

VICTORY CONTRACTOR RESOURCE CENTER

FINAL PROJECT REPORT



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PROJECT ABSTRACT

Goler Community Development Corporation and its partners are developing a Contractor Resource Center called the Victory Contractor Resource Center (VCRC) for low-resource contractors focused on the skilled construction trade, which includes general contractors. The purpose of the center is to increase low-resource contractor participation in large-scale projects. Additionally, the role of the resource center will be to aid low-resource contractors in partnering with each other and collaborating contractually with majority contractors to ensure their ability to get to the negotiation table and their ability to reach the scale of production necessary to adequately perform the job. Ordinarily these contracts would be beyond the low-resource contractor's individual capacity. The resource center will bring intellectual capital to the underserved market of low-resource owned construction businesses across a two county area. The resource center along with its advisory board will create numerous opportunities for low-resource and majority businesses to network and build relationships. The goal is to create 36 new jobs in the skilled construction trade by increasing 9 low-resource contractor's revenue by 20% after two years.

EXECUTIVE SUMMARY

Goler CDC along with the Piedmont Research Park have combined in excess of \$1 billion in commercial and residential development over the next 5 to 10 years. After bringing over \$27 million in development on line in 2006, Goler and the two majority-owned construction companies in the Triad area were unsuccessful in capturing 10% in low-resource subcontractor bids for their large-scale projects. It was blatantly apparent to the Goler team that there was a significant void in the area of low-resource contractors able to meet scale on large commercial development and multifamily housing construction. Additional studies conducted by Goler of construction contracts awarded in 2005 by area partners such as: The Piedmont Triad Research Park, Forsyth Technical Community College, The City of Winston-Salem, Winston-Salem State University, North Carolina A&T University and a host of other community developers, reflected that an intervention strategy was necessary. Development with just the aforementioned partners exceeded \$150 million in one year. Over the next five years the Piedmont Triad Research Park and Goler CDC anticipate in excess of \$100 million in development. Majority general contractors working on Goler projects in 2005 solicited bids from over 200 low-resource contractors and marketing efforts included postings in the local paper. Of the 200 contractors solicited, only 6 low-resource contractors attended the pre-bid meetings. The projects resulted in less than 5% low-resource participation with sub contractors and even less low-resource representation in the skilled areas of plumbing, electrical, and design.

From 2000 to 2004, Davidson County lost over 4,000 jobs in the furniture and textile industries. During that same period, the average total number of employed persons has steadily declined by about 5,500. Also, in 2000 over 30,000 left the county for employment.

In Davidson County during the period 2000-2003, the total wages paid in Davidson County decreased by more that \$106 million. In 2004, the downward trend reversed and the total wages paid in Davidson County increased by more than \$26 million. From 2000 to 2002, the number of jobs and investment announced in Davidson County dropped

dramatically. The county rebounded in 2003 with 1,978 jobs and \$63.85 million in investments announced. The rebound continued in 2004 with 2,242 jobs and \$160.6 million in investments announced. We would like the center to play a role in continuing this upward trend. Based on the \$375,000 investment in the resource center, 36 new jobs will result per every

\$7,000 worth of Golden Leaf investment. These jobs are intended to be long-term sustainable positions that could also lead to business ownership.

Goler CDC along with its community partners will develop a logic model that reflects the process a selected business will engage in to participate in this program. An advisory Board will be comprised of area stakeholders that would include representatives from Forsyth and Davidson Counties. The resource center in conjunction with Forsyth Technical Community College will also provide a series of workshops and training sessions that will help low-resource contractors with assessing their needs as well as arranging consultants with professionals to aid the businesses in areas where they are deficient. The resource center will be proactive in addressing the needs of the participants by beginning with a business assessment that would flush out the immediate and long-term needs of the companies being considered for an intense capacity building strategy. Goler CDC will manage the resource center and provide the necessary professionals to aid in the business development activities of the center.

The services provided by the resource center could result in the participants gaining contracts across the State of North Carolina. Additionally, increasing the capacity of 9 local low resource-owned companies will increase the economic opportunities for each. It is estimated that four additional contracts a year per company requires an increase in the core labor team of approximately four to eight permanent jobs depending on the size of the contracts. The center will work with the North Carolina HUB office to ensure the center's businesses have access to bids around the State.

A major goal of the center is to increase the skill base of participating low-resource firms. For those firms that have focused heavily on minimum skills for their labor pool, and have not sought displaced or downsized workers as a talent pool, the center will work to match them to this segment of the market and help the individuals receive the necessary training to get retrained and to be mentored/coached as an apprentice in a skilled area of construction. Transitioning the existing general duty minimum wage labor pool to skilled living wage and above earnings could make the Piedmont area in high demand by the construction trade.

Further, by working with the center's educational supporters, the marketing campaign will highlight the training opportunities available through Forsyth Tech, A&T State University and Winston-Salem State University. The center will implement a marketing campaign that highlights the skilled construction areas as a viable career choice for young people. We will use a grass roots campaign for infiltrating neighborhood barbershops, beauty salons, churches and area high schools. Additionally, the center will partner with area media to explain the jobs being created in the construction fields and the business ownership opportunities that exist for people that have been downsized by the tobacco and textile industries. Forsyth and Davidson Counties have been severely impacted by the loss of these industries and the construction trade is on the rise across the State.

Preparing young people now for this industry will create an additional feeder for the industry and our clients in the future.

COMMUNITY NEEDS ASSESSMENT

COMMUNITY PROFILE

Between January, 2003 and July, 2006, Goler Community Development Corporation (Goler CDC) achieved significant progress in exceeding the Goler Revitalization Plan.

Since its inception in November, 1998, Goler CDC has acquired approximately 15 acres of property in an area northeast of downtown Winston-Salem. The vision of the organization is to revitalize the neighborhood into a multi-cultural, mixed-income, mixed use community that offers a safe, diverse affordable neighborhood for those seeking the benefits of a downtown urban atmosphere.

A critical component of creating “The New Town Downtown” was the development of a strategic master plan. Input was solicited from over 300 community stakeholders. The process was facilitated, and coordinated by Urban Design Associates of Pittsburgh, PA. The participants included church members from Goler Memorial A.M.E. Zion Church, Historic Lloyd’s Presbyterian Church, city officials, state representatives, congressional representatives, corporate executives, business owners, private foundation representatives, and community residents of the Goler Heights (The Heights) neighborhood. The master plan (strategic plan) was completed in 2003 and provides guidance in prioritizing initiatives that are part of the revitalization plan. Goler CDC completed its strategic planning process in fourth quarter of 2004. Local Initiatives Support Corporation (LISC) provided a tool entitled Cap Map to objectively measure areas of operations of the organization. Goler measures its productivity annually.

Goler has successfully arranged financing for the development of twenty town home units; a 4600 square foot commercial financial center that will house a billion dollar credit union; the historic renovation of a historical four plex into a two plex apartment building that is receiving tax credits; a 77 unit market rate historic condo loft renovation; the development of a 79 unit apartment building and the initial predevelopment money for a neighborhood arts park. Goler’s master plan is to develop over 500 new units in a mixed income, mixed use, multi cultural neighborhood in downtown Winston-Salem. The total of the Goler projects over five years is estimated to exceed \$100,000,000 in economic development. The Piedmont Triad Research Park blends into the Heights physically and actually compliments Goler CDC’s neighborhood plan.

COMMUNITY NEEDS ASSESSEMENT

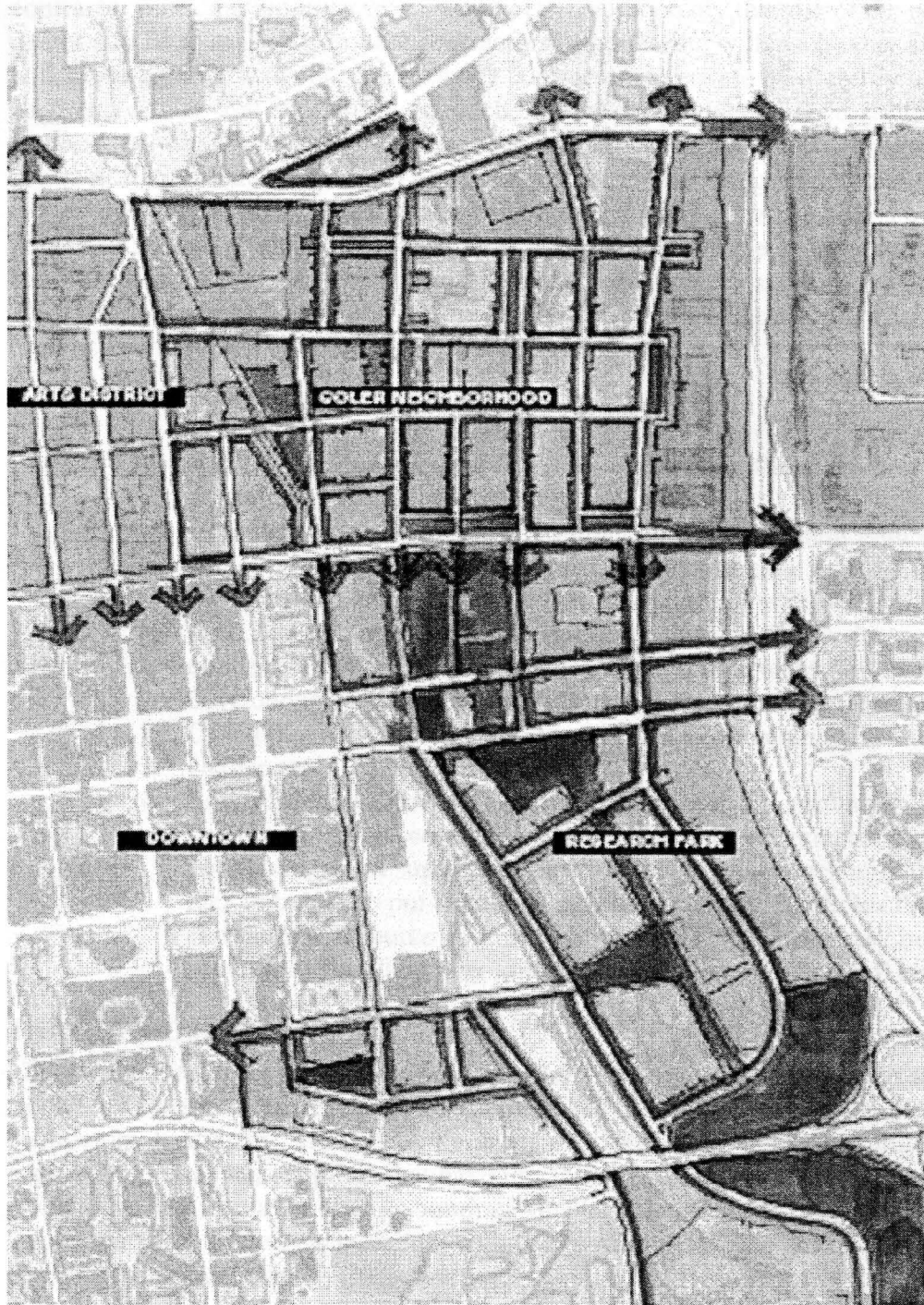
As stated earlier in the executive summary, Goler CDC along with the Piedmont Research Park have combined in excess of \$1 billion in commercial and residential development over the next 5 to 10 years. After bringing over \$27 million in development on line in 2006, Goler and the two majority-owned construction companies in the Triad area were unsuccessful in capturing 10% in low-resource subcontractor bids for their large scale projects. It was blatantly apparent to the Goler team that there was a significant void in the area of low-resource contractors able to meet scale on large commercial development and multifamily housing construction. Additional studies conducted by Goler of the construction contracts awarded in 2005 by area partners such as: The Piedmont Triad Research Park, Forsyth Technical Community College, The City of Winston-Salem, Winston-Salem State University, North Carolina A&T University and

a host of other community developers, reflected that an intervention strategy was necessary. Development with just the aforementioned partners exceeded \$150 million in one year. Over the next five years the Piedmont Triad Research Park and Goler CDC anticipate in excess of \$100 million in development. Majority general contractors working on Goler projects in 2005 solicited bids from over 200 low-resource contractors and marketing efforts included postings in the local paper. Of the 200 contractors solicited, only 6 low-resource contractors attended the pre-bid meetings. The projects resulted in less than 5% low-resource participation with subcontractors and even less low-resource representation in the skilled areas of plumbing, electrical, and design.

From 2000 to 2004, Davidson County lost over 4,000 jobs in the furniture and textile industries. During that same period, the average total number of employed persons has steadily declined by about 5,500. Also, in 2000 over 30,000 left the county for employment.

In Davidson County during the period 2000-2003, the total wages paid in Davidson County decreased by more than \$106 million. In 2004 the downward trend reversed and the total wages paid in Davidson County increased by more than \$26 million. From 2000 to 2002, the numbers of jobs and investment announced in Davidson County dropped dramatically. The county rebounded in 2003 with 1,978 jobs and \$63.85 million in investments announced. The rebound continued in 2004 with 2,242 jobs and \$160.6 million in investments announced. We would like the center to play a role in continuing this upward trend. Based on the \$375,000 investment in the resource center, 36 new jobs will result per every \$7,000 worth of Golden Leaf investment. These jobs are intended to be long-term sustainable positions that could also lead to business ownership.

GRAPHICAL CONTENT



Map showing depiction of Downtown Winston-Salem, which includes the Arts District, the Research Park, and the Goler Heights Neighborhood

THE PROBLEM

PROBLEM STATEMENT

Goler Community Development Corporation and its partners will develop a contractor resource center for low-resource contractors focused on the skilled construction trade

which includes general contractors. The purpose of the center is to increase low-resource contractor participation in large scale projects. Additionally the role of the resource center will be to aid low-resource contractors in partnering with each other and collaborating contractually with majority contractors to ensure their ability to get to the negotiation table and their ability to reach the scale of production necessary to adequately perform the job. Ordinarily these contracts would be beyond the low-resource contractor's individual capacity. The resource center will bring intellectual capital to the underserved market of low-resource owned construction businesses across a two county area. The resource center along with its advisory board will create numerous opportunities for minority and majority businesses to network and build relationships. The goal is to create 36 new jobs in the skilled construction trade by increasing 9 minority contractor's revenue by 20% after two years.

❖ Issues low-resource contractors have:

- Invitations to bid are sometimes not extended to low-resource contractors
- After majority contractors run ads in the paper, they feel their job is done on trying to access low-resource contractors
- Low-resource contractors are running into management issues
- Projects require the low-resource contractor to have up front cash flow and the contractor can not deliver the job according to the schedule, he can be fired, fined & replaced...estimating the time it takes to do a job can be the contractor's downfall. Insurance (liquidated damages) allows the owner to have enough funds to replace the contractor and hire a new one.
- Co-employment relationship is an option to overcoming some of these challenges
- Low-resource contractors need a human resources provider
- Dual party checks could allow the low-resource contractor cash flow to purchase upfront supplies at the distributor (joint check agreements allow the contractor to put supplies on a credit account that holds the GC's name and the low-resource contractor's name). This is necessary because sometimes suppliers may not want to extend credit to small contractors

TARGET COMMUNITY

Initially the Center will work with 9 low-resource contractors from Forsyth and Davidson Counties. These will be existing/experienced skill based construction companies (general contractors, heating air, electrical, plumbing, concrete, cable, drywall, architecture, engineering, etc.) and suppliers that have the ability to grow their capacity and labor force given some key resources such as bonding, financial assistance, a qualified labor pool, legal assistance, contract negotiation, technical writing, etc. The goal is to increase each company's contract base by 20% after two years and a 25-35% increase after five years.

This in turn will strengthen each business and increase their labor force. The center will seek to help these businesses in obtaining contracts through combining their participation in contracts averaging \$200,000 plus. This is a traditionally underserved market that could create a significant boost to the local economy.

STAKEHOLDERS

(level of interest is ranked 1-16 with 1 being the 'most interest' and 16 being the 'least interest')

ORGANIZATION NAME	The Winston Salem Foundation	Downtown Winston Salem Partnership	City/County Government	Local Initiative Support Corporation	The Piedmont Triad Research Park	Forsyth Technical Community College	Barkas Concrete and Construction Company
NATURE OF INTEREST	Major supporter of downtown revitalization; Goler CDC has millions invested downtown over the next 10 years	Major advocate to revitalize and strengthen downtown	City/County Government has invested millions in downtown development and Goler's projects coincides with those efforts	LISC has major investments in downtown and has invested millions into other Goler projects	The Piedmont Triad Research Park and Goler CDC are bringing over \$1 billion in investment over next 5-10 years	Forsyth Tech will provide technical assistance to members of the resource center	Has opportunity to grow its work force and increase its profits by collaborating with the resource center
RANKING OF INTEREST	# 3	# 2	# 2	# 9	# 4	# 12	# 10

ORGANIZATION NAME	Gwyn Electrical, Plumbing, Heating and Cooling Co.	Weaver Cooke Construction, LLC	Truliant Federal Credit Union	City of Winston Salem	Winston Salem State University	John S. Clark Construction Co.	NC A&T State University
NATURE OF INTEREST	Has the opportunity to grow its work force and increase its profits by collaborating with the resource center	Weaver Cooke is currently a major contractor on many projects downtown /has opportunity to work on Goler projects and collaborate with minority subcontractors	Supporter of downtown development and has invested thousands in downtown development including Goler projects	City of Winston Salem has invested thousands of dollars in downtown development and a major supporter of Goler projects	Will provide training for resource center members	As a major contractor throughout NC and also on Winston Salem downtown projects will help develop minority contractors as it works on Goler projects	Will provide training for resource center members
RANKING OF INTEREST	# 11	# 5	# 14	# 1	# 15	# 7	# 16

ORGANIZATION NAME	NC Institute of Minority Economic	Davidson County
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	Development	
NATURE OF INTEREST	NCIMED main mission is to help and development small businesses for minorities and has invested thousands in other Goler projects	Davidson County has lost thousands of jobs in the last 10 years and has the opportunity to grow its construction industry through the resource center
RANKING OF INTEREST	# 13	# 8

PROJECT GOALS IN CED TERMS

Project Goals	What will be measured?	In order to access the feasibility project is achieving its goals the following will be measured?	We are verifying the project is progressing towards achieving its goals by measuring
Annual growth in contracts	annual growth in contracts	Year end financials	Increasing # of contracts by four after 2 years
Contractors growth in labor force	growth in low-resource labor pool	Year end Tax returns	36 new jobs added to the payrolls of these companies
Access to professional services (legal, financial, estimator, technical writer, software, technology services)	access to professional services/use of those services	# of hours billed by professionals	apprenticeships are occurring annually
Increase in bonded companies and Increase in social capital	increase bonds	Quarterly review of copies of bonding ratings for participating companies	enrollment is up through the community college and the participating universities
	increase in social capital	Participant's membership in various trade associations	Participating companies are able to get independent bonding and may acquire work in various communities independent of the center and our partners
	increase in financial capital	Quarterly tracking # of trade association meetings attended by participants	Business networking becomes a common activity
	increase in low-resource enrollment in local trade school and universities in skilled construction areas	Tracking participant involvement in trainings co-sponsored by the resource center via sign in sheets	Participants purchase annual membership into formal trade associations
	increase in low-resource trade	Hire outside auditor to analyze	Additional business is derived as a result of these formal and informal networks

	association memberships	individual company financial statements annually	
	increase in use of technology as a business tool	Pre and post survey of the participants to determine if they were aware of more bid opportunities as a result of the resource center	Each company will be able to show at least a 10% increase in profitability after 1 year
		pre and post survey of participants	Opportunities to bid competitively on Government mandated jobs and non Government mandated jobs
			Participants are able to compete for bids electronically and present competitive proposals for business

LOGIC MODEL Worksheet (Table Format)

<i>Inputs</i>	<i>Outputs</i>		<i>Outcomes-Impact</i>	
	<i>Activities</i>	<i>Participation</i>	<i>Short</i>	<i>Longer Term</i>

<i>What we invest</i>	<i>What we do</i>	<i>Who is reached</i>	<i>Short-term</i>	<i>Long-term</i>
			<i>Changes we expect</i>	<i>Changes we expect</i>

<ul style="list-style-type: none"> ❖ New 4600 square foot building that will house the Victory Resource Center ❖ Time from staff/Volunteers/and community representatives planning the Victory Contractor resource center ❖ Time of staff that will oversee the daily operations 	<ul style="list-style-type: none"> ❖ Goler CDC and its partners will provide a business resource center for minority subcontractors/contractors and GC's focused on the skilled construction trade ❖ We will provide training for participants 	<ul style="list-style-type: none"> ❖ 9 minority subcontractors/contractors participating in the HUB Academy who are members of the Victory Business Resource Center ❖ Majority Contractors who have collaborations with minority subcontractors/contractors 	<ul style="list-style-type: none"> ❖ Annual growth in contracts ❖ Contractors growth in labor force ❖ Access to professional services (legal, financial, estimator, technical writer, software, technology) 	<ul style="list-style-type: none"> ❖ Increase # of contracts by four after 2 years ❖ 36 jobs added to the payrolls of these companies; apprenticeships are occurring annually; enrollment is up through the community college and the participants
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<p>of the Victory Resource Center</p> <ul style="list-style-type: none"> ❖ Resources meaning funding for this program/project. ❖ Time from participating instructors participating as trainers for HUB Academy. ❖ Also we provide the training materials for each minority owned firm participating in HUB Academy. ❖ Provide resources for minority businesses using resource center like blue prints, bid information etc. 	<p>ng minority businesses through the HUB Academy</p> <ul style="list-style-type: none"> ❖ Increase minority contractor participation in large scale construction projects. ❖ Aid minority contractors in partnering with each other and collaborating contractually with majority contractors. ❖ Bring intellectual capital to the underserved market of minority/majority businesses to network and build relationships. 		<p>ogy services)</p> <ul style="list-style-type: none"> ❖ Increase bonded companies ❖ Increase in social capital ❖ Increase in financial capital ❖ Increase market access ❖ Increase in technology business tool 	<p>ng universities</p> <ul style="list-style-type: none"> ❖ Participating companies are able to get independent bonding and may acquire work in various communities independent of the center and our partners ❖ Business networking becomes a common activity; Participants purchase annual membership into formal trade associations; additional business is derived as a result of these formal and informal networks ❖ Each company will be able to show at least a 10% increase in profitability after 1 year ❖ Opportunities to bid competitiv
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				ely on Governme nt mandated jobs and non Governme nt mandated jobs ❖ Participan ts are able to compete for bids electronic ally and present competitiv e proposals for business
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DESIGN

The rationale for this project is clear! As stated earlier the northwest region of North Carolina, especially Forsyth County, is transforming its community from a manufacture driven economy to a technology based economy. Encompassed in this transition is the need for commercial and residential development to support this transition. Locally, the Goler CDC, along with the Piedmont Research Park, has combined in excess of 1 billion in commercial and residential development over the next 5 to 10 years.

After bringing over \$27 million in development on line in 2006, Goler and two of the major construction companies in the Triad were unsuccessful in capturing 10% in low-resource subcontractor bids for their large-scale projects. It was blatantly apparent to the Goler team that there was a significant void in the area of low-resource contractors able to meet scale on large commercial development and multifamily housing construction. Additional studies conducted by Goler of construction contracts awarded in 2005 by area partners such as: The Piedmont Triad Research Park, Forsyth Technical Community College, The City of Winston-Salem, Winston-Salem State University, North Carolina A&T University and a host of other community developers, reflected that an intervention strategy was necessary. Development with just the aforementioned partners exceeded \$150 million in one year.

Over the next five years the Piedmont Triad Research Park and Goler CDC anticipate in excess of \$100 million in development. Majority general contractors working on Goler projects in 2005 solicited bids from over 200 low-resource contractors and marketing efforts included postings in the local paper. Of the 200 contractors solicited, only 6 contractors attended the pre-bid meetings. The projects resulted in less than 5% low-resource participation with sub contractors and even less low-resource representation in the skilled areas of plumbing, electrical, and design.

Goler realized that the solution was to address the disparity in potential contracts versus realized contracts and increase the living wage earning jobs among minority contractors. Goler CDC and its partners are developing a business resource center that will equip low-resource contractors and subs from Forsyth and Davidson Counties with the resources and skill sets to successfully collaborate to secure large contracts. See the logic model above to see the process a selected business will engage in to participate in this program. An advisory board will be comprised of area stakeholders that would include representatives from Forsyth and Davidson Counties. The resource center, in conjunction with The Piedmont Research Park, Forsyth Technical Community College and majority contractors such as Weaver Cooke and John S. Clark, will also provide a series of workshops and training sessions that will help low-resource contractors with assessing their needs as well as arranging consultations with professionals to aid the businesses in areas where they are deficient.

The center would be proactive in addressing the needs of the participants by beginning with a business assessment that would flush out the immediate and long-term needs of the companies being considered for an intense capacity building strategy. Goler CDC will manage the resource center and work with Truliant Federal Credit Union and other partners to provide the necessary training access to professional services and financing to aid in developing these businesses.

The center would be located in the Truliant/Victory Financial Center on the lower level. A major goal of the center is to increase the skill base of participating low-resource firms. For those firms that have focused heavily on minimum skills for their labor pool and have not sought displaced or downsized workers as a talent pool, the center will work to match the companies to this segment of the market and help the individuals receive the necessary training to get retrained and to be mentored/coached as an apprentice in a skilled area of construction. Transitioning the existing general duty (minimum wage) labor pool to skilled (living wage) and above earnings could make the Piedmont area in high demand by the construction trade.

Further, by working with the center's educational supporters, the marketing campaign will highlight the training opportunities available through Forsyth Tech, A&T State University and Winston-Salem State University. The center will implement a marketing campaign that highlights the skilled construction areas as a viable career choice for young people. We will use a grass roots campaign for infiltrating neighborhood barbershops, beauty salons, churches and area high schools. Additionally, the center will partner with area media to explain the jobs being created in the construction fields and the business

ownership opportunities that exist for people that have been downsized by the tobacco and textile industries. Forsyth and Davidson Counties have been severely impacted by the loss of these industries and the construction trade is on the rise across the State. Preparing young people now for this industry will create an additional feeder for the industry and our clients in the future. Below is the program implementation plan:

Activities	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Needs assessment	■	■										
Research other centers/Programs	■	■										
Identify small business needs	■	■										
Participation's criteria			■	■								
Develop criteria for 9 participants			■	■								
Preliminary Services/Programs			■	■								
Begin to identify program and services to be delivered to participants			■	■								
Confirm Advisory Board				■	■							
Schedule initial meeting with Advisory Board members				■	■							
At meeting provide overview of participants				■	■							
Marketing Campaign					■	■						
Develop a campaign to increase awareness and participation in program (Around the announcement of the new building)					■	■						
Press Release, News Articles, Internet, Professional Organizations					■	■						
Hire staff						■	■					
Hire Full time Staff PM						■	■					
Services/Program Infrastructure						■	■					

Finalize services, program											
develop form, process, evaluations											
contract professionals, mentors											
Identify Mentors, Speakers											
Each participant will participate in a year long mentoring program											
Recruiting Process, Begin to identify potential participants											
Select participants											
Begin application, interview, reference process for participants											
Agreement Letters, Complete letter of agreement with partners											
Kick-off/Welcome, Host a kick-off at the Piedmont Club/New Building											
Program Begins											
Participants participate in scheduled meetings, attend workshops, classes											
Evaluation, 6 month evaluation to assess progress											

REVIEW OF THE LITERATURE

This literature review is a comprehensive narrative of research that has been accumulated during my master’s project. Goler Community Development Corporation and its partners are in the process of developing a business resource center that is focused specifically on the construction industry. The purpose of the program is to address the disparity in potential contracts versus realized contracts and increase the living wage earning jobs among low-resource contractors. Goler CDC and its partners are developing a business resource center that will equip low-resource contractors and subs from Forsyth and

Davidson Counties with the resources and skill sets to successfully collaborate to secure large contracts. We have decided to provide this assistance to allow low-resource construction firms a fair and equitable opportunity to bid on major construction projects throughout North Carolina. Goler CDC is also developing a HUB Academy that will be housed in the resource center for these purposes. The research for this project has come from many different sources including, “Justifying State and Local Government Set-Aside Programs Through Disparity Studies in the Post-Croson Era,” by Mitchell F. Rice, “Did Adarand Kill Minority Set-Asides,” by Mitchell F. Rice; Maurice Mongkuo, and “Contractors left defenseless: minority contractors see set-asides program swept away-Defense Dept. program ended.”

Effective January 1, 2002 the North Carolina General Assembly passed bill G.S. 143-128.2 which established goals for minority participation in single-prime bidding, separate-prime bidding, construction manager at risk, and alternative contracting methods on State construction projects in the amount of \$300,000 or more. The legislation provides that the State shall have a verifiable ten percent (10%) goal for participation by minority businesses in the total value of work for each project for which a contract or contracts are rewarded. The legislation published requirements to accomplish that end. The legislation says that it is the intent of these guidelines that the State of North Carolina, as awarding authority for construction projects, and the contractors and subcontractors performing the construction contracts shall cooperate and in good faith do all things legal, proper and reasonable to reach the statutory goal of ten

percent (10%) for minority participation by minority businesses in each construction project as mandated by G.S. 143-128.2. Also, nothing in these guidelines shall be construed to require contractors or awarding authorities to award contracts or subcontracts to or to make purchases of materials or equipment from minority business contractors or minority-business subcontractors or who do not submit the lowest responsible, responsive bid or bids.

The Office of Historically Underutilized Businesses (HUB) has established a program, which allows interested persons or businesses qualifying as a minority business under G.S. 143-128.2, to obtain certification in the State of North Carolina procurement system. The information provided by the minority businesses will be used by the HUB office to:

- ❖ Identify those areas of work for which there are minority businesses, as requested.
- ❖ Make available to interested parties a list of prospective minority business contractors and subcontractors.
- ❖ Assist in the determination of technical assistance needed by minority business contractors.

In addition to being responsible for the certification/verification of minority businesses that want to participate in the State construction program, the HUB Office will:

- ❖ Maintain a current list of minority businesses. The list should include the areas of work in which each minority business is interested.
- ❖ Inform minority businesses on how to identify and obtain contracting and subcontracting opportunities through the State Construction Office and other entities.
- ❖ Inform minority businesses on the contracting and subcontracting process for construction building projects.

- ❖ Work with the North Carolina trade and professional organizations to improve the ability of minority businesses to compete in the State construction projects.

The HUB Office also oversees the minority business program by:

- ❖ Monitoring compliance with the program requirements.
- ❖ Assisting in the implementation of training and technical assistance programs.
- ❖ Identifying and implementing outreach efforts to increase the utilization of minority businesses.
- ❖ Reporting the results of minority business utilization to the Secretary of the Department of Administration, the Governor, and the General Assembly.

The State Construction Office will be responsible for the following:

- ❖ Furnish to the HUB Office a minimum of twenty-one days prior to the bid opening the following:
 - Project description and location;
 - Location where bidding documents may be reviewed;
 - Name of a representative of the owner who can be contacted during the advertising period to advise who the prospective bidders are;
 - Date, time and location of the bid opening;
 - Date, time and location of pre-bid conference if scheduled.
 - Attending scheduled pre-bid conference, if necessary, to clarify requirements of general statutes regarding minority-business participation, including the bidders' responsibilities. MBGuidlines 2002-iii.c. Reviewing the apparent low bidders' statutory compliance with the requirement listed in the proposal that must be complied with, if the bid is to be considered as responsive prior to award of contracts. The State reserves the right to reject any and all bids and to waive informalities.
 - Reviewing of minority business requirements at Preconstruction conference.
 - Monitoring of contractors' compliance with minority business requirements in the contract documents during construction.
 - Provide statistical data and required reports to the HUB Office.
 - Resolve any protest and disputes arising after implementation of the plan, in conjunction with the HUB Office.

Before awarding a contract, an owner shall do the following:

- ❖ Develop and implement a minority business participation outreach plan to identify minority businesses that can perform public building contracts and implement outreach efforts to encourage minority business participation in these projects to include education, recruitment, and interaction between minority businesses and non-minority businesses.
- ❖ Attend the scheduled pre-bid conference.
- ❖ At least 10 days prior to the scheduled day of bid opening, notify minority businesses that have requested notices from the public entity for public construction or repair work and minority businesses that otherwise have indicated to the Office of Historically Underutilized Businesses an interest in the type of work being bid or the potential contracting opportunities listed in the proposal.
 - A description of the work for which the sub-bid is being solicited.

- The date, time and location where sub-bids are to be submitted.
- The name of the individual within the owner's organization who will be available to answer questions about the project.
- Where bid documents are to be reviewed.
- Any special requirements that may exist, such as insurance, licenses, bonds, and financial arrangements.

If there are more than (3) minority businesses in the general locality of the project who offer similar contracting or subcontracting services in the specific trade, the contractor(s) shall notify (3), but may contact more, if the contractor so desires.

- ❖ During the bidding process, comply with the contractor(s) requirements listed in the proposal for minority participation.
- ❖ Identify on the bid, the minority businesses that will be utilized on the project with the corresponding total dollar value of the bid and affidavit listing good faith efforts as required by G.S. 143.128.2(c) and G.S. 143.128.2(f).
- ❖ Make documentation showing evidence of implementation of PM, CM at Risk and First-Tier subcontracting responsibilities available for review by State Construction Office and HUB Office, upon request.
- ❖ Upon bidding name the apparent low bidder, the bidder shall provide one of the following
 - An affidavit that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the applicable goal;
 - If the percentage is not equal to the applicable goal, then documentation of all good faith efforts taken to meet the goal. Failure to comply with these requirements is grounds for rejection of the bid and award to the next lowest responsible and responsive bidder.
 - The contractor(s) shall identify the name(s) of minority business subcontractor(s) and corresponding dollar amount of work on the schedule of values. The schedule of values
 - shall be provided as required in article 31 of the General Conditions of Contracts to facilitate to the subcontractors.
 - The contractor(s) shall submit with each monthly pay request(s) the final payment(s), MBE Documentation for Contract Payment, for designers review.
 - During the construction of a project, at any time, if it becomes necessary to replace a minority business contractor, immediately advise the owner, State Construction Office, and the Director of the HUB Office in writing of the circumstances involved. The prime contractor shall make a good faith effort to replace a minority business subcontractor with another minority business subcontractor. MBGuidlines 2002-vk.

If during the construction of a project additional subcontracting opportunities become available, make a good faith effort to solicit sub bids from minority businesses. It is the intent of these requirements applies to all contractors performing as prime contractor and first-tier subcontractor under construction manager at risk on state projects.

While minority businesses are not required to become certified in order to participate in State construction projects. Minority Businesses are recommended to become certified and should take advantage of the appropriate technical assistance that is made available. In addition, minority businesses who are contacted by owner or bidders must respond promptly whether or not they plan to submit a bid.

Although North Carolina has seen some success in minority participation with the passing of Senate Bill 914, which authorized the use of the CM at Risk system or Construction Manager at Risk system. Senate Bill 914 also set a 10% goal for minority participation in state contracts. Nonetheless one question that needs to be answered is, “what has been the experience of states and localities with disparity studies”? Such studies were undertaken by a number of jurisdictions in response to the 1989 U.S. Supreme Court decision in *City of Richmond v. Croson*. Seeking evidence of current and past discrimination to help justify minority business set-aside programs, a number of jurisdictions have hired outside experts to analyze local and regional disparities in the awarding of government contracts. Mitchell F. Rice describes the typical contents of these studies as, “a historical discrimination analysis, contemporary discrimination analysis, employment and income analyses, availability analysis, utilization analysis, race-neutral alternatives analysis, marketplace discrimination analysis, population growth analysis by race, and a comparative growth analysis of local MBEs to national MBEs and to local non-MBEs.” Mitchell gives examples of disparity studies from several major localities (Atlanta, Milwaukee, Tallahassee, and Hillsborough County, Florida). Rice provides a more detailed methodological critique of a Louisiana disparity study that found no evidence of discrimination in the awarding of public works contracts, “a principal purpose of the study was to determine whether discrimination against minorities and women exist in the public works arena and the State of Louisiana procurement system regarding public works.” He concludes that disparity studies, if properly done, can result in effective set-aside program, “a disparity study may assist state and local entities in devising MBE set-aside programs that will expand minority access to government contracts.”² Government set-asides for minority business enterprises (MBEs)-the practice of providing minority contractors and subcontractors a certain percentage of a jurisdiction’s contract dollars-were developed under two theoretical assumptions: (1) a redistribution of government’s contract dollars to minority-owned firms would provide business these firms could not obtain by themselves, thereby increasing their long-run competitive viability, and (2) as subcontractors, these firms would develop contacts with larger firms, role models, training, increased business acumen, and greater business potential (Haworth, 1985). The realization of these assumptions would preserve,

strengthen, and increase the competitiveness of MBEs to achieve in the economic mainstream and participate effectively in both the public and private sectors (Addabbo, 1985). The justification for minority set-asides include that it is: (1) a way of closing the business “ownership gap” between minorities and whites; (2) and economic development tool in the minority communities, particularly for creating jobs in high unemployment areas; (3) and a tool for creating an expanding minority middle class to serve as a role model for minority youth (Bates, 1985).

Nonetheless, in the *City of Richmond v. J.A. Croson Co.* (1989) a majority of the U.S. Supreme Court for the first time held that ameliorative race-based preferences developed

by state and local governmental entities must meet the “strict scrutiny” standard as opposed to the “rational relationship” test in order to withstand challenge under the equal protection clause of the U.S. Constitution. A strict scrutiny test means that a state or municipality must demonstrate a compelling state interest by establishing a prima facie case of past discrimination and/or discrimination by the local construction industry. Secondly, a state or municipality must demonstrate that other race-neutral alternatives were carefully considered and that the set-aside program adopted was narrowly tailored to remedy the effects of past discrimination. A rational relationship test means that a state or municipality must demonstrate legitimate governmental interest and must be rationally related to the pursuance of a legitimate governmental interest. The Court found the City of Richmond’s (Virginia) minority business enterprise (MBE) set-aside ordinance unconstitutional (Rice, 1991). In striking down the Richmond ordinance, the Court called into question the constitutionality of hundreds of other similar state/local governmental jurisdictions’ MBE programs. Nay and Jones (1989) speculate that between 564 and 1,394 set-aside programs were affected by the Court’s decision. These figures are substantially higher than the approximately 200 programs thought to be in operation prior to Croson (Rice, 1991).

Under the Court’s strict scrutiny approach in Croson, a state or municipality burden consists of establishing two important sets of criteria. First, it must demonstrate a compelling state interest by establishing a prima facie case of past discrimination and/or discrimination by the local construction industry. Second, it must demonstrate that other race-neutral alternatives were carefully considered and that the set-aside program adopted was narrowly tailored to remedy the effects of past discrimination. From a theoretical perspective, race-neutral alternatives would promote economic opportunity for MBEs and maintain equal treatment of non-minorities.

The city of Atlanta’s disparity study (Brimmer and Marshall, 1990) consisted of an eight-part, 1,100-page report. The study was undertaken at the request of the city of Atlanta which asked the consultants to conduct a “fact-finding study relating to the review, assessment, and potential reinstatement of the City Minority and Female Business Enterprise Program” (Brimmer and Marshall, 1990, part 1, p. 69). The study provided a historical analysis of discrimination in Atlanta from the antebellum period to the contemporary era. Its overall conclusion was that Atlanta’s minority entrepreneurs have a lower success rate in obtaining loans and bonding and procuring contracts regardless of their levels of education, training, and business-related experience. The study presented economic data with respect to incomes of blacks and whites and noted that blacks, who are nearly 67 percent of the population, received only about 41 percent of Atlanta’s total income. Employing a “utilization percentage ratio” the study found marketplace discrimination by suppliers, customer/end user discrimination; discrimination in financing and stereotypical attitudes of customers and professional buyers. A utilization percentage ratio examines the pattern and level of participation by minority businesses in different contracting opportunities. In question form, the utilization analysis asks, what is “the market share that a firm (or group of firms) would have had in the absence of anticompetitive activity?” (Burman and Coie, 1990, p. 8).

The study also found discrimination in several business areas including construction, real estate, legal, architectural, accounting, engineering, commodity sales, security consulting, and energy. Some 76 interviews were conducted with individuals and firms

knowledgeable about business practices in Atlanta-56 were with minority/women-owned businesses. The minority/women-owned business interviews consisted of 36 black-owned businesses including 4 black females, 9 Hispanic-owned businesses including 4 females, 2 Native American-owned businesses including 1 female, and 1 Asian/Pacific Islander-owned business. Of the 76 interviews, 6 were conducted with past and present public administrators of Atlanta area M/WBE programs (Brimmer and Marshall, part II, 1990).

The Milwaukee (Milwaukee Metropolitan Sewerage District) disparity study (Conta and Associates, 1990) found that prior discrimination in employment and educational opportunities deterred minority businesses from developing necessary financial, technical, and community support, and this discrimination, although not as pervasive, continued in the 1990s. The study observed that “This discrimination has established a hostile environment in which minority individuals and businesses had experienced lower ownership rates, limited access to debt and equity financing, significant under-representation in the construction industry, lower ownership rates, lower sales receipts, and lower net worth.

Interviews were conducted with 48 minority-owned construction firms in the Milwaukee area including 28 black-owned construction related firms. Some 75 percent of black owned businesses and 32 percent of Hispanic-owned businesses affirmed the existence of racially motivated obstacles within the Milwaukee construction marketplace. Further, a brief historical analysis of racism and discrimination in the Milwaukee area was provided covering education, employment, business with specific attention to minorities, and the construction trades from 1965 to 1980. Discrimination in the construction trades “was pervasive in reach and substantive in effect and imposed significant constraints on minority training and employment opportunities within the construction trades” (p. ii). The study recommended that the Milwaukee Metropolitan Sewerage District continue its affirmative action efforts, and the evidence of past and current discriminatory activities “provides a proper basis which the District could use to appropriately tailor new race and gender-conscious training, employment and contracting remedies” (p. ii). The study also observed that “race-neutral alternatives have not effectively eliminated discrimination from the Milwaukee marketplace” (p. iii).

The disparity study for the city of Tallahassee (MGT of America, Inc., 1990) used two different relevant time periods, 1973 to 1983 and 1978 to 1988, because the city’s MBE program had two different start dates-1983 and fiscal year 1988/1989. The initial MBE program included only construction firms. Other firms that could supply goods and services were included in the city’s MBE goals in fiscal year 1988/1989. Data were collected by interviewing more than 30 current and former minority business owners. The interviews focused on the racial environment in Tallahassee and its impact on minority businesses. In the construction area, MBE prime contactors and subcontractors received no city contracts for the years 1973 to 1975. In 1976, contract awards to minority construction firms amounted to less than 1 percent of the total contracts. Contract awards to minority construction firms did not exceed 1 percent of the city’s total construction contract awards until 1982, when the amount awarded was 1.25 percent.

The best year for contract awards to MBEs was 1987, with a total of prime and subcontracts awards of about 24 percent.

In the areas of professional services and procurement, MBE contractors in 1988 received their highest contract awards of 10.67 percent and 25.24 percent, respectively. Findings from the availability and utilization analyses led to the observation that “on the whole, MBEs have experienced under-utilization in the expenditures of the city of Tallahassee operating budget” (p. 128). Black firms were underutilized, meaning Black firms have been able to do the work, yet they have not been given ample opportunity to do so.

The study recommended that the MBE program be continued with several modifications, including “establishing set-aside percentages and goals based on the availability of MBEs within contracting and procurement categories,” reduce the set-aside percentage for women and minorities other than blacks,” amend the set-aside regulation “to exclude Alaskan Natives, Aleuts and any other minority groups that do not exist in the service area,” establish a mechanism to maintain availability and utilization data which could be analyzed at fixed intervals,” and “establish clear program entry and exit criteria and mechanisms” (pp. v-vi).

D. J. Miller and Associates’ (1990) disparity study of Hillsborough County, which took six months to complete, revealed that “there is a significant disparity between the development and growth of black businesses and that of Hispanic and women-owned businesses” (p. 10) and that minority/women business owners’ contract and procurement opportunities in Hillsborough County are disproportionate to minority population percentages. The study provided a trend analysis of growth rates for black, Hispanic, and women-owned businesses in various businesses over the ten year period, 1972 to 1982. The analysis showed no growth in the number of black-owned construction firms during this period. Utilizing a minority business ratio-“ratio of black to Hispanic, black to women, and Hispanic to women-owned businesses” (p. 57), the study found that black business formation in the county was “less than 30 percent of that of Hispanics and less than 35 percent of women-owned business” (p. 10).

An independent statistical utilization analysis of more than 48,000 county expenditures for the ten-year period 1978 to 1987, with the statistical tests at both the 95 and 99 percent level of confidence, showed that although the county purchasing activity with minority/women-owned businesses appeared to be in proportion to their participation numbers, procurement with these firms was not in proportion to overall county minority population. The availability/capacity of the minority/women business community was determined through survey analysis responses from 276 minority/women-owned firms. Only 60 of the 276 responses (some 21 percent) had done business with the county (12 blacks, 19 Hispanics, 24 women, 5 other). Less than 41 percent of the respondents had submitted bids to do county work. The black bid rate was the lowest of the three groups with a rate of 17 percent. An overwhelming number of respondents (248) indicated that their business could expand if they had more capital. The study concluded that minority businesses “are available for significant participation in the Hillsborough County contract process” (p. 11) and procurement opportunities abound with minority businesses with projected expenditures by Hillsborough County for goods and services of \$1.5 billion over the next five years. The study recommended that Hillsborough County continue its set-aside program and that a minority/women “participation goal of 25 percent would not

be disproportionate to measure the minority population, or minority business population, or minority business availability, capacity, and capability, or a combination thereof” (p. 13).

Unlike the disparity studies summarized above, the disparity study conducted for the state of Louisiana (Louisiana Department of Transportation and Development) found no evidence of discrimination in the letting and procurement of contracts in the public works arena. The study was performed by a consortium of university-based investigators and support personnel from Louisiana State University and Southern University (Lunn and Perry, 1990a). This study has been referred to as the “academic model” type disparity study (Lunn and Perry, 1990b). The study was requested by the Governor’s Task Force on Disparity in State Procurement and contracted for by the Division of Minority and Women’s Business Enterprise of the Department of Economic Development. A principal purpose of the study was “to determine whether discrimination against minorities and women exists in the public works arena and the State of Louisiana procurement system regarding public works” (1990a, p.ix). The study defined minority businesses in Louisiana as those owned by blacks, French Acadians, Asians, Hispanics, American Indians, and women. In performing a utilization analysis, the study utilized contract award data from LADOTD for the time periods 1978 to 1989 (subcontract awards data) and 1985 to 1989 (contract awards data). During the period 1985 to 1989 (contract awards data). During the period 1985 to 1989, LADOTD awarded 1,208 contracts to 219 firms. Over the four-year period the total contract awards awarded by LADOTD exceeded 1.7 billion dollars (1990a. p. 15). For the period 1973 to 1989, LADOTD used 1,632 prime contractors, who in turn subcontracted with 4,519 subcontractors.

The study also performed historical, survey, employment and income, and population analyses. The historical analysis consisted of 23 pages and provided: (1) “brief historical sketches of the origins and present conditions of each sub-group of ethnic minorities and women within the state, (2) a brief record of the state highway department, (3) extent of participation, if any, of each subgroup within the highway construction program, and (4) summaries and recommendations” (Lunn and Perry, 1990a, appendix C, pp. 231-254). The historical analysis uncovered evidence of racial, class and gender discrimination especially against blacks and women (p. 253).

The survey analysis provided data concerning the size and financial strength of the respondent firms, their participation in the public works arena, and the ethnicity and gender of the owners. Slightly more than 4,000 surveys (including follow-up surveys) were mailed, and only 719 returned surveys that were deemed usable—a response rate of 26 percent. The names of firms that were mailed surveys were obtained from three sources: LADOTD, the 1977 Survey of Minority-Owned Business Enterprises, and the Census of Construction Industries for 1967, 1977, 1982.

The average white-owned respondent firms had gross receipts in the \$1 to \$2.5 million range, while the black owned firms had gross receipts in the \$50,000 to 99, 999 range. Of the black-owned respondent firms, 50 percent had four employees or less, compared to only 15.9 percent of the white firms. The survey results showed that black owned firms had a success rate of 12.4 percent when they bid for prime contracts and 22.1 percent when they bid for subcontracts over the four-year period from 1985 to 1989. Seventeen minority-owned firms (6.6 percent) received \$36.2 million in prime contracts;

257 white-owned firms received \$520 million in prime contracts. About 147 minority-owned firms (14.6 percent of all firms receiving subcontracts) received \$18.7 million in subcontracts; 858 white-owned firms (85.4 percent of all firms receiving subcontracts) received \$52.9 million in subcontracts. For the years 1977 to 1989, minority-owned firms received no prime contract the first three years and averaged only three prime contracts per year from 1980 to 1989. Yet, only 4 black-owned and 7 French Acadian-owned firms receiving major contract awards and 21 black-owned, 13 French Acadian-owned, 2 Asian-owned, 1 Hispanic-owned, 3 American Indian-owned, and 17 women-owned firms receiving subcontract awards responded to the survey.

The statistical analysis of employment in the Louisiana construction industry was performed for the years 1973 to 1985. According to the study, the coefficients from a linear-probability model did not show widespread employment discrimination during the period. Wage earning differentials between blacks and whites were explained by individual characteristics such as age, sex, occupation, and unionization, not by discrimination (Lunn and Perry, 1990a, p. xii). Further, the study pointed out that as of 1982 there were 1,496 black owned construction firms in Louisiana, about 6.20 percent of all construction firms in the state and observed that “based on analysis of census data, there is little or no statistical evidence of discrimination on the basis of race in employment in Louisiana’s construction industry” (1990a, p. xii).

Interviews were conducted with 16 firms (5 black, 3 Hispanic, 8 white). These interviews consisted of 3 personal interviews and 13 telephone interviews. An overwhelming majority of white interviewees felt that there was no discrimination in the construction arena of the state procurement system in public works, while some black interviewees pointed out specific instances of discrimination. All of the interviewees thought that race-neutral strategies would help minority-owned firms compete in the public works arena (p. 139). The overall principal finding of the study was: “there is no construction statistical evidence of discrimination against minority-owned construction firms in the public works arena in Louisiana” (1990a, p. 145). The study made no final recommendations regarding the set-aside program of the LADOTD.

Nonetheless, there are severe weaknesses of the Louisiana Disparity Study. In comparison to the four disparity studies reviewed above, which found discrimination in public contracting, the Louisiana Disparity Study (which did not find discrimination in public contracting) appears to have several methodological weaknesses. First, the study interviewed only 16 construction firms including only 5 black firms. Disparity studies of Atlanta and Tallahassee included 76 (36 blacks) and 30 (minority) interviews, respectively. Of particular note is the small number of interviews with black-owned construction firms in Louisiana. While these firms did feel discriminated against, additional interviews with black-owned construction firms would have provided further anecdotal evidence of discrimination. Further, the Louisiana study included only one interview with a black-owned construction firm that was no longer in business. There were no interviews with state officials (past or present) in the Louisiana Department of Transportation or the state office of Minority and Women-Owned Business Program or other related state administrators. Perhaps, these interviews would have provided further anecdotal evidence of racial discrimination. The Atlanta study was able to uncover city

documents (correspondence) that showed racial discrimination in the awarding of city contracts.

Second, the study does not clearly state the number of black-owned construction firms that were surveyed, the total number that responded, nor the universe that these firms were drawn from. The response rate does not appear to be representative of black-owned construction firms. Further, the study lacked a thorough availability analysis. It did not utilize variety of sources to identify those minority-owned construction firms that were available and willing to do business with the state. It appeared to have relied on only three sources to identify minority-owned firms in the State: LADOTD listing, the 1977 Survey of Minority-Owned Business Enterprises and the Census of Construction Industries (through 1982). Other more recent sources, including state and local government certification lists of MBEs and

minority trade association's listings and national sources, may have provided more comprehensive listings of black-owned construction firms Louisiana.

Third, the Louisiana study did not adequately address the issues of MBE formation, growth, and capacity. Nor did it address the issue of "deterred" MBEs. What circumstances have prevented the further development of MBEs? Related to these issues is the impact of employment discrimination upon the upward mobility of blacks in the construction industry. The employment analysis did not adequately address and analyze this situation (Minority Business Enterprise Legal Defense and Education Fund, 1990). An important question not answered was what has been the impact of employment discrimination on the available pool of blacks with adequate backgrounds to establish prime construction firms? The establishment of black prime construction firms would logically develop from blacks who have served as project managers for large white-owned construction firms.

The Croson decision is a significant development affecting the prospects for minority business development and MBE programs at the state and local levels. The decision subjects state and local jurisdictions race-conscious procurement set-aside programs to a rigorous set of standards. These standards are that set-asides: be narrowly tailored, be flexible, contain a waiver, be based on local evidence (factual and anecdotal) of discrimination, be logically related to the problem, have a specified time period, and be used after the failure of race-neutral alternatives.

Although there is no doubt that these standards will make it more difficult for state and local jurisdictions to employ set-aside programs to remedy the continuing effects of discrimination, disparity studies are being utilized to justify the adoption and/or continuation of set-aside programs. A disparity study documents specific, local problems of discrimination, provides quantitative estimates of minority under-representation in business activity, and assesses the impact of race-neutral strategies to promote minority business development and utilization. If properly and carefully done, a disparity study may assist state and local entities in devising MBE set-aside programs that will expand minority access to government contracts.

What effect did the Croson decision have on set-aside programs for minority business enterprises (MBEs) on the Federal level? Federal minority contractor opportunities serve

as a major point of entry for socially and economically disadvantaged business entrepreneurs and small business concerns into the mainstream of American business enterprise. In 1994, the Minority Business Development Agency (MBDA) in the U.S. Department of Commerce reported that the value of all federal minority business enterprises prime and subcontracting procurement was 14.6 billion dollars or 8.3 percent of the total federal procurement (Parrott-Fouseca, n.d.). This amount represented an increase of more than 100 percent since 1984. Further, 68 of the top 100 Black Enterprise Magazine businesses are federal government contractors (Parrott-Fouseca, n.d). About 32 of the top 100 largest Hispanic firms, largest African American firms and 17 of the top 100 largest Hispanic firms were or had been in the Section 8(a) program of the Small Business Administration (Affirmative Action Review, 1995).

In fiscal year 1994, 5.8 billion dollars worth of federal contracts were awarded competitively to minority businesses; representing an increase of some 152 percent from 2.3 billion dollars awarded in fiscal year 1984 (Parrott-Fouseca, n.d.). Additionally, 6.1 billion defense dollars were spent with minority firms in 1994 and from 4.4 to 4.9 billion federal dollars were spent with 5, 400 firms in the Section 8 (a) program in 1994 (D.J. Miller and Associates, n.d; Affirmative Action Review: Report to the President, 1995).

Provisions in federal law allowed set-asides to provide opportunities for socially and economically disadvantaged and small business enterprises to win federal contracts. For example: Section 502 of the Small Business Act (Public Law, 95-507) provides: The President shall annually establish government wide goals for procurement contracts awarded to small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals. The Government-wide goal for participation by small business contracts shall be established at not less than 20 percent of the total value of all prime contract awards for each fiscal year. The Government-wide goal for participation by small business concerns owned and controlled by socially and economically disadvantaged individuals shall be established at not less than 5 percent of the total value of all prime contract and subcontract awards.

The Section 8(a) program represents some 40 percent of all federal procurement dollars received by small and socially and economically disadvantaged enterprises (Henderson, 1995). Further, the U.S. Department of Defense's Section 1207 programs allows the agency to implement a limited set-aside program for small businesses-in addition to the Section 8(a) program –to meet a statutory goal of 5 percent for socially and economically disadvantaged business enterprises (Public Law, 99-661). The intent of these and other similar federal procurement programs is to address historical patterns of discrimination and poor market access of minority business enterprises (Henderson, 1995).

Nonetheless, a number of these programs were called into question as a result of the Supreme Court's decision in *Adarand Constructors, Inc. v. Peña* (115 S. Ct. 2097, 1995). The social and political controversy generated by the *Adarand* decision prompted President Clinton to issue memorandum on June 19, 1995, to the heads of executive departments and agencies with the following directive: in all programs you administer that use race, ethnicity, or gender as a consideration to expand opportunity or provide groups that have suffered discrimination, I ask you to take steps to ensure adherence to the following policy principles. The policy principles are that any program must be eliminated or reformed if it: (a) creates a quota; (b) creates preference; (c) creates reverse

discrimination; (d) or continues even after its equal opportunity purposes have been achieved.

The court ruled in *Adarand* that a much higher level of scrutiny was needed to justify minority set-asides in federal law that had been required. This ruling weakened set-asides and in some cases resulted in their elimination. What effect did the *Adarand* decision have on minority business enterprises at the federal level?

In 1989, the Central Federal Lands Highway Division, which is part of the United States Department of Transportation, awarded a \$1 million plus prime contract for a 4.7 mile highway construction project (known as the West Dolores project) in Colorado to Mountain Gravel and Construction Company. Mountain Gravel then solicited bids from subcontractors for the guardrail portion of the contract. *Adarand Constructors, Inc.*, a Colorado-based highway construction company specializing in guardrail work, submitted the low bid. Gonzales Construction Company also submitted a bid.

The contract's terms provided that Mountain Gravel would receive additional compensation if it hired subcontractors certified as small business controlled by socially and economically disadvantaged individuals. The subcontracting compensation clause included in the contract reads as follows;

Monetary compensation is offered for awarding subcontracts to small business concerns owned and controlled by socially and economically disadvantaged individuals. Compensation is provided to the Contractor to locate, train, utilize, assist, and develop DBEs (disadvantaged business enterprises) to become fully qualified contractors in the transportation facilities construction field. The contractor shall also provide direct assistance to disadvantaged subcontractors in acquiring the necessary bonding, obtaining price quotations, analyzing plans and specifications, and planning and management of the work. The Contractor will become eligible to receive payment under this provision when the dollar amount of the DBE (disadvantaged business enterprise) subcontractor(s) awarded exceeds (10% for Colorado) of the original (prime) contract award (*Adarand Constructors, Inc. v. Pena*, 16 F.3d 1537, 10th Cir, 1994, at 1541-42).

The subcontracting compensation clause does not compel but rather induces prime contractors to hire socially and economically disadvantaged businesses (see *Adarand* at 1538). It is entirely at the discretion of the prime contractor whether to exercise its option under the clause or to ignore it and forego the monetary incentive reward.

Gonzales Construction Company was certified as a socially and economically disadvantaged business. *Adarand Constructors, Inc.* was owned by a white and was not certified as such a business. Therefore, *Adarand* did not meet the requirements for the minority set-aside. Mountain Gravel awarded the subcontract to Gonzales, despite *Adarand's* low bid. Mountain Gravel's chief estimator had submitted an affidavit that Mountain Gravel would have accepted *Adarand's* bid had it not been for the additional payment it received for hiring Gonzales instead. The Gonzales bid was \$1,700 higher than *Adarand's* on the project. By selecting Gonzales as a subcontractor, Mountain Gravel exceeded its socially and economically disadvantaged business goal by \$100,000, which qualified the company for a \$10,000 bonus-10 percent of the amount above the goal (*Adarand Constructors, Inc. v. Pena*, United States Law Week at 4524).

At issue was the U.S. Department of Transportation's subcontracting compensation clause, which provided financial incentives to general contractors to hire certified socially and economically disadvantaged businesses on the basis of a race- based presumption of social and economic disadvantage. The clause was implemented in 1979 by the Federal Lands Highway Program of the Federal Highway Administration, an agency within the Department of Transportation. The Colorado Federal Lands Highway Division, as a regional office of the federal program utilized the clause as a means of meeting its apportioned shares of the Department of Transportation's goal for disadvantaged business enterprise participation (see *Adarand* 16 F.3d at 1540).

The subcontracting compensation clause is authorized by Section 8(d) of the Small Business Act (Public Law 95-507). It authorizes incentives by federal agencies to encourage prime contractors to make subcontracting opportunities to both small business concerns and small business concerns owned and controlled by socially and economically disadvantaged persons. Such businesses are certified according to the tests set forth under Section 8(a) of the act. The subcontracting compensation clause does not set aside government contracting opportunities for a group defined by race or ethnicity. Eligibility depends on social and economic disadvantage. The Department of Transportation awards financial incentives to prime contractors in order to help satisfy its annual minority contracting goals mandated by the act. *Adarand* alleged that the subcontracting compensation clause discriminated on the basis of race in violation of the equal protection clause of the U.S. Constitution. *Adarand* sued in 1990, contending that the agency's subcontracting policy was an unlawful set-aside based on race. The federal district judge and the 10th Circuit Court of Appeals ruled against *Adarand*.

Section 211 of the Small Business Act (Public Law, 95-507) requires any prime contractor with a federal construction contract that exceeds one million dollars to establish percentage goals for the utilization of both small businesses and small businesses owned and controlled by socially and economically disadvantaged individuals. These provisions exclude individuals in racial and ethnic minority groups who cannot meet the criteria for disadvantage, and include individuals not in such groups as disabled Vietnam veterans, Appalachian white males, and Hasidic Jews may be eligible if they demonstrate that they are socially and economically disadvantaged.

The legislation defines a disadvantaged business as one that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged. Socially disadvantaged individuals are defined "as individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities" (Public Law, 95-507). Economically disadvantaged individuals "are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area that are not socially disadvantaged" (Public Law, 95-507). Individuals who identify and certify themselves as African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or subcontinent Asian Americans are presumed to be socially and economically disadvantaged (Public Law, 95-507).

The Small Business Administration measures economic disadvantage in a three-part test: the individual's net worth, the financial condition of the firm, and the firm's access to credit. For entry into the socially and Economically Disadvantaged Program, personal adjusted net worth cannot exceed \$250,000 during the first four years in the program and it cannot exceed \$750,000 during the last five years of the program. The maximum length a firm can be in the Section 8(a) program is nine years (U.S. Small Business Administration, 1994). After nine years socially and economically disadvantaged firms must "graduate" from the Section 8(a) program.

In its 5-4 opinion, the Supreme Court conducted a lengthy examination of prior case law and concluded that the strict scrutiny standard of review was appropriate for all governmental action based on race, whether taken by the states or by the federal government. Stated another way, federal affirmative action programs using racial criteria as a basis for decision making are subject to the strict scrutiny standard. The strict scrutiny standard focuses on the following question: Is the program or policy meeting a compelling government interest and is it narrowly tailored to meet the program or policy objectives. According to the U.S. Department of Justice (1996), the decision "applies to race-based decision making in all areas of federal activity, including employment." In *Adarand* the Court based its ruling on the case of *City of Richmond v. J.A. Croson Co.* (480 U.S. 469, 1989) in which the strict scrutiny standard was applied to void Richmond's local set-aside ordinance. The Croson decision affected numerous state and local jurisdictions across the country (Rice, 1993).

The *Adarand* decision, however, overruled the post Croson case of *Metro Broadcasting v. Federal Communications Commission* (497 U.S. 557, 1990). In *Metro Broadcasting* the Court used the intermediate scrutiny standard to uphold the set-aside provisions of the Federal Communications Commission (Rice, 1991). The commission had permitted a limited category of existing radio and television stations to be transferred only to minority-controlled firms. Intermediate scrutiny as opposed to strict scrutiny is concerned only with whether racial qualifications designed to further remedial purposes serve an important governmental objective and are substantially related to the achievement of the objective (Thomas, 1995). Stated more succinctly, under intermediate scrutiny congressionally mandated federal preference programs had to be "substantially related" to an important government objective.

Using Croson as its guide, the *Adarand* Court ruled that federal programs containing race-based preferences will be upheld only if they are "narrowly tailored measures that further compelling government interests." The "narrowly tailored" measure takes into account the method by which the government seeks to meet the objective of racial or ethnic classification.

In recent years, state and local jurisdictions have successfully used disparity studies as a way of justifying continuation or adoption of their policy preference programs (see Rice, 1992; 1993). These studies, for the most part, have recommended that governmental jurisdictions adopt race-neutral or targeted programs to increase the opportunities for socially and economically disadvantaged businesses to bid successfully on contracts. Yet, the *Adarand* Court did not specify what quantity and quality of evidence would be required (Dellinger, 1995).

Likewise, as a result of the Adarand decision the Department of Defense (DOD) ended its set-aside program for minority contractors. The program was ended under the administration of Clarence Thomas and his conservative colleagues. Many Capital Hill lawmakers feared that the U.S. Supreme Court ruling in *Adarand v. Penal*, which required affirmative-action programs to meet a stricter scrutiny standard, would signal open season on federal affirmative-action efforts. They were right. The first major effects are being felt with the scrapping of Department of Defense program that had been extremely lucrative for minority contractors for nearly a decade (Contractors Left Defenseless; Black Enterprise, pp. 1-3).

The "rule of two" set-aside program had assisted small disadvantaged businesses in locking down nearly \$5 billion in government contracts since its inception in 1987. Under the rule, federal contracts were reserved for minority-owned companies when there were two or more companies available and deemed qualified to do the work. The DOD set an annual goal of awarding 5% of their contracts and subcontracts to small disadvantaged businesses. That means, in 1994, those minority businesses had about \$1 billion out of a \$112 billion pie reserved for them. But the program was scrapped following a joint decision of the U.S. Justice Department and the DOD; the two believed that the rule of two was no longer constitutionally sound (Contractors Left Defenseless; Black Enterprise, pp. 1-3).

"We have a task force in place here that looked at the range of government programs that use race as an element of decision making, and looked to see if they applied to the strict scrutiny standard," says Associate Attorney General John Schmidt, who headed the task force for the Justice Department (Smith, 1996). "We came to the conclusion that the program didn't," (Contractors Left Defenseless; Black Enterprise, pp. 1-3).

Although the decision took few by surprise, because of the Adarand ruling, many are still upset that the program was struck down without that being a similar program to take its place.

"We're very disturbed about it," says Rep. Kweisi Mfume (D-md.), a member of the Congressional Black Caucus. This leaves an immeasurable void in terms of minority business participation," says Mfume (Contractors Left Defenseless; Black Enterprise, pp. 1-3).

The Minority Business Enterprise Legal Defense Education Fund, the National Association of Minority Contractors, and the National Minority Supplier Development Counsel are all skeptical of efforts on the part of the government to truly look for a substitute program. Their recent joint statement reads in part: "Both the Department of Defense and the Department of Justice acknowledge the distinct risk of serious cutbacks in minority contracting and have promised to 'redouble efforts' in implementing program revisions to allay the negative impact of the rule of two suspension; but the disturbing absence of detail so far regarding reasonable alternatives to the program has been disappointing to the extent of raising suspicions about the Clinton administration's political intentions."

Although one of the most lucrative, the now-defunct rule of two program wasn't the only way minority contractors got their feet in the federal door. Remaining DOD programs

include the 10% price preference program; the subcontracting plan requirement on prime bids; and the Small Business Administration 8(a) Program. In conclusion, since the Adarand decision nearly two dozen states have introduced bills or resolutions to substantially limit or ban preferential policies. At the congressional level, former U.S. Senator and Republican presidential candidate Robert Dole introduced the Equal Opportunity Programs in the Federal Opportunity Programs in the Federal Government Act. The bill sought to end racial and gender preferences.

The research gathered proves that there is a need for an intervention strategy to help minority contractors, MBEs gain meaningful participation in local, state, and federal construction projects. The effect of the Croson vs. the City of Richmond ruling has severely hindering minority contractors' ability to participate in the bidding process, and thus the court's judgment in this case is the primary reason for the Victory Contractor Resource Center's (VCRC) creation. The Croson decision subjects state and local jurisdictions race-conscious procurement set-aside programs to a rigorous set of standards. These standards are that set-asides: be narrowly tailored, be flexible, contain a waiver, be based on local evidence (factual and anecdotal) of discrimination, be logically related to the problem, have a specified time period, and be used after the failure of race-neutral alternatives.

There is no doubt that these standards have made it more difficult for state and local jurisdictions to employ set-aside programs to remedy the continuing effects of discrimination. The strict scrutiny concept shaped the design of the Victory Contractor Resource Center, not as a set-aside program but as a hub where low-resource contractors can have access to a centralized bidding location, access to training, and access to networking opportunities with majority general contractors, for purposes of increasing low-resource contractor's capacity to bid on large-scale projects. Below is a more detailed description of the Victory Contractor Resource Center program.

PROGRAM

Goler Community Development Corporation and its partners will develop a business resource center for low-resource contractors focused on the skilled construction trade which includes general contractors. The purpose of the center is to increase low-resource contractor participation in large scale projects. Additionally the role of the resource center will be to aid low-resource contractors in partnering with each other and collaborating contractually with majority contractors to ensure their ability to get to the negotiation table and their ability to reach the scale of production necessary to adequately perform the job. Ordinarily these contracts would be beyond the low-resource contractor's individual capacity. The

resource center will bring intellectual capital to the underserved market of low-resource construction businesses across a two county area. The resource center along with its advisory board will create numerous opportunities for low-resource and majority businesses to network and build relationships. The goal is to create 36 new jobs in the skilled construction trade by increasing 9 low-resource contractor's revenue by 20% after two years. As stated earlier an intervention strategy was needed after bringing over \$27 million in development on line in 2006, Goler and two of the major construction companies in the Triad were unsuccessful in capturing 10% in low-resourced subcontractor bids for their large scale projects. It was blatantly apparent to the Goler

team that there was a significant void in the area of low-resource contractors able to meet scale on large commercial development and multifamily housing construction. Additional studies conducted by Goler of construction contracts awarded in 2005 by area partners such as: The Piedmont Triad Research Park, Forsyth Technical Community College, The City of Winston-Salem, Winston-Salem State University, North Carolina A&T University and a host of other community developers, reflected that an intervention strategy was necessary. Development with just the aforementioned partners exceeded \$150 million in one year. Over the next five years the Piedmont Triad Research Park and Goler CDC anticipate in excess of \$100 million in development. Majority general contractors working on Goler projects in 2005 solicited bids from over 200 low-resource contractors and marketing efforts included postings in the local paper. Of the 200 contractors solicited, only 6 low-resource contractors attended the pre-bid meetings. The projects resulted in less than 5% low-resource participation with subcontractors and even less low-resource representation in the skilled areas of plumbing, electrical, and design. From the above literature review the success the State Office of Historically Underutilized Businesses have experienced in helping increase low-resource business participation in State construction projects reach its 10% goal is apparent. This HUB office has experienced great success as far as creating opportunities for low-resource business subcontractors and contractors to participate in the University of North Carolina's portion of the 3.1 billion dollar bond referendum. The bond's capital has made it feasible to remodel and build new construction on the 16 University of North Carolina campuses of which low-resource business participation has been 15%, surpassing the State's 10% Goal for low-resource business participation. Although the University's portion of the bond referendum has showed great success there are still great obstacles for low-resource contractors and subcontractors to overcome for equal treatment in the construction industry. The greatest obstacle comes in the City of Richmond v. J.A. Croson Co. (1989) a majority of the U.S. Supreme Court for the first time held that ameliorative race-based preferences developed by state and local governmental entities must meet the "strict scrutiny" standard as opposed to the "rational relationship" test in order to withstand challenge under the equal protection clause of the U.S. Constitution. This decision has allowed most States to adopt the decision struck down by the higher court. The mission of the Victory Contractor Resource Center is to assist small business owners, from Forsyth, and surrounding counties to effectively compete for subcontracting opportunities with prime contractors in connection with significant public or private projects. To achieve this goal, the VCRC will collaborate with existing organizations to provide its members with training and professional services, a centralized area to view bids, and provide advice and assistance in bid submission.

How to become a member

Potential VCRC members must be an existing subcontractor or an {individual skilled in a construction trade seeking to become a subcontractor.}

To qualify for membership in the VCRC, an individual or subcontractor must meet the following criteria:

- 1) Must be M/WBE business
- 2) Located in Forsyth or surrounding counties

Additionally, as required by the VCRC, participants wishing to maintain their eligibility in the Center may be required to complete evaluations and participate in focus groups >>>

Application materials to become a member are available at the Goler CDC, the VCRC, (WSSU, Forsyth Tech, any other partner organizations?) and may be submitted to the VCRC in person or via mail (or email).

What services does the VCRC provide for qualified members?

The VCRC provides the following services to participating low-resource subcontractors:

Centralized Bid Location The VCRC operates a centralized bid repository in its office in the lower level of the Truliant/Victory Financial Center. This repository contains outstanding bids of general contractors for subcontractors. The VCRC, based on each qualified member's unique needs and membership level, will provide assistance in identifying, completing, and submitting bids to general contractors.

Training The VCRC partners with various organizations in and around the Winston-Salem community to provide outside services to the qualified members. These organizations may include the Historically Underutilized Business Academy, the Small Business & Economic Development Specialist for the City of Winston-Salem, Forsyth Tech, Winston-Salem State University, and the 100 Black Men of the Triad. Some services these outside partners will provide services include: assistance in business development; training and education; and specialized pro bono legal, accounting, or appraisal services. The VCRC provides members with a database of these partners and assistance in acquiring their services.

Networking The VCRC will provide qualified members with formal and informal networking opportunities in order to help further business development.

What is the membership fee?

Members of VCRC will pay an annual fee for the services provided by the VCRC. The fee structure will be tiered based on the level of services in which the qualified member chooses to participate. (Below is a sample fee structure:)

Basic Membership -- \$150

- 1) Access to bid database
- 2) Access to partner services
- 3) Inclusion in networking events

Advanced Membership -- \$300

- 1) Business analysis/assessment
- 2) Five (5) hours of assistance with bid preparation/submission
- 3) Includes Basic Membership access

Premium Membership -- \$450

- 1) Ten (10) Assistance with bid preparation/submission
- 2) Capacity building
- 3) Includes Advanced Membership access

What is the Goler CDC?

The Goler CDC is a Winston-Salem based community development corporation founded in 1998 whose mission is to improve the quality of life of low-resource families by preparing them for home ownership, developing single-family homes, multi-family complexes, residential communities, community facilities and neighborhood empowerment programs, and promoting employment and entrepreneurial opportunities within low-resource communities.

CONTACT INFORMATION

For further information, please contact xxxxxxxx (or new program director) at (xxx) xxx-xxxx or email at

PARTICIPANTS

Initially the Center will work with 9 low-resource contractors from Forsyth and Davidson Counties. These will be existing experienced skill based construction companies (general contractors, heating air, electrical, plumbing, and concrete, cable, drywall, architecture, engineering, etc.) and suppliers that have the ability to grow their capacity and labor force given some key resources such as bonding, financial assistance, a qualified labor pool, legal assistance, contract negotiation, technical writing, etc.

COMMUNITY ROLE

Stakeholders have had a very strategic role in the development of the Victory Contractor Resource Center. Their participation has consisted in various capacities from technical assistance, social capital, resource development and capital in the form of grants. The following chart has descriptions of their level of participation.

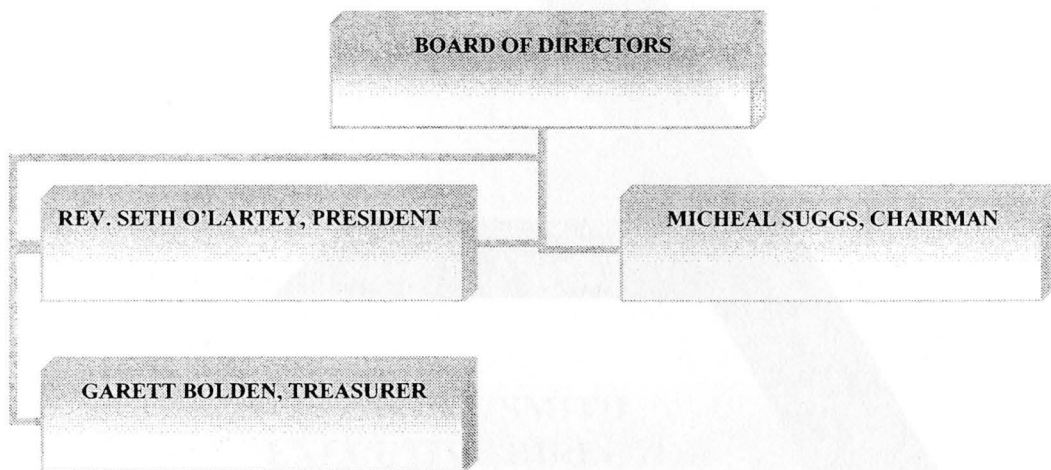
The Winston-Salem Foundation	Winston-Salem Foundation has been a major supporter of the revitalization of downtown Winston-Salem and Goler CDC is a major player in this with millions of dollars in new construction going on line between now and the next ten years.
Downtown Winston-Salem Partnership	Downtown Winston-Salem Partnership has been a major partner of Goler CDC and its resource center being a major advocate to revitalize and strength the downtown area through business recruitment and support, economic development, marketing and special events, funding, social capital and information sharing on downtown projects.
City County Government	City County Government has helped to gather support for the resource center and possible City/County funding.
Local Initiative Support Corporation (LISC)	Local Initiative Support Corporation has provided funding for the resource center, technical assistance, training and social capital. LISC also has a major stake in the successful revitalization of downtown Winston-Salem.
Piedmont Triad Research Park	Piedmont Triad Research Park will be a possible funder for the resource center; The Research Park has provided social capital, research, information on new bid opportunities and technical assistance. The research park along with Goler CDC will bring over 1 billion dollars of construction on-line in downtown Winston-Salem over the next 5 to 10 years.
Forsyth Technical Community College	Forsyth Technical Community College is a major partner of Goler CDC and its resource center; it will help the resource gain numerous collaborations, provide technical assistance to participants of the resource center, workshops, training, funding, donated space for resource center programs.
Barkas Concrete and Construction Company	Barkas Concrete and Construction Company has helped the resource center gather data on industry trends, and social capital as an experienced low-resource owned construction company. Barkas has a major stake in seeing the resource center succeed in order to help low-resource businesses grow and have a fair and equitable opportunity to bid on major construction projects throughout North Carolina.
North Carolina Institute of Minority Economic Development	North Carolina Institute of Minority Economic Development has provided funding, research, low-resource construction industry statistics, technical assistance and social capital for the resource center.
Gwyn Electrical, Plumbing, Heating and Cooling Co.	Gwyn Electrical, Plumbing, Heating and Cooling Co. has provided research and social capital as an experienced low-resource owned construction companies. Gwyn Electrical has a major stake in seeing the resource center succeed in order to help low-resource businesses grow and have a fair and equitable opportunity to bid on major construction projects throughout North Carolina.
Weaver Cooke Construction, LLC	Weaver Cooke Construction, LLC being a majority construction company throughout North Carolina will provide technical assistance, social capital, mentorship and help low-resource and majority construction businesses collaborate in order to help increase the capacity of low-resource construction businesses.
Winston-Salem Alliance	Winston-Salem alliance has been a major partner of Goler CDC as both are major supporters of Winston-Salem downtown revitalization. Marcus B. Schaefer, President/CEO, Truliant Federal Credit Union has been a major supporter of Goler CDC providing funding for Goler projects and possible funding for the resource center including social capital.
Truliant Federal Credit Union	Truliant Federal Credit Union has been a major supporter of Goler CDC providing funding for Goler projects and possible funding for the resource center including social capital. Truliant has invested in the revitalization of downtown Winston-Salem and is a major supporter of Goler CDC in its revitalization efforts.

City of Winston-Salem	City of Winston-Salem has been a major partner of Goler CDC and its resource center, being a major advocate to revitalize and strength the downtown area through business recruitment and support, economic development, marketing and special events, funding, social capital and information sharing on downtown projects.
Winston Salem State University	Winston Salem State University will provide technical assistance, social capital, research on construction industry trends as it relates to low-resource construction businesses, space for center programs, workshops, marketing, special events and business recruitment.
John S. Clark Construction Co.	John S. Clark will provide technical assistance, social capital collaborations between low-resource businesses and majority construction businesses, business recruitment, marketing, and mentorship.
North Carolina A&T State University	North Carolina A&T State University will provide technical assistance, workshops, social capital, mentorship, marketing and business recruitment for the resource center.
Davidson County	Davidson County will possibly provide funding for the resource center, marketing, business recruitment and social capital. Each of the stakeholder participation in this program will help ensure that the long term goals of this program are met.

HOST ORGANIZATON

The Victory Contractor Resource Center (“VCRC”) is a program of the Goler Community Development Corporation (“Goler”), and as such is based in Winston-Salem, North Carolina. Goler’s mission is to improve the quality of life for low-resource families by preparing them for homeownership, developing single family homes, multi-family housing complexes, residential communities, community facilities, neighborhood empowerment programs, and promoting employment and entrepreneurial opportunities within low- resource communities.

ORGANIZATIONAL CHART



CALVIN E. PATTERSON, RESOURCE DEVELOPMENT OFFICER

METHOD

In conjunction with the Victory Contractor Resource Center partnership, will have the opportunity to participate in a HUB Academy housed in the new civic building. The HUB Academy sponsored by Coler CCM in collaboration with the City of Winston-Salem, Winston-Salem State University, North Carolina A&T State University, Forsyth Technical Community College, and the University of North Carolina HUB Office. Many courses that will be offered include estimating, commercial blueprint reading, and project management. The overall concept of the Academy is to empower those low-income contractors who may not have been successful on winning bids, they need more help with estimating skills, understanding the overall process and being successful on projects. All of the aforementioned organizations will provide mentorship, materials for individual classes and individual help will facilitate and improve each class.

STAFF

**EVON J. SMITH,
EXECUTIVE DIRECTOR**

**CALVIN F. PATTERSON, RESOURCE
DEVELOPMENT OFFICER**

METHOD

In conjunction with the Victory Contractor Resource Center participants will have the opportunity to participate in a HUB Academy housed in the new center building. The HUB Academy sponsored by Goler CDC in collaboration with the City of Winston-Salem, Winston-Salem State University, North Carolina A&T State University, Forsyth Technical Community College, and the University of North Carolina HUB Office. Major courses that will be offered include estimating, commercial blueprint reading, and project management. The overall concept of the Academy is to empower those low-resource contractors who maybe had not been successful on winning bids, may need some help with estimating skills, understanding the overall process and being successful on projects. All of the aforementioned collaborations will provide mentorship, materials for individual classes and individuals who will facilitate and instruct each course.

PRODUCTS AND OUTPUTS

The following benchmarks will be accomplished by the end of year two: These benchmarks include hiring staff, hiring full time staff and project manager, finalize services and program infrastructure and finalize services and program. Other accomplishments will include developing program form, process, evaluations, contract professionals, and mentors. Benchmarks also will include identifying mentors and speakers. Participants will participate in a year long mentoring program. Next the advisory board will begin the recruiting process, begin to identify potential participants, select participants, begin application process, conduct interviews and reference process for participants. Lastly, agreement letters must be developed, and complete letters of agreement with partners must be signed. Furthermore, there will be a kick-off and welcome event that will be hosted at the Piedmont Club or New Building. After the kick-off event the program begins and participants participate in scheduled meetings, attend workshops, classes.

IMPLEMENTATION

PROJECT PLANNING:

❖ Implementation Plan;

TIMELINE

FIRST YEAR		INPUTS	STAFFING PATTERN
Hire Director, also hire Assistant Director, develop volunteers/purchase furniture	1 st quarter	Meeting with possible Director of Resource Center. Identify donated furniture	Director of Victory Contractor Resource Center
Needs Assessment	1 st quarter	Research other centers/Programs, Identify small business needs	
Develop advisory board	1 st quarter		
Contract with professionals	2 nd quarter	Schedule meeting with Jorge Quintal (WSSU HUB Coordinator) to talk about training and collaborations; Letter to Research Park for 25k	
Develop criteria for 9 participants	2 nd quarter	Schedule meeting with Ruben Gonzales W/MBE Coordinator for the City of Winston-Salem. (The W/MBE training are often held at WSSU); Also talk with the Duke Law Clinic to determine best way to structure the resource center... membership, contracts etc.	
Develop marketing campaign	2 nd quarter	Host kick-off event at the Piedmont Club/New Building, Develop a campaign to increase awareness and participation in program. (Around the announcement of the new building), Press Release, News Articles, Internet, Professional Organizations. Schedule meeting with contact person from Forsyth Tech.	

		Objective of these meetings is to develop a relationship with those entities to provide resources, mentors and training	
Select 9 low-resource owned companies	3 rd quarter	Not yet completed	
Assess individual company needs	3 rd quarter	Not yet completed	
Complete letters of agreement with partners (majority contractors)	3 rd quarter	Not yet completed	
Complete letters of agreement with Low-resource contractors	4 th quarter	Not yet completed	
Professionals are working with low-resource owned companies	3 rd quarter thru 4 th quarter	Not yet completed	
SECOND YEAR			
Contracts are negotiated	All year	Not yet completed	

PROJECT IMPLEMENTATION REPORT:

The implementation of creating the Victory Contractor Resource Center began with a needs assessment to realize if there was indeed a need to assist low-resource businesses effectively compete for subcontracting opportunities with prime contractors in connection with significant public and private projects. After the needs assessment the advisory committee began to establish participation criteria and preliminary services/programs of the center. The advisory committee began to identify program services to be delivered to participants and confirm the advisory committee. Next the advisory committee began to plan a marketing campaign to increase the awareness in program participation. The advisory committee began to finalize program services and program infrastructure. In establishing the need members of the VCRC advisory committee met with City of Winston-Salem officials, Winston-Salem State University, North Carolina A&T State University, University of North Carolina HUB Office, The Duke Law Clinic and various minority owned construction businesses who fall into the low-resource category or who had considerable knowledge of the issues low-resource businesses and individuals experience in the construction industry. After the need was clearly established the advisory committee began to construct a draft budget, create a draft timeline of activities and apply for grants and solicit capital funding from other stakeholders. After some funding for the project had been committed, the advisory committee began to establish the goals and requirements for the Director of the Victory Contractor Resource Center.

PROJECT IMPLEMENTATION GANTT CHART:

Activities	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Needs assessment												
Research other centers/Programs												

Identify small business needs																			
Participation's criteria																			
Develop criteria for 9 participants																			
Preliminary Services/Programs																			
Begin to identify program and services to be delivered to participants																			
Confirm Advisory Board																			
Schedule initial meeting with Advisory Board members																			
At meeting provide overview of participants																			
Marketing Campaign																			
Develop a campaign to increase awareness and participation in program (Around the announcement of the new building)																			
Press Release, News Articles, Internet, Professional Organizations																			
Hire staff																			
Hire Full time Staff PM																			
Services/Program Infrastructure																			
Finalize services, program																			
develop form, process, evaluations																			
contract professionals, mentors																			
Identify Mentors, Speakers																			
Each participant will participate in a year long mentoring																			

program											
Recruiting Process, Begin to identify potential participants											
Select participants											
Begin application, interview, reference process for participants											
Agreement Letters, Complete letter of agreement with partners											
Kick-off/Welcome, Host a kick-off at the Piedmont Club/New Building											
Program Begins											
Participants participate in scheduled meetings, attend workshops, classes											
Evaluation, 6 month evaluation to assess progress											

MONITORING AND EVALUATION

MANAGEMENT INFORMATION SYSTEM:

The monitoring information needed to keep this program on schedule, anticipate problems, measure progress and set the stage to evaluate program success all took place in weekly and biweekly meetings held at Goler CDC. In these meetings we planned the resource center establishing goals, objectives and participant requirements. Members of the resource center advisory committee also visited various resource center and had many guest come and join the weekly meetings to share their experiences and share their advice. In order to collect and report project data and monitor project success we used the logic model and evaluation design matrix. With the logic model it clearly shows inputs, activities, participation, short and long term goals. The logic model also makes it easy to adjust any changes in inputs, activities, participation, short and long term goals. Likewise, the evaluation design matrix clearly states the hypothesis, independent variable, dependent variable, indicators and data gathering methods. The evaluation design matrix can also be adjusted for adjustments and changes.

(RESEARCH DESIGN MATRIX)

<i>Hypothesis</i>	<i>Variables</i>	<i>Indicators</i>	<i>Data</i>
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-If Goler CDC and its partners provide a Contractor Resource Center for low-resource contractors, subcontractors and GC's focused on the skilled construction trade, then there will be an increase in the # of contracts received by low-resource businesses.

IV: If Goler CDC its partners provide a Contractor Resource Center for low-resource contractors, subcontractors and GCs focused on skilled construction trade
DV: There will be an increase in # of contracts received by low-resource businesses

IV: Contractor Resource Center provided for low-resource contractors, subcontractors and GCs focused on skilled construction trade
DV: Increase in the # of contracts received by low-resource businesses

-A random sample of businesses will be selected in order to come up with the independent and dependent variables.

-If the Contractor Resource Center provide training for participating low-resource businesses through a HUB Academy, then possibly 36 new jobs will be added to the payrolls of these companies apprenticeships are occurring annually; enrollment is up through the community colleges and universities.

IV: If the Contractor Resource Center provide training for participating low-resource businesses through a HUB Academy
DV: Possibly 36 new jobs will be added to the payrolls of these companies; apprenticeships occurring annually; enrollment is up through the community college and universities

IV: Contractor Resource Center provide training for participating low-resource businesses through a HUB Academy
DV: 36 new jobs added to payrolls of low-resources businesses

-These samples should be somewhat easy to come up with through the City of Winton Salem's website of WMBE in the region

-If the Contractor Resource Center provides training for participating low-resource businesses through a HUB Academy, then participating companies are able to achieve independent bonding and may be able to acquire work in various communities independent of the center and its partners.

IV: If Contractor Resource Center provides training for participating low-resource businesses through a HUB Academy
DV: Participating companies are able to achieve independent bonding and may be able to acquire work independent of the center and its partners.

IV: Contractor Resource Center provides training for participating low-resource businesses through a HUB Academy

-If the Contractor Resource Center increases low-resource subcontractor/contractor participation in large scale construction projects, then each company will be able to show at least a 10% profitability after one year.

IV: If the Contractor Resource Center increases low-resource subcontractor/contractor participation in large scale construction projects
DV: Each company will be able to show at least 10% profitability after one year.

DV: # of participating companies who are able to achieve independent bonding and able to acquire work independent of the center and its partners

-If the Contractor Resource Center aid low-resource contractors in partnering with each other and collaborating contractually with majority contractors, then low-resource contractors will have more opportunities to bid on Government mandated jobs

IV: If Contractor Resource Center aid low-resource contractors in partnering with each other and collaborating contractually with majority contractors
DV: Low-resource contractors will have more opportunities to

IV: Contractor Resource Center increase low-resource subcontractor/contractor participation in large scale construction projects

and non Government mandated job.

-If the Business Resource Center bring intellectual capital to the underserved market of low-resource /majority businesses to network and build relationships, then participants are able to compete for bids and present competitive proposals for business.

bid on Government mandated jobs and non Government mandated job.

IV: If Contractor Resource Center bring intellectual capital to the underserved market of low-resource/majority businesses to network and build relationships
DV: Participants are able to compete for bids and present competitive proposals for business

DV: # of companies who are able to show at least 10% profitability after one year

IV: Contractor Resource Center aid low-resource contractors in partnering with each other and collaborating contractually with majority contractors

DV: # of low-resource contractors who get more opportunities to bid on Government mandated jobs and non Government mandated jobs

IV: Contractor Resource Center bring intellectual capital to the underserved market of low-resource/majority businesses to network and build relationships

DV: # of participates who are able to compete for bids and present competitive proposals for business

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-If Goler CDC and its partners provide a Contractor Resource Center for low-resourc subcontractors/contractors and GC's focused on the skilled construction trade, then there will be annual growth in the amount of contracts received by low-resource subcontractors/contractors and also there will be a increase in their labor

IV: If Goler CDC and its partners provide Contractor Resource Center for low-resource subcontractors/contractors and GCs focused on the skilled construction trade
DV: There will be annual growth in the amount of contracts received by low-resource subcontractors/contractors and also a increase in their labor force

IV: Goler CDC and its partners provide Contractor Resource Center for low-resource subcontractors/contractors and GCs focused on the skilled construction trade
DV: Annual growth in the amount of contracts received by low-resource subcontractors/contractors and also a increase in their labor force

-A random sample of businesses will be selected in order to come up with the independent and dependent variables.

force.

- If the Contractor Resource Center provides training through a HUB Academy to participating businesses, then these businesses will have access to professional services (legal, financial, estimator, technical writer, software, technology services).

-If the Contractor Resource Center increases low-resource participation in large scale construction projects, then low-resource businesses will have and increase in social capital, financial capital and market access.

-If the Contractor Resource Center aid low-resource businesses in partnering with each other and collaborating contractually with majority contractors, then there will be and increase in bonded companies, increase in social capital, increase in financial capital, increase in market access and a increase in technology business tool.

-If the Contractor Resource Center bring intellectual capital to the underserved market of low-resource/majority businesses to network and build relationships, then there will be an annual

IV: If Contractor Resource Center provides training through a HUB Academy to participating businesses
DV: Low-resource businesses will have access to professional services (legal, financial, estimator, technical writer, software, technology services).

IV: If Business Resource Center increases minority participation in large scale construction projects
DV: Minority businesses will have and increase in social capital, financial capital and market access

IV: If Contractor Resource Center aid low-resource businesses in partnering with each other and collaborating contractually with majority contractors
DV: There will be and increase in bonded companies, increase in social capital, increase in financial capital, increase in market access and a increase in technology business tool

IV: If Contractor Resource Center bring intellectual capital to the underserved market of low-resource/majority businesses to network and

IV: Contractor Resource Center provides training through a HUB Academy to participating businesses

DV: # of low-resource businesses who will gain access to professional services (legal, financial, estimator, technical writer, software, technology services).

IV: Contractor Resource Center increase low-resource participation in large scale construction projects

DV: # of low-resource businesses who have a increase in social capital, financial capital and market access

IV: Contractor Resource Center aid low-resource businesses in partnering with each other and collaborating contractually with majority contractors

DV: increase in the # of bonded companies, increase in social capital, increase in financial capital, increase in market access and a increase in technology business tool

IV: Contractor Resource Center bring intellectual capital to the underserved market of low-resource/majority businesses to network and build relationships

DV: Annual increase in contracts, contractors growth in labor force, access to professional services, increase in

-These samples should be somewhat easy to come up with through the City of Winton Salem's website of WMBE in the region

increase in contracts, contractors growth labor force, access to professional services, increase in bonded companies, increase in social capital, increase in financial capital, increase in market access and increase in technology tool.

build relationships
DV: There will be an annual increase in contracts, contractors growth in labor force, access to professional services, increase in bonded companies, increase in social capital, increase in financial capital, increase in market access and increase in technology

bonded companies, increase in social capital, increase in financial capital, increase in market access and increase in technology

SUSTAINABILITY:

SUSTAINABILITY ELEMENTS

There are financial, political, and social circumstances that may affect the host community and the viability of this program. When thinking of how to sustain a program for a long term the program should seek to gain support of stakeholders using effective marketing techniques, collaborating with other organizations, developing volunteers, and diversifying funding. Although the Victory Contractor Resource Center is a program under Goler CDC, the resource center must develop and identify ways of sustaining itself using marketing, collaborating, developing volunteers, and diversifying funding. Since the Victory Contractor Resource Center is a new program, it is urgent that the entire community is aware of this program's existence. If our marketing efforts are not successful, the entire program will be subjected to possible failure. The City of Winston Salem has invested millions of dollars to revitalize its downtown. If the Victory Contractor Resource Center is not able to gain the support of the Winston Salem community then the center could find itself in financial, political, and social jeopardy.

SUSTAINABILITY PLAN

In order to make this program sustainable over time the Victory Contractor Resource Center will implement an aggressive marketing strategy, establish collaborations with other organizations, develop volunteers, and diversify funding sources. Each of the elements of a successful sustainability plan are important, however a successful marketing strategy will help to establish collaborations with other organizations, establish volunteer development, and also help diversify funding sources. The marketing plan if effective will ultimately increase local funding sources, increase the confidence of local politicians, and increase the social capital of the resource center. Developing resource-rich partnerships is a vital strategy for sustaining this program. Likewise, making sure the community is aware of, who you are, and what the resource center will do will help ensure this program's ability to sustain, expand, and flourish. Each of these activities creates a piece of the support needed for a sustainable program. More important, when combined they create a synergy that exceeds the value of any of the individual pieces. What steps have the resource center taken thus far in order to make the center

sustainable? The resource center has created a local network of support of current and potential stakeholders. Also, the advisory board must have an identified champion of the resource center. This individual should look for opportunities to talk about or demonstrate the effectiveness of the program to others, tell the resource center about opportunities to collaborate with other groups, identify funding opportunities, and see opportunities to publicize what the resource center does. Also, the resource center has used press releases, news articles, and the internet as resources of marketing. Expectations of sustaining the resource center into the future are positive. Hence, the center is a program under the auspices of Goler CDC. Goler as a young organization in its own right has effectively been able to generate local support for present programs and likewise this presents should be a benefit for the Victory Contractor Resource Center. What will be needed to improve the programs sustainability is continued broadening the marketing of the resource center to locally and regionally.

INSTITUTIONAL PLAN

Goler CDC's staff and board of directors, who sponsors this program, has dedicated its time towards helping the incoming director of the resource center with fundraising efforts. Goler CDC's executive director and its board has committed to helping in these efforts in order to allow the director of the resource center to focus their energies on the day to day operations of the center and not solely on funding.

CONCLUSIONS

At the start of this program, initially the resource center's advisory board wanted to work with 18 low resource subcontractors in the construction industry. This number changed to nine subcontractors participating in the program after the advisory board applied for \$500,000 over a five year period but was granted \$375,000 over five years. The goals and objectives did not change during the course of the program, thus many objectives were achieved between the initial needs assessment and implementation. The program began with a very successful needs assessment that clearly identified the need for low-resource subcontractor's participation in large construction projects statewide. The advisory board was able to identify various resource centers in the state that were already doing similar work and was thus able to learn about their challenges, and received suggestions of best practices. Through the weekly advisory board meetings guest were invited to attend and share their needs. Also, participant criteria, was established out of these meeting. Next, the programs offered by the resource center were identified and program services were established. Programs and services to be delivered to participants were identified and the advisory board was confirmed alone with the scheduling of weekly meetings. The advisory board developed an aggressive marketing campaign to increase participation and awareness in the program. The marketing campaign included press releases, news articles, the internet, and professional organizations. Also, program infrastructure has been put in place. Nevertheless, there are many objectives that are partially accomplished. Goler CDC's board has placed the director of the resource center position on the internet, but has yet to hire a director. Program services have not yet been finalized, and the development of the form, process, evaluations to contract professionals and mentors has not been finalized. Mentors and speakers for the program have partially been completed. The recruiting process for potential participants has partially been

completed. Participants for the program have not yet been identified. The application, interview, and reference process for participants has not been complete. Letters of agreement with partners are not complete and the kick-off event for the Victory Contractor Resource Center and its new building has not yet taken place. Time is the only factor that has hindered the ability for the program to be complete within two years. Although the program is ongoing, the resource center is about one and one half months behind its scheduled timeline of objectives based on the gantt chart. If this project is successfully completed, there will be an increase in minority contractor participation in large-scale projects. Additionally, minority contractors will be collaborating with each other and collaborating contractually with majority contractors to ensure their ability to get to the negotiation table and their ability to reach the scale of production necessary to adequately perform the job. Ordinarily these contracts would be beyond the minority contractor's individual capacity. The resource center will bring intellectual capital to the underserved market of low-resource construction businesses across a two county area. Also if this program is complete the resource center along with its advisory board will create numerous opportunities for low-resource and majority businesses to network and build relationships. The goal is to create 36 new jobs in the skilled construction trade by increasing 9 low-resource contractor's revenue by 20% after two years.

BUDGET:

- ❖ The Business Resource Center is a program under Goler CDC's portfolio. Goler has committed \$20,000 for operating cost and \$10,000 towards the project. The Golden Leaf Foundation has committed \$75,000 dollars, of which is the largest donation thus far, \$41,250 for operation expenses and \$33,750 towards the project. The North Carolina Minority Institute for Community Economic Development has committed \$25,000 dollars towards this program of which all of these dollars will contribute to operating cost. The resource center is applying for \$25,000 from the Piedmont Research Park. Again combined the Research Park along with Goler CDC has about 1 billion dollars of development going on line in the next 5 to 10 years. There will be a HUB Academy held at the resource center for any technical assistance needed by participants. Therefore the center is applying for \$44,637 from the University of North Carolina's HUB Academy. Forsyth Technical Community College is also a partner of the resource center, donating resources, mentoring etc. The resource center will be applying for and unknown amount of capital from this source. On the expense end of the budget \$50,000 will be paid to the director of the resource center. Paid roll taxes are estimated at about \$3,825 and health benefits \$9,216. Contract personnel are estimated to get about \$3,000 a year while legal fees \$2,000 and audit \$4,000 both per year. Internet fees are estimated to be about \$1,500 per year while marketing and advertising fees \$2,000 per year. Occupancy fees are estimated to be \$2,250 per month while office supplies \$5,000 per year and postage \$1,000 per year. Equipment purchases are estimated to be about \$2,600 per year and travel \$2,449 per year. Consultants will be paid \$3,000 per month or \$15,000 per year.

❖ PRO FORMA

INCOME	OPERATIONG	PROJECT	TOTAL
Goler Community Development Corp			\$ 30, 000
			Committed
	\$20,000	\$10,000	\$ 75,000
Golden Leaf	\$ 41, 250	\$ 33, 750	Committed
North Carolina Minority Institute			\$ 25,000
	\$25,000		Committed
Piedmont Research Park	\$25,000		\$ 25,000 Applying
HUB Academy		\$44,637	\$ 44,637 Applying
Forsyth Technical Community College			- Applying
Rural Center		\$40,000	\$ 40,000 Applying

TOTAL INCOME	\$ 111, 250.00	\$ 128, 387	\$ 239, 637
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EXPENSE

Salaries	\$ 50, 000		Biz Dev. Mgr. Pt. Admin. Asst.
Merit Increases			0%
Incentives			
Payroll			
Taxes	\$ 3, 825		
Benefits-Health Ins.	\$ 9, 216		3 FT staff
Total Salaries, Payroll			
Taxes & Benefits	\$ 63, 041		
Contract Personnel	\$ 3, 000		Temp Clerical
Legal	\$ 2, 000		
Audit	\$ 4, 000		Annual Audit
Total Audit			
Legal/Contractual	\$ 9, 000		
Membership/Dues		\$1,500	
Internet Services		\$500	
Marketing/Advertising	\$ 2, 000		
Occupancy		\$ 2, 250	
Staff			
Training			
Office Supplies	\$ 5, 000		Includes \$ 2, 500 for project software
Postage/Express Mail	\$ 1, 000		
Equipment			
Lease/Maintenance			
Equipment Purchases	\$ 2, 600		Computers, Printers, Fax
Travel	\$ 2, 449		
Consultants	\$ 3, 000	\$ 15, 000	
Board	\$ 2, 000		

Conferences/Meetings			
Meals		\$ 5, 887	
Printing/Public Relations	\$ 1, 500		
Telephone/Internet	\$ 5, 000		
Furniture	\$ 3, 000		
Insurance	\$ 3, 160		
Insurance-Other	\$ 2, 000		
Advisory meet/training	\$ 2, 000		
Payroll Processing Fees		\$500	
Depreciation Expense	\$ 2, 000		
Total Operating Costs	\$ 39, 209		
Professional Fees			
Accountant		\$ 25, 392	
Legal		\$ 25, 392	
Estimator		\$ 32, 966	
Labor Provider			
Technical School			
Scholarships		\$ 20, 000	
Total Project Costs			
Total Expenses	\$ 111, 250	\$ 128, 387	\$ 239, 637
Net Surplus (Deficit) from Operations	-	-	-

RECOMMENDATIONS

For others attempting to establish a resource center that focuses on low-resource participation in the construction industry, first I would recommend gathering lots of knowledge from individuals currently working with low-resource individuals. Learn their challenges, and also learn what challenges low-resource individuals face in gaining a fair share of construction contracts. Next, I would highly recommend that you plan and plan, and begin to talk to individuals in your community who will support your program. Build and strong team and plan for a way around obstacles. Establish a group of people in order to keep the program moving and keep your stakeholders involved. Lastly, marketing your program is essential for program success; in terms of letting people know who you are, what you are trying to do, gaining champions for your program, and establishing a strong base of stakeholders. The strategy that proved to be most helpful in the continued success of this program is getting everyone involved. Wide participation has allowed those affected by the resource center's mission, to embrace this program as their own and also embrace the more urgent need to discrimination in the construction industry.