

HUB Advisory Council Meeting Minutes  
 Virtual Teleconference (Zoom)  
 Wednesday, August 25, 2021  
 10:00 AM

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Attendees: Council Members / Roll Call taken at 10:02 AM.

Kristen Hess	Russel Parker - ABSENT at roll call
Dorrine Fokes - ABSENT at roll call	David O’Neal
Annette Stevenson - ABSENT at roll call	Greg Richardson
Michael Ali	Valerie Jordan
Iris Reese – PRESENT after roll call	Kimberly Leazer - ABSENT at roll call
CC Lamberth	Lenwood Long, Sr. - ABSENT at roll call
Terrence Holt - PRESENT after roll call	Stephanie Pigues
Calvin Stevens - ABSENT at roll call	Jose Coker
Tiffany Peguise-Powers - ABSENT at roll call	Vinnie Goel
Denisha Harris - ABSENT at roll call	Katherine Lynn
Danielle Carman	

- Additional Attendees: Pamela Brewington Cashwell, *Secretary, Department of Administration*; Mark Edwards, *Chief Deputy Secretary, Department of Administration*; David Elliott, *Deputy Secretary of Advocacy, Diversity, Equity & Inclusion; Department of Administration*; Tammie Hall, *Director, HUB Office*
- HUB Office Staff Attendees: Alicia Lyon, LaShona Johnson, John Guenther, Traci Herrod, Alisha Puckett, Jamalh Greene, Sharonetta McIntyre, Jakala Wilson, Arthur Anderson, Iris Reese- Board Member, Carla Copes, Emanuel McGirt, Courtney Jemison
- Guests: Alexandra F. Sirota, *Director, Budget & Tax Center with NC Justice Center*; Gerry McCants, *MCCANTS, LLC*; Dr. Tanya Ayscue and Dr. Forest Toms, *Directors, North Carolina Research and Engagement Group*; Lisa Wilson, *Program Manager, NCDOT Office of Civil Rights*

**The Council Chair** asked for a motion to approve and accept the agenda and minutes.

Greg Richardson made the motion, and it was seconded by Katherine Lynn and the minutes were approved at 10:09am. Greg Richardson made a motion to accept the agenda and it was accepted by all members of the council and was approved at 10:10am.

### **Welcome and DOA Updates**

- Secretary Cashwell welcomed all guests and thanked everyone for their attendance. She introduced new leadership for NC DOA (who will be serving on the HUB Advisory Board) – Michael Ali, who is serving as the interim Director for State Construction and Danielle Carman, the newly appointed Director for The Council of Women and Youth Involvement.
- NC DOA Updates:
  - The RETOOLNC grant program distributed \$13.5M funds last year and for 2021 - has received an additional \$8M to distribute in partnership with the North Carolina Institute for Minority Economic Development and the Carolina Small Business Development Fund. Vendors currently in the RETOOLNC pipeline are already being processed.
  - The legislature continues to work through the new budget and has currently allocated an additional \$20M for RETOOLNC to continue to assist small and minority businesses. The budget has not been passed yet, so NC DOA is continuing to monitor this closely.
  - Executive Order No. 143 created the Small Business Enterprise (SBE) Program that has officially launched this month. NCDOA is very excited to have this office staffed and be able to serve small business owners across the state.
  - In October, we will celebrate Minority Enterprise Development (MED) month and the NCDOA will be working to draft a proclamation for the NC Governor's Office that will recognize and celebrate the achievements of minority businesses across the state. Please look out for MED week events popping up across the state.

### **Alexandra F. Sirota, Director, Budget & Tax Center with NC Justice Center**

- A presentation was shared to review the American Rescue Plan. The plan was signed in March 2021 and provides a temporary package to provide support to families suffering from COVID-19. The impact the plan could have would greatly decrease the poverty rate and it is anticipated that in North Carolina alone it would lower the rate to under 10%.

- The plan will further establish and create the Restaurant Revitalization Fund as it will provide debt relief to economically or socially disadvantaged farmers. It also provides funding for the State Small Business Credit Initiative and invests in a range of infrastructure projects to support businesses. The plan will allocate \$5.4B in state aid and \$3.4B in local aid specifically to North Carolina. This funding will potentially support HUB firms, allow more access to state capital, offer technical assistance, and expand marketing and contracts.

CC Lamberth asked where the council can direct communities to find these funds/opportunities under the plan?

Alexandra Sirota responded that her team is currently working to create a website that she will share once it is complete. For now, there is a fact sheet and for individual municipalities, it will be the county commissioners that will be allocating funding. The fact sheet can be found here:

<https://www.ncjustice.org/publications/state-and-local-fiscal-recovery-funds-present-opportunities-to-address-needs-in-communities/>

Mr. McCants noted that municipalities will have about 2 years to spend these funds and that stakeholders will be involved in deciding how to go about that – he encourages HUB advocates to reach out and communicate the need to see funding first be allocated to HUB vendors.

**The Council Chair** thanked the Director Smith and her team for their efforts and continued commitments.

- **Gerry McCants, MCCANTS, LLC**

- Mr. McCants introduced himself as the co-chairman of The Greensboro Business League, founded in 2018 to address the disparity spending within the city. He noted that less than 2-3% of municipal dollars are going to minority businesses as reported out by the disparity study that was just completed.
- Their goal is to work with black business leaders, elected officials, NAACP, and stakeholders to address issues. They focus on advocacy and getting money into the hands of black contractors.
- They collaborate with the Black Chambers across the state to advocate for HUBS and are continuing to grow a stronger relationship with the HUB Office. So far, the League has served around 200 businesses in the Piedmont region.

**The Council Chair** thanked Mr. McCants for his advocacy.

- **Dr. Tanya Ayscue and Dr. Forest Toms, Directors, North Carolina Research and Engagement Group**

- A presentation was shared to discuss The North Carolina Research and Engagement Group (NCREG). NCREG is a unique group – established as a consulting and

- research firm in Hickory, NC and the team consists of 5 NC A&T graduates. Their goal is aimed at providing consulting, education, training, and publishing findings.
- They are most proud of “The Guide” – a publication of over 180 pages that provides a detailed overview of the Warren County community and reviews both the history and status of minority businesses. It highlights the disparities in HUB spending and the impact it has on Warren County. The Guide was recently presented to Warren County leaders with the goal to work towards creating community strategies to address these issues.
  - NCREG takes an “inside out” approach to their research. For Warren County, they met with the residents through interviews, community engagement forums, providing social media outlets and more. The narrative and stories provided were critical to providing the historical context of the county.
  - Warren County has a total population of around 20,000 residents with 50.1% made up of African Americans. The poverty rate is 22% and the median income is around \$35K. The county currently has 389 black-owned businesses, but only 10 are HUB certified.

CC Lamberth asked how NCREG would approach a larger city such as Greensboro differently? Dr. Tanya Ayscue replied that this first example in Warren County will allow their team to move forward and they would take a similar approach (starting with the historical data) even when examining a larger city. NCREG believes in being intentional in their work.

Dr. Forest Toms noted that the next step for NCREG to is create a regional strategy and begin to examine surrounding counties close to Warren County. Their plan to is to build upon the research and data already completed in the same region.

- **DOT UPDATES -The Council Chair and Lisa Wilson provided updates from The NCDOT board**
  - September 11 & 25 NCDOT will conduct a large outreach effort in partnership with The Division of Highways on how to conduct business with them. This if the first time this type of outreach will take place.
  - NCDOT is also working on another event (a NCDOT Summit), which is currently scheduled for January 2022.
  - The NCDOT Office of Civil Rights reported a spend of \$19.79M in 2021 with HUB vendors, which is about 8%.

Mr. McCants asked the council to look at President Biden’s Executive Order No. 13985: “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” as this is a new initiative that will address disparities at the federal level for HUB vendors. He noted that municipalities will have about 2 years to spend these funds and that

stakeholders will be involved in deciding how to go about that – he encourages HUB advocates to reach out and communicate the need to see funding first be allocated to HUB vendors.

The Council Chair asked Director Hall if there may be an opportunity to have a federal partner attend an upcoming council meeting and provide updates. Director Hall responded that she will be glad to investigate this potential opportunity and it would be a value resource to have an expert share the intent of this Executive Order to help implement and guide HUB vendors.

- **Committee Reports**

- Construction Report – deferring to HUB Office report on construction.
- Purchasing Report –Jose Coker reported out that this committee met on August 25 to strategize on procurement efforts and initiatives including the HUB Boot Camp, HUB Mentor Program and reboot of the HUB Academy. They are also exploring the potential for a HUB virtual vendor fair.
- Greg Richardson commented that he would like to see more fairs, events, etc. targeted toward Native Americans as he is working with vendors who have raised concerns about the inability to compete against larger suppliers.
- Disparity Study Report – deferring to the HUB Office report on the study.

- **HUB Office Review**

- Director Hall provided updates that the HUB office has had a busy year and is continuing to offer virtual training and information sessions including Purchasing 101, Vendor Orientations, Certification Trainings, and more. HUB has continued to see a growing number of vendors interested in trainings and anticipates this will continue into this new fiscal year.
- The HUB Disparity Study is currently working on implementation.
- The HUB Office achieved 3 major goals over the past year:
  - New HUB Spend Reporting System (SRS) – The previous system captured only what was submitted based on purchase orders. The new system will now report actual dollars spent. This has been a hard effort and HUB is excited to roll our SRS. Moving forward, we will be able to report out with more accuracy.
  - RETOOLNC – The first ever grant for minority businesses in North Carolina – known as the RETOOLNC Grant, provided COVID-19 relief to many HUB vendors. This was a joint effort with The Governor’s Office and included a lot of legislative support. Additional funds will hopefully be coming soon.

- SBE Launch – The newly created Small Business Enterprise program just launched because of Executive Order No. 143. This program has already certified over 1600 vendors with Iris Reese serving as the SBE Program Manager.
- HUB Compliance Officer John Guenther shared a presentation with the data (see some slides below) that show HUB Participation for FY 20-21. He noted that IPS is used for the reporting of goods and services and InterScope+ and HUBSCO is used for the reporting of construction. The committee was provided with the full spending report to review.
- In summary, a lot of money was spent in total with HUB vendors this last fiscal year (more than was spent last year) – but there is still work to do in the goods and services area to reach the 10% goal and to increase the diversity of spend among the different HUB categories.

Agency Category	Total (\$)	HUB (\$)	HUB (%)
Cabinet Agencies	\$2,423,618,903	\$167,278,241	6.90%
Community Colleges	\$757,525,642	\$56,846,953	7.50%
Council of State	\$247,927,397	\$6,543,974	2.64%
Public Schools	\$2,581,243,458	\$253,197,196	9.81%
State Universities	\$3,013,683,865	\$72,682,598	2.41%
Supporting Agencies	\$249,787,285	\$36,838,375	14.75%
Total	\$9,273,786,550	\$593,387,337	6.40%

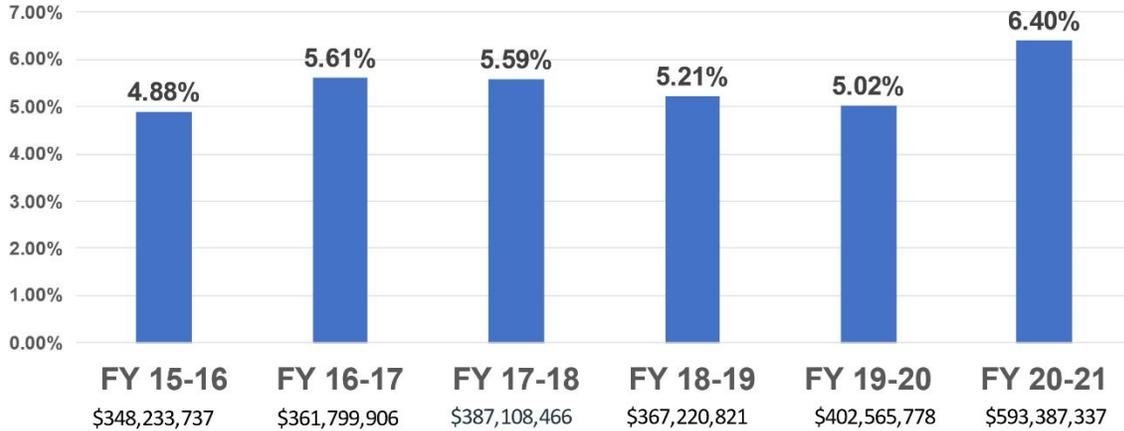
Compared to FY 19-20:

- Total Spend Increased by \$1.23 Billion
- HUB Spend Increased by \$190.8 Million
- HUB Participation increased by 1.38%

Note: FY20-21 data is incomplete



## HUB Participation Goods & Services FY16 to FY21



Note: FY20-21 data is incomplete

## At Final Design and Construction Spending FY21



### Design and Construction at Final

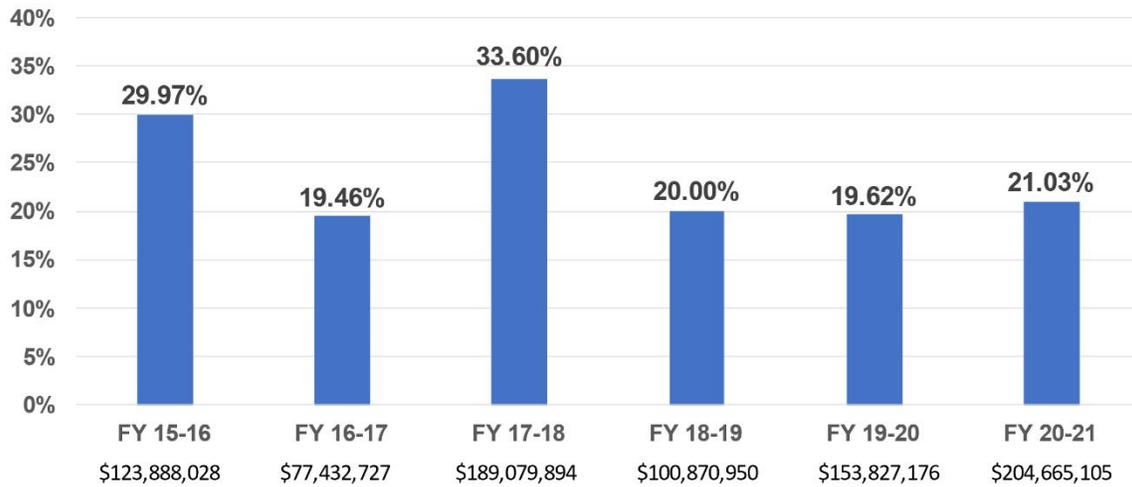
Agency Category	Design Final HUB \$	Design Final Total \$	Design Final HUB %	Construction Final HUB \$	Construction Final Total \$	Construction Final HUB %
Cabinet	\$5,784,083	\$20,933,507	27.63%	\$24,636,201	\$152,099,367	16.20%
Community College	\$587,223	\$10,055,380	5.84%	\$12,858,233	\$100,466,543	12.80%
Council	\$0	\$263,075	0.00%	\$478,578	\$478,578	100.00%
Support	\$0	\$988,238	0.00%	\$0	\$1,284,288	0.00%
University	\$509,535	\$16,692,515	3.05%	\$93,186,545	\$356,170,990	26.16%
Counties	\$0	\$0	0.00%	\$21,863,459	\$85,457,602	25.58%
Municipalities	\$0	\$0	0.00%	\$31,740,122	\$118,100,540	26.88%
Non-State Agencies	\$0	\$0	0.00%	\$0	\$6,488,163	0.00%
Public Schools	\$0	\$0	0.00%	\$19,848,391	\$151,437,961	13.11%
Water and Sewer Authorities	\$0	\$0	0.00%	\$53,576	\$1,445,265	3.71%
<b>Total</b>	<b>\$6,880,841</b>	<b>\$48,932,715</b>	<b>14.06%</b>	<b>\$204,665,105</b>	<b>\$973,429,297</b>	<b>21.03%</b>

#### Design Spending Compared to FY 19-20:

- Total Spend Decreased by \$16.6 million
- HUB Spend Decreased by \$1.7 million
- HUB Participation increased by 0.92%

#### Construction Spending Compared to FY 19-20:

- Total Spend Increased by \$189 Million
- HUB Spend Increased by \$50.8 Million
- HUB Participation increased by 1.41%



Jose Coker asked if the reports are certified and if there was any metrics used to verify accuracy? Director Hall replied that at this time, this is not part of the process and that reporting works on an honor system / part of the good faith efforts asked for by HUB. John Guenther noted that the HUB staff will investigate this question to ensure compliance with reporting requirements.

- **Upcoming Events**

- 2021 MED Week’s theme will be “Engage, Empower, Execute and Enhance Opportunities for Business Growth” with the date TBD.

**The Council Chair** asked for a motion to adjourn – Kristen Hess made the motion, and it was seconded by Katherine Lynn.

**Meeting Adjourned at 12:37pm with a motion by The Council Chair.**

All members exited the teleconference by approximately 12:38pm.