Memorandum

**Date:** March 17, 2022

**To:** Small Business Enterprise Oversight Committee Members

**From:**  Jonah Toay, Small Business and Entrepreneurship Fellow

**Subject:** September 2021 SBE Utilization Report

## 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 and Overview

Between 2018 and 2022, the City initiated 161 projects totaling $466.5 million in projected costs. As of this report, the City has completed 85 of these projects totaling $114.2 million in actual costs. 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 | 43 | $92,410,614 | 30 | $53,008,697 |
| 2019 | 24 | $60,812,721 | 17 | $25,421,993 |
| 2020 | 45 | $199,738,738 | 9 | $9,423,921 |
| 2021 | 56 | $107,729,241 | 22 | $26,386,790 |
| 2022 | 6 | $5,761,841 | 0 | $0 |
| **Total** | **174** | **$466,453,157** | **78** | **$114,241,402** |

## SBE Utilization

A majority of City projects have met or exceeded SBE targets at the individual project-level, while the overall utilization continues to far exceed the 10 percent target. Each section below summarizes SBE utilization data based on different criteria.

## SBE Utilization by Project

Of the 85 completed projects, 54 (63.5 percent) met the established SBE target for the project. The number of projects meeting targets represented a majority in all four years. 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** | **2021** | **Total** |
| Met Target | 20 | 14 | 6 | 14 | 54 |
| Did Not Meet | 10 | 3 | 3 | 8 | 24 |
| **Total** | **30** | **17** | **9** | **22** | **78** |

## City-wide SBE Utilization

Across most completed projects, the City has exceeded both the 10 percent target and projected SBE utilization. The total projected SBE amount of $18.8 million represented 16 percent of the total projected bid amount of $114 million. $15 million went to SBEs representing 16.2 percent of all actual project expenses. Table 3 below summarizes SBE Utilization Amounts by year.

*Table 3. SBE Expenses by Year*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Years | # of Projects | Avg SBE Goal % | Total Projected Amt | Projected SBE Amt | Projected SBE % | Total Actual Amt | Total Actual SBE Amt | Actual SBE % |
| 2018 | 30 | 7.6% | $49,188,539 | $4,809,843 | 9.8% | $53,008,698 | $6,229,220 | 11.8% |
| 2019 | 17 | 9.7% | $25,575,577 | $4,662,046 | 18.2% | $25,421,993 | $4,955,852 | 19.5% |
| 2020 | 9 | 10.0% | $10,762,433 | $1,096,041 | 10.2% | $9,423,921 | $1,448,417 | 15.4% |
| 2021 | 22 | 9.2% | $21,703,466 | $2,574,533 | 11.9% | $26,386,790 | $2,324,648 | 8.8% |
| Total | 78 | 8.8% | $107,230,015 | $13,142,463 | 12.3% | $114,241,403 | $14,958,137 | 13.1% |

## SBE Utilization by Prime Contractor

Fourteen prime contractors performed work on the eighty-five completed City projects. Of these prime contractors, ten met the 10 percent SBE Utilization goal averaged across all projects . Table 4 below shows total project and SBE expenses by prime contractor.

*Table 4. SBE Expenses by Prime Contractor*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Prime Contractor | # of Projects | Total Bid Amt | Projected SBE Amt | Projected SBE % | Total Actual Expenses | Actual SBE Amt | Actual SBE % |
| Becco Contractors | 9 | $27,138,673 | $2,608,648 | 9.6% | $35,606,186 | $2,826,948 | 7.9% |
| Bret Barnhart Excavating | 1 | $235,000 | $23,625 | 10.1% | $307,918 | $26,566 | 8.6% |
| Builder's Unlimited | 3 | $1,756,623 | $189,849 | 10.8% | $1,809,143 | $336,630 | 18.6% |
| Crossland Construction | 8 | $15,942,554 | $1,354,072 | 8.5% | $16,652,738 | $1,475,482 | 8.9% |
| Daris Contractors | 4 | $6,907,001 | $977,371 | 14.2% | $7,672,578 | $1,235,947 | 16.1% |
| Ellsworth Construction | 23 | $26,432,950 | $3,479,357 | 13.2% | $25,076,679 | $3,681,189 | 14.7% |
| Grade Line Construction | 6 | $6,795,624 | $1,274,356 | 18.8% | $4,637,970 | $1,361,279 | 29.4% |
| Lippert Brothers, Inc. | 1 | $2,321,000 | $285,000 | 12.3% | $2,122,396 | $285,000 | 13.4% |
| Lowry Construction | 6 | $2,735,865 | $1,362,868 | 49.8% | $2,780,363 | $1,813,287 | 65.2% |
| Magnum Construction | 3 | $2,492,273 | $348,307 | 14.0% | $2,547,032 | $505,430 | 19.8% |
| Southeast Tulsa Construction | 4 | $1,804,106 | $786,597 | 43.6% | $2,264,301 | $739,895 | 32.7% |
| Tri-Star Construction | 1 | $4,777,787 | $163,064 | 3.4% | $5,383,779 | $475,248 | 8.8% |
| Vance Brothers | 6 | $3,809,450 | $197,406 | 5.2% | $3,425,747 | $165,031 | 4.8% |
| Voy Construction | 3 | $4,081,110 | $91,944 | 2.3% | $3,954,574 | $30,207 | 0.8% |
| Total | 78 | $107,230,015 | $13,142,463 | 12.3% | $114,241,403 | $14,958,137 | 13.1% |

## Expenses by Small Business Enterprise

Fourty different firms received the total $15 million by working as SBEs on completed City projects. Expenses were concentrated amongst a small number of firms. Four firms received half of the $15 million, and nine firms represented over three-quarters of all expenses. The twenty-three firms with the smallest amounts received through SBE subcontracting received $1.06 million, 6.7 percent of all expenses. It should be noted that Table 5 below shows a summary of expenses by SBE. Appendix B shows the full list of all SBEs including all twenty-three firms in the Other category.

*Table 5. Expenses by Small Business Enterprise*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| SBE Contractor | No. of Projects | Projected Amt | Actual Amt | Percent of Total |
| Brown Co | 30 | $2,597,934 | $2,601,232 | 17.4% |
| Sooner Recon | 6 | $1,839,631 | $1,997,079 | 13.4% |
| Mustang Trucking | 25 | $1,149,052 | $1,603,364 | 10.7% |
| D-Bar-T LLC | 20 | $1,312,203 | $1,327,578 | 8.9% |
| Hezinger Construction | 6 | $493,000 | $1,092,233 | 7.3% |
| Direct Traffic Control | 3 | $823,179 | $840,820 | 5.6% |
| Bizray Supply | 10 | $804,841 | $803,337 | 5.3% |
| Ground Level | 3 | $315,000 | $576,403 | 3.9% |
| JR & B Construction | 7 | $385,376 | $524,840 | 3.5% |
| D&H Trucking | 7 | $461,920 | $396,283 | 2.6% |
| Stephenson Plumbing | 4 | $132,711 | $359,263 | 2.4% |
| Concrete Services Corp | 3 | $354,286 | $348,730 | 2.3% |
| Tulsa Sod & Mulch | 24 | $291,663 | $344,441 | 2.3% |
| White Construction | 6 | $141,010 | $293,426 | 2.0% |
| Best Dump Trucking | 9 | $317,313 | $287,151 | 1.9% |
| Fenix Group | 4 | $192,742 | $286,478 | 1.9% |
| Woodchuck Outdoors | 2 | $374,369 | $279,280 | 1.9% |
| Other (21 firms) | 49 | $1,233,796 | $1,062,305 | 6.7% |
| Total | 218 | $13,142,463 | $14,958,137 | 100.0% |

## Appendix A. Project Expenses with SBE Details

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Project SBE Goal % | Projected Amt | Projected SBE Amt | Projected SBE Utilization % | Actual Amt | Actual SBE Amt | Actual SBE Utilization % |
| **2018** |  |  |  |  |  |  |  |
| 51st - Pittsburg Ave to Yale Ave | 10.0% | $970,648 | $140,159 | 6.0% | $1,126,666.35 | $197,923 | 17.6% |
| Art. St. Rehab Lewis 21st to 11th | 3.4% | $4,777,787 | $163,064 | 4.6% | $5,383,778.72 | $475,248 | 8.8% |
| Arterial St Rehab & WL Replace | 10.0% | $1,610,562 | $126,750 | 14.2% | $1,645,739.67 | $168,210 | 10.2% |
| Boulder Av/10th St to 1st St & 6th St & Denver Ave to Boulder Ave | 10.0% | $4,415,000 | $443,000 | 53.1% | $4,904,166.05 | $549,710 | 11.2% |
| Bridge #402, 4200 S Memorial | 10.0% | $274,000 | $31,029 | 11.1% | $222,993.05 | $43,504 | 19.5% |
| "CC Mason Edu Sv Ctr Prkg |  |  |  |  |  |  |  |
| Drainage" | 1.5% | $278,325 | $4,160 | 1.5% | $453,034.23 | $312,996 | 69.1% |
| CityWide Bridge Rehab | 10.0% | $2,346,530 | $236,080 | 5.3% | $1,948,418.41 | $219,499 | 11.3% |
| COT Vision Tulsa American Hangar Tail | 10.0% | $2,321,000 | $285,000 | 26.0% | $2,122,396.00 | $285,000 | 13.4% |
| EMD Emergency Generators | 0.0% | $218,017 | $- | 0.0% | $274,421.43 | $- | 0.0% |
| EMD Facilities Maint. Upgrade Plmb/HVAC LTG | 5.9% | $885,990 | $52,476 | 0.8% | $901,445.34 | $- | 0.0% |
| Green Waste Facility Paving | 10.0% | $222,300 | $23,181 | 2.0% | $225,857.38 | $43,090 | 19.1% |
| Harvard - Admiral to Pine | 6.1% | $3,528,673 | $134,000 | 2.8% | $4,127,814.51 | $79,488 | 1.9% |
| Hunter Park Playground | 3.8% | $335,786 | $12,705 | 3.8% | $332,791.33 | $12,705 | 3.8% |
| Joe Creek Channel Rehab | 10.0% | $892,820 | $245,568 | 51.1% | $932,186.08 | $238,587 | 25.6% |
| Lewis Estates, Subdivision S.Lewis | 10.0% | $480,185 | $48,420 | 7.6% | $477,961.51 | $48,657 | 10.2% |
| Mohawk Sports Complex | 11.0% | $3,400,444 | $408,350 | 17.2% | $3,985,715.32 | $436,280 | 10.9% |
| MZ 1076 St Rehab & Bridge 189 | 9.1% | $2,378,000 | $241,453 | 45.7% | $2,972,746.08 | $271,241 | 9.1% |
| Newport Ave Storm Sewer Improvements | 6.1% | $473,369 | $29,000 | 6.1% | $577,320.10 | $63,969 | 11.1% |
| Non-Art St. Rehab MZ 1157N | 6.4% | $3,195,910 | $444,072 | 13.9% | $3,279,726.51 | $604,815 | 18.4% |
| Non-Arterial St Rehab & Waterline Replc in MZ 4015 | 9.9% | $641,091 | $63,125 | 9.8% | $560,604.93 | $89,991 | 16.1% |
| Non-Arterial St Rehab for MZ 7048 | 10.0% | $1,097,000 | $110,378 | 14.0% | $1,015,884.12 | $216,685 | 21.3% |
| Non-Arterial St Rehab MZ 9058 | #DIV/0! | $834,000 | $83,420 | 0.7% | $887,340.04 | $160,797 | 18.1% |
| Non-Arterial St Rehab Z 6035 | 10.0% | $2,755,000 | $276,605 | 101.0% | $3,122,157.97 | $284,605 | 9.1% |
| Ogans Circle Entry Enhancement | 1.4% | $127,817 | $3,375 | 2.6% | $114,845.00 | $1,620 | 1.4% |
| Police Academy Renovations | 0.0% | $1,682,657 | $9,261 | 2.0% | $1,686,718.96 | $- | 0.0% |
| Rehab of 101st Harvard to Yale | 10.0% | $6,913,000 | $759,372 | 11.0% | $7,839,808.89 | $805,610 | 10.3% |
| Riverside Dr 24th - 35th St, 21st Riverside Intersection | 5.2% | $702,000 | $36,500 | 2.2% | $646,978.12 | $53,704 | 8.3% |
| Riverside Pkwy 81st to Joe Creek | 10.0% | $787,000 | $82,120 | 1.2% | $583,034.27 | $85,256 | 14.6% |
| TPD Roof Replacement at Gilcrease Div | 10.0% | $257,965 | $26,600 | 10.3% | $274,506.97 | $185,022 | 67.4% |
| Tulsa Fire Dept Roof Replace. | 10.0% | $385,662 | $290,620 | 41.4% | $381,640.40 | $295,010 | 77.3% |
| **2019** |  |  |  |  |  |  |  |
| Art St Rehab 15th - Peoria to Lewis | 10.0% | $5,730,000 | $573,000 | 8.3% | $5,757,570.06 | $492,619 | 8.6% |
| Arterial St Rehab - 11th St - Peoria to Utica | 10.0% | $2,343,000 | $234,834 | 4.8% | $1,882,222.23 | $234,834 | 12.5% |
| Bicycle & Pedestrian Plan 10th, Elgin, Boulder | 10.0% | $312,011 | $33,294 | 4.7% | $393,650.04 | $44,583 | 11.3% |
| Bicycle and Pedestrian Plan - Citywide Phase 1B | 10.0% | $1,470,005 | $749,351 | 77.2% | $1,509,439.07 | $728,871 | 48.3% |
| Brady/Boston Drainage Improvements | 10.0% | $495,353 | $315,000 | 28.7% | $388,645.91 | $252,553 | 65.0% |
| Citywide ADA Transition Plan | 10.0% | $1,642,226 | $194,653 | 30.4% | $1,609,574.02 | $299,046 | 18.6% |
| CityWide Bridge Rehab | 10.0% | $693,000 | $105,689 | 3.8% | $650,465.60 | $108,761 | 16.7% |
| Drainage Ditch from 15th to 13th Street | 8.6% | $235,000 | $23,625 | 5.0% | $307,917.59 | $26,566 | 8.6% |
| Helmerich Park Playground | 10.0% | $582,213 | $236,369 | 7.4% | $607,043.42 | $234,311 | 38.6% |
| Hicks Park Improvements | 10.0% | $409,760 | $348,828 | 4.1% | $416,268.66 | $302,145 | 72.6% |
| Peoria BRT | 6.1% | $5,071,000 | $311,250 | 6.1% | $5,109,829.22 | $340,991 | 6.7% |
| Rehab of 11th St - 89th E Ave to Mingo | 10.0% | $1,631,058 | $168,509 | 4.3% | $1,346,518.06 | $177,653 | 13.2% |
| TFD Roof Replacement HQ, EMS, Station 5 | 10.0% | $982,773 | $713,783 | 30.4% | $949,743.99 | $755,002 | 79.5% |
| Thomas Gilcrease House Roof | 10.0% | $594,116 | $201,400 | 72.4% | $966,567.33 | $203,439 | 21.0% |
| Tulsa Zoo Playground | 10.0% | $1,362,775 | $156,154 | 3.5% | $1,442,856.10 | $301,050 | 20.9% |
| Whiteside Park Plumbing | 10.0% | $214,772 | $95,906 | 11.5% | $215,599.52 | $95,906 | 44.5% |
| Whiteside Park Pool | 10.0% | $1,806,515 | $200,401 | 17.5% | $1,868,082.46 | $357,524 | 19.1% |
| **2020** |  |  |  |  |  |  |  |
| 105th & Yale Drainage Improvements | 10.0% | $971,511 | $128,800 | 22.5% | $1,145,102.81 | $262,034 | 22.9% |
| Arterial Street Rehabilitation/Maintenance E. Pine St. and N. Lewis Ave. Intersection | 10.0% | $1,803,688 | $169,325 | 6.8% | #DIV/0! | $235,245 | 0.0% |
| Citywide Non-Arterial Mill, Patch & Overlay | 10.0% | $2,149,948 | $215,002 | 8.1% | $1,777,452.20 | $277,923 | 15.6% |
| Concrete Street Maintenance | 10.0% | $1,130,805 | $225,176 | 19.5% | $1,473,523.96 | $225,018 | 17.6% |
| Concrete Street Maintenance 21st St from HWY 169 to Garnett & Garnett from 41st Street to 51st Street | 10.0% | $1,130,805 | $112,588 | 9.8% | $1,473,523.96 | $111,509 | 7.6% |
| Non-Arterial Mill Patch & Overlay Citywide | 10.0% | $1,326,197 | $132,624 | 11.7% | $1,473,117.51 | $220,523 | 15.0% |
| Tulsa Parks Department Reed Center Repair | 10.0% | $266,031 | $30,320 | 2.6% | $251,441.68 | $33,960 | 13.5% |
| Tulsa Zoo Rainforest Roof Replacement | 10.0% | $1,512,463 | $30,207 | 2.1% | $1,366,409.20 | $30,207 | 2.2% |
| Zeigler Park Water Playground | 10.0% | $470,986 | $52,000 | 11.0% | $463,349.94 | $52,000 | 11.2% |
| **2021** |  |  |  |  |  |  |  |
| Arterial Mill Patch & Overlay Citywide | 17.4% | $1,011,545 | $110,000 | 10.9% | $907,462.10 | $158,006 | 17.4% |
| Arterial Mill, Patch & Overlay Citywide | 10.0% | $551,750 | $57,819 | 10.5% | $358,657.75 | $56,242 | 15.7% |
| Asphalt Overlay-Asphalt | 10.0% | $668,641 | $134,000 | 20.0% | $515,284.80 | $179,974 | 30.9% |
| Asphalt Overlay-Concrete | 10.0% | $1,414,641 | $650,080 | 48.7% | $1,362,325.43 | $371,915 | 26.8% |
| Citywide Arterial Asphalt Overlay | 10.0% | $1,165,942 | $392,040 | 33.0% | $1,079,978.55 | $275,945 | 31.1% |
| Citywide Arterial Microsurfacing | 10.0% | $688,478 | $42,969 | 6.2% | $610,129.50 | $19,804 | 3.2% |
| Citywide Infrastructure Rehabiliation and Improvements | 10.0% | $4,607,000 | $462,650 | 10.0% | $11,480,632.31 | $462,000 | 4.0% |
| Citywide Non-Arterial Microsurfacing | 4.0% | $581,339 | $23,125 | 4.0% | $531,786.21 | $35,207 | 6.6% |
| Micro Surfacing | 5.1% | $634,908 | $131,313 | 20.3% | $570,957.86 | $110,021 | 21.2% |
| Mill, Patch & Overlay | 10.0% | $782,135 | $492,238 | 62.9% | $663,068.13 | $579,855 | 79.7% |

## Appendix B. Project and Actual Expenses by SBE

|  |  |  |  |
| --- | --- | --- | --- |
| SBE Contractor | No. of Projects | Projected Amt | Actual Amt |
| Brown Co | 30 | $2,597,934 | $2,601,232 |
| Sooner Recon | 6 | $1,839,631 | $1,997,079 |
| Mustang Trucking | 25 | $1,149,052 | $1,603,364 |
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| Hezinger Construction | 6 | $493,000 | $1,092,233 |
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| Tulsa Sod & Mulch | 24 | $291,663 | $344,441 |
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| Fenix Group | 4 | $192,742 | $286,478 |
| Best Dump Trucking | 9 | $317,313 | $287,151 |
| Woodchuck Outdoors | 2 | $374,369 | $279,280 |
| M & M Electric | 3 | $142,160 | $145,535 |
| Creek Construction | 4 | $110,925 | $137,785 |
| Triangle Construction | 2 | $232,809 | $127,000 |
| Cross Bo Construction | 1 | $128,310 | $107,900 |
| Southstone Construction | 1 | $- | $100,507 |
| Fritz Land Surveying | 2 | $54,500 | $55,543 |
| Jimbo's Trucking | 2 | $43,000 | $51,713 |
| Tulsa Land Surveying | 4 | $67,450 | $43,170 |
| Express Lawn Services | 2 | $- | $36,229 |
| Verdigris Valley Sod | 4 | $99,670 | $31,563 |
| Quad Cities Enterprises | 3 | $21,834 | $30,234 |
| CV3 Mechanical | 1 | $26,600 | $28,539 |
| Nickle & Associates, Inc | 1 | $52,802 | $27,085 |
| Jus E Nuf | 2 | $29,900 | $19,906 |
| Native Turf | 7 | $58,825 | $14,605 |
| HRAOK | 2 | $13,814 | $13,814 |
| Dynamite Cleaning | 1 | $11,907 | $11,907 |
| Aimright Testing | 4 | $47,993 | $9,929 |
| Atlas Land Office | 1 | $1,620 | $1,620 |
| Geodeca Surveying | 1 | $3,900 | $1,617 |
| Fram'em & Hang'em | 1 | $8,661 | $- |
| Total | 218 | $13,142,463 | $14,958,137 |