



DMBE

WELCOME FROM THE GOVERNOR

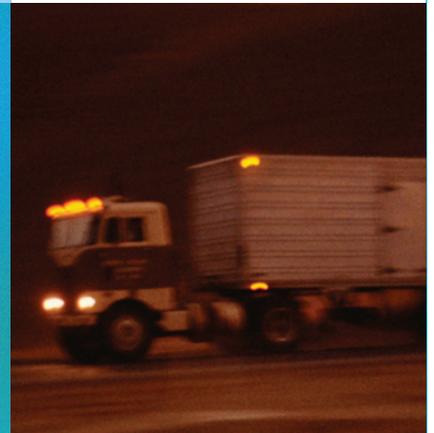
It is with great pride that I recognize the efforts of the Department of Minority Business Enterprise. Since it was established in 1975 by the General Assembly of Virginia, DMBE has made great strides in supporting small business growth in the Commonwealth.

Virginia has a long and distinguished history of entrepreneurship. From the early farmers to the modern-day biotechnologists, individuals who value their work have contributed to the success of the whole. DMBE has recognized that as the state grows larger and the world becomes more complex, small, women and minority-owned businesses need special support in order to compete with larger firms and conglomerates.

Over the years, I have observed DMBE promote activities and resources that encourage growth. I have noted how technical and management assistance has enabled small Virginia businesses to compete in an increasingly sophisticated commercial environment.

This past year, in particular, DMBE has turned the national spotlight on our state. By forging the first federal reciprocal certification agreement with Maryland and the District of Columbia, the Department has set an example other states are already eager to follow. Yet again, Virginia leads the way, thanks to the work ethic of its small business owners and DMBE.

Timothy M. Kaine
Governor of Virginia



INTRODUCING | The Department of Minority Business Enterprise

CONGRATULATIONS FROM THE SECRETARY

Those of us who serve in the Kaine administration are deeply committed to the principles of diversity and inclusion. I applaud DMBE for its success in certifying SWaM vendors and connecting them to agency procurement resources.

Recognizing the contribution of small, women and minority-owned businesses is laudable. But certifying these vendors takes appreciation to a more practical level. It basically “levels the playing field” by demonstrating to state agencies and institutions that SWaM vendors are not only capable, but able to compete for government contracts.

Last year, DMBE certified 40% more SWaM vendors than in the previous year. It followed the certification process with management and technical assistance, offered to twice as many SWaM vendors in 2008 than in 2007. As a result, last year Virginia increased the amount of its contracting dollars spent with certified small, women and minority-owned businesses by over 70%.

“Virginia Leading the Way” is this administration’s mantra. I thank the Department of Minority Business Enterprise for leading the way in certifying and supporting so many excellent, previously under-appreciated businesses in our Commonwealth.

Viola O. Baskerville
Secretary of Administration

Agency Goal

To encourage government contracts and improve the procurement process between the Commonwealth of Virginia and underutilized businesses as identified in the 2004 Procurement Disparity Study of the Commonwealth of Virginia.





DMBE OVERVIEW

ESTABLISHED By Acts of the General Assembly of Virginia

DATE 1975

AUDIENCE 95% of Virginia businesses

LOCATION Richmond, Virginia: Main Office

GOVERNANCE Secretary of Administration

HEAD Agency Director, appointed by the Governor

FUNDING FOR FY 2009-10 • 67% from Commonwealth Transportation Fund (\$1,506,868)
• 33% from Appropriation Act (\$753,413)

STAFF 21 full-time

SERVICE AREAS 4

- DUTIES**
- Certify small, women- and minority-owned businesses, and provide service-disabled veterans designations
 - Provide procurement assistance
 - Coordinate state government programs for small businesses
 - Promote activities and resources that encourage growth
 - Provide technical and management assistance
 - Manage the Capital Access Fund for Disadvantaged Businesses

DOCUMENTATION

- *Code of Virginia* (section 2.2 – 1400 et seq.)
- Virginia Public Procurement Act (*Code of Virginia* section 2.2- 4300 et seq.)
- Executive Orders 33 (2006); 10 (2006); 103 (2005); and 29 (2002).

DMBE SERVICE AREAS

Certification processes eligible small, women- and minority-owned businesses (SWaMs), and disadvantaged business enterprises (DBEs) to compete for state procurement contracts. SWaM is a state certification, while DBE is a federal, U.S. Department of Transportation certification. Certification is also processed for Service-Disabled Veterans who own small businesses.

Outreach promotes DMBE's programs and services through a statewide marketing campaign. The department collaborates with federal, state and local governments and establishes good relationships with state agencies. It also provides eligible vendors with management and technical assistance.

Procurement Reporting and Coordination collects procurement data, generates accurate statistics, and prepares reports. Success is measured by the number of dollars agencies spend with SWaM vendors, as displayed on a database software system called the SWaM Dashboard.



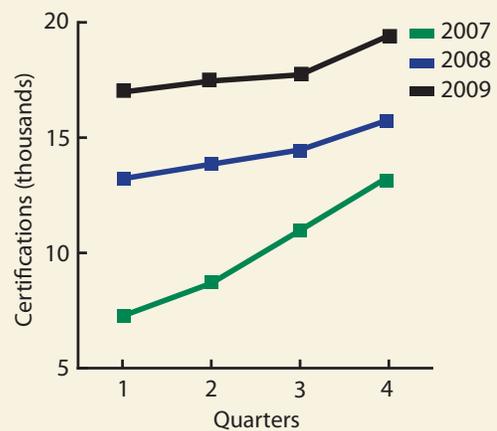
Administrative Services focuses on the managerial aspects of DMBE operations, ranging from staffing and human resources to fiscal transactions and compliance.

DMBE OBJECTIVES, GOALS AND PROGRESS

DMBE has four service areas, and each is evaluated yearly. The department also provides quarterly performance activities in the Commonwealth's VA Performs system for measuring performance.

SERVICE AREA I Minority Business Enterprise Certification

- OBJECTIVE** Increase the number of certified vendors
- GOAL** Certify 20,200 new vendors by end of fiscal year 2010



Certifications rose over 18% from 2008 to 2009.



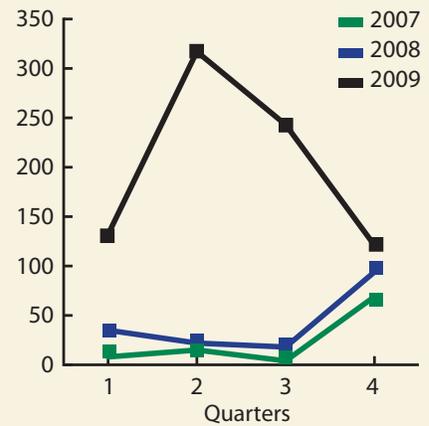
SERVICE AREA II
Minority Business Enterprise Outreach

OBJECTIVE 1 Identify qualified businesses in Virginia and provide management and technical assistance

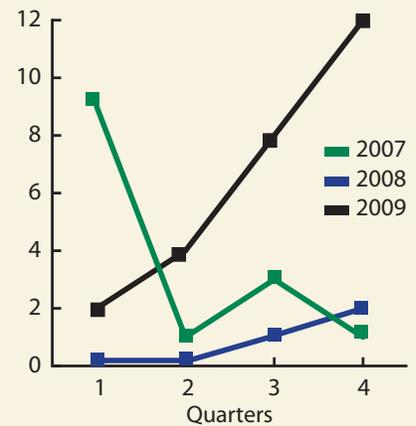
GOAL 200 informational activities per year

OBJECTIVE 2 Implement a statewide marketing campaign to promote the certification programs

GOAL 12 advertising and media placement contracts per year



Outreach activities increased over 200% from 2008 to 2009.



Media coverage increased over 100% in 2009 because of the use of free-of-charge market resources, such as press releases and talk radio interviews. Budget reductions eliminated the use of fee-based outreach and marketing.



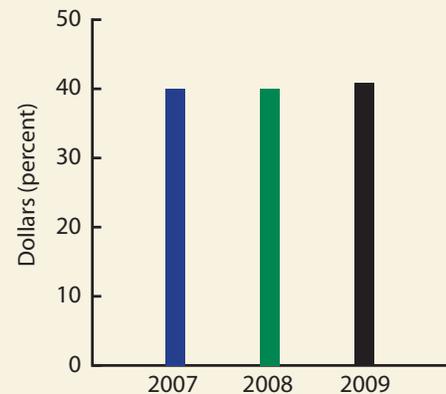
Service Area III
Procurement Reporting and Coordination

OBJECTIVE 1 Increase the amount of contracting dollars spent with certified small, women-owned and minority-owned businesses

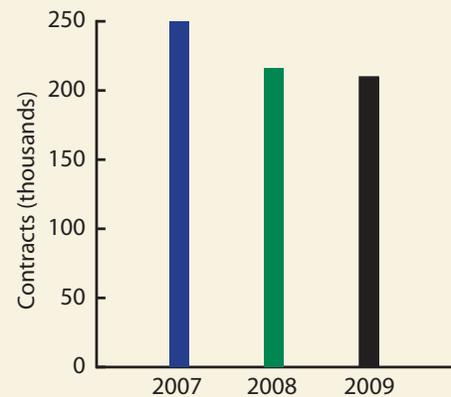
GOAL 45% of discretionary dollars spent per year.

OBJECTIVE 2 Increase the number of contracts awarded to small, women-owned, and minority-owned businesses

GOAL 20% increase in number of contracts per year



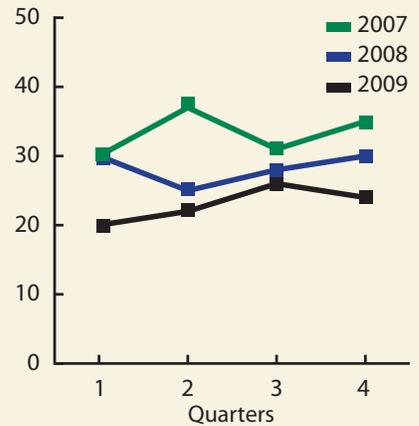
Dollars spent with SWaM businesses increased by a percent from 2008 to 2009.



SWaM contracts decreased by 2.5% from 2008 to 2009, primarily because of the reduction in discretionary spending by agencies and educational institutions.

OBJECTIVE 3 Issue agency expenditure reports in a timely manner

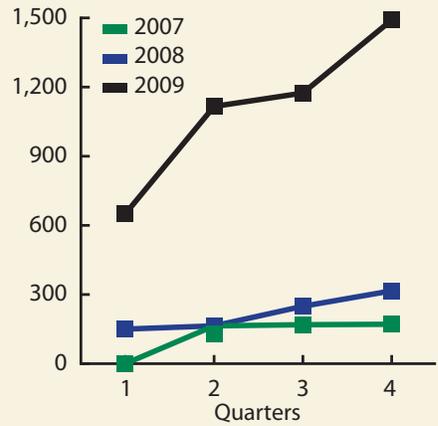
GOAL Report issued within 25 days after end of each quarter



Timely reports were issued over 18% faster between 2008 and 2009

OBJECTIVE 4 Update state agencies concerning procurement policies and vendors

GOAL 950 meetings, workshops and presentations per year

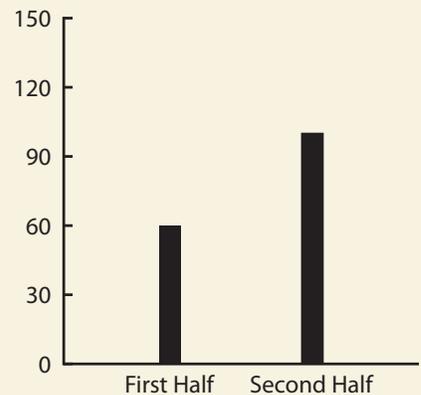


There was an increase of over 200% in presentations made from 2008 to 2009.

Service Area IV Administrative Services

OBJECTIVE 1 Ensure resources are used efficiently and programs managed effectively

GOAL Increase number of "meets expectations" survey scores to 100% each year



The average agency performance in 2009 was rated at 80%.

SATISFACTION FROM THE DIRECTOR

In these difficult economic times, I am doubly gratified when I read about any type of progress. Ever since I was appointed by the Governor to be agency head for the Department of Minority Business Enterprise, I have had the pleasure of writing about good news myself, and this report is no exception.

Last year, our agency made tremendous strides by increasing internal efficiency. We automated the submission process for executive branch agencies annual SWaM Plans. This not only eliminated paper waste, but also increased our ability to organize, report and manipulate data.

At the same time, we ensured the validity of existing information and eliminated duplication in the certification database.

I am continually reminded of the importance of teamwork. Another of last year's major accomplishments was forging certification agreements with a number of cities, counties and private corporations. The new partnerships have proved invaluable to those organizations registering small businesses as part of their supplier diversity initiative or procurement process.

The concept of equality is embedded in our American system. Therefore, certifying small, women and minority-owned businesses has always been the right thing to do. However, I notice the more refinements and improvements we make to our model of operation, the more SWaM also becomes the smart thing to do.

Samuel Hayes III

DMBE Director



Agency Values

- DEDICATION** Desiring to execute the values
- RESPONSIBILITY** Accountability for fulfilling the goals and mission
- ACHIEVEMENT** Fulfilling the goals and mission
- CREATIVITY** Crafting and implementing a workable system of equal access to government contracts
- COLLABORATION** Building relationships with like-minded companies and individuals



DMBE RECENT ACCOMPLISHMENTS

DMBE works constantly to improve its programs and make them easier to use. Already the Department has seen tangible results from its ongoing efforts and is especially proud of the following major accomplishments.

1. DMBE automated the process for annual submission of Agency SWaM plans

Background: Beginning in 2004, executive branch agencies were required to submit annual plans for their upcoming year's promotion of the SWaM Procurement Initiative. This resulted in over 360 paper documents. In 2008, DMBE automated the submission process – not only eliminating paper waste, but also providing greater opportunities for organizing, reporting and managing the resulting data from agencies.

2. DMBE forged the first federal reciprocal certification agreement

Background: In 2008, Virginia, Maryland and the District of Columbia agreed that a Disadvantaged Business Enterprise certified in one of the three locations could become certified in the others. This was the first such arrangement in the nation under the federal DBE Program, and it has already proven so successful that North Carolina, Tennessee, West Virginia and Kentucky want to participate as well.

3. DMBE streamlined and improved its certification database information

Background: Beginning in 2007, DMBE purged dated and unused information and files, thereby ensuring the validity of existing information in the SWaM and DBE certification database. As a result, the staff has eliminated 3,500 pending and 1,250 duplicate files.

At the same time, the Department has implemented a new standard, which ensures consistency of any new data. It has also added enhancements such as application mail tracking, data security, and a geographical search capability for vendors with specific commodity codes.

4. DMBE forged new certification partnership arrangements

Background: The Department has expanded its services to assist organizations registering small businesses as part of their supplier diversity initiative or procurement process. Since 2008, DMBE has partnered with:

- City of Norfolk
- City of Virginia Beach
- County of Fairfax
- Dominion Resources, Inc.
- Nielson Builders, Inc.
- Richmond Redevelopment Housing Authority
- S.B. Ballard Construction Company
- Skanska, Inc.
- Virginia Minority Supplier Diversity Council
- W.M. Jordan, Contractor

SMALL, WOMEN-OWNED AND MINORITY-OWNED BUSINESS (SWaM) PROCUREMENT INITIATIVE

- PURPOSE** To assist small, women-owned and minority-owned businesses compete for government contracts in open, fair and objective competition
- AUTHORITY** Executive Order 33, which issues directives to state agencies and institutions to increase discretionary spending with SWaM vendors
- GOALS**
1. Maximize participation of SWaM businesses in contract opportunities
 2. Ensure state agencies and institutions incorporate SWaM into their procurement policies
 3. Oversee fair competition for SWaM agencies within organizations
- PROGRESS**
1. In 2004, Virginia spent less than 12% of its \$11 billion with SWaM vendors. In 2008, Virginia spent 5.49% of its discretionary dollars with minority-owned businesses, 4.13% with women-owned businesses, and 29.18% with small businesses.
 2. Currently 99.9% of all state agencies, institutions and quasi-agencies have incorporated SWaM into their procurement policies
 3. "SWaM Champions" in all Executive Branch agencies and institutions ensure fairness in competition within their organizations

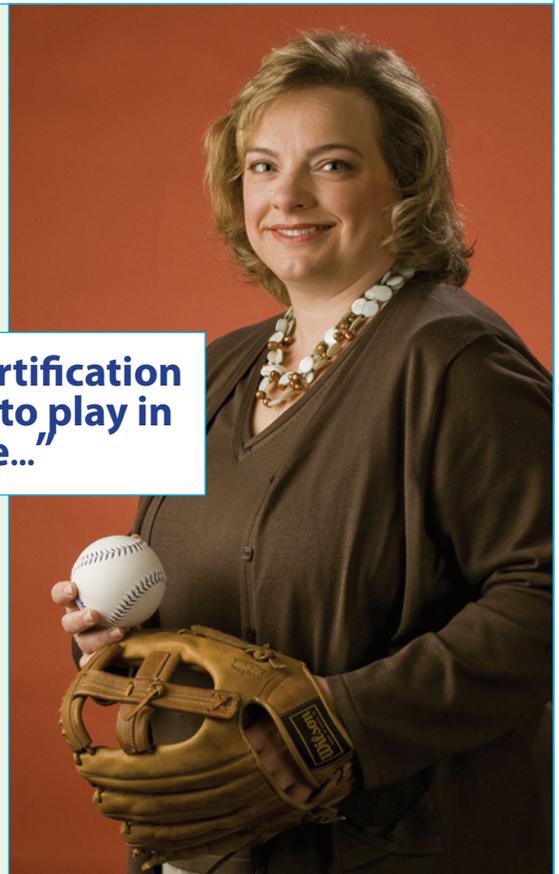
Melissa Ball, Owner/President Ball Office Products

The Ball Office Products website proclaims its mission is "to be the preferred source of business furniture and office supplies in Central Virginia." Since becoming SWaM certified several years ago, President Melissa Ball says her company "now has a leg up."

The advantage works for both Ball Office Products and its customers. "Government agencies care that we're SWaM-certified," she says, "and our SWaM designation allows clients who hold state contracts themselves to fulfill their vendor goals."

"Basically, certification allows me to play in the game," she explains. "It's not a free ticket. It's still the responsibility of every supplier to be competent, but at least this gets us the opportunity to prove what we can do." Recently, Ball found out Longwood University was building a new dorm – through a Quick Quote that came across on her computer – and she won the sizeable order. "I hadn't met them before," she says. "I never would have even known the need existed if it hadn't been for SWaM."

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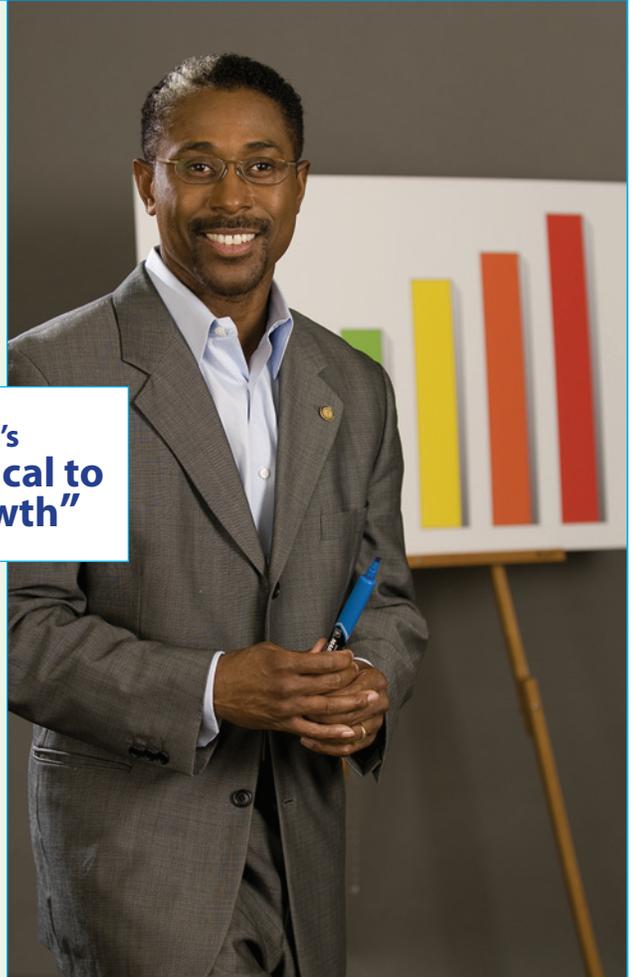
Prescott Sherrod, President/CEO
PEMCCO Inc.

PEMCCO provides engineering, IT, integration and management, and systems installation services to the defense and transportation industries. In 2002, the company was certified as a Disadvantaged Business Enterprise – or, as Prescott Sherrod prefers, “a historically underutilized business.” However, Sherrod does not quibble with the result of that certification. “I’d say about 25% of PEMCCO’s contracts and contract vehicles are attributable to our certification,” he says. “We think it’s been critical to our growth.”

**“We think it’s
been critical to
our growth”**

Sherrod thinks the biggest advantage of DBE is that “it bridges the gap. It gives you exposure. It gives customers access to qualified firms who don’t get noticed when large companies monopolize the work.”

Sherrod is particularly enthusiastic about the efficiency he can achieve due to DBE’s new reciprocity agreement with Virginia, Maryland and the District of Columbia. “At one time we were certified with over 80 agencies in 20 states,” he sighs. “Do you know how many separate applications *that* took?”



DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATION PROGRAM

- PURPOSE** To assist disadvantaged businesses (including women- and minority-owned and those historically discriminated against) compete for federal transportation contracts
- AUTHORITY** Required by the U.S. government of all states that obtain federal funds for transportation projects through document review, on-site evaluation, financial and capability assessments
- GOALS**
 1. Confirm the eligibility of participants in the DBE program
 2. Establish DBE certification reciprocity
- PROGRESS**
 1. In 2007, DMBE certified 168 firms; in 2008, it certified 233 firms
 2. In 2008, DBE certification reciprocity was established between Virginia and Maryland and the District of Columbia

PARTNERSHIP INITIATIVE

- PURPOSE** To develop alliances with Virginia cities, counties, towns, and private sector companies
- AUTHORITY** Executive Order 33 issues directives to state agencies and institutions to increase spending with SWaM vendors
- GOAL** Collaborate in providing assistance to SWaM vendors in their pursuit of business opportunities
- PROGRESS** Since 2008, DMBE partnered with the City of Norfolk, City of Virginia Beach, County of Fairfax, Dominion Resources, Nielson Builders, Inc., Richmond Redevelopment Housing Authority, S.B. Ballard Construction Company, Skanska, Inc., Virginia Minority Supplier Diversity Council, and W.M. Jordan Construction Company.

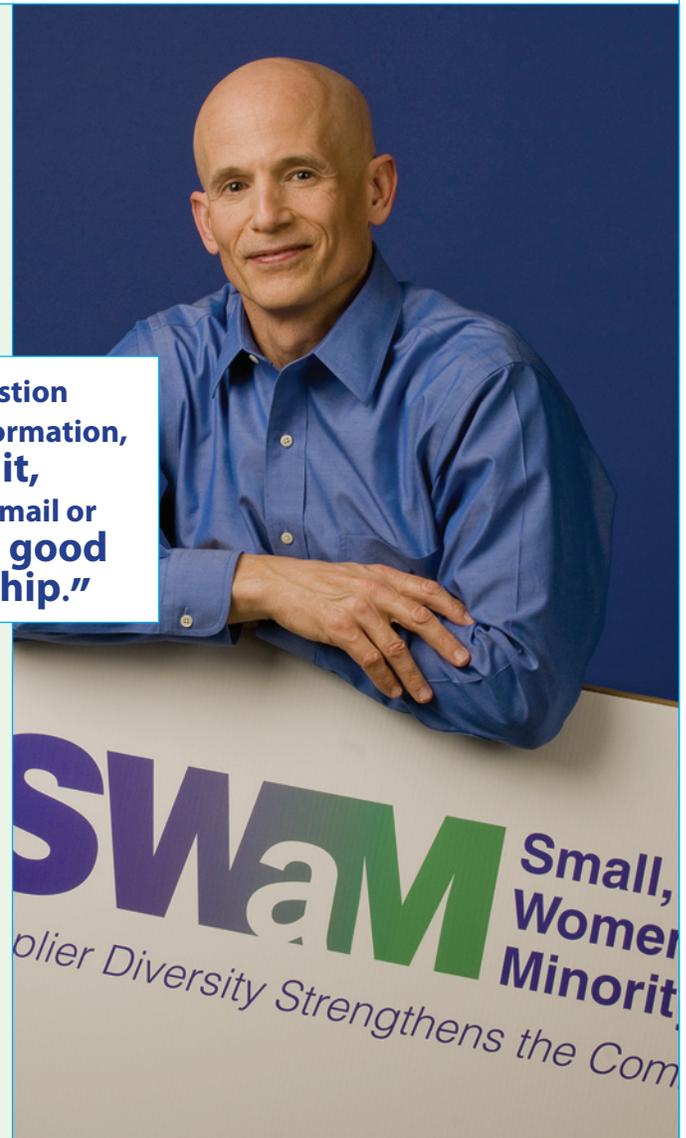
Ed Gibbs, Director of Procurement/ Real Estate & Insurance Virginia Commonwealth University

Ed Gibbs states that VCU has been a proponent of diversity since the late 1980s. "We saw it as a way to brand ourselves early on," he explains. "And diversity can't just be reflected in students and staff; it has to be evident in the way the university does business as well. Our vendor program was put in place not just because of an executive order, but because it was the right thing to do. We believed SWaM businesses could effectively compete on their own, given an equal opportunity to do so."

Meanwhile, Gibbs says he is indebted to DMBE for essentially vetting these vendors. Once a business is SWaM-certified through DMBE, Gibbs knows he can count on that business being legitimate. "And then the dollars and percentages VCU reports are solid," he says. "For instance, we know our new Monroe Park Addition was 49% the work of DMBE-certified SWaM vendors."

Gibbs himself enjoys doing business with DMBE. "I'm pleased with their responsiveness," he says. "If I have a question or need information, they're on it, whether by e-mail or phone. It's a good partnership."

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