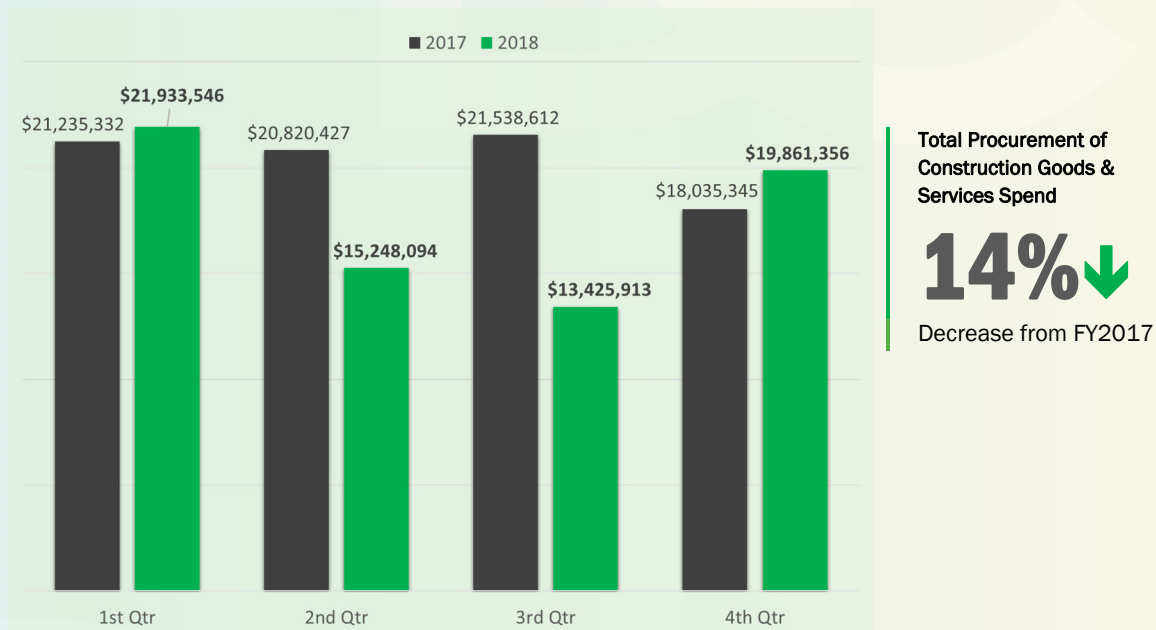


Figure 3 - Total County departmental funds spent for procurement of construction, goods and services - FY 2017 and FY 2018

For the second year, women business enterprises received most of the utilization in the diverse group in dollars spend with over 10.21% of the 16.82% for 2018 and 12.26% of the 25% in 2017. Black American businesses follow the women owned businesses with a decrease in utilization, which is reflected as 5.93% of the 16.82% in 2018 versus 12.09% of the 25% in 2017. These two groups represent over 90% of the minority and women business spend for 2017 and 2018.

The number of minority and women prime contractors decreased from 780 in 2017 to 371 in 2018. The number of minority and women subcontractors in 2018 was 84, which is an increase of over 58 in 2017. As it relates to this comparative, most of the diverse businesses utilized are in construction related industries.

Total MWBE Prime Contractor Utilization¹– FY 2017 and FY 2018

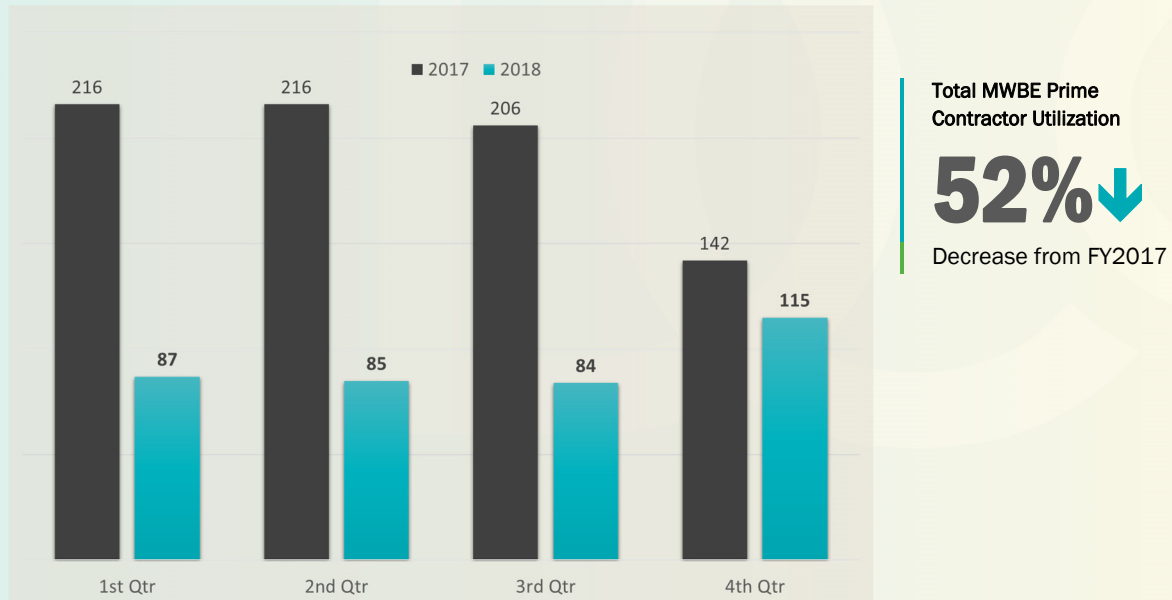


Figure 4 - Total Quarterly MWBE Prime Contractor Utilization - FY2017 and FY2018

Total MWBE Subcontractor Utilization – FY 2017 and FY 2018

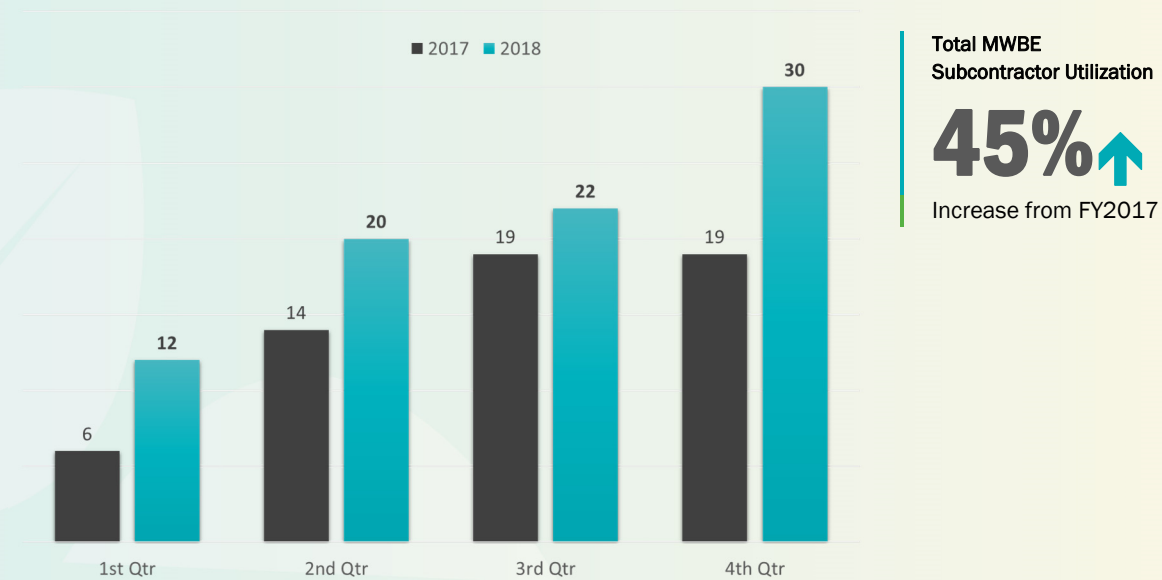


Figure 5 - Total Quarterly MWBE Subcontractor Utilization - FY2017 and FY2018

¹ Due to change in state law (FAST System), a number of MWBE Prime Daycare vendors were no longer recognized through the County's vendor payment system in FY 2018.

A WAY FORWARD

The intent is to meet and exceed the aspirational goal of 25% set by the Durham County Commissioners. While Durham County did have less procurement spend in 2018, we did provide more training in 2018 and developed a strong working partnership with the County of Durham and collaborated with the City of Durham in our efforts. We will continue to catalyze this relationship for greater impact in utilization for minority and women owned businesses. Additionally, we have begun working more closely with Durham County department directors to provide supportive services to assist their departments to be more active and intentional on minority and women business utilization. We have customized training to support and prepare minority and women businesses about forecasted opportunities. This should increase the utilization in all departments.

Some departments have demonstrated success, year over year, in minority and women business utilization. We will highlight best practices and organize an internal minority and women business advisory council with department directors. This will allow for more peer-to-peer support, celebrate success and provide for utilization correction. During our interviews, we have learned that all of the department directors are ready to embrace a strategy to have success.

We will work with these businesses and the leadership of the County to develop initiatives that are place-based to respond to the entire local region. Our locally driven programs have implications for statewide systems change, generating data and information, engaging and directing the influence of MWBE owners, and creating and testing replicable models for:

- Reducing systemic barriers to markets opportunities;
- Informing local government policies and ordinances related to procurement, hiring, wages and other practices;
- Strengthening social capital and network inclusivity for MWBEs within business sectors, industries and associations;
- Influencing passive and active business practices and investments that fuel economic development, whether related to business development, lending and financial services regulation, procurement, incentives to attract or grow corporate jobs, or vocational and higher education, among other spokes in the wheel.





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