

HUB Advisory Council Meeting Minutes

NC Department of Transportation
1 South Wilmington Street, Room 150, Highway Building, Raleigh, NC
November 28, 2018
10:00 am

Attendees: Council Members

Jeremy Collins	Kristen Hess
Latif Kaid	Annette Stevenson
Mary Williams Stover	Aaron Thomas
Valerie Jordan	Russell Parker
Dorrine Fokes	Terrence Holt
Doug Morton	Andrea Harris
CC Lamberth	Calvin Stevenson
Vinnie Goel	

Council Member Attendees via Phone: None Present via Phone

Absent Council Members: Odessa McGlown, Greg Richardson, Iris Reese, Kim Leazer, Lenwood Long, Sr. Tiffany Peguise-Powers

Additional Attendees: Machel Sanders, *Secretary, Department of Administration*; Christy Agner, *Deputy Secretary, Department of Administration*; Tammie Hall, *Director, HUB Office*

HUB Office Staff Attendees: LaShona Johnson and Alicia Lyon

Guest: Nimashena Burns, *NC Department of Military and Veterans Affairs*, Dene' Alexander, *NC Department of Transportation, Office of Civil Rights*, Jayce Williams, *NC Department of Administration*, Tunya Smith, *NC Department of Transportation, Office of Civil Rights*, Jamalh Greene, *NC Department of Administration, Office for State Construction*, Gerry McCants *Greensboro State NAACP Chair and McCants Communication Group*, Kimberly Hammonds, *NC Commission of Indian Affairs*

- **Call to Order**

- CC Lamberth, Advisory Council Chair, called the meeting to order, welcomed all in attendance and requested introductions from visitors.

- **Roll Call**

- **Annette Stevenson, Advisory Council Vice Chair**, asked for roll call and indicated a quorum was present. Council Chair agreed and asked for a motion to approve and accept the minutes. The minutes were approved and accepted unanimously. **The Council Chair** asked for a motion to approve and accept the Agenda. The Agenda was approved and accepted unanimously.
- **Question: Request to view Bylaws, as it relates to the Quorum consisting of the majority.**

- **Remarks**

- Secretary Machelle Sanders greeted the Council and provided brief remarks. She thanked the Council for their efforts with assistance to those affected by the storm and their continued efforts as it relates to identifying HUB firms for the recovery efforts. She commended the HUB Office on approving 1024 Certifications with 20% of those being in rural areas, conducting Certification Workshops across the state and All of the Cabinet Agencies currently have HUB Liaisons and HUB Plans in place. In addition, the HUB Office has provided language for Designer Solicitations. She thanked DOT for providing the funds to assist with conducting a Disparity Study, which is currently moving forward with evaluations.
- **Request was made by the Council, for the Secretary to provide the Council with the Accomplishments to date.**
- CC Lamberth, Council Chair, provide thanks to both the Secretary, on behalf of the Governor, and the HUB Office for all their efforts. He thanked the Council for their time and commitment and encouraged everyone to attend the meetings.
- Comment: The Council thanked the Secretary for her commitment and support.
- Comment: Roy Roberts, Lumbee, Owner of Alliance of Professionals and Consultants, certified HUB Firm, passed away and will be greatly missed. He contributed much to the HUB and Lumbee communities.
- Comments: Franklin Anderson, Pillar in the Minority Business Community, He ran Custom Molders, one of the most profitable and most successful minority business firms in the state, passed away.

- **Qualified Based Selection Process for Construction Firms**

- Latif Kaid, NC Department of Administration, Office of State Construction Presentation on Mini Brooks Act. The **Mini Brooks Act**, also known as the Selection of Architects and Engineers statute is a United States federal law passed in 1972 that requires that the U.S. Federal Government select engineering and architecture firms based upon their competency, qualifications and experience rather than by price.
- NC GS 143-64.31 - [Declaration of public policy](#)
 - all public subdivisions and Local Governmental Units thereof, except in cases of special emergency involving the health and safety of the people or their property, to announce all requirements for architectural, engineering, surveying, construction management at risk services, design-build services, and public-private partnership construction services to select firms qualified to provide such services on the basis of demonstrated competence and qualification for the type of professional services required
 - Selection of a firm under this Article shall include the use of good faith efforts by the public entity to notify minority firms of the opportunity to submit qualifications for consideration by the public entity
 - A resident firm providing architectural, engineering, surveying, construction management at risk services, design-build services, or public-private partnership construction services shall be granted a preference over a nonresident firm
- NC GS 143-64.32 - [Written exemption of particular contracts](#)

- Units of local government or the North Carolina Department of Transportation may in writing exempt particular projects from the provisions of this Article in the case of proposed projects where an estimated professional fee is in amount less than fifty thousand dollars
- NC GS 143-64.33 – [Advice in selecting consultants or negotiating consultant contracts](#)
 - On architectural, engineering, or surveying contracts, the Department of Transportation or the Department of Administration may provide, upon request by a county, city, town or other subdivision of the State, advice in the process of selecting consultants or in negotiating consultant contracts with architects, engineers, or surveyors or any or all
- NC GS 143-64.34 - [Exemption of certain projects.](#)
 - State capital improvement projects under the jurisdiction of the State Building Commission, capital improvement projects of The University of North Carolina, and community college capital improvement projects, where the estimated expenditure of public money is less than five hundred thousand dollars (\$500,000), are exempt from the provisions of this Article
- Question: Could you elaborate on the preference for a NC Firm? How is it executed? Is it a point preference? Does it have to be documented in the agency's process or how is that played out?
 - During the interview process of those agencies of those firms, if 2 firms are equal in capabilities and competency, you choose the residency firm over the non-residency firm.
- Question: So that doesn't happen if they're equal. Can you provide guidance from the statute that indicates that information?
 - Many discussions have been around the recommendations of 1st, 2nd and so forth. There is always an area of contention they can rank the vendor. But if we know the resident firm is a part of the contention, they will be selected. There are ways to select resident firms and it has happened in the past.
- Question: Curious about ways to not select but want to stand up to scrutiny to say the firm was chosen because tie goes to the runner or based on the criteria that allows credit for being resident.
 - If the firm from out of state is capable of doing the work, so is another resident firm, that has the same or similar capabilities, you have the right to select that resident firm.
- Question: Is there a scorecard when it comes to that?
 - Based on the statute, there is no scorecard.
- Question: Is there a recommendation that you can go to a scorecard because it's in best practices that you always want metrics and data to use to uphold scrutiny; for example, 20 points for being NC and 0 points because you're not. Or some form of documentation so it will not come down to he said, she said on the evaluation.
 - So much in Professional Services can be subjective that it is difficult to make it as clear.
 - There are also many types of projects but there is room on this statute that can be improved.

- Question: You see many collaborations, out of town firms partnered with local firms. How much has that factored into that preference? Has that been viewed further to evaluate a tie breaker when you have all resident firm but yet, you have a collaboration that has a resident firm, but they may not be lead?
 - That is always taken into consideration
- Question: Slides indicated GFE were attached to design services. Who monitors the GFE
 - It leaves it up to the owners to do the outreach for the minority firm to participate in QBS selection
- Question: Compliance as it relates to GFE on design, who would ensure that is taking place if they are turning in the same forms
 - The statute does not indicate providing documentation, but the State Building Commission has the right to ask those questions and it has been asked in the past.
- Comment: Is the HUB Office totally out of the process
- Comment: I would like to add Cabinet Agencies, Latif is speaking mostly with what correlates mostly to Cabinet Agencies, Local Governments have a rigorous GFE process relative to selections of Designer Firms. Many of them come in Collaborations because it's expected to be that way. So what he is more or less sharing with you is what that process is at Cabinet Agency Level.
- Comment: Based on the statute, the statute does not recommend or ask a requirement of the owner to go above and beyond what it states and that's why we reiterate there is always room for improvement.
- Comment: Just because it is not in the statute does not mean that we cannot follow a process that does not directly counteract the statute. When you talk about local government participation and you look at the reports that are coming from local governments that have already implemented teaming into the process, its not contrary to the statute, it is a different way of doing business that meets expectation that correlates with what the statute provides. The statute clearly states GFE, there has to be some level of oversight that goes along with that. Behavior dictates what the process is.
- Question: Are we going to add in
- Question: There may be opportunities to partner with the School of Government and the League of Municipalities and conduct workshops during their meetings would be beneficial to increase a growing recognition and learn the practices in urban areas. There is an ignorance when it comes to basic rules and regulation in Purchase and Contract in rural NC. Too often the tendency is they continue to do business with people they have always done business with.
 - Involve discussion in the interview process and incorporate a numerical order where points can be assigned for achievement.
 - Given that it is written in the statute you have the flexibility to ensure that it is put in there. Local Governments already have a process where points are assigned. The process was implemented so you would have something documented on how selections were made. The information is also included in the advertisement. A process is needed for agencies.
 - Action Item: Partnering to obtain basic education for Cabinet Agencies first, but to cover all.

- Comment: The responsibility is on the public entity to make the GFE. When you have conversation with School of Government and AOC, any of those entities that try to provide you with a legal perspective, they view specific actions taken but not specific actions relative to the community that they're targeting. Much of what we are about to do is informing the end user what a GFE is by not just checking a box but being specific to the request and the need.
- Comment: Follow up to the Mini Brooks Act; which is all based on QBS, and the qualification questionnaire indicates minority participation and if viewing the RFQ based on the questionnaire, we can utilize minority participation, which looks like we may be able to utilize that now. If it is not in the Designer Questionnaire, could we place the language in both?
- Comment: If the statute applies to all then, the recommendation is for the committee to look at it.
- **Pre-Selection**
 - the pre-selection committee should take into consideration the following ten factors identified in 01 NCAC 30D as:
 - Specialized or appropriate expertise in the type of project.
 - Past performance on similar projects.
 - Adequate staff and proposed design or consultant team for the project.
 - Current workload and State projects awarded.
 - Proposed design approach for the project including design team and consultants.
 - Recent experience with project costs and schedules.
 - Construction administration capabilities.
 - Proximity to and familiarity with the area where project is located.
 - Record of successfully completed projects without major legal or technical problems.
 - Other factors that may be appropriate for the project.
 - 2. Universities should follow procedures appropriate to their respective Board of Trustees.
 - 3. Community Colleges should follow their own procedures appropriate to their respective Board of Trustees.
- Question: State Agencies must call your office before they go into the selection process. Does the State Office contact the HUB Office? Is that a part of your process?
 - No, it is not. They contact SCO Office to select who is going to be on the interview process. They have to select 2 of our employees, usually Contract Administrator or Architect.
- Comment: If the HUB Office communicated with SCO Office would that be a great time for us to send the potential opportunity to the HUB Community so that we can ensure that we at least get the most potential participation and then we could follow the process to see how effective it is.
- Comment: One of the biggest issues for the HUB Office is we don't know when there is a project out until after the fact and it's on the street and maybe the HUB language is not included. It could be some requirements that we are looking for that are not there and then we have to ask them to add an addendum to their RFQ, which we could solve it all if the right players were at the table in the beginning.

- Question: They must contact SCO to put the information out.
 - Yes, for over half a million dollars
- Question: Having a member from the HUB Office on the Selection Committee, is that something you received push back on or is that something that has been entertained in the past? Suggestion was to have Jamalh represent the HUB Office at the selection committee or have both Jamalh and the HUB Office on the Selection Committee
 - On DOA projects efforts have been made to include Jamalh
- Comment: There have been some push back in Cabinet Agencies. It's a difference having a person at the table and having a person at the table that understands what's going on at the table.
- Comment: There should be a vote
- Comment: There should be a vote and there should be an equal part of the playing field. It has been a challenge to come into a cabinet agency and have a voice at the table, the EO states we will have a voice at the table.
- Comment: Some of the push back viewed from HUB Designers is that being a HUB is not a qualification feature that use to be selected they are looking for knowledge of the project, that is how the statue is written, but if it can be amended and changed they can put it there
- Comment: The HUB Office at the table is directly correlated with if the selected firm is HUB firm or not, it is a person at the table that brings a different perspective to what is being evaluated. In many cases that individual does have all of the required knowledge that any other person at the table would have from a competency perspective.
- Question: Who creates the team?
 - Usually the CPC, the Owner, will call SCO and ask which 2 people will attend from their office and then they will bring their team with them
- Question: Doesn't the EO for Governor kick in for 10% HUB
 - Not on the design contracts
 - EO does speak to Design and Construction, in the absence of a bona fide coordinator, that the HUB Office will be that person at the table. There is push back as to if that should be a role that is adhered to.
- Question: There is push back from whom?
 - Owners. Cabinet Agency Public Owners.
 - Notification should be sent to the HUB Office on the front end and not the back end, so that you are not notified on the back end. If there is a sign off. Push back is ok, but the Governor has stated this is what needs to happen, in order to do this work right so let's figure out how to get it right. I am just thankful that this council gathers to have open conversation about what should be the right recommendation going forward as to how this can be remedied.
 - It may be something that the committee can look at the presentation from the City of Charlotte, to view all of their procurement practices since it is already established and see if it can be applied to state government level.
 - Since the HUB Office may have contact with other states, which other state deals with this and gather their input to have a blueprint to model.
- Question: The language in the legislation, the word "should" as oppose to, "shall", that would be a recommendation if we are looking to change or tighten up the

language. Then under Section J, it appears the department has authority to determine what the other factors are. That will hold the department accountable for meeting those factors.

- Comment: This is open to any owners that would like to add
- Question: So, the other factors are defined by the owner only?
- Comment: Yes, the reason is to reserve to the top of the project. There are many factors and you cannot generalize and say this applies to all projects.
- NC State has procedures in place and they do a good job of scanning the state to locate qualified prospects and then the selection process is fair because we have a member of the Board of Trustees that is open to review the processes because they are robust, but I think we are missing something. The Governor can say and the EO can say, but fundamentally, I think we as a Council are missing the preparation of the participants. Now you're doing a great job of being around the state advising people and letting them know this is an opportunity but there may be such things as an opportunity but if you're not prepared to seize it because you don't know the rules or you don't understand what the qualifications are, you're going to try to come into the room or go to the short list and you're going to fail every time. So I appreciate the idea of legislating some behavior but we have to do something to help the firms that want to participate to be better able to participate and whether that is a boot camp of some sort to say "all designers in this realm come in and the SCO Office, etc and we are going to sit with you and talk about what it is that is required of you to be a participant in this process. You must have some credentials. If you think because it says in the statute, "I get to play", I think that is misleading to people. So, it's really the preparation of the participant to be able to fully comply with whatever is needed.
 - Comment: I think it's both. I think you need both opportunity and preparation. Too often we spent so much time as the state on preparation with no opportunity and when we have seen the growth and the value of the Public sector that's where many minority owned firms can get access to the Marketplace. If you view the Disparity Studies, one of the things you find in the study is that those access points in the Public sector. Public sector opportunities become extremely important to helping the firms position themselves for growth. Everyone will not need preparation, and some will. I would encourage that we do both.
 - Comment: I agree. The model from Federal Government Public Sector is remarkable.
 - Comment: In reference to the preparation, I recall when the Bond passed, the largest Bond Referendum in state and the country, the 1st action from the HUB Office, in conjunction with NC State, NC Central and all of those universities, we put up the money to begin training HUB firms on how to work the process and that worked very well. Then at one point the General Assembly funded that training and once we saw the General Assembly change the funding was taken away. Now we need to strategize around how do we get the funding back and the HUB Academy's traveled all over the state which led to great levels of participation and this was the early 2000's. So now we lack the funding to go back and corral the groups and do those same pockets of trainings that were so effective

during that time period. So what we are really having to do now is work with private entities that conducts an academy, so partner with firms to try to get the training they need. I do agree that we need both. We need preparation, once we have them ready to go and they need to have access. Then for those that are already emerging and ready to go, we need access. We need to figure out a process that will allow for that to happen.

- Comment: Count NC State in and some of my colleagues will be signed up, as well, that would be happy to participate in the academy or whatever we vote on or come up with. But I think it is important for us to get as many qualified individuals through the door as possible.
- Comment: We need to meet with your colleagues to get funding for training to assist with building that capacity or capability.
- Comment: NC State may not have the funding, but we need all 16 of the universities to participate and then you can convene the meeting, as requested and then we can come to the table and maybe we partner with firms that have training programs or academy's. But we need the UNC System to lead the way.
- Comment: All community Colleges will advertise and RFQ in IPS. Can we educate the HUB Firms to go into the system to see what is available. Everything that is formal is listed on IPS, so it is educating the HUB firms to go in on a daily basis and to look and see what is posted out there. When its Informal, Community College is recommended that it is still posted on IPS. Information for Informal is also posted in local papers and get the word out to surrounding counties and they are very robust in trying to appease and connect with as many HUB firms as they can, but it is difficult in some of the mountain locations. However, the HUB Office has been instrumental in providing contact information to western or rural areas.
 - Comment: We need to do something in communicating successes on whatever level. After the Bond, many firms stopped coming to agencies, IPS. So, we must make them believers all over again.
- Comment: Designers; my experience is that we don't really need the training, we need a job. It's difficult to get a job when you don't have the experience. I think we need pressure on the selection side for people to take a chance. If there isn't anyone on the selection committee to put pressure, then there is no pressure on the way we select. We have to change and pressure the Selectors to know what the Governor is saying that this is a priority.
- Comment: If you're looking at a list as a Designer or Contractor, then it's too late. Discussions and connections need to be made earlier. You need to be out building relationships.
- Question: What are the actions from that conversation?
 - Recommendation: The CMR is asked to provide a HUB Plan, prior results on past projects within the last 2 years as it relates to HUB Participation, etc. When majority firms or minority firms are constructing their team to win the project, this solicitation is based on they are in most instances, they are looking to maximize their HUB Participation across the tiers, The CM or Prime Majority Firm is selecting based upon the criteria. If every solicitation included this language, then all you have to do is evaluate it based on the solicitation and teams are organically going to include

minority participation at all levels. Because they think it is going to give them an opportunity to win. We need to figure out how to put something in place for the Designer, as well. The language needs to be in the Qualification Questionnaire to be consistent on both sides.

- Comment: There is no legislation for the Design firm
- Comment: We need to go back and look at the top suppliers to the state and see what they are contributing because they all have Supplier Diversity Programs in place. So, if the Community Colleges is broke, go to those primes and make a request for sponsorships.
- Comment: Greenville taps into many resources, but we need to figure out how to get the firm (small businesses) to come.
- **Overview:**
 - We need an education program that Universities will take the lead for individuals to come together for an academy or boot camp
 - We need to have a conversation
 - Decide how to secure funding
 - Align the language in the RFP and solicitation mirror each other to keep it consistent.
 - Utilize businesses that are prepared. We have many businesses that are prepared that are not currently being utilized. Some people are prepared but never have access to the opportunity. If you are not pressuring, then there is no access to the opportunity. Just because a firm has not done State Construction work does not mean they can't do the work. We need to educate them on the State Construction process. Firms need to be able to participate wherever they are. Capability is capability.
 - We will have time on the Agenda at the Presidents of the Community Colleges meeting for HUB specifically.
 - The HUB Office previously worked with the University system to fund positions that worked specifically through the bond. Portions of the funds were carved out for HUB Coordinators roles that were created through the HUB Office. We have seen much synergy on the UNC side. The latest Bond passed, and the funds went to the Community Colleges and we did not have HUB Coordinator positions identified and we have recently been able to do that. We are behind the curve ball and we are working with limited resources trying to be the eyes and ears of everything. It helps so much more when you have that dedicated person that has that in role and it's their expertise.
 - We need to tell success stories and make believers out of them.
 - We need the hand and glove syndrome. How do we put pressure on the educators? Whether it's a scorecard or communication? How do we get them to take that risk.
We are taking more chances with the majority firm then the minority firm. Historically we have lost more money with the majority firm than the HUB firm. So why are we not providing the opportunity to the HUB firms? There is no reason to not give them the opportunity to bid.
 - Comment: When encourage you to use the same criteria for both majority and minority firms.

- **HUB Office Year End Review/E025**

- Tammie Hall, Director, Office for Historically Underutilized Businesses, provided an in-depth overview of the HUB Office year End Review/E025
 - The HUB Office cannot give any contracts, but our role is to be present at the table being a voice for the voiceless. The HUB Office should not be the only entity spreading the word. Each person represented on the Council accepted a role and responsibility to be an advocate. We should all be an advocate for the HUB Program.

- **Construction & Goods and Services Report**

- Kristen Hess provided a report for Goods and Service Sub-Committee
 - Committee plans to look at Good Faith Efforts behaviors, Best Practices from other States
 - Hurricane Relief- not sure if there's any data around that and if we can capture that-will email John Guenther
 - Support HUB Firms in Eastern NC- trying to find out forecast (outreach)
Question- What is the role of the State Purchasing Office? asked to Secretary Sanders
Response- As for outreach it's only been through the IPS
Question- By the time it's entered IPS it's too late?
Response- The disconnect is that the bid is late getting to the HUB firms. They use agency websites for projects and it automatically goes into the Interscope system
- Terrence Holt provided a report for the Construction Sub-Committee
 - **Goals**
 1. Designer
 2. Continued focus on Community Colleges
 3. Focus on initiatives to increase spending in rural areas
 - Informed Committee on 5 upcoming bids
Comment- Change in behavior and practice is needed
 - **HUB Outreach**- how to do business with us and find bid opportunities can be found on the HUB website
Comment: It's available on IPS?
Question: Do Certified HUB Firms get alerts from the IPS system?
Suggestion: Make all opportunities available to all vendors
Comment: Office of State Budget management (OSBM) is the appropriate entity to get the Forecast earlier. For formal projects put into the Interscope system once the budget is approved 2 years out for Capital Projects
Comment: 6 months before statewide term contracts ends and term contracts to go out. Would like a document sent to the HUB Office with start and end dates
Comment- Mirror certification to outreach efforts
Comment: HUB Firms are lowest level is in the Statewide Term Contracts
Question: How can we get large Corporations to involve their Supplier Diversity Programs?

Comment: Reporting and Subcontracting with large firms and Providing Education

Question: Can someone come in and talk to the Council about Hometown Strong and what are the targeted rural areas in the future?

Comment: 20% new certifications in rural areas

- Bridget Wall- NCDOT Disparity Study
 - Kicked off on November 15th, 2018
 - Onsite data assessments – policy and procedures- focus groups – public hearings for MBE firms
 - A 12 months schedule will launch a website for DOT Disparity Updates
 - Antedated research conducting surveys, interviews with businesses and owners their experiences the vendors have had – are there any discriminatory action
 - Challenges with DOT- what specific experience cross reference to data – Federal Highway Programs

HUB Office -all procurement activities of spend Universities and Community Colleges support

Suggestion: Invite DIT to share information to the Council – Invite HUB Coordinators to attend MED Week

- **Open Discussion**

- No open discussions were brought to the table. “CC” Lamberth announced the date of the **next meeting – March 20, 2019 (Robeson County)**

Meeting Adjourned at 1:30pm