



Office of Business
Inclusion and Advancement

City of Winston-Salem
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Memorandum

TO: Lee Garrity, City Manager
FROM: Tiesha Hinton, Assistant Director
DATE: August 15, 2018
SUBJECT: Happy Hill Park Good Faith Effort
CC: Ken Millett, Director

In response to a question posed during the August 13 Finance Committee meeting, the M/WBE goals for the Happy Hill Park Renovations Project were set by the City's Internal Committee at 16% for minority-owned businesses (MBE) and 11% for woman-owned businesses (WBE). The goals were based upon the project scope of work, the historical participation of M/WBE firms, and the relative availability and capacity of M/WBE firms in the local market. Based on the State of North Carolina Electronic Vendor Portal System and the City's Vendor Directory, trades identified as having a relative availability of M/WBE firms include, but are not limited to:

- Demolition
- Fencing
- Hauling
- Concrete
- Electrical
- Grading
- Landscaping
- Roofing
- HVAC
- Masonry

While the City has a minimum 10% M/WBE participation goal on formal construction and repair projects, staff strives to establish justifiable goals above the 10% minimum, where appropriate, in order to increase opportunities for M/WBE participation.

In addition to a contractor's level of effort in soliciting M/WBE firms prior to the bid opening, there are several factors that can contribute to the inability to meet the M/WBE goals set for the project. Some of these factors are listed below:

- Market conditions such as the construction workforce shortage in North Carolina, on both the supervisory and labor levels.
- The time of year in which the contract is bid could impact the availability of M/WBE subcontractors.
- The relative availability of M/WBE firms identified at goal setting does not guarantee that each potential subcontracting firm is able to take on additional work at the time of bid, nor during the time construction is set to begin.
- Some M/WBE subcontractors are hesitant and/or uninterested in working on large projects with general contractors with whom a relationship has not already been formed.
- The level of detail in which select portions of the project scope were broken down into economically feasible units by the general contractor, to facilitate M/WBE participation.

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City Council: Mayor Allen Joines; Vivian H. Burke, Mayor Pro Tempore, Northeast Ward; Denise D. Adams, North Ward; Dan Besse, Southwest Ward; Robert C. Clark, West Ward; John C. Larson, South Ward; Jeff MacIntosh, Northwest Ward; Derwin L. Montgomery, East Ward; James Taylor, Jr., Southeast Ward; City Manager: Lee D. Garrity

- The level of convenience provided to M/WBE firms to access plans, specifications, and requirements of the contract.
- Types of assistance offered and/or provided to M/WBE firms with regard to lines of credit, loan capital, equipment, quick pay agreements, bonding, and insurance.

As to the question regarding the Good Faith Effort, in instances where the goals are not met by the lowest, responsive, responsible bidder, the Good Faith Effort is first reviewed by M/WBE staff for compliance. This process includes follow-up with M/WBE subcontractors to determine if they were contacted by the contractor and to gauge their interest or lack thereof, in the project. The efforts of the contractor are reviewed by the City's Internal Committee, then the M/WBE Advisory Committee, who makes a recommendation to City Council.