



Legislation Text

File #: 21-2480, Version: 1

TO: Mayor and Members of City Council

THRU: Douglas Hewett, ICMA-CM, City Manager
Jay Toland, Chief Finance Officer, Assistant City Manager

FROM: Kimberly Toon, Purchasing Manager

DATE: January 24, 2022

RE: Small Local Business Enterprise (SLBE) Program Update

COUNCIL DISTRICT(S):
ALL

Relationship To Strategic Plan:

The development of a City policy designed to support and encourage improved access for small and local 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 a SLBE policy and subsequent program based on that policy be developed to enhance economic opportunities for small and local 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 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 reporting to City Council in October 2021, the following activities have encouraged SLBE vendors to register and participate in the City's business.

- 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 provides one-on-one consultation with SLBE firms to educate and

familiarize them with City procurement processes.

- Purchasing provides printed and digital educational materials such as “Doing Business With the City”

These efforts have resulted in statistically significant increases in various areas. For example:

- In the FY22 Second Quarter 75 new companies registered to be City vendors. Of those 75 new City vendors, 97% are located in Cumberland, Hoke and Harnett Counties.
- The FY22 Second Quarter purchase order expenses total \$34,555,241.16 with 45.69% (\$15,786,626.40) being spent in Cumberland, Hoke and Harnett Counties.
- The FY22 Second Quarter procurement card expenses total \$288,906.62 with 39.64% (\$114,524.84) being spent in Cumberland, Hoke and Harnett Counties.
- The FY22 Second Quarter for contracts is \$6,701,731.33 and 20.6% is identified as assigned to local prime contractors. Of the \$6,701,731.33 total contract dollars 5.7% (\$386,822.93) is allocated to subcontractors.

To continue the upward trend 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 SLBE 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 LSDBE Coordinator will continue to track and encourage LSDBE 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: