

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON COMMERCE AND ECONOMIC
DEVELOPMENT

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, June 4, 2009
1:25 p.m.

- - -

PRESENT:

COUNCILMAN W. WILSON GOODE, JR., CHAIR
COUNCILMAN FRANK DiCICCO
COUNCILMAN CURTIS JONES, JR.
COUNCILWOMAN MARIA QUINONES-SANCHEZ
COUNCILWOMAN BLONDELL REYNOLDS BROWN

RESOLUTION 080052 - Resolution authorizing the
Committee on Commerce and Economic Development
to hold hearings to review the annual City
contract participation goals released by the
Finance Department pursuant to Title 17 of the
Philadelphia Code.

- - -

V A R A L L O Incorporated
Litigation Support Services
Eleven Penn Center
1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670

1
2 COUNCILMAN GOODE: Good
3 afternoon. This hearing is called to
4 order. This is a public hearing of the
5 Commerce and Economic Development
6 Committee on Resolution No. 080052. My
7 name is W. Wilson Goode, Jr., Chair of
8 the Committee.

9 A quorum is present, although
10 it's not necessary. To my far left is
11 Vice-Chair of the Committee, Councilwoman
12 Blondell Reynolds Brown. To my immediate
13 left is Councilwoman Maria
14 Quinones-Sanchez. To my far right is
15 Councilman Frank DiCicco, and to my
16 immediate right is Councilman Curtis
17 Jones.

18 The title of Resolution No.
19 080052, authorizing the Committee on
20 Commerce and Economic Development to hold
21 hearings to review the annual City
22 contract participation goals released by
23 the Finance Department pursuant to Title
24 17 of The Philadelphia Code.

25 Our first witness is Michael

1
2 Bell.

3 (Witness approached witness
4 table.)

5 COUNCILMAN GOODE: Good
6 afternoon, Mr. Bell.

7 MR. BELL: Good afternoon. My
8 name is Michael Bell. I'm the Executive
9 Director of the Office of Economic
10 Opportunity.

11 Good afternoon, Councilman
12 Goode and members of the Committee on
13 Commerce and Economic Development. This
14 is an opportune time to discuss setting
15 M/W/DSBE goals for City departments for
16 Fiscal Year 2010. July 1st of this year
17 presents a starting point for our office
18 as it has undergone changes within the
19 last eight months. We have been
20 transferred to the Commerce Department.
21 We have begun to monitor selected
22 projects. And we have become involved in
23 private initiatives like the Comcast
24 Diversity summit. Mayor Nutter's
25 disestablishment of MBEC and the creation

1
2 of the Office of Economic Opportunity has
3 become a focal point for those of us that
4 take diversity seriously.

5 We will utilize the disparity
6 study as the basis for goal-setting for
7 Fiscal Year 2010. We took a different
8 approach to completing the study this
9 year. One aspect of the study that I
10 directed was to have Econsult interview
11 randomly selected certified vendors to
12 find out why there were a low percentage
13 of them bidding on City projects. We can
14 set goals of 50 percent MBE and 40
15 percent WBE participation, but if our
16 vendors are not pursuing opportunities
17 with the City of Philadelphia, then this
18 process is faulty to begin with. Firms
19 in our directory should be ready, willing
20 and able to bid on the large number of
21 opportunities advertised by the City of
22 Philadelphia. We discovered that some
23 companies were discouraged by the cost of
24 doing business with the City. Insurance,
25 bonding and slow payment does play into

1
2 some firms' decisions to forego City
3 opportunities. Also, it was expressed
4 that the need for union affiliation
5 discouraged firms from participating. In
6 addition, the disparity study reveals
7 that OEO needs to make a serious effort
8 to increase the number of certified firms
9 available to meet goals on City projects.
10 The actual participation rates reveal
11 that we are exceeding availability in
12 many areas.

13 One of the polling questions
14 focused on the disestablishment of MBEC.
15 Forty percent of the respondents -- and
16 this is for individual vendors -- were
17 not aware that this process had taken
18 place. One respondent thought that this
19 was a rebranding and that significant
20 changes had not taken place. One
21 respondent missed the advocacy provided
22 by the former MBEC. And another felt
23 that the certification process was
24 burdensome and not worth the time. At
25 the Office of Economic Opportunity, we

1
2 are focused on increased outreach. We
3 are pursuing payment disputes in
4 conjunction with the City Controller's
5 Office, and we are attempting to lessen
6 the amount of time it takes to become
7 certified.

8 We also asked Econsult to
9 investigate why some certified firms were
10 not having much success winning City
11 business. One City department mentioned
12 the challenge of finding certified
13 companies through the ADPICS system.
14 Another department mentioned that when
15 certifiable firms are encouraged by them
16 to go to the OEO to formalize
17 certification, the customer service
18 standards and length of time needed to
19 get certified are discouraging.

20 While these comments are
21 painful to hear, they also provide a
22 starting point for improvement in these
23 areas. We have purged firms from our
24 directory that have not actively bid City
25 contracts. We also removed a number of

1
2 firms that let their certifications
3 expire. We are definitely going to be
4 more proactive in working with City
5 departments regarding our database of
6 certified firms.

7 Availability remains a
8 challenge. Increasing the number of
9 certified firms in the OEO directory is a
10 paramount concern. Econsult found in
11 some instances, public works for example,
12 that utilization of MBEs on City
13 contracts exceeded availability, thus
14 there was no statistical disparity.
15 Rather than eliminate goal-setting for
16 MBEs in public works, Econsult
17 recommended that the City maintain a goal
18 that matches utilization with the
19 objectives of increasing MBE availability
20 and capacity.

21 We will be arranging meetings
22 with City departments during the months
23 of June and July to discuss upcoming
24 projects, goals and reporting. We
25 already met with some departments in

1
2 March and were encouraged by the
3 cooperation that we have received. The
4 Office of Economic Opportunity has gone
5 through a transition period. As with all
6 City departments, we have had to take on
7 increased challenges with less staff and
8 resources. In spite of this, we will
9 aggressively pursue the goals of 30
10 percent overall DBE participation
11 outlined in the disparity study. We will
12 provide quarterly reports to the Economic
13 Opportunity Cabinet and be guided in our
14 efforts by this body. We will also not
15 hesitate to meet with departments who are
16 not meeting the goals set forth in the
17 study. It is definitely an objective of
18 the Commerce Department to not have
19 anyone testify in City Council next year
20 that they have had no interaction with
21 the Office of Economic Opportunity or no
22 awareness of the participation goals for
23 Fiscal Year 2010.

24 Thank you.

25 COUNCILMAN GOODE: Thank you,

1
2 Mr. Bell, for your testimony. Just a few
3 questions before I open up questions for
4 the Committee.

5 This disparity study and
6 participation goal-setting was defined by
7 Bill No. 060855-A, and within it it
8 actually breaks out which goals should be
9 set, and I'm not sure I found all of
10 those goals within the disparity study.
11 I know that MBEC and now OEO also
12 releases another report that outlines the
13 goals, but I want to run through the
14 specific goals.

15 You mentioned the overall 30
16 percent DBE participation goal in
17 general, but what is the goal for DBEs
18 owned by African Americans?

19 MR. BELL: By African American?
20 I don't think that was set in --

21 COUNCILMAN GOODE: It's on Page
22 62.

23 MR. BELL: -- the disparity
24 study.

25 COUNCILMAN GOODE: It's on Page

1
2 62.

3 MR. BELL: Okay. I'm on Page
4 62.

5 COUNCILMAN GOODE: Page 62,
6 this chart, Figure 4.9, recommended 2010
7 citywide participation goals.

8 MR. BELL: Yes. I'm looking at
9 the chart, but it's not breaking it out
10 by African Americans.

11 COUNCILMAN GOODE: It's Figure
12 4.9.

13 MR. BELL: I'm on Page -- oh,
14 okay. I'm looking A-61 now.

15 COUNCILMAN GOODE: No. It's
16 just Page 62 in the disparity study.
17 It's not A-62.

18 MR. BELL: Okay. Now I'm on
19 Page 8 of the -- I'm looking at the
20 African American goals, public works, 6
21 percent.

22 COUNCILMAN GOODE: No. It's on
23 Page 62.

24 MR. BELL: Okay. I have in
25 front of me what you're looking for.

1
2 COUNCILMAN GOODE: The goal for
3 African Americans is?

4 MR. BELL: For Fiscal Year '08,
5 it was --

6 COUNCILMAN GOODE: It says '08,
7 but actually the title of the chart says
8 2010 Citywide Participation Goals.

9 MR. BELL: Okay. And what is
10 it that you're seeking, Councilman?

11 COUNCILMAN GOODE: The goal for
12 African Americans just for the record,
13 for all contract types.

14 MR. BELL: It doesn't break it
15 out. This is Fiscal Year '08 actual
16 achievements, but in terms of the goal
17 for African Americans, I'm not looking at
18 it on this chart.

19 COUNCILMAN GOODE: I think the
20 chart is labeled wrong where it says
21 Fiscal Year '08, but on top of that it
22 says Recommended 2010 Citywide
23 Participation Goals.

24 MR. BELL: Okay. So we need to
25 update this aspect of it.

1
2 COUNCILMAN GOODE: Are your
3 consultants available?

4 MR. BELL: Yes.

5 (Witness approached witness
6 table.)

7 COUNCILMAN GOODE: Good
8 afternoon, Mr. Mullin. Please identify
9 yourself for the record.

10 MR. MULLIN: Good afternoon.
11 My name is Steve Mullin with Econsult
12 Corporation.

13 COUNCILMAN GOODE: Mr. Mullin,
14 do you have the disparity study in front
15 of you?

16 MR. MULLIN: Yes.

17 COUNCILMAN GOODE: Do you have
18 Page 62?

19 MR. MULLIN: Yes.

20 COUNCILMAN GOODE: Are those
21 meant to be the 2010 participation goals?

22 MR. MULLIN: The goals -- yes.
23 They're 2010 based on the latest
24 information available, 2008.

25 COUNCILMAN GOODE: So these are

1
2 the goals for 2010?

3 MR. MULLIN: Yes.

4 COUNCILMAN GOODE: So the goal
5 for African American-owned businesses?

6 MR. MULLIN: Thirteen percent.

7 COUNCILMAN GOODE: The goal for
8 Hispanic American businesses?

9 MR. MULLIN: Three percent.

10 COUNCILMAN GOODE: The goal for
11 Asian American businesses?

12 MR. MULLIN: Six percent.

13 COUNCILMAN GOODE: The goal for
14 Native American businesses?

15 MR. MULLIN: One percent.

16 COUNCILMAN GOODE: The goal for
17 women-owned businesses?

18 MR. MULLIN: Five percent.

19 COUNCILMAN GOODE: Now, there's
20 a goal for disabled persons, businesses
21 owned by disabled persons? I believe
22 that goal is --

23 MR. MULLIN: DSBE.

24 COUNCILMAN GOODE: Yes.

25 MR. MULLIN: Point one percent.

1
2 COUNCILMAN GOODE: Now, is
3 there a goal for DBEs operating within
4 the City of Philadelphia?

5 MR. MULLIN: I'm sorry?

6 COUNCILMAN GOODE: For DBEs
7 operating within the City of
8 Philadelphia.

9 MR. MULLIN: Yes. For all DBEs
10 operating in Philadelphia, 30 percent.

11 COUNCILMAN GOODE: That's for
12 all DBEs, period, that do business --

13 MR. MULLIN: Yes. I'm sorry.

14 COUNCILMAN GOODE: I'm talking
15 about those that are located in the City
16 of Philadelphia. There's supposed to be
17 a separate goal set for those.

18 MR. MULLIN: I'll have to look.
19 The number I quoted, 30 percent, is for
20 all location, yes.

21 COUNCILMAN GOODE: According to
22 the ordinance, there's supposed to be a
23 goal set specifically for DBEs that
24 operate in the City of Philadelphia.

25 MR. MULLIN: And are

1
2 domicile -- are located in Philadelphia
3 firms?

4 COUNCILMAN GOODE: Yes. And
5 there's supposed to be a goal set for
6 not-for-profit City contracts relating to
7 for-profit subcontract opportunities.

8 MR. BELL: Councilman, the goal
9 for Philadelphia-based DBEs, is that
10 tying into City Council legislation
11 relating to the Neighborhood Benefit
12 Strategy or is that different?

13 COUNCILMAN GOODE: It's a
14 separate ordinance.

15 So do we have a goal for
16 Philadelphia-based DBEs?

17 MR. MULLIN: I'll have to find
18 it in here.

19 COUNCILMAN GOODE: Okay. And
20 do we have a goal for non-profit?

21 MR. MULLIN: I'll also have to
22 find it in here.

23 COUNCILMAN GOODE: Okay. I
24 guess the question is good for
25 Mr. Mullin. So these goals are

1
2 definitely based upon the disparity
3 study?

4 MR. BELL: Yes.

5 COUNCILMAN GOODE: Because
6 they're contained within the disparity
7 study.

8 MR. MULLIN: I'm sorry. Yes.

9 COUNCILMAN GOODE: And when
10 will the disparity study be delivered to
11 City Council?

12 MR. BELL: We are in the
13 process of having it approved by the
14 Administration, and it should be -- after
15 we make the changes and the updates that
16 you recommend, we can have it within a
17 week.

18 COUNCILMAN GOODE: When will it
19 be posted on the City's website?

20 MR. BELL: After we have the
21 final approval. And I would say less
22 than two weeks, but I would say -- like I
23 said, once we make these changes and then
24 go back and look at the non-profit goals,
25 it's just about ready.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCILMAN GOODE: Okay.

Mr. Mullin, last year we had a discussion about the data that the disparity study used and whether we were using City or regional data.

MR. MULLIN: Yes.

COUNCILMAN GOODE: And this disparity study used what type of data?

MR. MULLIN: We looked at both, but the utilization and disparity numbers are based on the regional data as the denominator.

COUNCILMAN GOODE: One more question before I turn it over to members of the Committee. Do you make recommendations within this disparity study relating to the certification process?

MR. MULLIN: Yes.

COUNCILMAN GOODE: And what are those recommendations regarding the certification process?

MR. MULLIN: The primary recommendation is to streamline the

1
2 process and take a look at ways to make
3 it easier for certification, with the
4 ultimate objective of making more firms
5 available.

6 COUNCILMAN GOODE: So that
7 would change the availability rate and
8 affect the goal setting?

9 MR. MULLIN: I'm sorry?

10 COUNCILMAN GOODE: That would
11 change the availability rate and change
12 the goal setting?

13 MR. MULLIN: Not certification
14 per se. I think it would ultimately
15 change utilization, but not necessarily
16 availability, because availability that
17 we use in -- the picture is whether firms
18 are certified or not. The idea is to get
19 more into that.

20 COUNCILMAN GOODE: So the
21 utilization, would that affect the goal
22 setting?

23 MR. MULLIN: I would think --

24 COUNCILMAN GOODE: If you
25 streamline the certification process and

1
2 it improves utilization, that would
3 change the goal setting?

4 MR. MULLIN: That would
5 possibly change the goal setting to the
6 extent that our goals are set in sort of
7 three sort of three ways. One, if
8 utilization is greater than capacity,
9 then we say use utilization and continue
10 to try to build capacity. Second, if
11 capacity is greater than utilization,
12 that's the example that you don't want
13 and you try to find ways to increase
14 utilization when there are firms there.
15 By the way, still trying to increase the
16 number of firms that are ready, willing
17 and able. And then we have what we call
18 a stretch goal, where in one case the
19 utilization is maybe greater than the
20 capacity, but you don't want -- but it
21 could be an area where, say, you want to
22 try to increase even greater capacity to
23 try to -- and the stretch is to say have
24 programs, have OEO to try to get more
25 firms available and more firms utilized.

1
2 COUNCILMAN GOODE: Councilwoman
3 Sanchez has a point of information.

4 COUNCILWOMAN SANCHEZ: One of
5 the things that we've talked previously
6 in these hearings have been when we
7 talked about streamlining certification
8 was looking at the state and this whole
9 issue of reciprocity with the counties,
10 with the state. I don't hear you talking
11 about that as an option.

12 MR. MULLIN: Reciprocity for
13 certification?

14 COUNCILWOMAN SANCHEZ: Yes.

15 MR. BELL: We currently accept
16 reciprocal applications from state
17 agencies, the Department of General
18 Services --

19 COUNCILWOMAN SANCHEZ: But
20 they're going through a whole new
21 application process.

22 MR. BELL: Excuse me?

23 COUNCILWOMAN SANCHEZ: But
24 they're still going through a whole new
25 application process.

1
2 MR. BELL: No, no, no. If
3 there are situations where we have to
4 request additional information, but we
5 would -- if you fill out a certification
6 affidavit, we will accept the reciprocal
7 application without the rest of the
8 documentation. But we've had situations
9 recently; for instance, an engineering
10 firm applied and we didn't know who
11 possessed the engineering license, so we
12 had to request additional information,
13 but the reciprocal application process is
14 a much more streamlined process.

15 COUNCILWOMAN SANCHEZ: So if
16 I'm certified at the state, with this
17 additional application, I get certified
18 at the City?

19 MR. BELL: Yes.

20 COUNCILWOMAN SANCHEZ: Okay.

21 COUNCILMAN GOODE: I have no
22 further questions.

23 Councilwoman Brown.

24 COUNCILWOMAN BROWN: Yes.

25 Good afternoon, gentlemen. Let

1
2 me first say how pleased I am to hear
3 that you are already thinking and
4 anticipating the budget round for 2010,
5 because for 2008 we sent a letter to the
6 Mayor making it clear that we wanted each
7 and every single City department to come
8 with their numbers in the body of their
9 testimony. And then '09, based on
10 discussions, I did not send a letter, but
11 there were departments who showed up and
12 did not honor the verbal request.

13 So we're hearing now, June '09,
14 that starting with our budgets in 2010,
15 every single City department will come
16 prepared to tell us what their MBE, WBE
17 participation is, correct?

18 MR. BELL: Yes.

19 COUNCILWOMAN BROWN: So I don't
20 have to do another letter?

21 MR. BELL: Yes. No, you don't
22 have to do another letter.

23 COUNCILWOMAN BROWN: Thank you
24 for that.

25 A couple of questions. One,

1
2 first paragraph, you state, "We have
3 begun to monitor selected projects." Are
4 you at liberty to share now what those
5 selected projects are?

6 MR. BELL: Yes. The selected
7 projects are the Philadelphia Biosolid.
8 We have the Verizon project. We have a
9 Salvation Army project, which is through
10 Cultural and Commercial Corridor funds.

11 COUNCILWOMAN BROWN: Is that
12 the one in Councilman Jones' district, do
13 you know?

14 MR. BELL: It's on 4200
15 Wissahickon Avenue?

16 COUNCILWOMAN BROWN: Yes.

17 MR. BELL: And we reached out
18 to the Councilman's office when we set up
19 a job fair for those individuals. So we
20 have reached out and worked with Council
21 to meet some of the employment goals.
22 But we're monitoring that project also.
23 So between those three in terms of -- one
24 of the criticisms of the former MBEC was
25 that we weren't actively involved in

1
2 monitoring and enforcement, and in some
3 situations our staff is going to do it,
4 but we're also going to look for
5 increased participation from some of the
6 other City departments. But with those
7 projects, we're setting up project
8 meetings, we're requesting reports, we're
9 documenting participation by contracts,
10 because, like I said, we also get
11 criticized for the fact that we count
12 encumbrances and not actual
13 participation. And in these ways, we
14 want to let people know that we're
15 serious about the process. If you set a
16 20 percent goal for participation, we're
17 going to monitor and make sure that you
18 actually actualize that, or we're either
19 going to make a recommendation to not pay
20 you or to recommend additional
21 participation.

22 COUNCILWOMAN BROWN: Very well.

23 MR. BELL: And in those
24 situations, with the staff that we have,
25 we can do it. We're also in discussions

1
2 with upgrading our software. So with the
3 projects that we can't get out to
4 physically, we can monitor payments
5 through the software system.

6 COUNCILWOMAN BROWN:
7 Incrementally along the way.

8 MR. BELL: Yes.

9 COUNCILWOMAN BROWN: Second
10 paragraph, you say that insurance bonding
11 and slow payment does play into some
12 firms' decisions to forego City
13 opportunities.

14 MR. BELL: Yes.

15 COUNCILWOMAN BROWN: With that
16 reality, which we know is not new, we've
17 known it forever, has the Department
18 begun to think about how the Department
19 can provide technical assistance, for
20 whatever that means, so that we can
21 ultimately minimize these barriers for
22 those who do not want to go after City
23 opportunities?

24 MR. BELL: Right. The
25 neighborhood business services concept is

1
2 something that is intended to address
3 that, and with the technical assistance
4 aspect, that's very key. So this is
5 just -- from the interviews that were
6 done, this came up a number of different
7 times, that because the City is a slow
8 pay, a lot of people just won't come out
9 and bid after projects, because there is
10 in some concepts people think that
11 there's mobilization money out there, and
12 I don't think that is the case. So, like
13 I said, once again, your lines of credit
14 are going to be key, and we still have to
15 just go out and really focus on
16 opportunities.

17 There are more people bidding
18 on our projects because of the economic
19 downturn. For instance, right now we're
20 in the process of reviewing bids that we
21 received for the Youth Study Center
22 project and it is showing an increased
23 number of people bidding. So in spite of
24 this, there are still people interested
25 in doing business with the City of

1
2 Philadelphia.

3 COUNCILWOMAN BROWN: Okay. To
4 the question of slow pay, do you think
5 that's a fair criticism?

6 MR. BELL: I think so. I mean,
7 we've had situations where payments are
8 like 60 and 90 days behind, and that
9 really is an impediment and a burden on
10 smaller companies.

11 COUNCILWOMAN BROWN: And so
12 recognizing that is an impediment, have
13 you had a chance to begin to think about
14 strategically how your department fixes
15 that fact?

16 MR. BELL: We're going to need
17 cooperation from various City departments
18 on this issue.

19 COUNCILWOMAN BROWN: Such as?

20 MR. BELL: So when a voucher
21 comes in that is processed without
22 delays, as long as there's no work
23 related with the application for payment,
24 that it could be improved. And that's an
25 area that we could look at, because we do

1
2 hear that. It took me 90 days, it took
3 me 120 days. And, like I said, we don't
4 point fingers. We want to in this
5 situation work in the spirit of
6 cooperation with the City departments
7 that are processing payments, but it
8 seems like it is an area of improvement
9 that we need to look at. And this is
10 City departments.

11 COUNCILWOMAN BROWN: So that's
12 on your hit list for improvement?

13 MR. BELL: Right.

14 COUNCILWOMAN BROWN: And those
15 other City departments might include? A
16 couple of examples.

17 MR. BELL: Yes.

18 COUNCILWOMAN BROWN: What would
19 be examples of other City departments
20 that become a factor in this slow pay?

21 MR. BELL: Procurement
22 Department, maybe the Law Department.
23 We've heard that some vouchers can sit in
24 the Law Department for 60 days. So in
25 those situations, we just need to focus

1
2 on those departments in which we can kind
3 of speed up the process.

4 COUNCILWOMAN BROWN: Okay. And
5 you should know we're taking notes for
6 next year's budget testimony.

7 MR. BELL: You got it.

8 COUNCILWOMAN BROWN: Last
9 sentence, second paragraph, you say that
10 the actual participation rates reveal
11 that we are exceeding availability in
12 many areas. In many areas such as what?

13 MR. BELL: Oh, in almost all
14 City areas. Based on the actual
15 availability of the firms, like, for
16 instance, African American firms, even
17 though we get beat up and recently we've
18 had a movement to have like black only
19 goals on projects, the actual
20 participation rates exceed the
21 availability of the certified firms.

22 And maybe, Steve, you might
23 want to talk about that.

24 Because, like I said, this
25 being the first year that I've actually

1
2 had the complete and finished the
3 disparity study, the light finally came
4 on in my mind. It's like we get
5 criticized for what we don't do, but
6 based on the participation numbers, it
7 shows that we need to increase the number
8 of certified firms. We're actually doing
9 quite well with the number of firms that
10 we have in our database. The goal is to
11 increase the number of certified firms
12 that are ready, willing and able, and I
13 think Steve can talk to that.

14 COUNCILWOMAN BROWN: You may
15 want to state your name again for the
16 record.

17 MR. MULLIN: Steve Mullin again
18 with Econsult.

19 In that, one of the biggest
20 issues has always been you've got a pool
21 of certified firms that count and you
22 have a pool of DBE, MBE firms that aren't
23 certified, but in the big picture, sort
24 of normal human being, they should count,
25 they should be part of what we're trying

1
2 to encourage their business growth and
3 things. So one question is trying to --
4 is how do you make all of the ready,
5 willing and able firms sort of get to
6 that level where they're certified or
7 where they can be counted. And by the
8 way, not just can be counted, but can be
9 on lists so that when you're looking -- I
10 mean, that's a key.

11 COUNCILWOMAN BROWN: Being
12 counted means nothing if you don't get
13 opportunities.

14 MR. MULLIN: When the real
15 rubber hits the road, a lot of times it's
16 how do we find some opportunities of who
17 we might be able to do joint ventures
18 with and things like that.

19 So we think that our real view
20 is that it's that big universe that
21 you're really -- that the public policy
22 is really after. And so the notion of
23 saying, hey, we're doing well with the
24 certified firms, is not really what
25 you're after. You're after, We're doing

1
2 well with the entire universe and growing
3 the entire universe.

4 COUNCILWOMAN BROWN: Third
5 paragraph, you say, And another -- MBE, I
6 imagine -- felt that the certification
7 process was burdensome and not worth the
8 time. So strategically or tactically
9 within your department, what are you
10 doing to change the burdensome process,
11 which is a consistent complaint,
12 observation, criticism that we hear from
13 MBES, WBEs?

14 MR. BELL: We are trying to be
15 more proactive with regards to
16 information that is submitted. Recently,
17 unfortunately, our Deputy Director of
18 Certification received a layoff notice.
19 So I actually had to put my hands on the
20 process. And I think one of the things
21 that we've done is maybe when an
22 application first comes in, we let it sit
23 too long. If there's information that
24 needs to be requested; for instance, your
25 tax returns, your financial statement,

1
2 your lease agreement, a lot of this is
3 information that we can request in a more
4 expeditious manner and we can decrease
5 the amount of time. With the fact that
6 we're still certifying companies for
7 ownership and control, there's
8 information that we have to have.

9 COUNCILWOMAN BROWN:

10 Absolutely.

11 MR. BELL: If you're applying
12 to become an electrician, if you don't
13 own the license and you're not in the
14 minority class, then it's going to be
15 difficult for you to become certified,
16 meaning your company. And in some of
17 these situations, rather than letting the
18 certification application sit six to
19 eight weeks, we're going to be more
20 proactive in terms of you need to submit
21 this or we need this information, and
22 that's what we're trying to do. And I
23 definitely think the process can be
24 streamlined. I'm thinking within the
25 next couple of months your application

1
2 comes in, we can get to you within a week
3 or two to let you know this is
4 information that we need, and I think we
5 can take that process down to four to six
6 weeks to get you certified and less time
7 than that on the reciprocal application.

8 COUNCILWOMAN BROWN: That would
9 be encouraging, because I've made calls
10 to the office prior to your arrival to
11 find out where an application was,
12 because there's been no feedback.

13 MR. BELL: Right.

14 COUNCILWOMAN BROWN: So it goes
15 to the point in terms of technology. Is
16 there some place on your website where a
17 prospective vendor can come and see what
18 the specs are for app and and that they
19 know even before they send in one that
20 they got to have certain documents ready
21 to go?

22 MR. BELL: Oh, yes. That
23 information is on the website in terms of
24 what you need. It's already there. But
25 it's just you have a lot of companies,

1
2 they will piecemeal you with the
3 information that you need. And then also
4 too recently we had a company that had
5 been certified for years. They let their
6 certification lapse, but they were on our
7 project. It comes down to it, they
8 didn't submit all the information that we
9 need, and we couldn't just give the
10 certification, because I don't think we
11 should ever lower the standard to just,
12 okay, I know who your company is, but if
13 we don't have your updated tax
14 information, your updated resumes of the
15 principals, we're not just going to give
16 a certification away.

17 COUNCILWOMAN BROWN: Sure.

18 MR. BELL: You still have a
19 responsibility to give us the information
20 so we can determine ownership and
21 control.

22 COUNCILWOMAN BROWN: Indeed.

23 To that point, Councilman Goode and I
24 worked on a matter maybe a year ago that
25 reflected some of the characterization

1
2 you just made, and the question for us
3 raised was, is there a separate track
4 activity for longstanding companies who
5 have been around for 30 years and simply
6 want to be recertified? Should they have
7 to follow the same --

8 MR. BELL: No. They don't have
9 to submit everything. They do have to
10 submit what is called a No Change
11 Affidavit, that nothing in the ownership
12 or control of your business has changed.
13 A lot of times companies forget about
14 that, like they'll just -- they don't
15 think that the certification ever lapses.
16 So we would send out notices. Like I
17 said, when we went through a purge of the
18 directory, one of the criticisms that we
19 heard was that there were a number of
20 firms in the directory that don't respond
21 to phone calls, they don't respond to
22 opportunities to bid. And so we felt
23 that we had some fluff in there. So,
24 like I said, the first hundred companies
25 that we actually purged from the

1
2 directory were companies that received at
3 least three letters notifying them, your
4 certification has expired, this is your
5 second notice, this is your third notice.
6 And I don't know if it didn't happen
7 before recently, but we removed those
8 companies out of the directory, because
9 we don't want to get the criticism that
10 prime contractors are calling people and
11 they're not responsive to bid.

12 COUNCILWOMAN BROWN: Yes.

13 MR. BELL: Because then that
14 turns people off. That also turns City
15 departments off, because if we have City
16 departments that are going to send people
17 to our directory and the firms are not
18 responsive or interested in bidding on
19 City projects, we needed to make
20 improvements in that area.

21 COUNCILWOMAN BROWN: So before
22 your arrival, the time needed for a
23 company to become certified, presuming
24 they sent everything in and had
25 everything right, the time was what?

1
2 MR. BELL: I heard it was like
3 90 to 120 days.

4 COUNCILWOMAN BROWN: And now
5 under the new leadership and with these
6 new measures you're putting in place, the
7 goal or expectation is what?

8 MR. BELL: I'm looking at four
9 to six weeks, but I can report back to
10 you on that as of July 1, because we're
11 in a transition period now. I'm
12 assessing how the applications have come
13 in, how they were assigned to
14 specialists, and I'm looking for
15 improvements in that area.

16 COUNCILWOMAN BROWN: Okay. I'm
17 a little remiss in that I did not bring
18 down here -- there were more than four or
19 five City departments who when we raised
20 questions about MBE, WBE activity and why
21 they were not meeting their goals, all
22 fingers pointed towards OEO. And then we
23 were anxiously waiting for an opportunity
24 to revisit that with you, but leadership
25 and the Administration made a different

1
2 decision.

3 So I am going to get to you
4 those departments who made it clear that
5 it's not us, we're doing our job, it's
6 all because OEO isn't doing their job.
7 And so that's not good, because OEO
8 wasn't here to defend themselves, which
9 is why we wanted you to come back with
10 that department, so we can find out where
11 the glitch is.

12 MR. BELL: Yes.

13 COUNCILWOMAN BROWN: Because it
14 wasn't apparent to us simply talking to
15 the leadership of that department. So
16 I'll finish where I started. We can --
17 no; just one final question I put here.

18 With the work of Econsult and
19 the new objectives of this department,
20 are these matters discussed at cabinet
21 level?

22 MR. BELL: They could be.

23 COUNCILWOMAN BROWN: Kevin Dow.

24 MR. DOW: I would say yes.

25 COUNCILWOMAN BROWN: They are?

1
2 Because we believe that to the extent
3 that is that high up on the agenda of
4 leadership, then the expectation is that
5 the needle moves. So we're going to --
6 I'd like to finish where I started. Next
7 year for budget 2010, it's our
8 expectation that every single City
9 department will come here with the
10 numbers as a part of their testimony, not
11 after budget hearings are over and then
12 we get miles of paperwork with the
13 numbers separate from the actual
14 testimony. That includes Community
15 College of Philadelphia, SEPTA and the
16 courts.

17 MR. BELL: On the Community
18 College issue, they reached out to us
19 about the Northeast campus expansion, and
20 then I had --

21 COUNCILWOMAN BROWN: There's a
22 lot of concern and criticism.

23 MR. BELL: Yes. And also one
24 of my staff members attended a pre-bid
25 meeting today, because they're doing some

1
2 work on their main campus. So I don't
3 know who actually ignited Community
4 College to reach out to us, but we sent
5 them firms, we notified people about the
6 pre-bid opportunities, and I think that's
7 a positive development, whoever started
8 that.

9 COUNCILWOMAN BROWN: I sent the
10 letter.

11 MR. BELL: Thank you so much.

12 COUNCILWOMAN BROWN: Thank you
13 very much.

14 Thank you, Mr. Chairman.

15 COUNCILMAN GOODE: Quick
16 follow-up of Councilwoman Brown before
17 Councilman Jones.

18 Mr. Mullin, on Page 85 of the
19 disparity study, you discussed how
20 coordinating -- how to coordinate goal
21 setting in terms of citywide objectives
22 and down with department actions. Can
23 you explain a recommendation of how the
24 overall goals should be communicated to
25 departments and the importance of

1
2 departments being held accountable?

3 MR. MULLIN: Yes. Again, Steve
4 Mullin.

5 We, in working with OEO, looked
6 at the -- and you can see in a chart on
7 Section 5.5.1 -- the goal-setting process
8 flow chart. We start with collecting the
9 participation information. That's OEO --
10 we did the study to come up with the
11 goals that are set, recommended
12 participation goals that are determinant
13 based on the information looked at,
14 always, again, with a one- or two-year
15 lag here.

16 In the olden days, I guess it
17 was Director of Finance but now it's
18 Commerce Director developing the citywide
19 goals, developed departmental goals,
20 again, with -- again now with Department
21 of Commerce. So the initial goals for
22 overall come from the overall data that
23 we collect, and we analyze there. And
24 then through the department, we don't go
25 as the consultant and look at department

1
2 by department, but those are set up
3 through the Commerce Department there.

4 We also note that the -- we say
5 when you're looking in the direction --
6 we'd say upward and downward here --the
7 goal should be set with citywide
8 priorities in mind here, and I think --
9 it's our view that the creation of the
10 Office of -- of OEO and the placement of
11 it in the Commerce Department was a
12 reflection of that first step, not all
13 that they do, but that facilitates that.
14 And then we talked about the departments
15 being held accountable for their
16 adherence to the DBE goals there.

17 One of the biggest problems
18 with the departmental utilization, in
19 some cases when the numbers are in single
20 digits, there can be certain types of
21 expenditures, and one we're familiar
22 with, large expenditures on fleet or
23 large expenditures that could be an
24 emergency expenditure or something that
25 could really throw some of the

1
2 utilization numbers off. But we believe
3 that the departments ultimately should
4 be -- if you're not reaching the goals,
5 there should be a process, and I think
6 OEO is looking at that, why didn't you,
7 what's the explanation, what are the --
8 and a sort of an overall commitment by
9 the entire City government, from the
10 Mayor on down and Council saying, Okay,
11 if you're not meeting your goals, then
12 there should be some corrective action
13 taken. And, by the way, you should do
14 whatever you can to get one percent more,
15 but try to understand what was the
16 rationale, why weren't these goals met,
17 and to the extent that there are some
18 things that are systemic say because of
19 this in getting that kind of
20 information -- and, again, in some of our
21 recommendations, we note this -- are
22 there changes in procurement practices
23 and procurement processes that can help
24 correct examples where there aren't --
25 where there are not -- where the goals

1
2 were not met by departments.

3 COUNCILMAN GOODE: And within
4 appendix of the disparity study, I notice
5 you did examine things department by
6 department, so you did take into
7 consideration in terms of the overall
8 goals.

9 MR. MULLIN: Yes.

10 COUNCILMAN GOODE: Councilman
11 Jones.

12 COUNCILMAN JONES: Thank you,
13 Mr. Chairman.

14 Good afternoon, gentlemen.

15 MR. BELL: Good afternoon.

16 COUNCILMAN JONES: My senior
17 colleagues know a lot more about the
18 history recently with the transition of
19 the organization than I do, so what I'd
20 like to do is take a step back so that I
21 might understand it a little better.

22 Tell me who do you report to
23 now?

24 MR. BELL: I report to Kevin
25 Dow.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCILMAN JONES: Who is the
Commerce Director?

MR. BELL: Deputy Commerce
Director.

COUNCILMAN JONES: Well, I may
be speaking Freudianly, because the
current Commerce Director is on his way
to London. That may be in your future.

MR. DOW: No comment.

COUNCILMAN JONES: There you
go.

And how many staff people do
you have now?

MR. BELL: Fifteen.

COUNCILMAN JONES: And so you
are physically housed in the?

MR. BELL: Municipal Services
Building.

COUNCILMAN JONES: You report
in what way to the Economic Development
Opportunity Cabinet?

MR. BELL: I have not met with
the Economic Opportunity Cabinet
recently.

1
2 COUNCILWOMAN JONES: When was
3 the last time you met with the Mayor's
4 Cabinet for Economic Opportunity?

5 MR. BELL: November or
6 December.

7 COUNCILMAN JONES: How many
8 times have you met with the Mayor's
9 Cabinet for Economic Opportunity?

10 MR. BELL: Once.

11 COUNCILMAN JONES: Once. All
12 right. How many --

13 COUNCILWOMAN BROWN: Point of
14 information.

15 COUNCILMAN JONES: Yes, ma'am.
16 I yield. I yield.

17 COUNCILWOMAN BROWN: As a
18 follow-up to Councilman Jones' question,
19 you may not have had an opportunity or
20 been given the instructive. So who in
21 your team, on your team or your person
22 you report to, can they answer Councilman
23 Jones' questions?

24 MR. BELL: About what?

25 COUNCILWOMAN BROWN: Sitting

1
2 down with the members of the Economic
3 Opportunity Cabinet.

4 MR. BELL: That could be Kevin.

5 COUNCILWOMAN BROWN: Can you
6 invite Mr. Kevin Dow to the witness
7 table?

8 Thank you, Councilman Jones.

9 MR. DOW: My name is Kevin Dow.
10 I'm the Deputy Commerce Director.

11 COUNCILMAN JONES: Good
12 afternoon. I asked the question how many
13 times has the office of EOE --

14 MR. DOW: Economic opportunity.

15 COUNCILMAN JONES: Right.
16 There you go. They change the acronym so
17 much. Have they met with the cabinet?

18 MR. DOW: Right. On a formal
19 basis, we've met -- the cabinet has met
20 twice on a formal basis. We've met
21 individually with a number of the cabinet
22 members themselves. Certainly the
23 Administration has been very involved in
24 the activities of the Office of Economic
25 Opportunity.

1
2 COUNCILMAN JONES: So your
3 office has met once with the Mayor's
4 Economic Development Cabinet?

5 MR. BELL: Yes.

6 COUNCILMAN JONES: All right.
7 How many contracts have been put on the
8 fast track based on the stimulus package
9 and "shovel-ready" projects that are
10 going to be in the next 120 days
11 implemented in the City of Philadelphia?

12 MR. BELL: I would say at least
13 40.

14 COUNCILMAN JONES: I would
15 go -- and what would be the total dollar
16 value of those contracts?

17 MR. BELL: In some situations,
18 like you have Water and Streets
19 Departments projects that are on one
20 sheet. And I didn't have that
21 information in front of you, but I can
22 get it back to you. But some of the
23 aviation projects could approach a
24 hundred million, and that could be five
25 or six projects. But for Streets and

1
2 Water, it's approximately 40, unless you
3 have something different.

4 COUNCILMAN JONES: You're
5 close. And I'm saying to you that in the
6 next 120 days, we are going to see the
7 largest amount of construction we've
8 probably seen in the past decade
9 undertaken.

10 MR. BELL: Yes.

11 COUNCILMAN JONES: You should
12 be on speed dial with the Economic
13 Development Cabinet, because this is
14 going to move so fast that your 15-member
15 staff will not have an opportunity to set
16 itself to be able to take advantage of
17 some of this. And so my point is that I
18 question -- and I'm not trying to
19 micromanage. I'm not in a position to do
20 that. But there needs to be a higher
21 priority and frequency of those kinds of
22 interactions, because these
23 opportunities, as we found out yesterday
24 when we were presented the list of the
25 stimulus money for the projects within

1
2 our respective districts, it happens
3 quickly, and if you're not in that
4 communications loop, having sat where you
5 sat, if you're not in the room, if you're
6 not at the table, you don't have an
7 availability of firms that can get the
8 information in a timely fashion to be
9 able to make preparations to make a bid.
10 To make a bid, it takes hundreds of man
11 hours sometimes, thousands of dollars
12 just to submit a bid in a timely and
13 professional fashion. So the quicker
14 that information goes to a pool of
15 minority and female firms, the more
16 effective the amount of participation is.

17 Second thing --

18 MR. BELL: Councilman, can I
19 just say, there have been economic
20 stimulus working group meetings comprised
21 of various City departments.

22 COUNCILMAN JONES: Are you in
23 that?

24 MR. BELL: Yes. My staff has
25 been there.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCILMAN JONES: Okay.

COUNCILMAN GOODE: But just to highlight what Councilman Jones is saying, it's my understand that the Recovery funds are actually being organized to run through the Deputy Mayors.

MR. DOW: That's correct.

COUNCILMAN GOODE: And the Economic Opportunity Cabinet is made up of Deputy Mayors?

MR. DOW: That's correct.

COUNCILMAN GOODE: So there's a natural connection there.

MR. DOW: That's correct.

COUNCILMAN GOODE: So in other words, all it takes is a connection between OEO and the Economic Opportunity Cabinet. And I would suggest that the next meeting probably should be strictly on the Recovery funds that are coming.

MR. DOW: And you should understand, Michael is about to go there with the projects that are coming down

1
2 and the projects that you're talking
3 about are primarily in there with federal
4 money in it, are involved with the Deputy
5 Mayor of Transportation and Aviation,
6 Rina Cutler. We hold monthly meetings.
7 We are involved with Michael's team
8 there. So that's where we are very much
9 involved and integrated into the process
10 to make sure that the minority
11 participation is being considered, as well
12 as taking care of in that role.

13 COUNCILMAN JONES: Thank you,
14 Mr. Chairman.

15 What is the number of minority
16 and -- give me a number for certified
17 minority and certified female
18 contractors.

19 MR. BELL: I can get that. I
20 don't have that right here, but I can get
21 that for you.

22 COUNCILMAN JONES: So I could
23 go through a list --

24 MR. BELL: And you're talking
25 about prime contractors or

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

subcontractors?

COUNCILMAN JONES: Contractors.

Just certified. Not prime or sub, but just contractors.

MR. BELL: I can go into our database and I can get that information to you.

COUNCILMAN JONES: Based on your study, what was the pool of minority contractors that you looked at and female? We should have that within the body of the study.

MR. BELL: But, Councilman Jones, it's not just contractors that are in our database. It's also professional services firms and other entities.

COUNCILMAN JONES: I'm going to get to them.

MR. BELL: But you're just focusing on contracting?

COUNCILMAN JONES: We're going to segregate that out --

MR. BELL: Just for contracting?

1
2 COUNCILMAN JONES: Yeah. What
3 is the number of minority contractors,
4 female contractors, in the City of
5 Philadelphia today that are certified?

6 MR. BELL: Certified. I can
7 get that to you. I don't have that in
8 front of me right now.

9 COUNCILMAN GOODE: How many
10 certified firms do you have, period?

11 MR. BELL: It's approximately
12 1,200 in our directory.

13 COUNCILMAN GOODE: About a
14 third of them are women-owned businesses.
15 So it's roughly 400.

16 MR. BELL: Okay. I mean, I
17 would need to get you a definite, because
18 I know you don't want me to speculate.
19 So I'm going to go back to our directory
20 and pull out the actual number of
21 minority and women-owned contractors.

22 COUNCILMAN GOODE: The
23 disparity study says it's 34 percent
24 white female and the rest, 66 percent,
25 minority, 45 percent African American, 11

1
2 percent Asian American, eight percent
3 Hispanic, two percent Native American.

4 MR. BELL: Based on that total
5 number?

6 COUNCILMAN GOODE: Of the
7 1,200.

8 COUNCILMAN JONES: What is
9 important, as we start to talk about the
10 disparity, it is critical to understand
11 the exact number based on what you
12 anticipate by way of participation at the
13 end of the day.

14 MR. BELL: Yes.

15 COUNCILMAN JONES: You
16 mentioned in your testimony that in some
17 cases we are overutilized.

18 MR. BELL: Right.

19 COUNCILMAN JONES: Because of
20 the number of firms.

21 MR. BELL: Yes.

22 COUNCILMAN JONES: I'm making a
23 point here that says there's a direct
24 correlation between the number of
25 available firms to the number of firms

1
2 that were financed by agencies like PCDC,
3 like PIDC and their available access to
4 capital which allows them to be eligible
5 to bid on jobs.

6 MR. BELL: Yes.

7 COUNCILMAN JONES: To get the
8 things they need, like insurance,
9 equipment and those things. There is a
10 direct correlation between the two.
11 These things aren't, as you even put on
12 testimony, separate and distinct things.
13 These are a part of a total puzzle.

14 The solution lies within that
15 kind of matrix of problems; therefore,
16 solutions. You can directly correlate
17 the amount of new firms that are coming
18 into the pipeline -- that's a word that
19 I've learned to use recently by way of
20 being a freshman for housing projects.
21 But the pipeline, if you build fun
22 companies, then you won't have them
23 available for work. And so the notion
24 that PIDC or PCDC aren't directly related
25 to your success at what you do, you guys

1
2 need to be meeting -- how many times have
3 you met as a collective between PIDC,
4 PCDC, the Commerce Department, the
5 Procurement Department and the Housing
6 Director? How many times have you sat in
7 a room with those individuals to talk
8 about participation?

9 MR. BELL: Approximately four
10 times. I will have been in the office
11 about eight months, and the focus on
12 specific projects, like the Verizon
13 project, we coordinated with PIDC and
14 PCDC, and then also my staff is involved
15 with Commerce Department staff, PIDC
16 staff, maybe not as much PCDC on the
17 commercial and cultural corridor
18 projects, and they're focused
19 specifically on participation. Those
20 meetings probably take place at least two
21 to three times a month.

22 COUNCILMAN JONES: Humbly
23 submitted -- and I do mean this, because
24 you have the toughest job in government.
25 I know you do.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. BELL: No. You do.

COUNCILMAN JONES: No. But understand this, you need to not just meet in that body for project specifics. You need to take a step back at a time -- and I know sometimes it comes at you fast and furious, but in a way to talk about strategic planning and not just project specific. Because there is a correlation again between the Finance Department, the Treasurer's Department and ability to pay for firms that participate. So there is a solution that can be designed based on the availability of capital in short-term working capital within those departments. So you guys need to be -- I always use this term -- solutionaries, not just reacting to putting out the fire or dealing with the immediate project. So my suggestion, humbly submitted once again, is that you as a working group kind of meet quarterly to set systems in place. Like, for example, you should be able to provide to this body a process

1
2 evaluation review chart on how a
3 contractor gets paid and where those
4 systems are and how much time it takes in
5 each department, so that we as a body can
6 evaluate that and help you. But as we
7 start to look at budget times -- and we
8 know we're in tough budget times right
9 now, but at some point, God willing, we
10 will get some revenues in here and we'll
11 be able to know how to apply them better
12 based on what your needs are, what your
13 needs are to accomplish your task. So my
14 hope is that you guys kind of -- and
15 women get together to try to put your
16 arms around some of the solutions to the
17 problems that are being brought up by
18 Econsult by way of the pool of available
19 firms to create that pipeline.

20 Very quickly, and I'll pass
21 this along. To what degree do you employ
22 joint ventures by way of satisfying
23 participation goals and how are they
24 structured?

25 MR. BELL: Well, we don't

1
2 employ joint ventures. We encourage
3 joint ventures to be certified. And we
4 haven't had any joint ventures
5 certification applications recently, but
6 we have not seen any on the projects
7 that I had mentioned in my testimony that
8 we selectively monitor.

9 COUNCILMAN JONES: Well --

10 MR. BELL: So we don't employ.
11 That would be contractors that would hire
12 joint ventures. And in terms of the
13 report that we submitted, I have not seen
14 evidence of joint ventures.

15 COUNCILMAN JONES: I mean,
16 joint ventures have their supporters and
17 detractors, and I'm familiar with that.

18 MR. BELL: Yes.

19 COUNCILMAN JONES: But by way
20 of the ability to give capacity to a
21 firm, if it's equitably monitored in a
22 way that they benefit from it, it's
23 probably your quickest way to achieve
24 some of the goals by putting an outfit of
25 office supply with another company, even

1
2 though the outfit can be a prime on its
3 own, but using that as an example is a
4 quick way to solve some of your immediate
5 goals, particularly as we start to look
6 at construction projects like within the
7 Water Department and being able to put
8 small contractors with larger contractors
9 to do some of the excavation, the
10 backhoes and things like that.

11 So my question becomes, I need
12 to see a plan -- and I would ask that you
13 submit that to our Chairman -- to talk
14 about how we're not going to be talking
15 about these same issues 12 months from
16 now.

17 MR. BELL: You would like to
18 see the increased use of joint ventures?

19 COUNCILMAN JONES: No. I would
20 like to see a holistic plan and maybe led
21 by you, Mr. Dow, that pulls together all
22 of these entities that are acting kind of
23 independent of one another to come up
24 with an economic development plan for
25 inclusion that takes advantage of some of

1
2 the -- and my former employer used to say
3 he sees the analogy of having a quiver of
4 arrows that he would use to use that to
5 hit the target of participation. So if
6 you view some of your economic
7 development organizations as resources
8 then to put them all in a room and
9 strategically say how are we going to get
10 from Point A and, as Councilwoman
11 Reynolds Brown points out, Point B.

12 Second thing in that plan is
13 that that plan has to be communicated by
14 department. She is absolutely right, and
15 I saw the frustration in her face when
16 department after department came up here
17 and was not clear about what their
18 responsibility to DBE and MBE
19 participation was and wasn't clear about
20 how to apply it and to what pool of
21 contracts to do so. So there needs to be
22 like an orientation for departments so
23 that they are clear about what the
24 expectation is of Councilwoman Reynolds
25 Brown and this body for participation.

1
2 So that next year -- I mean, I watched
3 her and Chairman Goode use a great deal
4 of restraint and patience with
5 departments. I don't think that they
6 will use that same restraint next year,
7 because we're not new anymore.

8 MR. BELL: I heard the same
9 testimony, and like I said, Kevin and I
10 in our planning meetings had talked about
11 the fact that we need to meet with City
12 departments early on to talk about the
13 goals, because, like I said, it galled me
14 too, but it's like I'm not going to take
15 any of this personally. I'm just going
16 to go back and work on improving it.
17 Because it is a shame, we're all City
18 departments and we could go 12 months
19 without even thinking about minority
20 participation. That's not good.

21 MR. DOW: So we'll come back to
22 you with a strategic plan in that regard,
23 and we feel comfortable --

24 COUNCILMAN JONES: Can we get a
25 timetable on that?

1
2 MR. DOW: We will have some
3 sort of draft -- excuse me; not some sort
4 of draft. We will have a draft to the
5 Administration by June 30th.

6 COUNCILMAN JONES: Thank you.
7 Last question, requirements contracts
8 start on the fiscal year?

9 MR. BELL: Yes. You have
10 contracts that are being let throughout
11 the year, but I look at January -- I mean
12 July 1st as like the starting point for
13 really implementing the changes that we
14 have made at OEO and that we want to
15 disseminate to the various departments.

16 COUNCILMAN JONES: May I make,
17 humbly submitted again -- and I leave it
18 to you to implement, but your
19 requirements contracts are your way that
20 departments allow the status quo to exist
21 year after year. Your evaluation of
22 those requirements contracts, those big
23 contracts, are a way to include more
24 people in the process. So you need to
25 get a department-by-department calendar

1
2 of when those requirement contracts begin
3 and are sunseting and begin to work a
4 plan around that.

5 Thank you, Mr. Chairman.

6 COUNCILMAN GOODE: Councilwoman
7 Sanchez.

8 COUNCILWOMAN SANCHEZ: Yes. I
9 know we are pressed for time. There's
10 another hearing. We haven't spoken at
11 all about the Convention Center, and I
12 would be remiss not to get some feedback
13 from the office in light of the fact that
14 on a weekly basis we drive to City Hall
15 and there's a weekly protest of African
16 American construction workers. Where are
17 we on that?

18 MR. BELL: I've only been to
19 one oversight meeting on the Convention
20 Center. I just haven't been able to make
21 them, because, like I said, over the last
22 couple of months, just getting my hand
23 around understanding City departments, I
24 haven't been there.

25 I don't know. Kevin, have you

1
2 been to any?

3 MR. DOW: And I would say, with
4 all due respect, that's a state program
5 and --

6 COUNCILMAN GOODE: Time out.
7 We actually had a huge fight when the
8 Convention Center officials and state
9 officials came in here without an
10 Economic Opportunity Plan, and we held it
11 up, and then we were actually pushed to
12 approve the legislation before it should
13 have been approved, with the
14 understanding that there was going to be
15 a Mayor's Commission on Construction
16 Industry Diversity. And that in addition
17 to that, when that Executive Order was
18 signed, there was also the creation of
19 the Office of Economic Opportunity and
20 the Economic Opportunity Cabinet.

21 And so there definitely is a
22 connection between what happened with the
23 Convention Center and what needs to
24 happen in terms of follow-up by local
25 government. But the biggest issue is

1
2 this: Even if we're not in charge and
3 even if we don't control it, are we at
4 least making sure that they follow
5 provisions in the ordinance that say that
6 we're supposed to get monthly reports?
7 We're not getting monthly reports. And
8 technically at the very least, the Office
9 of Economic Opportunity should demand
10 monthly reports. Because the other thing
11 about it being, quote/unquote, a state
12 project was that the bonds were supposed
13 to be defeased and then it was supposed
14 to become strictly a state project. That
15 didn't happen because of the financial
16 markets. So those bonds were never
17 defeased. So right now we actually still
18 have a piece of the Convention Center.

19 MR. DOW: We will request those
20 monthly reports. And I do want to
21 comment that we had the Mayor's Advisory
22 Commission on Construction Industry
23 Diversity. They met. They issued a
24 report. We have that report. That's
25 been submitted to Council and the other

1
2 follow-up. As a result of those
3 negotiations with their approval of the
4 Convention Center was the creation of the
5 Office of Opportunity Opportunity that
6 has been created, as well as as the
7 creation of the Economic Opportunity
8 Cabinet.

9 COUNCILMAN GOODE: But if they
10 think they don't even have to give us
11 monthly reports, that's ridiculous.

12 MR. DOW: And we will advocate
13 on your behalf to receive those reports.

14 COUNCILMAN GOODE: Councilwoman
15 Sanchez.

16 COUNCILWOMAN SANCHEZ: So, in
17 other words, the Administration has not
18 intervened despite the fact that on a
19 weekly basis there are protesters out
20 there? There has been no official
21 interaction with the Administration about
22 that?

23 MR. DOW: I can't answer the
24 question. I don't have the -- I don't
25 know. I'm not at liberty to answer the

1
2 question of whether or not the
3 Administration has intervened. I know
4 that it has been a high priority, that
5 has been on the radar screen. We too are
6 concerned about the daily protests out
7 there and the weekly shutdown --

8 COUNCILWOMAN SANCHEZ: I'm
9 embarrassed.

10 MR. DOW: We are embarrassed as
11 well. You should know that the
12 Administration -- it is a high priority
13 of the Administration. I know that we've
14 had some conversations with the Mayor,
15 with Clay, with all of those that are
16 involved about those protests, about the
17 participation. There's an oversight
18 committee, which we do have involvement.
19 The City has involvement on the oversight
20 committee. There's persons from the City
21 who participate there. So there is
22 involvement. There is some interaction,
23 and the Administration is very much
24 involved there.

25 COUNCILWOMAN SANCHEZ: I think

1
2 it's important that if -- because I'm
3 assuming, knowing this Administration,
4 that there has been something done and
5 that that should be articulated to folks.
6 Because there's an appearance that
7 without a public statement or something,
8 that we're just sitting back.

9 And going back to Councilman
10 Goode's point, there was a lot of
11 frustration and hostility around
12 accepting the legislation and passing it
13 in light of the fact that we had a number
14 of votes not to do it, and we worked with
15 the Administration, with the
16 understanding that not only will the
17 Diversity Board issue plan, but that
18 there would be some action.

19 So I'm very concerned that we
20 are probably halfway through the
21 completion of that project and that we're
22 not aware of what their numbers look like
23 or what the projected numbers are going
24 to look like and that in the next year
25 we're faced with a public outcry of, Here

1
2 we go again.

3 So I think we need to be
4 prepared for that in light of the fact
5 that we're having the discussion. It
6 would be good if we could get officially
7 some word from the Administration about
8 where we are with that.

9 I'll leave it with this,
10 because I know we talked about the
11 outreach plan. As soon as the
12 Administration approves this Econsult, I
13 am going to assume -- and, if not, I want
14 to put it on the record -- that I'd like
15 to see what the outreach plan is going to
16 be with departments, vendors and
17 potential certification for OEO, and I
18 don't want to wait until September to get
19 that. I'd like to be -- I think there's
20 a series of monthly events and activities
21 where we could infuse some of this if it
22 is a high priority. So I'd like to get
23 that before September so that we don't
24 have to have a discussion in a formal
25 hearing, but that we know what are our

1
2 next steps. I know people have worked
3 very hard for that Econsult report, and I
4 think it's a great first step, but,
5 again, if we're not doing action steps in
6 the next three or four months, we're
7 going to be in a situation where budget
8 year 2011 we're still talking about
9 aspirational goals. And, quite frankly,
10 I'm a little frustrated with the role
11 we're setting aspirational goals and we
12 don't see the needle, as my Council
13 colleague uses. We don't see the needle
14 moving.

15 Thank you.

16 COUNCILMAN GOODE: Councilwoman
17 Brown.

18 COUNCILWOMAN BROWN: I would
19 simply like to underscore how important
20 it is for us to actually work together on
21 sending a message to the Convention
22 Center that what's happening over there
23 is not acceptable. I mean, Councilman
24 Goode only touched on how very
25 deliberative we were in reading every

1
2 single piece of word that they sent over
3 to us around this issue. And even the
4 appearance of benign neglect is
5 unacceptable.

6 So given that we are disturbed
7 and irritated by what we see, this may be
8 an opportunity for the Administration and
9 us to work together to send a clear,
10 clear message that it needs to be fixed.
11 So that's my comment on the Convention
12 Center.

13 On the preparation for 2011,
14 it's going to be important to us that OEO
15 is not viewed as the agency that didn't
16 get it right. That was the appearance in
17 budget hearings. I was disturbed by
18 that, as Councilman Jones indicated,
19 because OEO wasn't hear to defend
20 themselves with the progress to say --
21 because ultimately we want to know who
22 ultimately do you hold responsible for
23 not achieving goals, and everybody said
24 OEO. No one said, Well, really my
25 department and OEO.

1
2 So as we anticipate your
3 testimony next year, do what you can to
4 make it clear and make it plain, we've
5 done our part, the leadership on this
6 issue, and department heads,
7 commissioners, need to do their part.
8 Because ultimately we're going to listen
9 to what they say, but then we're going to
10 watch what they do, and what they do will
11 be reflected in those numbers. Thank you
12 very much.

13 Thank you, Mr. Chairman.

14 MR. BELL: Thank you,
15 Councilwoman.

16 COUNCILMAN GOODE: Lastly,
17 before we adjourn, do we have numbers yet
18 in terms of the goals for
19 Philadelphia-based DBEs or non-profit
20 contracts?

21 MR. BELL: You want us to get
22 that, right? We need to get that back to
23 you.

24 COUNCILMAN GOODE: If you don't
25 have the goal for Philadelphia-based DBEs

1
2 or non-profit contracts, just forward it
3 as soon as you have it through the Chair
4 and I'll forward it to the Committee.

5 MR. BELL: Okay.

6 COUNCILMAN GOODE: I'll
7 actually ask that question for the
8 record. There is going to be a separate
9 OEO report in terms of what happened
10 during the last fiscal year? I mean,
11 normally there's a disparity study with
12 goals within it, but there's also
13 reporting that OEO does separately on
14 contracting?

15 MR. BELL: Now, what is it that
16 you want? This is the end of my first --

17 COUNCILMAN GOODE: MBEC used to
18 issue an annual report in terms of what
19 has been accomplished over the year. So
20 in addition to the disparity study, which
21 is required under the Charter, there also
22 was a report that's issued by MBEC and
23 now OEO in terms of -- like to some
24 extent the information is contained
25 within the disparity study in terms of

1
2 utilization, but usually there's a formal
3 report that actually gives the final
4 numbers on what happened for --

5 MR. DOW: So essentially an
6 annual report for the last year's
7 activities. We will provide that.

8 MR. BELL: Do you have a copy
9 of an old one?

10 COUNCILMAN GOODE: I do.

11 MR. BELL: Okay.

12 COUNCILMAN GOODE: That's it.
13 Thank you very much.

14 Is there anyone else to testify
15 on this resolution?

16 Please come forward.

17 MR. DOW: Thank you,
18 Councilman.

19 COUNCILMAN GOODE: You're
20 welcome.

21 (Witness approached witness
22 table.)

23 COUNCILMAN GOODE: Good
24 afternoon. Please state your name for
25 the record.

1
2 MS. WILLIAMS: Yes. Clarice
3 Williams.

4 I have in my hand that I was
5 given from leadership from Charlotte,
6 North Carolina a 65-year plan in which
7 the budget from now to 65 years.

8 I'm running for City Council
9 At-Large 2011. My proposal is that
10 instead of waiting in such terms,
11 everything is already mapped out for each
12 stockholder --

13 COUNCILMAN GOODE: Excuse me,
14 ma'am. Are you here to testify on the
15 annual participation goals?

16 MS. WILLIAMS: Yes, I am. What
17 I am proposing is, I've been listening to
18 what is being said, and since I do have
19 the key in my possession now, I'm ready
20 to share it with the panel, if you want
21 to see it. If you don't, that's up to
22 you.

23 Now, I've heard what the Mayor
24 and everyone else is saying about all the
25 stockholders and the budget --

1
2 COUNCILMAN GOODE: Excuse me,
3 ma'am.

4 MS. WILLIAMS: And I hold the
5 key right here.

6 COUNCILMAN GOODE: Two things.
7 Could you first state your name for the
8 record.

9 MS. WILLIAMS: Clarice
10 Williams. I was sent by the White House
11 also --

12 COUNCILMAN GOODE: Excuse me,
13 ma'am. Have you read a copy of the
14 resolution?

15 MS. WILLIAMS: I have sat into
16 session and I have read some of it, but,
17 like I said, I hold the key right here
18 from this year on up to 65 years from
19 now.

20 COUNCILMAN GOODE: I will be
21 glad to review those documents if you can
22 send them to me. We actually have
23 another hearing scheduled that was
24 supposed to start at 2 o'clock and I need
25 to adjourn this hearing at this time. Is

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

that fine?

MS. WILLIAMS: Yes.

COUNCILMAN GOODE: Thank you.

MS. WILLIAMS: Thank you.

COUNCILMAN GOODE: This hearing
is recessed to the call of the Chair.

(Committee on Commerce and
Economic Development recessed at 2:30
p.m.)

- - -

1
2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on June 4, 2009, and that
8 this is a true and correct transcript of same.

9
10
11
12
13
14 _____
15 MICHELE L. MURPHY
16 RPR-Notary Public
17
18

19 (The foregoing certification of this
20 transcript does not apply to any reproduction
21 of the same by any means, unless under the
22 direct control and/or supervision of the
23 certifying reporter.)
24
25