



Date: July 20, 2021

To: Wanda S. Page, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Community Development Department
Subject: Contract with United Minority Contractors of North Carolina, Inc., for Consulting Services

Executive Summary

In November 2019, voters in the City of Durham approved a five-year, \$95 million affordable housing bond which will be combined with \$65 million from local and federal funding for a total of \$160 million investment intended to significantly preserve and increase the quality and quantity of the city's affordable housing stock. Given the magnitude of this public investment, now referred to as the *Forever Home, Durham* program, the City desires to leverage the City's commitment to support the participation of historically underutilized minority and women business enterprises (MWBEs) and to encourage local hiring on City-funded affordable housing projects.

The City has set a goal of ensuring that at least 11% of total contracting opportunities are awarded to qualified minority-owned firms and 7% are awarded to qualified women-owned firms. In addition, the City is interested in maximizing opportunities for local hiring to fill construction-related positions resulting from City-funded housing investments. Finally, the City must ensure that federal Davis Bacon and Section 3 workforce and contracting requirements are met on all federally-funded projects.

To this end, the City proposes to contract with a consultant to provide training and oversight to support the achievement of MWBE and local hiring goals and to ensure compliance with federal Davis Bacon and Section 3 requirements. The City has selected United Minority Contractors of North Carolina, Inc. (UMCNC) through a competitive process and proposes to enter into a 42-month contract in the amount of \$533,980, to be funded with Dedicated Housing Funds.

Recommendation

To authorize the City Manager to execute a contract with United Minority Contractors of North Carolina, Inc., in the amount of \$533,980 in Dedicated Housing Funds, to provide consulting support related to contracting of minority and women business enterprises, local hiring, Davis Bacon and Section 3 compliance on City-funded affordable housing projects.

Background

In November 2019, voters in the City of Durham approved a five-year, \$95 million affordable housing bond which will be combined with \$65 million from local and federal funding for a total of \$160 million investment intended to significantly preserve and increase the quality and quantity of the city's affordable housing stock. Given the magnitude of this public

investment, the City desires to leverage the investment of City funds to support the participation of historically underutilized minority and women business enterprises and to encourage local hiring on City-funded affordable housing projects.

The City has set a goal of ensuring that at least 11% of total contracting opportunities are awarded to qualified minority-owned firms and 7% are awarded to qualified women-owned firms. Qualified MWBEs must be certified as such by the N.C. Department of Administration's HUB Office, the N.C. Department of Transportation or the U.S. Small Business Administration 8(a) Program. In addition, the City is interested in maximizing opportunities for local hiring to fill construction-related positions resulting from City-funded housing investments. Finally, the City must ensure that federal Davis Bacon and Section 3 workforce and contracting requirements are met on projects that receive federal entitlement funds.

However, the Community Development Department (CDD), which is leading the execution of the City's affordable housing program, does not have the internal capacity to provide technical assistance, training and oversight of MWBE contracting and local hiring. For this reason, the City issued a Request for Qualifications (RFQ) on December 21, 2020, for Consulting Services to Oversee MWBE Contracting and Davis-Bacon/Section 3 Compliance. The scope of work in the RFQ included:

- Providing training and technical assistance to recipients of City affordable housing funds on how to meet, and document, MWBE and local hiring goals;
- Outreach to MWBE firms to ensure that they are aware of potential contracting and subcontracting opportunities;
- Tracking and reporting on MWBE contracting and local hiring on a regular basis;
- Creating programs and tools to support local hiring efforts, such as a database of Section 3 eligible individuals; and
- Completion of Davis Bacon and Section 3 monitoring and reporting for projects receiving HOME or CDBG funding from the City.

The City received seven responses to the RFQ. Qualifications were reviewed by a committee consisting of representatives of the City's Community Development Department, Office of Economic and Workforce Development and Equity & Inclusion Department. The top two scoring firms were invited to participate in virtual interviews during the week of February 15, 2021. Based on the review of qualifications and the subsequent interviews, the committee ranked UMCNC as the first choice. CDD commenced negotiations with UMCNC on scope of work and budget, which were finalized in July 2021.

CDD is recommending that the City Council authorize the approval of a contract with UMCNC. UMCNC was established in 2005 and has a proved track record working on minority contract, compliance, business development, job placement and workforce Development efforts. The firm has significant experience working in Durham on projects such as the Durham County Library, Durham Judicial Building and the 21c Museum Hotel.

Issues/Analysis

With the approval of the 2019 affordable housing bond, Durham voters have chosen to make a major investment in affordable housing. The success of this investment will be measured not just in terms of units created and preserved, but also in the creation of contracting

opportunities for the participation of historically underutilized minority and women business enterprises and employment opportunities for Durham residents.

UMCNC will provide technical assistance and monitoring on City-funded affordable housing construction, rehabilitation and repair projects from pre-construction through construction completion. This will include working with developers and general contractors on the front end to develop MWBE engagement plans, advertising opportunities for MWBE firms, and supporting selected firms through contracting, onboarding and work execution.

UMCNC will also provide technical assistance, training, monitoring and oversight of Section 3 and local hiring on City-funded projects. This will include tracking general contractor and subcontractor hiring projections and schedules, advertising workforce events and opportunities, tracking hiring and providing ongoing support to individuals hired to work on City-funded projects.

UMCNC will provide monthly reports to the City detailing MWBE activity, workforce activity, and Davis Bacon and Section 3 reporting. This information will be compiled and published on the Forever Home, Durham website and reported in quarterly community updates.

The contract period is expected to run from September 1, 2021 to February 28, 2025. The contract includes a provision that allows the City to amend and extend the contract term for an additional 18 months, through August 21, 2026, if it deems the performance of the Contractor satisfactory. Because such an extension would entail the addition of funding to the contract, City Council approval would be required.

Alternatives

City Council could choose not to fund this activity. In this case, the City would not have capacity to provide a robust technical assistance and monitoring program for MWBE contracting and local hiring as part of the Forever Home, Durham program.

Financial Impact

FY21-22 Dedicated Housing Funds in the amount of \$533,980 have been budgeted and are available to fund this contract.

Equal Business Opportunity Summary

Equity & Inclusion reviewed the RFP for Consulting Services to Oversee MWBE Contracting and Davis-Bacon/Section 3 Compliance before it was issued and no contracting goals were set. UMCNC is a minority-owned firm.

Contractor Workforce Diversity & Hiring Practices

The Contractor Workforce Diversity Questionnaire was not included in the solicitation documents due to the solicitation being issued prior to the implementation of the Contractor Workforce Diversity Policy.

Attachments

Contract

Attachment A: Scope of Work

Attachment B: City of Durham RFQ

Attachment C: UMCNC Proposal