



# Newsletter

July—December 2010

A program of the University of Missouri System, Office of Management Services

## *Patient Care Tower: M/WBE participation on a massive project*

**John Neal, Associate Director for Construction  
University of Missouri-Columbia**

University of Missouri Healthcare is in the process of building a new patient care tower aimed at modernizing the aging hospital. The tower is roughly 310,000 square feet and will house Ellis Fischel Cancer Center, several surgical suites, and 90 private rooms. Several businesses have contributed to the \$205 million development, which is scheduled to be completed in 2013. University of Missouri officials divided the project into four bid packages and opened bidding to the public. Many M/WBE businesses were awarded contracts and are currently playing a major role in the massive construction project.

The University of Missouri has established policies designed to increase M/WBE participation in campus construction projects. Most importantly, M/WBE participation goals are set for every construction project. Participation goals are explicit monetary targets for M/WBE involvement. For example, a \$1 million project with a 20% M/WBE participation goal means M/WBE firms would be awarded at least \$200,000 of the contract. Bidders are required to make a good faith effort to find M/WBE firms to fulfill the participation goals. A good faith effort requires the bidder to aggressively look for M/WBE firms that can contribute to the project. A good faith effort may include, but is not limited to, attendance at M/WBE outreach meetings, advertising in trade journals, direct contact with M/WBE firms, breaking out suitable scopes of work, and assisting M/WBE firms overcome financial barriers to their involvement in the project.

The University of Missouri and the construction manager, JE DUNN, worked diligently to overcome the barriers facing M/WBE firms' participation in the patient care tower development. Advertisements were placed in M/WBE trade journals, magazines, and newspapers. Also, the University implemented an outreach program aimed at informing M/WBE firms of the project. Outreach meetings held in Kansas City, St Louis, and Columbia were not only informative, but also provided M/WBE firms with an opportunity to introduce themselves to larger companies bidding on the project. At the meetings, prime contractors were encouraged to partner, build relationships, assist M/WBE firms with suitable bid packages and provide estimating assistance. The University implemented several changes aimed at helping small firms deal with potential cash flow problems, including:

- ◆ Early release of the 5% monthly payment retainage at scope completion but prior to project completion
- ◆ Requiring prime contractors to list subcontractors and amounts due with each monthly pay request
- ◆ Published payment information on a public website so that subcontractors are aware when payments are made to the prime with whom they are working and how much of that payment is due to the subcontractor

Over 30 M/WBE businesses bid competitively and won contracts worth a combined total of \$25 million. The table below summarizes M/WBE firms' significant contribution to the Patient Care Tower.

M/WBE Involvement	Dollars	Percent of Total Project
<b>MBE Contracts</b>	<b>\$9,981,588.97</b>	<b>12%</b>
<b>WBE Contracts</b>	<b>\$15,179,606.00</b>	<b>18%</b>
<b>Combined</b>	<b>\$25,161,194.97</b>	<b>30%</b>
<b>Total Project Value</b>	<b>\$84,454,011.00</b>	

Many opportunities exist for contractors and other construction professionals at the University of Missouri. To stay up to date on project opportunities at MU, go to the Planning, Design and Construction website at [www.cf.missouri.edu/pdc/](http://www.cf.missouri.edu/pdc/)





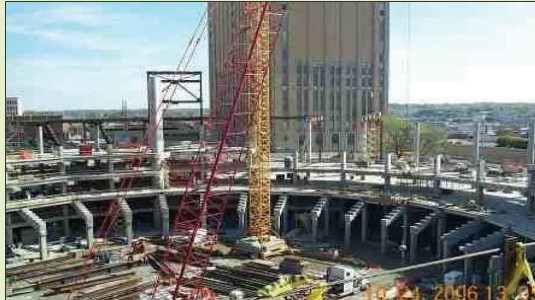
Ike Nwabuonwu, Chairman & CEO

[www.Alphaee.com](http://www.Alphaee.com)

Alpha Energy and Electric Inc., a certified minority owned firm, is located in Kansas City, Missouri. The company strives to provide value for its customers through innovative design- build approaches.

Customers have access to a broad range of energy and electrical services for new and existing projects; services include design build, installation of energy and electrical systems, energy audits, solar system services, and power plant design and installation.

One of Alpha Energy's core competencies is design- build consultations. The firm helps to ensure customers' projects are properly designed and planned. Alpha Energy's experienced employees use their industry



expertise to reduce project costs and increase efficiency. Alpha Energy recently completed work on two major landmarks in Kansas City: remodeling of Arrowhead Stadium and construction of the Sprint Center. Alpha Energy's role in the remodeling of Arrowhead Stadium included the installation of site lighting, concourse lighting and the installation of all food service electrical systems. Similarly, Alpha Energy contributed services critical to building the new Sprint Center, including installation of

cable tray system and emergency generator; installation of dock bank - underground cabling and conduits; concourse lighting, suites and quick trip.

Alpha Energy has also performed services for major clients that include St. Luke's Hospital, JE DUNN, Kansas City Power and Light and Dean Machinery. Providing clients with uncompromising levels of excellence with integrity, from planning to implementation, is Alpha Energy and Electric's philosophy. One word that best describes the firm is *persistency*; with persistency comes success.

## Managing Business Cycles

Scott Thelen, Crosby MBA Candidate, May 2012, UM-Columbia

Managing business cycles is an important part of running a business. First, businesses must avoid becoming over leveraged in good times. Leading up to the housing market collapse in late 2006, many builders were borrowing a large portion of each development project. When real estate prices dropped, many home builders failed, because they could not pay back their loans. Irrational exuberance is common in good times, but always consider what will happen to your business if the economy stumbles. Balancing growth and fiscal conservativeness are key components of managing business cycles.

Second, fixed costs are important considerations when managing business cycles. Fixed costs represent bills that must be paid regardless if a product or service is sold; for example, rent, salary, and loan payments. Companies with greater fixed costs will have more financial trouble when sales fall and need to be more conservative when investing for future growth. All business owners should maintain and scrutinize financial statements. Analysis of financial statements can help identify excessive fixed

costs.

Lastly, cash management is key to surviving economic downturns, especially for more cyclical companies. The first step to managing cash flow is maintaining a cash flow statement. Cash flow statement analysis will help managers spot areas slowing cash inflow, such as accounts receivable and inventory. Leading up to a recession, companies will often begin to see their incoming cash flow decrease before profit actually starts to decline. A company runs on cash; therefore, a company can survive an extended period without profit, but a company cannot survive long without cash. Companies in more cyclical businesses need larger cash reserves and must monitor cash flow more closely. In summary, companies that avoid becoming overleveraged, control costs, and manage cash flow appropriately will have a better chance of surviving economic cycles.



## *University of Missouri's Advocacy-Mentoring Program: An opportunity for businesses and MBA students*

The University of Missouri's Advocacy - Mentoring Program is a unique opportunity for M/WBE design and construction related firms to establish a strong relationship with a larger, more experienced firm in the same field. The university's program utilizes a unique triad structure, which consists of the M/WBE owner, the principal or executive leader of a larger firm, and a University of Missouri administrator. A University of Missouri administrator acts as the triad leader and provides support as needed. The program's curriculum is very flexible and reflects the results of an individual needs assessment conducted with each mentee.

The Advocacy-Mentoring program is designed to achieve many goals, including assisting M/WBE owners in growing and strengthening their business, developing a potential supply of M/WBE firms that can successfully bid university projects, developing networking skills, and building business relationships. The Advocacy-Mentoring program includes semi-annual conferences, which bring all the participants and a few business school faculty members together. The first conference was held September 2010; it provided an excellent opportunity for mentees to network and learn more about marketing and growing

their businesses. At this conference, Greg Martin, and David Patrick, business school professors at the University of Missouri's Columbia and Kansas City campuses, delivered presentations on marketing and business development. Mentees, also, shared common experiences and responded to questions through a roundtable discussion.

Current M/WBE participants have been very pleased with the benefits accrued from the mentoring program. Bernard Simington, owner of City Design Group, worked with the mentor firm, Burns and McDonnell, to develop a new marketing strategy and establish critical business relationships. Mr. Simington believes the new relationships will help his firm earn future business. Mr. Simington and three other mentees will graduate from the two year program on Jun 30, 2011. The new class of mentees will start the program July 1, 2011.

Besides helping M/WBE firms strengthen their businesses, the Advocacy-Mentoring program also provides an arena for MBA students to apply their classroom skills and knowledge to business practice. The relationship between MBA students and Advocacy-Mentoring firms has proven to be mutually beneficial. Perhaps MBA students' interactions with small businesses will motivate them to become entrepreneurs.

## *uBid: Electronic registration and bidding system*

University of Missouri System Procurement and MU Health Care Sourcing and Supply Chain are currently working on a new electronic registration and bidding system, uBid. This system will facilitate responses to UM System's requests for bids, proposals or information. In addition, uBid will allow potential suppliers to register their businesses on a new website as well as view bid offerings and submit responses through the website. It will aggregate all potential projects in one location, thus, make it easier to access bids. By allowing potential suppliers to bid online, the volume of paper work and time involved in bidding are reduced.

Not only are there benefits to potential suppliers, buyers at the university will also be able to create and solicit bids in the new system. The system allows buyers to view all registered suppliers of a particular commodity, as well as send bid invitations electronically. The new system will be easy to use; however, customer support will be provided through online registration guides and the Procurement hotline. uBid is expected to be launched during the spring of 2011.



# AWARDS

A partial list of contracts and purchases won by M/WBEs

## Procurement

UM-COLUMBIA			UM-KANSAS CITY		
\$929	Metro Medical	MO	\$2,442	Sage Publications	CA
\$1,211	Regents Maintenance SU	MO	\$2,467	The Call	MO
\$3,336	Sage Publications	N/A	\$1,681	World Wide Technology	MO
\$5,599	Strong Supply Inc.	MO	\$1,138	Oriental Trading Co	NE
\$1,769	Biogenex Labs	CA	\$2,066	Shimadzu Scientific	MD
\$6,659	Clontech Labs	CA	\$3,120	Vector BioLabs	PA
\$2,310	Crystal Chemi Inc.	IL	\$1,210	Bio-Syntheses-In House	TX
\$1,815	Epitomics Inc.	CA	\$2,469	CC Creations LTD	MO
\$2,000	Mogene Inc.	MO	\$560	KC Hispanics News & History	MO
\$5,897	Oriental Trading Co.	NE	\$2,853	R F Specialties	MO
\$1,435	American Biological Safety Ass.	IL			
\$2,448	Camelback Displays Inc.	RX	\$13,000	Cason Building Maintenance	MO
\$1,443	Mobile Vision	NJ	\$98,000	Elite Promotions	MO
\$5,631	Power Systems	TN	\$817	Central Missouri Glass and More LLC	MO
			\$8,294	Apex Controls	PA
			\$3,369	Evergreen Enterprises	VA
			\$2,387	Oriental Trading Co.	NE
			\$8,100	Memco	MO
			\$1,621	Upbeat Inc	MO
UM-St. LOUIS			MU-HEALTH CARE		
\$8,812	Quantum Technologies	MO	\$3,369	Cason Building Maintenance	MO
\$3,065	Regents Maintenance SU	MO	\$2,387	Elite Promotions	MO
\$16,367	NSC Diversified	MO	\$8,100	Central Missouri Glass and More LLC	MO
\$1,755	Villa Lighting	MO	\$1,621	Apex Controls	PA
				Evergreen Enterprises	VA
				Oriental Trading Co.	NE
				Memco	MO
				Upbeat Inc	MO
MISSOURI S&T					
\$1,736	Oriental Trading Co	NE			
\$3,338	Towe Technologies Inc	NJ			
\$11,953	Maury Microwave	CA			

## Design & Construction

UM-KANSAS CITY			Bloch School of Business and Public Administration Renovation of Room 12 (Centric Projects, LLC)		
	School of Education Pedestrian Plaza (Vanum Construction Co., Inc.)		\$ 26,170	3 Feathers Construction	Independence
\$ 48,000	Continental Steel & Conveyor	Kansas City			
	Bloch School Classroom Renovation Room 101 (International Architects Atelier)		\$ 393,340	Alpha Energy & Electric Inc.	Kansas City
\$ 23,680	International Architect Atelier	Kansas City	\$ 65,364	C.S. Humphrey & Company LLC	Kansas City
	Med School 5th floor Renovation (Kellogg Brown & Root Services, Inc.)		\$ 44,782	Cass County Coatings Inc.	Kansas City
\$ 19,304	Stanger Industries	Kansas City			
\$ 19,900	Howell Construction	Kansas City			
\$ 18,169	Pro Circuit, Inc.	Kansas City	\$ 20,000	Titan Environmental Services, Inc	Kansas City
	UMKC Law Library Renovation ( IAA)				
\$ 88,842.50	International Architects Atelier	Kansas City	\$ 20,000	Titan Environmental Services, Inc	Kansas City
	OBI Consulting Engineer			FCS, Inc	
\$ 20,000	Obi Consulting Engineer	Kansas City		FCS, Inc	Kansas City
	SK Design Group, Inc				
\$ 40,000	SK Design Group, Inc	Overland Park			



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## Design & Construction

MISSOURI S&T			Power Plant Condensate Lines (J. Louis Crum)		
			\$ 42,200	Walsh Insulation	Ashland
	Straumanis-Jane Hall ACM Removal (Dore and Associates Contracting, Inc)		\$ 27,000	Kingston Distributing	Kansas City
\$ 7,605	American Safety & Abatement	St. Louis	\$ 15,000	Possible Solutions	Jefferson City
Student Design Center (R.G. Brinkmann Company)			Patient Care Tower Bid Pack #4 ( Meyer Electric)		
\$ 9,000	Ibrahim Engineering	St. Louis	\$ 1,290,000	Brannic Sales	St. Louis
	Historic BOM #1 Boiler & Make Up Air Renovation (Harold G. Butzer, Inc)		\$ 840,000	Alpha Energy & Electric	Kansas City
\$ 6,250	Roy A. Sheperle Construction	Jefferson City	\$ 24,000	Roy Scheperle Construction	Jefferson City
\$ 40,000	Possible Supply	Jefferson City	\$ 1,735,000	Possible Supply	Jefferson City
\$ 7,700	Walsh Insulation	Ashland			
Renovation of Miner Rec Center (RG Brinkmann Construction Co)			Ortho/General Works (United HRB)		
\$ 10,988	Zumwalt Corporation	St. Louis	\$ 3,153	T&G Specialties	Lohman
\$ 4,788	Commercial Bathwares, LC	St. Lois	\$ 1,788	Modern Interiors	Jefferson City
\$ 17,581	Dannix Painting, LLC	St. Louis		CRH Pavilion 1st Floor Reno (GBH Builders)	
\$ 9,000	Ibrahim Engineering, Inc	St. Louis	\$ 103,400	Roy Scheperle Construction	Jefferson City
	Thomas Jefferson North Tower West Wing Renovation (Bales Construction Co)		\$ 61,246	Possible Supply	Jefferson City
\$ 180,000	Millennium Engineering & Sales Inc	Webster	\$ 45,750	Millennium Engineering	St. Louis
\$ 5,000	Kingstons Distributing	Kansas City		Curtis Hall-Fume Hood (Environmental Engineering)	
\$ 120,000	JRH Enterprise, Inc	Belleville	\$ 12,400	Roy Scheperle Construction	Jefferson City
\$ 110,260	Thermaltech, Inc	Union			
\$ 4,835	Rebarco, Inc	Moberly	UM-ST. LOUIS		
\$ 86,409	T&G Specialties	Spring Ridge	Mark Twain Drive Resurfacing		
			\$ 8,200	Civil Design, Inc	St. Louis
			\$ 2,942	City Design Group, Inc	St. Louis
UM-COLUMBIA			ITe Building Conversion of Room 107 into Two Labs (KBR)		
	Tucker Hall AHU (Harold G. Butzer)		\$ 1,110	Central MO Lumber & Hardware	New Florence
\$ 31,000	Roy Scheperle	Jefferson City	\$ 173,400	Mechanical Solutions	St. Louis
\$ 5,400	Thermaltech	Union	\$ 1,910	Pro Insulation	St. Louis
	Ellis Roof Phase 3 (Weathercraft)		ITe Building Tenant Build-Out Rooms 104-107 (KBR)		
\$ 35,858	Natsch & Co	Jefferson City	\$ 19,559	Pro Insulation	St. Charles
\$ 16,409	Possible Supply	Jefferson City	\$ 5,430	Senco Services Corporation	St. Louis
	GT Plant Chiller (J. Louis Crum)			Reconstruction of South Campus East Drive (City Design Group)	
\$ 213,012	Possible Supply	Jefferson City	\$ 8,118	City Design Group, Inc	St. Louis
\$ 151,847	Thermal Tech	Union		South Campus Accessible Ramps and Sidewalks (David Mason & Ass.)	
\$ 14,500	Branic Sales	St. Louis	\$ 30,940	David Mason & Associates	St. Louis
\$ 14,500	Centrex Electrical	St. Louis		Mark Twain Drive Resurfacing (Dura Seal Paving Contractors, Inc)	
	Swine Fishing Barn (Layne Company Construction)		\$ 5,700	ATK Safety Supply	Cedar Hill
\$ 31,000	Martinez Concrete	Desoto, KS	\$ 1,479	Riley Ready Mix	St. Louis
\$ 11,371	Rebarco	Moberly	\$ 3,000	Taylor Construction Company	St. Louis
	Murr TCP-MS Lab (Five Oaks)			Roof Replacement of Music Bldg. & Waterproofing 2nd Floor Walkway College of Nursing (Western Waterproofing)	
\$ 3,940	Thermal Tech	Union	\$ 40,490	JRH Enterprises	Belleville
	AG Lab Fume Hood (Environmental Engineering)			Fire Alarm Upgrades (Kaiser Electric)	
\$ 9,500	Millennium Engineering	St. Louis	\$ 5,000	Centrex Electrical Supply	St. Louis
	ER Parking Lot Expansion (Emery Sapp)				
\$ 23,566	Frech Paving	Columbia			
	Gymnastics Dance (Konrath)				
\$ 50,637	Ozark Fire	Warsaw			
	Swine Fishing Barn (Argitech Enterprise)				
\$ 22,138	Progressive Building Materials	Holts Summit			
	Ortho 3rd Floor Room Fitout (Allen Floors)				
\$ 11,795	Allen Floors	Jefferson City			





## Procurement Bids Online

Please visit Procurement Services' web page to obtain comprehensive and timely information about bid opportunities.

**Bookmark Me!** [http://www.umsystem.edu/ums/departments/fa/management/procurement/bids/listview\\_Bids.php](http://www.umsystem.edu/ums/departments/fa/management/procurement/bids/listview_Bids.php)

### Calling All Minority and Woman Owned Businesses

- ◆ M/WBE firms can now register quickly and easily online by using our new Supplier, Contractor, Consultant Registration Form at:  
<http://www.umsystem.edu/ums/departments/fa/management/procurement/supplierregistration.shtml>

**Get signed up today!**

### Upcoming Construction Projects

<b>UM-Columbia:</b>	<a href="http://www.cf.missouri.edu/pdc/upcoming_projects.html">http://www.cf.missouri.edu/pdc/upcoming_projects.html</a>
<b>UM-St. Louis:</b>	<a href="http://www.umsl.edu/~facplan/">http://www.umsl.edu/~facplan/</a>
<b>UM-Kansas City:</b>	<a href="http://www.umkc.edu/adminfinance/cfm/default.asp">http://www.umkc.edu/adminfinance/cfm/default.asp</a>
<b>Missouri S&amp;T:</b>	<a href="http://phyfac.mst.edu/">http://phyfac.mst.edu/</a>

<b>UM-Columbia</b>	<b>Estimate</b>	<b>Bid Date</b>
Missouri Psychiatric Center - Update Electrical System	\$654,383	3/16/11
Reynolds Alumni Center and Psychology Building - Complete Masonry Repairs	\$314,577	3/29/11
General Site - Replace Steam & Condensate From Lathrop to Providence Road	\$2,378,167	3/29/11
General Site - Replace Rollins Team Repair	\$2,635,445	4/6/11
KOMU - TV Station - Install Generator Changeover Switch	\$172,950	4/5/11
Various Locations - Summer Paving 2011	\$500,000	4/6/11
MURR - Replace Cooling Tower	\$976,005	4/19/11
MUHC Hospitals & Clinics - 3rd Floor - SurgPath Renovation	\$1,650,000	5/12/11
Mark Twain Hall - Renovate Residence & Dining Facilities	\$15,250,000	9/15/11
Pershing Hall - Renovation - Interior & Exterior	\$3,200,000	10/1/11
Construct Animal Resource Center	TBD	TBD

For information on the University of Missouri's Minority Business Development program, refer to the web site:  
[www.umsystem.edu/MinBusDev](http://www.umsystem.edu/MinBusDev)



**The Newsletter** informs the University community and the public, particularly minority and women-owned businesses, trade associations and community leaders of the University of Missouri's small business initiatives. The University wants to include all interested suppliers and contractors in its purchasing activities.

**Suppliers • Architects • Engineers • Contractors**