



Legislation Text

File #: 18-248, Version: 1

TO: Mayor and Members of City Council

THRU: Douglas Hewett, City Manager, ICMA-CM

FROM: Kimberly Toon, Purchasing Manager

DATE: May 29, 2018

RE: Small Local Business Enterprise (SLBE) Update

COUNCIL DISTRICT(S):
ALL

Relationship To Strategic Plan:

The development of a City policy designed to support and encourage improved access for local, small, minority, women, veteran-owned and historically-disadvantaged businesses to the City's process for the procurement of goods and services is supportive of Strategic Plan Goal 2 - "Building and maintaining a strong, diverse, and viable local economy".

Executive Summary:

City Council directed that an SLBE policy and subsequent program based on that policy be developed to enhance economic opportunities for local, minority, disadvantaged and small business owners. The SLBE policy and program have now been established and the SLBE program is managed by the Purchasing Division of the City's Finance Department. Finance/Purchasing has worked diligently to build a solid foundation for implementing the initial year of the SLBE program

Background:

The Purchasing Division of the City Finance Department has dedicated itself to establishing a strong foundation for the Small Local Business Enterprise program. Since last presenting to City Council in January 2018, the following activities have encouraged SLBE vendors to register and participate in the City's business.

- Purchasing and procurement representatives from the Public Works Commission, Cumberland and Hoke Counties participated in the Building Business Rally at Fayetteville Technical Community College to learn how to do business with local governments.

- All solicitations both formal and informal are posted on the City website.
- Purchasing works closely with City departments to increase their awareness of SLBE businesses and their abilities to serve the City's needs.
- Purchasing staff provide one-on-one consultation with SLBE firms to educate and familiarize them with City procurement processes.

These initial efforts toward implementing the SLBE program have resulted in statistically significant increases in various areas. For example:

- The City has had 73 new companies register to be City vendors since July 1, 2017. Of those 73 new City vendors, **44%** are located in Cumberland and Hoke Counties.
- The FY18 YTD purchase order expenses total \$81,694,984 with **38%** (\$30,997,080) being spent in Cumberland and Hoke Counties.
- The FY18 YTD procurement card expenses total \$1,330,966 with **37%** (\$497,367) being spent in the Cumberland and Hoke Counties.
- The FY18 YTD total for contracts is \$37,352,965 and **31%** is identified as assigned to local prime contractors. Of the \$37,352,965 total contract dollars, **29%** (\$10,999,317) is allocated to subcontractors.

To continue the upward trending resulting from the initial efforts of the SLBE program, Purchasing would like to initiate the following activities:

- Analyze total City expenditures for future possible direct SLBE contracting opportunities.
- Purchasing would like further community outreach by providing more hands-on assistance with connecting qualified local subcontractors with prime general contractors.
- Assist in developing quick pay agreements and policies to enable SLBE's to meet cash flow demands.
- Develop and implement a local vendor mentor and/or partnership program where SLBEs can get more information and education directly from general contractors, consultants, etc.

Issues/Analysis:

The City SLDBE program is aimed at increasing local participation in the City's procurement practices to include businesses and entrepreneurs classified as small, historically-disadvantaged or underutilized, minority, veteran and/or women-owned. Encouraging these groups to participate in the City's business is an important step in achieving a strong, diverse, and viable local economy. The SLBE Coordinator will continue to track and encourage SLBE participation in the City's business operations.

Budget Impact:

None.

Options:

1. Receive and review presentation as provided by Purchasing, and provide direction to staff as to next step(s).
2. Do not receive the presentation and recommendation(s) from Purchasing.

Recommended Action:

Receive and review presentation and recommendation(s) as provided by Purchasing, and provide direction to staff as to next step(s).

Attachments: