MINUTES OF THE DIVERSITY BUSINESS ENTERPRISE & PROCURMENT COMMITTEE MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The Diversity Business Enterprise (DBE) & Procurement Committee of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) met on January 27, 2011 at 9:15 a.m., in Room 209 at the Nashville Convention Center, Nashville, Tennessee.

DBE & PROCUREMENT COMMITTEE MEMBERS PRESENT: Vonda McDaniel and Willie McDonald

DBE & PROCUREMENT COMMITTEE MEMBERS NOT PRESENT: Darrell Drumwright and Leo Waters

OTHERS PRESENT: Charles Robert Bone, Mark Sturtevant, Roxianne Bethune, Gary Schalmo, Patrick Holcombe, Barbara Solari, Debbie Frank, Victor Alexander, and Vincent Alexander.

Vonda McDaniel, Chair of the DBE & Procurement Committee, opened the meeting for business.

Roxianne Bethune gave a quarterly and project-to-date DBE report which was sent to the State and e-mailed to the Authority. (Attachment #1) She noted this report is about the dollars spent to date. There were questions and discussion.

Patrick Holcombe then reported on procurement and there was discussion and questions.

Roxianne Bethune was asked to talk about the Surety Assistance program. (Attachment #2) There was discussion. Debbie Frank also gave an update on the Workforce Development Program. There were additional questions and discussion.

With no additional business a motion was made to adjourn, with no objection the DBE & Procurement Committee of the CCA adjourned at 9:45 a.m.

Respectfully submitted,

Mark Sturtevant
Project Manager
Music City Center

Approved:

Vonda McDaniel, Chair
CCA DBE & Procurement Committee
Meeting Minutes of January 27, 2011

MUSIC CITY CENTER

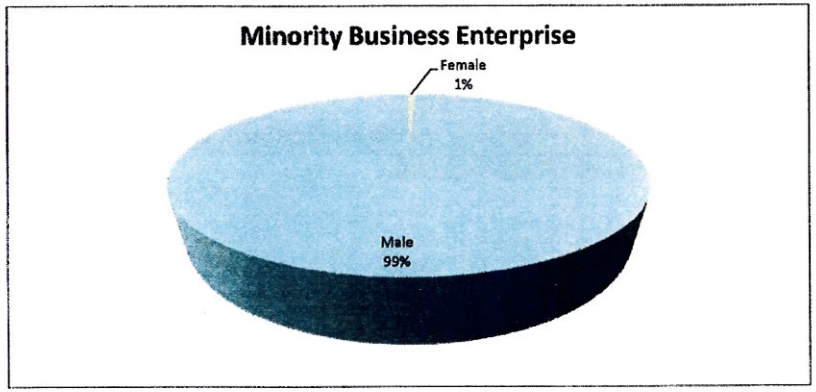
DBE PARTICIPATION

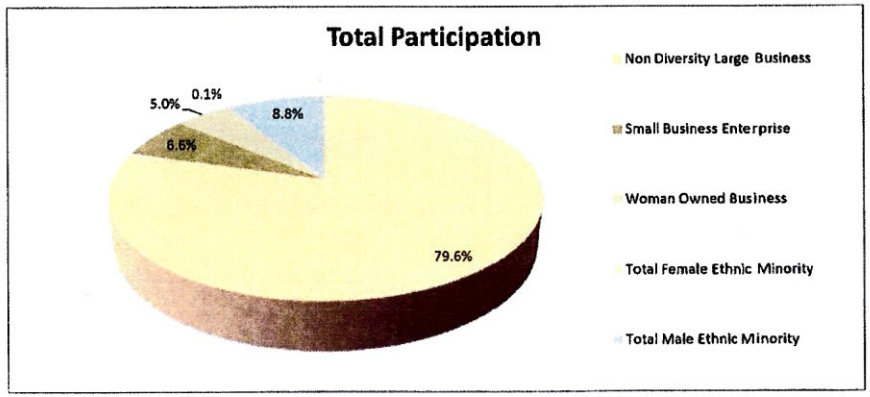
4TH QUARTER 2010

ETHNIC MINORITY MALE ONLY						ETHNIC MINORITY FEMALE ONLY					TOTAL MINORITY BUSINESS ENTERPRISE	TOTAL DBE PARTICIPATION				GRAND TOTAL	
														OTHER DBE			
African American	Hispanic	Asian Pacific	Native American	Hasidic Jews	Total Male Ethnic Minority	African American	Hispanic Female	Asian Pacific	Native American	Total Female Ethnic Minority	Total Minority Business Enterprise	Woman Owned Business	Small Business Enterprise	Total Other DBE	Total DBE Participation	Non Diversity Large Business	GRAND TOTAL
$3,344,639	$1,159	$11,654	$0	$0	$3,357,452	$20,700	$0	$0	$0	$20,700	$3,378,152	$1,908,318	$2,520,295	$4,428,614	$7,806,765	$30,542,325	$38,349,091
Percentage of Minority Business Enterprise					99.4%					0.6%	100%						
Percentage of All DBE Participation					43.0%					0.3%	43.3%			56.7%	100%		
Percentage of Grand Total					8.75%					0.05%	8.81%	4.98%	6.57%	11.55%	20.36%	79.64%	100%

DBE PARTICIPATION SUMMARY

MINORITY OWNED BUSINESSES	8.81%
WOMEN OWNED BUSINESSES	4.98%
SMALL BUSINESS ENTEPRISE	6.57%
TOTAL	20.36%





Attachment #1
CCA DBE & Procurement
Committee Meeting – 1/27/11

MUSIC CITY CENTER

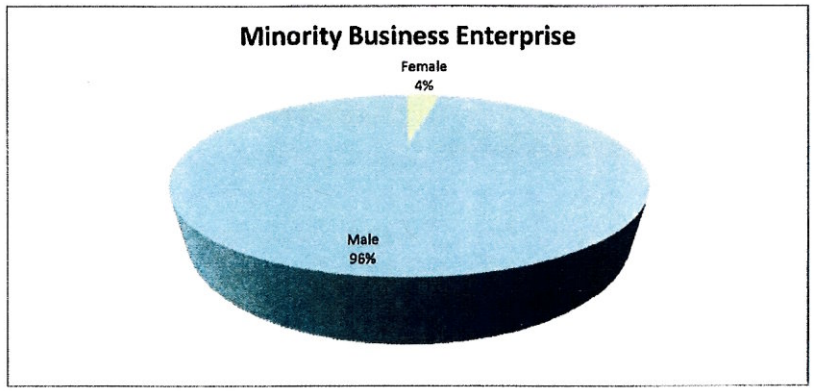
DBE PARTICIPATION

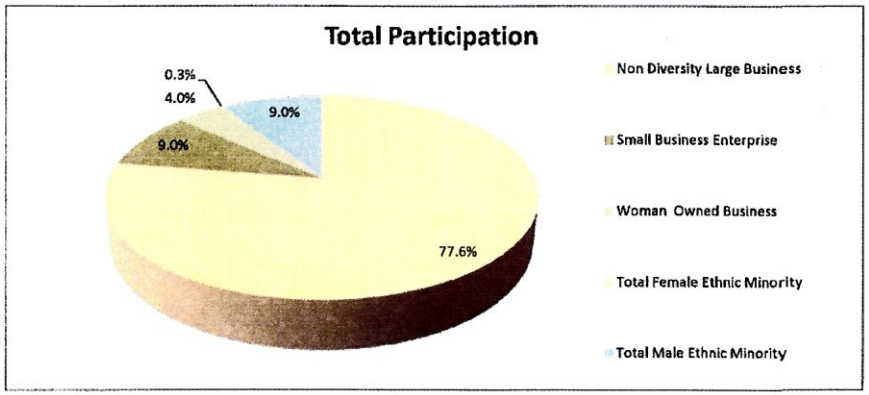
PROJECT TO DATE
As of 12/31/2010

ETHNIC MINORITY MALE ONLY					TOTAL MINORITY BUSINESS ENTERPRISE	ETHNIC MINORITY FEMALE ONLY						TOTAL DBE PARTICIPATION					GRAND TOTAL	
													OTHER DBE					
African American	Hispanic	Asian Pacific	Native American	Hasidic Jews	Total Male Ethnic Minority	African American	Hispanic Female	Asian Pacific	Native American	Total Female Ethnic Minority	Total Minority Business Enterprise	Woman Owned Business	Small Business Enterprise	Total Other DBE	Total DBE Participation	Non Diversity Large Business	GRAND TOTAL
$8,390,233	$77,919	$845,398	$0	$0	$9,313,550	$338,102	$0	$0	$0	$338,102	$9,651,653	$4,190,141	$9,366,183	$13,556,323	$23,207,976	$80,322,313	$103,530,288
Percentage of Minority Business Enterprise					96.5%					3.5%	100%						
Percentage of All DBE Participation					40.1%					1.5%	41.6%			58.4%	100%		
Percentage of Grand Total					9.00%					0.33%	9.32%	4.05%	9.05%	13.09%	22.42%	77.58%	100%

DBE PARTICIPATION SUMMARY

MINORITY OWNED BUSINESSES	9.32%
WOMEN OWNED BUSINESSES	4.05%
SMALL BUSINESS ENTERPRISE	9.05%
TOTAL	22.42%





Music City CENTER

Music City Center

"Surety Assistance Program"

BACKROUND

The Surety Assistance Program began as a component of the Willis of Tennessee Insurance proposal submitted to MDHA in the pre-development phase of the MCC project. The purpose of the Surety Assistance Program is to assist local contractors that are ready, willing and able to compete for opportunities on the New Convention Center Project become bondable.

A Feasibility Study was requested MDHA and was completed by Alexander & Associates who also served as the diversity business enterprise subcontractor to Willis of Tennessee. The study discusses options for remedying deficiencies that may impede participant access to contracting opportunities. In reviewing the findings of the study, it was decided that the benefits of the Surety Assistance Program were worth the cost. The long term impact to the construction industry and Nashville community would result in an increase in the number of local contractors to the pool of potential participants on the Music City Center Project and other projects throughout Metro Nashville.

PROGRAM MECHANICS

The Surety Assistance Program is designed to provide back office support and technical assistance to DBEs with outreach, financial statement and bond application preparation.

Surety Support and Technical Assistance goals are to provide assistance to DBEs in an effort to promote growth and development and to assure their successful participation in the program. Comprehensive support addresses four critical needs: DBE staffing (labor and workforce), Financing (low interest mobilization), Working Capital and Machinery and Equipment financing.

Management and Technical Assistance offer DBEs the opportunity to take advantage of additional needs such as Capabilities Assessment, Enhance Business Management, Contract Management Mentorship, Insurance and Bonding Assistance.

PROGRAM EFFECTIVENESS

Of the firms that are in the Surety Assistance Program, 47% have submitted proposals as a prime or with subcontractors. Of that number, we have a 52% success rate of contactors that are currently working or will be working with teams on the Music City Center Project.

Surety Assistance Status Report as of January 5, 2011

# of firms in Program	# of firms in Assessment	# of firms still in Process	# of firms Bondable	# of firms Inactive
ADK			√	
A Action Air		√		
Ace Maintenance		√		
All Things Construction				√
B&B Lawn Service	√			
Beard Property Maintenance, Inc.	√			
Bentco Office Solutions			√	
Bestway Janitorial Services, Inc.			√	
Bolton Construction			√	
CD Steger Construction, Inc.			√	
CMG Painting		√		
Collier Transportation		√		
Corbrook, Inc.	√			
Crowder's Trucking			√	
DW Kidd				√
E&H Electronics				√
EJO Ventures		√		
Exodus Construction			√	
Flathead's Concrete		√		
Grey Hawk, Inc.	√			
Hudson Construction		√		
Interiors by Deborah		√		
JCS Janitorial, Inc.			√	
Manufactures Industrial Group, LLC			√	
Media Sign Solutions		√		

# of firms in Program	# of firms in Assessment	# of firms still in Process	# of firms Bondable	# of firms Inactive
Modern Day			√	
Nashville Natives		√		
Nate Hatcher		√		
Paratus Group			√	
Professional Painting	√			
Push 4J Construction			√	
Ramirez Custom Drywall & Paint	√			
Remnant Construction			√	
Reynolds and Reynolds				√
Seasons Change			√	
Seven Hills Granite			√	
Straightway Construction		√		
Suoago Builders			√	
The Don Hardin Group		√		
Trinity III Mechanical			√	
United Upkeep		√		
Vega Concrete		√		
Vision Building Group		√		
West End Interiors			√	
Whitman's Trucking				√
# of firms in Program	**# of firms in Assessment**	**# of firms still in Process**	**# of firms Bondable**	**# of firms Inactive**
45	**6**	**16**	**18**	**5**

Numbers of firms Proposed w/Primes	Successful # 11	52% Success Rate
Number of firms Proposed w/Primes	**Unsuccessful # 10**	

The program has a success rate of 40% with eighteen of the firms in the program are currently bond ready for other projects.

SAP Participants	Bond Readiness	MCC/Presently	MCC/Future
ADK	$100,000.00		
Bentco Office Solutions, LLC	$750,000.00		
Bestway Janitorial Services, Inc.	$3,000,000.00		
Bolton Construction	$550,000.00	Value Engineered	
Remnant Construction	$250,000.00	Conti	
Sunago Builders	$1,000,000.00	Foley/Girtman	
Manufactures Industrial Group. LLC	$2,000,000.00	Lenex	
Modern Day Wrecking	$350,000		
Paratus Group	$750,000	TTL	
Seven Hills Granite	$250,000.00		
Trinity III Mechanical	$100,000.00	J.E.Green/DES	
CD Steger Construction, Inc.	$1,000,000.00		ISEC, Inc.
Crowder's Trucking	$100,000.00	Lenex	
Exodus Construction	$250,000.00		
JCS Janitorial, Inc.	$100,000.00		
Seasons Change	$53,000.00		
Push 4J Construction	$250,000.00	Ceco/Terminated	
West End Interiors	$150,000.00		

Summary

As the procurement phase of the project draws to a close the Surety Assistance Program moves into the recovery phase working closely with Harmony and Bell/Clark to discuss and understand final scopes of services. This process will result in compiling a list of diversity business enterprises matching capacity with final scope, size and procurement package requirements.

The benefits derived to MCC project and the DBE subcontractor

1.) Productivity enhancement (system in place to accomplish task more quickly and easily)
2.) Cost-saving (pinpointing and correcting weakness in cash management practices)
3.) Profitability improvement opportunities (pricing strategies, cash flow analysis, cost accounting methodologies)
4.) All participating contractors take sound action steps and are made bondable for MCC and future projects.

In conclusion, the Surety Assistance Program has and will continue to be of benefit to the construction industry, Music City Center and the community as originally presented in the Willis of Tennessee proposal and subsequent feasibility study.

The long-term goal of this project, as established by Mayor Karl Dean from the inception was to construct a state of the art convention center that was completed on time, within budget, that is sustainable, and that includes 20% DBE participation. This program supports this long term DBE goal.