

MEMORANDUM
Mayor's Office of Economic Development

To: Small Business Enterprise Oversight Committee Members
 From: Wyatt Donnelly-Landolt, Small Business and Entrepreneurship Program Director
 Date: March 8, 2021
 RE: **March 2021 SBE Utilization Report**

Highlights

Since the creation of the SBE program in January 2018:

- SBE firms have received \$10.5 million by serving as subcontractors on City projects
- The City has spent 15.8 percent of all project expenses on SBE goods and services, exceeding both the 10 percent target and a projected amount of 13.7 percent
- 83 percent (39 of 47) of completed projects met their SBE participation goal
- Forty firms earned business through the City's SBE program
- Eight firms earned at least \$500,000 over the last three years

Purpose

The Small Business Enterprise (SBE) Program, established by Executive Order in January 2018, aims to support the growth of small enterprises in the Tulsa metro by promoting opportunities for those businesses to provide goods and services to the City of Tulsa and by helping them develop partnerships with larger enterprises and general contractors.

Background

Between 2018 and 2020, the City initiated 175 projects totaling \$395.3 million in projected expenses. As of February 2021, the City has completed 47 of those projects totaling \$66.2 million in actual expenses. Table 1 below summarizes the number of projects and project expenses by year.

Table 1. Engineering and Streets & Stormwater Projects Summary

Year	Projects Initiated	Projected Expenses	Projects Completed	Actual Expenses to Date
2018	38	\$ 80,042,283	29	\$ 48,238,997
2019	30	\$ 71,673,095	14	\$ 15,013,641
2020	107	\$ 243,621,097	4	\$ 2,901,593
Total	175	\$ 395,336,475	47	\$ 66,154,231

SBE Utilization

City projects have generally met or exceeded SBE targets at the individual project-level and a city-wide level. Each section below summarizes SBE utilization data based on different criteria.

SBE Utilization by Project

Of the 47 completed projects, 39 (83.0 percent) met the established SBE target for the project. The number of projects meeting targets represented a significant majority in both 2018 and 2019. Initial data from 2020 indicates only 1 of 4 completed projects has met the SBE utilization target. However, the awarded bids for the three projects that did not meet their target all had projected SBE utilization amounts well below the 10 percent target, which indicates early understanding of less than 10 percent SBE utilization. Additionally, as only 4 of 107 projects from 2020 have been completed, additional data is needed to draw conclusions about specific patterns. Table 2 below summarizes the number of projects meeting SBE goals by year. Appendix A shows detailed expenses by project including SBE utilization.

Table 2. Projects Meeting SBE Target by Year

SBE Goal	2018	2019	2020	Total
Met Target	27	11	1	39
Did not meet	2	3	3	8
Total	29	14	4	47

City-wide SBE Utilization

Across all completed projects, the City has exceeded both targeted and projected SBE utilization. The total projected SBE amount of \$8.8 million represented 13.7 percent of the total projected bid amount of \$64.5 million. Actual SBE utilization exceeded projections by over \$1.5 million with SBEs earning \$10.5 million of all actual project expenses, 15.8 percent of the total. Table 3 below summarizes SBE Utilization Amounts by year.

Table 3. SBE Expenses by Year

	# of Projects	Total Bid Amt	Actual Amt	Avg SBE Goal %	Projected SBE Amt	Projected SBE %	Actual SBE Amt	Actual SBE %
2018	29	46,122,873	48,238,997	8.2%	4,824,188	10.5%	6,253,738	13.0%
2019	14	15,041,489	15,013,641	9.8%	3,934,696	26.2%	4,117,269	27.4%
2020	4	3,348,053	2,901,593	10.0%	82,207	2.5%	82,207	2.8%
Total	47	64,512,415	66,154,231	8.8%	8,841,090	13.7%	10,453,214	15.8%

SBE Utilization by Prime Contractor

Sixteen prime contractors performed work on the forty-seven completed City projects. Of these prime contractors, twelve met their total projected SBE Utilization rate, and eleven met the 10 percent utilization goal. Of the four who did not meet their projected utilization rate, three far exceeded the 10 percent target with actual utilization percentages of 35.3, 41.3, and 25.6 percent. Table 4 below shows total project and SBE expenses by prime contractor.

Table 4. SBE Expenses by Prime Contractor

Prime	Projects	Actual Total (\$)	Projected SBE Amt (\$)	Actual SBE Amt (\$)	Projected SBE %	Actual SBE %
Becco Contractors, Inc.	7	20,142,015	1,974,164	2,247,626	9.8%	11.2%
Ellsworth Construction	5	10,742,480	1,436,185	1,688,887	13.4%	15.7%
Crossland Heavy Contractors, Inc.	6	5,785,339	469,822	641,872	8.1%	11.1%
Tri-Star Construction	1	5,383,779	163,064	475,248	3.0%	8.8%
Grade Line Construction	5	4,637,970	1,105,031	1,126,034	23.8%	24.3%
Voy Construction	3	3,954,574	91,944	30,207	2.3%	0.8%
Traffic & Lighting Systems	1	3,582,443	1,280,024	1,265,802	35.7%	35.3%
Magnum Construction	3	2,547,032	348,307	505,430	13.7%	19.8%
Lippert Brothers, Inc.	1	2,122,396	285,000	285,000	13.4%	13.4%
Lowry Construction, Inc.	5	1,830,619	649,085	1,058,286	35.5%	57.8%
Builder's Unlimited	2	1,557,701	159,529	302,670	10.2%	19.4%
Southeast Tulsa Construction	3	1,297,734	585,197	536,456	45.1%	41.3%
Vance Brothers	2	1,071,834	-	-	0.0%	0.0%
Daris Contractors	1	932,186	245,568	238,587	26.3%	25.6%
Bret Barnhart Excavating	1	307,918	23,625	26,566	7.7%	8.6%
Keystone Services	1	258,213	24,545	24,545	9.5%	9.5%
Total	47	66,154,231	8,841,090	10,453,214	13.4%	15.8%

Expenses by Small Business Enterprise

Forty different firms received a total of \$10.5 million by working as SBEs on completed City projects. Expenses were concentrated amongst a small number of firms. Four firms received over half of the \$10.5 million, and ten firms represented 82 percent of all expenses. The thirty firms with the smallest amounts received through SBE subcontracting received \$1.9 million, 18 percent of all expenses. Table 5 below shows a summary of expenses by SBE. Appendix B shows the full list of all SBEs including all thirty firms in the Other category.

Table 5. Expenses by Small Business Enterprise

SBE Business	Projected SBE Amt (\$)	Actual SBE Amt (\$)	Percent of Total SBE Amt
Brownco Manufacturing	2,252,994	2,155,242	20.6%
Advanced Workzone Services*	1,147,299	1,151,313	11.0%
Sooner Recon, LLC	924,448	1,038,638	9.9%
Mustang Trucking	371,677	956,390	9.1%
Direct Traffic Control*	775,529	763,387	7.3%
Hezinger Construction	75,000	674,233	6.5%
Ground Level LLC	315,000	576,403	5.5%
Southstone Construction	433,560	544,067	5.2%
Stevenson Plumbing	132,711	359,263	3.4%
Concrete Services Corp	354,286	348,730	3.3%
Other (30 firms)	2,058,585	1,885,548	18.0%
Total	8,841,090	10,453,214	100.0%

* Business participated through DBE reciprocity policy.

Appendix A. Project Expenses with SBE Details

Project	Bid Amt (\$)	Actual Amt (\$)	SBE Goal %	Projected SBE Amt (\$)	Projected SBE %	Actual SBE Amt (\$)	Actual SBE %
2018							
51st - Pittsburg Ave to Yale Ave	970,648	1,126,666	10.0%	140,159	14.4%	197,923	17.6%
Art. St. Rehab Lewis 21st to 11th	4,777,787	5,383,779	3.4%	163,064	3.4%	475,248	8.8%
Arterial St Rehab & WL Replace	1,610,562	1,645,740	10.0%	161,750	10.0%	195,138	11.9%
Boulder Av/10th St to 1st St & 6th St & Denver Ave to Boulder Ave	4,415,000	4,904,166	10.0%	443,000	10.0%	549,710	11.2%
Bridge #402, 4200 S Memorial	274,000	222,993	10.0%	31,029	11.3%	43,504	19.5%
CC Mason Edu Sv Ctr Prkg Drainage	278,325	453,034	1.5%	4,160	1.5%	312,996	69.1%
CityWide Bridge Rehab	2,346,530	1,948,418	10.0%	236,080	10.1%	219,499	11.3%
COT Vision Tulsa American Hangar Tail	2,321,000	2,122,396	10.0%	285,000	12.3%	285,000	13.4%
EMD Emergency Generators	218,017	274,421	0.0%	-	0.0%	-	0.0%
EMD Facilities Maint. Upgrade Plmb/HVAC LTG	885,990	901,445	5.9%	52,476	5.9%	-	0.0%
Green Waste Facility Paving	222,300	225,857	10.0%	23,181	10.4%	43,090	19.1%
Hunter Park Playground	335,786	332,791	3.8%	12,705	3.8%	12,705	3.8%
Joe Creek Channel Rehab	892,820	932,186	10.0%	245,568	27.5%	238,587	25.6%
Lewis Estates, Subdivision S.Lewis	480,185	477,962	10.0%	48,420	10.1%	48,657	10.2%
Mill, Patch & Overlay	3,863,451	3,343,829	10.0%	760,656	19.7%	878,938	26.3%
MZ 1076 St Rehab & Bridge 189	2,378,000	2,972,746	9.1%	241,453	10.2%	271,241	9.1%
Newport Ave Storm Sewer Improvements	473,369	577,320	6.1%	29,000	6.1%	63,969	11.1%
Non-Art St. Rehab MZ 1157N	3,195,910	3,279,727	6.4%	205,111	6.4%	239,235	7.3%
Non-Arterial St Rehab & Waterline Replc in MZ 4015	641,091	560,605	9.9%	63,125	9.8%	89,991	16.1%
Non-Arterial St Rehab for MZ 7048	1,097,000	1,015,884	10.0%	110,378	10.1%	216,685	21.3%
Non-Arterial St Rehab MZ 9058	834,000	887,340	6.0%	83,420	10.0%	160,797	18.1%
Non-Arterial St Rehab Z 6035	2,755,000	3,122,158	10.0%	276,605	10.0%	284,605	9.1%
Ogans Circle Entry Enhancement	127,817	114,845	1.4%	3,375	2.6%	1,620	1.4%
Police Academy Renovations	1,682,657	1,686,719	0.0%	9,261	0.6%	-	0.0%
Rehab of 101st Harvard to Yale	6,913,000	7,839,809	10.0%	759,372	11.0%	805,610	10.3%
Riverside Dr 24th - 35th St, 21st Riverside Intersection	702,000	646,978	5.2%	36,500	5.2%	53,704	8.3%

Riverside Pkwy 81st to Joe Creek	787,000	583,034	10.0%	82,120	10.4%	85,256	14.6%
TPD Roof Replacement at Gilcrease Div	257,965	274,507	10.0%	26,600	10.3%	185,022	67.4%
Tulsa Fire Dept Roof Replace.	385,662	381,640	10.0%	290,620	75.4%	295,010	77.3%
2019							
Bicycle & Pedestrian Plan 10th, Elgin, Boulder	312,011	393,650	10.0%	33,294	10.7%	44,583	11.3%
Bicycle and Pedestrian Plan - Citywide Phase 1B	1,470,005	1,509,439	10.0%	749,351	51.0%	728,871	48.3%
Brady/Boston Drainage Improvements	495,353	388,646	10.0%	315,000	63.6%	252,553	65.0%
CityWide Bridge Rehab	693,000	650,466	10.0%	105,689	15.3%	108,761	16.7%
Crack Sealing	245,454	258,213	10.0%	24,545	10.0%	24,545	9.5%
Drainage Ditch from 15th to 13th Street	235,000	307,918	8.6%	23,625	10.1%	26,566	8.6%
Helmerich Park Playground	582,213	607,043	10.0%	236,369	40.6%	234,311	38.6%
Hicks Park Improvements	409,760	416,269	10.0%	348,828	85.1%	302,145	72.6%
Mill, Patch & Overlay	1,959,000	2,026,498	10.0%	197,000	10.1%	197,000	9.7%
Rehab of 11th St - 89th E Ave to Mingo	1,631,058	1,346,518	10.0%	168,509	10.3%	177,653	13.2%
Safety 1st Initiative Package 1 Traffic Signal	3,624,573	3,582,443	10.0%	1,280,024	35.3%	1,265,802	35.3%
Tulsa Zoo Playground	1,362,775	1,442,856	10.0%	156,154	11.5%	301,050	20.9%
Whiteside Park Plumbing	214,772	215,600	10.0%	95,906	44.7%	95,906	44.5%
Whiteside Park Pool	1,806,515	1,868,082	10.0%	200,401	11.1%	357,524	19.1%
2020							
Microsurfacing 1	740,123	586,661	10.0%	-	0.0%	-	0.0%
Microsurfacing 2	624,482	485,174	10.0%	-	0.0%	-	0.0%
Tulsa Zoo Rainforest Roof Replacement	1,512,463	1,366,409	10.0%	30,207	2.0%	30,207	2.2%
Zeigler Park Water Playground	470,986	463,350	10.0%	52,000	11.0%	52,000	11.2%
Total	64,512,415	66,154,231	8.5%	8,841,090	13.7%	10,453,214	15.8%

Appendix B. Projected and Actual Expenses by SBE

Business	Projected SBE Amt (\$)	Actual SBE Amt (\$)
Brownco Manufacturing	2,252,994	2,155,242
Advanced Workzone Services	1,147,299	1,151,313
Sooner Recon, LLC	924,448	1,038,638
Mustang Trucking	371,677	956,390
Direct Traffic Control	775,529	763,387
Hezinger Construction	75,000	674,233
Ground Level LLC	315,000	576,403
Southstone Construction	433,560	544,067
Stevenson Plumbing	132,711	359,263
Concrete Services Corp	354,286	348,730
Woodchuck Outdoors	374,369	279,280
White Construction Services	62,117	202,898
D&H Trucking & Removal	116,920	172,498
Creek Construction, LLC	110,925	137,785
M & M Electric	129,660	133,035
Jr & B Construction Services	96,813	128,346
Tulsa Sod & Mulch	63,131	125,763
Tulsa Civil Contractors	132,725	114,488
Best Dump Trucking	-	109,315
Cross Bo Construction	128,310	107,900
Tulsa Land Surveying	104,250	64,540
Fritz Land Surveying	54,500	55,543
Express Lawn Services	-	36,229
Verdigris Valley Sod	126,757	31,983
Quad Cities Enterprises	21,834	30,234
CV3 Mechanical	26,600	28,539
Nickle & Associates, Inc	52,802	27,085
Jus E Nuf	29,900	19,906
Fenix Group	57,476	17,556
Native Turf	58,825	14,605
HRAOK	13,814	13,814
Dynamite Cleaning	11,907	11,907
Shane Best Trucking	11,461	11,095
Aimright Testing & Engineering	45,000	6,260
Best Trucking	108,000	1,710
Atlas Land Office	1,620	1,620
Geodeca Surveying	3,900	1,617
Frame 'em and Hang 'em	8,661	-
Jimbo's Trucking	1,150	-
Triangle Construction	105,159	-
Total	8,841,090	10,453,214