

**AWARDS AND EXPENDITURES TO  
MINORITY, WOMEN AND SERVICE  
DISABLED VETERAN-OWNED BUSINESSES  
FISCAL YEAR 2019 ANNUAL REPORT**

**January 21, 2020**





## FY2019 REPORT

-  SELECTED CITY PROGRAMS
-  OUTREACH EFFORTS
-  FY2019 AWARDS
-  FY2019 SPEND
-  DISPARITY STUDY RECOMMENDATIONS  
AND NEXT STEPS



# CITY PROGRAMS

# CITY PROGRAMS

## PROCUREMENT OPPORTUNITY COMMITTEE

- Formed to assist small businesses in preparing for success when seeking City contracts.
- Coaching, mentoring, outreach, and education.
- Provides a platform that 'introduces' small businesses to Department Representatives, Purchasing Staff, and the SWaM Business Development Manager.

### Procurement Opportunity Committee - Progress Report FY2019

Market Sector	Award Amount	Number of Businesses	SWaM Status	Note
Advertising and Marketing	\$1,533,273.29	1	WBE	Awarded contract through RFP
Architectural Services	\$1,506.00	1	MBE	
Construction	\$1,725,217.35	2	MBE	Includes two (2) annual services contract
Consulting Services	\$8,500.00	1	MBE	
Industrial Supplies	\$5,201.34	1	MBE	
Information Technology	\$68,040.00	1	MBE	Contract award
Landscape Services	\$3,633.84	1	MBE	
Pharmaceutical Services	\$363,839.75	1	MBE	Annual services contract
Plumbing and Heating	\$34,644.17	1	MBE	Various RFQ awards
<b>Totals</b>	<b>\$3,743,855.74</b>	<b>10</b>		

# CITY PROGRAMS

## PROCUREMENT OPPORTUNITY COMMITTEE

- Since the inception 22 small businesses have received over \$8.3 million in city contract awards. Examples of companies include:
  - iCollaboration
    - Information Technology; Minority & Woman-owned
  - Townsend Media
    - Advertising and Media; Woman-owned
  - L4 Enterprises
    - Construction; Minority-owned
  - TST Roofing
    - Construction; Minority-owned
- Received the *“Outstanding Achievement in Local Government Innovation”* .
  - From the Alliance for Innovation in April 2017
  - Interest from other localities
    - City of Alexandria, VA
    - County of North Charleston

# OTHER CITY PROGRAMS

## BOND WAIVER PROGRAM

- Five approved bond waiver projects with a total award amount of \$1.4 million in FY2019.

## SMALL BUSINESS ENHANCEMENT PROGRAM

- Requires prime contractor to subcontract 50% of the subcontracted work to SWaM-certified businesses

## VIRGINIA BEACH SMALL BUSINESS INSTITUTE –VB SBI

- 27 small business participants representing the following industries;
  - Food Service, Construction, Consulting, Event Planning, Fabrication/Manufacturing, Health and Fitness, IT Services, Marketing, Personal Care Services, Real Estate, Security Services, and Sports Management.

### VB SBI CURRICULUM

Is Your Business Ready To Do Business?	Taking Your Business Idea to the Market-and to the Bank	Sustaining and Growing You Business (So It Continues To Win)	Doing Business WITH and IN the City
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# FY2019 OUTREACH EFFORTS

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## OUTREACH EFFORTS

- *Carolinas Virginia Minority Supplier Development Council*
  - *Business Opportunity Conference*
- *City of Virginia Beach Small Business Resource Center located inside the Meyera E. Oberndorf Library*
- *Collaboration with Hampton Roads Business Chambers and Associations*
- *Collaboration with Economic Development*
  - *SWaM Business Forum*
  - *Small Business Workshop Series*
- *Ferguson Enterprises*
  - *Construction of HQ3 Building*
- *Hampton Roads Bridge Tunnel Expansion Project*
  - *HR Connector Partners – Prime Contractor*
  - *Virginia Department of Transportation*



*Meyera E. Oberndorf Library*

# FY2019 OUTREACH EFFORTS

## OUTREACH EFFORTS

- *MBC Conference and Expo*
- *MBC Spring Contractors Roundtable*
- *National Minority Supplier Development Council (NMSDC)*
- *Old Dominion University*
  - *Small Business Resource Day*
- *Partnership with the Department of Small Business and Supplier*
  - *Representative in Purchasing Office*
  - *Scaling for Growth Program*
- *Procurement Opportunity Committee*
- *Project Information Sessions*
- *Small Business Debrief Sessions*
- *Virginia Beach Small Business Institute*





FY2019 AWARDS

# FY2019 AWARDS, BY CONTRACT TYPE

## Minority Business Enterprise – MBE's

MBEs received over \$28M in contract awards in FY2019

### DOLLARS AWARDED TO MBE FIRMS BY CONTRACT TYPE

<b>TOTAL DOLLARS</b>	<b>\$28,855,970</b>	<b>5.8%</b>
Goods & Services	\$3,863,916	5.2%
Professional Services	\$5,401,364	13.0%
Architecture & Engineering	\$8,418,596	6.2%
Construction	\$11,172,094	4.6%

\*Award amounts to businesses owned by minority women are included in the MBE amount only.

\*\*Award amounts likely undercount M/WBE awards, because they do not include comprehensive subcontract data.

# FY2019 AWARDS, BY CONTRACT TYPE

## Women Business Enterprise –WBE’s

WBEs received over \$28M in contract awards in FY2019

### DOLLARS AWARDED TO WBE FIRMS BY CONTRACT TYPE

<b>TOTAL DOLLARS</b>	<b>\$28,590,774</b>	<b>5.8%</b>
Goods & Services	\$8,055,431	10.7%
Professional Services	\$814,269	2.0%
Architecture & Engineering	\$1,197,227	0.9%
Construction	\$18,523,848	7.6%

\*Award amounts to businesses owned by minority women are included in the MBE amount only.

\*\*Award amounts likely undercount M/WBE awards, because they do not include comprehensive subcontract data.

# FY2019 AWARDS, OVERALL

## Minority and Women Business Enterprise

M/WBEs received over \$57M in contract awards in FY2019, or 11.6% of total FY2019 awards

**TOTAL AWARD DOLLARS**  
**\$496,088,268**

Minority-owned	\$28,855,970
Woman-owned	\$28,590,774
<b>TOTAL M/WBE</b>	<b>\$57,446,744</b>
Majority-owned	\$438,018,064

**DOLLARS AWARDED TO M/WBE  
FIRMS BY CONTRACT TYPE**

<b>TOTAL DOLLARS</b>	<b>\$57,446,744</b>	<b>11.6%</b>
Goods & Services	\$11,919,347	15.9%
Professional Services	\$6,215,633	14.9%
Architecture & Engineering	\$9,615,822	7.1%
Construction	\$29,695,942	12.2%

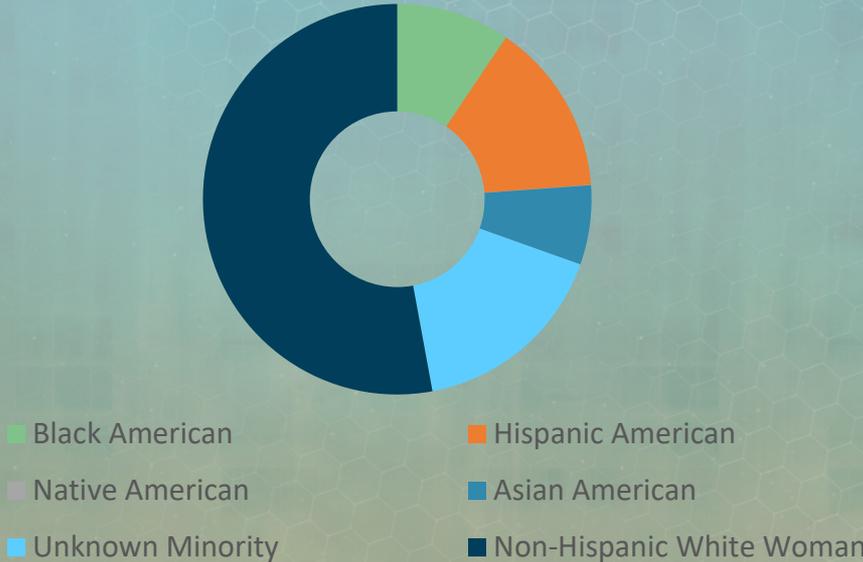
\*Award amounts to businesses owned by minority women are included in the MBE amount only.

\*\*Award amounts likely undercount M/WBE awards, because they do not include comprehensive subcontract data.

# FY2019 AWARDS, BY RACE/ETHNICITY AND GENDER

M/WBEs received over \$57M in awards in FY2019

AWARDS TO M/WBEs  
BY RACE/ETHNICITY AND GENDER



M/WBE DOLLARS BY RACE/ETHNICITY AND GENDER

Black American	\$3,441,864	6.0%
Hispanic American	\$8,074,131	14.1%
Native American	\$16,307	0.03%
Asian American	\$3,785,332	6.6%
Unknown Minority	\$13,538,335	23.6%
Non-Hispanic White Woman	\$28,591,774	49.8%
<b>TOTAL TO M/WBEs</b>	<b>\$57,446,744</b>	

\*Award amounts to businesses owned by minority women are included in the MBE amount only.

\*\*Award amounts likely undercount M/WBE awards, because they do not include comprehensive subcontract data.

# FY2019 AWARDS, BY FIRM

9 MBEs account for 75.6% of FY2019 dollars awarded to MBEs

13 WBEs accounted for 73.2% of FY2019 dollars awarded to WBEs

## FIRMS RECEIVING 75% OF M/WBE AWARD DOLLARS

### MBE Firms

TETRA TECH INC	\$6,549,597	24.2%
DEANGELO BROTHERS LLC	\$4,756,519	17.6%
SHI/SOFTWARE HOUSE INTL	\$2,131,890	7.9%
IMAGE BUSINESS INTERIORS LLC	\$1,727,890	6.4%
OCEAN DRYWALL	\$1,600,000	5.9%
ACHIEVE 1 LLC	\$1,122,012	4.1%
JK DIGGS HAULING	\$900,000	3.3%
L4 ENTERPRISES INC.	\$887,112	3.3%
MAJIK STEEL	\$830,000	3.1%
Largest firms MBE Dollars	\$20,505,020	75.6%
Total MBE Awarded	\$28,855,970	100%

### WBE Firms

TRIDENT CIVIL	\$5,731,795	18.8%
TFC RECYCLING	\$3,132,436	10.3%
LYNNHAVEN MARINE & DOCK, INC	\$2,746,225	9.0%
RIESBECK CONTRACTING, INC	\$2,007,350	6.6%
SHAW CONSTRUCTION CORP	\$1,679,176	5.5%
MARINE CONTRACTING CORP	\$1,562,316	5.1%
B&H CONCRETE	\$1,070,000	3.5%
WORKPLACE SOLUTIONS INC	\$838,339	2.8%
SUFFOLK UTILITY CONSTRUCTION	\$774,296	2.5%
SPRINKLE MASONRY	\$770,000	2.5%
ZBZ & ASSOCIATES	\$680,352	2.2%
HOMELAND CONTRACTING CORP	\$664,657	2.2%
CONTRACTING SOLUTIONS INC	\$639,414	2.1%
Largest firms WBE Dollars	\$22,296,358	73.2%
Total WBE Awarded	\$ 28,590,774	100%

\*All firms listed hold prime contracts.



**FY2019 SPEND**

# FY2019 SPEND, BY CONTRACT TYPE

## Minority Business Enterprise

MBEs received over \$20M in payments in FY2019

### DOLLARS PAID TO MBE FIRMS BY CONTRACT TYPE

<b>TOTAL DOLLARS</b>	<b>\$20,829,023</b>	<b>4.0%</b>
Goods & Services	\$2,134,594	2.2%
Professional Services	\$14,688,738	20.2%
Architecture & Engineering	\$388,540	0.5%
Construction	\$3,617,151	1.4%

\*Payment amounts to businesses owned by minority women are included in the MBE amount only.

# FY2019 SPEND, BY CONTRACT TYPE

## Women Business Enterprise

WBEs received over \$28M payments in FY2019

### DOLLARS PAID TO WBE FIRMS BY CONTRACT TYPE

<b>TOTAL DOLLARS</b>	<b>\$28,065,435</b>	<b>5.4%</b>
Goods & Services	\$14,393,969	14.9%
Professional Services	\$734,936	1.0%
Architecture & Engineering	\$4,052,357	4.9%
Construction	\$8,884,173	3.3%

\*Payment amounts to businesses owned by minority women are included in the MBE amount only.

\*\*Award amounts likely undercount M/WBE awards, because they do not include comprehensive subcontract data.

# FY2019 SPEND, BY CONTRACT TYPE

M/WBEs received over \$48M in payments in FY2019, or 9.5% of total FY2019 payment

M/WBEs received over \$16M in Goods & Services payments in FY2019.

## TOTAL PAYMENTS \$516,693,159

Minority-owned	\$20,829,023
Woman-owned	\$28,065,435
<b>TOTAL M/WBE</b>	<b>\$48,894,458</b>
Majority-owned	\$466,261,675

## DOLLARS PAID TO M/WBE FIRMS BY CONTRACT TYPE

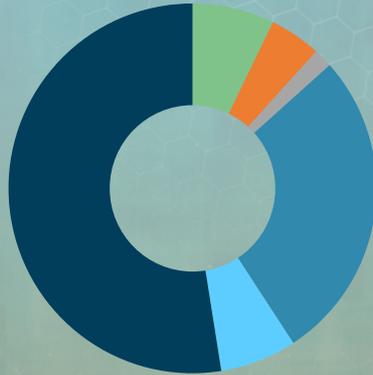
<b>TOTAL DOLLARS</b>	<b>\$48,894,458</b>	<b>9.5%</b>
Goods & Services	\$16,528,563	17.1%
Professional Services	\$15,423,674	21.2%
Architecture & Engineering	\$4,440,897	5.4%
Construction	\$12,501,324	4.7%

\*Payment amounts to businesses owned by minority women are included in the MBE amount only.

\*\*Award amounts likely undercount M/WBE awards, because they do not include comprehensive subcontract data.

# FY2019 SPEND, BY RACE/ETHNICITY AND GENDER

**PAYMENTS TO M/WBEs  
BY RACE/ETHNICITY AND GENDER**



- Black American
- Hispanic American
- Native American
- Asian American
- Unknown Minority
- Non-Hispanic White Woman

M/WBEs received over \$48M in payments in FY2019;  
WBEs received the majority of those payments

## M/WBE DOLLARS BY RACE/ETHNICITY AND GENDER

Black American	\$3,524,465	7.2%
Hispanic American	\$2,212,415	4.5%
Native American	\$807,194	1.7%
Asian American	\$10,997,849	23.7%
Unknown Minority	\$3,287,100	6.7%
Non-Hispanic White Woman	\$28,065,435	54.7%
<b>TOTAL TO M/WBEs</b>	<b>\$48,894,458</b>	

\*Payment amounts to businesses owned by minority women are included in the MBE amount only.

\*\*Award amounts likely undercount M/WBE awards, because they do not include comprehensive subcontract data.

# FY2019 SPEND, BY FIRM

7 MBEs account for 74.4% of FY2019 payments to MBEs

14 WBEs accounted for 74.7% of FY2019 payments to WBEs

## FIRMS RECEIVING 75% OF M/WBE PAYMENTS

### MBE Firms

SOFTWARE HOUSE INTERNATIONAL	\$5,845,242	28.1%
ARVON VIRGINIA LLC	\$4,980,852	23.9%
SLAIT CONSULTING LLC	\$1,136,391	5.5%
ACHIEVE 1 LLC	\$1,122,012	5.4%
L4 ENTERPRISES INC	\$977,563	4.7%
FACILITY SUPPORT SERVICES LLC	\$749,225	3.6%
RICKS CONCRETE INC	\$685,395	3.3%
<b>TOTAL MBE DOLLARS</b>	<b>\$15,496,680</b>	<b>74.4%</b>

### WBE Firms

TOWNSEND MEDIA INC	\$3,955,629	14.1%
TFC RECYCLING	\$3,396,821	12.1%
REW CORP	\$3,240,602	11.5%
IMAGE BUSINESS INTERIORS LLC	\$1,725,673	6.1%
HIGHWAY ELECTRIC INC	\$1,459,158	5.2%
AGGREGATE TRANSPORTATION	\$1,191,923	4.2%
SALMONS INC	\$1,156,196	4.1%
ADAMSON INDUSTRIES	\$997,430	3.6%
ALPHA CORP	\$774,756	2.8%
MOSLEY GENERAL CONTRACT	\$663,724	2.4%
MARITIME LAWN CARE INC	\$659,366	2.3%
BLUE RIDGE RESCUE SUPPLIERS	\$630,220	2.2%
MID-ATLANTIC TECHNOLOGY	\$577,884	2.1%
SAUNDERS FENCE CO	\$527,193	1.9%
<b>TOTAL WBE DOLLARS</b>	<b>\$20,956,575</b>	<b>74.7%</b>



**FY2019 AWARDS AND PAYMENTS  
SERVICE-DISABLED  
VETERAN-OWNED BUSINESSES**

# FY2019 AWARDS AND PAYMENTS SERVICE-DISABLED VETERAN-OWNED FIRMS

SDVBEs received more than \$600,000 in awards and more than \$1.5M in payments in FY2019

## FY2019 AWARDS AND PAYMENTS TO SERVICE-DISABLED VETERAN FIRMS

	AWARDS		PAYMENTS	
Goods & Services	\$293,775	0.4%	\$536,046	0.6%
Professional Services	\$325,946	0.8%	\$997,821	1.4%
Architecture & Engineering	\$0	0.0%	\$0	0.0%
Construction	\$3,739	0.0%	\$3,159	0.0%
<b>TOTAL</b>	<b>\$623,460</b>	<b>0.1%</b>	<b>\$1,537,026</b>	<b>0.3%</b>

\*Service-disabled veteran-owned firms include those owned by minority and female service-disabled veterans.

# Disparity Study Recommendations

## OVERALL ANNUAL ASPIRATIONAL GOAL

### Study identified revised aspirational goals

- Resolution was passed to adjust aspirational goal for Minority-owned businesses to 12%
- All contract templates and other relevant documentation has been updated to reflect the new goal
- Procurement Training is held quarterly, and requirements to follow city policies to reach goals are emphasized

## SWAM OFFICE

### Study recommended a dedicated office to implement SWaM program and monitor participation

- The Purchasing Division has a three-person operation that concentrates only on SWaM programs and supporting the Minority Business Council
- Bi-weekly meetings are held to discuss initiatives and implementation of disparity study recommendations
- Economic Development and Purchasing work consistently on programming events to positively impact SWaM-certified businesses; as evidenced with recognition as the 2019 recipient of the Public Agency of the Year by the Carolinas-Virginia Minority Supplier Development Council

## DATA COLLECTION

### Study recommended improved data collection

- ERP – improved data collection
- Implementation is underway for new ERP Financial system that will improve data collection, improve access for vendors to obtain solicitation and increase the ability to target solicitations to vendors
- Expected go live date: July 1, 2020

# Disparity Study Recommendations

## **GROWTH MONITORING**

### **Study identified the need to collect data on impact of SWaM programs**

- The City of Virginia Beach has 627 certified SWaM businesses
- Economic Development and Purchasing collaborate to entice SWaM businesses to consider locating in Virginia Beach as evidenced through the bidder's application
- The City of Virginia Beach has an MOU with the Commonwealth of Virginia's Department of Small Business and Supplier Diversity which allows immediate access to SWaM data

## **BUSINESS CERTIFICATION**

### **Study recommended the City research a certification program**

- City has a self-certification process for those businesses who have not yet been able to obtain a SWaM certification through the Commonwealth
- A representative of the Commonwealth's SBSD is housed within the Purchasing Division to facilitate collaboration to the benefit of SWaM businesses
- In addition, the City recognizes various certification programs to evaluate and attract SWaM businesses

## **SUBCONTRACT OPPORTUNITIES**

### **Study identified need for access to opportunities for small and diverse businesses**

- The City facilitates outreach events (project information sessions) for large projects in the Hampton Roads area
- The City currently has a small business enhancement program
- The City encourages participation by SWaM businesses in pre-bid/pre-proposal conferences as an opportunity to identify potential subcontracting opportunities on City projects

# Disparity Study Recommendations

## – CONTRACT GOALS

### **Study identified the need for individual contract goals**

- The use of race- and gender- conscious measures for contract goals is still being researched
- The City's Bond Waiver program

## – UNBUNDLING LARGE CONTRACTS

### **Study recommended unbundling**

- The City reviews large contracts to determine if multiple smaller contracts are feasible

## – PROMPT PAYMENT

### **Study recommended reinforcing prompt payment policies**

- ACH Payments (direct payments to vendors) – intensive project undertaken by ACH vendor this year to increase usage
- ACH instructions are provided to vendors in procurement documents
- New ERP system will provide additional enhancements

Highlighted Items Recently Completed

# NEXT STEPS

- Implement ERP
  - Improve sourcing of solicitations
  - Vendor Self Service Portal
    - MBC Expo; 75 suppliers pre-registered
    - April 2020 Spring Event
      - Supplier registration will take place
- Improved Data Collection
  - With New ERP
- Construction
  - Pursue more bond waiver projects
  - Continue unbundling large contracts
  - Continue with the Small Business Enhancement Program
- Sheltered Bidding

# COMPLETED

- Aspirational Goal
  - Adjusted for minority-owned businesses to 12%
- Prompt Payment
  - ACH Payments

# QUESTIONS

