



CITY OF KNOXVILLE

B I L L H A S L A M , M A Y O R

Equal Business Opportunity Program Report FY 2008/2009

Community Relations Office
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Submitted by
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CITY OF KNOXVILLE
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The Literacy Imperative



Components

Creation of a Minorities, Women, Small Business Program Which Consist of:

Good Faith Effort Inclusion Plan

Creation of a Minority, Women and Small Business Program requires documentation of prime contractor's efforts to include minorities and women in the contracting process. The Plan includes language in:

- a) Contracts
- b) Request for proposals
- c) Request for qualifications
- d) Encouraging partnerships and joint ventures

Certification

The purpose of the **Certification Process is to identify minorities, women and small businesses and to establish capacity and capability.** The Minority/Women/Small Business certification process is necessary for evaluating the participation of these firms in city contracting activity and for calculating the percentage of awards annually to M/W/SB. The Equal Business Opportunity Program offers certification to minorities and women free of charge. Certification is not a requirement for program participation. Certification is encouraged through the EBOP workshops, conferences, networking events, community meetings and forums. **Although certification is not a requirement to do business with the City, it is required if the businesses desires to be recognized as a minority or woman owned business.**

Numerical Goals

The City has targeted numerical goals for businesses owned by minorities and women. The goals are 10 percent of the total dollars for construction, goods and services and professional services. Collection of data to evaluate our efforts is steadily being refined. The Purchasing Department and the EBOP are diligently working to reach the 10% goals.

Technical Assistance

The EBOP will offer technical assistance to qualified Minority/Women/Small Businesses. Some of the training topics in the technical assistance program include financial planning, marketing, business plan, bonding , gap financing, public contracting and procurement policies and diversity training.

Mentor Protege

A Mentor Protégé Program was developed as a part of the technical assistance in 2003. The program is designed to assist emerging minority and women owned businesses with increasing

their capacity and capabilities. The time participants spend in the Mentoring Program range from one-to-three years depending on the growth of the protégé's business.

Outreach

Pilot Projects are one way the EBOP plans to foster participation of minorities and women in city business, the city will implement pilot projects, which should help to increase M/W/SB capacity.

Program Highlights of FY 2008/2009

Focal Points for 2008:

- Exploring the possibility of utilizing Tax Increment Financing (TIF), as a tool for increasing minority and women participation
- Hosting a networking opportunity on each major project that would afford the opportunity for prime contractors to meet potential subcontractors. Similar to the breakfast hosted by Johnson & Galyon in July 2008.
- Increasing the Minority and Women Owned Directory professional services listing
- Developing a portal accessible by vendors to update their profiles as needed.
- Revamping the Mentor Protégé program
- Revisiting the possibility of implementing a discounted bidding process
- Developing an effective process for retrieving subcontractor data from all departments providing technical workshops and conferences.

Outreach

- Initiated collaboration with Metro Nashville Business Assistance Office
- Facilitated the resurrection of the Magnolia Area Professional Business Association
- Knoxville Area Urban League -Small Business Initiative Program Committee member
- Initiated discussions of a women only business conference and pulled together a planning team to assess the idea
- Monthly Title VI Outreach Group meetings
- TDOT Title VI and M/WOB Compliance Meeting
- TDOT Minority and DBE quarterly meetings
- Tennessee Minority Supplier Development Council Conference
- Established a relationship with the UTK-MBA Department

Technical Assistance

- **Conferences:** Small & Disadvantage Business Conference
April 2009 was held at the United Way of Greater Knoxville which attracted 80 attendees and utilized the Austin-East H.S Culinary Arts Department.
- Facilitated the discussion with Knology which led to the sponsoring of an informational Breakfast scheduled for August 7, 2009. The breakfast will inform the small business community of upcoming projects budgeted for the fiscal year.

- Provided technical assistance to the Magnolia Area Merchants to explore the idea of reviving the Professional Business Association

Accomplishments

- Maintain the Certified Directory
- Initiated the relationship with UTK-MBA, which resulted in a Case Study of our Purchasing Department.
- Utilized future Culinary Entrepreneurs, by contracting with Austin-East High School Culinary Arts department to cater the Small Business Conference
- Explored the possibility of utilizing Tax Increment Financing (TIF), as a tool for increasing minority and women participation. Determine that TIF would not be an effective tool.
- Worked closely with Purchasing to improve data collection methods throughout the City by developing a tracking system that retrieves subcontractor's information on each project and records the amount paid within that fiscal year and credits it to each minority or women owned business
- Revised and revived the Mentor Protégé component.
- The EBOP, Community Development, and the Purchasing Department along with SunTrust Bank, PROPEL and the Knoxville Area Urban League assembled the Magnolia area businesses to discuss the reviving of the defunct Professional Business Association. This initial meeting led to three planning sessions and to the newly formed East Knoxville Professional Business Association, with an interim Executive Board. These individuals have created a website, committees to develop by-laws, a charter and the ground work to file for a 501c3 status.

Program Initiatives for Fiscal Year 2010

The EBOP continues to see a need to expand and create initiatives to assist diverse businesses throughout the city.

Improving Monitoring, Evaluating and Tracking by:

- Escalating the monitoring and evaluating of awarded Prime Contractors compliance, thru contract reviews, on-site visits and desk audits.
- Exploring the use of our existing technology as well as other software possibilities for tracking minority participation and additional information that is being requested by grantors.
- Continuing to place emphasis on individual department efforts on achieving the goal departments will submit individual goals based utilizing existing participation as a baseline.

Expanding Program Assistance by:

- Enhancing the Mentor Protégé Component .The first round of Protégé's will be Professional Services Businesses
- Requesting to add the EBOP's mentoring program as a significant evaluation criteria in the bidding process by giving weight to primes and subcontractors that have completed the program.

- Continuing to provide technical assistance to small business communities that are interested in establishing Professional Business Associations.

Expand Outreach Efforts by:

- Strongly considering utilizing social networks like Twitter and Facebook to disseminate and receive information.
- Hosting a networking event solely on the South Knoxville Waterfront Projects that emphasizes our commitment to inclusion with the private developers and subcontractors.
- Continuing to host an annual “City of Knoxville Business Opportunity” networking event.
- Continuing to hold the annual small business conference that provides technical assistance and networking opportunities to the small business community (the 2010 conference will be profession specific).
- Initiating, researching, and implementing the possibility of utilizing a Portal or database that list all minority or women owned businesses and allows businesses to update their own information
- Researching the possibility of making the small business directory and website interactive to allow staff to provide a rating of service, warnings and comments on their experience with the DBE’s.

Purchasing Division

- Continue working with top management to effectively communicate a “top down” commitment to reaching the 10% goal by stressing departmental accountability in goal attainment. Significant strides were made in this area during FY09, and we need to continue in the new FY
- Strongly encourage DBE construction firms to gain Highway, Railroad, and Airport (HRA) licensing classifications and become TDOT –certified, as many City constructions projects require these classifications/certifications and very few DBEs in this region hold these credentials.
- Hold Annual small business conferences in which City Departments describe upcoming business opportunities
- Apply more efforts to encourage prime contractors to employ DBE subcontractors on projects. We have added contract language to construction contracts that requires prime contractors to report the amount of dollars that go to DBE sub-contractors biennially (something we have not enforced in the past). Additionally, we are now beginning to allocate up to 10 points worth of evaluation criteria to professional service firms who state what they are doing to help the City meet its 10% goal.
- Implement “I-Supplier” to send automatic email alerts to all vendors (including M/WOBs) when new invitations to bid are posted (especially in the \$4K-10K range). The Purchasing Division plans to implement this new system in December 2009



respective tab.

Overview

This report on annual purchases and contracts reflects more detailed program information and attempts to highlight the Equal Business Opportunity Program Accomplishments and Initiatives, as well as, reviews, compares and contrasts the Component Units efforts in these areas (Knoxville Utility Board, Knoxville Community Development Corporation, and the Metropolitan Knoxville Airport Authority). The component units have a comprehensive report behind their



Our Mission

“A Broader Vision and a Greater Opportunity”

Positive business relationships properly nurtured will produce a diversity of capable, competitive and successful businesses which in turn will expand the economic base of the City of Knoxville and the greater Knoxville community. To achieve this end, the city has endeavored to develop principles and recommendations for implementation of measures and programs designed to nurture and expand small businesses inclusive of minority firms and women-owned firms



History

The City of Knoxville’s Equal Business Opportunity Program (EBOP) was created on September 11, 1999 by Executive Order. It is an outreach program targeted to increase minority, women and small businesses’ participation in the City’s procurement process. Procurement includes construction, professional, goods and services.

The Equal Business Opportunity Program’s Implementation Plan has five components.

- Creation of a Minorities, Women, Small Business Program
- Certification Component
- Numerical Goals
- Outreach
- Technical Assistance

Comparison

Name of Agency	MOB/WOB FY 07/08	MOB/WOB FY 08/09
City of Knoxville	7.34%	8.54%
Knoxville Utility Board	7.4 %	7.6%
Knoxville Community Development Corporation	25.68%	14.3%
Governor's Office of Diversity	10.64%	Report Not Available
Construction Only		
Tennessee Department of Transportation	8.19%	Report Not Available proposed 8.73%
Knoxville Metropolitan Airport Authority	11.6 %	12 %

- ❖ The five major procuring authorities within state government; the department of Economic and Community Development, Finance & Administration, General Services, Transportation, and the State Building Commission have all partnered with Go-DBE to coordinate and implement initiatives to achieve the program objectives of the Governor's Office of Diversity Business Enterprise.
- ❖ TDOT DBE goal information was obtained from a TDOT Civil Rights – Small Business Development Directors Administrative Assistant
- ❖ The Metropolitan Knoxville Airport Authority (MKAA), Manager of Administration, Alan Jones states that they record their minority Participation data based on Federal Aviation Administration policies and procedures. Their construction participation is reported December 1 of each year for the governmental fiscal year that ends September 30. Their Concession participation is reported March 1 of each year for the previous 12 month period. Therefore, MKAA reports the previous FY information on construction and partial FY information on concessions. Mr. Jones further explained that they record minority participation at the time the DBE subcontractor begins implementing their contract not before. As a result, a prime contractor may list several minority and women owned subcontractors on a specific project. Their contract amounts are not counted in the participation numbers until they actually begin work.
- ❖ KUB small increase is due in part to PACE 10 winding down , engineer value and prime contractors low bidding

The emphasis from the Mayor and Senior/Junior directors on communicating the importance of reaching the 10% goal was the driving force behind the increase for this year. The City's Procurement tracking has significantly improved and the fruits of these efforts have produced detailed reports.

The above table reveals that the EBOP should provide continued development of program efforts. Although, the City's DBE goals fall within a reasonable range of expectation relative to the availability of ready and willing DBE's in the region we must maintain our progression. Our MBE capacity is growing at a slower pace than our WBE. In FY 09 the City's MBE participation was 3.42% up 1.28% from FY08, which is equal to 2.14%. The City's three year rolling average for MOB's is 2.77%.

Consequently, the EBOP will continue researching concepts and programs that will increase our regions DBE capacity. The table below compares our MOB efforts and the component units.

Unit Name	MOB FY08	MOB FY09
City	2.14%	3.42
KUB	2.9%	3.2%
Metropolitan Knoxville Airport Authority	5.3%	9.2%
Knoxville Community Development Corporation	11%	3.7%

With the impending need of continuous progression in mind the Focal Points for 2009 are to:

- Expand technical assistance opportunities
- Participate and develop outreach initiatives
- Improve the EBOP website and directory
- Partner with other cities, programs, businesses, agencies, etc... that share the city's philosophy on diversity
- Explore all possibilities that will encourage department commitment to the city goal
- Implement "Pilot Projects" that will grow and nurture small businesses

In accordance with the Executive Order the Community Relations Department Title VI Coordinator is directed to make an annual report to the Mayor and Council regarding city procurement and contracts awarded to minority owned, woman owned and small businesses. Presented herein is the report for Fiscal Year 2008-09.

**EBOP Annual Report
2009 Fiscal Year
July 1, 2008 - June 30, 2009**

	Male	Female	Total
Asian	64,325.98	53,008.00	117,333.98
Black	1,834,532.06	81,246.16	1,915,778.22
Caucasian (Small)	11,631,012.33	2,996,182.89	14,627,195.22
Caucasian (Large)	58,781,157.50	952,668.24	59,733,825.74
Hispanic	359,414.54	4,153.69	363,568.23
Native American	117,315.81	115,938.07	233,253.88
Other			
Pacific Islander			
TOTAL	<u>72,787,758.22</u>	<u>4,203,197.05</u>	<u>76,990,955.27</u>

Asian	0.08%	0.07%	0.15%
Black	2.38%	0.11%	2.49%
Caucasian (Small)	15.11%	3.89%	19.00%
Caucasian (Large)	76.35%	1.24%	77.59%
Hispanic	0.47%	0.01%	0.47%
Native American	0.15%	0.15%	0.30%
Other			
Pacific Islander			
TOTAL	<u>94.54%</u>	<u>5.46%</u>	<u>100.00%</u>

Purchasing Card totals included
SMG totals included
Engineering Sub-contractor totals included
PBA totals included
KAT Sub-contractor totals included

EBOP Annual Report
 2009 Fiscal Year
 July 1, 2008 - June 30, 2009
 Goods and General Services

	Male	Female	Total
Asian	22,280.98	51,611.00	73,891.98
Black	930,401.69	41,180.16	971,581.85
Caucasian (Small)	7,771,973.27	1,966,702.61	9,738,675.88
Caucasian (Large)	31,261,665.61	945,718.49	32,207,384.10
Hispanic	359,414.54	4,153.69	363,568.23
Native American	117,315.81	91,548.98	208,864.79
Other			
Pacific Islander			
TOTAL	<u>40,463,051.90</u>	<u>3,100,914.93</u>	<u>43,563,966.83</u>

Asian	0.05%	0.12%	0.17%
Black	2.14%	0.09%	2.23%
Caucasian (Small)	17.84%	4.51%	22.35%
Caucasian (Large)	71.76%	2.17%	73.93%
Hispanic	0.83%	0.01%	0.83%
Native American	0.27%	0.21%	0.48%
Other			
Pacific Islander			
TOTAL	<u>92.88%</u>	<u>7.12%</u>	<u>100.00%</u>

Purchasing Card totals included
SMG totals included
KAT Sub-contractor totals included

EBOP Annual Report
 2009 Fiscal Year
 July 1, 2008 - June 30, 2009
 Professional Services

	Male	Female	Total
Asian	42,045.00	1,397.00	43,442.00
Black	762,382.79	40,066.00	802,448.79
Caucasian (Small)	825,285.95	374,563.26	1,199,849.21
Caucasian (Large)	19,573,683.80	6,949.75	19,580,633.55
Hispanic			
Native American		24,389.09	24,389.09
Other			
Pacific Islander			
TOTAL	<u>21,203,397.54</u>	<u>447,365.10</u>	<u>21,650,762.64</u>

Asian	0.19%	0.01%	0.20%
Black	3.52%	0.19%	3.71%
Caucasian (Small)	3.81%	1.73%	5.54%
Caucasian (Large)	90.41%	0.03%	90.44%
Hispanic			
Native American		0.11%	0.11%
Other			
Pacific Islander			
TOTAL	<u>97.93%</u>	<u>2.07%</u>	<u>100.00%</u>

PBA totals included

EBOP Annual Report
 2009 Fiscal Year
 July 1, 2008 - June 30, 2009
 Construction Related Services

	Male	Female	Total
Asian			
Black	141,747.58		141,747.58
Caucasian (Small)	3,033,753.11	654,917.02	3,688,670.13
Caucasian (Large)	7,945,808.09		7,945,808.09
Hispanic			
Native American			
Other			
Pacific Islander			
TOTAL	<u><u>11,121,308.78</u></u>	<u><u>654,917.02</u></u>	<u><u>11,776,225.80</u></u>

Asian			
Black	1.20%		1.20%
Caucasian (Small)	25.76%	5.56%	31.32%
Caucasian (Large)	67.47%		67.47%
Hispanic			
Native American			
Other			
Pacific Islander			
TOTAL	<u><u>94.44%</u></u>	<u><u>5.56%</u></u>	<u><u>100.00%</u></u>

Engineering Sub-contractor totals included

EBOP Annual Report
 2009 Fiscal Year
 July 1, 2008 - June 30, 2009
 Small Business

COUNTY	\$	%
Anderson	223,151.26	0.29%
Blount	521,831.36	0.68%
Campbell	18,184.99	0.02%
Claiborne	-	0.00%
Cocke	-	0.00%
Grainger	8,700.00	0.01%
Hamblen	2,978,639.36	3.87%
Hawkins	-	0.00%
Jefferson	162,116.88	0.21%
Knox	7,989,209.20	10.38%
Loudon	33,284.59	0.04%
Roane	-	0.00%
Sevier	275,347.36	0.36%
Union	-	0.00%
TOTAL	\$ 12,210,465.00	15.86%

Total Dollars Spent	\$ 76,990,955.27	
Total Dollars Small Business	15,248,070.16	19.81%
Surrounding Counties	12,210,465.00	
Knox County	7,989,209.20	
City of Knoxville	7,843,277.70	

EBOP Annual Report
2009 Fiscal Year
Purchasing Card

	Male	Female	Total
Asian			
Black	\$35,195.35		\$35,195.35
Caucasian (Small)	\$178,832.02	67,418.62	\$246,250.64
Caucasian (Large)	\$1,102,446.07	160,393.46	\$1,262,839.53
Hispanic	\$78.00	132.13	\$210.13
Native American	\$31,872.44	31,577.89	\$63,450.33
Other			
Pacific Islander			
TOTAL	<u><u>\$1,348,423.88</u></u>	<u><u>259,522.10</u></u>	<u><u>\$1,607,945.98</u></u>

Asian	0.00%	0.00%	0.00%
Black	2.19%	0.00%	2.19%
Caucasian (Small)	11.12%	4.19%	15.31%
Caucasian (Large)	68.56%	9.98%	78.54%
Hispanic	0.00%	0.01%	0.01%
Native American	1.98%	1.96%	3.95%
Other			
Pacific Islander			
TOTAL	<u><u>83.86%</u></u>	<u><u>16.14%</u></u>	<u><u>100.00%</u></u>

2009 Annual DBE Report
KAT (Knoxville Area Transit)

Project Name	Prime/Sub-Contractor	N Minority	Women	\$ Spent
Electronic Fareboxes	GFI Genfare			
	KLI Inc	Caucasian	Y	27,963.00
	KSO Metalfab Inc	Caucasian	Y	43,300.00
	Kormex Metalcraft	Asian	Y	34,200.00
	J-Tech Metal Products	Hispanic	N	14,706.00
	Total			<u>120,169.00</u>
				71,263.00
Trolleys (4 each)	Gillig Corporation			
	Alva Gwyn		Y	2,448.00
	Performance Composite		Y	10,080.00
	Blaylocks		Y	19,152.00
	LACO		Y	6,192.00
	Hogan Mfg		Y	8,064.00
	Commercial Pattern		Y	2,016.00
	Vanner Inc		Y	2,736.00
	Total			<u>50,688.00</u>
40' Lowfloor Buses (5 each)	Gillig Corporation			
	Alva Gwyn		Y	3,672.00
	Performance Composite		Y	15,120.00
	Blaylocks		Y	28,512.00
	LACO		Y	9,288.00
	Hogan Mfg		Y	12,096.00
	Commercial Pattern		Y	3,024.00
	Vanner Inc		Y	4,104.00
	Total			<u>75,816.00</u>

2009 Annual DBE Report
PBA (Public Building Authority)

Vendor Name	Minority	Women	\$ Spent	
K-Chemicals Inc	Black	N	48.10	
KMFIII Services LLC	Black	N	26,213.68	
Premiere Building Maintenance Corp	Black	N	351,261.94	377,523.72
American Continental Techlab Inc	Caucasian	Y	2,449.25	
Apex Window Cleaning Inc	Caucasian	Y	6,105.00	
Bobcat of Knoxville	Caucasian	Y	224.40	
Budget Blinds	Caucasian	Y	950.00	
Central Communications & Electronics Inc	Caucasian	Y	372.94	
F.M. George Safe & Lock Co	Caucasian	Y	2,799.03	
Ivan Allen	Caucasian	Y	2,124.00	
Knoxville Blue Print & Supply	Caucasian	Y	71.80	
Mayer Electric Supply	Caucasian	Y	5,147.31	
Nature's Accents Inc	Caucasian	Y	4,889.00	
Rich Construction Inc	Caucasian	Y	5,567.88	
Safe T Systems	Caucasian	Y	240.00	
Sports Graphics	Caucasian	Y	553.00	31,493.61
All Things Identification	Hispanic	Y	3,148.42	3,148.42
Volunteer Auto Wash Inc	Hispanic	N	173.50	173.50
Total			412,339.25	412,339.25

Total PBA Dollars **\$ 15,827,042.59**

2009 Annual DBE Report
City Projects Managed By PBA

Project Name	Prime/Sub-Contractor	Minority	Women	Bid Award	\$ Spent	
Knoxville Station Transit Center (KSTC)	Johnson & Galyon					
	Hall Communications	Black	Y	69,151.00	7,670.00	
	Comfort Industries	Black	N	789,518.00	762,232.79	
	Kimberly Inc	Caucasia	Y	16,474.35	8,840.85	
	WMC Contracting	Caucasia	Y	28,400.00	6,070.50	
	Von Grossmann & Assi	Caucasia	Y	405,007.00	5,780.76	20,692.11
	Randolph Trucking	Native An	Y	31,780.00	24,389.09	
					814,983.99	
Larry Cox Recreation Center	Rich Construction	Caucasia	Y	21,087.95	16,060.88	
New Hope Recreation Center	Rich Construction	Caucasia	Y	36,418.15	36,026.80	
Fairview Recreation Center	Rich Construction	Caucasia	Y	4,906.44	4,787.34	
Safety Building	Air Quest America	Caucasia	Y	28,764.50	28,767.40	
Fire Station #19	Rich Construction	Caucasia	Y	17,381.00	16,591.96	
Lyons View Elementary	Rich Construction	Caucasia	Y	44,505.00	40,275.10	
West View Park Shelter	Rich Construction	Caucasia	Y	17,882.10	-	
Loraine Street Health Clinic	Rich Construction	Caucasia	Y	61,770.00	-	
					142,509.48	
Total PBA Dollars	\$			15,827,042.59		

2009 Annual DBE Report
Engineering Department Sub-Contractors

Vendor (Sub-Contractor) Name	Minority	Women	\$ Spent
PRI of East TN	Caucasian	Y	27,450.45
Total Demolition	Caucasian	Y	116,973.66
Planet Inc	Caucasian	Y	17,200.00
Volunteer Highway Supply	Caucasian	Y	12,197.00
Total			<u>173,821.11</u>

2009 Annual DBE Report
SMG (Convention Center)

Vendor Name	Minority	Women	\$ Spent	
Staffing with Style	Black	Y	41,080.16	41,080.16
Workforce 2000 Staffing Inc	Black	N	18,056.94	18,056.94
ASK Pouncey Partners	Caucasian	Y	780.00	
Crouch Florist	Caucasian	Y	762.48	
Daisy's Clowns & Entertainers	Caucasian	Y	275.00	
Exclamation Point	Caucasian	Y	8,238.48	
Express Employment Professionals	Caucasian	Y	4,042.03	
Nature's Accents Inc	Caucasian	Y	19,226.96	
Temp Systems Inc (TSI Industrial)	Caucasian	Y	37,904.78	71,229.73
Total			130,366.83	130,366.83

Total SMG Dollars **\$ 1,907,504.65**