

# DEVELOPMENT OF BEST PRACTICES PROGRAM FOR A COLLABORATION OF MINORITY TRUCKERS

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ODOT SPR ITEM NUMBER 2217

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16. ABSTRACT The Oklahoma Minority Trucking Cooperative Inc. (OMTC) is the first service cooperative in the state of Oklahoma. As a result of this collaborative effort between the Oklahoma Department of Transportation (ODOT) and Langston University (LU), this new cooperative of minority truckers has been empowered to enter and thrive in the mainstream transportation industry. Local elected officials, members of the new cooperative and the minority business community tell us that the formation of this new cooperative sends a strong message that ODOT is committed to an all-inclusive supplier base. A few of the LUBCT's accomplishments in this effort include: <ul style="list-style-type: none"> <li>• Promoting and substantially increasing the awareness of ODOT in its role, function and support of African American, Asian, Hispanic and Native American owned businesses. Providing unique and alternative custom training seminars to Disadvantaged Business Enterprises (DBE's) e.g. bidding, estimating, record keeping and workman's compensation which complemented the mission of the ODOT External Office of Civil Rights.</li> <li>• Offering one on one management and technical assistance to firms already certified as DBE's and certifying the OMTC as a DBE company.</li> <li>• Referring new business to the External Office of Civil Rights for DBE Certification.</li> </ul>			
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## SI\* (MODERN METRIC) CONVERSION FACTORS

APPROXIMATE CONVERSIONS TO SI UNITS				
SYMBOL	WHEN YOU KNOW	MULTIPLY BY	TO FIND	SYMBOL
<b>LENGTH</b>				
<b>in</b>	inches	25.4	millimeters	mm
<b>ft</b>	feet	0.305	meters	m
<b>yd</b>	yards	0.914	meters	m
<b>mi</b>	miles	1.61	kilometers	km
<b>AREA</b>				
<b>in<sup>2</sup></b>	square inches	645.2	square millimeters	mm <sup>2</sup>
<b>ft<sup>2</sup></b>	square feet	0.093	square meters	m <sup>2</sup>
<b>yd<sup>2</sup></b>	square yard	0.836	square meters	m <sup>2</sup>
<b>ac</b>	acres	0.405	hectares	ha
<b>mi<sup>2</sup></b>	square miles	2.59	square kilometers	km <sup>2</sup>
<b>VOLUME</b>				
<b>floz</b>	fluid ounces	29.57	milliliters	ml
<b>gal</b>	gallons	3.785	liters	L
<b>ft<sup>3</sup></b>	cubic feet	0.028	cubic meters	m <sup>3</sup>
<b>yd<sup>3</sup></b>	cubic yards	0.765	cubic meters	m <sup>3</sup>
NOTE: volumes greater than 1000 L shall be shown in m <sup>3</sup>				
<b>MASS</b>				
<b>oz</b>	ounces	28.35	grams	g
<b>lb</b>	pounds	0.454	kilograms	kg
<b>T</b>	short tons (2000 lb)	0.907	megagrams (or "metric ton")	Mg (or "t")
<b>TEMPERATURE (exact degrees)</b>				
<b>°F</b>	Fahrenheit	5 (F-32)/9 or (F-32)/1.8	Celsius	°C
<b>ILLUMINATION</b>				
<b>fc</b>	foot-candles	10.76	lux	lx
<b>fl</b>	foot-Lamberts	3.426	candela/m <sup>2</sup>	cd/m <sup>2</sup>
<b>FORCE and PRESSURE or STRESS</b>				
<b>lbf</b>	poundforce	4.45	newtons	N
<b>lbf/in<sup>2</sup></b>	poundforce per square inch	6.89	kilopascals	kPa



APPROXIMATE CONVERSIONS FROM SI UNITS				
SYMBOL	WHEN YOU KNOW	MULTIPLY BY	TO FIND	SYMBOL
<b>LENGTH</b>				
<b>mm</b>	millimeters	0.039	inches	in
<b>m</b>	meters	3.28	feet	ft
<b>m</b>	meters	1.09	yards	yd
<b>km</b>	kilometers	0.621	miles	mi
<b>AREA</b>				
<b>mm<sup>2</sup></b>	square millimeters	0.0016	square inches	in <sup>2</sup>
<b>m<sup>2</sup></b>	square meters	10.764	square feet	ft <sup>2</sup>
<b>m<sup>2</sup></b>	square meters	1.195	square yards	yd <sup>2</sup>
<b>ha</b>	hectares	2.47	acres	ac
<b>km<sup>2</sup></b>	square kilometers	0.386	square miles	mi <sup>2</sup>
<b>VOLUME</b>				
<b>ml</b>	milliliters	0.034	fluid ounces	floz
<b>L</b>	liters	0.264	gallons	gal
<b>m<sup>3</sup></b>	cubic meters	35.314	cubic feet	ft <sup>3</sup>
<b>m<sup>3</sup></b>	cubic meters	1.307	cubic yards	yd <sup>3</sup>
<b>MASS</b>				
<b>g</b>	grams	0.035	ounces	oz
<b>kg</b>	kilograms	2.202	pounds	lb
<b>Mg (or "t")</b>	megagrams (or "metric ton")	1.103	short tons (2000 lb)	T
<b>TEMPERATURE (exact degrees)</b>				
<b>°C</b>	Celsius	1.8C+32	Fahrenheit	°F
<b>ILLUMINATION</b>				
<b>lx</b>	lux	0.0929	foot-candles	fc
<b>cd/m<sup>2</sup></b>	candela/m <sup>2</sup>	0.2919	foot-Lamberts	fl
<b>FORCE and PRESSURE or STRESS</b>				
<b>N</b>	newtons	0.225	poundforce	lbf
<b>kPa</b>	kilopascals	0.145	poundforce per square inch	lbf/in <sup>2</sup>

\*SI is the symbol for the International System of Units. Appropriate rounding should be made to comply with Section 4 of ASTM E380.  
(Revised March 2003)



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## 4.0 SUMMARY

The Langston University Business Consultant Team (LUBCT) under the direction of the Langston University Transportation Center of Excellence (LUTCE) has successfully completed two rewarding and intense project years culminating in the formation of the Oklahoma Minority Trucking Cooperative Inc. (OMTC); the first service cooperative in the state of Oklahoma. As a result of this collaborative effort between the Oklahoma Department of Transportation (ODOT) and Langston University (LU), this new cooperative of minority truckers has been empowered to enter and thrive in the mainstream transportation industry. Local elected officials, members of the new cooperative and the minority business community tell us that the formation of this new cooperative sends a strong message that ODOT is committed to an all-inclusive supplier base. Additionally, leaders of community based organizations at the local and state level expressed their gratitude for Langston University's contributions and commitment in this effort. The next step is to facilitate matches between the OMTC and various transportation opportunities. We realize that the OMTC is a work in progress and many challenges remain. However, opportunities far exceed the challenges as all stakeholders continue to nurture and support this new organization. Just a few of the LUBCT's accomplishments in this effort include:

- Promoting and substantially increasing the awareness of ODOT in its role, function and support of African American, Asian, Hispanic and Native American owned businesses. Many minority and non-minority leaders have referred business owners to the LUBCT for their participation in the new cooperative.
- Enlisting the assistance of the ODOT External Office of Civil Rights as an advisor that brought critical information, new perspectives and above all "access to transportation contracts" to OMTC members.
- Providing unique and alternative custom training seminars to Disadvantaged Business Enterprises (DBE's) e.g. bidding, estimating, record keeping and workman's compensation which complemented the mission of the ODOT External Office of Civil Rights.



- Offering one on one management and technical assistance to firms already certified as DBE's.
- Referring new business to the External Office of Civil Rights for DBE Certification.
- Marketing of ODOT online tools and services.
- Hosting meetings and participating in brainstorming sessions with ODOT contractors.

This final report details the activities and outcomes of the collaboration between an engaged Historically Black University, DOT, numerous small business owners, service providers with economic development charters and volunteers who believe in the mission of the newly formed cooperative.

The LUBCT identified a number of DBE trucking firms and formed the Oklahoma Minority Trucking Cooperative; a service cooperative (coop.). The Oklahoma Secretary of State confirmed that prior to the registration of the OMTCC; there were no service cooperatives registered in the state of Oklahoma. Therefore an auxiliary outcome of this research project is that it provides new insight on the cooperative development model that can be replicated, disseminated and duplicated nationwide to address shortcomings in DBE diversification. During the project period, the Langston University Business Consultant Team inventoried the resources of the DBE trucking firms and identified the particular needs of the individual truckers the cooperative model could meet.

Beneficiaries of this project are DBE's and emerging businesses and ODOT, as there is a broader, more diversified pool of small businesses from which to draw on for transportation contracting opportunities. Other potential beneficiaries are the Oklahoma Turnpike Authority (OTA) and the Federal Highway Administration (FHWA). The cooperative's capabilities directly address the goals of ODOT's DBE program. Again, this research program's outcomes include: community engagement to raise awareness of the role of Departments of Transportation its programs and contracting opportunities;



focus group discussions with the LUBCT which identified obstacles experienced in communicating and obtaining bids; the utilization of these identified obstacles to develop a DBE-oriented protocol for communicating with departments of transportation and accessing programs; identification of minority truckers that received one-on-one training to access contracting opportunities and individuals that helped to develop and test the protocol.

## **5.0 PROJECT DESCRIPTION**

### **5.1 Introduction**

In a recent study, funded by the Rockefeller Foundation, “The Institute for Non Partisan and Social Policy “found that there is a, “*substantial disparity between the shares of contract dollars received by minority-owned firms and the share of all firms that they represent. Based on their number, minority-owned firms receive only 57 cents for every dollar they would be expected to receive*”.

State departments of transportation must implement the federal Disadvantaged Business Enterprise (DBE) program in order to receive U.S. Department of Transportation funds (49 CFR Part 26). A review of the *FHWA DBE Program Review: Oklahoma Perspective* identifies that the Oklahoma State Department of Transportation exceeded the state DBE goals 2007, 2008 and 2010. However, there still remains an opportunity and ethical imperative to diversify the DBE base in Oklahoma. It has been well documented that one constraint to federal and state transportation contracting for disadvantaged and emerging businesses is; lack of capacity. During this research period, the Langston University Business Collaboration Team (LUBCT) in collaboration with Langston University’s Rural Development program formed the LUBCT. The LUBCT developed a collaboration of minority truckers for the Oklahoma Department of Transportation Civil Rights Division, External Civil Rights Branch. Although minority firms are successfully completing the DBE Certification program, there is a great concern that not enough are being reached with ODOT’s contracting program. The DBE firms have real challenges securing actual contracts with ODOT. The External Civil



Rights Branch office has an efficient certification program; however, they cannot require the large prime contractors to utilize small minority subcontractors when it is not cost effective.

The purpose of the research project was to investigate the feasibility of utilizing the cooperative model of business development to organize a group of DBE truckers that can meet the needs of a local department of transportation construction program. This project addressed:

- A. The shortage of minority-owned transportation related businesses working for ODOT in Oklahoma.
- B. The low number of state and federal contracts received by Oklahoma based minority-owned transportation related companies.
- C. The lack of one on one management and technical assistance to DBE firms.
- D. The lack of a DBE generated protocol for navigating transportation related contracts.
- E. The lack of recommendations on policies of the state of Oklahoma that could increase the involvement of minorities in the transportation industry.

The External Civil Rights Branch has an efficient certification program; however, the department cannot require large prime contractors to utilize small minority subcontractors. The development of the OMTC addressed this issue and is designed to meet and or eliminate that challenge. In addition to addressing the primary issue of capacity for the members of the OMTC; this research provided direct supportive assistance to ODOT's DBE Certification program as it specifically addressed the needs of minority truckers in terms of business plan development, accounting, bidding assistance and other identified needs.



Since the early 1960's, minority participation programs have been an integral part of federal policies to promote racial and gender equality in contracting on federally financed projects and in connection with other large federal contracts. Although minority firms are successfully completing the Disadvantaged Business Enterprise Certification program, there is a great concern that there are not enough minority small business contractors being reached with the Oklahoma Department of Transportation's contracting program. The DBE Certification program is designed to assist socially disadvantaged businesses to become fully competitive businesses. Despite the intent,

DBE firms have challenges securing actual contracts with ODOT. There were not any current programs designed to meet and/or eliminate the specific challenge of "capacity" for DBE's. This research focused on assisting the DBE Certification program as it specifically relates to minority truckers. The program evaluated and developed design processes and training for co-ops, while eliminating constructional challenges DBE firms face. This research project proposes that by pooling resources, DBE Truckers can achieve effective economies of scale by operating together more efficiently at a lower cost than they could individually. Collaborative bids will make them more cost effective and subsequently more attractive to prime contractors. Langston University's Business Collaborative Team has launched the first service cooperative of minority truckers in the country.

## **5.2 Background**

The problem is that diverse disadvantaged business enterprises are not participating equitably in Department of Transportation related contracts on a national basis. According to U.S. Census estimates and across the nation, the number of minorities is increasing which suggests that the number of transportation related small business enterprises in this country will be increasingly owned and operated by DBE's. The following is brief overview of trucking industry data, the relevance of small businesses and the impact of changing U.S. demographics.



### 5.3 Trucking Industry Data

The US road & rail freight industry generated total revenues of \$761.2 billion in 2008, representing a compound annual growth rate (CAGR) of 4.4% for the period spanning 2004-2008. The road freight segment was the industry's most lucrative in 2008, generating total revenues of \$704.9 billion, equivalent to 92.6% of the industry's overall value.

**Market Size:** According to the December 2009, *Road and Rail in the United States Industry Profile*;

- **Market Value** – The United States road and rail industry grew by 3.2% in 2008 to reach a value of \$761.2 billion;
- **Market Value Forecast** – By 2013, the United States road and rail industry is forecast to have a value of \$772.1 billion, an increase of 1.4% since 2008;
- **Market Volume** – The United States road and rail industry shrank by 1.1% in 2008 to reach a volume of 5,206.3 billion freight ton kilometers.
- **Market Volume Forecast** – By 2013, the United States road and rail industry is forecast to have a volume of 5,215.4 billion freight tons kilometers, an increase of 0.2% from 2008.
- **Market Segmentation I** –The road freight segment dominates the United States road and rail industry in 2008, generating 92.6% of the industry's overall revenues.
- **Market Segmentation II** –The United States accounts for 31.4% of the global road and rail industry's value.

Although the road & rail freight industry is defined as consisting of revenues generated from freight transportation by road and rail, the majority of the revenue is generated by trucking companies;



Table 1. United States Road and Rail Industry Segmentation, % Share, by Value

<i>Category</i>	<i>% Share</i>
<i>Road Freight</i>	<i>92.60%</i>
<i>Rail Freight</i>	<i>7.40%</i>
<i>Total</i>	<i>100.0%</i>

*Source: Data monitor (2009)*

Based on NAICS codes, titles and descriptions derived from the U.S. Census Bureau issued in 2007, the OMTC would be classified as SIC (4213) NAICS (484000) Truck Companies/Motor Freight Carriers. This industry comprises Industries in the Truck Transportation subsector provide over-the-road transportation of cargo using motor vehicles, such as trucks and tractor trailers. The subsector is subdivided into general freight trucking and specialized freight trucking. This distinction reflects differences in equipment used, type of load carried, scheduling, terminal, and other networking services. General freight transportation establishments handle a wide variety of general commodities, generally palletized, and transported in a container or van trailer. Specialized freight transportation is the transportation of cargo that, because of size, weight, shape, or other inherent characteristics require specialized equipment for transportation.

Table 2. Based on this classification, the economic census reports the following:

<i>Total revenue (in millions)</i>	<i>164,219</i>
<i>Revenue per establishment (\$1,000)</i>	<i>1,458</i>
<i>Revenue per paid employee (\$)</i>	<i>114,421</i>
<i>Annual payroll per employee (\$)</i>	<i>33,270</i>
<i>Establishments per million residents</i>	<i>391</i>

## **5.4 Relevance of Small Businesses**

On a national level, the number of minority owned businesses (MOB's) increased by 45.6% to 5.8 million between 2002 and 2007; which was more than twice the national growth rate of all U.S. businesses during this same time period (U.S. Census, 2010). While the gross figures appear impressive, MOB's continue to fall short with substantially less overall economic impact, fewer employees, less profitability, smaller



average sales revenues, financial support from only ethnic consumers and they are twice as likely to fail (Bates, 1997; Tozzi, 2010; U.S. Census, 2010).

The development and support of MOB's has been an objective of both the public and private sectors in the United States of America (USA) since the late 1960's (Sonfield, 2005) which supports the idea that there is a clear and unequivocal consensus that what is good for MOB's is good for the entire U.S. economy (Didia, 2008). As of 2007, minorities owned 5.8 million, nonfarm U.S. businesses which generated \$1.028B in revenue for the United States; represented 21.3 percent of all nonfarm businesses; 5 percent of total employment and 3.4 percent of total gross receipts (U.S. Census Bureau Survey of Business Owners, 2007). United States Department of Commerce (USDOC) reports in the late 1990's revealed strong overall U.S. economic growth relative to high employment figures, low inflation and an unprecedented growth in high technology based businesses (Didia, 2008). However; during this same time period, MOB's did not fare as well and in the 21<sup>st</sup> century continue to face unique socioeconomic obstacles that many suggest limit their size & scope.

## **5.5 Impact of Changing U.S. Demographics**

At the conclusion of the first decade of the 21<sup>st</sup> century, the populations of racial and ethnic minority groups experienced more rapid growth than the non-Hispanic white population on the national level (MBDA, 2008; U.S. Census, 2010). The U.S. Office of Management and Budget suggests that if fertility, mortality and immigration trends hold, the U.S. minority population will exceed 203.4 million by 2050 (OMB, 2010; Yen, 2009). "About one in three U.S. residents is a minority" said Census Bureau Director Louis Kincannon. "To put this into perspective, there are more minorities in this country today than there were people in the United States in 1910. In fact, the minority population in the U.S. is larger than the total population of all but 11 countries" (Kincannon, 2011, p.1). The following table highlights the changing racial composition of the U.S. from 2000 to 2010:



*Table 3. Racial and Ethnic Characteristics of the U.S. Population From 2000 - 2010*

	<i>2000 Census</i>	<i>2010 Estimate</i>	<i>10 Year Percentage Change</i>	<i>Percentage of 2010 Population</i>
<i>Total U.S. Population</i>	<i>281,421,906</i>	<i>307,006,550</i>	<i>+10.39</i>	<i>n/a</i>
<i>White</i>	<i>211,460,626</i>	<i>244,298,393</i>	<i>+15.5%</i>	<i>79.5%</i>
<i>Black</i>	<i>34,658,190</i>	<i>39,641,060</i>	<i>+14.3%</i>	<i>12.9%</i>
<i>Asian</i>	<i>10,242,998</i>	<i>14,013,954</i>	<i>+36.8%</i>	<i>4.5%</i>
<i>Hispanic</i>	<i>35,305,818</i>	<i>45,432,158</i>	<i>+28.6%</i>	<i>14.7%</i>
<i>Native American</i>	<i>2,475,956</i>	<i>3,151,284</i>	<i>+27.2%</i>	<i>1%</i>

*Source: Annual Estimates of the Resident Population by Race for the United States – April 1, 2010 – July 1, 2009, U.S. 2000 Census*

While the total U.S. population increased by 10.39% from 2000 to 2010, the majority of this growth can be attributed to larger Asian and Hispanic populations with a 36.8% and 28.6% increase; respectively (U.S. Census, 2010). Minorities represented almost 49% of U.S. births in the year ending July, 2009 and currently make up more than half of the population in 317 U.S. counties (Nassar, 2010). The U.S. dependence on small businesses in conjunction with the shifting demographics of the Census data, suggests that empowering small businesses that are owned and operated by DBE's not only makes good business sense, but is also an investment in the future of the U.S. economy (Hinson, 2010).

## **5.6 Qualitative and Quantitative Methodologies**

*Qualitative:* In addition to providing a practical framework for the cooperative development of minority trucking firms; the LUBCT evaluated, developed and designed processes and training, which considerably reduced the challenges the DBE truckers identified. Through quarterly reports the LUBCT documented if and how pooling resources enabled the truckers to achieve effective economies of scale by operating together more efficiently at lower costs than they could individually. An inevitable result is that their bids will be more attractive to prime contractors. LUBCT will be able to fill the needs of the External Civil Rights program by developing a coop venture of minority



truckers that will address both availability and capacity shortcomings. Additionally, the research findings can be duplicated and used for other DBE transportation related businesses.

## **5.7 Quantitative Methodologies**

*Quantitative:* During this research project a minimum of twenty DBE trucking firms received management and technical assistance. Going forward the total dollars of contracts secured by the new cooperative will be documented and forwarded to ODOT.

## **6.0 RESEARCH PLAN**

### **6.1 LUBCT Coop Plan**

After numerous conversations with the ODOT, the LUBCT gathered information and began to investigate the best method for bringing the DBE truckers together into a unified body that would address the capacity issue. The LUBCT gather information to determine if any other group of trucks had been incorporated in this manner. During this exercise, The LUBCT forwarded information on any firms that had not been certified as DBE with the ODOT External Civil Rights for evaluation and possible certification. During this period, the LUBCT met with Mr. Gregory Pringle, Director of the Office of Civil Rights at the Oklahoma Department of Transportation and provided updates on the original proposal and our ongoing progress.

Finally, the LUBCT submitted a proposal that detailed a substantive, thorough research methodology, with performance benchmarks for measuring progress and a framework for assessing how these activities can be incorporated in an on-going and successful plan for DBE involvement in ODOT contracting opportunities. Critical to the success of the research proposal was our in depth knowledge of the inner workings of the ODOT External Civil Right Department and strategies for enhancing DBE truckers potential growth and development. With the support of ODOT the LUBCT started and developed the first trucking cooperative in the nation. This pilot program has national



implications for the State of Oklahoma and ODOT. The state of Oklahoma implications is twofold. As mentioned previously, there are no service cooperatives; other than the OMTC, incorporated in the state of Oklahoma according to the Oklahoma Secretary of State's office. This cooperative model will serve as a nationwide best practices model for all Departments of Transportation across the country.

## **6.2 Role of the University**

It is not uncommon for universities to galvanize their many resources e.g. faculty, staff, students and other external relationships to empower their surrounding communities. Langston University is a Historically Black College or University (HBCU). HBCUs are defined as institutions of higher learning in the United States that were established beginning in 1837 and before 1964 to provide an education for free black men and women, Africans previously bound by chattel slavery, and their descendants. In this research project, the LUBCT served as the vehicle that brought into focus the vision for a viable business enterprise that could successfully compete for transportation related contracts. In this role, Langston University assisted with the development of a profile of the DBE through trucker surveys, organized community charities and established a level of trust between ODOT and the community that was not readily apparent.

## **6.3 Role of the Consultants**

cStrategies LLC and Jackson & Jackson Engineering were the consultant companies selected to assist the LUBCT in all of these abovementioned areas. Both consultants assisted the Langston University Transportation Center with planning, organizing and the development of the OMTC. Other services included positioning the OMTC to become certified as a DBE bidder on future ODOT construction projects. Jackson & Jackson Engineering conducted seminars on the bidding process. cStrategies provided project management services through the end of the capacity building process. Other services included:

- Development of company logo, letterhead and business cards



- Training OMTc members recordkeeping
- Developing strategies for bidding contracts
- Financing strategies
- Management strategies
- Marketing services

The LUBCT provided all administrative oversight for the newly formed cooperative with the support of cStrategies LLC. Langston University's Oklahoma Small Business Development Center (OSBDC) also conducted workshops on types of certification business needs for incorporation. The OSBDC PowerPoint presentation focused on start-up assistance, business plans, financing/capital, managing a business, business accounting, tax planning, and etc.

## **7.0 ACCOMPLISHMENTS**

### **7.1 ODOT Pre-Bid Seminar**

The LUBCT hosted a seminar for disadvantaged business enterprises firms securing contracts with ODOT. The program featured the External Civil Rights Division, the Office Engineer Division and the Office of Program Management.





**Attention all Disadvantaged Business Enterprise (DBE's) and other interested Businesses**

**LANGSTON UNIVERSITY**

will be sponsoring

**The Oklahoma Department of Transportation (ODOT)  
Pre-Bid Information & Networking Session**

**In preparation of the upcoming federal stimulus funding for highway transportation construction,**

**This will be the first of several**

**ODOT Pre-Bid Information & Networking Sessions**

**Langston University will be sponsoring throughout the year**

**Agenda:**

- Oklahoma Department of Transportation  
Overview of ODOT Bid Letting and Selection Process  
Review of Upcoming ODOT Opportunities & Transportation Plans
- One on One Roundtable Discussions with ODOT Personnel

**When: Tuesday, March 10, 2009**

**Place: Langston University/OKC – Large Auditorium**

**Time: 9:00a.m. – 12:00p.m.**

"THE MISSION OF THE

**OKLAHOMA DEPARTMENT OF TRANSPORTATION**

IS TO PROVIDE A SAFE, ECONOMICAL, AND EFFECTIVE  
TRANSPORTATION NETWORK FOR THE PEOPLE,  
COMMERCE AND COMMUNITIES OF OKLAHOMA."

For more information contact: **Wilson Brewer Langston Transportation Center of Excellence Director @405-521-1379, Della Dean Oklahoma Small Business Development Center Director @ 405-962-1628 & Nancy Al**

Co-Sponsored by: Langston Transportation Center of Excellence (LTCE), Oklahoma Department of Transportation 1891, Rural Business Program and Oklahoma Small Business Development Center- Langston (OSBDC)



Figure 1. ODOT Pre-bid Information and Network Session



Attendees included:

- Dump Truck owners (LLC)
- Venders
- Small Transportation Contractors
- Minority Engineering Firms

Most dump truck owners are Limited Liability Company (LLC). LLC is a business structure allowed by state statute. LLCs are popular because, similar to a corporation, owners have limited personal liability for the debts and actions of the LLC. Other features of LLCs are more like a partnership, providing management flexibility and the benefit of pass-through taxation. After the seminar, the LUBCT retained a list of names, companies and contract information of the small DBE firms that expressed an interest in doing business with ODOT. This list was used along with a list from ODOT's Civil Rights Division to start contacting vender for our first collaboration seminar.

## **7.2 LUBCT Opening Seminar**

Immediately following the Pre-bid conference, the LUBCT coordinated a business networking session. The intention was for the DBE's to make business connections and build enduring, mutually beneficial relationships. At that time, the group was given two types of business collaborations. The first was an S Cooperation. An S Cooperation is defined as; status provides many of the benefits of partnership taxation and at the same time gives the owners limited liability protection from creditors. The S corporation rules are contained in Subchapter S of Chapter 1 of the Internal Revenue Code (sections 1361 through 1379). S status combines the legal environment of C corporations with U.S. federal income taxation similar to that of partnerships.



Like a C corporation, an S corporation is generally a corporation under the law of the state in which the entity is organized. S corporations are separate legal entities from their shareholders and, under state laws, generally provide their shareholders with the same liability protection afforded to the shareholders of C corporations. For Federal income tax purposes, however, taxation of S corporations resembles that of partnerships. As with partnerships, the income, deductions, and tax credits of an S corporation flow through to shareholders annually, regardless of whether distributions are made. Thus, income is taxed at the shareholder level and not at the corporate level. Payments to S shareholders by the corporation are distributed tax-free to the extent that the distributed earnings were not previously taxed. Also, certain corporate penalty taxes (e.g., accumulated earnings tax, personal holding company tax) and the alternative minimum tax do not apply to an S corporation.

The second option was a cooperative. A cooperative is a business organization owned and operated by a group of individuals for their mutual benefit. A cooperative is defined by the International Cooperative Alliance's Statement on the Cooperative Identity as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through jointly owned and democratically controlled enterprise". A cooperative may also be defined as a business owned and controlled equally by the people who use its services or by the people who work there. Various aspects regarding cooperative enterprise are the focus of study in the field of cooperative economics. It was then decided that the best prototype for this group of truckers was the cooperative model.



**Langston University**  
**Minority Trucking Networking Session**

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**Date: Thursday, April 30, 2009**  
**Place: Langston University/OKC – Small Auditorium**  
**Time: 9:30a.m. – 12:00p.m.**

9:30a.m. – 10:00a.m.	Registration
10:00a.m.-10:15am Welcome Introduction of Project Director	Ms. Nancy Alexander USDA Rural Development Executive Director
10:15 a.m. – 10:30a.m. Opening Remarks Minority Trucker Start-up	Mr. Wilson Brewer Transportation Center Project Director
10:30 a.m. – 11:00a.m. Limited Partnerships Development	Ms. Della Dean, Director of Small Business
11:00a.m. – 11:15a.m. Break	File Out Paper Work
11:15a.m.-11:45am Cooperative Agreement	Ms. Nancy Alexander Langston
11:45a.m. – 12:00p.m. Review of Upcoming Organization Handout Sheet Roundtable Discussions with Langston University Team	All Attendees



Figure 2. Minority Trucking Network Session





Figure 3. Lecture Della Dean from Oklahoma Small Business Development Center

### **7.3 Second Seminar**

During a second meeting, the LUBCT met with ODOT Civil Rights External Division to determine the likelihood and feasibility of the newly formed coop securing DBE status. They provided invaluable assistance and guidance in directing the LUBCT on what information would be required to prepare the DBE application. To identify the collaborative capability of the newly formed Minority Trucking Cooperative, the LUBCT group developed and provided members with inventory forms from the DBE application. This ensured that all relevant information would be captured in terms of how many trucks are available and what types of trucks are available, etc.



## **7.4 Third Seminar**

The LUBCT group provided several additional seminars for the trucking group. Mr. Osagieldehen and Mr. Larry Zippert of the Federation of Southern Cooperatives from Epes, AL. provided a phenomenal lecture to the newly formed organization and provided them with valuable input on forming a successful cooperative. The mission of this organization is to help trucking groups develop a collective cooperative strategy to create economic self-sufficiency. Mr. Osagieldehen and Mr. Larry Zippert of the Federation of Southern Cooperatives; from Epes, AL. visited Oklahoma City and the newly formed organization to provide input on forming successful cooperatives. The mission of this organization is to help groups develop a collective cooperative strategy to create economic self-sufficiency. The Langston University LUBCT has formally invited a Cooperative Specialist from the Federation of Southern Cooperatives in Alabama.





Figure 4. The OMTC members, LUBCT group and guest Lecturers Mr. Osagieldehen and Mr. Larry Zippert.

## 7.5 Organizational Development

All members of the Oklahoma Minority Trucking Cooperative (OMTC) were recruited based on their years of experience and expertise in the transportation industry and their key role in successfully operating small trucking firms that competently support the needs of ODOT. Despite the fact that all members have been “individually” certified for a number of years, there continues to be some difficulty in securing contracts with major prime transportation companies due to capacity issues. Capacity continues to be the greatest challenge and this research proposal addressed that challenge.



### **7.5.1 Vote on Officers**

A major milestone was accomplished, all members of the (OMTC) signed the corporate by-laws, organizing documents and completing Articles of Incorporation. The cooperative elected officers are the following: Joe Orange, Sr. (President), Elmer Anderson (Vice President), Demmie Broussard (Secretary), Richard Brown (Treasurer), and Mark Orange (Parliamentarian).



Figure 5. Vote for Officers to the OMTC Group

### **7.5.2 BY LAWS**

The LUBCT group evaluated and conducted training that eliminates constructional challenges DBE firms will face. The LUBCT crossed a major milestone when all members of the OMTC signed the corporate by-laws organizing documents and Articles of Incorporation. The LUBCT, comprised of LU staff inventoried (21) trucks and various pieces of equipment within the cooperative. The new cooperative determined that two levels of membership: (1) Associate members and (2) Voting members was the most feasible. The active members paid membership fees to be incorporated into the cooperative. These members include Mark Orange, Prescott Mitchell, R.D. Cheatham, Homer Evans, Anthony Snigener, Phil Campbell, Edgar Frazier, Cynthia Jones, Nick Bruner, Elmer Anderson, Delbert Johnson, Demmie



Broussard, Joe Orange Sr., Joe Orange Jr., Richard Brown, and Charlene Anderson. At this time, the OMTC has created many strides to help ensure success of launching the new business. This research focused on assisting the DBE Certification program as it specifically influenced minority truckers. As this is the first time a business has been certified using the “Cooperative” model of organization, the LUBCT participated in several meetings with the ODOT Internal Civil Rights Division to ensure the DBE application was accurate and complete.

The following excerpt details the Articles of Incorporation for the OMTC written by the LUBCT:

<b>Oklahoma Minority Trucking Cooperative</b>
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**ARTICLE I. MEMBERSHIP**

**Section 1. Qualifications**

Any person, firm, partnership or corporation who is Certified with the Oklahoma Department of Transportation Disadvantaged Business Enterprise Program (and one member at large) and who agrees to be a patron of the cooperative, signs the agreement with the cooperative, and meets such other conditions as may be prescribed by the board of directors, may become a member of the Oklahoma Minority Trucking Cooperative (OMTC) or (the cooperative). After paying the membership fee, all applications for membership must be approved by the board of directors. Member status is effective at the time the board approves the application for membership.

**Section 2. Membership Certificates.**

Upon the approval of the Board of Directors, the cooperative shall issue a certificate of membership to each member. The membership certificate shall be in such form as may be prescribed by the directors and shall not be transferable or assignable.

**Section 3. Membership Nontransferable.** No certificate of membership can or shall be assigned, either voluntarily or involuntarily, or by operation of neither law, nor can any membership or membership rights, or property rights of a member in the cooperative be assigned, transferred, alienated, or encumbered in any manner or by any means whatsoever. Any purported or attempted assignment, transfer, alienation, or encumbrance of either the certificate of membership, or of the membership, or membership and property rights, shall be null and void and confer no rights upon the purported assignee, transferee or claimant.

**Section 4. Suspension or Termination.** In the event the board of directors of the cooperative shall find, following a hearing, that a membership certificate of this cooperative has come into the hands of any person who is not eligible for membership, or that the holder thereof has ceased to be an eligible member, or that such holder has



not marketed through the cooperative the services covered by a marketing agreement with the cooperative, or not otherwise patronized the cooperative for a period of one (1) year, or otherwise violated the Oklahoma Cooperative Act of the State of Oklahoma, articles of incorporation, bylaws, or other agreements made with the cooperative, the cooperative may suspend such holder's rights as a member and terminate the membership.

When a membership is terminated, the holder shall return to the cooperative the certificate evidencing the holder's membership. If such holder fails to deliver the certificate, the cooperative may cancel such certificate on its books and records, and the certificate is then null and void.

A suspended or terminated member shall have no rights or privileges on account of any membership certificate held, nor vote or voice in the management or affairs of the cooperative other than the right to participate in accordance with law in case of dissolution.

Termination as provided in the foregoing shall not affect any lien or right which the cooperative has or may have against the terminating member or his property until his indebtedness to the cooperative is fully paid.

## **ARTICLE II. MEETINGS OF MEMBERS**

Section 1. Annual Meeting. The annual meeting of the members of the OMTC shall be held in the State of Oklahoma, every twelve months, at such time and in such place as the board of directors shall designate.

Section 2. Special Meetings. Special meetings of the members of the cooperative may be called at any time by order of the board of directors and shall be called upon written request of at least ten percent (10%) of the membership.

Section 3. Notice of Meetings. Written notice of every regular and special meeting of members shall be prepared and mailed to the last known post office address of each member not less than not less than 10 (ten) days before such meeting. Such notice shall state the nature of the business expected to be conducted and the time and place of the meeting. No business shall be transacted at any special meeting other than that referred to in the notice.

Section 4. Voting. Unless otherwise stated in the articles of incorporation, or these bylaws, or required by applicable law, all questions shall be decided by a vote of a majority of the members voting thereon.

Each member shall be entitled to only one vote. Voting by mail shall not be permitted. Proxy voting shall be allowed. Each proxy shall be in writing, and no member shall vote more than one proxy. Cumulative voting is not permitted.

If a membership is held by a partnership, corporation, or other legal entity, the member shall designate in writing the one person who shall vote on behalf of the member. That



designation shall remain in effect until written notice of a properly authorized change in the designated voter shall be received by the cooperative.

Section 5.Quorum. TEN (10%) of the membership, shall constitute a quorum at any properly called annual or special membership meeting.

### **ARTICLE III. DIRECTORS AND OFFICERS**

Section 1.Number and Qualification of Directors. The cooperative shall have a board of directors of six (6) members and, the manager, Each director elected shall be a member of this cooperative in good standing. No director after having served for (2) consecutive full term(s) shall be eligible to succeed himself or herself, but after a lapse of (1) year(s) shall again be eligible.

Section 2.Election of Directors. At the first annual meeting of the members of this cooperative, directors shall be elected to succeed the incorporating directors. Directors shall be elected for one (1) year. At each annual meeting thereafter, new directors shall be elected, for a term of three (1) year each, to succeed those directors whose terms are expiring. All directors shall be elected by secret ballot, and the nominee(s) receiving the greatest number of votes shall be elected. The president and vice president shall be members of the board of directors. The secretary and treasurer need not be directors.

Section 3.Vacancies. Whenever a vacancy occurs in the board of directors, other than from the expiration of a term of office, the remaining directors shall appoint a member to fill the vacancy until the next regular meeting of the members. If the term of the vacating director does not expire at that regular member meeting, a special election shall be held to select a director to fill the year or years remaining in that term. If one or more officer positions become vacant, such offices shall be filled by the board of directors, through election by ballot, at either a regular or special meeting of the board.

Section 4.Regular Board Meetings. In addition to the annual meetings mentioned above, regular meetings of the board of directors at such other times and at such places as the board may determine.

Section 5.Special Board Meetings. A special meeting of the board of directors shall be held whenever called by the president or by a majority of the directors. Only the business specified in the written notice shall be transacted at a special meeting. Each call for a special meeting shall be in writing, shall be signed by the person or persons calling the meeting, shall be addressed and delivered to the secretary, and shall state the time and place of such meeting.

Section 6.Notice of Board Meetings. Oral or written notice of each meeting of the board of directors shall be given each director by, or under the supervision of, the secretary of the cooperative not less than seventy-two (72) hours prior to the time of meeting. But such notice may be waived by all the directors, and their appearance at a meeting shall constitute a waiver of notice.



Section 7.Quorum. A majority of the board of directors shall constitute a quorum at any meeting of the board.

Section 8.Reimbursement and Compensation. The cooperative shall reimburse directors for all reasonable expenses incurred in carrying out their duties and responsibilities. The compensation, if any, of the staff of the cooperative shall be determined by the members of the cooperative at any annual or special meeting of the cooperative. No member of the board of directors, or member of the immediate family of any board member, shall occupy any position in the cooperative on regular salary.

Section 9.Removal of Directors. Whenever any director shall fail to meet the qualifications as described in Section 1 of this Article, or fails to attend three (3) consecutive board meetings, either regular or special, without just cause and provided that notice of such meetings has been given in accordance with these bylaws, then it shall be the duty of the board to remove said director and to fill the vacancy in accordance with Section 3 of this Article.

Any member may ask for the removal of a director by filing charges with the secretary or president of the cooperative, together with a petition signed by at least five percent of the members requesting the removal of the director in question. The removal shall be voted upon at the next meeting of the members, and by two-thirds of the voting power voting thereon the cooperative may remove the director. The director whose removal is requested shall be served with a copy of the charges not less than ten days prior to the meeting and shall have an opportunity at the meeting to be heard in person and by counsel and to present evidence; and the persons requesting the removal of a director shall have the same opportunity. Any vacancy resulting from such action shall be filled by nomination and vote of members at such meeting.

#### **ARTICLE IV. DUTIES OF DIRECTORS**

Section 1.Management of Business. The board of directors shall have general supervision and control of the business and the affairs of the cooperative and shall make all rules and regulations not inconsistent with law, the articles of incorporation, or bylaws for the management of the business and the guidance of the members, officers, employees, and agents of the cooperative.

Section 2.Employment of Manager. The board of directors shall have power to employ, define duties, fix compensation, and dismiss a manager with or without cause at any time. The board shall authorize the employment of such other employees, agents, and counsel as it from time to time deems necessary or advisable in the interest of the cooperative. The manager shall have charge of the business of the cooperative under the direction of the board of directors.



Section 3.Bonds and Insurance. The board of directors shall require the manager and all other officers, agents, and employees charged by the cooperative with responsibility for the custody of any of its funds or negotiable instruments to give adequate bonds. Such bonds, unless cash security is given, shall be furnished by a responsible bonding company and approved by the board of directors, and the cost thereof shall be paid by the cooperative.

The board of directors shall provide for the adequate insurance of the property of the cooperative, or property which may be in the possession of the cooperative, or stored by it, and not otherwise adequately insured, and, in addition, adequate insurance covering liability for accidents to all employees and the public.

Section 4.Accounting System and Audits. The board of directors shall have installed an accounting system i.e. QuickBooks, which shall be adequate to meet the requirements of the business and shall require proper records to be kept of all business transactions. At least once in each year the board of directors shall secure the services of a competent and disinterested public auditor or accountant, who shall make a careful audit or review of the books and accounts of the cooperative and render a report in writing thereon, which report shall be submitted to the directors and the manager of the cooperative and made available to the members of the cooperative. This report shall include at least a balance sheet showing the true assets and liabilities of the cooperative, and an operating statement for the fiscal period under review.

Section 5.Depository. The board of directors shall select one bank to act as depositories of the funds of the cooperative and determine the manner of receiving, depositing, and disbursing the funds of the cooperative and the form of checks and the person or persons by whom they shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

Section 6.Special Committees. The board may, at its discretion, appoint from its own membership a special committee of members, and determine their tenure of office and their powers and duties. The board may delegate to the special committee all or any stated portion of the functions and powers of the board, subject to the general direction, approval, and control of the board. Copies of the minutes of any meeting of the special committee shall be mailed to all directors within seven (7) days following such meeting. The board of directors may, at its discretion, appoint such other committees as it deems appropriate.

## **ARTICLE V. DUTIES OF OFFICERS**

Section 1.Duties of President. The president: Shall (1) preside over all meetings of the cooperative and of the board of directors; (2) call special meetings of the board of directors; (3) appoint such committees as the board of directors may deem advisable for the proper conduct of the cooperative; and (4) perform all acts and duties usually performed by a presiding officer.



Section 2.Duties of Vice President. The vice president: In the absence or disability of the president, the vice president shall perform the duties of the president, provided, however, that in case of death, resignation, or disability of the president, the board of directors may declare the office vacant and elect any eligible person president.

Section 3.Duties of Secretary. The secretary: shall keep a complete record of all meetings of the cooperative and of the board of directors and shall have general charge and supervision of the books and records of the cooperative. The secretary shall sign papers pertaining to the cooperative as authorized or directed by the board of directors. The secretary shall serve all notices required by law and by these bylaws and shall make a full report of all matters and business pertain to the office to the members at the annual meeting. The secretary shall keep the corporate seal and all books of blank certificates, complete and countersign all certificates issued, and affix the corporate seal to all papers requiring a seal; shall keep complete stock ownership records; shall make all reports required by law; and shall perform such other duties as may be required by the cooperative or the board of directors. Upon the election of a successor, the secretary shall turn over all books and other property belonging to the cooperative.

Section 4.Duties of Treasurer. The treasurer: shall be responsible for the keeping and disbursing of all monies of the cooperative, and shall keep accurate books of accounts of all transactions of the cooperative. The treasurer shall perform such duties with respect to the finances of the cooperative as may be prescribed by the board of directors. At the expiration of his term of office, the treasurer shall promptly turn over to his successor all monies, property, books, records, and documents pertaining to his office or belonging to the cooperative.

## **ARTICLE VI. OPERATION AT COST AND MEMBERS' CAPITAL**

Section 1.Cost of Service. The cooperative shall at all times be operated on a cooperative cost of service or (service at cost) basis for the mutual benefit of its member patrons.

Section 2.Margin Allocation. In order to induce patronage and to assure that this cooperative will operate on a service-at-cost basis in all its transactions with its members, the cooperative is obligated to account on a patronage basis to all member patrons on an annual basis for all amounts received from business conducted with members on a patronage basis, over and above the cost of providing such services, making reasonable additions to reserves, and redeeming capital credits. Such allocation shall be on the basis of the volume (or dollar value) of services marketed through (and/or purchased from) the cooperative. The cooperative is hereby obligated to pay all such amounts to the patrons in cash or by credits to a capital account of each member patron.



Section 3. Per-Unit Retains. Each member also agrees to provide capital in such amounts as determined by the board of directors based on the number of service hours marketed through the cooperative. Such per-unit retains shall be allocated to the member's capital credit account.

Section 4.Dividends. No dividends shall be paid on any capital credits.

Section 5.Records and Documentation. The books and records of the cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member. The cooperative shall, within 8 months after the close of each fiscal year, notify each member of the capital so credited to the member's account. The notice shall be in the form of a written notice of allocation or per-unit retains certificate (as those terms are used in Subchapter T of the Internal Revenue Code) or other appropriate written document. The board shall have discretion to issue such notices and certificates in either "qualified" or "non- qualified" form as permitted by the Internal Revenue Code and other applicable law.

Section 6.Fiscal Year. The fiscal year of this cooperative shall commence on the first day of January and end on the last day of December.

## **ARTICLE VII. EQUITY REDEMPTION**

Section 1.Regular Redemption. It shall be the policy of the cooperative, when other redemption priorities set forth herein have been met, and when funds are available, to redeem in cash a percentage of each member patron's capital credits, rather than ratably by year. The time and method of any such redemption shall be determined by the board of directors.

Section 2.Discretionary Special Redemptions. Notwithstanding any other provision of these bylaws, the board, at its absolute discretion, shall have the power to retire any capital credited to members' accounts on such terms and conditions as may be agreed upon by the parties in any instance in which the interests of the cooperative and its members are deemed to be furthered thereby and funds are determined by the board to be available for such purposes.

Section 3.Specified Special Redemptions. The cooperative shall give priority to redemption of members' capital credits held by deceased persons for the settlement of their estate. The cooperative shall thereafter grant priority redemption to capital credits of former members who have attained their 65th birthday and are no longer actively engaged in the trucking business. The time and method of such redemption shall be determined solely by the board of directors, dependent upon the financial condition of the cooperative. In the case of redemption of the equities of those persons who have attained age 65 and retired from operating trucks, preference may be given to the oldest retirees in establishing the order of priority among those eligible.



In the case of a corporation or partnership holder of members' capital credits, such corporation or partnership shall be considered eligible for priority treatment to the same extent as the individual stockholders of such corporation or partners of the partnership would have qualified, if each individual stockholder or partner were an individual member-patron of this cooperative. Any redemption shall be made to the corporation or partnership, and not to the individual stockholder or partner thereof.

Each corporation or partnership shall report to the cooperative the percentage of ownership interest in the corporation or partnership of each of its stockholders or partners. Failure to report accurately the percentage of individual ownership interest shall disqualify any allocations made to the corporation or partnership by this cooperative from redemption priority. If a corporation or partnership should dissolve, its capital credits in this cooperative shall be prorated among, and transferred to, the individual stockholders or partners and considered for redemption on an individual ownership basis. The amount of any redemption or prorate related to a corporate or partnership member shall be determined by the percentage of ownership interest as reported by the corporation or partnership.

#### **ARTICLE VIII. CONSENT**

Each person who hereafter applies for and is accepted to membership in this cooperative, and each member of this cooperative on the effective date of this bylaw who continues as a member after such date, shall, by such act alone, consent that the amount of any distributions with respect to his patronage occurring after the effective date of this bylaw, which are made in qualified written notices of allocation or qualified per-unit retain certificates (as defined in 26 U.S.C. 1388), and which are received by him from the cooperative, will be taken into account by him at their stated dollar amounts in the manner provided in 26 U.S.C. 1385 (a) in the taxable year in which such written notices of allocation and per-unit retain certificates are received by him.

Written notification of the adoption of these bylaws, a statement of its significance, and a copy of the provision shall be given separately to each member and prospective member before membership in the cooperative.

#### **ARTICLE IX. NONMEMBER BUSINESS**

This cooperative may conduct business with nonmembers on either a patronage or non-patronage basis. However, this cooperative shall not market the products of nonmembers through the Oklahoma Minority Trucking Cooperative.

#### **ARTICLE X. NON-PATRONAGE INCOME**

Section 1. Non-Patronage Income. The non-patronage income of the cooperative shall be its gross receipts derived from all sources which under law do not qualify as patronage income, less all expenses properly attributable to the generation of such non-patronage sourced income and all income taxes payable on such receipts by the



cooperative. Non-patronage income shall be used on behalf of the cooperative and its members in accordance with such lawful purposes, including assignment to an unallocated reserve account and allocation in whole or in part to members, as may be determined by the board of directors.

## **ARTICLE XI. INDEMNIFICATION**

Section 1. Indemnification. The cooperative shall indemnify its officers, directors, employees, and agents to the fullest extent possible under the provisions of the Oklahoma Cooperative Act (Chapter \_\_\_\_\_, \* Revised Statutes as amended) as supplemented by relevant provisions of the \* corporations law (Chapters \* and \*, \* Revised Statutes as amended with particular reference to sections 415-5 and 415-B, \* Revised Statutes as amended).

The cooperative may purchase liability insurance coverage for any person serving as an officer, director, employee or agent to the extent permitted by applicable State law.



**ARTICLE XIV. AMENDMENT**

Section 1 – Amendment. If notice of the character of the amendment proposed has been given in the notice of meeting, these bylaws may be altered or amended at any regular or special meeting of the members at which there is a quorum present by the affirmative vote of a majority of the members present or voting by proxy.

I certify that this is a true and correct copy of the Bylaws of the \*.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year so indicated for each party herein below.

ACCEPTED AND AGREED TO THIS \_\_\_\_ DAY OF OCTOBER, 2011

By: \_\_\_\_\_  
President: Joe Willie Orange Sr.

By: \_\_\_\_\_  
Officer: Mark A. Orange, Sr.

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_\_ day

of \_\_\_\_\_, \_\_\_\_\_ by

\_\_\_\_\_ and \_\_\_\_\_

\_\_\_\_\_.

\_\_\_\_\_  
(Signature of notarial officer)

\_\_\_\_\_  
Title

(My Commission Expires: \_\_\_\_\_)



### 7.5.3 OMTC Executive Committee Meeting

The executive met in September, 2010 to ratify the bank location, transfer of truck title, and payment to Attorney Eddie Jackson for work performed on the title transfer and preparation and filing to the DBE application to ODOT. Mr. Joe Orange, Sr., President presided over the meeting. The following motions were presented by a board member, they were properly second and each motion was carried.

- Motion: Approve setting up OMTC bank account at Arvest Bank, located at 4700 N. Lincoln Blvd., Oklahoma City, Oklahoma:  
Vote: Yes \_\_\_\_ No \_\_\_\_
- Motion: Approve acceptance of title and ownership of vehicle VIN # from Mark Orange, Jr. for \$1.00. Title must include reversion clause to Mark Orange, Jr.  
Vote: Yes \_\_\_\_ No \_\_\_\_
- Motion: Approve payment to Attorney Eddie Jackson for preparation and filing vehicle title transfer documents for Mark Orange, Jr. and the OMTC, as required by Oklahoma law.  
Vote: Yes \_\_\_\_ No \_\_\_\_
- Motion: Approve preparation and filing of application to ODOT on behalf of the OMTC to be designated/certified as a Disadvantaged Business Enterprise.  
Vote: Yes \_\_\_\_ No \_\_\_\_

Meeting was adjourned.



#### **7.5.4 Arvest Bank Account for OMTC Members**

The LUBCT opened an account for the OMTC with Arvest Bank in Oklahoma City. The bank requested minutes from previous meetings adopting a resolution to open the account and additional information on persons authorized to sign for funds. The PI and Co-PI met with bankers and provided all of the required information.

#### **7.5.5 Papers of Incorporation**

The LUBCT filed the required paperwork and secured a certificate of incorporation with the Oklahoma Secretary of State's office. The truckers reviewed several designs and accepted a formal business logo for the printed letterhead and business cards for the cooperative. The OMTC opened a checking account, secured a mailing address and designed a preliminary stock certificate. The newly formed co-op printed 100 initial shares of stock at \$50.00/each. It was determined that all members will eventually be required to purchase a minimum of one stock certificate. There will be two levels of membership: (1) Associate members and (2) Voting members. The newly formed coop will sold 5 initial shares of stock at \$50.00/each. Over the past two years, the OMTC crossed many milestones in terms of launching the new business.

On numerous occasions throughout the project periods, the LUBCT met with Ms. Susan McClune, ODOT DBE Director to determine the likelihood and feasibility of the newly formed coop securing DBE status. Ms. McClune provided invaluable assistance and guidance in preparing the DBE application. To clearly identify the collaborative capability of the new Minority Trucking Cooperative, the LUBCT provided the members with the inventory forms directly from the DBE application to ensure all relevant information is captured in terms of how many trucks are available, what types of trucks are available etc.



### **7.5.6 Ownership of one truck for ODOT DBE Certification**

The Langston University Business Consulting Team (LUBCT) hosted several meetings with the executive board of the Oklahoma Minority Trucking Cooperative

(OMTC) to address the requirement of owning one truck for DBE Certification. Initially, the executive board did not accept the offer of one OMTC member as it entailed the donated trucking remaining in a “first” place position relative to dispatch for jobs. Mark Orange provided a free and clear title for a vehicle. The LUBCT is in possession of the free and clear title from the cooperative member. Executive board members have several questions concerning vehicle and cooperative liability for the truck.

The following is the initial agreement for the purchase of a truck for the cooperative:

---

#### **BINDING AGREEMENT FOR A DUMP TRUCK**

---

- 1. This agreement is entered into to form a partnership; between the Oklahoma Minority Trucking Cooperative (OMTC) and Mr. Marvin Prescott Mitchell (party 1) and Mr. R.D. Cheatham (party 2) on March 19, 2011.**
- 2. This agreement is being entered into for the purpose of adding the OMTC to the title as co-owner of the dump truck: identification number: 1FV8D0Y91KH365936.**
- 3. The following are the terms of the agreement:**
  - a. The term of this agreement is four years.**
  - b. Description of the dump truck:**
  - c. Party 1 and Party 2 will keep in the truck in their possession, maintain, provide all insurance and be held solely responsible for any liability of said truck. Neither Langston University nor the OMTC will be liable in any contract or service provided by said truck.**
  - d. In the operation of the cooperative, this truck will remain in “first” place when the OMTC is dispatched to jobs. For example, if the OMTC secures four (4) consecutive hauling contracts that only require one truck; this truck will dispatch the first truck in order, but it will rotate with the other trucks in the cooperative.**



- e. Should either the OMTC or either party fail to abide by these terms; this binding agreement is immediately null and void and the OMTC will be removed from said title.

**OMTC Board of Directors**

**Co-owners of Truck**

\_\_\_\_\_  
**Signature of President**

\_\_\_\_\_  
**Mr. Marvin Prescott Mitchell**

\_\_\_\_\_  
**Signature of Vice President or Treasurer**

\_\_\_\_\_  
**Mr. R.D. Cheatham**

Figure 6. Example of a Binding Truck Ownership Document

### **7.5.7 Brochure Design**

Mr. Gary Royal of cStrategies LLC developed a draft brochure for the new Cooperative, OMTC.

### **7.5.8 Oklahoma Historical Society Bid**

The Langston University Business Consulting Team (LUBCT) prepared a test bid in response to an opportunity from the Oklahoma Historical Society for seventeen (17) tons of Feed for the Livestock at the Pawnee Bill Ranch in Pawnee, Oklahoma.



## **8.0 BUSINESS PLAN**

The newly formed OMTC wrote and submitted a comprehensive business plan. Among other accomplishments, OMTC ratified its by-laws, sold and printed stock certificates and deposited funds into the corporate account. The Business Collaboration Team met with ODOT to discuss Phase II of the proposal. LUBCT is in the process of completing the DBE Certification for the new cooperative. The LUBCT has requested that all truckers provide us with a complete list of services certified by ODOT for use in the OMTC, requested information and documentation on the highest dollar value contracts performed in the last 5 years.

The PI and the Co-PI finalized the business plan. The following is a brief excerpt from the business plan: "The Executive Summary" - It has been proven that with the proper market research, a feasible business plan and experienced management, cooperative businesses have been able to garner a portion of an already established market and become profitable. The Oklahoma Minority Trucking Cooperative (OMTC) is certified with the Oklahoma Secretary of State (SOS) and based in Oklahoma City, Oklahoma. OMTC members have a combined 120+ years' experience in trucking/hauling services; each member is individually certified as a Disadvantaged Business Enterprise with the External Office of Civil Rights of the Oklahoma Department of Transportation. Through a partnership with Langston University, the OMTC has circumvented the high overhead expenses typically associated with the launch of new ventures. As a result, the OMTC can offer hauling services at very competitive prices. The OMTC is in the process of certifying as a DBE which will enable the cooperative to offer DBE credit to any prime contractor that utilizes their services.

Organized as a for-profit cooperative under the Oklahoma Corporations Act, all stockholders are all member/owners, owning one share each in the venture. Mr. Joe Orange Sr. is the President and Chief Operating Officer, Mr. Elmer Anderson is the Vice President and Mr. Richard Brown is the Treasurer. All have greater than 25 years'



experience in the trucking industry and have successfully fulfilled contracts with the ODOT and other public/private entities. In the short term, the Langston University Business Consulting Team will be responsible for the general management and day to day business of the cooperative until cash flow permits the hiring of a director and dispatcher.”

The LUPT is finalizing the performed financial statements to include the: Balance sheet, three year profit and loss statements, monthly cash flow statements and a breakeven analysis. A meeting with the truckers has been scheduled for Saturday, March 19th, 2011 at 10:00a.m. During this meeting, the LUPT will share a draft of the business plan with the executive board of the cooperative and request their input and approval. It is anticipated that the LUPT will submit a draft of the plan to Mrs. Susan McClune by April 1<sup>st</sup>, 2011 for her review and input. Based on market potential; the proposed marketing and promotional strategy, and certification as a DBE, financial projections indicate that the OMTC will be profitable within twelve months of securing its first contract”.

## **8.1 Business Plan Development**

The LUBCT submitted and received approval for the OMTC business plan. The plan identifies the mission and vision of the new cooperative and clearly details how the new cooperative has the collective expertise to ensure it is both successful and profitable. It identified all anticipated expenses involved in launching the business, the projected sales and monthly expenses of actual operation and the volume of business the OMTC needs to generate to meet any obligations.



## **Oklahoma Minority Trucking Cooperative (OMTC)**

4205 N. Lincoln Blvd.  
Oklahoma City, Oklahoma 73120  
405-521-1379

### ***Strategic Business Plan***



#### **Officers:**

Mr. Joe Orange, Sr. – President  
Mr. Elmer Anderson – Vice-President  
Mrs. Demmie Broussard – Secretary  
Mr. Richard Brown – Treasurer  
Mr. Mark Orange – Parliamentarian

#### *Prepared by:*

*The Langston University Business Consultant Team*

*Principal Investigator: Mr. Wilson Brewer, M.Ed.*  
*Co-Principal Investigator: Ms. Nancy Alexander, M.B.A*

Figure 7. Cover of the Strategic Business Plan



## **II. EXECUTIVE SUMMARY**

It has been proven that with proper market research, a feasible business plan and an experienced executive board, cooperative businesses have been able to garner a small portion of an already established market and subsequently become profitable. The Oklahoma Minority Trucking Cooperative (OMTC) is a new hauling services operation based in Oklahoma City, Oklahoma that is certified as a service cooperative with the Oklahoma Secretary of State. OMTC members have a combined 120+ years' experience in trucking/hauling services, each individual member trucking firm will be certified as a Disadvantaged Business Enterprise (DBE) with the External Office of Civil Rights of the Oklahoma Department of Transportation (ODOT) and through a research partnership with Langston University, the OMTC has circumvented the high overhead expenses typically associated with the launch of new business ventures. As a direct result of this partnership, the OMTC can offer hauling services throughout the Oklahoma Metropolitan Statistical Area (MSA) at very competitive prices. The OMTC is in the process of certifying as a DBE with ODOT which will enable the cooperative to offer DBE credit to any prime contractor that utilizes their services.

Organized as a for-profit, service cooperative under the Oklahoma Corporations Act, all stockholders are member owners, owning one share at \$50.00/each in the new business venture. The executive board is as follows: Mr. Joe Orange Sr. is the President and Chief Operating Officer, Mr. Elmer Anderson is the Vice President, Mr. Richard Brown is the Treasurer and Mr. Mark Orange is the Parliamentarian. All have greater than 10 years and some have more than 25 years' experience in the trucking industry and have successfully fulfilled contracts with ODOT and other public/private entities. In the short term, the Langston University Business Consulting Team (LUBCT); under the direction of Mr. Wilson Brewer, will be responsible for the general management and day to day business activity of the cooperative until cash flow permits the hiring of a manager and dispatcher.



The two years long design and development effort of the LUBCT with the support of ODOT and in collaboration with the OMTC members has been extremely successful. The OMTC is now a legal business entity ready to bid on contracts by July of 2011. The OMTC is equipped to capitalize on this exciting business opportunity as cooperative members are armed with a fleet of certified trucks and trailers as identified in the capital equipment list; have short term access to administrative management support, have circumvented high startup costs, have an experienced management team and have the regulatory approvals necessary to launch a full scale trucking cooperative.

Based on market potential; the proposed promotional strategy and receipt of certification as a DBE; pro-forma projections indicate that the OMTC will be profitable within twelve months of securing the first contract. Below is a conservative estimate of anticipated revenues and expenses for the OMTC during the first three years of operation:

Table 4. Projected (pro-forma) *Profit & Loss Statement*  
For the first 3 Years of Operation

	Month 1	Year 1	Year 2	Year 3
<i>Income</i>	\$0	\$25,000	\$31,250	\$39,062
<i>Less Cost of Operations</i>				
<i>Fuel</i>	0	5,000	6,250	7,812
<i>Supplies</i>	0	500	500	500
<i>Labor</i>	0	n/a	n/a	n/a
<i>Taxes</i>	0	720	720	720
<i>Accounting</i>	0	500	500	500
<i>Legal</i>	0	0	0	0
<i>Advertising</i>	0	500	500	500
<i>Equip. Repair</i>	0	500	500	500
<i>Insurance</i>	0	500	500	500
<i>Dues/Fees</i>	0	1,128	1,128	1,128
<i>Tele./Utilities</i>	0	800	800	800
<i>Total Cost of Operations</i>	0	10,148	11,398	12,960
<i>Gross P&amp;L</i>	0	\$14,852	\$19,852	\$26,102
<i>10%</i>		\$1,485	\$1,985	\$2,610



<i>Retention for the continued operation of the OMTC</i>				
--	--	--	--	--

OMTC members determined that the cooperative model was the ideal model for this new organization; rather than the S or C corporation model, because of the distinctive purpose, ownership and control characteristics of cooperatives.

Cooperatives have historically been defined by the “Agricultural Marketing Act” to mean any association in which members act together in preparing for market, handling business, purchasing, testing, distributing and/or furnishing business services. The OMTC is a service cooperative rather than an agricultural cooperative. A distinct characteristic of cooperatives is that they are operated for the mutual benefit of the members rather than for the majority shareholder as found in typical corporations. Additionally, no member of this cooperative is allowed more than one vote because of the amount of stock or membership or capital he may own therein. In many instances, cooperatives pay annual dividends based on stock or membership. The members of the OMTC have agreed to remit ten percent (10%) of their profit after taxes for the continued operation of the OMTC. Secondly, at the outset the OMTC will not pay dividends at year end.

The OMTC will employ three distinct marketing efforts to raise awareness about the new trucking cooperative and generate customers. The first strategy is the use of advertising through direct mail to prime contractors and promotional activities. With the assistance of ODOT, the OMTC will generate a profile sheet; send out press releases and advertisements utilizing various media outlets. The second effort will be the use of financial incentives. Incentives will be offered to prime contractors that utilize OMTC services. A third marketing strategy will be printed brochures. These brochures will be distributed to potential customers and any organizations affiliated with ODOT.



The OMTC will be a customer-centric organization looking to become one of the premier trucking companies in Oklahoma and ultimately the United States of America (USA). Profitability is forecasted to occur by the end of year one. The OMTC has conservatively projected sales of \$25,000 for the first year, \$31,250 for year II and \$39,062 for year III.

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#### IV. The Business

##### **The Oklahoma Minority Trucking Cooperative:**

The mission of the OMTC is to be the leading trucking cooperative in the state of Oklahoma and eventually the nation. We will set the standard of excellence in the trucking industry by providing outstanding customer service to all of our internal and external customers. Our goals are as follows:

- To *establish* and maintain a profitable and ethical trucking cooperative.
- To *maintain* leadership in all areas of service delivery.
- To *build* public confidence and a continued desire for our services through sound business practices, effective selling and personal relationship building.
- To *foster* company loyalty and professionalism by exceeding our customers' expectations.

After receiving DBE Certification, the LUPT implement the following plan of action to launch the new business to include:

*Publicizing the OMTC*  
*Identifying potential customers*  
*Bidding on Opportunities*  
*Providing High Quality Service*  
*Strengthening Communication*  
*Utilizing the expertise of outside resources and strategic partners*

The LUBCT will ensure that all members of the OMTC maintain the highest level of professionalism, commitment and dedication to the mission of the new company. After receipt of DBE certification, an intensive public information campaign will be launched. This will include the press releases, newspaper articles and events to publicize the opening of the OMTC and describe the services offered.

The LUBCT will:

Promote the launch of the business with a grand opening on Langston University's Oklahoma City campus. Targeted invitees include a wide variety of community leaders, representatives from contracting resources as well as business organization representatives, the Oklahoma congressional delegation, Governor Mary Fallin,



Lieutenant Governor Todd Lamb, leadership of the Oklahoma Legislature, county commissioners from all 6 targeted counties and all other elected officials.

*Develop* strategic partnerships with resources including banks, bid assistance centers, Native American tribal organizations, chambers of commerce, trade organizations and government organizations at the federal, state and local levels that utilize trucking services.

*Convene* small focus groups and public forums to promote interest and the success of this new cooperative.

*Establish and Strengthen* the communication link between ODOT, DBE's and prime contractors.

*Provide Management and Technical Assistance* to existing and potential OMTC members.

*Encourage* the involvement of other truckers in the OMTC by seeking referrals from existing public and private businesses and establishing relationships with strategic partners.

*Evaluate* performance and document the progress of the OMTC through a final report to ODOT.

The OMTC has identified four keys to business success that are unique to this new cooperative:

1. The strong, experienced management team – Executive board members have many years' experience in providing trucking services and in navigating the ODOT process.
2. Quality Services – All truckers provide the highest quality service as evidenced in the successful fulfillment of trucking contracts.
3. Consistent Quality Service - Every client will have an identical experience each time he or she utilizes the services of the OMTC.
4. Tight Cost Controls – The OMTC will run a "tight ship" in terms of minimizing unnecessary expenses as they can lead to unnecessary cash requirements. This key to success is critical as the truckers are only remitting 10% of their profit after taxes for the continued operation of the cooperative.



**Marketing:**

**Customer Profile:** Customers of the OMTC are any buyers of trucking services with a particular focus on securing ODOT contracts. Although rising and unpredictable costs; due to fluctuating fuel prices and increased environmental regulations can affect trucking companies, U.S. Census business data indicate the sector continues to maintain a competitive advantage and exhibit a healthy level of growth as the advantages of the flexibility of road transport currently outweigh the disadvantages.

**Targeted Market Area:** The initial target market area is identified as the Metropolitan Statistical Area (MSA) of Oklahoma City. The MSA includes six (6) counties located in Central Oklahoma:

1. Canadian
2. Cleveland
3. Logan
4. Oklahoma
5. McClain
6. Pottawatomie

Major cities in the MSA include the Oklahoma City metropolitan area, Norman, El Reno, Edmond, Guthrie and Shawnee.

The OMTC is based in Oklahoma City. This is the ideal location for this trucking cooperative as Oklahoma City is in the center of the state and sixty (60) miles south of the geographic center of the United States. The city's location and other key factors have established Oklahoma City as the state's leading business and industrial center. Other key factors that will serve the OMTC include:

- Oklahoma City is the state capitol of Oklahoma
- It is a central location for key business related government agencies such as:
  - The Oklahoma Department of Transportation
  - The Federal Highway Administration
  - The Oklahoma Department of Commerce
  - The Corporation Commission
  - The Oklahoma Tax Commission



- It is centrally located at the crossroads of two major interstate transportation arteries: Interstate 35 and Interstate 40.
- The strategic location combined with easy access to these interstates makes it a prime location for trucking companies and services and other transportation related activities.
- Will Rogers World Airport, the state's primary airport, is located in Oklahoma City; adjacent to the airport is a foreign trade zone facility which provides storage, office and production space.
- The OKC MSA is home to the largest military facility in the state, Tinker Air Force Base (TAFB) and Air Logistics Center with millions of dollars in contracting and subcontracting opportunities for trucking firms.

***Targeted Prime Contractors:***

The LUBCT will access all appropriate and available resources to secure trucking contracts for the OMTC. With the assistance of the Oklahoma Department of Transportation DBE office, the OMTC will prepare a profile sheet outlining the capabilities of the new cooperative and initiate a marketing campaign to the following short list of prime contractors:

*Haskell Lemon Construction, Co.*  
*Schwarz Paving, Co., Inc.*  
*Midstate Traffic Control, Inc.*  
*Silver Star Construction Co., Inc.*  
*Overland Corporation*  
*Seal Master, Inc.*  
*T. McDonald Construction Inc.*  
*Manhattan Road and Bridge*  
*Hutchens Asphalt Paving Co.*  
*Becco Contractors*  
*Glover and Associates Inc.*  
*Koss Construction Company & Subsidiaries*  
*Dobson Brothers Construction Co.*  
*APAC-Central, Inc.*  
*Forsgren Inc.*  
*Job Construction Co., Inc.*  
*R.K. Hall Construction, LTD.*  
*PCIROADS, LLC*  
*Duit Construction Company*



*Chester Bross Construction Company*  
*Weaver-Bailey Contractors, Inc.*  
*Sherwood Construction*  
*Austin Bridge & Road, LP*  
*Wittwer Construction Co., Inc.*  
*Reece Construction Co., Inc.*  
*King Construction Co., Inc.*  
*Bridges, Inc.*  
*Meridian Construction, Inc.*  
*Sewell Bros., Inc.*  
*Behne Construction Co., Inc.*  
*Cimarron Construction Company*  
*Bridgeco Contractors, Inc.*  
*K&R Builders, Inc.*  
*Earth Builders, L.P.*  
*Munoz Construction Co., Inc.*

***The Trucking Industry:*** The US road & rail freight industry generated total revenues of \$761.2 billion in 2008, representing a compound annual growth rate (CAGR) of 4.4% for the period spanning 2004-2008. The road freight segment was the industry's most lucrative in 2008, generating total revenues of \$704.9 billion, equivalent to 92.6% of the industry's overall value.

***Market Size:*** According to the December 2009, *Road and Rail in the United States Industry Profile*;

- Market Value – The United States road and rail industry grew by 3.2% in 2008 to reach a value of \$761.2 billion;
- Market Value Forecast – By 2013, the United States road and rail industry is forecast to have a value of \$772.1 billion, an increase of 1.4% since 2008;
- Market Volume – The United States road and rail industry shrank by 1.1% in 2008 to reach a volume of 5,206.3 billion freight ton kilometers.
- Market Volume Forecast – By 2013, the United States road and rail industry is forecast to have a volume of 5,215.4 billion freight ton kilometers, and an increase of 0.2% from 2008.
- Market Segmentation I -The road freight segment dominates the United States road and rail industry in 2008, generating 92.6% of the industry's overall revenues.



- Market Segmentation II - The United States accounts for 31.4% of the global road and rail industry's value. Although the road & rail freight industry is defined as consisting of revenues generated from freight transportation by road and rail, the majority of the revenue is generated by trucking companies;

Table 5. United States Road and Rail Industry Segmentation, % Share, by Value

<i>Category</i>	<i>% Share</i>
<i>Road Freight</i>	<i>92.60%</i>
<i>Rail Freight</i>	<i>7.40%</i>
<i>Total</i>	<i>100.0%</i>

*Source: Datamonitor (2009)*

Based on NAICS codes, titles and descriptions derived from the U.S. Census Bureau issued in 2007, the OMTC would be classified as SIC (4213) NAICS (484000) Truck Companies/Motor Freight Carriers. This industry comprises businesses in the Truck Transportation subsector which provide over-the-road transportation of cargo using motor vehicles, such as trucks and tractor trailers. The subsector is subdivided into general freight trucking and specialized freight trucking. This distinction reflects differences in equipment used, type of load carried, scheduling, terminal, and other networking services. General freight transportation establishments handle a wide variety of general commodities, generally palletized and transported in a container or van trailer. Specialized freight transportation is the transportation of cargo that, because of size, weight, shape, or other inherent characteristics require specialized equipment for transportation. Based on this classification, the economic census reports the following:



Table 6. U.S. Economic Census 2010

<i>Total revenue (in millions)</i>	<i>164,219</i>
<i>Revenue per establishment (\$1,000)</i>	<i>1,458</i>
<i>Revenue per paid employee (\$)</i>	<i>114,421</i>
<i>Annual payroll per employee (\$)</i>	<i>33,270</i>
<i>Establishments per million residents</i>	<i>391</i>

***Marketing Plan:***

1. Newspapers - Advertisements will be placed in the local papers and media outlets. These advertisements will be used to create awareness of the restaurant and generate excitement for promotions and events.
2. Billboards - Billboards will be used to communicate OMTC's name and services.
3. Profile Sheet– Profile sheets and press releases will be mailed to area businesses to announce the launch of the business and on an on-going basis.
4. Radio - Drive-time radio spots will also be utilized.

***Promotional Plan:***

Marketing strategies will consist of three phases during the first year of operations. The initial phase will be the development of promotional tools, the identification of proper advertising sources for publicity and paid advertisements. This phase is ongoing and will continue a Grand Opening Event. The second phase will be the Grand Opening celebration with aggressive advertising. Paid advertisement will be conducted on a selective basis at the cooperative's discretion. The third phase of the marketing plan will be geared towards making personal contacts with the Association of General Contractors, business associates, friends, family and other prospective customers.



### **Operating Procedures:**

*How the Cooperative Works:* The OMTC network can be broken down into five functional components:

1. Receive a call from the customer
2. Collect information and dispatch driver
3. Driver paid
4. Monitor the status of every driver in the network
5. Deposit percentage in OMTC account

*General Operations.* The Oklahoma Department of Transportation requires ownership of one vehicle for DBE certification. For additional equipment, member owners will handle their own insurance and maintenance.

*Payment.* The basis of payment differs among coops; although most pay a percentage of the gross. We will require 10%. Some cooperatives pay owner-operators 12 cents per mile and the equipment is leased and paid separately. The major payment to our members will come at the end of the month so he/she will have money to meet any payments on equipment, purchase fuel etc. Drivers will be required to call in periodically so their exact location and progress are known. As we do not know which specific routes they have to follow, we will ask that they generally take the shortest route and that deliveries are made as expeditiously as possible.

Secondly, The OMTC has an experienced management team. Key members of our management are ready to perform our day to day operations in the initial beginning. We are also presently searching for additional shift managers and crew members. Eventually a day to day manager and dispatcher will be chosen based on education, ability and experience and be and given incentives based on for performance.

*Professional Consultants:* Initially, the OMTC will utilize the services of local Small Business Development Centers, Service Corps of Retired Executives and Women's Business Centers for free of charge management and technical assistance. Eventually, the OMTC will retain legal and accounting services and advice from local professionals.



### Personnel and Executive Board Industry Experience:

*Personnel Plan.* The key people in a trucking cooperative are the general manager and the dispatcher. In the short term, Langston University will serve as the general manager and dispatcher until September 30, 2011.

*Future Plans.* The future plans of expanding membership in this OMTCC. When the cooperative proves profitable, the business will be expanded to include additional truckers from surrounding areas. Based on the success in Oklahoma, the cooperative will go national, identifying business concerns to join on a nationwide. Plans are to expand to 50 truckers by 2015.

Table 7. Executive Board Experience

Name	Years of Experience in Trucking
Mr. Joe Orange, Sr. – President	25
Mr. Elmer Anderson - Vice President	25
Mrs. Demmie Broussard, Secretary	10
Mr. Richard Brown, Treasurer	10
Mr. Mark Orange, Parliamentarian	25

**Business Insurance:** Pending estimates

### Financial Data:

Table 8. Short Capital Equipment List:

Company name	DBE certified	Paid member	No. of Trucks	No. of Trailers	Brief Description
Anthony's Trucking	no	yes	1	0	
Bell Brother's Dumping	no	no	1	0	
Broussard Trucking	no	yes	5	3	Dump trucks, trailers
Bruner Trucking LLC.	yes	yes	1	0	10 wheel with 17' bed
DJ's Tires and Dumptruck Services	yes	yes	2	0	
Evan's Trucking	no	yes	2	0	
Faith Five-	yes	yes	8	0	2-ten



<i>Star Construction Inc.</i>					<i>wheelers, 1-18 wheeler end dump, 1 finish bulldozer, 2 lowboys, 4-5<sup>th</sup> wheel move trucks</i>
<i>Frazier Trucking</i>	<i>no</i>	<i>yes</i>	<i>1</i>	<i>1</i>	
<i>Guylin Trucking</i>	<i>yes</i>	<i>yes</i>	<i>2</i>	<i>0</i>	
<i>Joe Orange and Son's Trucking</i>	<i>yes</i>	<i>yes</i>	<i>4</i>	<i>0</i>	
<i>Kayla Transportation</i>	<i>no</i>	<i>no</i>	<i>1</i>	<i>3</i>	
<i>Mark &amp; Sons Trucking</i>	<i>no</i>	<i>yes</i>	<i>1</i>	<i>0</i>	<i>Peter Built 359</i>
<i>Mitchell Trucking</i>	<i>no</i>	<i>yes</i>	<i>3</i>	<i>0</i>	
<i>Paco's Express Dump truck</i>	<i>no</i>	<i>yes</i>	<i>1</i>	<i>0</i>	
<i>Phill Campbell Trucking</i>	<i>no</i>	<i>yes</i>	<i>2</i>	<i>0</i>	
<i>Safeway Transportation</i>	<i>no</i>	<i>no</i>	<i>10</i>	<i>0</i>	
<i>Totals</i>			<i>45</i>	<i>7</i>	



**Estimate of Startup Costs:** There is no startup costs associated with this venture. The LUBCT is responsible for all administrative management of the OMTC.

Table 9. Projected Balance Sheet:

<b>ASSETS:</b>		
<i>Current Assets:</i>		
Cash	\$800.00	
Investments or inventories	0.00	
Accounts receivable	0.00	
Pre-paid expenses	0.00	
Other	0.00	

<i>Total Current Assets:</i>		\$800.00
<i>Fixed Assets:</i>		
Property and equipment	\$10,000.00	
Equity and other investments	0.00	
Less accumulated depreciation	0.00	
<i>Total Fixed Assets:</i>		\$10,000.00
<b>TOTAL ASSETS:</b>		\$10,800.00

<b>LIABILITIES:</b>		
<i>Current Liabilities:</i>		
Accounts payable	\$0.00	
Accrued wages	0.00	
Accrued compensation	0.00	
Income taxes payable	0.00	
Unearned revenue	0.00	
<i>Total Current Liabilities:</i>		\$0.00
<i>Long-Term Liabilities:</i>	\$0.00	
Mortgage payable	0.00	



<i>Total Long-Term Liabilities:</i>		<i>\$0.00</i>
<b>TOTAL LIABILITIES:</b>		<b>\$0.00</b>

<b>OWNER'S EQUITY:</b>		
<i>Investment Capital</i>	<i>\$10,800.00</i>	
<i>Accumulated Retained Earnings</i>		
<b>TOTAL OWNER'S EQUITY</b>		<b>\$10,800.00</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>\$10,800.00</b>

### **Projected Income Statement (P&L):**

*Table 10. Year I – Projected Cash Flow Statement:*

<b>Cash Flow from Operating Activities:</b>	
<i>Net Income</i>	<i>\$25,000.00</i>
<i>Cash provided by operating activities</i>	
<i>Depreciation and amortization</i>	
<i>Changes in other accounts affecting operations</i>	
<i>Increase/(decrease) in accounts receivable</i>	
<i>Increase/(decrease) in prepaid expenses</i>	
<i>Increase/(decrease) in accounts payable</i>	<i>(\$23,515.00)</i>
<i>Net cash provided by operating activities</i>	<i>\$1,485.00</i>
<b>Cash Flow from Investing Activities:</b>	<i>n/a</i>
<b>Cash Flow from Financing Activities:</b>	<i>n/a</i>
<b>Increase (Decrease in Cash)</b>	<b>\$1,485.00</b>



**Assumptions upon which projections were based:**

The financial projections for the OMTC are based on conservative sales and industry standard expenses. These projections allow for adequate cash flow. Below are assumptions used in the compilation of the first year cash flow and pro-forma balance sheet for the OMTC.

**Income** – Based on projected sales. Year II income based on a 25% increase in sales from Year I and Year III income based on a 25% increase in sales from Year II. The respective truckers will receive all of the proceeds from the contracts excluding 10%.

**Property and Equipment** – Based on the estimated value of the donated dump truck to the OMTC

**Cost of Operations –**

**Fuel** – Based on an estimated 20% of the contract cost. Estimates provided by the OMTC members.

**Supplies** – Based on estimates provided by Office Depot.

**Labor** –n/a

**Taxes** – Federal income taxes based on Internal Revenue 2010 tax tables for an income of \$25,000, \$31,250 and \$39,062. State taxes based on tax tables from the Oklahoma Tax Commission website.

**Accounting** – Based on estimate from Mr. Lee Hill, CPA and Ms. Gayle Miles-Scott, CPA.

**Legal** – Based on estimate from Attorney John Green.

**Advertising** – Based on estimate from Mr. Forrest Lee of Privileged Information Inc.

**Equipment Repair** – The OMTC estimates \$500.00 maintenance costs for the truck owned by the cooperative. Maintenance charges will be the responsibility of each trucker.

**Insurance** – pending quote

**Dues/Fees** – Based on information from the Association of General Contractor's Associate Membership Fee schedule.

**Telephone/Utilities** – Based on averages from AT&T and Oklahoma Gas and Electric Company.



## **V. References**

Road and Rail in the United States, Industry Profile, Data Monitor, Reference Code: 0072-2136

## **9.0 FINAL SEMINAR**

### **9.1 U.S. DOT OSDBU Office**

The Co-PI has maintained contact with Mr. Art Jackson, Manager of the Regional Partnership Division, US Department of Transportation's Office of Small and Disadvantaged Business Utilization to discuss the formation of the OMTC and the ultimate goal of securing transportation related contracts. He requested status reports on progress of the truckers and offered the assistance of his office.



# **LANGSTON UNIVERSITY**

Transportation Center of Excellence

## **Minority Trucking Agenda**

**Date: May 20, 2011**

- Opening
- Introduction of Officers
- Presenting of stock certificates to officers
- Pulling order for stock
- Bidding Process (Derrick Jackson)
- Old Business
- New Business
- Meeting Adjourned

Figure 8. Final OTMC General Meeting



The LUBCT met with Mr. Derek Jackson, P.E. on three occasions and has secured his services for the initial bidding of contracts. Mr. Jackson provided an in depth presentation to all cooperative members on navigating the ODOT website and considerations while bidding. Mr. Jackson provided handouts and business cards and offered one on one management assistance to OMTC members.

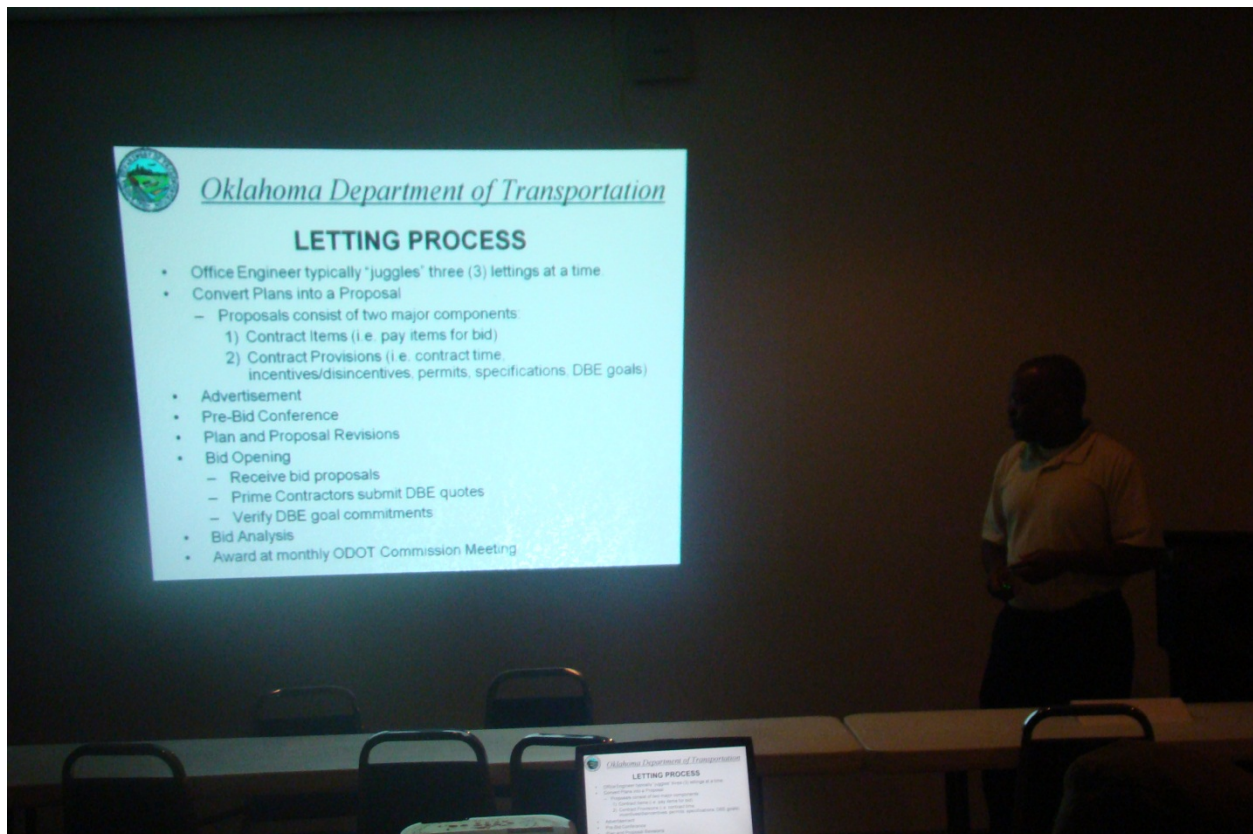


Figure 9. Presenter instructing OMTC members on the letting process.

The workshop schedule was coordinated with ODOT DBE staff to ensure time and space is available for them to come and introduce and reinforce the tenets of the Davis/Bacon act to the minority truckers. During November of 2011, Ms. Nancy Alexander and the Oklahoma Department of Transportation (ODOT) Intern met with Ms. Katrina Fire and Ms. Martha Garcia of the External Civil Rights Disadvantaged Business Enterprises (DBE) Program to review the application for DBE certification of the



Oklahoma Minority Trucking Cooperative (OMTC). Ms. Fire and Ms. Garcia were extremely helpful in identifying areas to consolidate the information and noting that the newly formed OMTC must have ownership of a truck to complete the certification process. Langston's Business Consulting Team (LUBCT) is in the process of securing a truck that is wholly owned by the new OMTC.

## **10.0 CERTIFICATION PROGRAM DBE PROGRAM**

In December of 2011, the LUBCT turned in the DBE certification application and all of the required papers to the External Civil Rights Division. As of February of 2012, we are waiting for the DBE office to make an onsite visit to approve the dump truck.

### **OKLAHOMA UNIFIED CERTIFICATION PROGRAM DISADVANTAGED BUSINESS ENTERPRISE PROGRAM 49 CFR PART 26 UNIFORM CERTIFICATION APPLICATION**

Under Sec. 26.107 of 49 CFR Part 26, dated February 2, 1999, if at any time, the Department or a recipient has reason to believe that any person or firm has willfully and knowingly provided incorrect information or made false statements, the Department may initiate suspension or debarment proceedings against the person or firm under 49 CFR Part 29, take enforcement action under 49 CFR Part 31, Program Fraud and Civil Remedies, and/or refer the matter to the Department of Justice under 18 U.S.C. 1001. OKLAHOMA UNIFIED CERTIFICATION PROGRAM (OUCP)

Dear Business Owner:

Thank you for your interest in participating in the Oklahoma Unified Certification Program (OUCP) for Disadvantaged Business Enterprises (DBE). As mandated by the United States Department of Transportation (U.S. DOT) in the DBE Program, 49 Code of Federal Regulations (CFR), Part 26, and all U.S. DOT recipients of federal financial assistance must participate in a statewide UCP. The UCP is a "One-Stop Shopping" certification procedure that will eliminate the need for DBE firms to obtain certifications from multiple agencies within the state who are U.S. DOT recipients or grantees.

The UCP of Oklahoma is charged with the responsibility of certifying firms and compiling and maintaining a database of certified DBEs for U.S. DOT recipients, pursuant to 49 CFR Part 26. The Oklahoma Department of Transportation (ODOT) is



the certifying agency for the OUCP and will process all applications and maintain the database of certified DBE firms for the state of Oklahoma.

Please complete the attached application if you wish to be considered for DBE certification and your business meets the following certification standards. You may return your completed application to:

Regulatory Services  
Oklahoma Department of Transportation  
200 N.E. 21<sup>st</sup> St., Rm. 1-C-5  
Oklahoma City, OK. 73105  
(405) 521-6046  
1-800-788-4539

### INSTRUCTIONS

Please complete all portions of the application, placing "N/A" next to items that are not applicable. Include all copies of documents requested on the application, and have the *Affidavit of Certification* and the *Personal Net Worth Statement* notarized. Additional documentation may be requested if it is considered necessary to make a certification decision. Incomplete applications will not be processed until required documents are submitted. It is recommended that you retain a copy of all submitted documents for your records.

**Remember: It is no longer necessary to apply at more than one agency for DBE certification under 49 CFR Part 26. If your firm meets the criteria for certification, it will be entered into the DBE Directory which is used by all U.S. DOT recipients and grantees in Oklahoma. Only firms currently certified as eligible DBEs may participate in the DBE programs of U.S. DOT recipients and grantees of Oklahoma.**

**For Out-of-State Firms:** The Oklahoma UCP will not process a new application for DBE certification from a firm having its principal place of business in another state unless the firm has already been certified in that state. If your firm is located outside of Oklahoma and is currently certified as a DBE under 49 CFR Part 26 in your home state, please forward your completed certification packet, along with copies of your certification letter to the Oklahoma Department of Transportation.

ODOT will evaluate the information contained in the application, along with the facts learned during the on-site review to determine if your firm meets the eligibility criteria to qualify as a DBE.

You will be notified of the decision by letter. If the application is approved and you are certified as a DBE, your business will be added to the OUCP's directory of certified DBEs. It will also give a brief description of the type of work you are certified to perform under the program. The directory of certified DBEs can be found on ODOT's website at <http://www.okladot.state.ok.us>.

**Denials/Appeals Process:** If you are denied certification, you may request, in writing, a reconsideration of your application within 15 days of receipt of the letter of denial. When a firm is denied certification, you may not reapply for certification for a time period of 12 months from the firm's receipt of the denial letter.



You may also appeal the denial of certification to the U.S. Department of Transportation within 90 days from the date you were notified that certification was denied. You should address your correspondence to the following:

**U.S. Department of Transportation  
Office of Civil Rights  
400 Seventh Street, SW, Room 2401  
Washington, DC 20590**



## **APPENDIX A DEFINITION OF TERMS**

*Affiliation* - has the same meaning the term has in the Small Business Administration (SBA) regulations, 13 CFR Part 121. Concerns are affiliates of each other when, either directly or indirectly; one concern controls or has the power to control the other; or an identity of interest between or among parties exists such that affiliation may be found. In determining whether affiliation exists, it is necessary to consider all appropriate factors, including common ownership, common management, and contractual relationships. Affiliates must be considered together in determining whether a concern meets small business size criteria and the statutory cap on the participation of firms in the DBE program. Affiliation may also affect the issues of management, ownership, and control.

*Compliance* - means that a recipient has correctly implemented the requirements of this part.

*Contract* - means a legally binding relationship obligating a seller to furnish supplies or services (including, but not limited to, construction and professional services) and the buyer to pay for them.

*Contractor* - means one who participates, through a contract or subcontract (at any tier), in a DOT-assisted highway, transit, or airport project.

*Disadvantaged Business Enterprise or DBE* - means a for profit small business concern that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals, and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

*DOT/SBA Memorandum of Understanding, or MOU* - refers to the agreement signed on November 23, 1999, between the U.S. Department of Transportation (DOT) and the Small Business Administration (SBA) streamlining certification procedures for participation in the SBA's 8(a) Business Development ( 8(a) BD) and Small Disadvantaged Business (SDB) programs, and DOT's Disadvantaged Business Enterprise (DBE) program for small and disadvantaged businesses.

*Good faith efforts* - mean efforts to achieve a DBE goal or other requirement which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.

*Immediate family member* - means father, mother, husband, wife, son, daughter, brother, sister, grandmother, grandfather, grandson, granddaughter, mother-in-law, or father-in-law.

*Indian Tribe* - means any Indian tribe, band, nation, or other organized group or community of Indians, including any ANC, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or is recognized as such by the State in which the tribe, band, nation, group, or community resides.



*Joint venture* - means an association of a DBE firm and one or more other firms to carry out a single, for profit business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge, and in which the DBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.

*Native Hawaiian* - means any individual whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

*Personal Net Worth* - means the net value of the assets of an individual remaining after total liabilities are deducted. An individual's personal net worth does not include: The individual's ownership interest in an applicant or participating DBE firm, or the individual's equity in his or her primary place of residence. An individual's personal net worth includes only his or her own share of assets held jointly or as community property with the individual's spouse.

*Primary industry classification* - means the North American Industrial Classification System (NAICS) designation which best describes the primary business of a firm.

*Principal place of business* - means the business location where the individuals who manage the firm's day-to-day operations spend most working hours and where top management's business records are kept. If the offices from which management is directed and where business records are kept are in different locations, the recipient will determine the principal place of business for DBE program purposes.

*Race-conscious* - measure or program is one that is focused specifically on assisting only DBEs, including women-owned DBEs.

*Race-neutral* - measure or program is one that is, or can be, used to assist all small businesses. For the purposes of this part, race-neutral includes gender-neutrality.

*Recipient* - means any entity, public or private, to which DOT financial assistance is extended, whether directly or through another recipient, through the programs of the FAA, FHWA, or FTA, or who has applied for such assistance.

*SBA certified firm* - refers to firms that have a current, valid certification from or recognized by the SBA under the 8(a) BD or SDB programs.

*Small Business Concern* - means, with respect to firms seeking to participate as DBEs in DOT-assisted contracts, a small business concern as defined pursuant to section 3 of the Small Business Act and SBA regulations implementing it (13 CFR Part 121) that also does not exceed the cap on average annual gross receipts specified in 49 CFR Part 26.65(b).

*Socially and Economically Disadvantaged Individual* - means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is an individual that a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis; any individual in the following groups, members of which are rebuttal presumed



to be socially and economically disadvantaged: Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, Women, and any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

*Tribally-owned concern* - means any concern at least 51 percent owned by an Indian tribe as defined in this section.



**Nature of Business:** Check the type of work that your business performs. Should your firm's type of work not be listed, indicate service provided.

**Construction Services**

**200 Grade and Drain**

- ☐ Clearing and grubbing
- ☐ Excavation and embankment
- ☐ Machine Grading
- ☐ Salvaging topsoil
- ☐ Other \_\_\_\_\_

**200 Erosion and Sediment Control**

- ☐ Temporary Sediment Control
- ☐ Slope Drains
- ☐ Bale Barriers
- ☐ Silt Fence and Silt Dike
- ☐ Filters
- ☐ Control Basins
- ☐ Ditchliner Protection
- ☐ Sodding and sprigging
- ☐ Seeding
- ☐ Mulching
- ☐ Fertilizing
- ☐ Mowing
- ☐ Watering

**300 Bases**

- ☐ Aggregate base
- ☐ Subbase
- ☐ Lime treated subgrade
- ☐ Rolling and sprinkling
- ☐ Processing existing base and surface
- ☐ Fly ash modified subgrade
- ☐ Econocrete base
- ☐ Bituminous base
- ☐ Other \_\_\_\_\_

**400 Surfaces**

- ☐ Asphalt concrete pavement
- ☐ Portland cement concrete pavement
- ☐ Cold milling pavement
- ☐ Concrete joint rehabilitation
- ☐ Traffic bound surface course
- ☐ Bituminous surface treatment
- ☐ Tack coat
- ☐ Prime coat
- ☐ Rumblestrip
- ☐ Diamond grinding
- ☐ Other \_\_\_\_\_

Nature of Business Page 1



**500 Structures**

- \_\_\_\_\_ Bridge decks
- \_\_\_\_\_ Concrete culverts
- \_\_\_\_\_ Earth retaining systems and sound barrier walls
- \_\_\_\_\_ Driven foundation piles
- \_\_\_\_\_ Penetrating water repellent treatment
- \_\_\_\_\_ Drilling shaft foundations
- \_\_\_\_\_ Concrete repair
- \_\_\_\_\_ Painting
- \_\_\_\_\_ Timber structures
- \_\_\_\_\_ Tie reinforcing steel
- \_\_\_\_\_ Other \_\_\_\_\_

**600 Incidental construction**

- \_\_\_\_\_ Riprap
- \_\_\_\_\_ Gabions
- \_\_\_\_\_ Curb and gutter, sidewalks, driveways, etc.
- \_\_\_\_\_ Manholes, drop or curb inlets, and junction boxes
- \_\_\_\_\_ Removal of structures and obstructions
- \_\_\_\_\_ Pipe railing
- \_\_\_\_\_ Guardrail
- \_\_\_\_\_ Fences
- \_\_\_\_\_ Monuments
- \_\_\_\_\_ Concrete median barrier
- \_\_\_\_\_ Edge drain
- \_\_\_\_\_ Other \_\_\_\_\_

**642 \_\_\_\_\_ Contractor construction staking**

**700 \_\_\_\_\_ Material Supplier - list below \***

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**800 Traffic Control**

- \_\_\_\_\_ Highway lighting, signals, and signing - electrical
- \_\_\_\_\_ Signs- non-electrical
- \_\_\_\_\_ Delineators
- \_\_\_\_\_ Traffic Stripe (Paint)
- \_\_\_\_\_ Traffic Stripe (Plastic)
- \_\_\_\_\_ Construction Zone Pavement Markings
- \_\_\_\_\_ Construction Signing and Traffic Control
- \_\_\_\_\_ Other \_\_\_\_\_

**Manufacturer - list below \***

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**Trucking - list below**

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**Other services, not listed \***

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\* See Nature of Business Page 4

Nature of Business Page 2



**Professional Services**

**Engineering**

- ☐ Civil Engineering
- ☐ Electrical Engineering
- ☐ Geotechnical Engineering
- ☐ Environmental Engineering
- ☐ Other

**Architectural**

- ☐ Landscape Architecture
- ☐ Architectural Engineering

**Accounting**

- ☐ Accounting

**Right-of-Way**

- ☐ Acquisition
- ☐ Appraisal
- ☐ Relocation
- ☐ Utility
- ☐ Engineering

**Other Professional Services** - list below

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**Below indicate the geographic area in which your firm is willing to work**

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Nature of Business Page 3



Facilities That Must Be Approved or Pre-certified by the **ODOT Materials Division** to Provide Materials on ODOT Projects

Reinforcing Steel Fabricators  
Structural Steel Fabricators  
Reinforcing Steel Epoxy Coaters/Fabricators  
Aluminum Sign Structure Fabricators  
Precast Concrete Pipe & Box Suppliers  
Precast Concrete Structure Suppliers  
Precast/Prestressed Concrete Beam Suppliers  
Corrugated Galvanized Metal Pipe Fabricators  
Plastic (Polythene) Drainage Pipe Manufacturers  
Hydraulic Cement Plants  
Fly Ash Suppliers  
Ground Granulated Blast Furnace Slag Suppliers  
Coarse Aggregate Quarries  
Fine Aggregate/Sand Pit Suppliers  
Asphalt Binders

Facilities That Must Be Approved or Pre-certified by a **Residency Office** to Provide Materials on ODOT Projects

Ready-Mix Concrete Suppliers  
Asphalt Concrete Suppliers

Category of Work That Must Be Approved or Pre-Certified by the **Materials Division** Prior to Performing Work on ODOT Projects

All Field Welders  
Private Testing Laboratories

Nature of Business Page 4



DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

**UNIFORM CERTIFICATION APPLICATION ROADMAP FOR APPLICANTS**

**☐ Should I apply?**

Does your firm at least 51%-owned by a socially and economically disadvantaged individual(s) who also controls the firm?

Does the disadvantaged owner a U.S. citizen or lawfully admitted permanent resident of the U.S.?

Is your firm a small business that meets the Small Business Administration's (SBA's) size standard and does not exceed \$17.42 million in gross annual receipts?

Is your firm organized as a for-profit business?

⇒ If you answered "Yes" to all of the questions above, you may be eligible to participate in the U.S. DOT DBE program.

**☐ Is there an easier way to apply?**

If you are currently certified by the SBA as an 8(a) and/or SDB firm, you may be eligible for a streamlined certification application process. Under this process, the certifying agency to which you are applying will accept your current SBA application package in lieu of requiring you to fill out and submit this form. **NOTE: You must still meet the requirements for the DBE program, including undergoing an on-site review.**

**☐ Be sure to attach all of the required documents listed in the Documents Check List at the end of this form with your completed application.**

**☐ Where can I find more information?**

o U.S. DOT – <http://osdbuweb.dot.gov/business/dbe/index.html> (this site provides useful links to the rules and regulations governing the DBE program, questions and answers, and other pertinent information)

o SBA – <http://www.ntis.gov/naics> (provides a listing of NAICS codes) and

<http://www.sba.gov/size/index/tableofsize.html> (provides a listing of SIC codes)

o 49 CFR Part 26 (the rules and regulations governing the DBE program)

49 C.F.R. PART 26



## **10.1 OMTC Has Developed Hiring Guidelines and Practices**

The executive board developed a set of guidelines for each member to follow before being eligible to participate. These were pick-up and placed into each member's folder.

### **Oklahoma Minority Trucking Cooperative**

#### **HIRED TRUCK REQUIREMENTS**

- Hired Truck Information
- Copy of Photo I.D. / Driver's License
- Copy of Motor Carrier License (Authority), OCC Authority
- Workers Compensation Certificates as Applicable
- Signed Affidavit in Lieu of Workers Compensation Certificate
- Copy of Current Truck (and trailer, if applicable), Registration
- Certificates of Auto AND General Liability Insurance of Additionally insured for BOTH Companies contracted to carry for. (All Hired Trucks are required to carry a Minimum of \$1,000,000.00 Auto and General Liability Insurance Coverage).

Mail to: Oklahoma Minority Trucking Cooperative  
4205 N. Lincoln Blvd.  
Oklahoma City, Oklahoma 73120  
Phone Number: (405) 521-1379

Fax Number: (405) 962-1621

Fax Additional Insured Certificates to (405) 962-1621



## 10.2 Disadvantaged Business Enterprise Letter of Certification



OKLAHOMA DEPARTMENT OF TRANSPORTATION  
200 N.E. 21st Street  
Oklahoma City, OK 73105-3204

Phone: (405) 521-6046

March 2, 2012

Oklahoma Minority Trucking Cooperative, Inc.  
Joe Orange, Sr., President  
Post Office Box 11093  
Oklahoma City, Oklahoma 73136

Dear Business Owner:

Congratulations! After careful review, the Oklahoma Department of Transportation hereby gives notice that your company Oklahoma Minority Trucking Cooperative, Inc. has met the eligibility criteria as outlined in the 49CFR Part 26 and is now certified as a Disadvantaged Business Enterprise (DBE) in the area(s) of Trucking.

As a certified DBE firm, you are now eligible to participate in the DBE program of ODOT. The DBE Program was mandated by the federal government in order to assist minority, women and other disadvantaged business owners in participating in federally assisted transportation contracts. Your firm will now be included in the DBE Directory of all certified firms. Ms. Martha P. Garcia is ODOT's Supportive Services Coordinator for Certification & Contracting Assistance. Ms. Garcia will assist you in understanding the bidding process and help your company take advantage of contracting opportunities. Ms. Garcia will write a company profile on your firm to include on the internet with your directory listing. The services provided by Ms. Garcia are offered free of charge to certified DBE firms. Enclosed for your review is a Resource Book, which provides valuable information on the ODOT's contract process. Please contact Ms. Garcia at (405) 521-6411 or 1-800-788-4539 if you have any questions.

Your DBE certification is awarded based upon information provided in your application. If the information provided in your application changes, you are required to notify the DBE office within ten (10) working days of the change. Failure to notify the DBE office within the specified time of changes in ownership or the day-to-day operations may result in certifications being suspended and/or decertification.

Out-of-state firms (corporations, partnerships, LLCs, etc.), please note that you may be required to register with the Oklahoma Secretary of State as a foreign entity prior to performing work in Oklahoma. If you would like to inquire if this will be required of your firm, you may contact the Oklahoma Secretary of State at 405-521-3912 (Business Services Division) or online at [www.sos.state.ok.us](http://www.sos.state.ok.us).

DBE certification is effective for a period of three years and requires an annual affidavit and proof of small business size. Your effective dates of certification are from 03/02/2012 until 03/02/2015. Again, congratulations on your DBE Certification.

Sincerely,

Me-Susan McClune  
Transportation Manager

"The mission of the Oklahoma Department of Transportation is to provide a safe, economical, and effective transportation network for the people, commerce and communities of Oklahoma"



## **11.0 CONCLUSION**

The Langston University Transportation Center of Excellence (LUTCE) successfully launched the first service cooperative of minority truckers in the nation, i.e. The Oklahoma Minority Trucking Cooperative (OMTC). The new cooperative is recognized by the Oklahoma Secretary of State as an Oklahoma Corporation and is also certified as a Disadvantaged Business Enterprise (DBE) with the external Office of Civil Rights Division of the Oklahoma Department of Transportation (ODOT). After two years of research, it was determined that the cooperative model of business organization was the best option for the numerous, smaller minority DBE's who expressed difficulty in competing for larger transportation contracts. Members of this new cooperative are now able to jointly respond to bid notices and simultaneously retain their independent business enterprises.

The LUBCT completed this task through surpassing several significant milestones. The basic organizing steps included holding exploratory meetings, selecting a steering committee, surveying potential members, developing a comprehensive business plan, incorporating the cooperative, implementing the business plan and finally securing certified DBE status. The exploratory meetings revealed a significant problem faced by DBE's throughout the country and particularly in the state of Oklahoma. The building of any transportation infrastructure requires an extraordinary amount of equipment to haul material such as aggregate, soil, concrete, asphalt, etc. The quantity of material needed is a gauge of how many trucks are required to meet the schedule. Too few trucks leads to construction delays, traffic delays etc. These traffic delays affect movement of people and commodities. A major problem faced by DBE's was the inability to provide a large quantity of trucks to meet the demand. This problem has been resolved through the development of this new cooperative.



## **12.0 RECOMMENDATIONS**

As a newly formed business and the first service cooperative was approved by the Oklahoma Secretary of State's office. This coop has been certified by ODOT as DBE. It is critical that this organization receive ongoing support in terms of financial advice, marketing matters, organizational matters and contract bid assistance. The next study needs to track the success or failure of this type of service coop to determine if it is a competitive mean for individual truckers to form and be an access to the transportation industry. This process needs more documentation if it is to be used as a model in other states.



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