

## MINORITY BUSINESS PARTICIPATION GOALS AND GUIDELINES

In October of 1989, the City of Lexington adopted a Minority Business Policy establishing a verifiable ten (10%) goal for the participation of minority businesses, in the awarding of building construction contracts which are awarded under the formal bid procedures [\$100,000 or more] pursuant to N.C.G.S. 143-128.

Effective January 1, 2002, Senate Bill 914 was adopted by the State which modified N.C.G.S 143-128 substantially by; increasing the formal bid threshold for formal construction contracts to \$300,000, providing more flexible methods of bidding construction contracts, and qualifying certain additional groups, "socially and economically disadvantaged individuals" as minorities. The formal bid limit has since been increased to \$500,000, however; the threshold for requiring bidders to undertake good faith efforts for the recruitment of minority contractors remains at \$300,000.

Senate Bill 914 requires public entities to develop outreach plans to identify minority contractors and bidders.

The City of Lexington's outreach plan to identify minority contractors and bidders for all building construction projects shall be to utilize the registered vendor list from the **Office for Historically Underutilized Businesses' (HUB)**, web page:

<https://www.ips.state.nc.us/ips/vendor/searchvendor.aspx>

Senate Bill 914, Section 3.1 Article 8, G.S. 143-128.2 (f) charges public entities to require bidders to undertake good faith efforts in the recruitment and utilization of minority contractors for formal building construction bids. G.S. 143-128.2 (f) further charges the Secretary of the Department of the Administration to adopt rules establishing points to be awarded for taking each effort and the minimum number of points required. Contractors are required to earn a minimum of fifty (50) points and the Secretary must assign each of the efforts at least 10 points.

For construction or repair projects that total [\$30,000 - \$300,000], Senate Bill 914 requires the agency to solicit minority participation and to document "its" good faith efforts in minority participation. This "documentation" is to be reported to the Department of Administration, Office of Historically Underutilized Business "upon completion of the project" or semi-annually if no activity has occurred. Copies of the reports are filed within the Purchasing Office and blank forms are available on the **HUB** web page listed above.

***It is the responsibility of the Department Head of any Department undertaking a FORMAL or INFORMAL Building Construction Project to report to the Purchasing Officer BEFORE any project is sent out for formal bids or informal quotes, and to maintain proper communication with the Purchasing Officer before, during, and upon completion of any building project in order for all required documentation to be collected to submit to HUBSCO.***

Pursuant to N.C.G.S. 143-128.2 (g):

The term "minority business" means a business:

- In which at least fifty-one percent (51%) is owned by one or more minority persons or socially and economically disadvantaged individuals, or in the case of a corporation, in which at least fifty-one (51%) of the stock is owned by one or more minority persons or socially advantaged individuals; and
- Of which the management and daily business operations are controlled by one or more of the minority persons or socially and economically disadvantaged individuals who own it.

The term "minority person" means a person who is a citizen or lawful permanent resident of the United States and who is:

- Black, that is, a person having origins in any of the black racial groups in Africa;
- Hispanic, that is, a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;
- Asian American, that is, a person having origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, or the Pacific Islands;
- American Indian, that is, a person having origins in any of the original Indian peoples of North America; or
- Female.

The term "socially and economically disadvantaged individual" means the same as defined in 15 U.S.C. 637.

Pursuant to N.C.G.S. 143-128.2 (h):

The State, counties, municipalities, and all other public bodies shall award public building contracts, including those awarded under G.S. 143-129 (Formal Bid Contracts) and 143-131 (Informal Bid Contracts), without regard to race, religion, color, creed, national origin, sex, age, or handicapped condition, as defined in G.S. 168A-3. Nothing in this section 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 who do not submit the lowest responsible, responsive bid or bids.

Pursuant to N.C.G.S. 143-128.2 (i):

Notwithstanding G.S. 132-3 and G.S. 121-5, all public records created pursuant to this section shall be maintained by the public entity for a period of not less than three years from the date of the completion of the building project.