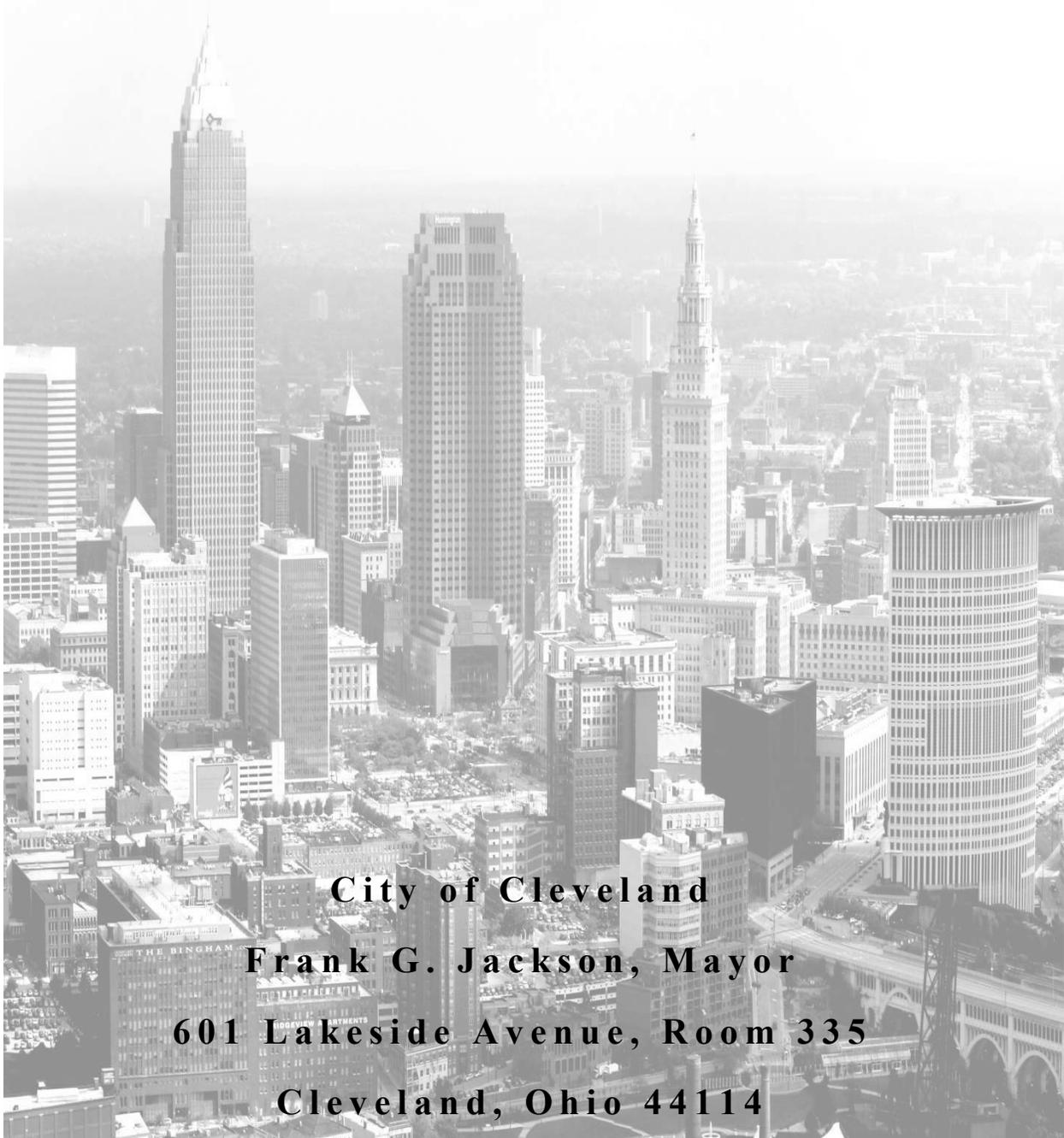


# Mayor's Office of Equal Opportunity

CITY OF CLEVELAND: *Compliance Monitoring Efforts in 2017*

## 2017 ANNUAL REPORT



*June 4, 2018*

*Photo Credit: City of Cleveland Photographic Bureau*

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***“Self-help means to invest in the local economy by procuring goods and services from local companies and by hiring local employees...Contracting is one strategy that the city of Cleveland is using to promote local economic investment and inclusion.” In 2018, the goal of the Office is to expand community benefits into the private sector to include procurement of goods and services as a way of sustaining the local economy and creating generational wealth.***



**Mayor Frank G. Jackson**

## Letter from the Director

The City of Cleveland and the Mayor's Office of Equal Opportunity (OEO) continued to fulfill the Mayor's mission for the office, "**advancing equal economic benefit for all Clevelanders.**" By effectively administering, monitoring, and enforcing overall contract compliance goals and requirements, OEO serves as an advocate for business inclusion and resident employment within the community. The foundation of OEO's work is divided into four main functions including: 1) certification; 2) Good Faith Effort evaluation; 3) contract compliance; and 4) contract closeout. Through contracting, the functions of OEO provide Cleveland residents a pathway to self-sufficiency for all including minorities, females, and Cleveland area small businesses.

As noted last year, the State of Ohio continues to challenge the Fannie M. Lewis, the Cleveland Resident Employment Law, also known as the Fannie M. Lewis Law [Ordinance 188]. Effective January 1, 2004, the Law requires that every public improvement contract at or greater than \$100,000 utilizes Cleveland residents for twenty percent (20%) of construction worker hours, and with good faith effort, targets four percent (4%) of the worker hours to Low Income residents. To date, the City and OEO remain committed to advancing equal economic benefit and opportunity to all Clevelanders, through the Ordinance.

As the Office moves into 2018, there are three goals: 1) To complete the Cleveland Resident Employment Law Assessment; 2) To determine a systematic approach at certifying more contractors in areas where the City currently lacks certified contractors; and 3) To transition the work of the office into creating opportunities for wealth creation through procurement and sourcing, per the Mayor.

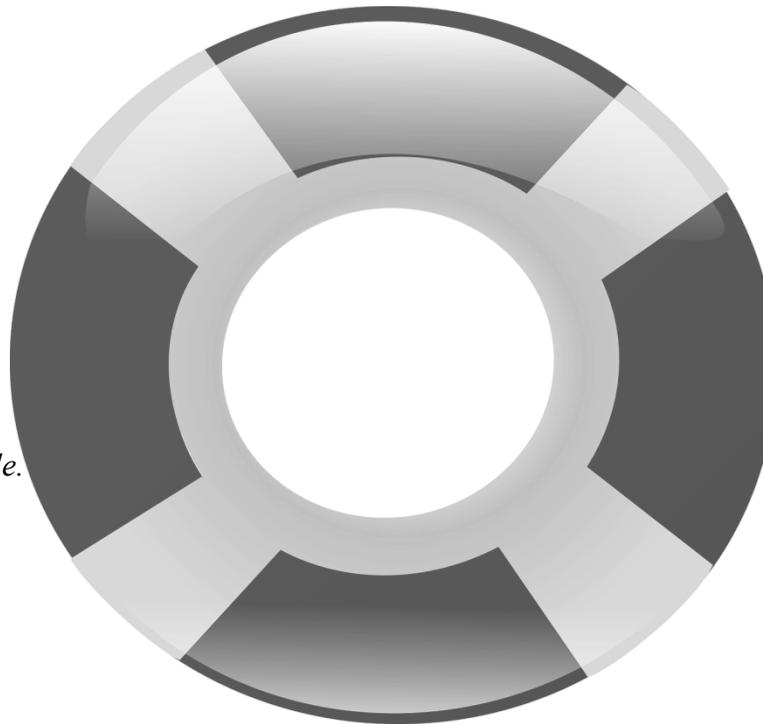
With regards to the third goal of wealth creation through procurement and sourcing, similar to the Community Benefits Memorandum of Understanding (MOU) process, OEO will specifically work with the private sector discussing ways the private sector can commit to contracting, procuring and sourcing of goods & services, all from a wealth creation model. The model will be designed around ways of increasing equity and decreasing disparity. With billions of dollars being spent on development in the City, it is and continues to be imperative that Cleveland residents be afforded the opportunity and home rule authority to participate in the economic viability of the City and region.



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## 1. Certification

*Certifies businesses as local small businesses, minority-owned businesses, and/or female-owned businesses, and provides outreach.*



## 2. Evaluation

*Evaluates Good Faith Effort of bidders to meet subcontracting goals on contracts prior to award.*

## 3. Compliance

*Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.*

## 4. Closeout

*Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.*

## OEO Staff

OEO is responsible for the administration, monitoring and enforcement of the Fannie M. Lewis Cleveland Resident Employment Law, and the Cleveland Business Code, an ordinance that impacts Minority Business Enterprises (MBEs), Female Business Enterprises (FBEs), Cleveland Area Small Businesses (CSBs), Local Producers (LPEs), and Local Sustainable Businesses (SUBEs). OEO staff is committed to enforcement of Cleveland Codified Ordinance Chapters 187, 187A, and 188.

### OEO Staff Members

<b>Dr. Melissa K. Burrows</b>	<i>OEO Director</i>
<b>Michael Curry</b>	<i>Assistant OEO Director</i>
<b>Andrew Bean</b>	<i>Compliance Intern</i>
<b>Barbara Esperon</b>	<i>Administrative Manager</i>
<b>Lance Mason</b>	<i>Minority Business Development Officer</i>
<b>Nora Singleton</b>	<i>Certification Officer</i>
<b>Sandra Stack</b>	<i>Contract Compliance Officer</i>
<b>Hank Swager</b>	<i>Contract Compliance Officer</i>
<b>Jeremiah Triplett, Sr.</b>	<i>Assistant Contract Compliance Officer</i>
<b>Carol Whitaker</b>	<i>Minority Business Development Officer</i>
<b>Jennifer Wiman</b>	<i>Contract Compliance Officer</i>

## Executive Summary

The Office of Equal Opportunity's (OEO) Annual Report represents the City's Spend on contracting for the 2017 calendar year, outreach efforts to encourage and ensure inclusion, and the Department's outlook for 2018. The report is organized into several sections based on the Office's functionality including: Mission and Standards; Certification Team; Evaluation Team; and Compliance Team. Additionally, the report includes summaries from the Closeout/Penalty Team; Community Development and Economic Development Departments; and Community Benefits Agreements. Finally, the report provides a summary of results based on contracts awarded in 2017 based on participation goals and requirements, for contracts beginning at \$50,000.

During the 2017 fiscal year, the City of Cleveland invested in **114** OEO monitored projects valued at **\$170,382,973.41**. The total amount does not include Community Development (CD) and Economic Development (ED) projects. Although both CD and ED projects receive City funding, the contracts are not approved through the standard City contracting processes of the Board of Control.

In 2017, certified prime contractors were awarded **\$111,837,888.54** compared to \$80,989,153.35 in 2016 representing **65.6%** of all contracts awarded. Certified subcontractors were awarded a total of **\$38,677,396.55** compared to \$41,085,772.55 in 2016, representing a slight decrease of 5.9% of the total amount of dollars awarded. Although the approximate **22.7%** of all contracts awarded includes all bid contracts that were issued with subcontracting goals attached, the percentage does not include those contracts where goals were waived due to impossibility or impracticality of subcontracting, given the nature of the product or service being procured. Additionally, there were no design/build contracts awarded in 2017 that included participation by subcontractors.

Along with overseeing contracts, the Office of Equal Opportunity is engaged in other activities including: implementing recommendations based on the completion of the Cleveland Resident Employment Law: 10-Year Assessment; working with the State of Ohio on a joint certification process; drafting updated legislation on a small contractor rotation program; and leading a subcommittee of the Opportunity Corridor.

## **Mission and Standards**

### **OEO Mission**

The mission of the Office of Equal Opportunity is, “to advance equal economic benefit for all Clevelanders by ensuring compliance with contractor goals and requirements, by providing development and supporting activity for target groups and by overall advocacy with a commitment to excellent public service.”

### **OEO Standards**

OEO administers, monitors, and enforces compliance for MBE, FBE, and CSB on municipal contracts. There are three teams within the department that handle the following administrative tasks:

1. **Certification Team:** Certifies businesses as local small businesses, minority-owned businesses, and/ or female-owned businesses, and provides outreach.
2. **Evaluation Team:** Evaluates the Good Faith Effort of bidders to meet subcontracting goals on contracts prior to award.
3. **Compliance Team:** Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.
4. **Closeout Team:** Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.

### **OEO Ordinances**

**Chapter 123.08:** Prevailing Wage

**Chapter 187:** *Cleveland Area Small Business Code*

**Chapter 187A:** *Local Producer and Sustainable Business Preference Code*

**Chapter 188:** *Cleveland (Fannie M. Lewis) Resident Employment Law*

**Chapter 189:** *Cleveland Fair Employment Law*

## Certification Team

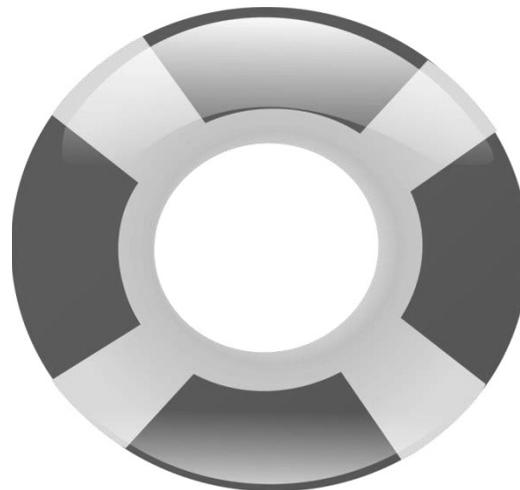
The Certification Team reviews and processes applications of companies seeking certification based on eligibility by the City of Cleveland's Office of Equal Opportunity as one or more of the following:

- Cleveland Small Business (CSB)
- Minority Business Enterprise (MBE)
- Female Business Enterprise (FBE)
- Local Producer Enterprise (LPE)
- Storefront Renovation Program (SRP)
- Local Sustainable Enterprise (SUBE)
- Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)

The Team maintains a registry of certified contractors and does a significant amount of consulting. It is estimated that the Certifications Team handles approximately 400 consultations per year by providing in-depth information to applicants regarding doing business with the City. Also, the Team provides business development and outreach, conducting Quarterly Contractors Meetings; a platform to share information, networking and outreach. Two examples of outreach partnerships include the James H. Walker/Turner Construction Management Program and the Emerald Cities Collaborative.

### Certification

*Certifies businesses as local small businesses, minority-owned businesses, and/or female-owned businesses, and provides outreach.*



## The James H. Walker/Turner Construction Management Program

As an example of business development and outreach, the James H. Walker Construction Management Program is sponsored by the City of Cleveland, Turner Construction Company, and Cuyahoga Community College. The purpose of the program is to build capacity of small businesses by providing them with business management competencies including but not limited to estimating, accounting, marketing, and several other construction management areas that allow construction companies to become more efficient and prosperous.

The Walker program is a twelve session course with classes held once a week. The course is taught by experienced construction and management professionals in various fields of expertise. To date, over 2,220 entrepreneurs, small as well as major business owners and trades people have taken this course and are now operating successful and distinguished businesses. The course is named in honor of the late James H. Walker, a former employee of the City of Cleveland. Mr. Walker advocated for the advancement of minorities in construction and general contracting. In 2017, twenty-one individuals were a part of the 48<sup>th</sup> graduating class.



*Photo Credit: City of Cleveland Photographic Bureau*

*James H. Walker/Turner Construction Management Program, Class of 2017*

## **The Emerald Cities Collaborative/E-Contractor Academy**

Another example of business development and outreach is the Emerald Cities Collaborative. In 2017, Emerald Cities added the E-Contractor Academy (ECA) Program; a program provided by Emerald Cities Collaborative – Cleveland with support from Cuyahoga County, the Northeast Ohio Regional Sewer District and JP Morgan Chase, and the City of Cleveland. Together, program partners are helping various business enterprises and contractors with developing careers in the energy efficiency, renewables, storm water management and green infrastructure (GI) sectors.

E-Contractor Academy is a seven week course, with classes held once a week, and include up to one year of technical assistance, as needed. ECA prepares contractors with competing for and performing energy efficiency retrofits in public, commercial and residential buildings; renewable energy projects; storm water management and GI projects. The course is taught by experienced subject matter experts and professionals within the green economy space. To date, over 50 entrepreneurs, small, as well as, major business owners and Cleveland residents have taken the course and are now operating and/or expanding their business presence within the green economy. The course is facilitated by the Cleveland office of Emerald Cities Collaborative, a national nonprofit, working to create high-road—sustainable, just and inclusive—local economies. Emerald Cities is headquartered in Washington, D.C., and works in Emerald Cities nationwide, including Cleveland.

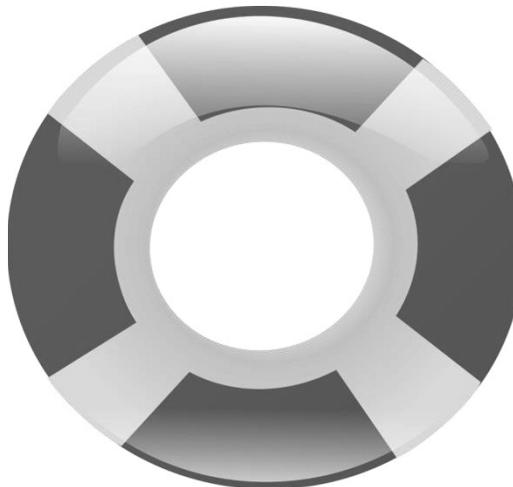
# **THE EMERALD CITIES COLLABORATIVE/ E-CONTRACTOR ACADEMY**

## Evaluation Team

The Evaluation Team is responsible for evaluating OEO Schedules to determine whether a “good-faith effort” has been made to utilize CSB, MBE and FBE subcontractors. They are also responsible for determining whether or not a goal can be waived or reduced and for evaluating and approving RFP/RFQ mailing lists. The Evaluation Team prepares for and attends Board of Control Meetings (BOC) and Consultant Review Committee (CRC) Meetings in an advisory capacity.

### Evaluation

*Evaluates Good Faith Effort of bidders to meet subcontracting goals on contracts prior to award.*



### Good Faith Effort

A major function of OEO is to evaluate a contractor’s commitment as submitted through documentation with bid packages. The evaluation is based on a contractor’s “good faith effort” to achieve the inclusion goals. Specifically, OEO reviews Schedules 1 through 4 to determine whether the contractor has made a good-faith effort to employ CSB, MBE, and FBE subcontractors, as applicable to the contract. To make their determination, OEO examines primarily the following aspects of the project on all bids beginning at \$50,000:

- **Opportunities for Subcontracting** What opportunities the project presents for subcontracting part of the work is determined from the nature of project and scope of services and what bidders propose to subcontract.
- **Availability of CSB/MBE/FBE Potential Subcontractors** The OEO then takes into consideration what the number of CSB/MBE/FBE firms that are listed in its *CSB/MBE/FBE Registry* for each potential area of subcontracting:
  - Available on the City’s website at: [www.city.cleveland.oh.us/oeo](http://www.city.cleveland.oh.us/oeo).
- **Bidder’s Commitment to CSB/MBE/FBE Subcontractors** OEO refers to a bidder’s Schedules 2 and 3 to determine whether they represent a commitment to subcontract project work the bidder represents it will subcontract to certified CSB/MBE/FBEs (measured as a percent of the total bid amount) in order to meet the percentage goal(s) for the contract.

- **Bidder's Efforts to Subcontract to CSB/MBE/FBE Firms** If a bidder does not demonstrate in its Schedules that it will subcontract to certified CSB/MBE/FBEs a percent of work approximately meeting the contract goal(s), the OEO refers to a bidder's Schedule 4. A bidder must document their efforts to contact available certified firms to meet the contract goal(s) or explain the unavailability of firms or the impracticality of subcontracting, as applicable. In evaluating Schedule 4, OEO considers the subcontracting opportunities and number of certified firms available for each opportunity.



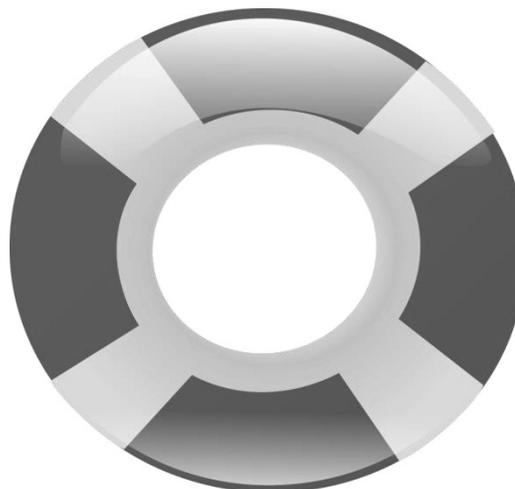
*Photo Credit: City of Cleveland Photographic Bureau*

## Compliance Team

Throughout the life of a contract, the Compliance Team monitors active projects driving them to completion. Participation is closely monitored for compliance with MBE, FBE, and CSB subcontractor participation. Additionally, contracts are monitored for Cleveland Residency and Cleveland Low Income workforce participation.

### Compliance

*Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.*



Based on the type of contract (design build, horizontal construction, vertical construction, professional services and other), there are various Citywide participation goals. More specifically, the participation goals for contracting in the City of Cleveland are as follows:

Citywide Goals	
Design Build	40% CSB
Horizontal Construction	30% CSB
Vertical Construction	15% M 8% C 7% F*
Professional Services	10% CSB
Other	20% CSB
*M=MBE, C=CSB, F=FBE	

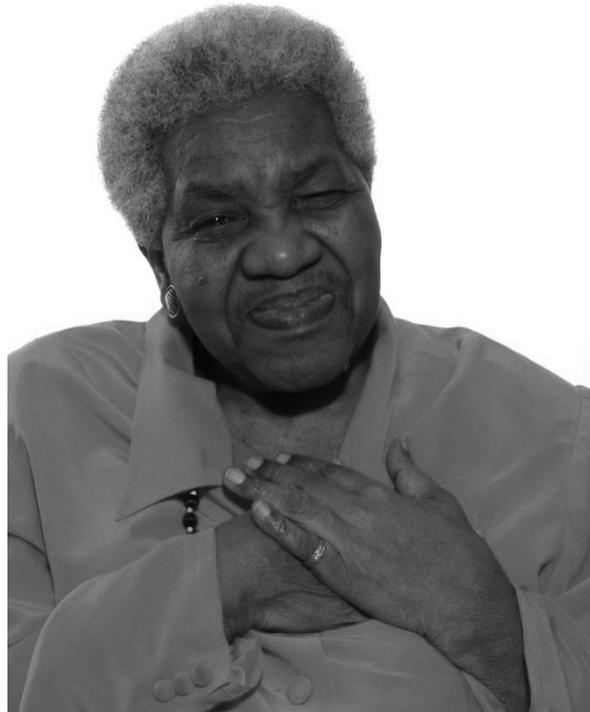
In addition to citywide goals, the Cleveland Resident Employment Law requirements are as follows:

Cleveland Resident Employment Law Requirements	
Cleveland Residents	20% of the contracts' workforce
Low Income Workers	4% of the 20% of the contracts' workforce

Once contracts are completed, the Compliance Team provides a final audit of the contract and then requests assistance by the Closeout Team for review and determination of whether the contract met the goals and requirements on the contract.

As noted in OEO's 2016 Annual Report, the State of Ohio signed into law House Bill 180 (Public Improvements-Remove Local Hiring Restrictions) making it illegal for public entities to require contractors to employ a certain percentage of workers on public improvement contracts. In 2017, the trial court (Judge Michael Russo) ruled in favor of the City, declaring that the State's enactment of R.C. 9.49 was an unconstitutional infringement on the City's Home Rule powers of local self-government. On February 24, 2017 the Attorney General on behalf of the State of Ohio filed a notice of appeal. Later in the year, October 24, 2017, the Eight District Court of Appeals heard oral arguments in the lawsuit. Finally, on December 7th, 2017, the Eight District Court of Appeals upheld the trial court's decision in favor of the City's Fannie Lewis Law.

***Councilwoman Fannie M. Lewis***



*Photo Credit: City of Cleveland Photographic Bureau*

## Closeout Team

Once a project is complete, the Closeout Team carefully reviews and investigates whether or not all project goals and requirements have been met. In the event that that a contractor breaches its construction obligation for Cleveland Resident Construction Hours as stated in Section 188.02 of the City’s Ordinance, the project is delivered to the Penalty Team for penalty calculation.

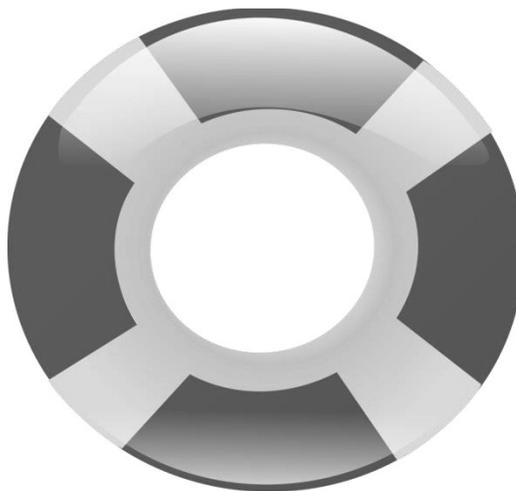
The Penalty Team calculates a penalty at the rate of one-eighth of one percent (0.125%) of the final total amount of the Construction Contract for each percentage by which it fails to meet the requirement. If a Low Income objective is not met, the Director in his or her sole discretion may determine whether a penalty is appropriate by conducting a Significant Efforts Test. Contractors are entitled to appeal the determination of penalty within 10 days of receiving their notice of penalty letter.

In 2017, \$22,241.00 in penalties was assessed on City of Cleveland Construction Projects. There were two (2) penalty hearings held in 2017, therefore, all penalties were upheld.

<u>Year</u>	<u>Assessments</u>	<u>Number of Firms</u>	<u>Penalty Hearings</u>	<u>Amount Penalized &amp; Upheld in Year</u>	<u>Amount Collected</u>
2012	13	6	2	\$30,768.00	\$30,768.00
2013	7	6	1	\$91,929.00	\$91,929.00
2014	33	21	9	\$101,500.00	\$94,842.00
2015	5	5	2	\$12,243.00	\$12,243.00
2016	9	9	1	\$138,894.00	\$44,080.00
2017	8	8	2	\$22,241.00	\$12,941.00

## Closeout

*Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.*



## Community Development and Economic Development

Unlike other departments, Community Development (CD) and Economic Development (ED) projects are funded by a variety of sources, including both private and public funds. City funds are typically a small percentage of a project's total costs, as the City invests in partially financing projects and ensuring that important neighborhood developments come to fruition. This allows a relatively small amount of City funding to leverage millions of dollars in additional subcontracting opportunities to certified firms. OEO requires that project owners commit to using certified MBE, FBE and CSB contractors as a condition of the City investment, and those commitments are documented below.

### Community Development

In 2017, the City awarded approximately **\$5,854,933** in Community Development assistance to development projects, helping to create **\$9,215,076.38** in additional contracting commitments to certified firms.

<b>2017 Contracting Commitments to Certified Firms</b>				
<b>Total Hard Construction Costs</b>	<b>CSB Commitments</b>	<b>MBE Commitments</b>	<b>FBE Commitments</b>	<b>Total Certified Commitments</b>
\$20,726,105	\$2,349,457	\$3,304,418	\$3,561,201	\$9,215,076
	<i>11.34%</i>	<i>15.94%</i>	<i>17.18%</i>	<i>44.46%</i>

### Economic Development

In 2017, the City awarded approximately **\$16,795,936** in Economic Development assistance to development projects, helping to create **\$86,165,048** in additional contracting commitments to certified firms.

<b>2017 Contracting Commitments to Certified Firms</b>				
<b>Total Hard Construction Costs</b>	<b>CSB Commitments</b>	<b>MBE Commitments</b>	<b>FBE Commitments</b>	<b>Total Certified Commitments</b>
\$289,942,084	\$23,264,798	\$3,304,418	\$20,014,034	\$86,165,048
	<i>8.02%</i>	<i>14.79%</i>	<i>6.90%</i>	<i>29.72%</i>

## Community Benefits Agreements

A priority since elected in 2006, Mayor Jackson has consistently stated that “Self Help” (buy local, hire local, procure local) is essential for the City to ensure a prosperous regional economy; through which Clevelanders benefit. The City’s formal establishment of a Community Benefits Policy helps to further institutionalize the “Self Help” approach to investing in Cleveland.

After thorough research of other municipalities across the country operating with community benefit policies, the City of Cleveland learned that it had the essential foundation of a Community Benefit Policy because of its existing ordinances and administrative practices. The components of this policy are not new to the City; rather, they represent a compilation of Codified Ordinances and administrative practices that are in existence and implemented through the Mayor’s Office of Equal Opportunity in partnership with other City Departments.

Specifically, since 2013, there have been 69 private sector projects valued at \$1.7 billion that have adhered to the fundamental tenets of the Memorandum of Understanding (MOU) for Community Benefits Agreements signed by public, private and labor in February 2013--local hire, local procurement, local contracting and reporting<sup>1</sup>. These outcomes are a result of Mayor's leadership and intentional emphasis that construction projects and major development projects and should serve as a catalyst for economic benefit for all Clevelanders.

As previously noted the next initiative and expansion of the CBA model is the development of wealth creation through procurement and sourcing. OEO will specifically work with the private sector discussing ways the private sector can commit to contracting, procuring and sourcing of goods & services, all from a wealth creation model. The model will be designed around ways of increasing equity and decreasing disparity. With billions of dollars being spent on development in the City, it is and continues to be imperative that Cleveland residents continue to be afforded the opportunity and home rule authority to participate in the economic viability of the City and region.

# COMMUNITY BENEFITS AGREEMENT

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<sup>1</sup> Data represents 2016 metrics as collected by the Greater Cleveland Partnership.

## **Methodology**

Results for 2017 were based upon contracts awarded during the year and monitored by OEO. City Board of Control (BOC) records were the primary data source for contract awards over \$50,000. As previously noted, Community Development and Economic Development contracts are not subject to BOC approval, and therefore recorded separately.

### **Certification Data**

The Office of Equal Opportunity administers a certification program to identify Cleveland Area Small, Minority, Female, Local Producer, Sustainable, and Storefront Renovation Program (CSB, MBE, FBE, LPE, SUBE, & SRP) businesses participating in the procurement activities of the City of Cleveland. Certification is a review process designed to ensure and confirm that a local small business is actually located within the Cleveland contracting market as well as owned, controlled, and operated, by the applicants.

The certification program creates a registry of the local, minority, and female owned businesses, which serves as a directory of products and services that identifies businesses available for procurement and subcontracting opportunities. Certification is validated on an annual basis.

City contract awards are reported as a percentage given to CSB, MBE, and FBE owned firms. The contract amounts are divided among the various certification areas as follows:

- Cleveland Area Small Business (CSB)
- Minority Business Enterprises (MBE)
- Female Business Enterprises (FBE)

Presently there are **667** firms certified by the City of Cleveland and 114 monitored contracts in 2017.

OEO has an electronic certification registry available for view on the OEO link on the City of Cleveland website: <http://www.cleveland.diversitycompliance.com>.

The Certification Registry provides a user-friendly method for the public to use allowing them access to information on companies that are certified by the City, including the type of certification obtained. The registry is updated on a daily basis.

## Summary of Results for Contract Awards: 2017 Cleveland Contract Information

OEO strives to administer, monitor and enforce the City’s MBE, FBE, and CSB Enterprise codes for participation of prime and sub-contractors on municipal contracts. The staff evaluates City contracts to determine the appropriate goals based upon contract type and to validate participation levels (spend) of CSB, MBE, and FBE.

The City has established participation goals for prime and sub-contractors within five categories that routinely secure city contracts (see **Figure 1**). These categories include design build, construction, professional services, and “other.” The category “other” includes supplies, requirement contracts, maintenance contracts, etc.

The City of Cleveland is required to periodically perform a disparity study to track the legitimacy of the program. Disparity studies determine whether barriers exist in the marketplace that may prevent small, minority and/or female-owned businesses from participating in both government and private sector contracting. OEO’s most recent disparity study was concluded in December 2012.

Based on a prior disparity study, *only* vertical construction contracts have specific MBE (15%), FBE (7%) and CSB (8%) participation goals. The study found that only this sub-sector within the construction category lacks the diversification needed to reflect doing business in Cleveland. The remaining contract types have a CSB goal.

The participation goals for 2017 were as follows:

Citywide Goals	
Design Build	40% CSB
Horizontal Construction	30% CSB
Vertical Construction	15% M 8% C 7% F*
Other	20% CSB
Professional Services	10% CSB
*M=MBE, C=CSB, F=FBE	

*Figure 1: 2017 Annual Participation Goals*

The Division of Purchases & Supplies and OEO have begun meeting in preparation for a new disparity study. It is anticipated that next year’s OEO budget will include a line item for an updated study.

### Citywide Results

In 2017, Cleveland awarded city contracts totaling more than **\$170 million** (see **Figure 2, below**). The City awarded approximately **\$93 million** to firms in the construction category. Professional services contracts accounted for approximately **\$20 million** in 2017, while other goods and services accounted for approximately **\$58 million** in contracts awarded. In 2017, the City did not award any design build contracts to certified contractors.

<b>Total City Contracting</b>	<b>2017</b>
<b>Total Received:</b>	<b>\$170,382,973.41</b>
Construction	\$92,833,415.96
<i>Const. % of total</i>	<i>54.5%</i>
Professional Serv.	\$19,902,689.38
<i>Prof. Serv. % of total</i>	<i>11.7%</i>
Other Services	\$57,646,868.07
<i>Other Serv. % of total</i>	<i>33.8%</i>
Design Build	\$0
<i>Design Build % of total</i>	<i>0%</i>

*Figure 2: 2017 Total City Contracting as a Whole*



*Cleveland's Skyline over Lake Erie, view from west side of the City*

**PRIME AWARDS**

**Certified Primes**

Certified prime contractors account for approximately **\$112 million worth of prime contract awards in 2017** compared to \$81 million awarded in 2016. Of the **65.6%** of all contracts awarded by the City of Cleveland that were awarded to firms certified with the Office of Equal Opportunity, the majority of contracts were awarded to FBE/CSB primes, representing 53.5% or \$59.8 million. In 2017, there were no awards to MBE/FBE/CSB primes. The percentages of certified prime awards are listed in Figure 3.

<b>Certified Primes</b>	
<b>Total Received:</b>	<b>\$111,837,888.54</b>
CSB	\$48,251,949.96
<i>CSB % of total</i>	<i>43.1%</i>
FBE	\$2,451,045.45
<i>FBE % of total</i>	<i>2.2%</i>
MBE/CSB	\$600,644.00
<i>MBE/CSB % of total</i>	<i>0.5%</i>
FBE/CSB	\$59,812,529.13
<i>FBE/CSB % of total</i>	<i>53.5%</i>
MBE	\$721,720.00
<i>MBE % of total</i>	<i>0.7%</i>

*Figure 3: Certified Prime – Contract Awards*

A further breakdown of total dollars spent on Certified Primes in 2017 is as follows:

<b>Certified Primes 2017</b>				
	<b><u>Construction</u></b>	<b><u>Professional Services</u></b>	<b><u>Other Services</u></b>	<b><u>Total</u></b>
CSB	\$46,856,171.46	\$127,082.50	\$1,268,696.00	\$48,251,949.96
MBE	\$632,400.00	\$89,320.00	\$0.00	\$721,720.00
FBE	\$2,451,045.45	\$0.00	\$0.00	\$2,451,045.45
MBE/CSB	\$600,644.00	\$0.00	\$0.00	\$600,644.00
FBE/CSB	\$10,295,043.63	\$2,316,963.00	\$47,200,522.50	\$59,812,529.13
MBE/FBE/CSB	\$0.00	\$0.00	\$0.00	\$0.00
<b>Totals</b>	<b>\$60,835,304.54</b>	<b>\$2,533,365.50</b>	<b>\$48,469,218.50</b>	<b>\$111,837,888.54</b>

*Figure 4: Certified Primes – Total Dollar Breakdown*

Certified Minority-owned contractors accounted for approximately **\$1,411,684.00** in 2017. Specifically, in 2017, certified minority-owned primes **1.3%** of all contract awards on City monitored contracts.

<b>Minority-Owned (MBE) Primes</b>	
<b>Total Received:</b>	<b>\$1,411,684.00</b>

*Figure 5: Minority-Owned Primes – Contract Awards*

<b>Minority-Owned (MBE) Primes 2017</b>				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
<i>MBE</i>	\$1,322,364.00	\$89,320.00	\$0.00	<b>\$1,411,684.00</b>

*Figure 6: Minority-Owned Primes – Total Dollar Breakdown*

Certified Female-owned contractors accounted for approximately **\$62,263,574.58** in 2017, accounting for **55.7%** of the City’s monitored prime contract spend.

<b>Female-Owned (FBE) Primes</b>	
<b>Total Received:</b>	<b>\$62,263,574.58</b>

*Figure 7: Female-Owned Primes – Contract Awards*

<b>Female-Owned (FBE) Primes 2017</b>				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
<i>FBE</i>	\$2,451,045.45	\$2,316,963.00	\$47,200,522.50	<b>\$62,263,574.58</b>

*Figure 8: Female-Owned Primes – Total Dollar Breakdown*

**SUBCONTRACTOR AWARDS**

**Certified Subcontractors**

In 2017, certified subcontractors received nearly **\$39 million in subcontracting opportunities** compared to \$41 million in 2016 on City of Cleveland projects. The greatest subcontracting participation occurred with CSB contractors representing 62.9%.

<b>Certified Subcontractors</b>	
<b>Total Received:</b>	<b>\$38,677,396.55</b>
CSB	\$24,320,615.90
<i>CSB % of total</i>	<i>62.9%</i>
MBE/CSB	\$2,756,098.86
<i>MBE/CSB % of total</i>	<i>7.1%</i>
FBE/CSB	\$4,067,813.30
<i>FBE/CSB % of total</i>	<i>10.5%</i>
MBE/FBE/CSB	\$950,401.00
<i>MBE/FBE/CSB % of total</i>	<i>2.5%</i>
MBE	\$5,113,847.00
<i>MBE % of total</i>	<i>13.2%</i>
FBE	\$1,468,620.50
<i>MBE/FBE/CSB % of total</i>	<i>3.8%</i>

*Figure 9: Certified Subcontractors – Contract Awards*

<b>Certified Subcontractors 2017</b>					
	<b><u>Vertical Construction</u></b>	<b><u>Horizontal Construction</u></b>	<b><u>Professional Services</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
CSB	\$4,559,903.00	\$10,527,199.20	\$2,891,983.50	\$6,341,530.20	\$24,320,615.90
MBE/CSB	\$73,000.00	\$1,725,755.40	\$81,575.00	\$875,768.46	\$2,756,098.86
FBE/CSB	\$0.00	\$3,997,677.30	\$12,500.00	\$57,636.00	\$4,067,813.30
MBE/FBE/ CSB	\$855,000.00	\$95,401.00	\$0.00	\$0.00	\$950,401.00
FBE	\$1,131,197.00	\$46,935.00	\$134,346.00	\$156,142.50	\$1,468,620.50
MBE	\$5,096,497.00	\$15,350.00	\$2,000.00	\$0.00	\$5,113,847.00
<b>Totals</b>	<b>\$11,715,597.00</b>	<b>\$16,408,317.90</b>	<b>\$3,122,404.50</b>	<b>\$7,431,077.16</b>	<b>\$38,677,396.55</b>

*Figure 10: Certified Subcontractors – 2017 Breakdown*

<b>Certified Minority-Owned Subcontractors</b>	
<b>Total Received:</b>	<b>\$8,820,346.86</b>

*Figure 11: Minority-Owned Subcontractors – Contract Awards*

<b>Certified Minority-Owned Subcontractors 2017</b>					
	<b><u>Vertical Construction</u></b>	<b><u>Horizontal Construction</u></b>	<b><u>Professional Services</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
MBE	\$6,024,497.00	\$1,836,506.40	\$83,575.00	\$875,768.46	\$8,820,346.86

*Figure 12: Minority-Owned Subcontractors – 2017 Breakdown*

<b>Certified Female-Owned Subcontractors</b>	
<b>Total Received:</b>	<b>\$6,486,834.80</b>

*Figure 13: Female-Owned Subcontractors – Contract Awards*

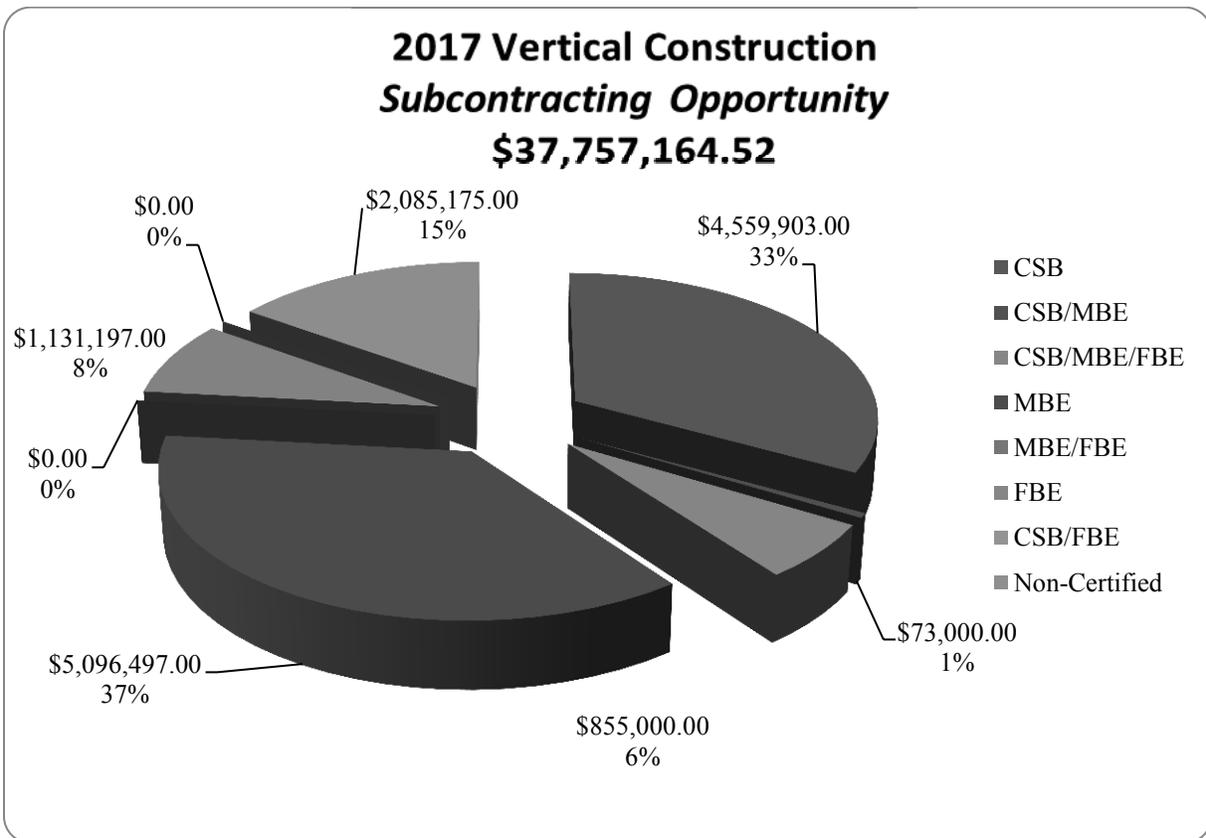
<b>Certified Female-Owned Subcontractors 2017</b>					
	<b><u>Vertical Construction</u></b>	<b><u>Horizontal Construction</u></b>	<b><u>Professional Services</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
FBE	\$1,986,197.00	\$4,140,013.30	\$146,846.00	\$213,778.50	\$6,486,834.80

*Figure 14: Female-Owned Subcontractors – 2017 Breakdown*

## Contract Compliance and Monitoring

### Vertical Construction

In general, Vertical Construction refers to the building of structures from the foundation up. In 2017, the city awarded **\$37,757,164.52** to firms in the Vertical Construction category. **Certified prime** firms were awarded **\$13,356,709.40 (35%)** on Vertical Construction contracts. Additionally, **certified subcontractors** were awarded **\$11,715,597.00 (85.0%)** on Vertical Construction contracts in 2017.

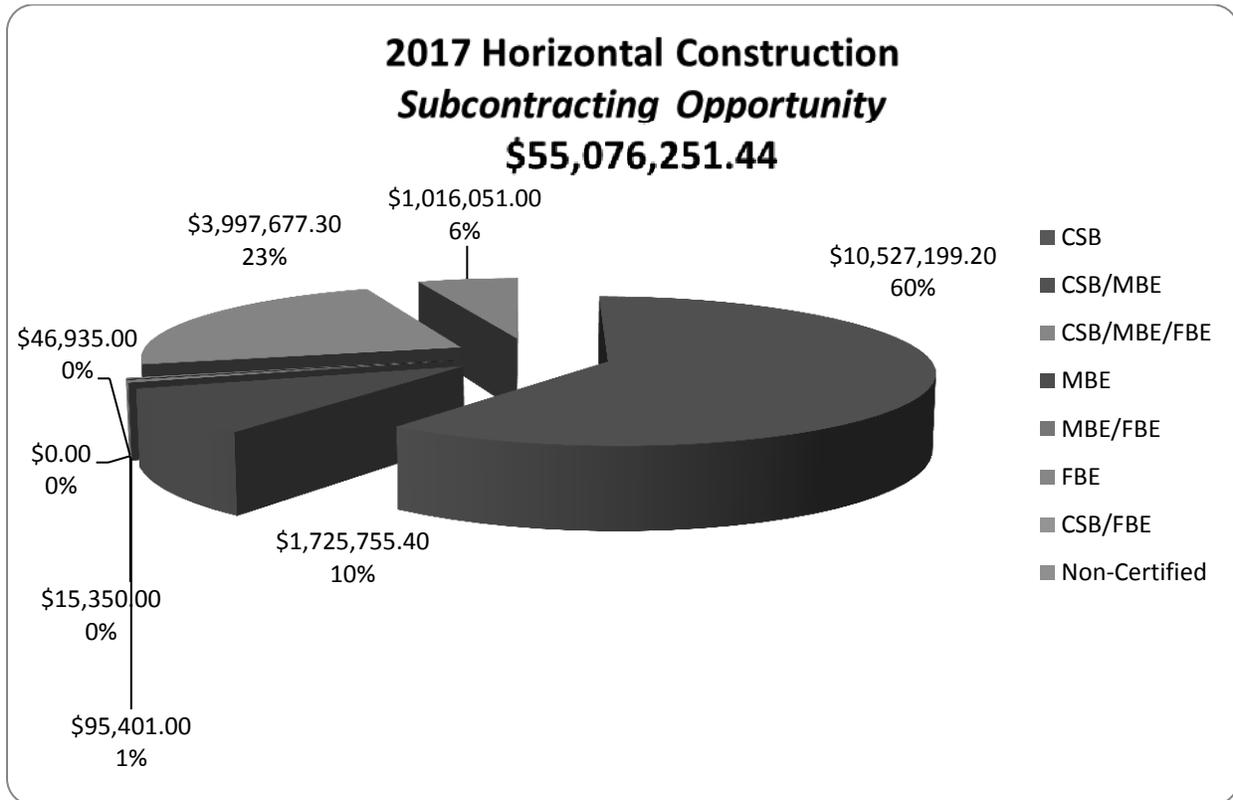


*Figure 15: Certified Subcontractor Awards – Vertical Construction*

The OEO goal for the Vertical Construction category is **30%** combined MBE, FBE, and CSB subcontractor participation. In 2017 the City awarded **85.0%** of all its Vertical Construction contracts to certified subcontractors.

## Horizontal Construction

Horizontal Construction projects are streetscape and utilities projects that provide the city infrastructure. In 2017, the city awarded **\$55,076,251.44** to firms in the Horizontal Construction category. **Certified prime** firms were awarded **\$47,478,595.14 (86.0%)** on Horizontal Construction contracts. Additionally, **certified subcontractors** were awarded **\$16,408,317.90 (93.0%)** on Horizontal Construction contracts in 2017.

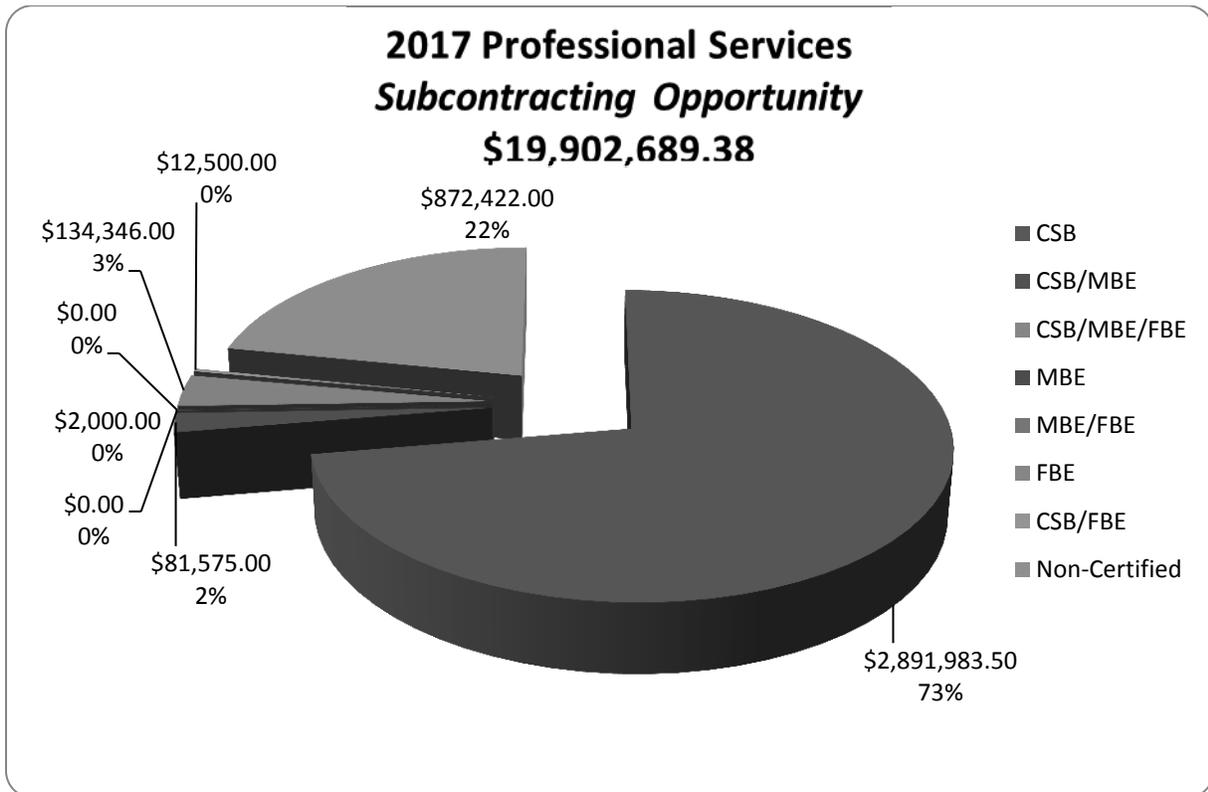


*Figure 16: Certified Subcontractor Awards – Horizontal Construction*

The OEO goal for the horizontal construction category is **30%** CSB subcontractor participation. In 2017 the City awarded **93.0%** of all its Vertical Construction contracts to certified subcontractors.

### Professional Services

Professional Services projects are those contracts that provide general consulting services for the city. In 2017, the city awarded **\$19,902,689.38** to firms in the Professional Services category. **Certified prime** firms were awarded **\$2,533,365.50 (13.0%)**. Additionally, **certified subcontractors** were awarded **\$3,122,404.50 (61.0%)** on Professional Services contracts.



*Figure 17: Certified Subcontractor Awards – Professional Services*

The OEO goal for the professional services category is **10%** CSB subcontractor participation. In 2017 the City awarded **61.0%** of contract dollars in this category to certified subcontractors.



*Photo Credit: City of Cleveland Photographic Bureau*



# **CITY OF CLEVELAND**