Building Our Future Together

Mayor's Office of Equal Opportunity
2009 Annual Report

City of Cleveland

Frank G. Jackson, Mayor

601 Lakeside Avenue,
Room 335

Cleveland, Ohio 44114

May 1, 2010

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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. I have advocated this approach because it allows the city's businesses and our local workforce to benefit from the hundreds of millions of dollars spent each year by city government and local businesses. Contracting is one strategy that the city of Cleveland is using to promote local economic investment and inclusion."

Frank G. Jackson
Mayor

A Letter from the Director

Dear Citizens:

Self Help. This word best describes the strategy Mayor Frank G. Jackson has championed to help create businesses and job opportunities in Cleveland. At the heart of this philosophy is the belief that economic growth is fostered by procuring goods and services from local companies and by hiring local employees. Through government contracting, the City of Cleveland Office of Equal Opportunity (OEO) continues to play an essential role to promote local economic investment and inclusion.

In 2009, OEO continued to make great strides in improving economic opportunities for the city's Minority, Female, and Cleveland Small Business Enterprises (MBE, FBE and CSB). The number of MBE, FBE and CSB certifications increased by 120, to 1,395 during the past year. Over the last 12 months, 30 prime contractors were awarded more than $28.6 million in city contracts. Twelve of these firms were MBE certified firms, earning approximately $14.8 million in city contracts. Also, 192 certified subcontractors earned more than $52 million in city contracts.

Outreach continues to play a vital role as OEO works to make certain there are economic opportunities for all regarding city contracts. Last year, OEO held the Partners for Success Certification Fair. This certification fair was a collaboration of city, state and regional organizations geared towards increasing diversification through certification.

Additionally, OEO is increasing its efforts to monitor projects and ensure compliance with city requirements under the Cleveland Area Business Code, the Fannie Lewis Law and the Ohio Prevailing Wage Law. The average outcome on requirements for hiring city residents for projects greater than $100,000 was 31 %. This total was 11 % higher than legally required.

At the same time, OEO invested in technological advancements to improve monitoring efforts. A soft launch of a content management database system, PRISM became effective January 2010. OEO has begun the data enhancement phase and 10 contractors are participating in a vendor pilot.

Since 1977, Cleveland has worked to advance equal economic benefit for all Clevelanders. Today, our office remains committed to equal opportunity in municipal contracting. This report shares our activities and achievements in promoting equity in contracting for Cleveland MBE, FBE and CSB certified firms.

Sincerely,

Natoya J. Walker Minor
Chief, Public Affairs & Director, Office of Equal Opportunity

OEO Staff

OEO is responsible for the administration, monitoring and enforcement of the MBE, FBE, and CSB programs; the new programs for smaller, local businesses; and Fannie M. Lewis Cleveland Resident Employment Law programs. The staff at OEO are committed to enforcement of Codified Ordinance 187 and 188. The list of OEO staff members is as follows:

Natoya J. Walker Minor	Chief, Public Affairs & OEO Director
Diana Anthony	Business Inclusion Analyst
Albert Benjamin	Contract Compliance Officer
Jermaine Brooks	Business Inclusion and Outreach Coordinator
Kimberly Bryant	General Manager/Administrator
Michael Curry	Business Inclusion Analyst
Lisa Dent	Compliance Administrator
Shanelle Johnson	Analyst, Student Intern
Lynn Peculis	Business Inclusion Analyst
DeAndrea Pruitt	Contract Compliance Officer
Phillip M. Robinson, Jr.	Cleveland Executive Fellow
Nora Singleton	Executive Assistant to the Director
Carol Whitaker	Minority Business Development Administrator
Jennifer Wiman	Contract Compliance Officer
LeJon Woods	Contract Compliance Officer

Executive Summary

Despite the challenging economic climate, the City of Cleveland finds itself at the center of an exciting period of growth (Flats East Bank, Medical Mart, Casinos) that will result in economic impact for our region. OEO is charged with ensuring economic inclusion on these major development projects that are on the horizon. This annual report presents contracting activity for Fiscal Year 2009, our participation (spend), outreach efforts, and an outlook for 2010.

The report is organized into eight parts: mission and objectives, methodology, outreach highlights, summary of results for contract awards, contract compliance and monitoring, department data, success stories and an appendix. The summary of results section presents an overview of the "spend" to MBE, FBE and CSB enterprises and the number of contracts let through the city. The contract compliance and monitoring section reviews the annual participation goals, trends and number of contracts by department.

Methods of analysis include the City Board of Control (BOC) records for contract awards over $10,000. The only exception is contracts under the supervision of Community and Economic Development that are not subject to BOC approval. In 2009, 30 Prime contractors and 180 subcontractors were awarded more than $80 million for contracts over $10,000. Subcontractors were awarded 405 city contracts. Also, data for contracts under $10,000 was taken from the PeopleSoft system. Certified primes and subcontractors did not receive awards for contracts under $10,000.

This report examines the trends surrounding certifications. The number of MBE, FBE and CSB certifications increased by 120, to 1,395 during the past year. Additionally, this report takes a look at the affect of CSB on the certification process. Today, some companies are certified as more than one classification. A business can be certified as a MBE, a FBE, *and* a CSB. To ensure that classifications are accurate and total 100 %, firms are divided into six groups: CSB, CSB/MBE, CSB/FBE, CSB/MBE/FBE, FBE and MBE.

The report also highlights success stories from 2009. It focuses on successful partnerships between OEO and MBE, FBE and CSB firms. Cleveland maintains a high participation threshold for various industries, including vertical construction. As a result of a 2007 disparity study, vertical construction is the ***only*** subsector within an industry that still requires a focused effort to increase MBE and FBE participation. With the creation of the Cleveland Small Business (CSB) code participation goals for this industry were established at15% MBE, 7% FBE and 8% CSB.

Enforcement of requirements for hiring of City of Cleveland residents on applicable contracts increased in 2009 as well. OEO penalized nine firms in 2009 and of those nine, six of them were sited. This resulted in a 274% increase in penalties: from $10,500 in 2008 to $39,280 in 2009.

OEO monitored more than 80 construction contracts over $100,000 to ensure compliance with Fannie M. Lewis Resident Employment Law requirements to hire 20% City residents. An average 31% of hires on construction contracts were City residents.

The report finds is about continued emphasis on Self Help as the foundation for economic inclusion. This report provides valuable trends and analysis. Trends discussed include:

- Cleveland awarded city contracts totaling more than $362 million.
- Certified firms garnered more than $81 million, or 22 % of all contract dollars.

- Primes received $29.1 million (8 %) and subcontractors earned $52.3 million (14 %).
- Certified CSB/MBE firms received the largest amount of contracts with $26.4 million.
- The growth in CSB certifications has been at the expense of MBE and FBE only firms.
- Steady increase in professional service contracts awards.
    - Nearly $130 million (35.6 %) of the total contract dollars awarded was distributed to firms within the professional services industry.
- The construction industry saw a decrease of 43 % in the amount of dollars it was awarded. Conversely, the professional services industry saw an increase of 222 % in contracts awarded.

The report concludes that there is a real opportunity for certified firms to participate in the rejuvenation of Cleveland. The focus should be on:

1. Continued application of CSB goals
2. Meeting/exceeding the requirements of the Fannie M. Lewis Residency Law.
3. Increasing the level of opportunities for projects under $10,000.

Mission and Objectives

Mission

The mission of OEO is to advance equal economic benefit for all Clevelanders by ensuring compliance with contractor goals and requirements, by providing development and support activity for target groups, and by overall advocacy, with a commitment to excellent public service.

Objectives

OEO is responsible for the administration, monitoring and enforcement of the city's Cleveland Area Small Business Code and the Fannie M. Lewis Cleveland Resident Employment Law programs. These ordinances and laws are chapters 187 and 188, respectively, of Cleveland's' ordinances. The department's critical objectives are as follows:

- Increase participation for target local businesses and residents in city contracts;
- Certify MBE, FBE and CSB firms.
- Evaluate spend on city contracts;
- Ensure compliance by companies doing business with the city;
- Support business development for certified firms by providing support and technical assistance; and
- Monitor & enforce compliance on the Fannie M. Lewis Cleveland Resident Employment Law.
- Conduct Outreach and Development to build the capacity of certified firms.

Moving Forward – Mayoral Priorities for 2009

Mayor Jackson has continued to advocate for Self Help as the strategy to invest in the local economy. Under this directive, OEO has five significant contract procurement objectives to accomplish this goal. This goal is especially geared towards contracts certified for $100,000 or greater (known as "major contracts"). These objectives are as follows:

- Increase the pool of MBE, FBE and CSB businesses seeking contracting opportunities;
- Increase the average number of bidders on major contracts;
- Increase the number of MBE, FBE and CSB enterprises awarded contracts;
- Ensure the workforce of Contractors is representative of the demographics composition; and
- Adopt green building standards into capital improvement projects to reduce operating costs and improve the environmental performance of city facilities and infrastructures.

Methodology

Methodology

Results for 2009 were based upon contracts awarded during that year and monitored by OEO. City Board of Control (BOC) records was the primary data source for contract awards over $10,000. The only exception is contracts under the supervision of Community and Economic Development that are not subject to BOC approval. Also, data for contracts under $10,000 was taken from the PeopleSoft system. PeopleSoft uses information from the departments to determine the paid to date amounts.

Additionally, data compiled by the Emerging Business Enterprise Development (EBED)[1] office was incorporated into the annual report. The Cleveland Airport System created EBED to manage the Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) program. Managing these programs is in accordance with regulations of the U.S. Department of Transportation (DOT) 49 CFR Parts 26 & 23. Primarily, this program ensures that DBE/ACDEs can compete fairly for opportunities for DOT assisted contacts and concessions.

Certification Data

Mayor Jackson, through OEO, implemented amendments to Ordinance 187 (*Cleveland Area Business Code Notice to Bidders & Schedules*) in June 2008. These legislative modifications allowed OEO to expand its program to include a third business certification, Cleveland Small Business (CSB). As a result, all businesses certified by the city were grandfathered into new programs over 18 months.

Afterwards, firms were re-certified by application. Limitations on individual business participation in contract goals have increased the number receiving opportunities as sub-contractors. Since the CSB process is relatively new, there isn't any historical data to use as a comparison. Beginning with the 2009 annual report, CSB certifications will be measured for its impact on the city contracting process.

Today, most companies are multi-certified. A business can be certified as a MBE, FBE, *and* CSB. Contract awards are reported as a %age to MBEs, FBEs, and CSBs. The contract amounts are divided among the various classifications; this process allows for the classifications to be accurate and totaled to 100 %. These classifications are as follows:

- CSB
- CSB/MBE
- CSB/FBE
- CSB/MBE/FBE
- FBE
- MBE

The city department data was taken from the BOC forms and only includes projects with an actual address.

[1] EBED is a division of the Department of Port Control, not OEO.

Highlights and Outlook

2009 Highlights

During the past year, OEO enjoyed numerous successes. The department continued to enforce participation thresholds, oversaw certifications and provided technical assistance to certified firms. Last year's highlights included:

- Certified 120 prime and subcontracting firms (total now 719 firms);
- Conducted 1,395 certifications;
- Awarded 30 prime contractors more than $28.6 million in city contracts;
- Awarded 192 certified subcontractors more than $52 million in city contracts;
- Sponsored the James H. Walker Construction Management course;
- Held the Partners for Success Certification Fair. This certification fair was a collaboration of city, state and regional organizations geared towards increasing diversification through certification; and
- Oversaw a soft launch of PRISM, a new content management database system, with a focus on the data enhancement phase.
- Department of Port Control Emerging Business Enterprise Development (EBED) statistics:
    - 17 contracts awarded
    - Cleveland Disadvantaged Business Enterprises (DBE) receive 16 contracts
    - Cuyahoga County firms receive 29 contracts
    - Other Ohio counties received 7 contracts
    - Out of state received 5 contracts

2010 Outlook

In 2010, OEO plans to lead the following initiatives:

- Initiate and complete a new disparity study;
- Introduce tougher sanctions against prime contractors who violate participation goals (e.g. post violators on the city Web site alongside primes who are complying with the law);
- Conduct five-year review of Fannie Lewis Law;
- Partner with Cuyahoga Community College, Corporate College, the new grantee of the Minority Contractor's Business Assistance Grant (MCBAP);
- Explore the opportunity for a unified certification application for the City of Cleveland, Northeast Ohio Regional Sewer District, Regional Transportation Authority and Cuyahoga County; and
- Oversee the final implementation of PRISM, the new permanent database management system for OEO.

2009 Certified Prime Contractors

Thirty certified primes were awarded city contracts resulting in $28,687,807.48 in contract awards. The following is a list of the certified primes, categorized by industry:

Construction

Cleveland Industrial Concrete

Dodson & Associates, Inc.

Gene Ptacek & Son Fire Equipment Company, Inc.

Independence Office & Business Supply Co.

Interstate Safety & Service Co., Inc.

KBJ Incorporated

Lakeside Supply, Inc.

Nerone & Sons, Inc.

Northstar Contracting, Inc.

Organic Way Inc. dba The Tractor Place

Petty Group, Inc.

Precision Engineering

R. W. Clark Co., Inc.

Vandra Brothers

Other

B. P. Britches, Inc. dba Christopher's

Ballast Construction, Inc. dba Ballast Fence

Granger Trucking, Inc.

Robin's Nest Landscaping, LLC

Samsel Rope & Marine Supply Company

Servco Products, Inc.

Simplified Alternatives, Inc.

Professional Services

Bruder Inc.

Byron D. Myers, Architect

Creative Works, Inc.

DLZ Ohio, Inc.

Ralph C. Tyler P.E., P.S.

Resource International, Inc.

Richard L. Bowen + Associates

RNR Consulting

Ziska Architects, LLC

2009 Certified Subcontractors

One hundred sixty-five certified subcontractors were awarded city contracts. There firms generated $42,191,838.64 in contract awards. The following is a list of the certified subcontractors, categorized by industry:

Construction

A. C. Plastering
A. L. L. S., Inc.
AMJ Construction
Anderson Janitorial Service
Atlas Electric
Authentic Flooring
Automatic Mechanical
Ballast Construction
Bay-West Electric
Bidar Construction
Brown Transfer
Burkshire Construction
CYA Plumbing
Carnegie Cabinets
Caver Brothers, Inc.
Chagrin Valley Steel
Cleveland Framing Solutions
Cleveland Industrial Concrete
Coleman Spohn
Coleman Spohn Corporation
Collinwood Shale Brick
Comm Steel
Cook Paving
Cunningham Paving
Cuyahoga Fence, LLC
Cuyahoga Supply & Tool
Dan Ray Construction, LLC
DDC+, Inc.
Dentz Painting
Dependable Painting
Down to Earth Landscaping
EEC Enterprises, LLC
Eagle Fabricators & Erectors
Eliot Masonry, Inc.
Elyria Concrete
Extreme Cabling
Firestop Solutions & Systems
Five Star Supply
Friedel Trucking
Gateway Electric
GECON Supply Co., LLC
Granger Trucking
Gratton Building
H. S. Development Corp.
Hammond Construction
Hernandez Const.
Imperial Mechanical
Interstate Safety
Jones Technologies Enterprises, Inc.
KBJ Inc.
KEMS Construction
KLE Construction
Key General Contractors
Krusoe Sign
L. V. Surveying
Lakeland Electric Supply Company
Lakeside Supply
Landmark Plumbing
Lightning Demolition
Lito Trucking, Inc.
M. Rivera
M. Wilson Construction

Maria Heckaman
Marissa Wilk & Associates
McTech Corp. dba Tech Ready
Mid Town Trucking
Midwest Cable & Wireways
Miles Mechanical, Inc.
Minority Electric Company, Inc.
Mohawk Rebar
MSK Cleaning, Inc.
North Coast Paving
North Electric
Northeast Masonry & Contracting, LLC
Nowak Mechanical Services
Obon, Inc.
Pete & Pete Container
Petty Group LLC
PGT Construction
PowerMike & Co.
Precision Industrial
Price Builder
Ranger Electric
R-Cap Security
R. A. F. Building Maint.
Road Runners, Inc.
Rochelle Plat
Rockport Construction
Roth Construction
Royal Landscape and Gardening, Inc.
Ruccella Construction International
Rudy's Hardware & Supply
Saunders & Sons
SE Blueprint
Simplified Alternatives
Start to Finish, Inc.
Suburban Maintenance
Tech Ready Mix
The Vallejo Company
Timeline Photography
Troutman Const.
United Ready Mix
VIP Restoration
Valley City Builders
Will & Dewey
Woods Concepts
Work Best Electric
World Waste
Zen Industries, Inc.

Design Build

F. Buddie
L. V. Surveying
McKnight Associates
Polytech, Inc.

Other

AAMco Transmission
Affordable Demolition and Hauling
American Merchandising
Anabis Security
Catch 33 Enterprises
Caver Brothers, Inc.
Clarkes Family Trucking, Inc.
Coleman Trucking Inc.
Collinwood Shale Brick & Supply
Integrated Business Supplies
J & S Company, Inc.
Philips Electric dba Redmond Waltz
Poly Services, Inc.
Ramos Trucking
RAR Construction
Robins Nest Landscaping

Samsel Supply Co.
Saunders & Sons
The J and S Co.
Warren-Chaney Office Furniture
Washington Enterprises, Inc.

Professional Services

AA Blueprint Co., Inc.
Affordable Staffing
Andres Johns Grpahic Arts
Andrew Jones, Inc.
ASC Group, Inc.
Bemba K. Jones
Bernard R. Doyle, Inc. dba Fast Signs
CAD Concepts, Inc.
Charles P. Broman & Co.
CJI Industrial Supply, Inc.
Cloud & Associates
Coleman Spohn Corporation
Consulting Engineering
Denise Stallworth Referral Services
DeVore Technologies, Inc.
DLZ Ohio, Inc.
EdArch Associates, Inc.
Eden Environmental, Inc.
Pardo Consultants
Peggy A. Brown
Photography by Tony, Inc.
Pinkney-Perry Insurance Agency
Polytech, Inc.
Precision Analytical, Inc.
Prime Engineering & Architecture, Inc.
Prime Geotech, Inc.
Quality Ribbons & Supplies Co.
Quick Employment
Ralph Tyler Companies
Resource International, Inc.
RNR Consulting
Robert P. Madison International, Inc.
Environmental Affairs Management, Inc.
FX Digital Media, Inc. dba HotCards
G & T Associates, Inc.
HzW Environmental Consultants, LLC
Knight & Solar, Inc.
KS Associates, Inc.
L. V. Surveying
Lawhon Associates
M. Neff Design Group, Inc.
McGuiness Unlimited, Inc.
Media Impressions
Metropolitan Architecture
Michael Benza & Associates, Inc.
ML Warner
Moss-Card Consulting
New Management, Inc.
OM Consulting Group
Paragon Tec, Inc.
Sandhu & Associates
Sigma Associates, Inc.
Solar Systems Networking, Inc.
Solar Testing
Somat Engineering
Stephen Hovancsek & Associates, Inc.
Suhail & Suhail, Inc.
Texcel, Inc.
The Ferneway Company
The Riverstone Company
Tucker, Young, Jackson, Tull, Inc.
Ubiquitous Design
United International Consultants
Van Auken Aiken

Summary of Results: 2009 Cleveland Contract Information

OEO strives to administer, monitor and enforce the city's MBE, FBE and CSB enterprises for participation as prime and sub-contractors on city-related contracts. The OEO staff ensures the certification of businesses as local, minority- or female-owned. The staff evaluates city contracts to determine the goals as it relates to contract type and validate participation levels (spend) of CSB, MBE, and FBE.

The city has identified participation goals for prime and sub-contractors within four industries that routinely secure city contracts (see **Figure 1**). These industries include design build, horizontal construction, vertical construction, professional services and "other." The category "other" includes supplies, requirement contracts, maintenance contracts, etc.

Based on a 2007 disparity study, vertical construction is the ***only*** industry that has specific MBE (15%), FBE (7%) and CSB (8%) participation goals. The study found that only this sub-sector within the construction industry lacks the diversification needed to reflect doing business in Cleveland. The remaining industries have a 30% CSB goal.

The participation goals for 2009 were as follows:

Figure 1: 2009 Annual Participation Goals

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*	

Citywide Results

In 2009, Cleveland awarded city contracts totaling more than $362 million (see **Figure 2**). Approximately $151 million was awarded to firms in the construction industry (includes community and economic development). Firms within the design build industry were awarded about $1.2 million. Nearly $81 million was awarded to firms in the other services industry. Also, professional services firms earned contracts totaling more than $129 million.

This year's data indicates a sizable shift in the allocation of contract dollars. Over 41 % (41.8 %) of the total contract dollars awarded was distributed to firms within the construction industry. The professional services trailed slightly with a 35.64 % of the contracts awarded.

To put these figures into context, the construction industry received 66 % and professional services received 11.9 % of the contracts awarded in 2008. The construction industry saw a decrease of 43 % in the amount of dollars it was awarded. Conversely, the professional services industry saw an increase of 222 % in contracts award. This shift validates the growing relevance of professional services, including information technology, consulting, seasonal workers, etc. This represents a true growth opportunity industry for MBEs, FBEs and CSBs.

Figure 2: 2009 City as a Whole Data

City as a Whole	
Total Received:	$362,931,210.08
Construction (includes CD & ED)	$151,614,424.58
Const. % of total	41.77%
Design Build	$1,217,000.00
Design Build % of total	0.34%
Other Services	$80,799,105.96
Other Serv. % of total	22.26%
Professional Serv.	$129,331,023.54
Prof. Serv. % of total	35.64%

The other services industry didn't see an increase, stagnating from 22 to 22.3 % in 2009. The design build industry is a new category and its %age of awarded contracts reinforces this fact.

Certified Firms

By the end of 2009, 719 firms were certified with OEO (most multi-certified) resulting in 1,395 certifications[2].

Collectively, certified firms – prime contractors and subcontractors – earned over $81 million. This is approximately 22 % of for-profit city contracts awarded in 2009 (see **Figure 3**). Thirty prime and 192 subcontractor firms were awarded contract dollars. Prime contractors earned about 8 % of the total contracts awarded, while subcontractors received 14 %.

Figure 3: 2009 Certified Firms – Total Dollars

Total Certified Firms		
Prime	$29,077,952.48	8.01%
Subcontractors	$52,374,604.36	14.43%
TOTAL	$81,452,556.84	22.44%

CSB firms received $15.3 million (4.2 %), CSB/FBE firms earned $18.4 million (5 %) and CSB/MBE firms obtained $37 million (10.3 %). Additionally, CSB/MBE/FBE firms garnered $3.9 million (1.07 %). Also, FBE firms collected $1.5 million (0.43 %) and MBE firms were awarded about $5.1 million (1.42 %). CSB/MBE firms were awarded the largest cumulative amount and held the largest %age of city contract dollars (see **Figure 4).**

[2] Refer to methodology section regarding multi-certification and its impact on the entire certification process.

Figure 4: 2009 Total - All Certified Firms (based on city contracts totaling $337,152,309.08)

All Certified Firms 2009		
CSB	$15,260,166.80	4.20%
CSB/FBE	$18,380,947.18	5.06%
CSB/MBE	$37,200,470.28	10.25%
CSB/MBE/FBE	$3,898,864.29	1.07%
FBE	$1,553,340.75	0.43%
MBE	$5,158,767.54	1.42%

Certified Primes

Thirty certified prime contractors received approximately $29.1 million (8 %) in 2009. The breakdown (see **Figure 5**) of the certified primes is as follows:

Figure 5: Certified Primes Breakdown

Certification	Firm Breakdown Across Industry
CSB	10 firms (6 construction, 3 professional and 1 other)
CSB/FBE	7 firms (3 construction, 3 other and 1 professional)
CSB/MBE	11 firms (5 construction, 3 other and 3 professional)
FBE	1 firm (professional)
MBE	1 firm (professional)

CSB prime firms garnered the largest contract dollars with roughly $12.8 million, or 44 % (see **Figure 6**). Within this CSB total, construction firms made up the lions share, earning more than $12 million.

Figure 6: Certified Prime – Contract Awards

Certified Primes	
Total Received:	**$29,077,952.48**
CSB	$12,825,781.49
CSB/FBE	$3,527,209.04
CSB/MBE	$10,796,644.95
FBE	$450,000.00
MBE	$1,478,317.00

CSB/MBE prime firms were not far behind with more than $10 million, or 37.1 % of the total certified prime contract dollars awarded. Once again, firms within the construction industry earned the most – more than $6.7 million – for CSB/MBE prime firms. Alternatively, FBE prime firms generated the lowest contract awards with $450,000 (1.55 %).

Regarding total dollar breakdown across industries, certified primes within the construction industry earned the largest amount of certified prime contract dollars, totaling more than $20.8 million (see

Figure 7). This total made up 71.5 % of this subgroup. CSB primes received the most within the construction industry with 58 % of the subtotal.

Professional services prime firms garnered the second largest amount with more than $5.4 million dollars. CSB/MBE firms made up 50 % of the subgroup within this industry with more than $2.7 million. This total made up approximately 19 % of the subtotal. The other services industry rounded out the group with 9.6 % or about $2.8 million.

Figure 7 Certified Primes – Total Dollar Breakdown

Certified Primes 2009				
	Construction	**Professional Serv.**	**Other Services**	**Total**
CSB	$12,058,234.30	$579,539.19	$188,008.00	$12,825,781.49
CSB/FBE	$1,982,839.28	$233,300.00	$1,311,069.76	$3,527,209.04
CSB/MBE	$6,755,326.99	$2,738,684.00	$1,302,633.96	$10,796,644.95
FBE	$0.00	$450,000.00	$0.00	$450,000.00
MBE	$7,115.00	$1,471,202.00	$0.00	$1,478,317.00
Totals	**$20,803,515.57**	**$5,472,725.19**	**$2,801,711.72**	**$29,077,952.48**

Certified Subcontractors

In 2009, 192 certified subcontractors garnered more than $52 million (14.4 %). Unlike prime contractors, many subcontractors handled multiple city contracts. As a result, there were instances in which subcontractors worked within several different industries. This distinction makes it near impossible to break down by industry without duplicative calculations.

CSB/MBE received the largest contract dollars with $26 million or 50.4 % (see **Figure 8**). Construction firms made up the majority of this subgroup, receiving more about than $29.7 million.

Figure 8: Certified Prime – Contract Awards

Certified Subcontractors	
Total Received:	**$52,374,605.36**
CSB	$2,434,385.31
CSB/FBE	$14,853,738.14
CSB/MBE	$26,403,825.33
CSB/MBE/FBE	$3,898,864.29
FBE	$1,103,340.75
MBE	$3,680,450.54

CSB/FBE subcontractors received the second largest amount of contract dollars awarded with more than $14.8 million, or 28.3 %. Firms within the construction and other services industries earned the most in this subgroup, with $9 million and $3.3 million, respectively. On the other end of the spectrum, FBE contractors earned the least amount with $1.1 million. Also, firms that registered as a

CSB, MBE and FBE hauled in more than $3.8 million (see **Figure 9**). This emerging trend indicates more firms looking to multi-certify. This trend further complicates the traditional 1:1 ratio for counting.

Another emerging trend is the growth in subcontractors taking on professional services projects (see **Appendix A**). Construction opportunities for subcontractors decreased by -0.02 % over the last year. Meanwhile, contract dollars earned from professional service jobs increased by 15.4 % from 2008 to 2009. In 2009, CSB/MBE had the largest majority in both industries, with 50 % for construction and 46 % for professional services. These trends indicate that there is promise for MBEs, FBEs and even CSBs to further their influence in professional services.

Additionally, CSBs grew in influence in 2009 as an option for subcontractors. The majority of contract dollars awarded went to subcontractors that were certified as a CSB. At the same time, firms that had a single designation of FBE or MBE garnered the lowest amount of contract dollars. While the individual MBE and FBE totals have decreased, new opportunities have increased for firms that have taken advantage of being multi-certified (e.g. CSB/MBE, CSB/ FBE, etc)

Figure 9: Certified Subcontractors – 2009 Breakdown

Certified Subcontractors – 2009					
	Construction	**Professional Serv.**	**Other Serv.**	**Design Build**	**Total**
CSB	$1,445,522.00	$442,940.81	$0.00	$545,922.50	$2,434,385.31
CSB/FBE	$9,018,859.14	$2,438,312.05	$3,392,716.95	$3,850.00	$14,853,738.14
CSB/MBE	$15,771,398.00	$5,617,071.41	$4,899,355.92	$116,000.00	$26,403,825.33
CSB/MBE/FBE	$1,995,662.54	$1,521,301.75	$381,900.00	$0.00	$3,898,864.29
FBE	$993,791.48	$109,549.27	$0.00	$0.00	$1,103,340.75
MBE	$1,799,119.40	$1,862,428.14	$18,903.00	$0.00	$3,680,450.54
Totals	**$31,024,352.56**	**$11,991,603.43**	**$8,692,875.87**	**$665,772.50**	**$52,374,604.36**

Contract Compliance and Monitoring

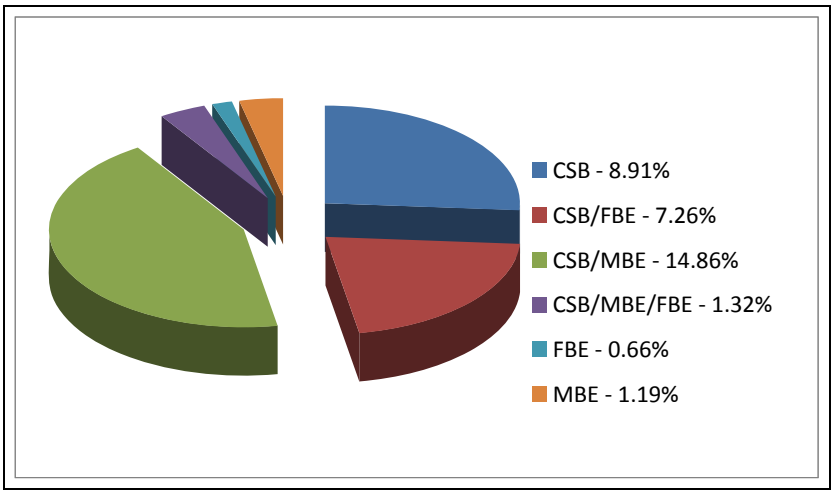
Cleveland spent $29,077,952.48 with 30 certified prime contractors during 2009. Approximately 192 certified subcontractors were awarded $52,374,604.36. Certified firms earned $81,452,556.84 in city contracts. This total amount was roughly 22% of the total amount ($362,931,210.08) of contract awards issued during the fiscal year.

In 2009, three out of the four (75 %) OEO participation goals were met (see **Appendix B**). The construction, design build and professional services goals were achieved. The participation goal for other services fell short of the mark.

Construction

Last year, the city awarded $151,614,424.58 to firms in the construction industry. Certified firms in the construction industry were awarded $51,827,868.13. CSB/MBE certifications were the most common with $22,526,724.99, or 14.9 % (see **Figure 10**). The second most common certification was CSB, with a total of $13,503,756.30

Figure 10: OEO Goals – Construction

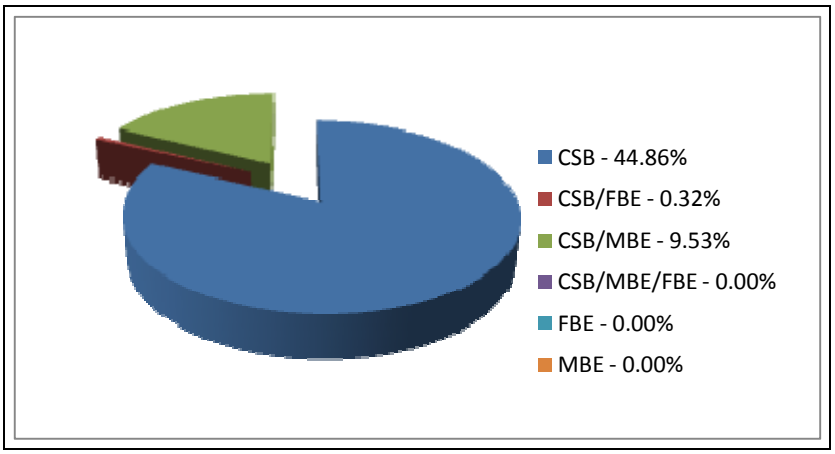


The OEO goal for the construction industry is 30 %. This goal was exceeded with 34.18% compliance. The amount awarded to the certified firms in the industry totaled 14.28% of all city contracts.

Design Build

This industry is relatively new. It consists of certified firms that handle the design of a project and its subsequent construction. The city awarded one design build contract in 2009 in the amount of $1,217,000.00. The certified firms within this industry earned $665,772.50. Firms with a CSB certification dominated the industry (see **Figure 11**). These firms received 44.8 % of the city contracts awarded to the industry.

Figure 11: OEO Goals – Design Build

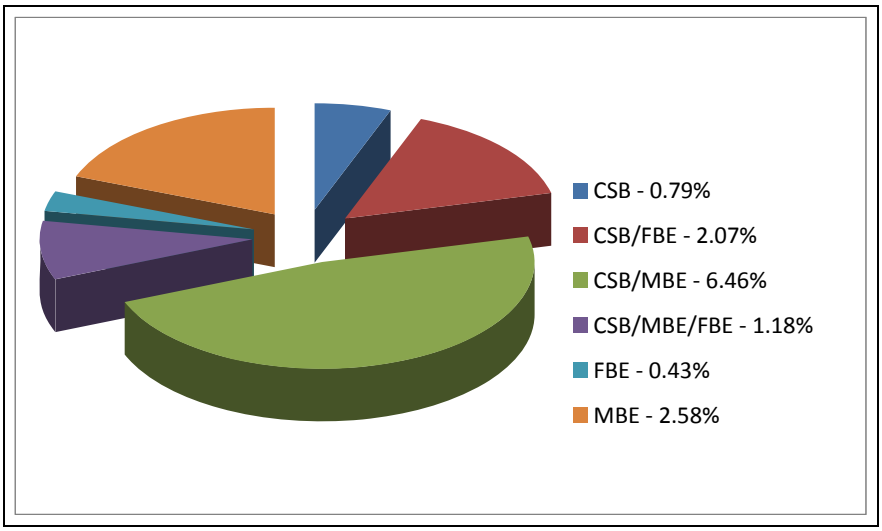


The OEO goal for the design build industry was 40 %. The goal was exceeded with 54.7 % compliance. The amount awarded to the certified firms in the industry totaled 0.18 % of all city contracts.

Professional Services

The professional services industry has seen the most growth in contract opportunities. The city awarded $129,331,023.54 to firms in this industry. The certified firms within this industry garnered $16,544,093.62. CSB/MBE enterprises were the most common amongst certified firms in this industry (see **Figure 12**). These businesses earned 6.5 % of the city contracts awarded to the industry.

Figure 12: OEO Goals – Professional Services

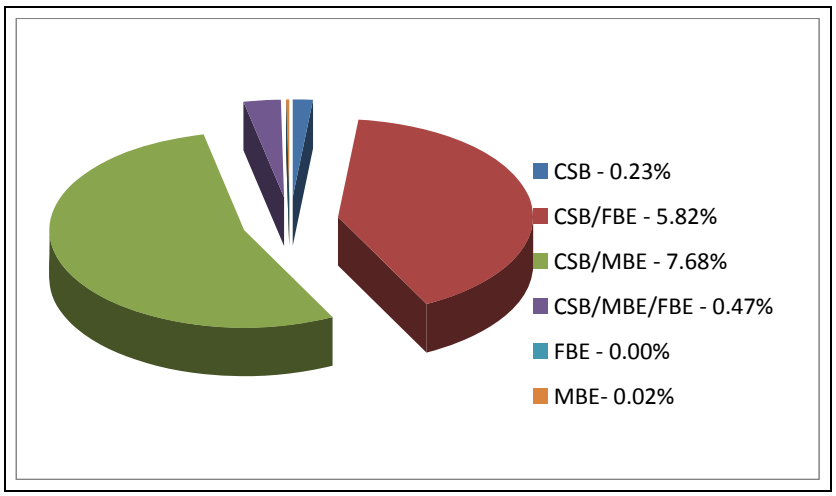


The OEO goal for the professional services industry was 10 %. The goal was exceeded with 13.50 % compliance. The amount awarded to the certified firms in the industry totaled 4.81 % of all city contracts.

Other Services

Cleveland awarded $80,799,105.96 in contracts to firms in the other services industry. The certified firms within this industry garnered $11,494,587.59. CSB/MBE firms were the most common amongst certified businesses in this industry (see **Figure 13**). These businesses earned 7.68 % of the city contracts awarded to the industry.

Figure 13: OEO Goals – Other Services



The OEO goal for the other services industry was 20%. The industry did not meet this participation threshold. Last year the total was 14.23 %. Overall, the amount awarded to the certified firms in the industry totaled 3.17 % of all city contracts.

Department Totals for Contracts over $10,000

In 2009, certified subcontractors received $52.4 million in contracts awards from the city of Cleveland for projects over $10,000.

Public Utilities awarded the most to subcontractors with $20 million (39 % of the total contracts awarded to certified subcontractors).

Parks Recreation & Properties awarded CSB/MBE firms the largest amount of contracts with $2.9 million (23.9% of their spend).

Department of Port Control awarded the most to CSB/FBE firms with more than $3.7 million.

The threshold for Board of Control approval is $50,000. Most Building and Housing projects were under $50,000. However, in complying with the City's directive to be inclusive, Building & Housing was compliant with the Mayor's directive of **Self Help** and used:

- 34 contractors for demolition contractors
  - 20 contractors were Cleveland based
  - 5 contractors were MBE certified
  - 2 contractors were FBE certified

- 9 contractors were CSB registered
- 8 contractors were HUD Sect 3 certified

Also, the contract award breakdown for Building and Housing was as follows:

- MBE contractors: 378 contracts or 30 percent of all contracts
- FBE contractors: 40 contracts or 3 percent of all contracts
- CSB contractors: 485 contracts or 39 percent of all contracts
- HUD Sect. 3 Certified contractors: 475 contracts or 38 percent of all contracts

Department Totals for Contracts under $10,000

City departments did not award any contracts under $10,000 to certified subcontractors in 2009 (see **Figures 15 and 16**). Overall, prime contractors were awarded $**30,344** in contracts. Most contracts were given to firms in the other services industry with only 24 % given to the construction industry and nothing to the professional service and design/build industry. Given that not one prime contractor with a project under $10,000 hired a certified MBE, FBE or CSB subcontractor, it is reasonable to extrapolate that this trend would continue if the participation threshold is increased. This outcome would have a negative impact on annual participation goals and would prevent certified subcontractors from having an opportunity to have access to city projects.

Vertical Construction

In 2007, a disparity study was conducted to measure MBE and FBE participation. This study concluded that vertical construction is the **only** subsector within an industry that needs specific participation goals. As a result, the Cleveland Business Code was revised and the Cleveland Small Business (CSB) became apart of the code.

Last year, 11 vertical construction contracts were awarded. Two contracts awarded by the Public Utilities and Public Service departments exceeded the MBE participation goal. Five contracts exceeded the FBE participation goal.

Figure 14: 2009 Department Totals by Certification (over $10,000)

City of Cleveland

Mayor's Office of Equal Opportunity

Contractual Awards - CSB, MBE, FBE Procurement for Certified Subcontractors

City Department	CSB	%	CSB/FBE	%	CSB/MBE	%	CSB/MBE/FBE	%	FBE	%	MBE	%	Total Awarded to all Subs	Total >$10k City Contracts
Building & Housing	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	$1,047,982.00
Civil Service Commission	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	$71,000.00
Community Development	$8,629.00	0.03%	$927,879.15	2.86%	$1,079,296.43	3.33%	$383,128.00	1.18%	$54,239.50	0.17%	$1,791,794.40	5.53%	$4,244,966.48	$32,388,522.00
Department of Port Control	$24,000.00	0.06%	$3,777,363.80	9.87%	$2,155,292.84	5.63%	$0.00	0.00%	$24,500.00	0.05%	$192,245.00	0.50%	$6,173,401.64	$38,260,763.00
Economic Development	$301,829.00	0.00%	$3,649,854.80	26.27%	$1,820,691.54	13.10%	$6,839.58	0.05%	$939,551.98	6.76%	$275,040.89	1.98%	$6,993,807.79	$13,893,746.00
Finance	$0.00	0.00%	$153,916.00	2.20%	$311,084.00	4.44%	$0.00	0.00%	$0.00	0.00%	$23,056.00	0.33%	$488,056.00	$7,009,819.06
Parks & Recreations	$704,036.50	5.71%	$752,473.00	6.10%	$2,951,565.31	23.92%	$1,266,840.00	10.27%	$7,000.00	0.06%	$18,903.00	0.15%	$5,700,817.81	$12,340,341.58
Personnel	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	$75,795,000.00
Public Health	$0.00	0.00%	$4,687.00	1.61%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$4,687.00	$292,730.50
Public Safety	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	$2,718,999.57
Public Service	$141,036.00	0.34%	$2,677,231.54	6.53%	$4,473,271.21	10.92%	$709,825.00	1.73%	$78,049.27	0.19%	$194,466.00	0.47%	$8,273,879.02	$40,972,234.10
Public Utilities	$1,254,854.81	0.91%	$2,910,332.85	2.11%	$13,612,624.00	9.85%	$1,532,231.71	1.11%	$0.00	0.00%	$1,184,945.25	0.86%	$20,494,988.62	$138,132,967.27
TOTAL	**$2,434,385.31**	**0.67%**	**$14,853,738.14**	**4.09%**	**$26,403,825.33**	**7.28%**	**$3,898,864.29**	**1.07%**	**$1,103,340.75**	**2.11%**	**$3,680,450.54**	**7.03%**	**$52,374,604.36**	**$362931,220.08**

** %ages are based on the total amount of city contracts awarded in 2009.*

Figure 15: 2009 Department Totals by Type of Contract (over $10,000)

City of Cleveland
Mayor's Office of Equal Opportunity
Contractual Awards

City Department	Construction	%	Design/Build	%	Other	%	Professional	%	Total
Building & Housing	$698,482.00	0.00%	$0.00	0.00%	$349,500.00	33.35%	$0.00	0.00%	$1,047,982.00
Civil Service Commission	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$71,000.00	100.00%	$71,000.00
Community Development	$32,388,522.00	100.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$32,388,522.00
Department of Port Control	$19,318,823.69	50.49%	$0.00	0.00%	$3,005,705.31	7.86%	$15,936,234.00	41.65%	$38,260,763.00
Economic Development	$13,893,746.00	100.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$13,893,746.00
Finance	$17,122.51	0.24%	$0.00	0.00%	$5,229,996.55	74.61%	$1,762,700.00	25.15%	$7,009,819.06
Parks & Recreations	$4,575,352.07	37.08%	$1,217,000.00	9.86%	$1,918,866.03	15.55%	$4,629,123.48	37.51%	$12,340,341.58
Personnel	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$75,795,000.00	100.00%	$75,795,000.00
Public Health	$0.00	0.00%	$0.00	0.00%	$292,730.50	100.00%	$0.00	0.00%	$292,730.50
Public Safety	$0.00	0.00%	$0.00	0.00%	$2,632,637.99	96.82%	$86,361.58	3.18%	$2,718,999.57
Public Service	$17,769,787.21	43.37%	$0.00	0.00%	$19,249,368.89	46.98%	$3,953,078.00	9.65%	$40,972,234.10
Public Utilities	$62,945,464.10	45.60%	$0.00	0.00%	$48,097,091.69	34.81%	$27,097,526.48	19.62%	$138,140,082.27
TOTAL	**$151,607,309.58**	**41.77%**	**$1,217,000.00**	**0.34%**	**$80,775,886.96**	**22.26%**	**$129,331,023.54**	**35.64%**	**$362,931,220.08**

Figure 16: 2009 Department Totals by Type of Contract (under $10,000)

City Department	Construction	%	Design/Build	%	Other	%	Professional	%	Total
Building & Housing	$7,115.00	100.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$7,115.00
Parks & Recreations	$0.00	0.00%	$0.00	0.00%	$4,000.00	100.00%	$0.00	0.00%	$4,000.00
Public Safety	$0.00	0.00%	$0.00	0.00%	$3,880.00	100.00%	$0.00	0.00%	$3,880.00
Public Utilities	$0.00	0.00%	$0.00	0.00%	$15,339.00	100.00%	$0.00	0.00%	$15,339.00
TOTAL	**$7,115.00**	**23.46%**	**$0.00**	**0.00%**	**$23,219.00**	**76.54%**	**$0.00**	**0.00%**	**$30,334.00**
TOTAL Contracts Awarded	**$151,614,424.58**	**41.77%**	**$1,217,000.00**	**0.34%**	**$80,799,105.96**	**22.26%**	**$129,331,023.54**	**35.64%**	**$362,961,554.08**

Year Comparison Contracts over $10,000*

CSB Awards

	2009 Prime Contracts	2009 Sub Contracts
Grand Total	$12,825,781.49	$2,434,385.31
% of All Contracts	3.53%	0.67%

CSB/MBE Awards

	2009 Prime Contracts	2009 Sub Contracts
Grand Total	$10,796,644.95	$26,403,825.33
% of All Contracts	2.97%	7.27%

MBE Awards

	2009 Prime Contracts	2009 Sub Contracts
Grand Total	$1,478,317.00	$3,680,450.54
% of All Contracts	0.41%	1.01%

CSB/MBE/FBE Awards

	2009 Prime Contracts	2009 Sub Contracts
Grand Total	$0.00	$3,898,864.29
% of All Contracts	0.00%	1.07%

FBE Awards

	2009 Prime Contracts	2009 Sub Contracts
Grand Total	$450,000.00	$1,103,340.75
% of All Contracts	0.12%	0.30%

CSB/FBE Awards

	2009 Prime Contracts	2009 Sub Contracts
Grand Total	$3,527,209.04	$14,853,738.14
% of All Contracts	0.97%	4.09%

**This table is a breakdown of the previous charts and shows the actual numbers certified primes and subcontractors.*

2009 Success Stories

Michael S. Barkley, Sr., Owner
PowerMike and Company

PowerMike and Company specializes in industrial, residential and commercial electrical installations. Additionally, the firm provides, repairs, and replaces services and troubleshooting and maintenance. This CSB/MBE firm, with revenues exceeding $4 million, has benefited from various OEO conferences and networking opportunities. Recently, Power Mike worked on the Fairmount Pump Station and the Garrett Morgan Waterworks project.

Norman Bliss, Owner
Polytech, Inc.

Since 1969, Polytech, Inc. has provided various professional services, including engineering, planning and construction management. This Cleveland-based company has over 50 employees and earns $4 million annually. Certified as a CSB/MBE and DBE, Polytech is engaged in a variety of municipal engineering projects.

James Jones, Owner
Jones Technologies Enterprises, Inc.

Jones Technologies Enterprises, Inc., a certified CSB/MBE, is a general construction firm. This company, which earns nearly $6.5 million annually, specializes in facilities operations and maintenance, construction management and engineering. Over the years, Jones Technologies has worked on major Cleveland projects from Public Hall to Progressive Field to the Rock and Roll Hall of Fame.

Kevin L. Edwards, Sr., Owner
KLE Construction Company, Inc.

"I would not be in business without the city of Cleveland and OEO, a very professional organization."

KLE Construction, a certified CSB/MBE, is a successful construction company. This firm has worked on city projects, including the new Cleveland Browns stadium, Euclid Corridor and Fairmount Pump Station. KLE Construction has enjoyed significant success since its creation in 1990. Kevin L. Edwards, Sr., the president of KLE Construction, put it best when he said, "I would not be in business without the city of Cleveland and OEO, a very professional organization."

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APPENDIX

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	

City as a Whole	2009
Total Received:	$362,961,554.08
Construction (includes CD & ED)	$151,614,424.58
Const. % of total	41.77%
Design Build	$1,217,000.00
Design Build % of total	0.34%
Other Services	$80,799,105.96
Other Serv. % of total	22.26%
Professional Serv.	$129,331,023.54
Prof. Serv. % of total	35.63%

Certified Primes	2009	
Total Received:	$29,077,952.48	8.01%
CSB	$12,825,781.49	
CSB/FBE	$3,527,209.04	
CSB/MBE	$10,796,644.95	
FBE	$450,000.00	
MBE	$1,478,317.00	

Certified Subcontractors	2009	
Total Received:	$52,374,604.36	14.43%
CSB	$2,434,385.31	
CSB/FBE	$14,853,738.14	
CSB/MBE	$26,403,825.33	
CSB/MBE/FBE	$3,898,864.29	
FBE	$1,103,340.75	
MBE	$3,680,450.54	

Total Certified Firms		2009
Prime	$29,077,952.48	8.01%
Subcontractors	$52,374,604.36	14.43%
TOTAL	$81,452,556.84	22.44%

Certified Primes 2009	Construction	Professional Serv.	Other Services	Total
CSB	$12,058,234.30	$579,539.19	$188,008.00	$12,825,781.49
CSB/FBE	$1,982,839.28	$233,300.00	$1,311,069.76	$3,527,209.04
CSB/MBE	$6,755,326.99	$2,738,684.00	$1,302,633.96	$10,796,644.95
FBE	$0.00	$450,000.00	$0.00	$450,000.00
MBE	$7,115.00	$1,471,202.00	$0.00	$1,478,317.00
Totals	$20,803,515.57	$5,472,725.19	$2,801,711.72	$29,077,952.48

Certified Subcontractors 2009			
$151,614,424.58	CSB	$1,445,522.00	0.95%
Construction	CSB/FBE	$9,018,859.14	5.95%
	CSB/MBE	$15,771,398.00	10.40%
	CSB/MBE/FBE	$1,995,662.54	1.32%
	FBE	$993,791.48	0.66%
	MBE	$1,799,119.40	1.19%
$1,217,000.00	CSB	$545,922.50	44.86%
Design Build	CSB/FBE	$3,850.00	0.32%
	CSB/MBE	$116,000.00	9.53%
$80,799,105.96	CSB/FBE	$3,392,716.95	4.20%
Other	CSB/MBE	$4,899,355.92	6.06%
	CSB/MBE/FBE	$381,900.00	0.47%
	MBE	$18,903.00	0.02%
$129,331,023.54	CSB	$442,940.81	0.34%
Professional Serv.	CSB/FBE	$2,438,312.05	1.89%
	CSB/MBE	$5,617,071.41	4.34%
	CSB/MBE/FBE	$1,521,301.75	1.18%
	FBE	$109,546.27	0.08%
	MBE	$1,862,428.14	1.44%

All Certified Firms 2009			
$336,446,712.08	CSB	$15,260,166.80	4.54%
	CSB/FBE	$18,380,947.18	5.46%
	CSB/MBE	$37,200,470.28	11.06%
	CSB/MBE/FBE	$3,898,864.29	1.16%
	FBE	$1,553,340.75	0.46%
	MBE	$5,158,767.54	1.53%

All Certified Companies 2009							
$151,614,424.58	CSB	$13,503,756.30	8.91%				
Construction	CSB/FBE	$11,001,698.42	7.26%				
	CSB/MBE	$22,526,724.99	14.86%				
	CSB/MBE/FBE	$1,995,662.54	1.32%				
	FBE	$993,791.48	0.66%	**OEO GOALS**			
	MBE	$1,806,234.40	1.19%	**30%**	% of Construction $ **34.18%**	% of All $ Awarded by the City in 2009 14.28%	
$1,217,000.00	CSB	$545,922.50	44.86%				
Design Build	CSB/FBE	$3,850.00	0.32%				
	CSB/MBE	$116,000.00	9.53%	**40%**	% of Design Build $ **54.71%**	% of All $ Awarded by the City in 2009 0.18%	
$80,799,105.96	CSB	$188,008.00	0.23%				
Other*	CSB/FBE	$4,703,786.71	5.82%				
	CSB/MBE	$6,201,989.88	7.68%				
	CSB/MBE/FBE	$381,900.00	0.47%				
	MBE	$18,903.00	0.02%	**20%**	% of Other $ **14.23%**	% of All $ Awarded by the City in 2009 3.17%	
$129,331,023.54	CSB	$1,022,480.00	0.79%				
Professional Serv	CSB/FBE	$2,671,612.05	2.07%				
	CSB/MBE	$8,355,755.41	6.46%				
	CSB/MBE/FBE	$1,521,301.75	1.18%				
	FBE	$559,549.27	0.43%				
	MBE	$3,333,630.14	2.58%	**10%**	% of Professional Serv. $ **13.50%**	% of All $ Awarded by the City in 2009 4.81%	
Total					*Total % Utilized in 2009***	***22.44%***	
$362,961,554.08							

CITY OF CLEVELAND