

CMPA Contractors Academy/Equal Business Opportunity Program Final Report



**Prepared By: George Hawthorne
Chief Executive Officer
251-504-7313
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August 13, 2012

Edward Spears
Executive Director
Community Maritime Park Associates
225 W. Main Street
Pensacola, Florida 32501

RE: Final Report from the EBO Program Manager

Dear Mr. Spears,

As requested, the following report is provided to the CMPA as the final report regarding the CMPA Equal Business Opportunity Program pursuant the Agreement between the CMPA and Diversity Program Advisors, Inc. in its capacity as CMPA EBO Program Manager.

Firstly, I would like to thank the CMPA Board of Trustees for entrusting this most important program's management to Diversity Program Advisors since February of 2011. Secondly, I want to commend the CMPA for its insight and forward-thinking in the establishment of this program on behalf of the minority business enterprises that had the opportunity to participate in the construction of the Community Maritime Park.

Furthermore, I would like to extend sincere thanks to the courageous leadership of the CMPA Board of Trustees and CMPA staff for the diligence and hard work in establishing this historical EBO Program for the Community Maritime Park. I would also like to extend a sincere gratitude to Executive Director Ed Spears and Project Coordinator Nicole Ransom for their tireless efforts and hard work in making this EBO Program a success in the face of the many challenges presented to accomplishing this EBO Program coming from many internal and external sources of frustration.

This EBO Program would not have been possible without the dedication, professionalism and perseverance of former EBO Subcommittee Chairpersons Eddie Todd and Bentina Terry along with the leadership also provided for by CMPA Chairman Collier Merrill. I would also be remiss if I were not to include the efforts provided in the EBO Program Management by Tony McCray, Stephanie Powell and Phylesia Baldwin who made this program's implementation seamless and effective. The City and minority business enterprises throughout the area are better off because of your efforts.

Sincerely,

George Hawthorne

George Hawthorne
Chief Executive Officer



TABLE OF CONTENTS

<u>Equal Business Opportunity Program Background</u>	<u>4</u>
<u>CMPA Equal Business Opportunity Program Goals</u>	<u>5</u>
<u>EBO Program Management Team Members</u>	<u>5</u>
<u>DPA's EBO Program Development Tasks Completed</u>	<u>6</u>
<u>Community Advisory Council Implementation Tasks Completed</u>	<u>9</u>
<u>Compliance Review/Complaint Actions and Resolutions</u>	<u>11</u>
<u>EBO Program Manager's EBO Program Statistical Final Reporting</u>	<u>10</u>
<u>EBO Program Outreach and Activities</u>	<u>15</u>
<u>EBO Program Successes and Achievements</u>	<u>15</u>
<u>EBO Program Manager Final Recommendations</u>	<u>16</u>
<u>Conclusion</u>	<u>23</u>



CMPA EBO PROGRAM FINAL REPORT

EQUAL BUSINESS OPPORTUNITY PROGRAM BACKGROUND

A. CMPA and the City of Pensacola, Florida (the “City”), were parties to two agreements dated March 27, 2006 – the Master Development Agreement (Community Maritime Park Project) and the Master Lease (Community Maritime Park) – which set forth CMPA’s and the City’s respective duties and responsibilities pertaining to the development of real property for a project known and referred to as the Community Maritime Park or the Project.

B. With the City’s approval, CMPA conducted a two-stage competitive procurement (RFQ No. 2007- 02 and RFP No. 2007-03) to select a developer to act as CMPA’s primary agent in implementing CMPA’s vision of the Project, which culminated on August 22, 2008, with the trustees of CMPA voting to negotiate a Development Agreement with Maritime Park Development Partners (the “Developer”). The execution of that Development Agreement occurred on August 14, 2009.

C. Additionally, the Developer agreed to launch and sustain the Contractor’s Academy Equal Business Opportunity Program to fulfill the CMPA’s covenant with the Community and deliver on the commitment established by Community Maritime Park Associates to ensure the inclusion of minority and women owned businesses in the CMPA development. A binding legal document was executed simultaneously with the Development Agreement executed between CMPA and Developer.

D. The Contractor’s Academy/Equal Business Opportunity Program (“EBO Program”) goals were specific and aimed at attracting groups of minorities and women business enterprises: unskilled individuals seeking to learn a trade; skilled construction workers seeking to become subcontractors; and existing contractors and business owners seeking to expand their businesses. The EBO Program concentrated on finding potential MWBE contractors, vendors, consultants, sub-contractors and other MWBE businesses primarily in Escambia,, Santa Rosa and Okaloosa Counties in Florida secondarily in the wider Pensacola Region which includes Mobile County and Baldwin County, in Alabama .

E. The Developer also agreed to establish a Contractor's Advisory Council ("CAC") consist of relevant community and professional organizations to act in an advisory and supervisory role for the implementation of the provisions of the Contractor's Academy/Equal Business Opportunity Program outlined in this Agreement. This role was assumed by the CMPA's EBO Subcommittee in February 2011.

E. Developer was to provide funding in order establish, administer and implement the Contractor's Academy/Equal Business Opportunity Program and the Sub-Committee of Contract Compliance. Funding shall be in the amount of \$250,000 over the course of construction of the Project in cash and in-kind services. Additionally, Developer was to provide 25% of the Maritime Park's operating profits as measured by return on Private Improvement Project Costs in excess of 12% up to \$500,000 per year to assist in the ongoing operation of the Contractor's Academy/Equal Business Opportunity Program for the period of time that Developer owns the Private Improvements.

F. The Developer also agreed to cooperate and assist the CMPA and other community organizations to leverage the impact of the Community Maritime Park with other public and private urban development and investment programs that impact cultural tourism, the performing arts, education, technology, workforce development, business incubation, contractor training, affordable housing and other public/private initiatives to be developed within the Belmont/DeVilliers St. Historical Business District, the Westside Neighborhood and surrounding area.

G. The Developer also agreed to implement a hiring program that utilizes a "good faith effort" to provide local residents of Escambia County with the first opportunity for construction and permanent jobs with the goal of obtaining minority participation in percentages equal to or in excess of those specified in the CMPA Covenant with the Community.

H. The Developer also agreed to implement a hiring program that utilizes a "good faith effort" to provide local businesses with offices in Pensacola/Escambia County with the first opportunity for construction contracts and commercial tenant opportunities with the goal of obtaining minority participation in percentages equal to or in excess of those specified in the CMPA Covenant with the Community.

I. In December of 2010, the Developer abandoned and otherwise ceased to perform its responsibility, obligations and duty to develop, implement, manage, administer and operate pursuant to the terms and conditions of the EBO Agreement and on January 14, 2011, the Developer had its contract rescinded as the Master Developer of the Community Maritime Park.

J. In February of 2011, the CMPA desired to see that the duties of the Developer agreed to under the EBO Agreement were assumed without interruption and hired Diversity Program Advisors, Inc. as the EBO Program Manager to fulfill the Developer's obligations under the EBO Agreement. DPA and CMPA desired to amend the EBO Agreement in certain respects in order to more effectively implement, manage, administer and operate programs and policies under new amended terms and conditions of the EBO Agreement.

CMPA Equal Business Opportunity Program Goals.

The EBO Program was known as the "Contractor's Academy/Equal Business Opportunity Program." This program is described in the original EBO Agreement and amended and assumed Agreement between the CMPA and DPA. The EBO Agreements outlined the terms, conditions and obligations between the DPA and the Community Maritime Park Associates, Inc.

The EBO Agreement set "aspirational goals" related to the inclusion of minority and female business enterprises in the development, construction, management and operation of the Community Maritime Park Project.

The stated equal business opportunity "aspirational goals" for the Community Maritime Park Project included the "best efforts" inclusion of Minority/Female Business Enterprises in the procurement and awarding of contracts and/or eligible projects (as defined below) that are executed in connection with the development, construction, management and/or operation of the Community Maritime Park Project in the following minimum percentages:

1. 33.5% to African American Business Enterprises (AABE)
2. 2.3% to Asian Business Enterprises (ABE)
3. 2.9% to Latino business enterprises (HBE)
4. 0.6% to Native American Business Enterprises (NABE)
5. There were no percentage goals for Women-owned business enterprises (WBE)

EBO Program Management Team Members

In light of the CMPA's desire to continue operation of the EBO Program after the Developer's abandonment of the EBO Program, DPA decided that it was more prudent to select additional EBO Program "team" members consisting of consultants that had

actively participated in the EBO Program's previous Developer's EBO Program activities because they were "up to speed" with the EBO Program's operation. Accordingly, the EBO Program Manager interviewed and selected EBO team members based upon the EBO Program needs and requirements and their demonstrated experience with the EBO Program.

- a. Tony McCray – Community Outreach and CAC coordinator
- b. Stephanie Powell – Website, Public Relations and Administration
- c. Phylesia Baldwin/Darryl Embry/Gulf Coast African American Chamber of Commerce – Contractor Academy classes and contractor technical assistance programs.
- d. Minority Hiring Place/EJ Services – First Source Job Program "strategic partners" and staffing/financial assistance for local labor staffing.

DPA's EBO Program Development Tasks Completed

DPA was engaged as the CMPA Program Manager on the 2-11-11 CMPA Board of Trustees meeting. The following section of this report outlines the final compliance report of DPA management tasks regarding the implementation tasks and operational actions and outcomes accomplished by DPA:

2. DPA under the terms of the EBO Program Management contract was tasked with the duties of development and update of all program documents, policies, procedures and guidelines of the CMPA Equal Business Opportunity Program and to "re-launch" the EBO Program that was abandoned by the Developer.
3. DPA successfully produced and implemented the "updated" documents referred to above that includes the following:
 - a. DPA Policy Statement and Program Commitment
 - b. EBO PROGRAM OVERVIEW
 - c. GUIDELINES FOR EBO PROGRAM IMPLEMENTATION
 - d. EBO Bid Forms -- EBO FORMS 1-6
 - e. EBO FORM 7 -- Monthly Report
 - f. EBO Form 8 - MWBE CHANGE-SUBSTITUTION FORM
 - g. CMPA MWBE Certification Documents
 - h. CMPA EBO Program Outreach Program Guidelines
 - i. First Source Jobs Program Policy
 - j. FIRST SOURCE JOB AGREEMENT FORM 1
 - k. First Source Job Information -FORM 2

4. DPA successfully reviewed all of the legal contracts and the contractual terms between the CMPA and the Design-Builder, MAGI Construction and to determine the legal obligations of the Design Builder and the CMPA with respect to the EBO Agreement and the EBO.

Technical Assistance

5. EBO Program Manager **provided technical assistance to 25 minority contractors and prime subcontractors** in dealing with issues related to the EBO Program.
6. **Developed a detailed CMPA pay schedule memorandum** to explain the entire CMPA payment process and E-mailed all CMP subcontractors and Design-builder.
7. **Attended more than 30 subcontractor meetings held by Magi** and discussed EBO Program policies, procedures, guidelines and answer any questions as to reporting requirements and subcontractor concerns.
8. **Provided technical assistance to 6 MBE subcontractors** and assist with implementation of the EBO Program requirements to final construction items such as follows:
 - a. Scheduling
 - b. Open items related to scopes of work
 - c. Provide any relevant information from C.O.R. Team and CMPA Executive Director
 - d. Identify labor needs and EBO opportunities for M/WBE's
 - e. Means and methods assistance
 - f. Final Payment Issues
 - g. Release of retainage issues
 - h. Construction management
 - i. Minority subcontractor coordination w/ other trades
9. **Conduct technical assistance meetings as needed with minority contractors** to assist with field construction and project "close-out" administration.
10. **Reviewed payment process of the Design-Builder** and provided assistance to subs for payment updates.

CMPA/Design Builder Reporting

11. Attended in excess of 30 C.O.R. meetings, held by CMPA Executive Director, and discussed CMPA construction issues and EBO Program related issues. These C.O.R./Design-Builder design meetings and construction schedule meetings, held by CMPA Executive Director, are where we discussed CMPA construction issues and EBO Program related issues.
12. Attended in excess of 30 CMPA subcommittee meetings and CMPA related city council meetings to address various issues and EBO Program questions.
13. Attended meetings as requested by Executive Director to address various issues and EBO Program questions.
14. Corresponded with and informed CMPA Executive Director and Contract Compliance Officer as to EBO Program operations and issues as needed.
15. The Program Manager has had various meetings with prime subcontractors and MBE companies to discuss the opportunities upcoming and on-going at other public/private sector construction projects

Community Advisory Council Implementation Tasks Completed

1. DPA under the terms of the EBO Program Management contract was tasked with the **duties of implementation of the Contractors Advisory Council (“CAC”)** and to “re-launch” the CAC that was abandoned by the Developer.
2. **DPA successfully implemented the “reorganized” the CAC** and executed the following tasks:
 - a) Held CAC meetings in the month of April 2011 and May 2011.
 - b) Restructuring of the Community Advisory Council to develop diverse and experienced leadership to assist in the planning and implementation of the Comprehensive Operating Plan and CMP Community Outreach Program.
 - c) Expanded community outreach to involve more residents and stakeholders as advocates and volunteers for the Park’s successful operation;
 - d) Provided options for vending and business operators in the Park that are consistent with the strategic goals and intent of the “Covenant with the Community; and

- e) Provided the CMPA Subcommittees and Executive Director with the advice and resources needed to meet the challenge of operating the Community Maritime Park.
3. DPA convened the meetings of the CAC and discussed the EBO Program operations and the planning for the Park to assist the CMPA its mission past the construction phase and into the operations phase of the Park.
4. DPA under the terms of the EBO Program Management contract was tasked with the duties of implementation of the Community Advisory Council ("CAC") and to "re-launch" the CAC that was abandoned by the Developer. DPA successfully implemented the "updated" CAC "mission" by executing the tasks referred to above, however the operations of the CAC were suspended since 5-20-11 due to budget constraints of CMPA and the EBO Program Manager was forced to terminate the EBO Program Management team members listed above.

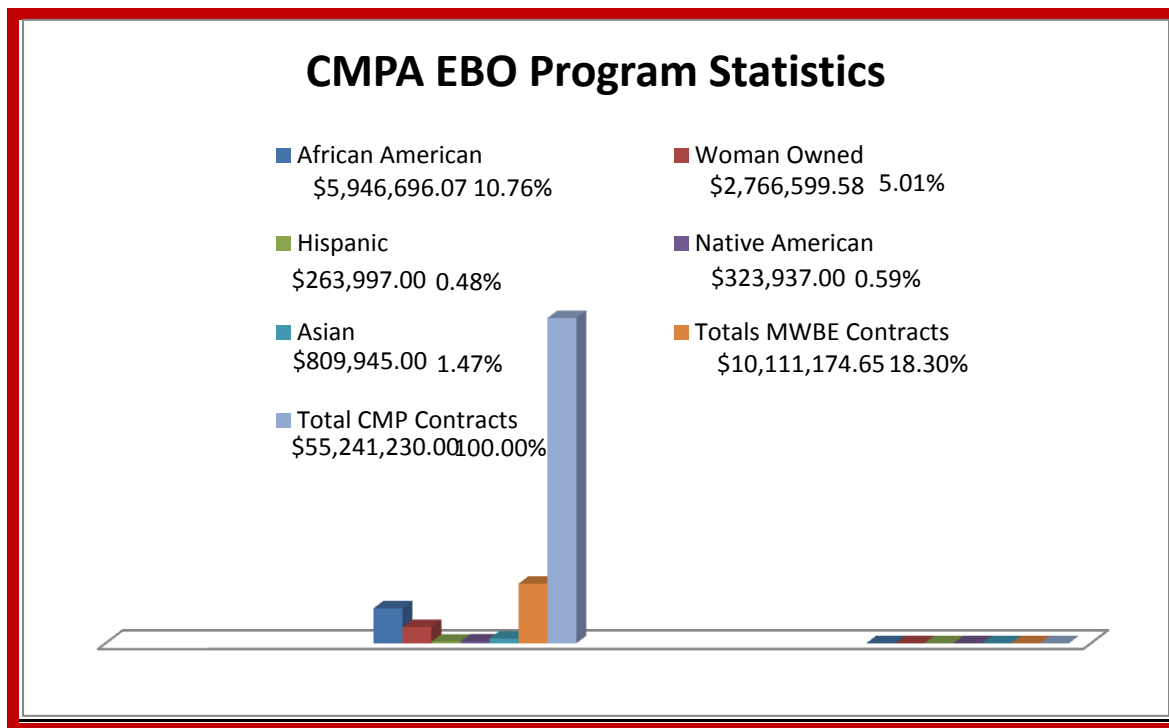
Compliance Review/Complaint Actions and Resolutions:

1. **Reviewed payment process of Hoar and providing assistance to subs for payment updates.**
2. **Resolved 1 formal complaint** from MWBE subcontractor.
3. **Resolved 3 Compliance Review** Inquiries regarding various EBO Program related issues.
4. **Resolved final formal complaint** related to a contractual dispute of unpaid claims against J.J. Morley Construction for work completed by Affordable Concrete and MHP/EJ Services resulting in a settlement agreement between the parties.
5. **The copies of all Complaints and Compliance Reviews were attached to previously submitted EBO compliance reports.**
6. The EBO Program Manager **enacted "proactive" measures to avoid many other potential Compliance Review/Complaint Actions** by conducting meetings with subcontractors to attempt to resolve disputes between themselves and discuss the EBO Program policies, procedures, guidelines and answer any questions as to reporting requirements and subcontractor concerns. EBO Program Manager provided assistance to minority contractors and prime subcontractor in dealing with issues related to the following:

- a. Payments and Contractual Administration
- b. Open items related to scopes of work
- c. Final Payment Issues
- d. Release of retainage issues
- e. Change Order Management

EBO Program Manager's EBO Program Statistical Reporting

Based upon the final EBO Program contract values as received from the CMPA and Magi and prepared by Nicole Ransome. The final M/WBE participation statistics are as follows:



The CMPA total contract values for M/WBE Participation in the CMP Project are as follows:

Total CMPA Contracts		
<u>Business Classification</u>	<u>Hard & Soft Costs</u>	<u>Percent</u>
African American	\$ 5,946,696.07	10.76%
Woman Owned	\$ 2,766,599.58	5.01%
Hispanic	\$ 263,997.00	0.48%
Native American	\$ 323,937.00	0.59%
Asian	\$ 809,945.00	1.47%
<u>Totals M/WBE Contracts</u>	<u>\$ 10,111,174.65</u>	<u>18.30%</u>
<u>Total CMPA Contracts</u>	<u>\$ 55,241,230.00</u>	<u>100.00%</u>

These total CMPA contract values for Hard and Soft Costs are as follows:

Construction and Soft Cost Statistics		
<u>Business Classification</u>	<u>Construction \$</u>	<u>Percent</u>
African American	\$ 5,800,393.00	12.78%
Woman Owned	\$ 2,623,296.00	5.78%
Hispanic	\$ 263,259.00	0.58%
Native American	\$ 323,937.00	0.71%
Asian	\$ 809,945.00	1.78%
Totals	\$ 9,820,830.00	21.64%
<u>Business Classification</u>	<u>Soft Costs \$</u>	<u>Percent</u>
African American	\$ 146,303.07	2.31%
Woman Owned	\$ 143,303.58	2.26%
Hispanic	\$ 738.00	0.01%
Native American	\$ -	0.00%
Asian	\$ -	0.00%
Totals	\$ 290,344.65	4.58%
Total Budget	\$ 55,241,230.00	
Magi Contract Amount	\$ 45,392,686.87	
Soft Costs Expended to Date	\$ 6,338,866.20	
Other	\$ 3,509,676.93	

M/WBE Soft Costs Vendor participation is as follows:

Soft Costs M/WBE Vendors		
<u>Class</u>	<u>Subcontractor / Vendor</u>	<u>Amount</u>
AABE	Diversity Program Advisors, Inc.	\$ 131,750.00
WBE	Birdwell Photography & Multimedia, Inc.	\$ 131,041.35
AABE	Escambia-Pensacola Human Relations Commission	\$ 7,726.13
WBE	Karin Bacon Events	\$ 7,084.23
AABE	AC Advertising Agency	\$ 2,500.00
WBE	Stephanie C. Tillery	\$ 2,468.00

AABE	WRNE 980 AM	\$	2,350.00
AABE	The Pensacola Voice	\$	1,856.94
WBE	Tracey Sutherland Dunford	\$	1,200.00
WBE	Elaine N Ransom	\$	750.00
HBE	Latino Media Gulf Coast, Inc.	\$	738.00
WBE	Jennifer R. Fleming	\$	320.00
WBE	Kathleen Katzanne Fuller	\$	300.00
WBE	Gloria C. Horning	\$	140.00
AABE	Martin Luther King CCC	\$	120.00
	Total	\$	290,344.65

Payroll estimates from 1st Tier Subcontractors for M/WBE workers are as follows:

1st Tier Majority Subcontractors Approximate Minority Payroll			
Native American	African American	Hispanic	Female
\$ 80,041.00	\$ 1,124,119.00	\$ 263,259.00	\$ 188,507.00
<u>These amounts were calculated based on data collected from the subcontractors using average weekly payroll and the number of weeks onsite.</u>			

2nd Tier Sub/Vendor contract values for the CMPA EBO Program

2nd Tier Sub / Vendor Expenditures			
1st Tier Sub	2nd Tier Sub	Work Description	Amount
Baroco Electric	Knights Electric (AABE)	Electrical	\$ 341,721.00
	Unity Enterprises (AABE)	Electrical	\$ 341,721.00
	JL Electric (AABE)	Electrical	\$ 341,721.00
	Mayer Electric (WBE)	Electrical Supplies	\$ 691,363.00
Davis Marine	GB Green (AABE)	Bulkhead	\$ 768,142.00
	PBrown Builders (AABE)	Bulkhead	\$ 275,222.00
Heaton Brothers	Williams Hauling (AABE)	Sitework	\$ 800,000.00
JJ Morley	Affordable Concrete (AABE)	Site Concrete	\$ 111,146.00
	GB Green (AABE)	Site Concrete	\$ 67,796.00
Jennings Company, Inc.	Harris Insulation (AABE)	Plumbing	\$ 60,967.00
	Universal Supply &	Plumbing	\$ 466,816.00

	Services (WBE)	Supplies	
Phoenix Coatings	Hueys Works (AABE)	Painting	\$ 88,187.00
Robertson Curtis	Hueys Works (AABE)	Painting	\$ 5,000.00
Southeastern Construction	Alfred Watson (AABE)	Concrete	\$ 72,911.00
	Action Labor (WBE)	Concrete	\$ 262,394.00
	MHP / Balance (AABE)	Concrete	\$ 34,510.00
Wetland Sciences	GB Green (AABE)	Wetland Mitigation Planting	\$ 8,300.00
WR Johnson	Alfred Watson (AABE)	Concrete	\$ 201,618.00
	<u>PBrown Builders (AABE)</u>	<u>Concrete</u>	<u>\$ 14,650.00</u>
Total			\$ 4,954,185.00

Magi Direct M/WBE contract values and expenditures

Magi Direct Expenditures				
<u>Class</u>	<u>Subcontractor / Vendor</u>	<u>Work Description</u>	<u>Amount</u>	
NA	Ricky Calderon	Magi Superintendent	\$ 243,896.00	****
AA	Joe Johnson	Magi Asst Superintendent	\$ 231,646.00	****
AABE	GB Green Construction	Dumpsters / Hauling	\$ 42,695.00	
AABE	High-Tech Plumbing & Heating	Temp Plumbing	\$ 22,466.00	
AABE	MHP / Balance	Temp Labor / Job Clerk	\$ 102,789.00	
AABE	Huey's Works	Site Grubbing	\$ 129,119.00	
AABE	PBrown Builders	Site Work	\$ 264,113.00	
ABE	HHI Construction, Inc.	Drywall / Acoustical / Stucco	\$ 809,945.00	
WBE	Fisher Thomas, Inc.	Misc Specialties	\$ 294,815.00	
AABE	Living Water Fire Protection, LLC	Fire Sprinkler	\$ 219,337.00	
AABE	Phoenix Interior Group	Flooring	\$ 79,890.00	
AABE	Royal Professional Cleaning Services	Final Cleaning	\$ 50,607.00	
WBE	Southern Aluminum and Steel, Inc.	Aluminum Railings	\$ 526,901.00	
WBE	C & H Baseball	Baseball Equipment	\$ 192,500.00	
	Total		\$ 3,210,719.00	

These dollars include applicable payroll taxes and insurance as well as living expenses and travel.

(Total costs incurred on this project for this individual working on Maritime Park)

EBO Program Outreach and Activities

1. EBO Program Manager conducted media interviews and outreach with the following:
 - a. WRNE (appx. 15 interviews, call-ins)
 - b. WEAR (appx. 10 on-camera interviews)
 - c. PNJ (appx. 5 interviews, comments)
 - d. IN Weekly (appx. 8 interviews)
 - e. Cat Country radio (appx. 3 interviews)
 - f. News 1680 radio (appx. 3 interviews)
 - g. Blogs (about 50-100 posts PNJ, Rick's Blog)
2. Civic organizations outreach activities are as follows:
 - a. Five Flags Rotary Club
 - b. Belmont-DeVilliers Neighborhood Association (appx. 10 meetings)
 - c. Senior Luncheon
 - d. Civitan Club
 - e. REAP Summit
 - f. Sustainable Communities
 - g. Gulf Coast Equity Fund
 - h. BP
 - i. Greater Pensacola Chamber of Commerce
 - j. City Council
3. EBO Program Manager also conducted numerous VIP Tours of the Facilities.
4. The Program Manager has had various meetings with prime subcontractors and M/WBE companies to discuss the opportunities upcoming and on-going at other public/private sector construction projects.

EBO Program Successes and Achievements

1. Gulf Coast Contractors Academy, Inc., was incorporated by the GCAACC and conducted classes under the FAMU/FL D.O.T. Construction Management and Bond Guarantee Program.
2. MBE owners/companies participated in the FAMU/FL D.O.T. program classes.
3. GB Green Construction has utilized his participation in the EBO Program to expand and increase its capacity and services.

4. PBrown Builders has utilized his participation in the EBO Program to expand and increase its capacity and services.
5. Terrence Knight Electrical has utilized his participation in the EBO Program to expand and increase its capacity and services..
6. Alfred Watson has utilized his participation in the EBO Program to expand and increasing its capacity and services.
7. MHP/Balance had provided more than \$250,000 in payroll assistance and financial resources to minority and majority contractors to assist with the capital to carry the construction carrying costs of the CMP.
8. The EBO Program is being leveraged and referred to as a leading “model” to implement community benefits agreements initiatives under the REAP Summit regional “blueprint” strategy and other community and economic development initiatives across the region and nationally.
9. As a result of the EBO Program participating MBE’s are seeking and acquiring other construction jobs that are not associated with Maritime Park.
10. The City has conducted a “disparity study” for the City of Pensacola that has determine the need for a MBE Procurement Program that may utilize some of the EBO Program’s processes and procedures to attract minority contractors for their procurement opportunities.

EBO Program Manager Final Recommendations

Diversity Program Advisors, Inc. has developed a set of recommendations for the CMPA that are consistent with the Best Practices for Minority Supplier Development. These recommendations are certain building blocks, tasks, practices and processes that are hereby included in the CMPA’s EBO Program Manager’s final report that are necessary for the CMPA’s continued success in minority business development.

These recommendations are a distillation of information and practices garnered by DPA’s experience in the management of the CMPA EBO Program. We hope these recommendations will help CMPA’s members to plan, assess progress, identify gaps, recognize achievements and attain more resources to chart a course toward superior performance in minority supplier development.

RECOMMENDATION 1: ESTABLISH CMPA POLICY AND TOP CMPA MANAGEMENT SUPPORT

Rationale: CMPA executive management defines and documents its minority supplier policy, including annual performance goals, accountability, and reporting of minority supplier utilization, and its commitment to increasing minority supplier utilization.

MEASURES FOR SUCCESS

1. The CMPA governance body has established a minority supplier development program as a policy of the CMPA.
2. The CMPA has issued a minority supplier development policy that articulates the rationale supporting the initiative. The CMPA insures that this policy is communicated to staff, management and subcontractors and then implemented.
3. The CMPA has appointed appropriate full-time staff and resources for minority supplier development.
4. There is an advisory council/committee composed of key stakeholders to drive the program's progress.
5. All levels of management are accountable for minority supplier development.
6. Management directs that supplier diversity be incorporated into the business planning cycle.
7. Belongs in Procurement for most CMPA operations and business models, but in all cases it should be a part of the CMPA's umbrella Diversity Strategy.
8. There is a written CMPA supplier diversity policy that clearly defines executive management commitment and measures success.
9. Minority business utilization/metrics are included in annual performance goals for the CMPA and for each subcontractor/development of the CMPA.
10. A minority supplier development strategy emanates from a business strategy and is not a "social" policy statement.

RECOMMENDATION 2: DEVELOP A CMPA MINORITY SUPPLIER DEVELOPMENT PLAN

Rationale: The CMPA minority supplier development plan acts as a means of ensuring that there is CMPA commitment to supplier diversity. This includes establishing minority supplier development improvement plans with external customers and cross-functional organizations.

MEASURES FOR SUCCESS

1. The policy is supported by a clearly-stated minority supplier development business case based on value to the CMPA.
2. CMPA reviews (of subcontractors, developers, etc.) are tied to performance in developing minority suppliers cross-functionally.
3. CMPA has an effective, active cross-functional supplier diversity steering committee.
4. The minority supplier development program promotes the inclusion of EBO Program-certified MBEs in all aspects of CMPA procurement.
5. The CMPA plan is reviewed by the full Board of Trustees on a regular basis.
6. Controls, processes, materials, personnel and resources needed to achieve program performance are identified and/or acquired.
7. Plan should include methodology to identify and develop minority suppliers.
8. Minority supplier development is integrated into all aspects of CMPA business planning and is part of the "CMPA DNA."
9. Plan exists for implementation of roles and responsibilities in minority supplier development in external business units other than procurement.
10. Input from minority supplier groups is included in the minority supplier development process.
11. Develop language/tool kit regarding minority supplier development for the CMPA to use in developing and negotiating contracts.
12. Supplier diversity management has a good understanding of the CMPA's core operations.

RECOMMENDATION 3: ESTABLISH COMPREHENSIVE INTERNAL AND EXTERNAL COMMUNICATIONS

Rationale: The procurement staff has established and maintains methods for communications about minority supplier development planning, execution and accomplishments.

MEASURES OF SUCCESS:

1. CMPA outreach awareness of initiative is promoted via multiple vehicles, for example, annual report, brochures, newsletters, prominent Web site placements, etc.
2. Minority supplier development information is disseminated to subcontractors on a regular basis.
3. Minority supplier development education is included in new subcontractor orientation.
4. On-going and specialized minority supplier development education is provided to all procurement personnel.
5. On-going and specialized minority supplier development training is provided to other external business units.

6. CMPA encourages MBEs to seek certification and external training.
7. Supplier selection criteria are explained to minority suppliers.
8. Minority suppliers who are not successful in winning bids are debriefed so that they can be more competitive.
9. MBE suppliers are well versed on CMPA and procurement goals and objectives.
10. The CMPA has an effective process to respond to prospective suppliers.
11. Articles and advertisements are placed in business media to help identify potential MBEs.
12. Participation in trade fairs, etc., including regional participation and support, with objectives and a method to measure outcomes.
13. Supplier diversity results are published in the CMPA annual report and/or CMPA external reports.

RECOMMENDATION 4: IDENTIFY OPPORTUNITIES FOR MBES IN STRATEGIC SOURCING AND SUPPLY CHAIN MANAGEMENT

Rationale: Analysis of total CMPA spend (by management/subcontractor) to determine opportunities is critical to the success of the CMPA minority supplier development process. CMPA staff has established and maintains methods for soliciting MBEs and considering subcontractors and first tier suppliers. CMPA staff has established and maintains methods for identifying, recruiting and developing MBEs.

MEASURES OF SUCCESS:

1. Minority supplier development is formally integrated into the CMPA's strategic sourcing process.
2. There is one or more strategic "big hits" with an MBE currently in place in each planning cycle.
3. MBEs are significantly integrated in all product/service/commodity areas of spend, including non-traditional areas of spend.
4. Process is in place to review the expiration dates of all existing contracts
 - With minority suppliers to maintain continuity.
 - To find new opportunities for minority suppliers.
5. CMPA has targeted long-term, big hit opportunity areas.
6. CMPA has a process in place, which the CMPA team is aware of, for setting minimum targets for as well as tracking new RFPs/RFIs/RFQs, to insure the inclusion of minority businesses in the private development process.

7. RFPs/RFIs/RFQs have standard language in place to identify MBEs and the supplier selection process sets minimum targets for MBE supplier inclusion and selection.
8. A process exists that will review the outcomes of the RFP/RFI/RFQ process, for monitoring inclusion and utilization of MBEs.
9. Incorporated into formal procurement policy with accountability.
10. Cooperate with other organizations to share top performing minority suppliers via the CMPA's outreach network, such as industry groups, Centers of Excellence, etc.
11. MBEs are developed for potential utilization in underutilized product/service/commodity areas.
12. The supplier development team ensures the screening process is fair and within acceptable guidelines.
13. The supplier development team will clearly define and communicate the registration process throughout the CMPA business units as well as the minority supplier groups.

RECOMMENDATION 5: ESTABLISH COMPREHENSIVE MINORITY SUPPLIER DEVELOPMENT PROCESS

Rationale: Procurement has established, maintains, and continuously improves methods for preparing MBEs for global competitiveness and sourcing trends such as supplier rationalization, through assistance in all aspects of capacity building.

MEASURES OF SUCCESS:

1. Mentor program established and active.
 - Relationship building for sustainability and ongoing the strengthening of mutual trust.
 - One-to-one coaching, executive relationships with similar functions, finance to finance, etc.
 - Business process improvement and redesign, using lean thinking and lean manufacturing processes.
2. Training of all types provided to MBEs.
 - Supplier training on CMPA objectives, culture and supply chain trends.
 - CMPA support of formal learning programs.
 - CMPA led training for all suppliers (quality, safety, effective communications, negotiations, etc.).
 - Support of MBE training provided by external sources..
3. Capacity building activities such as:
 - Identify external finance providers and other finance options.
 - Establish joint ventures, and valid strategic partnerships.

- Technical assistance provided, e.g., marketing, management, accounting, international trade operations, production, financial, etc.

RECOMMENDATION 6: ESTABLISH TRACKING, REPORTING AND GOAL-SETTING MECHANISMS

Rationale: The establishment of aggressive goals for minority business spending, tracking those goals, and communicating results and goal achievement provides accountability and recognition throughout the organization. These payment dollars flow from Accounts Payable.

MEASURES OF SUCCESS:

1. There is an established minority supplier tracking system to enable results reporting (ability to track MBE spend by management/subcontractor, buyer, commodity, geographical area, ethnicity, gender, cost reduction dollars, etc.).
2. Track MBE cost savings/cost reduction contribution.
3. Minority supplier utilization records are prepared to identify current MBEs in the supply chain.
4. There are clearly stated minority supplier development performance goals for example, year over year % increase, \$ and % of spend and utilization, etc.). Performance results are measured against these established goals. Minority supplier development performance goals are reviewed and re-calibrated on a regular basis. There is a person responsible for reporting minority supplier development results.
5. CMPA key metrics are reviewed regularly by CMPA management team and trustees
6. Scorecards are created to measure performance.
7. Achievement of goal is tied to performance reviews.
8. Quality reporting systems provide accurate spending on at least a quarterly basis.
9. Tying minority spending and goal achievement to market access, revenue generation and customer and consumer satisfaction ensures continued support for the program horizontally and vertically throughout the CMPA's operations and developments.

RECOMMENDATION 7: ESTABLISH A CONTINUOUS IMPROVEMENT PLAN

Rationale: The CMPA minority supplier development program needs to be fine-tuned on a regular basis to follow changes in CMPA objectives and growth (including growth by private development)

MEASURES OF SUCCESS:

1. The CMPA has established and maintains documented procedures for planning and implementing internal minority supplier development audits to verify whether activities and related results comply with the plan.
2. Surveys are conducted with key stakeholders to ensure minority supplier development is exceeding CMPA expectations.
3. A process exists for ongoing communication between the CMPA and MBEs to assist and fine-tune the performance of contracts, through vehicles such as surveys conducted with MBEs to determine areas for continuous improvement.
4. Participate in benchmarking with other organizations to identify best practices and then plan for their systematic adoption by the CMPA.
5. Develop overall CMPA strategy, including multi-year plans tied to CMPA values and aligned with overall CMPA strategy and subcontractor operations, especially procurement strategies.
6. Participate in “next practices” exercises to envision innovative strategies well in advance of the need for those practices.

RECOMMENDATION 8: ESTABLISH A SECOND TIER PROGRAM

Rationale: A comprehensive Second Tier program creates a significant multiplier effect, by encouraging the continual establishment of new supplier diversity programs, which in turn create incremental opportunities for minority businesses.

MEASURES OF SUCCESS:

1. CMPA has established a Second Tier program that includes leadership commitment, resources, contract language, goal setting, selection of initial group of First Tier suppliers and commodities, training, reporting and audit, consequences for not meeting goals, incentives for goal attainment and recognition.
2. The goals are reviewed with the First Tier suppliers.
3. There is a formal system in place to measure the performance of these suppliers against goals.
4. There are sanctions and/or remedial action plans if First Tier suppliers fall short of expectations.
5. Goals should be reasonable, challenging, tailored by industry and subject to continuous improvement.
6. There are alternative activities, such as developing an MBE, for subcontractors and individuals who do not meet their goals.
7. CMPA processes mirror the EBO Program guidelines.

DPA CONCLUSIONS REGARDING THE EBO PROGRAM

Although the “aspirational goals of the EBO Program were very aggressive and somewhat unobtainable, it should never be overlooked that the Community Maritime Park provided great opportunities and true achievements in construction procurement for MBEs that have far surpassed the historical achievements of MBE inclusion within Escambia County and Pensacola. However, many small and minority sectors of the contractor community still do not have full access to the advantages and benefits of procurement opportunities. However the CMPA should be highly commended for its efforts in which it provided the leadership and outstanding efforts to utilize Minority/Female Business Enterprises (MWBES) in all aspects of contracting relating to construction-related activities in the completion of the Maritime Park.

This effort has involved DPA working with the CMPA Board of Trustees, CMPA Staff, and community stakeholders to make procurement opportunities more available and at the same time, working with MBE contractors to make them more competitive. The CMPA established the CMPA EBO Program as a specific initiative developed from CMPA’s “Covenant with the Community” as a means to mitigate some of the issues of impeding minority contractor’s access and availability to gain procurement opportunities arising from the construction of the Community Maritime Park.

No one can honestly deny the positive outcome of these efforts and/or the need for minority contractor procurement inclusion guidelines, outreach initiatives and technical assistance strategies as crafting the CMPA EBO Program. It is the desire of DPA that the CMPA continue to work with various community stakeholders and professional consultants to tailor the range of potential programmatic support strategies to fit the needs, resources and requirements to continue to include provisions and processes that ensure MBE inclusion throughout all aspects of the CMPA’s and the Community Maritime Park’s operation.