

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING - COMMITTEE ON COMMERCE AND
4 ECONOMIC DEVELOPMENT

- - -

5 Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 2, 2004, 10:18 a.m.

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6 040048 - Resolution authorizing the Committee on
Commerce and Economic Development to hold hearings
7 to review annual community reinvestment goals
submitted by City depository banks and the role of
8 City depository banks in leveraging private
investment from the proposed \$500 million Economic
9 Development Capital Fund, and further authorizing
the Committee to issue subpoenas to compel the
10 attendance of witnesses and the production of
documents and other evidence.

11 040145 - Resolution authorizing the Committee on
Commerce and Economic Development to hold hearings
12 examining small business lending in low and
13 moderate income and minority areas within the City
of Philadelphia, and calling on the Small Business
14 Lending Task Force of the Community and Economic
Development Committee of the Greater Philadelphia
15 Urban Affairs Coalition, to present testimony on
several potential solutions to lending disparity,
16 including a loan guarantee fund, alternative loan
programs, and an information and referral system
17 for small businesses.

18 040414 - Resolution authorizing the Committee on
Commerce and Economic Development to hold hearings
19 to review the findings and recommendations of the
Minority Business Development Subcommittee of the
20 21st Century Review Forum.

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2 PRESENT:

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COUNCILMAN W. WILSON GOODE, JR., Chair
COUNCILMAN MICHAEL A. NUTTER, Vice Chair
COUNCILWOMAN BLONDELL REYNOLDS BROWN

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COUNCILMAN DARRELL L. CLARKE

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COUNCILMAN FRANK RIZZO

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COUNCILMAN JUAN F. RAMOS

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COUNCILWOMAN MARIAN B. TASCO

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COUNCILMAN FRANK DI CICCIO

COUNCILWOMAN DONNA REED MILLER

COUNCILWOMAN JANNIE BLACKWELL

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3 P R O C E E D I N G S

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5 COUNCILMAN GOODE: Good morning.

6 This hearing is called to order. This is a
7 public hearing of the Committee on Commerce
8 and Economic Development on Resolution
9 040414, 040048, and 040145.

10 My name is W. Wilson Goode, Jr.,
11 Chair of this Committee. I note that a
12 quorum is present. To my right is
13 Councilman Michael A. Nutter, Vice Chair of
14 the Committee.

15 Other committee members present
16 include Councilwoman Blondell Reynolds
17 Brown, Darrell Clarke, Frank Rizzo, Juan
18 Ramos, Marian Tasco, Frank DiCicco, and
19 Councilwoman Jannie Blackwell is also
20 present.

21 The title of the first resolution to
22 be heard, Number 040414, a Resolution
23 authorizing the Committee on Commerce and
24 Economic Development to hold hearings to
25 review the findings and recommendations of

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2 the Minority Business Development
3 Subcommittee of the 21st Century Review
4 Forum.

5 Before we have our first witness,
6 let me just announce that a couple of
7 witnesses will not be able to make it or
8 may not be able to make it.

9 The Greater Philadelphia Chamber of
10 Commerce... We invited former Governor
11 Mark Schweiker to appear. He sent
12 testimony which I will have read into the
13 record.

14 Mr. Michael Williams, the new
15 Director of the Minority Business
16 Enterprise Council has not yet decided
17 whether he will be able to make it or not
18 make it. But we will see if he shows up or
19 not.

20 (Booing from the audience.)

21 COUNCILMAN GOODE: I will ask the
22 Clerk to now read the Greater Philadelphia
23 Chamber of Commerce testimony into the
24 record.

25 Good morning, Chairman Goode and

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2 members of the Committee on Commerce and
3 Economic Development.

4 For the record, I am Denise Earley,
5 Director of Public Policy for the Greater
6 Philadelphia Chamber of commerce.

7 I come before you today to offer
8 testimony on City Council Resolution
9 040414, authorizing the committee to review
10 the findings and recommendations of the
11 Minority Business Development Subcommittee
12 of the 21st Century Review Forum.

13 The Chamber served on the Regional
14 Cooperation Committee of the 21st Century
15 Review Forum, Chaired by Nick DeBenedictis,
16 and as a regional chamber, is committed to
17 increasing the opportunities for all
18 businesses throughout the region.

19 In conjunction with those findings,
20 the Chamber is working to develop a series
21 of programs which will help small and
22 minority, including women, owned businesses
23 develop skills and relationships that would
24 help them pursue contract opportunities
25 with larger private businesses. This has

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2 been a concern of not only minority-owned
3 businesses, but has been consistently
4 raised the Chamber's Small Business --
5 raised by the Chamber's Small Business
6 Board.

7 The Chamber hopes to roll out within
8 the next fiscal year initiatives that would
9 create increased value from minority
10 businesses, as well as small and women
11 owned businesses.

12 By helping small businesses
13 understand the procurement standards and
14 opportunities available throughout the
15 private sector, we believe that
16 opportunities will be developed to allow
17 small- and minority-owned businesses to
18 more fully participate in the future growth
19 of the region.

20 These initiatives, hopefully, will
21 benefit not only the City but also the
22 region as well, in the form of increased
23 jobs and tax revenues.

24 Thank you for this opportunity.

25 COUNCILMAN GOODE: Thank you.

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2 We look forward to inviting Governor
3 Schweiker back to testify and to submit to
4 questioning on his testimony.

5 But our first panel of live
6 witnesses is Miss Deborah Moore, Coalition
7 of Voters, Taxpayers, and businesses of the
8 African American Community, Mr. A. Bruce
9 Crawley of the African American Chamber of
10 Commerce. Please approach the witness
11 table.

12 Mr. Crawley, please state your name
13 for the record.

14 MR. CRAWLEY: Bruce Crawley,
15 Chairman of the Board of the African
16 American Chamber of Commerce of
17 Philadelphia.

18 COUNCILMAN GOODE: Welcome, and
19 please proceed with your testimony.

20 MR. CRAWLEY: Thank you very much,
21 Councilman Goode, and members of City
22 Council.

23 With the recent leaks of the City of
24 Philadelphia's disparity study update, we
25 all now know that the City has been doing

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2 an absolutely miserable job including
3 minority businesses as part of its economy,
4 no matter who has been the head of MBEC, no
5 matter who has been Commerce Director, no
6 matter who has been Mayor.

7 In fact, we now know that from 1998
8 to 2003, businesses owned by white males
9 and white females have generated 97.7
10 percent of City contract dollars.

11 We also know that despite the fact
12 that African Americans, Hispanics, Asians,
13 and Native Americans constitute 62.5
14 percent of the City's population, they
15 share in just 2.3 percent of City contract
16 revenues.

17 We also know when we analyze that
18 data, that of the \$47.4 million that
19 actually went to minority businesses,
20 Hispanics received \$31.9 million or 1.6
21 percent of the total.

22 Blacks received just \$14.7 million,
23 point 7 percent. And Asians received and
24 even worse \$800,000 or point 04 percent.

25 Businesses owned by people of color

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2 shared in just 2.3 percent of City
3 contracts, despite those same people
4 representing the majority of the City's
5 population.

6 That being the case, it's easy to
7 understand why their neighborhoods suffer
8 disproportionately high unemployment, why
9 they experience excessively high levels of
10 blighted housing, why the great
11 preponderance of abandoned vehicles are
12 found in their neighborhoods, and why the
13 crime rates in those communities have been
14 so high historically.

15 There's a simple economically based,
16 officially condoned, centrally managed
17 reason why the City has virtually no need
18 to tow abandoned cars from Rittenhouse
19 Square and Chestnut Hill. The residents of
20 those communities for the most part share
21 in nearly 98 percent of City contracts.

22 We certainly recognize that no
23 person currently holds office in this City
24 Council can be accused of creating the
25 historical conditions that have led to

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2 unemployment, blight and crime in many
3 black, Hispanic and Asian communities.

4 We also know, however, that if
5 you -- that if you in the legislative
6 branch of government and the Mayor in the
7 executive branch of the same government
8 choose now to do nothing to change these
9 historical patterns of discrimination, then
10 you will absolutely guarantee that the
11 economic conditions for this City as a
12 whole and for the majority of the City's
13 voters will not improve.

14 We know the Fortune 1000 companies
15 have not been net contributors to job
16 growth in the United States for the past 20
17 jurors, and that virtually all net job
18 increases have come from small and minority
19 businesses.

20 The Census Bureau also informs us
21 that 85 percent of the employees at a
22 minority owned business are themselves
23 minorities.

24 If we don't stimulate minority
25 business growth here in Philadelphia,

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2 therefore, we are absolutely insuring
3 disproportionately high levels of minority
4 unemployment in our City.

5 I'm especially excited today because
6 in deciding to convene these hearings, this
7 Council has sent the first clear message
8 from our City's public sector that it is
9 time for a significant economic change in
10 Philadelphia.

11 By convening these hearings, the
12 members of this Council have indicated that
13 they are ready to consider a shift from an
14 archaic, racially and ethnically divided
15 economic philosophy that has produced slow
16 growth, excessive bureaucracy, frivolous
17 lawsuits, and an antagonistic set-aside
18 mentality in both the public and private
19 sector.

20 In that context, it is highly
21 appropriate that these hearings are being
22 led today by discussion of the February 12,
23 2004 report by the Minority Business
24 Development Subcommittee of the 21st
25 Century Review Forum.

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2 Even the genesis of that
3 subcommittee grew out of a recognition that
4 we had to finally begin to include all of
5 Philadelphia's economic resources, not just
6 white but also black, Hispanic and Asian,
7 if we were ever going to have economic
8 vitality, meaningful job creation, and a
9 viable tax base.

10 That subcommittee was established
11 after I was appointed to the Review Forum's
12 Regional Cooperation Committee in January,
13 and found that its mission was to increase
14 business and economic cooperation within
15 the five-county Southeastern Pennsylvania
16 area.

17 I also found that there was
18 absolutely no plan focusing any of that
19 economic development strategy on black,
20 Hispanic, Asian or Native American
21 communities or in businesses owned by
22 people who lived in those communities.

23 I didn't sense malice or outright
24 hostility with regard to the subject. The
25 people who sat around that table simply

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2 never were asked to include that
3 fundamentally important issue.

4 And they believed that there could
5 once again be a Philadelphia economic
6 planning exercise without any real
7 consideration of the unrealized value of
8 minority-owned businesses.

9 That was the case, even though the
10 Census Bureau's 2001 update informs us that
11 blacks, Hispanics and Asians do constitute
12 56.5 percent of Philadelphia County's
13 population and 29.9 percent of Southeast
14 Pennsylvania's population, even though
15 those same people of color own and operate
16 24.7 percent of Philadelphia's businesses
17 and 10.6 percent of all Southeast
18 Pennsylvania businesses.

19 That situation brought to mind an
20 excerpt from the September 25th year 2000
21 report from the Milkin Institute and the
22 U.S. Department of Commerce that said, and
23 I quote, economic growth cannot be
24 sustained without the inclusion of minority
25 businesses and an infusion of capital into

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2 those businesses.

3 Absent broad-based institutional
4 investor participation in minority and
5 immigrant business communities which are
6 assumed to be the new majority of
7 businesses, continued growth in the
8 American economy is impossible, affecting
9 not just minority businesses, but putting
10 the nations macro economy at risk.

11 It was clear that the U.S. Commerce
12 Department was telling us even then that
13 having discussions about economic
14 development without a meaningful inclusion
15 of the true economic potential of
16 communities of color is essentially a waste
17 of time, and that it can have a disastrous
18 effect on the municipal economy as a whole.

19 Guided by that fact, we notified the
20 Chair of the Regional Cooperation
21 Committee, Nicholas DeBenedictis, and the
22 Vice Chair, Innovation Philadelphia's
23 Richard Bendis, that we would be
24 establishing a new Minority Business
25 Development Subcommittee for the 21st

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2 Century Review Forum.

3 In so doing, we reached out to
4 include the total of 19 persons, including
5 two Hispanic business leaders and two Asian
6 business leaders, representing both the
7 Hispanic and Asian American Chambers of
8 Commerce, along with the African American
9 Chamber.

10 Over a one-month period we produced
11 a 20-page report with 46 pages of
12 appendices, one of which was Councilman
13 Goode's own Greater Philadelphia Capital
14 Access Report.

15 Before we go much further, I have to
16 reemphasize that this is a plan whose goal
17 is not to take economic resources from
18 white businesses or jobs from white
19 workers.

20 Instead, this is a plan whose goal
21 is to grow the pie, to expand the vitality
22 of all businesses in Philadelphia, and
23 increase opportunity for all Southeast
24 Pennsylvania businesses.

25 In order to accomplish any of that,

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2 however, we recognize that we will have to
3 change the economic mind-set of the region,
4 to shift from racial us versus them as
5 relates to business opportunity.

6 We know we will have to move to a
7 region wide realization finally, that
8 whether we personally like or socialize
9 with people of other ethnic groups, we all,
10 for the purpose of building a strong local
11 economy, must be defined as us.

12 We knew we'd need to have our
13 political and economic decision makers
14 finally understand that when a
15 predominantly black neighborhood in North
16 Central Philadelphia suffers job losses and
17 its residents can't afford the upkeep on
18 their property, then our entire
19 Philadelphia economy suffers.

20 If we can just finally get to that,
21 to the realization that we have a shared
22 economic destiny, then we can begin to move
23 in the direction that makes sense for all
24 of us.

25 Let's deal now with the key findings

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2 of the report. As previously stated,
3 people of color are a majority presence in
4 Philadelphia County, and a substantial
5 presence in the region, 56.5 percent of the
6 City, 29.9 percent of the regional
7 population.

8 We also found that blacks comprise
9 43.2 percent of the City's population.
10 Whites are 42.5. Hispanics are 8.5.
11 Asians are 4.5 percent. Native Americans
12 constitute .3 percent of Philadelphia's
13 population.

14 We found that minorities own and
15 operate 15,532 businesses out of a total of
16 62,894 in Philadelphia. That represents
17 24.7 percent of all the businesses in this
18 City.

19 Surprisingly, 10.6 percent of all
20 Southeast Pennsylvania businesses also are
21 minority owned. Blacks, with 9,285
22 businesses have the greatest number of
23 minority businesses in Philadelphia.

24 Asians are second with 4,463
25 businesses, Hispanics at 1,566 businesses,

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2 and Native Americans at 278.

3 Even having been systematically
4 excluded from the private and public sector
5 economy, minority businesses in
6 Philadelphia have created jobs.

7 In fact, 19,392 jobs, excluding
8 those of the principal owners, are
9 maintained by minority-owned businesses in
10 Philadelphia.

11 An additional 16,000 jobs have been
12 created by minority firms in four
13 Southeastern Pennsylvania counties, for a
14 total of 35,073 jobs.

15 Even though minority businesses have
16 received just 2.3 percent of City contracts
17 and 2.2 percent of Philadelphia's gross
18 receipts overall, they have managed to
19 produce 3.5 percent of the City's jobs.
20 Minority businesses are vital job creators.

21 The City's minority owned businesses
22 carry an annual payroll of \$360 million,
23 about two percent of Philadelphia County's
24 annual payroll.

25 The largest minority payroll numbers

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2 are seen in black businesses, that
3 constitute 54.6 percent of the minority
4 payroll, followed by Asians at 32.7,
5 Hispanics at 12.1, and Native Americans at
6 .6 percent.

7 The average salary in a black-owned
8 firm in this region is 24.7 thousand, for
9 Hispanics it's 25.4 thousand, and for
10 Asians 19.8 thousand.

11 Finally, and perhaps most
12 dramatically, our review of the 1997
13 economic census data, which included all
14 gross receipts by Philadelphia and regional
15 businesses showed that minorities generate
16 just 2.2 percent of the City's gross
17 receipts and 1.6 percent of the region's
18 gross receipts.

19 I would remind you that these
20 numbers were drawn by us from the U.S.
21 economic census data, the most recently
22 available. They include all public and
23 private sector gross receipts.

24 While amazingly close to the
25 recently leaked revenue data for City

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2 contracts, these numbers are different.
3 They do indicate, however, that there is
4 just as much work to do in the area of
5 inclusion in the private sector as there is
6 in the public sector.

7 Most disturbing is that the
8 percentage of minority gross receipts, as
9 compared to the percentage of minority
10 businesses was worse in Philadelphia than
11 in Bucks, Chester and Montgomery Counties,
12 and about the same as in Delaware County,
13 where minorities have 7.2 percent of the
14 businesses, but just .7 percent of the
15 county's gross receipts.

16 We have to do more to encourage the
17 growth rate of minority businesses,
18 especially among Hispanics and African
19 Americans.

20 We found that one in every 11 whites
21 in the region owns a business. One in
22 every 13 Asian owns a business. For
23 Hispanics, however, the rate is just one in
24 every 49. And for African Americans the
25 ownership rate is one in every 64.

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2 Recognizing the key role that the
3 financial institutions must play in any
4 proposed economic revitalization of the
5 total business community, the subcommittee
6 carefully reviewed best practices both
7 inside and outside the City, including City
8 Councilman Goode's report, Chase
9 Manhattan's Chase Community Development
10 Corporation, and the recent effort to
11 support minority contractors through the
12 African American Chamber's Emerging
13 Contractor Financial Assistance Program.

14 That program includes eight
15 participating banks: Citizens, Commerce,
16 the Asian Bank, PNC Bank, Wachovia Bank,
17 Sovereign Bank, United Bank, and Fleet
18 Bank, who have collectively committed \$18.5
19 million in available lines of credit to
20 minority contractors.

21 While each bank has signed on, some
22 banks are more equal than others in the
23 depth of their commitment. And we will
24 have more to share on that front in the not
25 too distant future.

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2 Also demonstrating financial
3 services leadership in this area of
4 minority lending are the Philadelphia
5 Industrial Development Corporation, PIDC,
6 and the City Commerce Department.

7 Those two agencies have joined to
8 provide a unique project starter facility
9 for under capitalized minority contractors.

10 For banks that have chosen to
11 participate, these financing programs are
12 running like clockwork. Bids are won.
13 Financing is made available. Work is
14 successfully completed. And the first
15 loans have already been repaid. We love
16 it. And the program shows that minority
17 businesses can represent profitable
18 business opportunity for the bankers.

19 With the problems and potential now
20 having been outlined, we want to now move
21 to a discussion of the big idea that grew
22 out of our report.

23 The big idea of this proposal which
24 would produce benefits even beyond the
25 projected impact of minority business is a

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2 call for Philadelphia and each of the other
3 four Southeast Pennsylvania counties to
4 adopt a county and region first procurement
5 policy, one that would also include a shift
6 to a mainstream inclusion of minority
7 businesses in both public and private
8 sector purchasing patterns.

9 Such an approach requires an
10 expanded definition of smart government and
11 of good corporate citizen.

12 Smart county governments, including
13 Philadelphia's, would under this
14 recommendation recognize that every
15 procurement decision transcends a simple
16 fiscal responsibility, and includes the
17 clear potential for job creation within
18 each county and across the region.

19 The same logic would apply to the
20 200 largest businesses operating in the
21 region.

22 The proposal certainly requires the
23 bench marking of current levels of
24 in-region procurement by the public and
25 private sectors, and the development of

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2 mechanisms to identify appropriate quality
3 vendors, both minority and mainstream,
4 across the region and to manage and monitor
5 the activity over time.

6 Once the aggregate public and
7 private sector procurement volumes are
8 identified by industry, private and service
9 sector, Philadelphia and the region will
10 also be extremely well positioned to retain
11 existent regional businesses, and to
12 attract potential new businesses.

13 Such businesses will be able to
14 quantify specifically the potential for
15 contract opportunity within the City and
16 region, should they opt to remain in or
17 relocate here.

18 Participating governments and
19 companies will be encouraged to calculate
20 the percentage of their in-county and
21 in-region purchases as a part of their
22 overall procurement plan.

23 Such an approach should produce
24 immediate, incremental economic value for
25 Philadelphia, for the region as a whole,

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2 and for minority businesses located here,
3 that would be strategically included in the
4 new purchasing patterns.

5 How can this be implemented? In an
6 effort to glean successful growth
7 strategies for metro areas where there has
8 been strong minority business development,
9 our subcommittee reviewed best practices in
10 a number of areas, including Atlanta,
11 Georgia.

12 Cited was the Atlanta Inner Circle,
13 or the acronym AIC, that we've included the
14 web site for the Atlanta Inner Circle,
15 which was organized in that city in 1993,
16 and which was comprised of business leaders
17 and government officials.

18 Meeting in a minority-owned
19 restaurant, that group discussed and
20 implemented proactive solutions for the
21 challenges facing minority businesses in
22 that area.

23 In 2001, the AIC was incorporated as
24 a 501 C3 nonprofit entity, as a forum for
25 developing strategies and ideas for

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2 empowering Atlanta's urban communities.

3 AIC was launched by then Mayor
4 Maynard Jackson, who met with businesses
5 and public sector leaders, to drive home
6 the need for the powerful economic
7 development network in the Atlanta metro
8 area.

9 Our subcommittee concluded its
10 report with several specific
11 recommendations.

12 One, as a key component in forging
13 reasonable, that a presentation be
14 scheduled wherein local public and private
15 sector leaders would be introduced to the
16 potential for broad economic growth,
17 through expansion of minority business in
18 the City and the region.

19 In fact, we've already begun to have
20 discussions with Mark Schweiker at the
21 Greater Philadelphia Chamber of Commerce
22 regarding his idea for a procurement
23 summit, where we would bring in the large
24 corporate entities in the greater
25 Philadelphia area to meet with minority

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2 business owners, for the purpose of
3 extending contracts.

4 The next recommendation was that the
5 primary theme of the event be that minority
6 business development should no longer be
7 marginalized as a function of government
8 mandated affirmative active plans, but
9 rather, adopted as a principle source of
10 job creation and tax revenue generation for
11 each county and for the region as a whole.

12 Next, that a priority be made of
13 this strategy with a focus on substantial
14 development over a two-year period.

15 Next, we recommended that regional
16 leaders adopt a plan to increase gross
17 receipts at minority businesses, according
18 to a table that would show a growth that
19 would approximately triple the gross
20 receipts at minority businesses in the
21 Philadelphia area.

22 We then recommended that regional
23 private sector, led by the Greater
24 Philadelphia Chamber and all regional
25 chambers be encouraged to adopt the county

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2 and region first approach to procurement,
3 thereby contributing to job growth and
4 regional economic development.

5 We recommended that corporate
6 procurement departments be asked to
7 calculate their current percentage of
8 in-county and in-region purchases and to
9 work toward a goal of keeping a significant
10 majority of all purchases within the
11 five-county area; that within the overall
12 county and region first strategy, private
13 sector leaders be encouraged to set a
14 standard for substantial and appropriate
15 inclusion of minority firms within the
16 region; that minority focused chambers
17 assist in matching appropriate high quality
18 minority vendors with corporate procurement
19 departments.

20 We then recommended that Veradyne, a
21 minority-owned IT firm, be commissioned to
22 establish reporting mechanisms for both the
23 public and private sector participants.

24 The subcommittee further suggests
25 that the first report of public and private

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2 sector performance in this area be released
3 in the fall of 2004.

4 We recommended that public and
5 private sector leaders continue to focus on
6 appropriate inclusion of minority workers
7 and businesses in the regional construction
8 industry and in the building trades.

9 We recommended that the regional
10 economic development strategies include a
11 mechanism for enhancing entrepreneurial
12 retail growth in minority communities and
13 by minority business owners.

14 We recommended that Mayor John
15 Street convene an AIC like leadership group
16 to own and manage the ongoing development
17 of minority business growth across the
18 region.

19 And finally, we recommended that a
20 \$50 million portion of the Mayor's proposed
21 \$500 million economic stimulus fund be
22 devoted to the creation of a capital source
23 for the development of emerging minority
24 businesses.

25 I want to thank each of you for your

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2 invitation to present this concept. It's
3 been disappointing that while we've been
4 attempting since 1995 as a Chamber to
5 present suggestions for the improvement of
6 minority purchasing, that the Mayor and
7 some of the local media have tried to
8 reduce our legitimate interests in this
9 fundamental economic problem to a public
10 debate about the appointment of the Mayor's
11 MBEC nominee.

12 This has constituted a substantial
13 marginalization of this broad and
14 fundamentally important economic issue.

15 In addition to the Minority Business
16 Subcommittee Report, the African American
17 Chamber, and the Coalition of African
18 American Voters, Taxpayers and Businesses
19 sent the Mayor a letter on April 13th,
20 outlining 11 other major issues that impede
21 black and minority business opportunities.

22 They include, among others, the need
23 to establish clear goals for minority
24 inclusion in non MBEC professional services
25 contract.

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2 I saw in a recent article published
3 in the local media, that was the recipient
4 of one of the lead disparity studies, that
5 during the year 2003, \$84 million in legal
6 work was contracted out by the City of
7 Philadelphia, \$84 million.

8 And of that \$84 million, that
9 comprised 56 different legal engagements.
10 And of those 56, one was to an African
11 American owned law firm.

12 And there was no evidence that that
13 conformed contract was actually turned into
14 business.

15 And so, it is probably safe to say
16 that every one of the \$84 million in legal
17 work that is let by the City's government
18 without bid, at their whim, was let to
19 white owned firms.

20 And I remember seeing in the article
21 a reference to the Mayor's spokesperson who
22 said, we do this by choice, and we allow
23 these legal contracts to go to friends of
24 the administration.

25 Apparently the administration has no

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2 black friends.

3 On funding City contracts, to
4 facilitate small business bid
5 participation, our problem is... Our
6 problem is that the contracts are bundled
7 in such a way that de facto you can't
8 have -- and you know when those contracts
9 are bundled de facto you can't have
10 minority bidders on these contracts.

11 I've heard the administration say in
12 recent weeks the problem is that minority
13 contractors aren't bidding on the large
14 contracts in the City.

15 If you bid demolition, for example,
16 in packages of 200 houses per unit, you
17 don't have African American contractors
18 able to carry that kind of financing, to
19 carry that kind of bonding, to do that
20 volume of work.

21 You know that when you package the
22 deal. And so, if you really are serious
23 about including minority contractors, you
24 unbundle some of those contracts.

25 You have to establish goals for

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2 minority inclusion in the skilled trades
3 unions as a prerequisite for union project
4 designation at public works sites.

5 It is incomprehensible to us -- And
6 we've had this discussion with the
7 administration. It is incomprehensible
8 with us that project work sites, public
9 work sites are designated as union only
10 work sites, when the administration knows
11 and the City as a whole knows that 60
12 percent of the people who are members of
13 the skilled trades live in the suburbs and
14 don't live in the City of Philadelphia, and
15 they're working on Philadelphia projects.

16 And they also know that whenever
17 they've been asked to describe the
18 participation of minority journeymen in the
19 skilled trades unions, the skilled trades
20 say they don't know what those numbers are.

21 We would think that those numbers
22 should be available, and there should be
23 some mandate for inclusion. We are not
24 antiunion. We are absolutely pro union.

25 We understand, though, that when

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2 unions are involved in the employment
3 cycle, the gap, the historical gap that
4 exists in the private sector between
5 minority business -- minority employees and
6 white employees narrows.

7 If you go out and work in the
8 banking community, go out and work in the
9 health care community, you happen to be
10 black, you have the same degrees, have the
11 same experience, you'll make less money.
12 This is statistically provided by the
13 Bureau of Labor Statistics.

14 And the only way that those gaps
15 narrow is when both whites and blacks are
16 on the labor unions. So we're not against
17 unions. We're against racist unions.

18 And we are saying to this
19 administration in our letter to the Mayor
20 that there ought to be more done to include
21 people of color as journeymen and not just
22 apprentices in unions.

23 Providing appropriate levels of
24 financial support to the Progress Plaza
25 Shopping Center redevelopment effort. It

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2 is unconscionable to understand why
3 Progress Plaza should be having a problem
4 getting money to do their redevelopment
5 effort.

6 Reverend Sullivan, who is an icon
7 for minority economic development, he was a
8 world leader in this effort. He created
9 Progress Plaza. And we should do nothing
10 to allow Progress Plaza to wither away and
11 die.

12 We recently had a shopping tour, an
13 African American shopping tour, that
14 boarded buses at Progress Plaza.

15 And people in the neighborhood said
16 to us how strange it was that you had to
17 put African American people on the bus in
18 the parking lot at Progress Plaza to take
19 them somewhere else to find a black-owned
20 shop. There should be more work done at
21 Progress Plaza.

22 Improving report formats to ensure
23 accurate accounting for minority contract
24 participation, we have not been pleased for
25 the past several years with the way that

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2 minority inclusion and participation is
3 counted.

4 There are double counts. There are
5 excessive counts. There are misleading
6 counts provided by the agencies that do the
7 counting, so much so that they have made it
8 very difficult for elected officials like
9 yourselves and for the media to question
10 the minority participation because the
11 numbers are so overblown.

12 They will take -- As you know, they
13 will take joint ventures where there is an
14 African American or Hispanic partner with a
15 white partner.

16 And if the total value of that
17 contract is \$10 million, they will say that
18 the entire \$10 million was a minority
19 contract. And that certainly is
20 misleading, and the City officials know
21 that. And we don't understand why those
22 numbers are still used.

23 If we were getting those kinds of
24 contract dollars, as had been disclosed in
25 those kinds of reports, we wouldn't be

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2 sitting here today.

3 We need to ensure that trained
4 neighborhood residents have access to at
5 least 25 percent of construction jobs
6 taking place in their communities.

7 It is absolutely unacceptable that
8 people who live in these neighborhoods,
9 where work is needed, where jobs are needed
10 have to come out of their house where
11 construction projects are taking place and
12 look over an eight-foot high fence and see
13 people from outside their neighborhood and
14 outside their City having exclusive access
15 to the jobs. So we're wondering why the
16 City can't move in that direction.

17 Establishing a City-funded
18 initiative to support the development of
19 African American retailers, including a
20 firm policy to ensure support for African
21 American street vendors.

22 There is now and appears to be a
23 growing trend toward having a dearth of
24 African American street vendors.

25 In some cities street vendors are

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2 considered an attraction. They are
3 certainly a way for people to move from the
4 entry level of retail, to storefront, to
5 wholesale, and up the vertical integrated
6 chain.

7 But it appears that in this City
8 African American street vendors are being
9 discouraged from participating as vendors,
10 even when they have been on our streets for
11 years, providing good service to customers.

12 We need to ensure that there is a
13 policy -- I don't know that there is a
14 policy. But if we're going to have viable
15 retail growth, we have to have a concern
16 and a policy that relates to inclusion for
17 street vendors in our Center City.

18 I see all kinds of street vendors in
19 Philadelphia downtown selling fruit,
20 selling pretzels, selling newspapers. And
21 very few, if any of those people, are
22 African American, who represent, again, 43
23 percent of the population.

24 Establishing a City government
25 related committee to review the impact of

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2 gentrification on African American
3 homeowners and neighborhoods as part of the
4 City's overall residential strategy.

5 There is great concern in our
6 neighborhoods: north Central Philadelphia,
7 South Central Philadelphia, West
8 Philadelphia, parts of Northwest
9 Philadelphia, great concern about the fact
10 that the development that is taking place
11 is leading to the gentrification of
12 historically minority neighborhoods.

13 Many of the homes are being replaced
14 with market rate housing that the people in
15 those neighborhoods cannot afford. And
16 there appears to be a plan. Somebody
17 appears to have a plan that will ensure
18 that that trend continues.

19 We need to understand if a plan
20 exists, that that plan be shared with
21 everybody in the City.

22 We see people in African American
23 communities, as an example, who are being
24 enticed to sell their properties in North
25 Central Philadelphia for \$35,000, and those

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2 properties are flipped and sold again
3 within a mere matter of months for low to
4 moderate six figures.

5 And the reason that the people in
6 the community sell their houses is because
7 they don't know what the plan is.

8 If they knew what the plan was, I
9 think they would be better negotiators at
10 least, and maybe decide to stay in those
11 communities. So, we recommend that the
12 City do that.

13 We want to adopt the government plan
14 that would triple the gross receipts, as we
15 stated before.

16 I trust that you can see from these
17 data that we are confronted with a
18 challenge that has to be addressed at the
19 very top of our government, and at the
20 C.E.O. level of our largest private sector
21 entities.

22 In order for Philadelphia to gain
23 competitive economic advantage, as compared
24 to other municipalities, we do finally have
25 to involve all of our citizens and all of

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2 our businesses in producing goods and
3 services, in creating jobs, and generating
4 tax revenue.

5 Unless that kind of policy
6 commitment to meaningful inclusion is made
7 at the highest executive and legislative
8 levels of City government, it quite frankly
9 won't matter at all who supervises the MBEC
10 staff, whether MBEC exists at all or
11 whether it should be replaced in its
12 entirety with an entity that has an
13 accountable mandate for economic inclusion
14 and the wherewithal to get all of that
15 done.

16 Thank you very much for this
17 opportunity.

18 (Applause.)

19 COUNCILMAN GOODE: Mr. Crawley,
20 thank you for your very comprehensive
21 testimony.

22 Thank you for your work you've done
23 on behalf of the 21st Century Review Forum
24 and your work at the Chamber, and your
25 continued participation, as this City

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2 begins to look forward to holding an
3 Economic Development Summit, crafting an
4 economic development strategy, supposedly
5 doing a \$500 million economic development
6 investment fund.

7 Just as your vision showed that we
8 have to have inclusion in that plan, as
9 outlined by the 21st Century Review Forum,
10 we also have to have inclusion in the
11 future work that's supposed to be done.

12 Let me note for the record we've
13 also been joined by Councilwoman Donna Reed
14 Miller. All members of this committee have
15 attended this hearing.

16 I look forward to questioning this
17 first panel after we hear from Miss Moore.
18 Miss Moore, please state your name for the
19 record and proceed with your testimony.

20 MS. MOORE: Thank you.

21 Good morning. My name is Deborah
22 Moore, and I'm part of a coalition...

23 COUNCILMAN GOODE: Could you pull
24 the microphone closer to you?

25 MS. MOORE: Okay. I'm part of a

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2 coalition... Now I'm too loud, but then
3 I'm used to that.

4 I'm part of a coalition of voters
5 taxpayers and businesses of the African
6 American community.

7 Who is Donna Reed Miller?
8 (Indicating).

9 MS. MOORE: Oh, okay. Because I'm
10 in her District, and I've never met her.

11 I find it interesting that Michael
12 Williams is not here. Is that going to be
13 the representation that we're going to get?
14 He's still making a decision? Very
15 interesting.

16 This is a great report; excellent.
17 I'm going to put it another way. Black
18 folks ain't taking it no more.

19 (Applause.)

20 MS. MOORE: I see where we have
21 African American representation here, even
22 though this report says Hispanic and
23 Asians. I never see anybody but black
24 folks fighting for black folks. So I'm
25 representing the African American community

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2 today. Now, I don't know how it sounds but
3 here we are.

4 My position is this: I'm with
5 another community organization called It's
6 a Family Affair. We established a pilot
7 program called Give a Job a Chance.

8 We can only go to black businesses
9 for that because of the non-traditional way
10 we were asking businesses to employ black
11 people from the community.

12 Well, our pilot program didn't last
13 that long because there weren't too many
14 black businesses to go to.

15 Our position is this: We're not
16 voting for Democrats or Republicans or
17 independent parties any more. We're voting
18 for folks that bring contracts and jobs
19 back to our neighborhood.

20 (Applause.)

21 MS. MOORE: It doesn't really matter
22 any more about the party's representation.
23 Other neighborhoods, other ethnic groups,
24 they get jobs and contacts. What do we
25 get? We get the opportunity to vote

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2 Democrat.

3 (Applause.)

4 MS. MOORE: What's that?

5 My position is this: I guess I keep
6 saying that, but it's because I represent
7 the black vote, the black taxpayer. And
8 our frustration is represented in this
9 auditorium today. You see the signs? They
10 speak for themselves. We're here to
11 represent this report.

12 The African American Chamber has no
13 power without the black community because
14 the African American Chamber is the black
15 community.

16 So, we want the focus to come away
17 from personalities and come into the homes
18 and the personalities of the homes of the
19 people that don't have jobs.

20 We need contracts so we can have
21 jobs.

22 We read and we hear where
23 representatives of other ethnic groups get
24 all kind of money. And they take it back
25 to their community.

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2 So when we voted this last time, we
3 had rallies everywhere. And we were, you
4 know, told that we're going to make sure
5 the African American community is
6 represented.

7 Well, what does that mean? Skin
8 color? We want dollars. We want green.
9 We don't want black. We want green.

10 (Applause.)

11 MS. MOORE: Somebody came over to me
12 this morning and said, do you have the
13 paper?

14 I said, no because when I thought
15 about it, I didn't have to write anything
16 down. They can look outside and see what's
17 happening to us. I don't have to write
18 nothing down.

19 (Applause.)

20 MS. MOORE: Maybe this is not really
21 the proper way to, you know, represent --
22 You know, you bring a paper.

23 No. Our representation is proper
24 because the people that standing behind us
25 with these signs. So I'm fighting for

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2 those folks.
3 Am I supposed to say anything else?
4 (Laughter.)
5 (Applause.)
6 MS. MOORE: Thanks.
7 (Cheers and applause.)
8 MS. MOORE: Oh, I'm sorry. I'm
9 sorry.
10 Let me say something else. I know
11 ya'll thought I was finished, Mr. Crawley.
12 (Laughter)
13 MS. MOORE: What do we want?
14 Respect. When do we want it? Now. What
15 do we want? Respect. When do we want it?
16 Now.
17 COUNCILMAN GOODE: Thank you, Miss
18 Moore, for your testimony.
19 I'll start with a few questions for
20 this panel.
21 MS. MOORE: I'm sorry. I thought I
22 was finished. Am I supposed to stay here?
23 COUNCILMAN GOODE: You can stay
24 there. The members of the committee may
25 have questions for you.

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2 MS. MOORE: Oh. Okay.

3 COUNCILMAN GOODE: Mr. Crawley, can
4 you please discuss... I know you discussed
5 it somewhat in your testimony... the
6 problems your members have had, the African
7 American Chamber, with access to capital
8 and credit and bonding, and how your group
9 has dealt with that, and what
10 recommendations you have for this Council.

11 MR. CRAWLEY: Well, primarily we
12 found that bank lines of credit have across
13 the board -- bank lines of credit --
14 commercial bank lines of credit have
15 generally not been made available to
16 African American businesses.

17 We've focused in the past year on
18 trying to change that, specifically as it
19 relates to the contracting community.

20 But about two years ago we did a
21 financial services survey of our
22 membership, and found that about 70 percent
23 of them could not have access to a line of
24 credit, although they were running viable
25 concerns.

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2 We went to the banking community,
3 and sat with them, and asked them to
4 consider putting up secured lines of credit
5 for our contractors. They had not done
6 that in the past, had not been interested
7 in doing it.

8 When our people went to them one at
9 a time, some of them had some disastrous
10 experiences.

11 I remember one of our members going
12 to a bank, looking for a line of credit,
13 and he was being denied the line of credit
14 because he worked previously for a company
15 that had an unfortunate experience with
16 that bank.

17 This is a white-owned company, for
18 which he happened to be an employee, in
19 which he had no financial management
20 responsibility.

21 But because he used the name of that
22 company on his credit application as a
23 place where he previously worked, they
24 saddled him with the responsibility for the
25 unfortunate experience they had with the

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2 previous borrower.

3 We had to call that bank and let
4 them understand that they were doing
5 something that was absolutely illegal, and
6 they reconsidered and made him a line of
7 credit.

8 But this kind of thing happens all
9 the time. And so, we find that it's
10 necessary to pull the banks together. And
11 some of them have been very forthcoming and
12 very cooperative.

13 We've got eight of them, as we said,
14 who have agreed to do the lines of credit.
15 We said to them, we started the lines of
16 credit with the contractors, that this
17 should be considered the crack in the door.

18 We want to be able to get them to do
19 similar kinds of credit facilities with
20 people outside the building trades, outside
21 of the construction industry. Because all
22 of our businesses suffer in the same way.

23 They go out and they provide work.
24 They issue an invoice. While they're
25 sitting there waiting to get paid sometimes

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2 for 30 and 60 and 90 days -- and it's not
3 just in the contractor industry -- but
4 they're waiting to get paid, they lose
5 their employee base, they suffer poor
6 credit, and sometimes they have to file a
7 chapter.

8 So, what we've said to the banks is
9 that although we're starting -- although
10 we're starting with the contractor
11 community, we want you to gain sufficient
12 comfort level to begin to move across the
13 board.

14 Term loans have generally always --
15 Secured term loans have generally always
16 been available. You put up your house, you
17 put up your first two children, you can get
18 a term loan at a bank.

19 But lines of credit, secured or
20 unsecured, have been like pulling teeth.
21 So this is the first step.

22 And our contractors have done an
23 extraordinary job to today, and I think the
24 experience the banks have had so far has
25 been good.

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2 Again, eight backs have signed up.

3 Not only the banks have done an
4 extraordinary job; some, I think, signed up
5 because they felt peer pressure to do so.
6 They felt public awareness to do so.

7 They have put their names on the
8 paper, and they have not yet done the kind
9 of work that they ought do, to be engaged
10 in this profitable business with our
11 community.

12 And so, as we mentioned in the
13 testimony, we will be providing information
14 about the reluctance of some of those
15 institutions to actually do what they
16 promised to do.

17 But I think that the smart banks,
18 the banks that understand that there is
19 profit opportunity in our communities,
20 understand that our community spends
21 billions of dollars every year, that we do
22 have 9,000 businesses in the City, that
23 they do carry substantial payrolls, those
24 companies, those banking companies, will do
25 well by this inclusion.

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2 We're not there yet. We just got a
3 crack in the door. The report that you did
4 that specified the disparity in lending
5 based on where you were located, if you
6 lived in a predominantly low income, lived
7 in a predominantly minority community, the
8 average loan size was smaller, that
9 information is experienced by people all
10 the time.

11 So, we think that we have a crack in
12 the door. We hope it's going to be a lot
13 better than it is right now. But we are
14 coming off of years and years of neglect
15 and years and years of lack of involvement
16 by the major national institutions in this
17 City.

18 COUNCILMAN GOODE: Can you tell me
19 you have some general estimation of what
20 level of capital infusion is necessary to
21 triple the gross receipts of minority
22 businesses?

23 MR. CRAWLEY: I didn't hear you.

24 COUNCILMAN GOODE: Can you tell me
25 your general estimation what level of

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2 capital infusion is necessary to triple the
3 gross receipts of minority businesses?

4 MR. CRAWLEY: Well, that would vary.
5 I mean, some businesses are capital
6 intensive; and others aren't. I mean...

7 COUNCILMAN GOODE: I'm talking more
8 of an aggregate number, in terms of how
9 many millions or billions of dollars you
10 think needs to be infused to actually
11 utilize minority businesses in the way they
12 need to be utilized.

13 MR. CRAWLEY: Well, you know, I
14 think if you look at the level from your
15 own report, if you look at the levels of
16 investment in loans by banks in communities
17 that are outside our community, if you were
18 to apply that same kind of banking
19 involvement, credit extension, to our
20 communities, we would have more than enough
21 to provide the kind of working capital
22 financing that our community needs.

23 We don't want anything more or
24 separate or different. We want the same
25 kind of credit facilities that have always

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2 been available. Your report outlines just
3 what they get. We need to have the same.

4 COUNCILMAN GOODE: And for the
5 record, you're calling for at least ten
6 percent of the proposed \$500 million
7 economic development investment fund to go
8 toward minority businesses?

9 MR. CRAWLEY: That's correct. That
10 would include programming for training.
11 One of the things that we're concerned
12 about is retail, both on the vendor side,
13 and on the storefront side, on the
14 wholesale side, the totality of the retail
15 experience.

16 And we're going to need to provide
17 some funds for training, for development,
18 to put together group purchasing programs
19 so that people can benefit by the discounts
20 that would be available by those kinds of
21 volume purchases.

22 All of these things will require
23 money. And it won't be sufficient simply
24 to make the contracts available or to open
25 the store and send in the traffic.

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2 We're going to need economic
3 development stimulus money to ensure that
4 those programs work.

5 The program with our contractors
6 could not have worked without the financing
7 we got from the City Commerce Department.
8 It wouldn't have worked.

9 But we had a great idea. We thought
10 it made sense on paper. We had contractors
11 who are ready, willing and able to do the
12 work. But unless we had that infusion from
13 the Commerce Department, the Emerging
14 Contractor Program would not have been the
15 success it has been.

16 COUNCILMAN GOODE: Okay. Thank you.

17 Last, because I know other members
18 of the committee have questions, as part of
19 that economic development investment fund,
20 do you support the creation of a loan
21 guarantee fund for low income and minority
22 businesses?

23 MR. CRAWLEY: Yeah. I -- I think --
24 I think that loan guarantees are a part of
25 the portfolio; you got to have those.

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2 The Federal Government has done loan
3 guarantee funds, the SBA for years. Those
4 certainly have a place. PIDC has been
5 involved in loan guarantees.

6 I think -- I think it is perfectly
7 appropriate that we have loan guarantee
8 funds that are targeted at minority
9 business stimulation. We would be missing
10 a valuable tool if we didn't happen to have
11 them.

12 There was talk about those kinds of
13 things years ago. I mean, back in the
14 early '70s when I was in the banking
15 business, there was -- there were loan
16 guarantee funds available.

17 But those things have fallen by the
18 wayside. Some of that has happened because
19 the focus has shifted. People don't care
20 about minority businesses.

21 They're not as responsive to
22 minority businesses because they're not as
23 aware of the negative repercussions from
24 not having a viable minority business
25 community.

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2 And quite frankly, we've got some
3 new larger players in the financial
4 services industry here in Philadelphia.

5 I mean, back in those days we had
6 banks that were primarily based in
7 Philadelphia. We had banks that were
8 homegrown.

9 And the people who were presidents
10 of those banks went to school here, went to
11 college here, and spent all of their
12 professional career in those banks, and
13 knew the neighborhoods and knew the people
14 in those neighborhoods.

15 Today the presidents of most of the
16 banks that operate in this City are not the
17 presidents of the institutions as a whole.
18 They are regional presidents. The C.E.O.,
19 President, and Chairman of those
20 institutions are in places like North
21 Carolina, Pittsburgh and Boston.

22 And so, we don't have people in the
23 financial institutions who have as much
24 hands-on concern about our communities. So
25 we've got to bring that dialogue up to

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2 them.

3 It's not going to come out of their
4 own deliberations, unless they understand
5 it.

6 It seems as though every two years
7 the leading banks in our community change
8 their presence. They get rotated back to
9 North Carolina or rotated back to
10 Pittsburgh.

11 And so, that causes lack of
12 continuity. We've got to -- We've got to
13 fill the gap in that regard. We can't
14 count on them having the wherewithal,
15 having the experience and the knowledge of
16 this community, to do the right thing. So,
17 it has to come from the public sector, and
18 from the advocacy groups, and from the
19 community itself.

20 COUNCILMAN GOODE: Thank you.

21 The Chair recognizes the Vice Chair,
22 Councilman Nutter; then Councilwoman Tasco,
23 then Councilman Rizzo.

24 COUNCILMAN NUTTER: Thank you, Mr.
25 Chairman, and good morning, Mr. Crawley,

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2 and Miss Moore.

3 Thank you both for your testimony.

4 Mr. Crawley, I wanted to ask you
5 about two parts of your testimony, Page 8
6 and Page 11.

7 If you could enlighten us beyond
8 your written testimony with regard to the
9 Atlanta Inner Circle. And I'm having the
10 web site checked as we speak.

11 Can you tell us a little bit more
12 about this organization: What it did, what
13 it presently does, and how such an entity
14 would work, as you see it, here in
15 Philadelphia.

16 MR. CRAWLEY: I think the most
17 important thing about the Atlanta Inner
18 Circle was that it was a commitment to
19 ongoing ownership of inclusion in the City
20 of Atlanta.

21 And they didn't relegate it to the
22 public sector or leave it to the private
23 sector to get its own enlightenment. Both
24 public and private sector leadership came
25 together.

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2 And the most important thing, I
3 think, about it, as we alluded, was that
4 the Mayor of the City of Atlanta played a
5 visionary role in pulling all of those
6 people together.

7 And so, they knew that when they
8 came to the table, that what they were
9 coming to do was not to be involved in a
10 minority set aside program.

11 They weren't there to rob Peter to
12 pay Paul. They were there to grow the pie.
13 They were there to work together to do
14 programs that would ensure that there was
15 full participation and inclusion in
16 projects that took place in the City of
17 Atlanta.

18 As you recall, when Mayor Jackson
19 assumed the leadership of the City of
20 Atlanta, one of his first projects was the
21 Atlanta Airport Project.

22 And he announced that he wanted to
23 have 24 percent of those contracts go to
24 minority business owners.

25 And he got a lot of push-back from

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2 the private sector. He got a lot of
3 resistance from the contractor community
4 and from the labor unions in Atlanta.

5 He got a lot of push-back from other
6 elected officials, who challenged him in
7 the courts, who tried to impede his
8 progress in every conceivable way.

9 And so he realized, as he fought
10 this battle over two years... And finally
11 after two years they realized that he
12 wasn't going to go away, he wasn't going to
13 stop.

14 And again, the position he took, and
15 the most important position that could be
16 taken out of a group like this is to
17 understand that we should not have
18 development unless the development is
19 inclusive.

20 And that was Maynard Jackson's
21 position. His position was unless we have
22 inclusion at the level that we have
23 specified, which we think is appropriate,
24 then there won't be an Atlanta Airport.

25 And so far we haven't heard those

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2 kinds of voices coming out of our City
3 government.

4 And then when he started to make
5 that statement, he drew around him other
6 people who understood that it was well
7 within the enlightened self-interest of not
8 just the public sector, but the private
9 sector of Atlanta, to understand the value
10 of inclusion.

11 And that's how that project worked.
12 It was a leadership group. They came
13 together. They talked about what Atlanta
14 needed as a City as a whole.

15 They talked about the entire
16 economic planning responsibility for
17 Atlanta. And within that, they understood
18 that it couldn't happen unless there was
19 inclusion that came down from the very top
20 of their corporations and from the very top
21 of their government.

22 In this City, we don't have that.
23 There's nobody who's playing that role. We
24 have -- We have some people in government
25 who have been speaking out recently, and

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2 over their entire career we've had some
3 people who have spoken out on this issue.

4 We've had some people in the private
5 sector that you could name on the fingers
6 of one hand who have been really staunch
7 advocates for this.

8 But we don't have people working
9 together, understanding how a combined
10 effort could be good for all of us.

11 And at the same time, we have a
12 media... We have a media environment that
13 reinforces every day the position that if
14 African American, Hispanics and Asians grow
15 their business, that they are taking
16 something away from white people. And that
17 creates a tension. That creates
18 antagonism.

19 I point to the article that was in
20 the Inquirer recently about a man named
21 Graham, who was an insurance brokerage.

22 And the Inquirer took a great deal
23 of time interviewing Mr. Graham and asking
24 him about the ugly underbelly of minority
25 participation.

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2 And he was very forthcoming in
3 saying how much he disliked and resented
4 the fact that the City government made him
5 and the DRPA made him and the state made
6 him and the Federal Government sometimes
7 makes him include minority insurance
8 brokerages.

9 And he said that this was his
10 business, and they shouldn't be allowed to
11 participate. And he said some very
12 mean-spirited things about it.

13 But if you read the Inquirer's first
14 two stories on this, it was clear that the
15 Inquirer's reporters and the Inquirer's
16 editors agreed with Mr. Graham.

17 At no point did they ever ask Mr.
18 Graham how he happened to get his
19 contracts. Mr. Graham wrote a lot of
20 checks to people in the public sector. And
21 at no time did those reporters ask Mr.
22 Graham if he earned his contracts by being
23 an absolutely professionally competent
24 insurance brokerage or whether he also was
25 politically connected.

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2 The feeling that African Americans
3 are the only politically connected people,
4 the feeling that there should be an ongoing
5 schism between people of color who do
6 business and whites who do business is fed
7 by the media. And they do an absolute
8 disservice to our community in encouraging
9 that.

10 I hear people say to me every day,
11 you know, how greedy are these African
12 American businesses. They want to be
13 involved in everybody's contract.

14 Despite the fact that the reality is
15 that African Americans get .7 percent of
16 the City contracts, and, you know, less
17 than 10 percent -- less than 1 percent of
18 gross receipts as a whole in the City.

19 If you read the Inquirer, if you
20 read the Daily News, you would get the
21 impression that African American businesses
22 are ripping off the business community,
23 robbing all the Procurement Departments.
24 And that has to stop. Unless that stops,
25 we won't be where we are.

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2 And I think another role that an AIC
3 can play is in understanding that -- that
4 an appropriate tone has to be set in the
5 City before we can have the kind of
6 progress and involvement that we need to
7 have.

8 (Applause.)

9 COUNCILMAN NUTTER: The second issue
10 I wanted to raise on Page 11 was the...
11 You made reference to a letter that you had
12 sent to the Mayor back on April 13th,
13 outlining 11 other major issues that
14 impedes black and minority business
15 opportunity. And then you list them
16 through your testimony.

17 My question is, was there a response
18 to the letter and its various points.

19 MR. CRAWLEY: Yeah, there was a
20 response from the Mayor.

21 We sent our letter on April 13th.

22 The Mayor sent his response... And
23 I'm trying to see whether I have it as a
24 part of my collection here.

25 But we were deeply disappointed by

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2 his response. One of his responses, for
3 example, had to do with the issue of the
4 building trades.

5 And he cited a problem with the
6 First Amendment, saying that the First
7 Amendment would prohibit him from --

8 COUNCILMAN GOODE: Mr. Crawley,
9 could you pull the mike a bit closer? The
10 stenographer's having a...

11 MR. CRAWLEY: He cited the First
12 Amendment in saying that the First
13 Amendment would prohibit the kind of
14 inclusion that we were seeking for that.

15 We asked him about the full
16 inclusion of goals that would have us
17 triple the volume of business done with
18 minority contractors and businesses in the
19 City. And as you know, it's a very meager
20 volume of those contract dollars now.

21 And we said, you know, would you be
22 able to triple it over the next three
23 years, just to get started?

24 And his response was, I am unable to
25 respond thoughtfully to this question in

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2 the time allotted. An answer will be
3 transmitted under separate cover, after the
4 administration has had an opportunity to
5 review the findings of the disparity study.

6 We are very concerned about the fact
7 that many of his responses tie back to the
8 release of the disparity study.

9 And the disparity study, as we know,
10 has been around for a while now, and has
11 been leaked out. And we think it's well
12 past the time that it should be formally
13 released; and that the administration, one,
14 have comment as to how we generated the
15 numbers, the shameful numbers that exist on
16 that report; but, two, how they intend to
17 use that data to move ahead with some of
18 the things that we have specified.

19 So our great concern is that the
20 tone of the response was not one that gave
21 us much encouragement that this
22 administration is ready to move ahead
23 aggressively, with full inclusion of
24 African American and other minority
25 businesses.

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2 COUNCILMAN NUTTER: Let me, then,
3 close with finally asking: If you are
4 comfortable, could you forward to the Chair
5 both a copy of your letter to the Mayor as
6 well as his okay?

7 MS. MOORE: Yeah.

8 COUNCILMAN NUTTER: It just appeared
9 next to me.

10 Request withdrawn.

11 (Laughter.)

12 COUNCILMAN NUTTER: But let me...
13 So actually, I know you made reference in
14 your testimony just now that the disparity
15 report had been leaked. That may have been
16 how it came to the news media's attention.

17 But you play recall I actually sent
18 every member of City Council a copy
19 directly, with a cover letter, so that I
20 don't think that qualifies as a leak. So,
21 it is out. It is available.

22 MR. CRAWLEY: Leaked to the public.

23 COUNCILMAN NUTTER: Yes; I
24 understand.

25 Thank you very much, Mr. Chairman.

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2 COUNCILMAN GOODE: Thank you,
3 Councilman Nutter.

4 The Chair recognizes Councilwoman
5 Tasco.

6 COUNCILWOMAN TASCO: Thank you very
7 much.

8 Good morning, Mr. Crawley.

9 MR. CRAWLEY: Good morning.

10 COUNCILWOMAN TASCO: Thank you so
11 much for a very good, poignant, to the
12 point report; quite good.

13 I just want to say that you and I
14 have been on this road, I guess it's the
15 '70s, in trying to improve the
16 participation of minorities in the business
17 and the contracting.

18 And it doesn't seem to be any better
19 off than we were back then. And you look
20 at all this black leadership in this City,
21 and we're no better off than we were.

22 I'd like to say that one of the
23 areas you talked about was the commitment
24 of the banks to participate in your
25 program.

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2 One of our discussions, an ongoing
3 discussion, is while we have the
4 commitment, and you cited the problems now
5 that exist that did not exist back in the
6 '70s, where the bank President did live in
7 Philadelphia but now they're some place
8 else.

9 Even then we recognized the fact
10 that where the commitment came from the top
11 to be inclusive, we never got the message
12 down to the guy who was making the loan or
13 the people who had the day-to-day
14 decision-making powers to approve or
15 disapprove a loan.

16 In your discussions with our local
17 banking institutions, have you thought
18 about asking them to do some sensitivity
19 training and training of their staff who
20 have to make these decisions, so when a
21 contract is turned down or a minority
22 applicant is refused, that you don't have
23 to go to the President of the bank, that
24 there is some sensitivity and barriers that
25 these companies need to know that exist

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2 that keep minorities out of the process.

3 I think that's very important, that
4 you go down below the President and the
5 vice president, to reach to the person
6 who's making those decisions.

7 MR. CRAWLEY: You're absolutely
8 right.

9 And in putting together the 18 and a
10 half million dollar line of credit, we had
11 worked with a number of middle management
12 and upper middle management people in the
13 banks over a period of about 15 months.

14 And we were still being delayed, and
15 we were still being avoided, even though
16 they paid lip service to the concept.

17 And finally we had to go directly to
18 the president of each local -- each local
19 president of every bank in this region to
20 get them to make the commitment.

21 And the bank presidents did make the
22 commitment. We do have an ongoing -- with
23 the chamber -- we do have an ongoing
24 periodic review with the staff people, the
25 senior staff people, the lending groups,

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2 the senior vice presidents of the lending
3 departments.

4 We meet with them on a periodic
5 basis, to give them feedback about our
6 experiences, to let them ask any questions
7 they might have of us.

8 But we are so careful and so
9 sensitive to what you just raised. We
10 cannot tell our people simply to go and do
11 business with PNC Bank.

12 Because if they walk into any branch
13 of PNC Bank, the chances are they're going
14 to find somebody who knows nothing at all
15 about the program, who knows nothing at all
16 about the commitment, and who will tell
17 them that we don't do this kind of
18 business.

19 So it is critical for us, one, to
20 know where the commitment actually lies,
21 who is capable of making the credit
22 decision, and who understands the policy.

23 And so, for us, with so many bank
24 branches, with so many ways to access these
25 banks, it's better for us to find out who

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2 in the corporation, who in the banking
3 network is able to do that, and to send our
4 people directly to them, than to try to ask
5 them to train everybody in the institution,
6 because I don't think they're going to do
7 it.

8 What we do is make sure that our
9 people go to the people who have the direct
10 line of communication with the top of the
11 house. Other than that, they're going to
12 have a bad experience.

13 COUNCILWOMAN TASC0: Thank you.

14 And the other issue is the line of
15 credit really is important because the
16 payment process from contractors to the
17 minority contractors, subcontractor, can
18 put them out of business.

19 MR. CRAWLEY: That's right.

20 COUNCILWOMAN TASC0: They get
21 delayed and delayed and delayed. And while
22 they're waiting for their money, like you
23 say, they lose their staff.

24 So the line of credit is extremely
25 important so that they can continue with

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2 their business ongoing.

3 I have so many questions. And I
4 don't want to hog the whole thing. But I
5 do want to ask you a question.

6 During the course of the Commerce
7 Director's testimony, she talked about the
8 Economic Development Summit.

9 I noticed that you talked about the
10 Chamber and your organization's doing a
11 procurement summit, which I think is a good
12 thing to do.

13 Is there anyone from your
14 organization on this economic summit? Have
15 you contacted anybody or have you been
16 contacted to serve on the planning
17 committee?

18 MR. CRAWLEY: No. We were
19 contacted. We were contacted about the
20 time that the Mayor made his announcement
21 of the new MBEC nominee. We were contacted
22 by Stephanie Nadoff.

23 And we told her that we didn't think
24 that they were ready to do the kind of plan
25 that we needed to have, to have a

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2 comprehensive involvement from the Chamber.

3 So what we're going to do is, as we
4 said before, to go directly at the Greater
5 Philadelphia Chamber of Commerce.

6 We sent a letter that pre-dates
7 Stephanie Nadoff's appointment and
8 pre-dates the MBEC nominee's appointment.

9 We sent a letter on December 22nd --
10 I think I have a copy of that letter -- to
11 Mark Schweiker, asking him to pull together
12 the heads of his largest corporations --
13 those are generally people who comprise his
14 executive committee -- and have them to sit
15 down to talk about ways that there could be
16 more procurement involvement with minority
17 businesses throughout the City and
18 throughout the region.

19 And we asked him to get back to us
20 on the 25th of March, give him 90 days to
21 think about ways that that could be done;
22 where at the same time, one day later we
23 sent a letter to the Mayor of the City of
24 Philadelphia, asking him to get back to us,
25 again, on March 25th, to tell us about the

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2 restructuring of MBEC which we had been
3 waiting for for more than a year.

4 To his great credit, Mark Schweiker
5 got back to us with a hand-delivered letter
6 on that day, on March 25th.

7 And among other recommendations, he
8 said he wanted to do a procurement summit.
9 So we knew that that was already going to
10 happen before we heard Stephanie Nadoff
11 talk about her economic summit.

12 Our focus is on what needs to happen
13 for minority businesses and for African
14 American businesses.

15 To this day we have not received a
16 letter from the Mayor responding to that
17 December letter about the restructuring of
18 MBEC.

19 And so, our great concern when there
20 was an announcement that there would be a
21 new MBEC director, without us having sent a
22 letter -- I have a copy of the letter --
23 having sent letters to the Mayor asking
24 about the restructuring, dated December 22,
25 2003, and the first thing we know about

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2 MBEC is a leak again of the announcement of
3 the name of the MBEC director.

4 So that's why we have not been
5 involved in the economic summit. We were
6 already planning to do something else. And
7 we hadn't heard anything back from the
8 Mayor, so we began to talk directly with
9 the private sector.

10 COUNCILWOMAN TASCO: What is the
11 ongoing role of the subcommittee of the
12 21st Century? Is that abandoned? Are
13 you --

14 MR. CRAWLEY: We don't really have
15 an ongoing role, other than the fact
16 that -- I mean, because that was a part of
17 21st Century Review Forum. And again, we
18 had to create our own subcommittee.

19 We were... There was no minority
20 business subcommittee or no minority
21 business committee established under the
22 21st Century Review Forum.

23 And when I went to that first
24 meeting, I heard them talk about what they
25 thought the economic agenda would be for

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2 the City and for the region, but there was
3 no discussion, none, of how minorities
4 would play any role in that, how African
5 American businesses would play a role in
6 that.

7 So we told them that we would be
8 establishing a subcommittee.

9 The group of people, the 19 people
10 who came together, are still committed to
11 pushing this agenda, to ensuring that this
12 idea doesn't die. We're not doing it as a
13 part of the 21st Century Review Forum.

14 From what I understand, the Review
15 Forum's report is on the shelf and pending
16 further action. But I don't know what is
17 happening with the Review Forum.

18 All I do know is that the group that
19 we put together is still interested in
20 making sure that the things that we
21 uncovered in our report get implemented,
22 both in the public and private sector of
23 the City.

24 COUNCILWOMAN TASC0: Let me ask you
25 another question. On Page 11 of your

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2 report you talked about sent the letter to
3 the Mayor on April 13th outlining 11 issues
4 that impede black minority business
5 opportunities, including... Did you get a
6 response to this? Was that the letter?

7 MR. CRAWLEY: No. I was explaining
8 to you --

9 COUNCILWOMAN TASC0: That's the
10 letter we have not heard from.

11 MR. CRAWLEY: That we got a letter
12 of response, but it was a disappointing
13 response.

14 COUNCILWOMAN TASC0: The one that --

15 MR. CRAWLEY: The one that you
16 talked about you can't do anything with the
17 unions because of the First Amendment.

18 COUNCILWOMAN TASC0: Could you
19 explain that to me?

20 (Laughter)

21 COUNCILWOMAN TASC0: I don't
22 understand that.

23 MR. CRAWLEY: I don't understand
24 that.

25 COUNCILWOMAN TASC0: What does the

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2 First Amendment have to do with that?

3 MR. CRAWLEY: I have no idea.

4 COUNCILWOMAN TASC0: Somebody may be
5 able to explain that to us. Mr. Chair,
6 maybe you might ask that question.

7 MS. MOORE: We want the Mayor to
8 explain it to us. He's the one that wrote
9 the letter.

10 (Applause.)

11 COUNCILWOMAN TASC0: Okay. Again...

12 (Applause.)

13 COUNCILWOMAN TASC0: I certainly
14 think that -- I think that -- And commend
15 you on the report. You've certainly
16 touched on all of the issues that are major
17 issues in this community.

18 One of the problems we have as a
19 Council, in dealing with the professional
20 services contract is that the contracts are
21 let, and they're let for a year with
22 renewals.

23 If they were let with a three
24 year -- under a three-year term, the
25 Council would have to approve them. We

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2 have no approval over those professional
3 services contracts.

4 And a lot of contracts that the
5 Council used to approve are no longer
6 approved because they went -- we went to
7 that process of letting contracts on a one
8 year basis with a three-year renewal which
9 does not give any input by City Council, in
10 terms of what the terms of the contract
11 are, what minority participation.

12 I certainly think that this Council
13 has been in the leadership, going back to
14 Councilman Blackwell, when he established
15 the minority MBEC program in the City,
16 because then we knew that there was a need.

17 But side -- side actions have taken
18 place to undermine any effort by the MBEC
19 office, as you said, no matter who leads
20 it, has been put into place to prevent any
21 meaningful participation of African
22 Americans in the business of this City.

23 And when the message is sent that
24 we're not doing business with African
25 Americans or any other minorities, then

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2 it's okay for the business community to
3 ignore this community.

4 So the message has to come from the
5 top. And I thank you.

6 MR. CRAWLEY: Our problem with MBEC
7 is not related to who's going to be the
8 managing or supervisor of the entity.

9 It's whether the entity is still
10 relevant in its current form in the year
11 2004.

12 When MBEC was put together, the
13 concept was that there would be minority
14 involvement, but the only way that
15 minorities could be involved was that they
16 go through MBEC, which wouldn't include all
17 of the contracts let in the City.

18 The professional services and those
19 other contracts were not even included in
20 MBEC's purview. MBEC had no authority over
21 those, as you know.

22 And even worse than that, the
23 assumption was that all those contracts
24 would first be let to whites because the
25 assumption was also that there were no

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2 black, Hispanic or Asian businesses that
3 could serve as prime contractors.

4 So the only way that we would be
5 able to involve -- And this is the MBEC
6 structure. The only way we would be able
7 to involve minorities is, one, let the
8 contract, let a white bidder bid on the
9 contract, and then find some minorities to
10 participate.

11 That's an outmoded concept. There
12 are certainly African American business
13 owners who can bid as primes on these
14 contracts.

15 And that's another thing that comes
16 out loudly and clearly in the disparity
17 study. There are virtually no black prime,
18 no -- virtually no Hispanic prime
19 contractors bidding on City contracts.

20 That has to stop. That is an
21 outmoded concept. And it denigrates and
22 marginalizes the great professional
23 competence of the businesses that we now
24 have in the City 20 years later. And so,
25 we don't want to work in that kind of

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2 environment any more.

3 And it does create a situation
4 wherein you're giving that contract to the
5 white bidder, and now he thinks it's his
6 contract. And the minority participant has
7 no say in that contract.

8 That contractor, having won the
9 right to exercise that contract, can
10 eliminate the minority participant, even
11 though that minority was on the contract at
12 the time the bid was won. He can simply
13 replace that person at his whim. And that
14 shouldn't exist.

15 So, for a number of reasons, we
16 think it's time to revisit the whole way in
17 which procurement is done. And we need to
18 look at procurement from the top down.

19 And procurement, at the top of this
20 administration, at the top of the
21 government, ought to have an inclusion
22 mandate.

23 Include people of color in all
24 purchase considerations of the City, not
25 just in some ghetto of procurement called

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2 MBEC. That worked for 1983, but it should
3 work in the year 2004.

4 (Applause.)

5 COUNCILWOMAN TASC0: I just want to
6 make one final comment.

7 (Extended applause.)

8 COUNCILWOMAN TASC0: I just want you
9 to add in your... another part to your
10 responsibility, is to look at how contracts
11 are given out in the provider community
12 because we're having problems in the Health
13 Department, Department of Social Services,
14 where a number of neighborhood providers,
15 African American minority providers, were
16 doing business, providing services in the
17 community; and they are no longer getting
18 those contracts.

19 Those contracts are being awarded to
20 friends of people in these departments; do
21 not get an opportunity -- And MBEC no
22 longer monitors the nonprofit community.

23 And so, therefore, they also provide
24 employment in the communities while they
25 are nonprofit. They provide the

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2 minority -- They provide access to people
3 of color in the community to access
4 services within the community, and not have
5 to go outside of their community for
6 services.

7 They also provide employment for
8 people in the community to provide those
9 services to the residents of that
10 community.

11 But that is another area that we
12 have to look at, and will be looking at
13 because you will find that those community
14 groups did testify during the course of the
15 budget hearings, about how they are
16 excluded, and how their contracts are taken
17 away and given to other groups.

18 And it's just not fair. And so, it
19 is serious problem in the City that we have
20 to address.

21 MR. CRAWLEY: We will certainly
22 investigate that. Thank you.

23 COUNCILMAN GOODE: Chair recognizes
24 Councilman Rizzo.

25 COUNCILMAN RIZZO: Thank you.

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2 Good morning to both of you. Thanks
3 for being here.

4 I'm working on an issue that makes
5 me look back. And maybe you can help me.
6 I don't know the answer to this question,
7 on how we can do this particular type of
8 business.

9 But we just spent \$50 million plus
10 with Motorola Corporation to install a new
11 radio system to support Fire Department,
12 Police, and all the operating agencies of
13 City government, \$50 million plus.

14 I don't have a clue whether there
15 was minority participation or how you can
16 even have minority participation, when
17 you're giving a bid to a Chicago-based
18 company that imports, I would assume -- and
19 I'm assuming here -- much of the labor,
20 professional laborers with them. And they
21 come, they do their thing, and they leave.

22 How do we begin to approach -- This
23 is a big deal, \$50 million plus. And I
24 have no idea whether or not there was
25 minority participation in that.

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2 Now that I look back, it was
3 installed. Just turned on last year. What
4 do you think about that?

5 MR. CRAWLEY: I think that there
6 shouldn't be a single contract that goes
7 through this City government that's not
8 reviewed for its appropriate impact on the
9 City economy, and then the regional
10 economy, and for its potential to provide
11 appropriate levels of inclusion in
12 communities that have been excluded.

13 And that would relate to everything.
14 And if you did it that way, if that was the
15 way business was done in this City, we
16 would simply go about the business of
17 including people in the Motorola contract
18 or whoever it happened to be.

19 There are no brand names that
20 exclude African American participation.
21 There is no industry that includes
22 African -- excludes African American
23 participation.

24 We have people who have gone to the
25 very best business schools, technical

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2 schools, and professional schools in the
3 country for at least the last 35 years. So
4 they can produce anything. They can
5 provide any service.

6 You cannot -- You cannot say to us
7 that \$84 million in legal work was done by
8 the City and no black firm did a single
9 dollar's worth of that legal work, without
10 having us have a strong suspicion that we
11 were purposely and conscientiously
12 excluded.

13 So, when I hear you talk about
14 Motorola, I'm simply saying that it doesn't
15 matter what the brand is, it doesn't matter
16 what the product or the service is; if
17 there is a mandate, if we understood that
18 it is well within the enlightened
19 self-interest of this City and its
20 residents to include people who live here
21 in the economy of the City, then we'd
22 simply do it.

23 VOICE IN THE AUDIENCE: That's
24 right.

25 COUNCILMAN RIZZO: So when we go out

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2 with a contract -- When we built the
3 stadiums, obviously, we got lots of labor
4 locally. But let's go back.

5 MR. CRAWLEY: 40 percent of it was
6 City residents. 60 percent were people
7 outside the Philadelphia. 40 percent. Our
8 Philadelphia Phillies.

9 COUNCILMAN RIZZO: Let's talk
10 about --

11 MR. CRAWLEY: All the dialogue you
12 guys had in Philadelphia City Council. 40
13 percent of the employees.

14 (Applause.)

15 MR. CRAWLEY: That's the problem.

16 COUNCILMAN RIZZO: 40 percent.

17 MS. MOORE: Who's going to bring the
18 hay to Smarty Jones?

19 (Laughter.)

20 COUNCILMAN RIZZO: I wish it were
21 me.

22 (Laughter.)

23 MS. MOORE: That's another contract.
24 That's another job.

25 COUNCILMAN RIZZO: I'd like to have

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2 them bring some of the hay to me.

3 (Laughter.)

4 COUNCILMAN RIZZO: But let's talk
5 again about these big national contracts.
6 Are you telling me that you believe if they
7 wanted to, that they could structure a
8 contract for the installation of that radio
9 system, insisting that Motorola subcontract
10 with local technicians, local antenna
11 installers, rather than importing their
12 work force from the midwest?

13 MR. CRAWLEY: I think if Motorola
14 knew that that was a part of the local
15 mandate for the procurement process,
16 Motorola would figure out a way to get it
17 done. And in the absence of that, Motorola
18 reverts to business as usual.

19 COUNCILMAN RIZZO: And maybe they
20 did that. Again, I don't know whether that
21 occurred or not. So, I want to make myself
22 clear. I don't know the answer to the
23 question whether that occurred or not. I
24 don't know. But we're going to find out.
25 We're going to look back because maybe

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2 looking back can help the future.

3 Thank you.

4 Thank you, Mr. Chairman.

5 MS. MOORE: Would the role of
6 MBEC... Would they have informed you as to
7 whether or not there were minority?

8 You know, I don't like that word.
9 If they -- Would they have informed you if
10 block folks were working on that job, if
11 they really led up to their role?

12 (Applause.)

13 MS. MOORE: I just... You know,
14 inquiring minds want to know.

15 (Applause.)

16 COUNCILMAN RIZZO: I think that if
17 that were the case, that would have been
18 something that, if I were Motorola or I
19 were the Department of Public Property,
20 that I would have talked about.

21 MS. MOORE: Well, probably Michael
22 Williams wouldn't know either.

23 COUNCILMAN RIZZO: He wasn't here.

24 MS. MOORE: And it's not about
25 Michael Williams.

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2 COUNCILMAN RIZZO: He wasn't here.

3 MS. MOORE: I know.

4 But what I'm saying is, I don't know
5 who you directed your question to, but I'm
6 getting ready to bring you another answer.

7 My position here is what you just
8 questioned. If the elected officials and
9 those other elected officials called
10 ministers, if they were really on top of
11 the business of being about the business of
12 bringing jobs and contracts into the
13 neighborhood, you wouldn't be asking that
14 question.

15 (Applause.)

16 MS. MOORE: But let me say this to
17 you, Councilman Rizzo: Your office...
18 I'm'a bring this to the attention of the
19 public. We have reached out to your
20 office, my organization. And you have
21 helped us tremendously. I don't know the
22 rest of these folks.

23 (Applause.)

24 MS. MOORE: And that's... I think
25 that's important to know. I mean, we're

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2 steady voting every, you know, four years,
3 whatever it is.

4 I have a report card here. I joined
5 a group of people that make sure that the
6 community knew the position of jobs and
7 contracts for folks that were running for
8 office.

9 We made sure that this information
10 were at -- this information was at the
11 polling places.

12 And a lot of those candidates lost
13 because they didn't support jobs and
14 contracts.

15 So, Motorola, Mickey Mouse, Disney
16 World. None of those folks should be able
17 to come to this town...

18 (Applause.)

19 MS. MOORE: ...and you ask the
20 question that you asked.

21 (Applause.)

22 MS. MOORE: Because you should be
23 coming -- You should be coming to us and
24 giving us the answer, not asking us the
25 question.

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2 I'm sorry. But I'm not really

3 sorry. You know, I'm just being...

4 COUNCILMAN RIZZ0: I understand.

5 MS. MOORE: Oh, okay.

6 COUNCILMAN RIZZ0: Again, this

7 process started --

8 MS. MOORE: Thanks.

9 COUNCILMAN RIZZ0: This process

10 started many years ago.

11 MS. MOORE: That's right.

12 COUNCILMAN RIZZ0: Five, six years

13 ago this process started.

14 MS. MOORE: Exactly.

15 COUNCILMAN RIZZ0: And because of

16 some recent issues associated with that

17 job, it made me ask the question. And I'm

18 not embarrassed to tell you that I don't

19 know the answer.

20 MS. MOORE: And I'm not embarrassed

21 to tell you that you should have known the

22 answer.

23 COUNCILMAN RIZZ0: And I agree. I

24 agree.

25 (Applause.)

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2 COUNCILMAN GOODE: I think,

3 Councilman --

4 MS. MOORE: And I'm not trying to
5 trash you, Mr. Rizzo. I'm just trashing
6 the... This is a street fight, Street
7 administration and community.

8 COUNCILMAN RIZZO: Good. And we'll
9 get --

10 MS. MOORE: This is a street fight.
11 So I'm not trashing you personally.

12 COUNCILMAN RIZZO: I understand.

13 MS. MOORE: I'm trashing the
14 process. I'm sorry, Mr. Wilson Goode, but
15 it's time to go there.

16 And like I said, who has the
17 contract to bring the hay to Smarty Jones?

18 Thank you.

19 COUNCILMAN GOODE: Thank you.

20 Chair recognizes Councilman DiCicco.

21 COUNCILMAN DiCICCO: Thank you.

22 COUNCILMAN GOODE: Not because she
23 mentioned Mickey Mouse.

24 COUNCILMAN DiCICCO: Pardon me?

25 COUNCILMAN GOODE: Not because she

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2 mentioned Mickey Mouse.

3 COUNCILMAN DiCICCO: Nothing to do
4 with Mickey Mouse. He did run against me,
5 actually.

6 Thank you, Mr. Chairman. Thank you.
7 Can you hear me? Can you hear me now?

8 (Laughter.)

9 COUNCILMAN DiCICCO: Thank you, Mr.
10 Chairman. And good morning, Miss Moore and
11 Mr. Crawley.

12 Councilwoman Tasco touched on
13 something. She's talked about 30 years the
14 struggle has been going on.

15 I'm more familiar with it,
16 obviously, for the last nine years that
17 I've been in Council. And I've been at
18 many different hearings.

19 In fact, I even attended the African
20 American Chamber of Commerce one time. I
21 talked about my father's business including
22 African Americans. He was a number's
23 writer, as you remember.

24 But anyway, that being said, in your
25 testimony on Page 12 is one of the items

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2 that you referenced in your letter to the
3 Mayor, ensuring that trained neighborhood
4 residents have access to at least 25
5 percent of the construction jobs taking
6 place in communities.

7 For me, that goes to the heart of
8 this whole issue, and this debate that has
9 been going on for decades.

10 Unless people are trained, they're
11 never going to get the job. How do you get
12 them trained, I think, is the question that
13 we really need to be dealing with.

14 There is an historical... It's
15 historical in this City that minorities,
16 people of color are less likely to be
17 trained in the trades to become journey
18 persons, which therefore excludes them from
19 the process.

20 So we can talk about investment and
21 talk about the business community, but
22 unless those jobs are made available to
23 people, we're going to be talking about
24 this for another 30 years.

25 So the question is, how... Do you

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2 have suggestions, recommendations as to how
3 we do we get people into the position so
4 that they're qualified to get the jobs when
5 those jobs are finally let?

6 And let me just finish this thought.
7 Several years ago, eight years ago, I
8 embarked on a mission to do a housing
9 development in my District.

10 I'm happy to say it's under
11 construction. 93 homes were sold in four
12 and a half to five days. Very diverse
13 group of folks bought those homes.

14 My vision was not only to remove the
15 blight and build houses, but my hope was
16 that we were able to employ people from the
17 immediate community, from the Zip Code or
18 two Zip Codes around that section of my
19 District, so that they would become wage
20 earners, which would then give them the
21 opportunity to become homeowners,
22 homeowners for maybe the houses that they
23 were actually working on.

24 See, I think it's very simple. I
25 think if you give people the skills to be

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2 able to participate and to be true job
3 holders, if you will, trades persons, this
4 plan that you mentioned about housing in
5 certain sections of the City could really
6 be a massive... overall of our housing
7 development throughout the City. Because
8 those same people who would be trained to
9 work could be employees on the jobs, and
10 then become homeowners.

11 I don't think it's that difficult.
12 Only if we are able to crack the historical
13 situation that we have in the trades in
14 this City -- And I enjoy support from the
15 trades, so I'm not fighting with them.

16 But we've got to open the door. And
17 unless we open that door, nothing's going
18 to change. Nothing will change.

19 And the key is, do we have the
20 political will to say, it's got to stop.
21 You just can't take care of suburbanites to
22 come in and work in our neighborhoods and
23 leave at the end of the day.

24 And I don't have anything personal
25 against those folks. They're entitled to

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2 work like everybody else.

3 (Applause.)

4 COUNCILMAN DiCICCO: But until we
5 open the door and give people who live in
6 this City the opportunity to have jobs, all
7 those other social ills that we have are
8 just going to continue because it's just
9 never going to stop.

10 So we have to figure out, how do we
11 get the door open into the trades, so that
12 people become trades persons and not the
13 apprenticeships? Because they don't get
14 the jobs.

15 That's just... That's just a lot
16 of -- That's just a lot of fluff at the end
17 of the day. And until we figure this
18 out -- And maybe it's the political will.

19 And I'm not saying it's this
20 administration or any other administration.
21 It's us collectively. We got to figure
22 out -- We got to stand up and say, it's got
23 to stop, and you got to start training
24 those folks.

25 So, you know, it's a question

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2 statement. I have a tendency to do that
3 because I want to let you know what I'm
4 thinking, where I'm coming from. How do we
5 get to that 25 percent, unless we open that
6 door?

7 MR. CRAWLEY: Councilman, you are
8 clearly singing our song.

9 We explained earlier in the
10 presentation that we were perhaps most
11 disturbed by the Mayor's response to the
12 question about having appropriate levels of
13 inclusion in the building trades.

14 And when he gave us a response
15 that...

16 COUNCILMAN DiCICCO: I didn't get a
17 chance to read the response, so I apologize
18 if it's in there. I just... Is that the
19 Constitutional issue?

20 MR. CRAWLEY: Yeah. He said the
21 First Amendment kept him from doing this.

22 Oh, here it is. We asked him to
23 establish goals for minority inclusion in
24 skilled trades.

25 He said, as you know, the First

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2 Amendment prevents the City from either
3 requiring or prohibiting that any
4 construction project be undertaken with
5 union labor.

6 Notwithstanding the constraint, the
7 administration has worked in cooperation
8 with the City's building and construction
9 trades to fill over a hundred new
10 apprenticeship positions with minority
11 workers who graduated from a diversity
12 apprenticeship program.

13 See, that's back again to the
14 program that doesn't work.

15 Our issue is not how many people are
16 in the diversity apprenticeship program,
17 because they put people through there every
18 year.

19 The problem is nobody comes out the
20 other end.

21 The problem is, we need people who
22 have journeyman cards.

23 And the problem is -- And we've been
24 discussing this with the School District --
25 that years ago, before the schools became

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2 85 percent African American and Hispanic,
3 there were metal shops, wood shops, and all
4 those other kind of shops.

5 And when you came out of the public
6 school having gone through that program --

7 COUNCILMAN DiCICCO: You had a
8 trade.

9 MR. CRAWLEY: -- you would have a
10 trade.

11 COUNCILMAN DiCICCO: Sure.

12 MR. CRAWLEY: You would be a
13 journeyman.

14 I know people who are friends of
15 mine who had jobs as union organizers, and
16 they would pull up on a construction site.
17 And they would see four or five people
18 there working.

19 And his job was to find out if they
20 had a union card. If they didn't have a
21 union card, he'd either shut down the
22 project or said, we'll put you in a union.
23 You had a choice.

24 Now, for black people they don't
25 say, we're going to put you in a union.

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2 They say, we're going to put you in the DAP
3 program, we're going to put you in the
4 pre-apprentice program.

5 And it's going to take you two years
6 to finish that, another six or seven years
7 to finish the apprenticeship program, and
8 you will never have the subjective decision
9 made, the purely arbitrary decision made to
10 finally give you the journeyman's card.

11 So the way we get around that --
12 There's two ways: One, we've got to ensure
13 that we have more minority prime
14 contractors because we have minority
15 prime -- And that's what the Emerging
16 Contractor Program is about.

17 If you have minority prime
18 contractors working in those communities,
19 their first hope would be that they can
20 hire people from their neighborhoods to
21 work on those construction sites.

22 And then if the unions don't have
23 people who are -- who look like them, then
24 these will have to be prevailing wage
25 situations, where people will make the same

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2 wage that they would make in a union, have
3 the same benefit package. They simply
4 wouldn't have the journeyman's card because
5 the union didn't give to it them.

6 So sometimes we need to give them
7 training. And we do have a training
8 program at work with the emerging
9 contractors.

10 But sometimes people have all the
11 training they need. They simply don't have
12 a journeyman's card because the union won't
13 arbitrarily make the decision to give it to
14 them.

15 That's why we're so frustrated
16 because the Mayor says that it's the First
17 Amendment keeping us from having the kind
18 of inclusion we need, to get people in a
19 position to make it work in their own
20 neighborhoods, feed their families, and
21 take care of their children.

22 MS. MOORE: Mr. DiCicco, can I
23 respond also? I heard you say that one of
24 the problems is the training programs in
25 the neighborhood.

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2 I just wonder if anybody ever
3 questioned the folks that get the jobs
4 first, if they had training from the
5 neighborhood.

6 I just wonder if anybody thought
7 with Motorola, if anybody there had been
8 trained first.

9 You know, we always have to be
10 trained first and qualified. I'm saying,
11 where is the jobs and the contracts? We're
12 already trained.

13 (Applause.)

14 MS. MOORE: You know, that's...
15 See, I conform Mr. Crawley said when he
16 said right away we have to go through the
17 DAP program, and then we got to... By the
18 time we finish, they doing something else.
19 Person don't be trained, that's not the job
20 they're hiring for any more.

21 If you want to know how to approach
22 it, call back to the community and ask us.
23 Believe me; we know the answers. We will
24 be able to help you get all of the training
25 and all of the people that are trained that

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2 you need; believe me. We are already
3 trained, and we are available for these
4 jobs.

5 (Applause.)

6 MS. MOORE: I'm speaking from that
7 level.

8 (Applause.)

9 MS. MOORE: I don't know who the
10 question was directed to, but I'm'a keep
11 after it, because I'm not going to be
12 beating around the bush.

13 COUNCILMAN DiCICCO: Let me clarify.
14 In addition to the training or having
15 trained people, what I was mostly referring
16 to was the journeymen.

17 We get into apprentice program, and
18 the journeyman is what I should have
19 emphasized. You never get to that which
20 entitles you to get to the job.

21 MS. MOORE: Oh, okay. Oh, okay.

22 COUNCILMAN DiCICCO: I suspect --

23 MS. MOORE: But was I clear?

24 COUNCILMAN DiCICCO: I suspect with
25 Motorola that MBEC applied some of their

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2 criteria to that. I'm suspecting that.

3 But I can tell you that probably a
4 lot of electrical work was involved in
5 that.

6 There was no way that contract was
7 going to move forward unless the electrical
8 workers union had its full participation
9 with that, even -- And I'm not an attorney,
10 and I don't know about Constitutional law,
11 obviously.

12 But the way -- The same way that
13 union could go in and stop -- and keep the
14 job from happening because until they
15 reached whatever agreement they need to for
16 their members, those same members should be
17 included in that local that are minorities.

18 And that's not coming -- I mean,
19 constitutionally, unconstitutionally, there
20 are ways in which we can get things done.

21 And especially when we're letting
22 City contracts out. There has -- There
23 should be a way, there must be a way in
24 which we can contractually guarantee
25 certain participation beyond what MBEC.

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2 MR. CRAWLEY: We agree with you a
3 hundred percent, Councilman. And we're
4 waiting for the Mayor to give back the
5 appropriate response.

6 MS. MOORE: That's right.

7 And the union's that stopping us
8 from getting those jobs.

9 COUNCILMAN DiCICCO: Just in
10 closing, on the gentrification issue on the
11 planning, I'd be willing to sit down with
12 you to talk to you about the housing
13 development I did which addressed that very
14 issue, because when I started the project
15 in 1996, many of the people who live there,
16 mostly people of color, were concerned that
17 I was looking to gentrify the neighborhood.

18 And I realized after many heated
19 meetings that they were the descendants of
20 people who lived in other parts of my
21 District which became totally gentrified.

22 And there were promised 30, 40 years
23 ago that they would be included in the plan
24 and they weren't. We devised a plan that
25 allows for folks whose homes we were

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2 condemning as part of the big plan for
3 neighborhood revitalization to still remain
4 in the neighborhood by using some of the
5 relocation dollars as down payments on the
6 homes, and other things.

7 So I'd be more than willing to share
8 that with you and other members of
9 Council --

10 MR. CRAWLEY: We look forward to
11 that.

12 COUNCILMAN DiCICCO: -- who have
13 housing developments going on, where you
14 may be faced with that same issue.

15 We don't want to take people away
16 from their community. We want to make it
17 better for them and the future residents.

18 So thank you. And thank you, Mr.
19 Chairman.

20 COUNCILMAN GOODE: The Chair
21 recognizes Councilman Clarke.

22 The Chair recognizes Councilwoman
23 Brown.

24 COUNCILWOMAN BROWN: Thank you, Mr.
25 Chairman.

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2 Good afternoon now, Mr. Bruce
3 Crawley, and Miss Moore.

4 First let me start out my comments
5 by underscoring the issue raised by
6 Councilwoman Tasco.

7 It was a very disturbing reality
8 that came to our attention during the
9 recent budget hearings, learning and
10 hearing that many providers of color in
11 our -- indigenous providers of color are in
12 some ways systemically being moved out of
13 providing services to people who look like
14 them.

15 And we are doing what we can from
16 where we sit, but we will welcome helping
17 to get this issue on the radar screen, and
18 in a strong way, so that we do not have
19 those same discussions, conversations and Q
20 and A with the budget process next year.
21 So I need to underscore that.

22 And let me commend you for what I
23 agree, too, is a very thoughtful but
24 factual testimony.

25 I'm particularly drawn by a lot of

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2 the stats here, and in particular on Page 6
3 you mention where we are, where African
4 Americans are, in terms of ownership.

5 I am instruct struck by the...
6 There's no mention of women of color in
7 business. And when you cite your
8 strategies, I'm curious to know would those
9 same strategies apply to women of color in
10 business? Because that's another layer,
11 another hurdle that women have to go
12 through when we're trying to get the fair
13 and equity, with regards to the playing
14 field.

15 MR. CRAWLEY: We don't spend a
16 special focus on women of color in the
17 African American Chamber because we find
18 that African American women get treated
19 like African American men. They get
20 discriminated against because of their
21 race.

22 And when we did the Emerging
23 Contractors Program, some of our best
24 graduates were African American women, ran
25 the best businesses, had the best

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2 construction sites. They can do everything
3 that everybody else can do.

4 And when the government gives you
5 back their data, the Census Bureau data,
6 when they say women, they mean white women.

7 (Applause.)

8 MR. CRAWLEY: Black women are
9 included with black people. Asian people
10 are included with -- Asian women are
11 included with Asian people. And Hispanic
12 women are included with Hispanic people.

13 When you see the category women on
14 the government form, they're talking about
15 white women.

16 COUNCILWOMAN BROWN: That clarity
17 needs to be pointed out.

18 The focus here is City government.
19 Are there any lessens we could learn from
20 what Carl Green is doing over at P.H.A. or
21 when we consider that the School District
22 is getting ready to do this \$5 billion
23 capital campaign and build 11 new high
24 schools, and I think five new elementary
25 schools, and given the some might call it

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2 rumors, others would say facts, that the
3 leadership there at the School District
4 went over and above the stipulations when
5 they did this in Chicago, is there an
6 opportunity to sit down with the School
7 District now and hear how they plan to
8 actually meet some of the recommendations
9 in this report?

10 MR. CRAWLEY: On the School District
11 we've been meeting with them since Paul
12 Vallas got off the plane. We met him
13 during the first week he was in
14 Philadelphia.

15 We were very familiar with his track
16 record in Chicago. We knew that he did a
17 very similar construction project with the
18 Chicago School District that he is putting
19 in place with Philadelphia.

20 We knew that he floated a bond
21 issue. We knew that he focused on making
22 sure that African American and Hispanic
23 contractors were involved as prime
24 contractors.

25 And this is a different kind of a

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2 thing than even the P.H.A. program. P.H.A.
3 program has not made a great deal of
4 involvement with African Americans as
5 primes. And we want to see more in that
6 regard from the Philadelphia Housing
7 authority.

8 But we know that it has been Paul
9 Vallas's track record and experience to do
10 that. And those businesses grew and
11 prospered, hired people in Chicago, just as
12 the experience was in Atlanta.

13 And now, one of the things that I
14 was discussing with somebody yesterday is
15 that they said that in the City of
16 Atlanta -- This was from a person at one of
17 the largest private sector corporations in
18 Chicago.

19 And he said -- He was surprised to
20 be in Philadelphia -- and he was here
21 yesterday -- because in Chicago there is a
22 simple understanding that 25 percent of all
23 the businesses done in the City will be
24 done with businesses owned by people of
25 color.

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2 And I would think that people in
3 City government in Chicago -- in
4 Philadelphia should converse with the
5 alderman and the Mayor's Office of Chicago
6 to get that information.

7 We certainly are going to be
8 following up, having heard that. But Paul
9 Vallas comes out of that experience and
10 background.

11 And we know he has a good track
12 record. And we've been working with him
13 ever since. And we fully expect that there
14 will be substantial prime and subcontract
15 involvement, not just on the -- on the --
16 on the -- on the capital development side,
17 but also on the straight procurement side.

18 You know, the procurement side of
19 the School District had been ignored as to
20 minority inclusion since 1988. From 1988
21 until Paul Vallas got here, there was
22 virtually no minority business inclusion
23 because there had been a lawsuit. And the
24 School District overreacted and decided
25 that it wouldn't do anything.

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2 You know... And when we hear people
3 in this administration being concerned
4 about lawsuits, when African Americans are
5 getting less than one percent of the
6 contracts, it causes us great dismay, you
7 know.

8 If somebody should be suing
9 somebody, it should be black folk, who sit
10 back and watch 42 percent of the population
11 get 98 percent of the contracts.

12 So to say that you're concerned
13 about a lawsuit, when black people get less
14 than one percent of the contracts, is
15 unconscionable.

16 The people in the School District
17 are not operating out of that mode. In
18 fact, they say if we're not getting sued,
19 we're not doing -- we're not trying hard
20 enough. And I think that's closer to the
21 truth than what has been the case in the
22 School District for the past 15 years.

23 COUNCILWOMAN BROWN: So when you say
24 you're working with them, you're actually
25 working developing strategies that address

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2 the kind of issues we're confronted with
3 with the City.

4 MR. CRAWLEY: Reaching out -- We
5 had -- The African American Chamber had, a
6 vendor meeting for the School District, I
7 guess about three, four weeks ago. We had
8 about 150, 200 African American vendors,
9 contractors, engineers, architects, all
10 kinds of designers, a panel of people from
11 the School District. They have a
12 commitment. We're working with them to
13 ensure that they achieve all their goals.

14 COUNCILWOMAN BROWN: Very well.

15 My final question is: Discuss, if
16 you will, on Page 7 -- and I quote -- you
17 called us county and region first
18 procurement policy.

19 Is that a first? Is there some
20 precedent? Just background on that and
21 what that means.

22 MR. CRAWLEY: We haven't seen
23 anybody actually do that. I mean, I think
24 we're inspired by two things: One, when I
25 was in the hospitality industry, we were

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2 trying to bring more corporate meetings
3 business to the Philadelphia hotels.

4 And what we found out was that some
5 of the large corporations in town had sales
6 meetings, congratulatory meetings for staff
7 for members that did well, all kinds of
8 corporate business meetings.

9 And they held them in hotels. But
10 they held them in hotels in Miami and
11 Phoenix, Arizona, and all kinds of other
12 places.

13 And we said, you don't have to rule
14 that out entirely, but could you bring some
15 of those corporate meetings back to
16 Philadelphia's hotels?

17 And we were surprised to find out
18 how many of them actually did that. And it
19 accrued to the benefit of the local hotel
20 community.

21 All we're saying is that when you
22 talk about procurement, there should not be
23 a situation wherein our government
24 procurement departments and our private
25 sector procurement departments don't first

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2 look at the probability of purchasing those
3 goods and those services within the county
4 of residents first and then in the region,
5 in the four-county region.

6 COUNCILWOMAN BROWN: Okay.

7 MR. CRAWLEY: And there should be a
8 goal that we establish as to what would be
9 the appropriate level of that kind of
10 procurement.

11 Maybe we find if we're doing 50
12 percent now, maybe the goal should be 75,
13 80 percent across the board.

14 Just doing that with 200 largest
15 corporations for Bucks County, Chester,
16 Delaware, Montgomery and Philadelphia
17 County, we would identify hundreds of
18 millions of dollars that are already
19 allocated, already in the budget, that
20 could be brought back from Cleveland and
21 Detroit and Chicago.

22 COUNCILWOMAN BROWN: Sure.

23 MR. CRAWLEY: So that's what we're
24 talking about doing.

25 COUNCILWOMAN BROWN: Okay.

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2 MR. CRAWLEY: So...

3 COUNCILWOMAN BROWN: A goal would be
4 useful, because currently Council members
5 will ask of City departments how many of
6 the vendors you're dealing with are from
7 Philadelphia.

8 MR. CRAWLEY: That's right.

9 COUNCILWOMAN BROWN: But setting a
10 goal takes us to the next level of
11 systemically making a change there.

12 MR. CRAWLEY: It has to happen, both
13 on the public and the private sector.

14 COUNCILWOMAN BROWN: Thank you for
15 your testimony.

16 Thank you, Miss Moore.

17 MS. MOORE: I got to make a... Here
18 I come again. I'd like to make a point.
19 When the black mayors were here... And I
20 heard an interview. And I think it was a
21 representative from the Convention Tourism
22 Bureau?

23 She was very proud to say that they
24 were taking the black mayors up to Franklin
25 Mills Mall.

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2 And I'm saying, I think you should
3 have been proud to be able to say that
4 you're taking the black mayors to the black
5 folks' community, to those businesses,
6 since you want to take about procurement,
7 you know?

8 But nobody asked me that part.

9 Okay. Thanks.

10 And another point. I think that we
11 need to understand how important it is to
12 know that when you bring black businesses
13 to the forefront, it shows the pride of
14 this City because it also represents your
15 better schools, better homes, less crime
16 because that's the position that contract
17 and jobs will take.

18 Thank you.

19 COUNCILMAN GOODE: Chair recognizes
20 Councilwoman Tasco for a point of
21 information, then Councilman Clarke.

22 COUNCILWOMAN TASCO: I just want to
23 say to you that that is one of the issues I
24 have spoken to, the regional... What's
25 Merrill Levitz's group?

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2 UNIDENTIFIED VOICE: Greater
3 Philadelphia --

4 COUNCILWOMAN TASC0: To enhance the
5 wonderful stores and the communities we
6 have outside of Center City.

7 MS. MOORE: Exactly.

8 COUNCILWOMAN TASC0: When we had the
9 National League of Cities here in 1997, we
10 had mobile tours. And I insisted that they
11 do a mobile tour up to Ogontz Avenue so
12 they can see the Nia Center, they can see
13 what Dwight Evans had done with a blighted
14 community, and took them to the Hard Shell
15 Cafe so that they could eat.

16 MS. MOORE: That's right.

17 COUNCILWOMAN TASC0: We now have the
18 Ogontz Grille up. There. We're getting
19 ready to have a jazz festival. All that
20 stuff has to be included.

21 MS. MOORE: That's right.

22 COUNCILWOMAN TASC0: There are
23 African American stores on Broad Street, on
24 Germantown Avenue.

25 MS. MOORE: That's right.

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2 COUNCILWOMAN TASC0: That should be
3 made available to these --

4 MS. MOORE: Exactly.

5 COUNCILWOMAN TASC0: -- not only
6 African American --

7 MS. MOORE: Groups. And quality
8 tours.

9 COUNCILWOMAN TASC0: -- and find a
10 way to take them.

11 I love Franklin Mills, but there are
12 also other stores in the community --

13 MS. MOORE: Exactly.

14 COUNCILWOMAN TASC0: -- that could
15 use the dollars that come into this City.
16 And whenever I have guests, I try to tell
17 them how to go. But they need
18 transportation. So, we have to include
19 that.

20 MS. MOORE: Right.

21 COUNCILWOMAN TASC0: And as far
22 as --

23 MS. MOORE: African American
24 Chamber --

25 COUNCILWOMAN TASC0: -- the package

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2 that we do with the conventions when they
3 come to the City, is provide that
4 information, and give them a list of these
5 various places --

6 MS. MOORE: Exactly right.

7 COUNCILWOMAN TASC0: -- where they
8 can go.

9 MS. MOORE: Bring some of those
10 dollars back to the community.

11 COUNCILWOMAN TASC0: I agree with
12 you on --

13 MS. MOORE: And African American
14 Chamber, they run shopping sprees. And
15 they are specifically to target black
16 businesses, but that also help black people
17 know that there are black businesses in
18 their neighborhood.

19 Like Bruce -- Like Mr. Crawley said,
20 they taking bus loads of folks out of the
21 black neighborhood to take them back into
22 the black neighborhood. There's something
23 wrong with that picture.

24 Thank you very much.

25 COUNCILMAN GOODE: Councilman

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2 Clarke.

3 COUNCILMAN CLARKE: Good afternoon.

4 I want to thank you for your
5 extremely strong testimony. I know
6 personally I agree with everything you
7 folks said with respects to this issue.

8 I just want to clear up a couple of
9 things, and then just want to talk about a
10 couple solutions.

11 Mr. Crawley, just a point of
12 reference to the testimony. On the average
13 salary of black-owned firms, do you have
14 the number for the average salary for
15 white-owned firms, just for a comparison of
16 analysis?

17 MR. CRAWLEY: I don't have it with
18 me.

19 COUNCILMAN CLARKE: You don't have
20 that?

21 MR. CRAWLEY: I can forward it to
22 you.

23 COUNCILMAN CLARKE: If you could get
24 me that, that would be helpful.

25 MR. CRAWLEY: It just comes out of

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2 the census --

3 COUNCILMAN CLARKE: I know it's
4 higher, but I just want to --

5 MR. CRAWLEY: It just comes out of
6 the census statement.

7 COUNCILMAN CLARKE: You referenced
8 also Progress Plaza in your testimony and
9 indicated -- Well, you implied that there
10 was some issues with respects to ability to
11 access financing for the project. And
12 that's not my understanding. Can you help
13 us --

14 MR. CRAWLEY: Yeah. We had been in
15 a conversation with the people at Zion
16 Nonprofit Trust, who manage and own
17 Progress Plaza.

18 And they had given us the very clear
19 perception that they needed to have more
20 assistance, in order to carry out their
21 redevelopment strategies at Progress Plaza.

22 And we thought that given all of the
23 focus on Center City redevelopment and
24 development, that, certainly, that icon
25 location should get at least the same

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2 kind -- commensurate. You're not going to
3 get the same levels of investment that you
4 get for a building for Comcast, but a
5 commensurate investment in Progress Plaza
6 at the neighborhood level, especially given
7 the historic economic significance of that
8 location.

9 So we got that from the people --
10 Mr. Bracey at Zion Nonprofit Trust. And
11 talk to him -- If you talk to him directly,
12 he would probably tell you precisely what
13 he thinks he needs.

14 COUNCILMAN CLARKE: Yeah. I mean,
15 we've had numerous conversations with them.
16 And we have put what I thought to be
17 substantial financial incentives on the
18 table, both on the City --

19 State Senator Kitchen has put a
20 commitment from the DCED on the state
21 level. And it was my understanding that it
22 was more of an issue with respects to
23 certain tenants, as opposed to financing
24 issues, but --

25 MR. CRAWLEY: Still when he talked

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2 to us, he still stated his concern.

3 COUNCILMAN CLARKE: Okay. All
4 right. I'll follow up on that.

5 Couple of issues. Listening to your
6 testimony, and having had an opportunity to
7 talk to you and Anthony in particular on
8 some of the problems associated with
9 contracts, the construction trade, we
10 have... I've reached out to your
11 organization on a couple of occasions when
12 I've had major projects in the District,
13 and personally had difficulty in
14 identifying minority contractors, prime
15 contractors to participate.

16 And you've been extremely helpful in
17 identifying those. And I know one is an
18 example most recent was the Temple Hospital
19 Ambulatory Center which was a 73 -- Well,
20 it is a \$73 million project.

21 And I understand that there was real
22 good dialogue between the Chamber. And we
23 were going to be in a position to have a
24 substantial amount of participation in that
25 goal in that particular project.

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2 My question is: Understanding that
3 from it -- It will be difficult for every
4 Council member every time a project came
5 into place to call the African American
6 Chamber of Commerce or a similar
7 organization and sit down and try and
8 negotiate a deal -- And that's kind of,
9 frankly speaking, what we're left with, can
10 you give us some recommendations as to how
11 we can take that process and fold it into a
12 policy on a City-Wide level, so we wouldn't
13 have to enter into every specific project
14 and sit down and negotiate every specific
15 trade and every specific goal as it relates
16 to a particular contract on it, some of
17 these major projects.

18 MR. CRAWLEY: You know, short of
19 having every T crossed and every I dotted,
20 I would just say to you that if you could
21 move to something that is akin to what the
22 people in Chicago appear to be doing right
23 now, if you could move to something that's
24 akin to what the School District of
25 Philadelphia appears to be committed to

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2 doing right now, then everything that you
3 did would be covered. And it wouldn't take
4 long.

5 The big problem is, the reason that
6 you have these kinds of very tedious
7 discussions with the individual developer
8 project by project is that the developers,
9 in the absence of a solid policy, in the
10 absence of a comprehensive policy at all or
11 absence of any kind of a statement of
12 commitment, assume that they've got room to
13 move around in.

14 They assume that they don't have to
15 do it. They assume that they can get away
16 without doing anything at all. And so,
17 then you have that kind of dialogue.

18 So, I mean, I think conversations
19 with people in Chicago, conversations with
20 Paul Vallas and others who have done this
21 successfully will lead you very quickly.

22 I know the rumor always was coming
23 out of Detroit that people simply didn't
24 even imagine going to Detroit to do
25 business without having at the back of

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2 their mind the firm knowledge that they
3 would be expected to have minority
4 inclusion in their contract proposal.

5 They didn't even think about it. It
6 wasn't something that was written down. It
7 wasn't something for which people could be
8 sued. It was just the policy and the style
9 of that administration.

10 And I think that once that word gets
11 out, developers understand that pretty
12 quickly, and they begin to do it
13 differently.

14 In Atlanta, for example, as we said,
15 for the first two years there was vocal and
16 aggressive resistance to Maynard Jackson.

17 And then after a while they realized
18 that this is the way things were going to
19 be, and it began to carve the pie up in a
20 different way. Began to look at
21 development opportunities in Atlanta in a
22 different way.

23 In the absence of having a stated
24 policy, people will do whatever they can.

25 I remember when the Republican

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2 National Convention came here. And we were
3 at the Chamber trying to push for more
4 African American involvement, business
5 involvement, in some of the contracts, the
6 catering, and all of the related kinds of
7 things that we thought the Republican
8 delegates would need.

9 And we found out at the end of the
10 day that one of the reasons that we were
11 having so much of a problem in negotiating
12 with the people who were putting that
13 convention together from the Republican
14 National Committee's perspective was that
15 that committee was advised by somebody at
16 the very highest level of the City
17 government that they didn't have to worry
18 about minority participation.

19 And the Republicans came here
20 thinking that there would have to be some
21 because of course they had this convention
22 in other cities. Isn't the first city
23 they've ever had it in.

24 So they came here and said in a side
25 conversation, what do we have to do? What

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2 is expected? What is the style? How have
3 people been included.

4 And the people at the highest level
5 in the Philadelphia government said, you
6 don't have to do that. Don't worry about
7 it in Philadelphia.

8 So we wound up having to fight every
9 battle one by one because there was no
10 blanket commitment or by policy that would
11 say that people were expected to include
12 people when they come to Philadelphia.

13 So that has to be addressed, because
14 again, every developer you talk to is going
15 to try to do as little as he possibly can
16 in that regard.

17 COUNCILMAN CLARKE: One of the
18 issues about the numerous apprenticeship
19 programs -- And I've had some concerns
20 about the fact that we are providing
21 assistance to people and putting them in
22 programs, and at the end of the tunnel
23 there is no job.

24 I've recently introduced an
25 ordinance that addresses the City's

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2 procurement process, in terms of
3 apprentice, because I understand that the
4 Constitution, i.e., amendment -- the First
5 Amendment talks about race-based and
6 gender-based requirements, you know, with
7 the Bechtle [sic] ruling so it's deemed --

8 MR. CRAWLEY: Is that the
9 explanation of the Mayor's letter?

10 COUNCILMAN CLARKE: You brought it
11 up.

12 One of the things that we looked at
13 was changing this whole structure around
14 apprenticeship because that's not race
15 based, it's not gender based. And I think
16 it could potentially, you know, withstand
17 constitutional muster.

18 We looked at a situation in the
19 trades in particular. They have these
20 ratios. And depending on the trade it,
21 would be five to one, five journey persons
22 per one apprentice, three to one.

23 And we said, we probably need to
24 look at that as a possibility of creating
25 opportunities for apprentice. And we that

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2 given the high number of apprentice coming
3 out of these various programs that it would
4 be possible to have access to that program.

5 And we were looking at a three to
6 one figure across the board.

7 Do you think if we were in a
8 position to implement that particular law,
9 that it would enhance our opportunities for
10 getting our apprentice in this City
11 contract?

12 MR. CRAWLEY: Our problem is that
13 the apprentice -- the movement from
14 apprentice to journeyman is purely
15 arbitrary.

16 MS. MOORE: It's a joke.

17 MR. CRAWLEY: And you don't have to
18 do it by a set period of time.

19 COUNCILMAN CLARKE: No, no, no, no,
20 no. Let me clarify.

21 MR. CRAWLEY: Would you be able to
22 designate that it would be a minority
23 apprenticeship that would result in a
24 journeyman's position?

25 COUNCILMAN CLARKE: You can't do

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2 that because it's race based.

3 But the issue is: Right now, given
4 the level of apprentice, first of all
5 there's no requirement on the City side of
6 having -- We just essentially go by the
7 union regs.

8 MR. CRAWLEY: Right.

9 COUNCILMAN CLARKE: They all have
10 their various ratios.

11 MR. CRAWLEY: Right.

12 COUNCILMAN CLARKE: But what we're
13 talking about is creating a number that
14 will essentially be 25 percent of
15 apprenticeships on all City contracts. And
16 it was my thought, first of all, because
17 it's not race based, it's not gender based,
18 so the Constitutional issue goes off the
19 table.

20 But if you created a high level of
21 requirements for apprenticeship on the job,
22 you can enhance your ability to get these
23 numerous apprentices that we have coming
24 out of the various apprenticeship programs
25 as a side discussion.

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2 And I probably shouldn't even bring
3 this up because this probably will come
4 back to bite me.

5 But traditionally, when we do these
6 types of ordinances as a side, we have
7 certain provisions, in terms of where the
8 apprentice can come from.

9 As an example, when we passed a law
10 in Council to require prevailing wages for
11 properties that -- I think it was above ten
12 houses that were done in the City of
13 Philadelphia, as a result of CDBG and other
14 government funding, that there would be a
15 requirement to pass -- to do prevailing
16 wages.

17 I introduced an amendment that would
18 require any particular contractor that took
19 advantage of that provision will be
20 required to do -- to hire -- participate in
21 an apprentice program.

22 We talked about Topwin, Congresso
23 and DEP [sic] at the time. That's in the
24 law. It's probably not being enforced.
25 But as a result of the change in that

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2 language, we were able to instill that
3 information.

4 So I think that possibly we can
5 create similar language in the bill if we
6 get it passed, to require that they
7 participate in some of those programs.

8 MR. CRAWLEY: Our great concern is
9 not so much for apprenticeship.

10 Our great concern is how we are able
11 to get people transitioned from non
12 journeyman status to journeyman status.

13 There are people who have been
14 members -- We have a guy who was a member
15 of the Emerging Contractor Program that
16 said he was a member of 332 for 20 years.

17 And he said that he had worked for a
18 number of contractors over all that time,
19 and had never worked for a black
20 contractor.

21 And now he was a prime contractor
22 and he was -- he's still black. So he was
23 very proud of that.

24 Our problem is that we don't want to
25 continue to put people in this limbo

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2 apprenticeship status.

3 We know that the labor unions have
4 not had a great problem in putting white
5 journeymen on the table if they've been
6 able to demonstrate an ability to do the
7 work.

8 As I said, they make them on the
9 spot on construction sites. You know, they
10 say, sign the paper or we'll close you
11 down, right? They make them on the spot.

12 But for African Americans there is
13 this nebulous status, this apprenticeship
14 status which continues far longer than
15 anybody can afford to stay.

16 And what happens is that over time,
17 as they are no longer able to feed their
18 children and provide for the money that --
19 for the mortgage or for their rent out of
20 an apprenticeship salary, they drop out of
21 the program.

22 And so every year you have the
23 building trades in a position to say, we
24 had X number of minorities in our
25 apprenticeship program, and unfortunately

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2 we don't understand why, but 47 percent of
3 them dropped out.

4 They can't afford to stay in.

5 COUNCILMAN CLARKE: Let me
6 understand you, because I thought I heard
7 in your testimony that there was some
8 concerns that we were -- we had people in
9 the apprenticeship program; that there's a
10 program but they never got an opportunity
11 to get on the job. And let me because I --

12 MR. CRAWLEY: What you're talking
13 about --

14 (Councilman Clarke and Mr. Crawley
15 began speaking simultaneously, not
16 reportable.)

17 MR. CRAWLEY: -- seven years as
18 apprentices. We want them on the job with
19 union cards.

20 COUNCILMAN CLARKE: Mr. Crawley, I
21 understand that.

22 MR. CRAWLEY: Okay.

23 COUNCILMAN CLARKE: I'm asking you a
24 specific question about an issue that I've
25 heard is problematic, is that... I agree

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2 with you that people will stay in the
3 apprenticeship status too long.

4 But I've also heard, talking to
5 people, that there is an inability to get
6 apprentice on the job.

7 And what I'm trying do is to come up
8 with a strategy that first I get them in
9 the door. And then I agree with you that
10 once you get them in the door on the job,
11 then we can fight to get them journeyman
12 status.

13 MR. CRAWLEY: If you're going to
14 move something to get more apprentices on
15 the job...

16 COUNCILMAN CLARKE: Right.

17 MR. CRAWLEY: ...I think
18 simultaneously and together, there should
19 be some formulative way to ensure that we
20 get people out of the school systems and
21 into card-carrying status, and transition
22 out of the... We've got people who are
23 members of 332 who should be on some kind
24 of a fast track ability to transition into
25 the skill trades. There's no path for

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2 doing that.

3 MS. MOORE: There won't be a path
4 either.

5 MR. CRAWLEY: There should be a
6 path --

7 MS. MOORE: There won't be a path.

8 MR. CRAWLEY: You've been in 332 for
9 15 or 20 years, you shouldn't have to go
10 into an apprenticeship program to get into
11 the carpenter's or the electricians or all
12 those other.

13 You should be able to, with a
14 special program, be able to make that
15 transition. You're already a union member.

16 But there's no accommodation to have
17 that done. These things are being done to
18 delay and stymie our access to journeyman
19 status in the union.

20 COUNCILMAN GOODE: Councilman...

21 MR. CRAWLEY: And so I would hate to
22 have you do a program --

23 COUNCILMAN GOODE: Councilman...

24 COUNCILMAN CLARKE: It's not a
25 program. I'm not --

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2 MR. CRAWLEY: -- that
3 institutionalizes further --

4 COUNCILMAN CLARKE: I'm talking
5 about a law.

6 COUNCILMAN GOODE: Councilman...

7 MR. CRAWLEY: I don't want to --

8 COUNCILMAN GOODE: Councilman...

9 MR. CRAWLEY: -- institutionalize
10 further apprenticeship without the
11 consideration of when you move out of
12 apprenticeship to journeyman status.

13 COUNCILMAN GOODE: Mr. Crawley,
14 Councilman, I want to make sure that we
15 address every issue that we can that's in
16 the letter to the Mayor.

17 But I also want to make sure
18 specifically, although we want to continue
19 this hearing, that we also keep a focus on
20 minority business development.

21 And we'll also have other people
22 testify, including Della Clark from the
23 Enterprise Center.

24 So I'd like you to focus questions
25 very quickly for this panel. I'm hoping

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2 this panel can stay around.

3 Then I want to bring Della Clark up
4 to testify. But I want to keep a focus on
5 minority business development. And we can
6 discuss other issues that are contained in
7 that letter.

8 COUNCILMAN CLARKE: Okay. I'm not
9 sure if my next question falls within that
10 category.

11 COUNCILMAN GOODE: Then the Chair
12 recognizes Councilwoman Miller.

13 COUNCILWOMAN MILLER: Thank you.

14 Good afternoon, Mr. Crawley. Just
15 to follow up real quick, one of the ways
16 that I think that Councilman Clarke's
17 concern and yours about people having a
18 track that takes them from apprenticeship
19 to a journeyman is to develop more African
20 American with a capacity of African
21 American businesses.

22 Because I had a young man that I was
23 working with. I got him in one of the
24 trade unions. My major problem... And
25 this was just my first and my test case.

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2 My major problem for that young man
3 was to find a company that would sort of
4 direct him, guide him, and use him because
5 in the beginning he ended up being with
6 five or six different companies.

7 And then, when -- And I'll call the
8 name -- Larry McCray -- because it was a
9 project going on in my District -- and I
10 called McCray and got him hired there.
11 Ever since then it's been much easier.

12 So, I think once some of our African
13 American and minority companies grow, then
14 they can take on more credits, and keep
15 them there until they become journeymen.
16 And I think that's one way, that that would
17 be very helpful, particularly dealing with
18 the apprenticeship issue.

19 MR. CRAWLEY: The more African
20 American prime contractors you have --

21 COUNCILWOMAN MILLER: Right.

22 MR. CRAWLEY: -- the more African
23 American workers on those sites.

24 COUNCILWOMAN MILLER: Right.

25 MR. CRAWLEY: And logically... It

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2 should be logical that the more would be
3 given access to --
4 COUNCILWOMAN MILLER: Right.
5 MR. CRAWLEY: -- journeyman
6 status --
7 COUNCILWOMAN MILLER: Right.
8 MR. CRAWLEY: -- in the trade
9 unions.
10 COUNCILWOMAN MILLER: And I just
11 wanted to comment on your testimony. And
12 you know, we've met -- we've met with
13 Anthony a number of times.
14 I guess I wanted to know the status
15 of your recommendations. And where is it
16 at this point?
17 Councilman, did I hear you say we're
18 going to send a letter out?
19 COUNCILMAN GOODE: No.
20 Mr. Crawley can explain.
21 COUNCILWOMAN MILLER: Oh. Okay.
22 Because just to say that your... the big
23 idea of this proposal, and then the best
24 practice in Atlanta, what are we going to
25 do with that? It's good information here.

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2 One of my concerns since I've been
3 here is the lack of minority participation
4 or the level of minority participation with
5 City government contracts, and public
6 funded contracts. And it's very
7 frustrating, as you know, an elected
8 official to constantly deal with that.

9 When we met, I talked about the fact
10 that we just can't really review, monitor,
11 et cetera. And I know that that's one of
12 the services that Anthony and the Chamber
13 said that they can help us with.

14 But what is the status of this
15 recommendation? Where are they right now?

16 MR. CRAWLEY: Well, on most of the
17 recommendations having to do with the
18 county and region first, we are moving, as
19 I've mentioned earlier, to set up meetings
20 with the Greater Philadelphia Chamber of
21 Commerce, to begin to bring them to the
22 table.

23 We've met yesterday with another
24 private sector company. We've met with two
25 others, two other large private sector

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2 entities in Philadelphia.

3 We want them to be the nucleus of a
4 group of large corporations that will put
5 out the call to their peers, together with
6 the Greater Philadelphia Chamber of
7 Commerce, so you can, one, do the
8 procurement summit; and grow out of the
9 procurement summit the creation of this
10 public/private entity, where we would be
11 able to pull in Council people, state reps,
12 state senators, and hopefully people from
13 the administration, who would work as a
14 public/private venture, to ensure that
15 there was continued ownership of this.

16 I mean, we can't go from City
17 Council hearing to City Council hearing.
18 The last time this issue was discussed in
19 any need was about a year-and-a-half ago
20 in City Council.

21 City Council brought it up. And
22 there was a great furor about it.
23 Everybody talked about it. And then, you
24 know, it went right back in line with the
25 rest of the very important issues of the

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2 City.

3 Somebody has to own this. Somebody
4 has to take responsibility. And it has to
5 be done jointly with both groups of people
6 who let the contracts.

7 And as we said before, nothing else
8 matters if our people can't participate.

9 We create 3.5 percent of the jobs in
10 this City, even though we get 2.3 percent
11 of the contracts. So we're doing more than
12 our share of job creation.

13 We would love to do more, but we
14 can't do it unless that impediment is
15 removed. So we're moving already. We're
16 going to be hopefully coming back to the
17 people in Council and people in
18 administration, to get them to join up with
19 us as we go after these private sector
20 entities.

21 But we're feeling a great
22 responsiveness from the private sector.
23 They seem to be -- seem to be understanding
24 of the issue. The issue of diversity, the
25 issue of inclusion seems to be something

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2 that they're just looking for some guidance
3 and support in. They understand the
4 importance of the subject.

5 COUNCILWOMAN MILLER: All right.
6 Thank you.

7 I just wanted to make sure -- And
8 again, you did say that the last time we
9 talked about this was a year-and-a-half
10 ago, that there was something that was
11 actually going to happen, and that it
12 wouldn't lay dormant until something else
13 comes up.

14 So... And if Atlanta has the best
15 practices, if that's something that we --
16 And I think that when we first met with
17 Vallas in July almost two years ago, you
18 know, and he talked to us about the
19 minority participation in Chicago, it kind
20 of made me feel a little bit ashamed that a
21 city such as Philadelphia is not really
22 practicing things that way.

23 So I'd be interested in the
24 follow-up and having information. And I'm
25 sure everybody on the committee -- You can

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2 just give it to the Chair. And I'd really
3 be interested in knowing what's going on.

4 Thank you.

5 MR. CRAWLEY: We will continue to
6 move forward and keep you informed.

7 COUNCILMAN GOODE: Let me clarify
8 for the record. The last time this issue
9 came up in a major way in Council, it was
10 because of legislation proposed by
11 Councilman Ortiz, that I thought was
12 excellent legislation.

13 An executive order was patterned
14 after that legislation. There was a whole
15 signing ceremony of the bill and executive
16 order.

17 Then the bill -- the ordinance and
18 the executive order have not been
19 implemented.

20 So I think a year-and-a-half ago
21 Council took the action they thought that
22 they should take, in terms of passing a new
23 bill, trying to revamp what would exist.

24 And we did what we were supposed to
25 do legislatively, but that bill has not

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2 been implemented.

3 MR. CRAWLEY: In fact, the executive
4 order has expired, from what I understand.

5 COUNCILMAN GOODE: Absolutely.

6 MR. CRAWLEY: It has an expiration
7 date on it.

8 COUNCILMAN GOODE: Chair recognizes
9 Councilman Ramos.

10 COUNCILMAN RAMOS: Thank you,
11 Mr. Chairman.

12 Thank you, Mr. Crawley and the
13 Chamber, for taking time out, and the
14 people here that are sending a very clear
15 message to us, of where you stand on a
16 number of issues.

17 As you all know, Mr. Crawley, and
18 probably a number of you out here in the
19 audience, that before my -- before I became
20 a -- before I came on the payroll of the
21 people of Philadelphia, I happened to be a
22 laborer in my career. I'm very proud of
23 it. And I still maintain my membership in
24 the Laborers Local 332. So I know
25 firsthand about these issues working out --

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2 working as a laborer.

3 I really didn't want to go join
4 another union in the years that I spent in
5 the field which was around 20 years because
6 I learned a lot and developed certain
7 skills to be able to stay working, and to
8 be able to keep a family and pay a
9 mortgage, and so forth.

10 And then I came to the government in
11 the year 2000, and Mayor Street -- And I am
12 very grateful that back then he appointed
13 me Director of Labor Standards.

14 Sometimes I had the title of
15 Secretary of Labor and Deputy Mayor. But
16 my main job there was to enforce prevailing
17 wage laws.

18 And I was very surprised in my
19 tenure there that my biggest problem in
20 enforcing prevailing wage laws and having
21 minority inclusion happened to be the
22 government.

23 And I, as an outsider, as an
24 activist as well during my life, I said,
25 wow, you know, the problem here happens to

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2 be the government.

3 You know, it's tougher for me to get
4 these things done because people in the
5 government have all these roadblocks.

6 And I can probably say that in the
7 three years I was there, I was able to help
8 about seven, eight minority contractors
9 come into prevailing wage jobs.

10 The one law that I do know exists is
11 called the Davis Bacon Act. And that law
12 does say that people that work on public
13 works projects have to be paid a prevailing
14 wage. It's like a minimum wage that's
15 above the regular Federal minimum wage.

16 And I did to the best of my ability
17 enforce that law. But one thing that I
18 realized was that certain City departments
19 were my biggest obstacles.

20 and I've said this publicly. I can
21 say it again here. MBEC was a problem.
22 And Procurement was a problem.

23 And then, as I... you know, as my
24 time went by, and I was able to help a
25 handful of people, I said, well, I need

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2 then to bring in any new and minority
3 contractor that would come to work for the
4 City, that I would bring them into my
5 office, show them the process.

6 And I start to -- Believe me, the
7 paperwork is so overwhelming with our
8 people, that they just want to forget about
9 it.

10 But if you take time, and you
11 streamline -- It's called streamlining,
12 right? Where you reduce the amount of
13 paperwork, that you could actually help
14 people come into work for government.

15 And we need more of that in
16 government. And then as I -- as I come to
17 serve the City here and Council in the last
18 couple months, something that the Mayor
19 mentions in the letter -- in the letter
20 back to you, Bruce, he mentions that I'm
21 very proud (sound system malfunction, not
22 reportable) -- and you are as well, that a
23 number of African Americans and Hispanics
24 (sound system malfunction, not reportable.)
25 -- high level decisions of this government.

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2 I think that's a very commendable thing.

3 (sound system malfunction, not reportable.)

4 After being here and going through
5 the budget process, I realized that our
6 departments sometimes reflect the building
7 trades. There's a couple departments that
8 have a lot of folks that look like you and
9 I, and then there's quite a few that have
10 people that don't look like you and I.

11 So in the process I realize that we
12 had City departments that had -- Well, one
13 department had one Hispanic, a few blacks;
14 in another department, two Hispanics, a few
15 more African Americans, right?

16 That we need to also in government
17 be able to integrate government so that --
18 so that when business folks from minority
19 communities come, you know, and want to be
20 helped, that we have people, we have an
21 integrated work force here in those
22 particular departments that know of the
23 importance to spread the wealth around,
24 spread the work around, and that those
25 things are just as important.

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2 And I have already addressed this
3 issue. As you well know, I am -- I'll take
4 a piece of the work and I'm going to run
5 with it.

6 This is an area of tremendous
7 concern of mine, as well as my colleagues.
8 And you and I have talked about this.
9 We've got some things that we're going to
10 be working on, to make some -- you know, to
11 make some strides in this area.

12 And our business community cannot
13 expand, our minority business community, if
14 we don't have the support from within, and
15 we don't have the support from up top.

16 Because it takes leadership to
17 say... I go into my office sometimes, and
18 my good staff tells me but Councilman, but
19 Councilman, but Councilman.

20 I said, I don't want to hear it.
21 Make it work.

22 So that type of leadership and
23 message of make it work needs to happen,
24 but we also have to have the support that
25 you bring from the community, from the

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2 outside, but also from the inside, that we
3 have people from our respective minority
4 communities in positions to be able to be
5 of help.

6 MR. CRAWLEY: Councilman, you hit on
7 a very valid point. We have had an
8 experience of having an African American
9 business move out of the City of
10 Philadelphia, not because they couldn't get
11 through the procurement impediments that
12 we've been discussing all morning, but
13 because of the bureaucratic problems he was
14 having with the people who regulate retail
15 and vendor relationships, and retail and
16 vendor government relations in the City of
17 Philadelphia.

18 And this guy... And I'll give you
19 his name. His name is Obadiah Robinson.
20 And Obadiah Robinson walked up to me one
21 day and said that he understood that we
22 were with the African American Chamber of
23 Commerce.

24 And he just wanted to let us know
25 that he was leaving Philadelphia. He had

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2 come up from Texas to start a barbeque
3 business. And he had a big ole open pit
4 barbeque thing that he did. And he did the
5 whole cow. So this guy was good. And he
6 was from Texas.

7 And he said that every time he set
8 up his grill, people from City government
9 harassed him, told him to shut down,
10 treated him as if black folk were not
11 permitted to do business in the City of
12 Philadelphia.

13 He got so tired of that that he
14 started looking for other cities in which
15 to do business. And he wound up in another
16 state. That state was Mississippi.

17 Obadiah Robinson, who is a graduate
18 of Princeton University, moved his barbecue
19 business to Mississippi.

20 And he said to us as he left, people
21 in Mississippi welcomed us with open arms,
22 and there's a more racist business
23 environment for black people in
24 Philadelphia than I experienced in
25 Mississippi, and so I'm gone.

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2 (Moans from the audience.)

3 MR. CRAWLEY: That's a horrible
4 thing.

5 And so when you say that we need to
6 make sure that the people inside the
7 government who touch the people who do
8 business need to be sensitized, you have
9 hit a very vital and sensitive point.

10 And I wish you just could have
11 gotten there before Obadiah Robinson left
12 Philadelphia.

13 COUNCILMAN GOODE: Thank you, Mr.
14 Crawley. Thank you, Councilman.

15 COUNCILMAN RAMOS: Thank you, Mr.
16 Chairman.

17 COUNCILMAN GOODE: Thank you for
18 your testimony.

19 We're going to excuse this panel for
20 the moment so we can bring on the second
21 panel.

22 (Applause.)

23 COUNCILMAN GOODE: Ms. Clark, will
24 you please approach the witness table.

25 Good afternoon.

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2 One of the things we're trying to
3 do -- And I want to make sure we drive this
4 point home -- is that of the
5 recommendations of this Minority Business
6 Development Subcommittee report, we're
7 trying to increase gross receipts of
8 minority businesses from 2.2 percent to 6.6
9 percent as a start. We want to triple the
10 amount of gross receipts.

11 I've been very impressed with your
12 work, particularly reports you did around
13 accelerating minority entrepreneurship.

14 I invited you specifically to give
15 testimony around the capacity of minority
16 businesses within this region that I know
17 you're very knowledgeable about.

18 So could you please state your name
19 for the record, and then proceed with your
20 testimony.

21 MS. CLARK: Yes. Thank you,
22 Councilman Goode.

23 My name is Della Clark. I'm
24 President of The Enterprise Center, which
25 is a 15 year-old nonprofit organization

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2 located in West Philadelphia. I've been
3 involved with the organization for 12
4 years.

5 And I do not have a written
6 testimony today, but after my comments if
7 you'd like me to write it up I will and
8 present it to you.

9 But I wanted to make some comments
10 around --

11 COUNCILMAN GOODE: Can you pull the
12 mike a little bit closer.

13 MS. CLARK: Yes.

14 And I want to commend Bruce Crawley
15 for his comments and his remarks. And I
16 respect a great deal what the African
17 American Chamber of Commerce is doing.

18 I echo a lot of his comments, so I'm
19 not going to repeat some of the facts or
20 data that I know as well because it's
21 pretty much in parallel with what he
22 discussed.

23 But I do want to make some
24 additional comments around minority
25 entrepreneurship in this City.

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2 And I broke it down into primarily
3 two areas, the first one being entrepreneur
4 assets.

5 As you look around the City of
6 Philadelphia, in terms of infrastructure,
7 help minority businesses get started. This
8 City is lacking in that.

9 And if you think about how a
10 business starts out, it primarily goes
11 through three stages to get to that mature
12 stage, kind of an infancy stage, adolescent
13 and mature.

14 Well, when a business starts out in
15 the City of Philadelphia in its infancy
16 stage, there is not infrastructure in place
17 that helps them get through that infancy
18 stage in a very accelerated process.

19 Often time minority businesses are
20 stagnated in the infancy stage because of
21 some of the things that was discussed
22 earlier today, but also access to capital,
23 the infusion of capital coming in in a
24 timely manner.

25 So, I've seen a lot of businesses

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2 over the years that remain in the infancy
3 stage far too long; whereas, if they had
4 more infrastructure assets in the City,
5 they would move to that process very
6 quickly to get to that mature stage.

7 And so, by working in an incubator
8 world, we've seen a lot of businesses
9 incubate far too long because of some of
10 the problems that exist in Philadelphia
11 that we've already mentioned today. I
12 definitely think it affects the incubation
13 stage of start-up companies.

14 And if you think about start-up
15 companies in this City, we need to look as
16 a City, how do we strategically increase
17 the business formation rate of start-up
18 companies, knowing that initially we might
19 have some short-term failures; but over
20 time the success rate should increase.

21 And as a City, if you look at
22 business formation rate, we lag behind all
23 other cities of same size and population of
24 minorities. So we really need to put forth
25 an effort to increase our business

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2 formation rate.

3 Some of the other comments around
4 entrepreneur assets we need to look at is
5 that we really need to take a look at
6 proposal and bid writing services for small
7 businesses, to help them be able to bid
8 more often on contract opportunities, not
9 only as the City but the Federal, state and
10 private sector.

11 We also need to look at how do we
12 help minority business with networks and
13 client development as a City, to do a much
14 better job than that, to help them get
15 there faster with that.

16 And also, too, it has been proven
17 that companies and start-up companies who
18 have assets, I mean, who have equity
19 available to them start faster and
20 accelerate faster than those companies who
21 have deck [sic]

22 And while deck [sic] is a form of
23 capital that most people are familiar with,
24 in the minority community we have a lack of
25 equity.

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2 So I'm proposing that as we look at
3 the City and what some of the things we can
4 do to improve, that we take a look at an
5 equity program along with a deck [sic]
6 program, to help minorities, particularly
7 in their infancy stage because equity would
8 definitely help them grow faster.

9 Another area that I also would like
10 to recommend that we look at is the
11 strategic communication and learning
12 process.

13 Entrepreneurship need to be
14 elevated, particularly in high schools as a
15 career option, as we do have other
16 counselors and other people come in talk to
17 public school kids.

18 But entrepreneurship is not put up
19 there as a career option, as other
20 occupations. And if we want to improve
21 entrepreneurship in this City, we also need
22 to go down and start younger and begin to
23 begin the early introduction of
24 entrepreneurship.

25 We also need to improve our

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2 communication among a campaign of getting
3 the word out, particularly in the private
4 sector.

5 There are about 17 dominant
6 clusters, industries in Philadelphia. And
7 of those 17, 9 are very dominant.

8 And in all due respect to
9 construction, construction is one of those
10 sectors that is used in all of the dominant
11 clusters. But we need to do much better
12 job in connecting minorities to other
13 targeted opportunities in our City.

14 As an example would be
15 pharmaceutical. Pharmaceutical happens to
16 be a very large dominant cluster in our
17 region.

18 And if you look at the amount of
19 minorities that participate in
20 pharmaceutical in this City, it's about 3.5
21 percent that participate in the
22 pharmaceutical industry, compared to on a
23 national scale of about 10.7 percent.

24 So locally, if you look at
25 pharmaceutical being a highly concentrated

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2 dominant cluster in our region, we have
3 very few minorities that participate in
4 that arena.

5 Also another dominant cluster in our
6 region is in the chemical areas. In our
7 old days, we had Arco. We still have some
8 remnants of that and have other large
9 chemical providers in this City. And
10 minorities participate very ill in that
11 arena as well.

12 So, one of the things I'm proposing
13 is that we have businesses start up in some
14 of these targeted opportunities and connect
15 them early on.

16 And the City could play a major role
17 in facilitating those discussions and
18 connect with a dominant cluster because
19 every private sector view what the City is
20 doing in their role in this arena to
21 dictate what they going to do.

22 So I think the City needs to step up
23 and take more of a leadership role, when it
24 comes to facilitating relationships between
25 the large companies and the small

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2 companies. And I think you will see the
3 bigger companies start to follow or at
4 least take on a more leadership role.

5 And one of the best ways to do that
6 would be a campaign. Very seldom... And I
7 think Bruce alluded to this in the
8 Inquirer... that you pick up and see
9 successes being talked about in the Daily
10 News or the Inquirer.

11 And we need a lot more stories
12 because the more stories we put out there
13 around successful entrepreneurs, the more
14 other entrepreneurs will see that and want
15 to emulate that level of success.

16 Another area that I wanted to bring
17 up is that in this City we have two
18 different type of sectors, one called
19 trading activity, and one called local
20 serving.

21 A lot of minority business in this
22 City are around what we call local serving.
23 About 65 percent of businesses are doing
24 what they call local serving, which means
25 they're doing business in the City of

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2 Philadelphia.

3 One of the other ways that growth
4 has come into a region or community is that
5 if you can get businesses doing what they
6 call traded sector, doing business outside
7 of the local community and bringing in
8 those dollars.

9 I know we talked about the Motorola
10 story, but we need to figure out how do we
11 get the larger companies to do business
12 with us in the minority community that
13 brings in these jobs so that the minorities
14 can count those jobs.

15 And oftentimes the way contract
16 opportunities is set up, minorities are not
17 able necessarily to count those jobs in
18 their contracts.

19 And I want to give you an example
20 that one of my entrepreneurs encountered
21 just recently. He has a contract. He's in
22 the construction business. And in his
23 contract he was working on a job where the
24 firm asked him to increase a contract
25 because they needed to improve their

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2 numbers.

3 And once he did that -- And they
4 probably sent in their reporting. They did
5 a change order downstream and changed that
6 contract so that the minority had to take
7 that out of his job.

8 But I'm sure if we go back and check
9 the record, they reported the minority
10 participation at a much higher number than
11 what they actually fulfilled on the job.

12 And so time after time that happens
13 to minority businesses, in terms of the
14 primes using them to get their numbers for
15 reporting, but not actually using them in
16 terms of actual construction on the job.

17 Another example is... in terms of
18 minorities is, they go after bids on
19 contracts but they are dictated the gross
20 margin that they have to receive on the
21 job, if they want to participate.

22 And that is very, very difficult for
23 a minority business to put together an
24 action plan for growth because the growth
25 is typically around their gross margins.

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2 And when their growth margins are
3 dictated in advance what they have to
4 receive in order to get a job, it puts them
5 in a very awkward situation. So most
6 minorities are not able to accelerate their
7 growth in a very short period of time.

8 And what I mean by that is, to take
9 a minority business from a half a million
10 in sales to three million in sales, to five
11 to ten million is all driven around not
12 only sales, but the margins and cash flow
13 that is derived from that.

14 And oftentimes in the minority
15 community that is stagnated, and they're
16 not able to drive that process as well as
17 they'd like to.

18 In working in the start-up world,
19 we've seen minorities come to us with
20 primarily three barriers, that I am hoping
21 the City will begin to address.

22 The first one is capital. Capital
23 needs to come in, an infusion that goes
24 through the infancy stage, adolescent, and
25 mature.

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2 And oftentimes capital comes at the
3 adolescent stage, after they've gotten some
4 contracts. But what has happened is
5 they've kind of dug themselves a hole. And
6 it's hard to get out of that hole unless
7 you have capital at the early stage of
8 infancy.

9 The second one that most minorities
10 come is little collateralization of a loan.
11 We talked a lot about banks, banks making
12 loans, having programs for entrepreneurs.

13 But if minorities don't have the
14 capital structure of asset based, then it's
15 very difficult to get these loans. And it
16 takes a long time to build that
17 collateralization.

18 And no one wants to put up their
19 personal home for a business loan. So we
20 need to look at new ways that we can help
21 minorities get access to capital without
22 pledging their personal assets or putting
23 their personal assets on the line for a
24 business and making it very difficult, if
25 the business fails, to be able to resolve

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2 their situation.

3 And then lastly, this City has not
4 done a very good job in helping minorities
5 get on the learning curve. In all of their
6 areas they need to, in having their
7 business.

8 For a City of this size, we do not
9 have a minority business kind of education
10 program. We've had some early discussions
11 with Wharton, Temple, and other higher
12 education university.

13 But it just seems to me that we
14 should be able to work with the higher
15 education institutions here and put
16 together a program similar to executive
17 education programs in other cities that can
18 bring together minorities, CEO roundtable
19 type, and take them through different
20 levels of educational training, and give
21 them certificates and things that hopefully
22 that the banks and other -- and the other
23 business institutions in the City will
24 recognize.

25 And I know we talked a lot about

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2 training. But I'm also a proponent that
3 training needs to continue, but higher
4 levels of training need to continue with
5 the business, not always keeping minorities
6 in the start-up mode, but taking them
7 through the progression of all of the
8 training that's required.

9 And so we need in the City kind of a
10 CEO training program for minorities that
11 bring together other CEOs so they can share
12 ideas, share collaboration, share their
13 client development and their networks, to
14 actually accelerate the growth and
15 development of these businesses.

16 I took a trip in September of last
17 year. I went to Washington, D.C. and met
18 with three successful minority
19 entrepreneurs his. One was doing 40
20 million in revenue, one was doing about 30,
21 and one was doing about 60 million.

22 And I asked all three of them, what
23 do they attribute to their success.

24 And they all said that in their
25 early days, having access to public sector

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2 contracts helped to get them to that next
3 level.

4 Now that they were at that level,
5 what was keeping them in business was the
6 private sector.

7 So it was the public sectors that
8 got them to that scale, but it's the
9 private sector that has kept them in
10 business and gave them the continuation of
11 the business.

12 So it seems to me that we need to
13 figure out a way to put together a program
14 to use the public sector contracts to
15 launch and get businesses started, to
16 improve their capabilities, improve their
17 balance sheet, improve their cash flows in
18 a way that makes sense, and then take them
19 to the private sector, and then help them
20 get to the next level.

21 Because in this City we need a lot
22 of businesses doing 30, 40, 50, 60 million
23 dollars. And that's one of the ways we
24 will address the employment rate, because
25 those businesses will be the ones investing

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2 in the communities, in an infrastructure.

3 So I would like to that you for --

4 (Applause.)

5 MS. CLARK: -- the opportunity to

6 make some comments.

7 COUNCILMAN GOODE: Thank you for

8 your testimony.

9 One of the things I said that we
10 we're dealing with here today is the major
11 goal of trying to triple the gross receipts
12 of minority businesses within the region.

13 Can you tell me, from the research
14 that you've done, do you believe the
15 capacity exists right now to triple the
16 gross receipts of those businesses?

17 MS. CLARK: I think the desire is
18 there.

19 I think we still need to build some
20 more asset base in this community, in terms
21 of entrepreneurship. There's still some
22 lack in there.

23 But I think in terms of having
24 entrepreneurs that exist, who want to take
25 out loans, who want to get access to

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2 capital through equity, who want to
3 participate in the procurement of both
4 private and public sector, that exists.
5 But I think we need to bring the private
6 and public sector together to match up with
7 the desires and ambition.

8 COUNCILMAN GOODE: I guess the
9 question I'm asking is... I think you've
10 probably documented in some of the research
11 you've done the capacity exists, but it is
12 in fact the underutilization of that
13 capacity that exists or do you believe the
14 capacity will only exist as we expand into
15 other business clusters?

16 MS. CLARK: I think we need to
17 expand into those other business clusters
18 as well, because if we don't we're missing
19 an opportunity.

20 That's the private sector, and those
21 are the dominant clusters in our region.
22 So we would need to figure out a way to
23 connect our businesses to those dominant
24 clusters early on, and bridge those
25 relationships early on, because otherwise

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2 we're missing an opportunity.

3 I think that's the innovation that
4 exists in our community. And we would be
5 remiss if we didn't connect our
6 entrepreneurs to those existing clusters of
7 industries.

8 COUNCILMAN GOODE: Can you describe
9 for me the type of services The Enterprise
10 Center offers clients, in terms of
11 procurement?

12 MS. CLARK: Okay.

13 COUNCILMAN GOODE: In the public and
14 private sector.

15 MS. CLARK: Yes. Our services are
16 evolving and changing.

17 Effective January 1 of 2004 we were
18 awarded a contract from the U.S. Department
19 of Commerce to operate the Pennsylvania
20 Minority Business Development Center.

21 As a result of being awarded that
22 contract, we are evolving and changing our
23 services to accommodate more high-growth
24 firms than what we did traditionally in the
25 past because the contract dictates that.

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2 But some of the services we offer is
3 not only besides space, but... And
4 coaching and hand-holding, but we are now
5 bringing together the public and private
6 sector around procurement.

7 This morning, for instance, we had a
8 seminar on doing business with the
9 government at the Federal level.

10 One of the things that has taken
11 place at the Federal level is that the
12 government is outsourcing more of their
13 professional services.

14 An example is there's an RFP out
15 right now for the Federal Government to
16 oursource all 8-a certifications which is
17 now comprised of about 80 to 100 jobs in
18 the Federal Government.

19 Well, as of July 15th, there's a
20 possibility those 120 jobs could be put in
21 a private sector's hands. So, I'm hoping
22 that a minority firm in this City or in
23 this state will go after that contract, as
24 an example of what's being transferred at
25 the Federal level.

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2 At the private sector level, I
3 think, Councilman, we need more people
4 calling on the private sector, to get them
5 to pay more attention to minority
6 entrepreneurship.

7 There are a lot of programs in the
8 private sector on having a diversity
9 program. But I don't think the CEOs of
10 those companies have put enough teeth into
11 their procurement departments around
12 diversity programs for the managers who
13 operate those programs.

14 And oftentimes they using the excuse
15 that they put something out to bid and they
16 didn't get anybody to respond.

17 I just don't think the bids are
18 being distributed in a way that gets them
19 the response they should have.

20 COUNCILMAN GOODE: So you would
21 agree that if we could bring the City of
22 Philadelphia together with the African
23 American Chamber of Commerce, and the
24 Greater Philadelphia Chamber of Commerce,
25 and others chambers of commerces, that we

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2 should establish a public policy of county
3 and region first, in terms of procurement,
4 and then beyond that, specific goals for
5 utilization of minority businesses?

6 MS. CLARK: Yes. I totally agree.

7 COUNCILMAN GOODE: Okay. Thank you.
8 I have no further questions. Councilman
9 Nutter.

10 COUNCILMAN NUTTER: Good afternoon,
11 Miss Clark. I apologize for not being in
12 the room when you started, but I wanted to
13 be here for your testimony.

14 You made mention just a second ago
15 of some of the companies in the City who
16 maybe are... given the issue of minority
17 participation and regional access to
18 Philadelphia firms, more weighed or being
19 more upon responsive than some others.

20 Can you tell us some of the
21 companies, from your experience, who are
22 actively trying to promote contracting
23 opportunities for minority businesses, that
24 you might be aware of?

25 MS. CLARK: Verizon is one that has

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2 put together active programs, and where a
3 lot of the minorities I have worked with
4 have benefited from Verizon and their
5 programs with minority participation.

6 COUNCILMAN NUTTER: Okay.

7 MS. CLARK: Another one that is just
8 beginning, and I have seen some light of
9 hope, is Citizens Bank.

10 They recently hired a woman, a Myrna
11 Ferguson, who is putting together that
12 diversity program. And I've seen some
13 short-term successes have come out of that.
14 Don't know what it's going to be like
15 long-term.

16 I've seen Verizon perform more
17 long-term than I have Citizens Bank, but I
18 am pleased with that.

19 But there are some others that I'm
20 not so pleased with. And I would hope that
21 they would begin to demonstrate that.

22 One of the dominant clusters in our
23 region, for instance, is Rohm and Haas
24 Chemicals. And I would like to see
25 companies like that do a better job.

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2 I've heard lots of complaints about
3 Aramark, in terms of participation. While
4 they have some programs, it's not as strong
5 as it should be, and it has not done a very
6 good job.

7 One of the things we want to do is a
8 food incubator. And I have tried to go to
9 Aramark to get them to work with us on that
10 with that food incubator because food
11 happen to be a dominant cluster in the
12 minority community, where a lot of
13 minorities come to The Enterprise Center
14 who want to have a food-related business.

15 But unfortunately, they don't have
16 access to a FDA stainless steel approved
17 kitchen, so they are not able to sell their
18 food wholesale or retail, only with the
19 extent of family and friends and their
20 connection.

21 But if you think about a restaurant
22 today, everything in a restaurant is pretty
23 much a symbol. When you go to a restaurant
24 and you eat bread, most times the
25 restaurant did not make that bread. They

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2 bought that bread from someone else.

3 But very seldom do you find
4 minorities participating in distribution of
5 bread. And that's not to say minorities
6 can't make some of the best bread that
7 people can eat here in the City, but don't
8 have access to that FDA kitchen.

9 So that's just an example of where
10 Aramark could help sponsor a food
11 incubator, and then turn around and produce
12 their next generation of suppliers.

13 For instance, they have the contract
14 at University of Pennsylvania, but I bet if
15 you took a look at that, there's very few
16 minorities in this City who are benefiting
17 from food-related activities with Aramark
18 at the University of Pennsylvania, as an
19 example.

20 COUNCILMAN NUTTER: Thank you.
21 Thank you for the information. Thank you
22 for your testimony.

23 COUNCILMAN GOODE: Thank you again
24 for your testimony and for your patience,
25 but we had to actually give Mr. Crawley all

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2 the time he needed to present the report,
3 but these recommendations should be and
4 will be adopted by this Council.

5 But we also thank you for your
6 testimony as well.

7 MS. CLARK: No problem.

8 (Applause.)

9 COUNCILMAN GOODE: Mr. Michael
10 Williams.

11 MR. WILLIAMS: Good afternoon.

12 COUNCILMAN GOODE: State your name
13 for the record.

14 MR. WILLIAMS: Michael Williams.

15 COUNCILMAN GOODE: Could you please
16 offer some testimony, in terms of a
17 response to the things that you've had a
18 chance to hear today.

19 MR. WILLIAMS: Yes, sir. I don't --
20 I haven't prepared any written testimony,
21 but I'd like to make a brief statement,
22 that... And I apologize for coming in
23 late. I had a meeting with the Mayor at 10
24 o'clock, and it let out at 11:00. So I
25 wasn't here for most... well, the beginning

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2 part of Mr. Crawley's testimony.

3 But from what I heard, I absolutely
4 agree with his points. I'm very angry as
5 well about the situation internally and
6 externally, as far as minority
7 participation in contracts, not only at a
8 subcontracting level but at the lack of
9 prime contractors.

10 And to the extent that MBEC can't do
11 something about that, we will.

12 COUNCILMAN GOODE: Thank you.

13 I want to ask you two very specific
14 questions, in terms of recommendations...

15 MR. WILLIAMS: Yes, sir.

16 COUNCILMAN GOODE: ...made by the
17 subcommittee. First, do you support a
18 county and region first procurement policy?
19 And what steps will you take to see that's
20 implemented?

21 MR. WILLIAMS: Absolutely, sir. I
22 think that is a very, very good idea.

23 I understand that at some point
24 there seems to be a tension between trying
25 to save some dollars on one hand, and

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2 trying to increase minority participation.
3 I don't think there should be a tension to
4 that at all. I think if that is --

5 COUNCILMAN GOODE: Mr. Williams, I
6 didn't mention anything about minority
7 participation.

8 MR. WILLIAMS: Oh. I'm sorry.

9 COUNCILMAN GOODE: I mentioned a
10 county and region first procurement policy.
11 I'm talking about first buying Philadelphia
12 and then buying greater Philadelphia.

13 MR. WILLIAMS: Yeah. That's what I
14 meant, sir. I said a tension between
15 trying to use that model and trying to use
16 another model where you would save some
17 money. That's what I meant.

18 And what I meant is that my emphasis
19 would -- I agree with the fact that we
20 should have a local and regional emphasis
21 on doing that, as opposed to trying to find
22 a best deal where you would, in my opinion,
23 exclude minorities, people of color, from
24 participating in these contracts.

25 COUNCILMAN GOODE: But I'm still not

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2 getting a response, because my second
3 question was actually going to be whether
4 there should be a specific goal set within
5 that policy, in terms of minority business
6 utilization, but I was not talking about
7 minority business utilization yet.

8 My question is really, do you
9 support a county and region first
10 procurement policy, in terms of making sure
11 that more of the things that we buy are
12 from Philadelphians first, and then from
13 the greater Philadelphia area second.

14 And that is actually expanding
15 business opportunities, expanding the gross
16 receipts of those businesses. It's
17 actually building the economy here.

18 And so I can understand that there
19 might be some tension between getting a
20 better deal, but that money is staying
21 here. You're growing the economy here.

22 MR. WILLIAMS: That's what I'm
23 saying, sir, that, yes, I do -- I do -- I
24 want to illustrate a point there; but yes,
25 I do support that.

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2 COUNCILMAN GOODE: Okay.

3 Councilman Rizzo.

4 COUNCILMAN RIZZO: Thank you. Good
5 afternoon.

6 MR. WILLIAMS: Good afternoon.

7 COUNCILMAN RIZZO: Earlier today
8 before you arrived I asked a question, and
9 I obviously didn't know the answer. And I
10 guess I really should have, now that I look
11 back on it.

12 A major expenditure that the City
13 made -- And it's prior to your time, but
14 you may be aware of it. Because of the
15 recent controversy in the media about the
16 failure of our brand new 800 trunking radio
17 system, we spent over \$50 million.

18 So I asked the question. And I'm
19 confident or at least I believe that you
20 might have to get back to the Chair with
21 this information.

22 My question is, when we have a
23 global -- a big contract like this that
24 involves a national/international company,
25 we have maybe three people bid, like

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2 General Electric, Ericson, Motorola Company
3 and another major communication provider,
4 and one of those company wins -- and I can
5 be specific because we spent over \$50
6 million with Motorola to install this new
7 system -- what minority participation, and
8 what did we do to assure that when Motorola
9 got that contract that there was local
10 participation?

11 And I'd appreciate it that you look
12 back into that deal because this deal is
13 still going. I mean, the system is still
14 being constantly worked on, and there's
15 maintenance contracts, and there's all
16 kinds of things associated with this, as
17 you can, imagine \$50 million plus
18 expenditure that we made.

19 So I'd like you to comment on that
20 concept of companies that, you know, you
21 have to go to a Chicago-based company to,
22 first of all, do business or a Denver-based
23 company.

24 What do we do when we have these
25 major deals, like when we buy millions of

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2 dollars or lease, which we're heading in
3 that direction I understand, vehicles?

4 What do we do to make sure that we,
5 our local business community is involved in
6 that magnitude of a deal?

7 MR. WILLIAMS: Okay, sir. For that
8 particular contract I can't comment on
9 because I wasn't here when it happened, but
10 I can certainly get back to Chair with the
11 specifics of that.

12 In a general sense, MBEC sets ranges
13 for these deals, for any kind of
14 contracting, with that magnitude of
15 anything. And they set ranges.

16 And the folks that they set ranges
17 from are people who are certified with MBEC
18 which are primarily local minority people
19 or firms owned by people of color or women
20 based or disabled based.

21 COUNCILMAN RIZZO: Maybe I'm not
22 making myself clear.

23 We give a contract to Motorola
24 Company, wherever they may be: Chicago,
25 Denver... From what I understand -- And

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2 I'll, you know, be the first to apologize
3 if I'm wrong -- that many of the people
4 that came here to install the system got on
5 an airplane, stayed at a local hotel for
6 six months, did their work and left.

7 What I want to... What I don't
8 understand is, when we do a deal of that
9 magnitude of a company that's not based
10 here --

11 MR. WILLIAMS: So you're talking
12 about the work force composition?

13 COUNCILMAN RIZZO: Absolutely.
14 That's what I'm talking about. I'm talking
15 about what opportunities did some young
16 engineer and his company get, maybe in
17 Philadelphia or at least in the area, to
18 work for Motorola, as a subcontractor, to
19 install this \$50 million plus radio system
20 in our government?

21 I mean, from what I understand, that
22 when jobs -- maybe not this one -- that
23 many people that work for these big
24 corporations travel with them when they
25 install these systems, very little local

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2 work force is utilized.

3 Because, you know... And you have
4 to look at it and say, it is a very
5 specialized area of expertise, where maybe
6 you're not going to find anyone.

7 But I'll bet that even the most
8 technical people have to work for the
9 corporation to understand its work because
10 they designed it and it's their system.

11 But with a \$50 million plus deal,
12 I'm curious if you could look back into
13 that to see, and provide that to the Chair,
14 what exactly did Philadelphia benefit of
15 that major, major purchase that we made?

16 Did any of our people get any
17 business at all out of that or did we
18 import everyone that was associated with
19 that work?

20 MR. WILLIAMS: Yes, sir. I will get
21 back to the Chair with that.

22 COUNCILMAN RIZZO: That's a fair
23 question, right?

24 MR. WILLIAMS: Absolutely. I mean,
25 work force development which isn't part of

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2 MBEC's mission -- However, in my eyes it
3 should be. I think it's very important.

4 And when you look at -- I mean, I
5 could take it not from Motorola; just from
6 looking at jobs that are done in the City
7 and seeing that the composition of folks on
8 the work force, it doesn't seem to be -- it
9 doesn't seem to be benefiting folks from
10 communities.

11 COUNCILMAN RIZZO: Again, maybe I
12 need to better understand. Are there
13 certain things like this that you can't do
14 what we're trying to do here?

15 Are there some things like this \$50
16 million purchase that trying to get local
17 people to work on the installation of that
18 or is it absolutely necessary for that
19 company to come and to bring all of their
20 own people with them, and live here, and
21 then eventually leave and turn over the
22 system to us?

23 Maybe there are some cases where
24 what we're trying to accomplish can't be
25 accomplished. Maybe I'm nitpicking on this

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2 particular one.

3 MR. WILLIAMS: I don't think you're
4 nitpicking at all. I think that sometimes
5 that's on a case-by-case basis.

6 But certainly I think that one of my
7 earlier suggestions that we'll go back and
8 look at the City contracting process until
9 we make contracts like this.

10 We can actually tie in a work force
11 component, so that we can actually ensure
12 more work force development in that
13 contract for local people.

14 COUNCILMAN RIZZIO: And you know,
15 it's not often that we spend \$50 million on
16 a new system. It's not like something we
17 do every five years.

18 This is probably -- The system's
19 probably got a life expectancy maybe 50
20 years. So this is maybe not the best one
21 to pick out, but it's a good one because it
22 was \$50 million that we spent.

23 MR. WILLIAMS: The smaller
24 contracts, sure. I mean, a million
25 dollars? I mean, anything that doesn't

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2 benefit Philadelphians, doesn't benefit
3 Philadelphia's work force, I think it's an
4 issue that is legitimate and we should be
5 looking into that and actually doing
6 something about it.

7 COUNCILMAN RIZZO: Great. And I'd
8 appreciate it, if it's not a lot of
9 research, to go back and maybe take a look
10 at that, and see whether we did what we
11 were supposed to do or maybe we didn't do
12 as good a job as we should have on that
13 particular contract because that's...
14 Never even thought of it when it was going
15 on, to tell you the truth, because it was
16 such a specialty operation.

17 But I could bet that there were a
18 lot of opportunities for people from this
19 region to support that work.

20 MR. WILLIAMS: Absolutely. And
21 we'll get that information to the Chair.

22 COUNCILMAN RIZZO: Thank you Mr,
23 chairman.

24 COUNCILMAN GOODE: Thank you,
25 Councilman.

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2 Councilman Nutter.

3 COUNCILMAN NUTTER: Thank you, Mr.
4 Chairman.

5 Mr. Williams, first, you mentioned
6 that there was a meeting this morning that
7 caused you not to be able to be with us
8 when the committee hearing started?

9 MR. WILLIAMS: Yes.

10 COUNCILMAN NUTTER: What was the
11 meeting?

12 MR. WILLIAMS: The Mayor called
13 together his deputies, and cabinet members,
14 and other folks, to talk about the budget.

15 COUNCILMAN NUTTER: Talk about the
16 budget?

17 MR. WILLIAMS: Yes, sir.

18 COUNCILMAN NUTTER: Are you affected
19 by the budget?

20 MR. WILLIAMS: Yes, sir.

21 COUNCILMAN NUTTER: How?

22 MR. WILLIAMS: By our budget
23 expenditures, about the spending that I
24 want to do for next year about the plans I
25 have for MBEC to expand.

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2 COUNCILMAN NUTTER: Right. And is
3 there some problem, based on the budget
4 that was just passed the other day?

5 MR. WILLIAMS: Well, they didn't
6 talk about that. The Mayor just made some
7 general statements. I made a few
8 statements to some of the folks on the
9 staff that --

10 COUNCILMAN NUTTER: I'm sorry?

11 MR. WILLIAMS: I made a few
12 statements to some of the folks on the
13 staff about my -- my concerns about the
14 budget.

15 COUNCILMAN NUTTER: What are your
16 concerns about the budget?

17 MR. WILLIAMS: That there will be
18 not enough money for me to do the things
19 that I want to do.

20 COUNCILMAN NUTTER: Why?

21 MR. WILLIAMS: Why?

22 COUNCILMAN NUTTER: Wasn't your
23 budget fully funded?

24 MR. WILLIAMS: I -- I... I didn't
25 get that information, sir.

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2 They called -- He called a meeting,
3 and we came over there. The Mayor made a
4 general statement. I made a statement
5 about my particular budget, and then the
6 meeting was over.

7 COUNCILMAN NUTTER: You made a
8 statement to the rest of the cabinet
9 officers, and --

10 MR. WILLIAMS: No, no, no.

11 COUNCILMAN NUTTER: I guess I'm
12 not --

13 MR. WILLIAMS: General statements.

14 COUNCILMAN NUTTER: I guess I'm not
15 understanding. You have a budget. The
16 dollars I think you requested are in that
17 budget. What's your concern?

18 MR. WILLIAMS: I didn't have a
19 concern. The Mayor called a meeting. We
20 went over there. He made a statement about
21 the budget.

22 COUNCILMAN NUTTER: What about it?
23 What did the Mayor say?

24 MR. WILLIAMS: The Mayor talked --
25 made -- I don't -- I don't remember

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2 everything the Mayor said. He made a
3 general statement about the budget and the
4 process.

5 COUNCILMAN NUTTER: Okay. But you
6 don't remember what the Mayor said?

7 MR. WILLIAMS: Not -- Not by
8 verbatim. He made a general statement
9 about the budget and the process that the
10 administration was going to.

11 COUNCILMAN NUTTER: Okay. What is
12 that?

13 MR. WILLIAMS: That they're
14 submitting a new budget.

15 COUNCILMAN NUTTER: They submitted
16 it already. It was submitted last week.
17 There's a hearing on Monday. So that was
18 it?

19 MR. WILLIAMS: Yes.

20 COUNCILMAN NUTTER: Okay. All
21 right.

22 When did you start with the City?

23 MR. WILLIAMS: April 19th. April
24 12th? I'm sorry. Apologize. April 12th.

25 COUNCILMAN NUTTER: Okay. You might

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2 want to keep track of those dates to make
3 sure Personnel knows when you started. It
4 affects when you get in the cycle, start
5 getting paid, all that kind of stuff.

6 So it's April 12th?

7 MR. WILLIAMS: April 12th.

8 COUNCILMAN NUTTER: Okay. And were
9 you aware when Councilman Goode, who Chairs
10 this committee, introduced one of the
11 Resolutions having to deal with the 21st
12 Century Review Forum Resolution? Were you
13 aware when that Resolution was introduced?

14 MR. WILLIAMS: No, I was not.

15 COUNCILMAN NUTTER: Okay. All
16 right. It was introduced on April 22nd.
17 Have you seen a copy of it?

18 MR. WILLIAMS: Yes, I have.

19 COUNCILMAN NUTTER: Okay. Is there
20 some reason why, between then and now, you
21 did not have any testimony drafted or
22 developed in response to either that issue
23 or the two other matters that are in front
24 of us? When you came up to the table you
25 said you didn't have any testimony.

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2 MR. WILLIAMS: Yes, that's correct,
3 yet.

4 COUNCILMAN NUTTER: The Resolution
5 was introduced on April 22nd. It has to do
6 deal with minority participation, right?

7 MR. WILLIAMS: Yes.

8 COUNCILMAN NUTTER: Okay. Is there
9 some reason why you don't have testimony?

10 MR. WILLIAMS: I -- I did not
11 prepare any testimony, sir. The only -- I
12 don't have any reason, except that I was
13 talking back and forth with the
14 Councilman's Office.

15 And I didn't understand exactly what
16 the Councilman wanted me to do for today.
17 And so, I didn't prepare anything; just
18 came to answer questions.

19 COUNCILMAN NUTTER: Sure.

20 COUNCILMAN GOODE: Mr. Williams, I'm
21 under the impression that Solomon Jones
22 from my office sent you a formal letter, as
23 he did all witnesses that were invited.
24 Did you receive a formal letter?

25 MR. WILLIAMS: Yes, I did.

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2 COUNCILMAN GOODE: Did the letter
3 ask you to testify?

4 MR. WILLIAMS: Yes, it did.

5 COUNCILMAN GOODE: Did the letter
6 ask you to prepare a written testimony one
7 week in advance to the hearing?

8 MR. WILLIAMS: I -- I -- I don't
9 recall, sir; and I apologize.

10 COUNCILMAN GOODE: I can probably
11 assure you that it invites you to testify,
12 told you what you were testifying about,
13 and asked you to submit written testimony
14 one week in advance of the hearing.

15 MR. WILLIAMS: If -- If it did,
16 I'll -- I'll take your word, sir. I don't
17 remember verbatim.

18 COUNCILMAN GOODE: In addition to
19 that --

20 MR. WILLIAMS: I'm sorry.

21 COUNCILMAN GOODE: In addition to
22 that, you were in budget hearings, I
23 believe, within the last week or two? And
24 I walked over there and asked you whether
25 you were going to testify?

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2 MR. WILLIAMS: Oh, yes; and I said
3 yes.

4 COUNCILMAN GOODE: And you said:
5 Yes; absolutely?

6 MR. WILLIAMS: Yes.

7 COUNCILMAN GOODE: Okay, Councilman.

8 COUNCILMAN NUTTER: Thank you, Mr.
9 Chairman.

10 I mean, I guess, Mr. Williams, what
11 I'm trying to understand is, this is your
12 area. I know you haven't been here that
13 long. But, I mean, you've been around a
14 little bit, and you've been through some
15 parts of our process.

16 What I'm not understanding is, given
17 the heightened attention that's been
18 ongoing, not just in recent times, but
19 ongoing, your arrival on the scene, you're
20 obviously trying to do a number of
21 different things.

22 But I mean, I would only speak as a
23 member of the committee -- the Chair may
24 have his own views on the topic -- I think
25 it is... I think it is not helpful to our

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2 process and to the work that you're trying
3 to get done if we can't even operate at a
4 fundamental level of: A member of this
5 body introduces a resolution related to an
6 issue that is actually administration's
7 work product, Philadelphia 21st Century
8 Review Forum; you're the Director of the
9 agency that is specifically tied to the
10 work at hand; and it sounds like, other
11 than the Councilman sending you a letter
12 and having a sidebar conversation, there
13 did not appear to be much effort on your
14 part to either talk with him about this
15 particular issue, prepare testimony to
16 share with us on this particular issue.

17 And I understand if the Mayor calls
18 the top level people together, and you just
19 can't be here at 9 o'clock -- I mean, 10
20 o'clock for the start.

21 But I mean, it would appear that
22 you're in a position to be less than
23 prepared to respond to the issues either of
24 the report or the Resolution or a number of
25 other issues that may come up.

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2 Now, you know, I just don't know how
3 we're supposed to have a certain level of
4 confidence about the larger operation if
5 we're not even getting the fundamentals
6 done of... The Council Resolution goes in.

7 I'm sure someone must be
8 transmitting information. They've got, you
9 know, two, three people up here on a
10 regular basis monitoring what we do up
11 here.

12 So, I mean, I'd at least like you to
13 be responsive to: What is your process?
14 If a resolution comes in that's related to
15 your area, what are you going to do about
16 it?

17 MR. WILLIAMS: Okay, sir.

18 COUNCILMAN NUTTER: And how do you
19 plan to be prepared to be responsive to
20 members who may have any number of
21 questions?

22 MR. WILLIAMS: Actually, I was
23 responsive to Mr. Jones, who works in the
24 Councilman's Office. There are e-mails
25 back and forth from me asking for

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2 clarification.

3 And if the Councilman wants to
4 comment on that, that's fine. But there
5 was conversations back and forth because I
6 wasn't clear about what exactly the
7 Councilman wanted for today.

8 And when I talked to the Councilman,
9 I was ready to testify which is why I came
10 here. But I still -- I still to my
11 satisfaction didn't get enough
12 clarification as to what exactly happened.
13 And I know --

14 COUNCILMAN NUTTER: Mr. Williams...

15 MR. WILLIAMS: May I finish?

16 COUNCILMAN NUTTER: There's a
17 report, there's a resolution...

18 MR. WILLIAMS: Sir, I --

19 COUNCILMAN NUTTER: ...and I assume
20 that he wants you to be responsive to the
21 issues that are either in the report or to
22 the resolution, about how we move the issue
23 along, and its relationship to your office.
24 I mean, what's the mystery?

25 MR. WILLIAMS: No mystery, sir.

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2 I contacted the administration
3 because I knew there was not an official
4 response to this. And I didn't feel it
5 would be appropriate for me to make an
6 official response to this report in front
7 of the Mayor.

8 Now, I'm here to definitely testify
9 to my own feelings about the report; but to
10 actually make an official response on the
11 part of the administration, I didn't think
12 that was appropriate for me to do that.

13 COUNCILMAN NUTTER: All right. I
14 mean, look, you know, it is the
15 Councilman's Resolution.

16 I think you know that when anyone is
17 called to testify, at least any government
18 person, you're generally not being called
19 to give us your personal views on a topic.

20 MR. WILLIAMS: Absolutely.

21 COUNCILMAN NUTTER: You're on the
22 public payroll. You have a job in the
23 government.

24 When government witnesses come to
25 the table, we expect that they're

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2 representing either their organization or
3 speaking on behalf of the administration.

4 MR. WILLIAMS: And I'm here to
5 represent my organization.

6 COUNCILMAN NUTTER: How you figure
7 that stuff out, and how you guys coordinate
8 your efforts, I mean on a certain level,
9 that's your business.

10 MR. WILLIAMS: I understand.

11 COUNCILMAN NUTTER: But I tend to
12 think that you probably weren't invited
13 just because you happened to be, you know,
14 Michael Williams walking down the street.
15 I think you were invited in your capacity
16 as Director of MBEC, right?

17 MR. WILLIAMS: Absolutely.

18 COUNCILMAN NUTTER: Okay.
19 Councilman.

20 COUNCILMAN GOODE: Mr. Williams, can
21 you tell me what conversations you had with
22 any members of the administration regarding
23 this hearing today?

24 MR. WILLIAMS: I spoke to Janice
25 Davis today about testifying, and that's

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2 the only conversation I've had.

3 COUNCILMAN GOODE: You did not have
4 any conversations with anyone from the
5 Mayor's Office?

6 MR. WILLIAMS: No, I did not, sir

7 COUNCILMAN GOODE: You did not have
8 any conversations with Joe Grace?

9 MR. WILLIAMS: No, sir.

10 COUNCILMAN GOODE: Okay. I can tell
11 you that --

12 MR. WILLIAMS: Not that I can
13 recall.

14 COUNCILMAN GOODE: Okay. I can tell
15 you that Joe Grace from the Mayor's Office
16 asked me what was expected of the
17 administration for this hearing.

18 I told him that you would be
19 testifying, and told him that it was
20 directly in response to the findings and
21 recommendations of the report.

22 MR. WILLIAMS: I did not have a
23 conversation with Mr. Grace, sir. I don't
24 recall that.

25 COUNCILMAN GOODE: Okay. Thank you.

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2 Councilman.
3 COUNCILMAN NUTTER: I'm done, Mr.
4 Chairman.
5 COUNCILMAN GOODE: Thank you, Mr.
6 Williams.
7 MR. WILLIAMS: Thank you, sir.
8 COUNCILMAN RIZZO: And you'll get
9 that information that I asked for.
10 MR. WILLIAMS: Absolutely.
11 Absolutely.
12 COUNCILMAN RIZZO: Thank you, sir.
13 MR. WILLIAMS: You're welcome.
14 COUNCILMAN NUTTER: Councilwoman,
15 before you sit down... Mr. Williams, two
16 things.
17 MR. WILLIAMS: Yes, sir.
18 COUNCILMAN NUTTER: One, I sent a
19 letter recently. I don't think too much
20 time has passed, but can I at least get
21 from you... I sent you a letter recently
22 regarding... I think nowhere near as bad
23 as what Councilman Rizzo raised, but I
24 received a notice in the mail recently
25 about a -- I get these notices on a pretty

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2 routine basis. It's a Water Department
3 project in my District.

4 What I was struck by was in the
5 notice it indicated that there were -- In
6 accordance with the most recent executive
7 order, which apparently there's some
8 confusion, I think, as to whether it's 401
9 or 101 or 104 which it would be nice if you
10 guys would get that straightened out.

11 But what struck me is that in the
12 notice it indicated that there were no
13 minority participation goals attached to
14 that particular contract, in accordance
15 with the executive order.

16 Now, I didn't understand how, in
17 accordance with an executive order that is
18 about minority participation, there could
19 be a provision that there were no MBEC
20 goals attached to that requirement. It's a
21 regular construction contract. It has to
22 do with sewer pipes or something.

23 Do you recall receiving that letter
24 from me?

25 MR. WILLIAMS: No, I don't, sir,

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2 but...

3 COUNCILMAN NUTTER: Within the
4 past... Somewhere within the past couple
5 weeks.

6 MR. WILLIAMS: Okay. No, sir, it
7 hasn't. I apologize. It hasn't gotten to
8 my desk yet. I haven't seen that. But yet
9 that would raise a bunch of concerns and
10 flags; you're absolutely correct.

11 COUNCILMAN NUTTER: Okay. The
12 second is, since you were last with us, can
13 you give us an update on the
14 reorganization?

15 MR. WILLIAMS: Yes, sir. As you
16 know before this, a consultant was hired
17 before I got there. And I've been working
18 with this consultant.

19 The consultant has a one-year plan.
20 I've been in negotiations with the
21 consultant, saying that we need to have
22 more benchmarks and a lot sooner.

23 We have a high -- Well, I've made an
24 offer to an enforcement deputy to come in
25 to handle our monitoring, compliance and...

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2 monitoring, compliance and enforcement, new
3 department.

4 We have started to take care of our
5 backlog of certifications. We are in the
6 midst of bringing in some temporary folks
7 to help us do that.

8 And we are still working with the
9 consultant to make a global reconstruction
10 of the department.

11 At this point we're in a transition
12 stage. And things that I want to emphasize
13 right now are just getting rid of our
14 backlog to certification, and look into
15 some options to take us out of the
16 certification process.

17 Also looking into working with our
18 vendors. We just had a meeting with about
19 100 or 120 of our vendors, to work with
20 them on honing their skills... to work on
21 how to get into the bidding process, and
22 how to -- Well, there are a number of
23 things that it did, but we've concentrated
24 on how to get into the bidding process in
25 the City.

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2 I've also set up a meeting with
3 Exelon Corporation, because I want to start
4 a series of events where private sector
5 folks will come in and talk to our vendors
6 that are already certified, and to talk
7 about their contracting opportunities.

8 So, there's a lot of things that are
9 happening over there. And I apologize for
10 rambling on about that.

11 COUNCILMAN NUTTER: Okay. Why don't
12 we do this: With regard to the
13 reorganization, why don't you forward,
14 like, an update memo or something.

15 MR. WILLIAMS: Absolutely. The
16 consultant already give us --

17 COUNCILMAN NUTTER: To the Chair of
18 the committee.

19 MR. WILLIAMS: I'm sorry.

20 COUNCILMAN NUTTER: What's the
21 consultant's name? This came up during
22 budget hearings.

23 MR. WILLIAMS: Mario Travino,
24 Innovative Strategies.

25 COUNCILMAN NUTTER: Right. Well, at

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2 the time that you were coming on board, I
3 think that an offer had been made. They
4 were in the process of actually negotiating
5 a contract. Have they, in fact, signed a
6 contract with us?
7 MR. WILLIAMS: Yes, they have.
8 COUNCILMAN NUTTER: The amount of
9 that contract is how much?
10 MR. WILLIAMS: \$150,000.
11 COUNCILMAN NUTTER: \$150,000?
12 MR. WILLIAMS: 150,000.
13 COUNCILMAN NUTTER: What's the term
14 of the contract?
15 MR. WILLIAMS: One year.
16 COUNCILMAN NUTTER: That's
17 convenient. Are there any renewal options?
18 MR. WILLIAMS: Not that I'm aware
19 of, but I'll have to get back to you on
20 that, sir.
21 COUNCILMAN NUTTER: Okay. Thank
22 you.
23 COUNCILMAN GOODE: Real quickly, Mr.
24 Williams...
25 MR. WILLIAMS: Yes, sir.

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2 COUNCILMAN GOODE: In response to a
3 question I asked earlier, you said you
4 absolutely supported a county and region
5 first procurement policy?

6 MR. WILLIAMS: Absolutely.

7 COUNCILMAN GOODE: Do you not
8 believe that there was a firm within the
9 county or region that could perform that
10 work?

11 MR. WILLIAMS: I'm sorry, sir?

12 COUNCILMAN GOODE: Do you not
13 believe that there was a firm within the
14 county or region that could perform that
15 work?

16 MR. WILLIAMS: I don't know if there
17 were -- if there was or there was not.

18 COUNCILMAN GOODE: But you would be
19 seeking to find out, since it's only a
20 one-year contract, correct?

21 MR. WILLIAMS: Absolutely.

22 COUNCILMAN GOODE: Thank you.

23 Councilwoman Tasco.

24 COUNCILWOMAN TASCO: Good afternoon.

25 MR. WILLIAMS: Good afternoon.

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2 COUNCILWOMAN TASC0: You can talk
3 about the consultant. What is the scope of
4 work of the consultant?

5 MR. WILLIAMS: The consultant is
6 supposed to come in and look at the entire
7 operation, and to make recommendations
8 based on his investigations, looking at
9 policies and procedures, as it relates to
10 the City's MWDBE's goals and also to look
11 at how this department functions, and its
12 best way to function.

13 So I know it's kind of a broad
14 scope. And he's broken it down in -- in --
15 in -- in distinct parts.

16 COUNCILWOMAN TASC0: Given the
17 testimony today, what you heard some of,
18 but certainly you have heard from a number
19 of Council members and certainly Howard
20 Rye, who is our minority staff person here,
21 who has minority concerns with Council,
22 there are a lot of issues that have been
23 raised around problems that minorities
24 have, in doing business with the City. Is
25 any of that information taken into

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2 consideration by the consultant to address?

3 MR. WILLIAMS: Absolutely. I
4 recently have sent out a letter to all
5 department heads, listing their fiscal year
6 '03, their mid year '04 minority
7 participation rates.

8 I've asked them for compliance plans
9 for their Fiscal Year '05 rates. And if
10 they have let out contracts at this point
11 for '05, to list all the minority
12 participation rates on those contracts.
13 That information has gone to our consultant
14 so that he can factor that into our work.

15 COUNCILWOMAN TASC0: Now, do you
16 have an enforcement arm in your department?

17 MR. WILLIAMS: We didn't have that
18 before. I've made an offer to a person who
19 I think is going to accept the offer; will
20 be in in about a month. And that's going
21 to start our enforcement arm, our
22 enforcement, monitoring, and compliance
23 arm.

24 COUNCILWOMAN TASC0: So what will
25 that consist of, enforcement? What will

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2 that person be responsible for doing?

3 MR. WILLIAMS: The three main goals
4 of this person: The first one is to ensure
5 that department heads are actually
6 utilizing our vendor database to put people
7 on contracts, by looking at their
8 participation rate. I don't have to tell
9 you that it's not been that great in this
10 City's history, even from the beginning of
11 MBEC, actually.

12 COUNCILWOMAN TASC0: We heard that
13 earlier.

14 MR. WILLIAMS: I'm sorry?

15 COUNCILWOMAN TASC0: We heard that
16 earlier.

17 MR. WILLIAMS: Yes. I don't have to
18 belabor that.

19 But that doesn't mean that we
20 shouldn't do anything about this now. And
21 I don't really want to wait on that, which
22 is why I sent those letters out to the
23 department heads.

24 My enforcement deputy will be the
25 person meeting them -- with me on a

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2 quarterly basis, to see where their
3 contracting is and where their
4 participation rates are.

5 It takes that kind of will, I
6 believe, and some teeth behind that, to
7 make sure that the City, the City
8 departments itself are actually utilizing
9 businesses owned by people of color, women
10 and disabled folks. The enforcement person
11 will be heading up that.

12 The enforcement person will also be
13 heading up our on-site inspections.
14 Because of Federal certification
15 requirements, we have to do those.

16 And there are all kinds of
17 situations that can fall -- Because we
18 don't have enough folks to do this at this
19 point, we don't have -- things can fall
20 through the cracks.

21 A prime contractor, for example, can
22 put a subcontractor on a contract but not
23 utilize them or utilize a shell
24 corporation, where you have a minority
25 person taking the money but there's no

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2 participation coming in. So it really is
3 not worth anything.

4 And we don't have the personnel to
5 do that. But we're hiring that. I'm
6 hiring the personnel -- the enforcement
7 person and two people to work for her to do
8 this.

9 The person will also be looking at
10 procedures in our office, because even
11 though I've worked there, and I have not
12 come across anything that would raise
13 anyone's attention to being unethical,
14 still there may be a perception that some
15 things are going on in this department.
16 And the first person will be our ethics
17 guru.

18 COUNCILWOMAN TASCO: Now, what is
19 your enforcement mechanism for those
20 contractors who don't comply with the terms
21 of the contract? If they are -- get a
22 contract, don't utilize or they subcontract
23 to a minority firm, not -- they're not
24 participating, what is your -- do you have
25 an enforcement mechanism to carry out?

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2 MR. WILLIAMS: Well, per the expired
3 executive order which the Law Department is
4 working on at this moment, to introduce
5 another one, there is a mechanism to debar
6 contractors. I don't think it's ever been
7 used here, but I think that it should be
8 used.

9 There's another thing that I would
10 add, Councilwoman, that there are some
11 prime contractors who are very slow payers.

12 And in my view, you can't have a
13 subcontractor who is -- I mean, there's a
14 reason that you're a prime contractor.

15 You've got to pay some money.
16 You're going into this business. You've
17 got some -- You've got money here. You're
18 not going to be dependent upon your payment
19 from the City. However, a subcontractor,
20 they absolutely have to be paid for that.

21 I've been dealing with a lot of
22 those issues, more than I actually thought
23 since I got to the job. Almost every other
24 day I've got someone in my office, that I'm
25 trying to negotiate with prime contractors

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2 or GPUAC or someone, about getting them
3 paid.

4 That's really making me very angry.
5 And I think that to me, that is something
6 that you could use to debar someone if they
7 are -- if they are habitually not paying
8 people.

9 I think that in the City contracts,
10 as it's written right now, there's
11 supervision saying that, well,
12 subcontractors won't get paid unless prime
13 contractors get paid. And I think that's
14 ridiculous.

15 I think that you can't... Because
16 there may be some issues with some minority
17 prime contractors themselves, that you can't
18 make a blanket rule.

19 But you could certainly do something
20 about that, and have some language where
21 you could go in and say -- not to be so
22 absolute, to go in and say, no, you really
23 have to do this and you have to pay this
24 person. And if they don't do that, they
25 habitually don't do that, you need to debar

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2 them from getting City contracts. I think
3 that's simple.

4 COUNCILWOMAN TASC0: Well, I hope
5 you're successful in that because that's
6 the only way you're going to stop it
7 because they just ignore the
8 subcontractors.

9 And these major contractors continue
10 to get the same contracts, continue to do
11 business with the City, and still engage in
12 the same practices that put minority
13 businesses out of business.

14 MR. WILLIAMS: You know, I mean --

15 COUNCILWOMAN TASC0: We saw the
16 little piece. I saw your predatory
17 contractor, right?

18 MR. WILLIAMS: Yes.

19 COUNCILWOMAN TASC0: You see how
20 they do it.

21 So, it's systemic. I mean, it's
22 built in the way the business is done, with
23 this whole contracting business.

24 MR. WILLIAMS: Absolutely. I mean,
25 I fight with folks now, and I keep telling

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2 them that, yes, the executive order has
3 been expired.

4 But to my knowledge, if they don't
5 do anything, I will move to debar them.
6 You know, if it's going to be right, if
7 there's going to be some kind of challenge,
8 I don't know.

9 But that's not my concern. My
10 concern is getting these people paid and
11 getting them their money. And so far that
12 has been very successful with just
13 confronting them, and telling them that
14 something may happen there.

15 You know, yes, I get in these
16 painful conversations where they have some
17 prime contractors saying that, well, you
18 know, we've got friends on City Council,
19 we've got friends in the government.

20 That just doesn't matter because I
21 think these people have to be paid. And
22 I'm doing everything in my power to make
23 sure they get paid.

24 COUNCILWOMAN TASCO: I think that's
25 very important; and that if we don't begin

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2 someplace it will never end. So I would
3 wish you well.

4 And do you feel that you, having
5 been there such a short period of time,
6 that you will be empowered to proceed in a
7 fashion that you believe will be effective
8 in that department --

9 MR. WILLIAMS: Well --

10 COUNCILWOMAN TASC0: -- in this --

11 MR. WILLIAMS: I'm sorry.

12 COUNCILWOMAN TASC0: Go ahead.

13 MR. WILLIAMS: Well, I think that,
14 based on the fact that I sent these letters
15 out to department heads, have gotten some
16 heat from them.

17 But I've just shot it back and said,
18 it doesn't matter. You're going to have to
19 do this. I know that I need the teeth, the
20 ultimate club from the administration, to
21 do this. And to that extent I've been told
22 that that would be there for me if needed.

23 COUNCILWOMAN TASC0: Okay. Thank
24 you.

25 MR. WILLIAMS: Thank you.

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2 COUNCILMAN GOODE: Councilman.

3 COUNCILMAN RIZZO: Again, I have a
4 follow-up question from my earlier
5 question. I won't repeat it.

6 But your mission statement, if you
7 had a mission statement -- I assume you
8 do -- of what your goals and objectives
9 are, it seems as though we've been doing
10 business, you know, in a particular area
11 for a lot of years.

12 Have we... With your restructuring,
13 are you looking out beyond the normal
14 things that we've been kind of focused on?

15 There are other opportunities out
16 there for minority participation. Like, we
17 spend millions and millions and millions of
18 dollars.

19 And again, maybe this is like
20 Motorola, not doable. But how do we get
21 some of the big, big companies that we do
22 business with? We have telephone
23 companies. We have Verizon. We have the
24 energy companies. We have law firms.

25 I heard today Mr. Crawley say that

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2 there are very few black law firms that
3 are -- if any, that are getting any legal
4 work.

5 What about the computer support, and
6 the computers that we buy? Are they areas
7 that we are eventually going to be able to
8 look at or, to be realistic, are there some
9 areas that what your mission is that you're
10 not going to be able to capture or have
11 them get involved and then come aboard with
12 your program?

13 MR. WILLIAMS: Sir, I don't think I
14 should -- I'll be inhibited by anything. I
15 think that that -- that we'll be able to do
16 everything that we set out to do.

17 I -- The department -- My goal for
18 the department is to move away for
19 something like certification, which I think
20 we do well.

21 But it doesn't go to constituent
22 services. I think constituent services are
23 more marketing our firms internally in the
24 City. And externally I think our -- we
25 should move to enforcement and monitoring,

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2 to compliance, to doing outreach, to
3 getting those folks into the system, and
4 then to make sure they get work through the
5 City and beyond, outside of the City.
6 Okay.

7 COUNCILMAN RIZZO: What do we do
8 when we have a vendor that we spend
9 millions of dollars with? They're not a
10 contractor. They're a vendor. They're
11 providing a service to the City. Are those
12 deals for service come under the umbrella
13 of your organization?

14 MR. WILLIAMS: Yes.

15 COUNCILMAN RIZZO: Well, give me an
16 example. A big supplier of technology to
17 the City. I'll use the name, Verizon. We
18 have probably hundreds of thousands of
19 dollars a month we spend with them.

20 How could you get minority -- How
21 could you get Verizon to have minority
22 participation, other than beyond what they
23 do already within their organization?

24 I mean, how could you get them to...
25 Again, is it not even doable to even think

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2 about those big dollar items that we spend
3 every month? How do you get them involved?

4 MR. WILLIAMS: Well, the City work,
5 we set ranges for them to meet.

6 COUNCILMAN RIZZO: Have her identify
7 herself, please.

8 MS. HITCHCOCK: Candace Hitchcock.
9 I'm the Deputy Director of MBEC.

10 In response to your question,
11 Councilman, we evaluate every project that
12 comes before us for ranges. We look for
13 the opportunities within those projects.

14 Major equipment purchases, like
15 telephone equipment, and I heard you
16 mention the 800 megahertz... There are
17 some opportunities within there that we
18 have to find, in terms of installation, in
19 terms of whether they have to construct
20 something to put the equipment in. So we
21 evaluate what's available and look for
22 opportunities within those areas.

23 The equipment purchase itself
24 sometimes is a block of money. They spent,
25 actually, about \$51 million on the

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2 equipment for the 800 megahertz, but there
3 were some \$9 million worth of opportunity
4 there that we could put ranges on for
5 minority and women participation.

6 COUNCILMAN RIZZO: Did it happen?

7 MS. HITCHCOCK: Yeah.

8 COUNCILMAN RIZZO: Given -- Okay.
9 Here's an example of one I'd like you to
10 look at.

11 We're about to put the cellular
12 telephone contract out for bid again. It's
13 going to go out: Verizon, it's going to go
14 to Cingular, it's going to go to Nextel,
15 it's going to go to Sprint.

16 What can you do to get minority
17 participation in that type of an
18 opportunity, where we're going to spend,
19 again, a significant amount of money?

20 What do you do? I mean, what do you
21 do in your organization, when you hear that
22 we're about to rebid possibly for a
23 three-year deal the cell phone service for
24 the City of Philadelphia?

25 MS. HITCHCOCK: Well, there are

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2 various components of the cell phone
3 services. The biggest component would
4 probably be the equipment itself, unless
5 there -- We would look, see if there was a
6 distributor for the equipment, if there's
7 training on how to use it, any area that
8 might be in there.

9 I haven't looked at all the
10 components of it, but that would be the
11 approach to seeking whether or not there
12 would be any opportunity on that project.

13 COUNCILMAN RIZZO: What's
14 interesting: One of the vendors that's
15 going to -- that already does business
16 doesn't even have a presence in
17 Philadelphia, doesn't even have an office
18 in the City of Philadelphia. Forget the
19 minority participation part.

20 They're not even a -- They don't
21 even have a presence here, and we're
22 sending them a check every month.

23 So, now this deal is going out.
24 You're assuring me you're going to take a
25 look at that to see --

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2 MS. HITCHCOCK: Going to take a look
3 at it --

4 COUNCILMAN RIZZO: -- another
5 deal --

6 MS. HITCHCOCK: Yeah, because one of
7 the issues is a service -- he's a service
8 provider. And they can do that, not on
9 site. So we'll have to look at what
10 components compose the activity.

11 COUNCILMAN RIZZO: One of them does
12 not have a presence here. All the others
13 do. But again, how do you bring or require
14 minority participation in a multi-million
15 dollar cell telephone contract?

16 I just don't understand how you're
17 going to accomplish that or what you can do
18 to do that, other than what you just
19 described, that possibly there's a minority
20 distributor that would provide the
21 equipment to us.

22 MS. HITCHCOCK: Well, whatever...
23 Or if there's some training activity within
24 there. There may be some other provisions
25 in there.

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2 You have to look at it to make that
3 determination. We do an evaluation of
4 these projects. Not all the time are we
5 successful; that's true.

6 COUNCILMAN RIZZO: But is this the
7 normal part of doing business? In other
8 words, if I didn't bring this up here today
9 about this bid ready to be put out again,
10 would you -- would your organization even
11 be part of it? Or am I giving you the
12 first heads-up you know about this?

13 MS. HITCHCOCK: No. We would have
14 seen it. We would see it.

15 MR. WILLIAMS: It would come through
16 us.

17 COUNCILMAN RIZZO: You would see it?

18 MS. HITCHCOCK: Yes.

19 COUNCILMAN RIZZO: And do what?

20 MS. HITCHCOCK: Evaluate it for
21 opportunity.

22 COUNCILMAN RIZZO: Okay. It went
23 out three years ago. Do you know what
24 we... Did we have an opportunity three
25 years ago?

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2 MS. HITCHCOCK: May have, but I
3 can't tell you because I'm not sure of that
4 one.

5 COUNCILMAN RIZZO: Okay. What I'm
6 basically saying is, I believe that there
7 are a lot of opportunities out there that
8 we aren't focusing on.

9 And I hope that that consultant
10 comes back or to you now. I don't even
11 think we need a consultant. I think you're
12 both bright enough to be able to figure out
13 how to make this thing work.

14 MR. WILLIAMS: Thank you, sir.

15 COUNCILMAN RIZZO: But I think that
16 we really -- and I hate to use this
17 expression -- start thinking outside the
18 box here, of looking at opportunities.

19 And I think sometimes because they
20 appear to be something that isn't eligible,
21 like cell telephone service or wire line
22 telephone service or the purchase of
23 computers, we just let it get away from us
24 because, you know, it's not like... doesn't
25 fit the mold. Am I making myself -- Am I

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2 expressing myself right?

3 So I think that you should really
4 start looking... We buy a zillion police
5 cars from a particular car dealership a
6 year. They're not even in Philadelphia.
7 They're in New York State.

8 We don't benefit by that. We don't
9 have one mechanic working on those cars.
10 We don't have any... anything... any input
11 there at all.

12 So, it's frustrating for me. It
13 really must be frustrating for you because
14 you're responsible to make it work.

15 MR. WILLIAMS: And we're responsible
16 after the fact. I mean, department heads,
17 especially in professional services, make
18 these purchasing decisions, and we get
19 things to evaluate ranges on decisions that
20 they've already made.

21 COUNCILMAN RIZZO: Well, you got to
22 fix that, then.

23 MR. WILLIAMS: Exactly.

24 COUNCILMAN RIZZO: That doesn't
25 work.

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2 MR. WILLIAMS: Our enforcement
3 person will be doing that, along with
4 working with the Law Department, so we can
5 be on top of these.

6 COUNCILMAN RIZZO: The Police
7 Commissioner doesn't have the authority to
8 decide where we buy police cars. It's done
9 by procurement --

10 MR. WILLIAMS: Exactly.

11 COUNCILMAN RIZZO: -- and the bottom
12 line, cheapest price. That's where those
13 decisions are made.

14 And I know we had this conversation
15 before, where we can't require by basic --
16 I guess it's the City Charter or some other
17 law, that we can't require the City to do
18 business with City businesses. Do you see
19 any effort to break through that barrier?

20 MR. WILLIAMS: Unfortunately, I
21 don't see any effort to break through that.

22 MS. HITCHCOCK: But Councilman, may
23 I add a comment to that? On the car deal
24 they had --

25 COUNCILMAN GOODE: Excuse me.

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2 Please identify yourself for the record.

3 MS. HITCHCOCK: Candace Hitchcock,
4 Deputy Director of MBEC.

5 On the car deal, they had to put in
6 computers and some other things that they
7 do after they purchased the car. So that's
8 a possibility for getting participation.
9 In fact, we did get some last year.

10 COUNCILMAN GOODE: Councilwoman
11 Tasco.

12 COUNCILWOMAN TASCO: One of the
13 issues I'm concerned about -- and I would
14 like for you all to go back and seriously
15 consider again, revealing the provider
16 contracts for nonprofits that go out
17 because you have nonprofit contracts or
18 contracts with the Department of Human
19 Services and the Health Department, and
20 there is no minority participation.

21 We have a company, Warren E. Smith.
22 A contract for \$10 million was given out.
23 They gave it out to three majority firms,
24 was forced to do one minority firm.

25 Warren E. Smith, the other

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2 majority -- minority -- majority mental
3 health provider, doing business in the
4 community now has to divest itself from a
5 part of the program, and send their clients
6 all over the City. And it's just not
7 right, because there's nobody monitoring
8 those contracts.

9 Have you, in your capacity,
10 contacted the Department of Social Services
11 or the Health Department or was that part
12 of your...

13 MR. WILLIAMS: Absolutely, it's part
14 of the...

15 COUNCILWOMAN TASC0: I understand at
16 some point that MBEC stopped doing
17 nonprofits.

18 MR. WILLIAMS: Yeah, MBEC stopped
19 looking at nonprofits, the reason being is
20 that the certification process is different
21 than the approval process. They're
22 approving folks to...

23 COUNCILWOMAN TASC0: When did you
24 stop doing nonprofits, by the way?

25 MS. HITCHCOCK: It was effective

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2 last year.

3 COUNCILWOMAN TASC0: So when did --

4 MS. HITCHCOCK: In 1994 there was an
5 attempt by the current Health Commissioner
6 to try and lend some participation to the
7 number of nonprofit contracts that were --
8 and the dollars that were spent with
9 nonprofits.

10 It kind of turned into something
11 like a certification process. And you
12 cannot, under the Federal regulations,
13 certify nonprofits.

14 So that we had to adjust that and
15 not get into an approval process of
16 nonprofits as minority, women or disabled.

17 The criteria was established outside
18 of the Federal regulations. At the time we
19 were using the Federal regulations for
20 certification processes.

21 We cannot certify a nonprofit. Even
22 though we use the word approval, we use a
23 different criteria, but it still did not
24 fall within the boundary of the Federal
25 guidelines. So we stopped doing approval

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2 processes for nonprofit organizations.

3 COUNCILWOMAN TASC0: And you're
4 doing -- Go ahead; I'm sorry.

5 MS. HITCHCOCK: We are looking at
6 nonprofits, because they do buy goods and
7 services, to develop something similar to
8 an equal opportunity plan, that can have
9 them provide to the MBEC how they buy their
10 goods and services because they do do other
11 things with the money that they get from
12 the City and other sources.

13 MR. WILLIAMS: And for me,
14 Councilwoman, there's a -- I'm sorry.

15 MS. HITCHCOCK: Go ahead.

16 MR. WILLIAMS: I was going to say,
17 for me that doesn't get to the point of
18 these departments not utilizing these
19 firms.

20 Just because we don't -- at this
21 moment aren't counting nonprofits doesn't
22 mean that department heads can go out and
23 not look at firms that target or nonprofit
24 firms that target -- yes, or provide
25 services to people of color to this

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2 community.

3 I think that's a different question.

4 And that's something that I think that they

5 have looked at sort of as a loophole. At

6 least that's what my impression is.

7 I haven't had to sit down to talk

8 with them. They've received my letter

9 showing, both these departments, they've

10 had very low participation rates.

11 They want to meet with me talk to me

12 about that. And I'm sure we'll be able to

13 get information from them as to what this

14 is.

15 My point is that if we don't even

16 count these folks, it doesn't matter. You

17 still have organizations, nonprofit

18 entities, that service or targeted or are

19 made up primarily by people of color.

20 And you should be using them, and

21 particularly in these communities. You

22 have majority firms working in West

23 Philadelphia, in North Philadelphia coming

24 in these contracts because they know

25 someone in these departments. That's just

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2 untenable. And that situation should be
3 rectified.

4 And to my extent of talking with
5 them, sitting down and letting them know
6 that I want to see better numbers from
7 that, that that will happen.

8 COUNCILWOMAN TASC0: Not only in
9 terms of it's important, that the
10 departments... These social service
11 departments contract with nonprofit groups
12 that are also minority.

13 MR. WILLIAMS: Yes.

14 COUNCILWOMAN TASC0: And that the
15 majority contractors, providers, have
16 minority employees.

17 MR. WILLIAMS: Yes.

18 COUNCILWOMAN TASC0: So that is a
19 very lucrative, lucrative business. And
20 because we don't provide the services -- we
21 contract all our services out -- we need to
22 know who we're doing business with, and
23 what kind of return is coming back to the
24 community from those companies.

25 So, I think it's a serious way, if

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2 you all can find a way to be inclusive, to
3 include them in some reportable way, and
4 some enforcement way, and to make them be
5 more inclusive. It would be very, very
6 helpful to us.

7 MR. WILLIAMS: Yes, ma'am. And we
8 are working on that. We're working on that
9 mechanism to do that.

10 I think part of this is just letting
11 people know that we are looking into this,
12 to start getting some movement.

13 COUNCILWOMAN TASCO: Thank you.

14 MR. WILLIAMS: Thank you.

15 COUNCILMAN GOODE: Councilman
16 Nutter.

17 COUNCILMAN NUTTER: Mr. Williams,
18 very quickly.

19 In a letter that I mentioned to
20 you -- it's a letter dated May 24, 2004 --
21 you were over in the MSB in Room 330?

22 MR. WILLIAMS: Yes.

23 COUNCILMAN NUTTER: Okay. That's
24 where we sent it.

25 I received this notice from the

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2 Water Department regarding a relay of water
3 mains: Woodbine Avenue, from 58th to 59th;
4 Wynnefield Avenue, from 50th to 51st; and
5 58th Street from Malvern to Woodbine.

6 The second location is literally
7 about a block and a half away from my
8 house.

9 Gentlemen, you are hereby notified
10 to proceed with relay of water mains for
11 the area I mentioned.

12 There are no MDBE, WDBE or DSDBE
13 `participation ranges under Executive Order
14 1-03 for this bid.

15 Bidders are encouraged to seek
16 participation by disadvantaged, minority,
17 women and disabled business owned...
18 disadvantaged, minority, women and disabled
19 owned business enterprises, but are not
20 required to submit a solicitation and
21 commitment form with this bid.

22 A copy of the certification of
23 insurance must be submitted to Bill Credle
24 [sic], Aramark, second floor, et cetera.

25 Limit of contract, \$429,000. And

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2 it's signed by Bill Credle.

3 Do you have any idea why a contract
4 for this kind of work will go out with a
5 letter to the contractor, indicating that
6 there were no participation ranges for
7 minority businesses or female or
8 disadvantaged businesses, under Executive
9 Order 1-03 for this bid?

10 MR. WILLIAMS: No, sir, I can't tell
11 you why that would. But I will look into
12 that, sir.

13 COUNCILMAN NUTTER: Well, under the
14 Executive Order, are you allowed to not
15 have participation ranges for construction
16 work?

17 MS. HITCHCOCK: No. It could be an
18 emergency letter bid, though. Is it?

19 COUNCILMAN NUTTER: Well, doesn't
20 say it's an emergency. And I live a block
21 down the street from the one location, and
22 I know the other locations very well. And
23 none of them have exploded recently. So, I
24 don't think it was an emergency. Is this a
25 regular --

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2 MS. HITCHCOCK: If it was an
3 emergency, it will say so on there.

4 COUNCILMAN NUTTER: It's not an
5 emergency, no.

6 MS. HITCHCOCK: Okay. Do you have a
7 bid number?

8 COUNCILMAN NUTTER: I don't think
9 you'd have an emergency at three separate
10 locations.

11 There's a purchase order number,
12 there's a bid number, there's a work -- I
13 mean, this is what I sent over. I'd be
14 glad to give you a copy of it. I'd like
15 not to read it into the record.

16 MS. HITCHCOCK: You sent it over.

17 COUNCILMAN NUTTER: But I guess my
18 question is, you can do all the
19 investigatory work. How is something like
20 that possible? Wouldn't this contract --

21 COUNCILMAN GOODE: You have to
22 approach the witness table.

23 COUNCILMAN NUTTER: Wouldn't this
24 contract go through MBEC?

25 MS. HITCHCOCK: Most of the time.

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2 COUNCILMAN NUTTER: Not professional
3 services.

4 MS. HITCHCOCK: No. Most of the
5 time that would.

6 COUNCILMAN NUTTER: I don't
7 understand. What do you mean most of the
8 time?

9 MS. HITCHCOCK: Most of the time.
10 There are occasions when some of those bids
11 get through, and we don't see them.

12 COUNCILMAN NUTTER: Why?

13 MS. HITCHCOCK: They didn't come.
14 Somebody did not send it to us.

15 COUNCILMAN NUTTER: How could
16 somebody not send it to you?

17 MS. HITCHCOCK: It has happened,
18 Councilman.

19 COUNCILMAN GOODE: Excuse me a
20 second. Miss Dunn, could you identify
21 yourself for the record.

22 MS. HITCHCOCK: Madalyn Dunn,
23 community advocate from West Philadelphia.

24 When you say an executive -- I was
25 thinking an executive order. Something the

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2 Mayor sent down saying this don't have to
3 be done; is that right?

4 COUNCILMAN NUTTER: No. In this
5 particular case the Executive Order 1-03,
6 is, as Councilman Goode mentioned -- as the
7 Chairman mentioned earlier was, I believe,
8 the companion executive order to the new
9 Minority Business Enterprise legislation
10 that was passed last year by City Council.
11 The Mayor issued an executive order to go
12 along with that legislation.

13 And I think also as has been
14 testified, that executive order apparently
15 expired at some point in time. It had an
16 expiration date on it.

17 COUNCILMAN GOODE: It should also be
18 mentioned that the executive order was done
19 at the same time as the legislation, but
20 the executive order was not nearly as
21 strong as the legislation.

22 MS. DUNN: But I had noticed --

23 COUNCILMAN NUTTER: But there is
24 still legislation.

25 MS. DUNN: -- work tearing up

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2 Wynnefield, and like in front of our
3 church.

4 And usually when the Water
5 Department is working, I see African
6 American men.

7 I have seen none on this job, and I
8 was wondering why. I have so many calls in
9 your office, Mike, I thought I'd give you a
10 break. But now I know I should have done
11 it anyway.

12 COUNCILMAN NUTTER: Yeah. No;
13 that's fine.

14 This job is actually not being done
15 by the department itself. It's being done
16 under contract with a private contractor.
17 It's three separate locations in the
18 Wynnefield community, one of which I drive
19 through every day.

20 MS. DUNN: So if the Water
21 Department was doing this, we would have
22 had a conversation of people working, as
23 usual.

24 COUNCILMAN NUTTER: Well, more than
25 likely you would see Water Department

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2 trucks and Water Department personnel who
3 are City of Philadelphia employees.

4 And you're right, it allowed those
5 jobs. I mean, there are a lot of African
6 Americans working in the Water Department.
7 So, I mean, I see them out doing work.

8 This is a private contract by the
9 Water Department.

10 MS. DUNN: And so why would the
11 Water Department hire somebody else to do a
12 job that their people can do? Because
13 we've seen them tear up --

14 COUNCILMAN NUTTER: No; I
15 understand. There's a lot of work --
16 There's a lot of work out there. We only
17 have so many people who can do so much of
18 the work.

19 So, the City does hire a lot of
20 private contractors to assist the
21 departments because we have nowhere near, I
22 think, as many personnel as we would need
23 to do all the work that needs to be done,
24 especially with regard to the Water
25 Department.

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2 I don't have any issue with them
3 issuing a contract to a private contractor.
4 My issue is --

5 MS. DUNN: Everybody sharing in the
6 money, getting some of the work.

7 COUNCILMAN NUTTER: Well, that and
8 the fact that they would send a letter to
9 the contractor saying there are no
10 participation requirements at all.

11 And then in the next sentence, but
12 if you want to contact some minority
13 businesses, that's fine.

14 Well, I don't know these people from
15 a can of paint, but if you tell me in the
16 first sentence I don't have to do
17 something...

18 MS. DUNN: You won't do it.

19 COUNCILMAN NUTTER: ...what is my
20 incentive to do it?

21 MS. DUNN: That's right.

22 COUNCILMAN NUTTER: So I'm still
23 trying to understand how under the
24 executive order or the present law can a
25 letter like this go out in the first place?

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2 MS. DUNN: So the person who sent
3 the letter, what is their.

4 COUNCILMAN NUTTER: They're from the
5 Water Department. I don't know what their
6 title is. Gentleman's name is Bill Credle.
7 He may be like a technician or
8 administrative person or something.

9 MS. DUNN: Thank you so much for
10 allowing me to get that question. Thank
11 you.

12 COUNCILMAN NUTTER: Sure. No
13 problem.

14 Ma'am, you were saying that from
15 time to time people just don't send
16 paperwork over to MBEC?

17 MS. HITCHCOCK: Sometimes the bids
18 don't get to the MBEC.

19 COUNCILMAN NUTTER: Okay.

20 MS. HITCHCOCK: And we find out
21 about it later.

22 COUNCILMAN NUTTER: You find out
23 late.

24 MS. HITCHCOCK: It happens. It's
25 certain... Human people.

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2 COUNCILMAN NUTTER: Are the
3 departments required to send their bids or
4 the documents before they go out to MBEC?

5 MS. HITCHCOCK: Yes. Most of the
6 time the Water Department does.

7 I simply said that may be the case
8 in that instance.

9 COUNCILMAN NUTTER: You'll get us an
10 answer?

11 MS. HITCHCOCK: Yes.

12 COUNCILMAN NUTTER: Okay. Thanks.

13 Thanks, Mr. Chair.

14 COUNCILMAN GOODE: Any other
15 questions of this panel?

16 (No response.)

17 COUNCILMAN GOODE: Thank you very
18 much.

19 MR. WILLIAMS: Thank you, sir.

20 COUNCILMAN GOODE: James Royal.

21 Good afternoon. Thank you for your
22 patience. We look forward to your
23 testimony. First, please identify yourself
24 for the record.

25 MS. PEEBLES: Good afternoon,

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2 Chairman, and to the committee. My name is
3 Paula Peebles.

4 I am the President and CEO of
5 Renaissance Community Development
6 Corporation in North Central Philadelphia.

7 MR. SHAH: And I am Sutan Ashley
8 Shah (phonetic) with Renaissance Community
9 Development Corporation.

10 Also, I serve at the pleasure of the
11 President and the CEO. Thank you. And
12 thank you for having us today.

13 COUNCILMAN GOODE: Welcome. Please
14 proceed with your testimony.

15 MS. PEEBLES: Again, we want to
16 thank you for this opportunity.

17 I feel very grateful for the fact to
18 be able to proceed behind Mr. Williams
19 because my testimony actually addresses
20 some of the various concerns that were
21 indicated in dealing with this critical
22 issue that we are confronted with here in
23 the City of Philadelphia and the
24 surrounding region.

25 We are honored to be among those who

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2 have presented today the case for parity
3 and the time for equitable distribution of
4 resources and opportunity.

5 We would like to again thank the
6 City Councilman Wilson Goode and the
7 Committee on Commerce and Economic
8 Development for providing us with the
9 opportunity for input on this critical
10 issue, economics.

11 Economics, in our opinion, is the
12 last frontier for African Americans,
13 specifically, and other people of color in
14 totality.

15 Like the struggles of the 1950s and
16 '60s for civil and human rights and for
17 self determination, as we continue our
18 sojourn in this country, so is it true for
19 our struggle for economic parity, economic
20 repair, and equity are no different.

21 From a historical perspective, the
22 pre-civil rights era and post emancipation
23 era, blacks enjoyed a thriving business
24 economy among themselves, realizing that
25 the source of their existence was a

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2 mandatory commerce exchange with one
3 another, thereby creating the growth of
4 black entrepreneurs, such as the great
5 Madam C. J. Walker, the first woman of any
6 race to become a millionaire.

7 Her startup business developed out
8 of desire of black women who began a micro
9 level of business, selling her product door
10 to door in 1905. In our opinion, her
11 business thrived despite segregation,
12 indirectly because of it.

13 When integration occurred in
14 America, it stopped short of the
15 integration of economic opportunity for
16 African Americans.

17 History has taught us that the only
18 time black people and economics became
19 important to America was when riots over
20 the lack of economic opportunities for
21 African Americans occurred.

22 The government would then respond
23 with a Band-Aid of some form of antipoverty
24 program, fancy slogans such as War on
25 Poverty, to silence the revolt.

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2 In the 1980s and 1990s when African
3 Americans again sought economic parity,
4 they were publicly scolded by American
5 white ethnic majority, that blacks were
6 moving too fast. After all, we were just
7 given civil rights to share places with all
8 other citizens.

9 Blacks were moving too fast, as if
10 we could afford to slow down, after some
11 400 years of criminal persecution based
12 upon race.

13 We must be pro-active about the
14 issue of economic parity, as we were with
15 the violation of civil and human rights in
16 this country.

17 Based on a statistical data,
18 embodied in the Minority Business
19 Development Subcommittee's Report, in
20 Philadelphia, Pennsylvania, African
21 Americans are a majority population,
22 representing approximately 56.5 percent of
23 the City's population, yet only sharing in
24 a minuscule 2.2 percent of the City's gross
25 business receipts. This is criminal, and a

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2 violation of our rights to fully
3 participate in the commerce of the City.

4 We support your proposal to increase
5 the percentage to 6.6 percent as a minimum,
6 with a focused plan to exceed this
7 proposal.

8 The challenge, as we see it, lies
9 with elected leadership from the state's
10 mansion to the second floor of City hall.

11 Ironically both share in
12 Philadelphia as their political foundation.
13 The challenge to them is to create
14 equitable opportunity for inclusion,
15 integration of black Philadelphians into
16 the state and City's commerce.

17 Today black contractors and black
18 businesses are held to the same standards
19 of governmental requirements as other
20 ethnics in the City.

21 However, these standards are
22 structurally unfair, given the advantage
23 afforded to ethnic immigrants, with
24 infusion of startup capital, access to
25 banks, and governmental aid, and therefore

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2 a greater advantage.

3 In closing, we would like to make
4 the following recommendation, to sincerely,
5 with all vigor, begin the process for
6 economic equality of Philadelphia and
7 Pennsylvania and throughout America.

8 One, equal access to capital is
9 pivotal to the successful growth of African
10 American businesses in Philadelphia County
11 and throughout the region.

12 Job creation must be a prerequisite
13 for participation in awarding of all
14 government contracts. It can no longer be
15 left to political leadership to decide who
16 will be exempt, based on self-serving
17 contributions.

18 It should be optional. And I think
19 there was an example of that, just based on
20 the comments and the question to Mr.
21 Michael Williams.

22 Parity standards must be
23 institutionalized to provide for more
24 equitable distribution of public resources
25 and business opportunity.

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2 Those who remain in the City should
3 enjoy the benefits of engaging in City
4 commerce. Presently those living outside
5 of the City enjoy the benefits of City
6 commerce, to the neglect and unemployment
7 of City residents. This must be reversed.

8 And finally, procurement policies
9 must focus on development of an
10 institutional requirement of inclusion,
11 rather than relying on the shift to the
12 mainstream, which amounts to hope -- which
13 amounts to a hope and a promise to do the
14 right thing without any structural process
15 for enforcement of this requirement.

16 I thank you for this opportunity, in
17 being able to present before this committee
18 today.

19 I also want to add one footnote. I
20 believe it was Councilwoman Marian Tasco,
21 and I thank her for asking about
22 nonprofits.

23 And my only brief comment is
24 nonprofits do business. We create job
25 opportunities. We are entrepreneurs. And

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2 we would like to be included in the ongoing
3 process. And I thank you.

4 COUNCILMAN GOODE: Thank you. Thank
5 you for your testimony.

6 (Applause.)

7 MR. SHAH: Once again I thank you,
8 Councilman, for allowing me this
9 opportunity.

10 Our testimony is as follows:

11 Honorable members of this profound body, I
12 come before you this day in the hopes of
13 conveying to you what has been echoed to me
14 by so many small and minority businesses
15 here in our great City.

16 These same individuals are the very
17 ones that represent a portion of our tax
18 base, yet the bar of standards to compete
19 are always higher or constantly being
20 raised.

21 Therefore, we as a city of
22 diversity, as a city of neighborhoods, and
23 as a city for whom as a national role
24 model, with statistics that say we as a
25 major metropolis should be alarmed at such

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2 a disparate level of participation.

3 Only 15,532 minority businesses, 24

4 percent of all of Philadelphia businesses.

5 And the region's 28,973 minority

6 businesses, 10 percent of all business in

7 the region.

8 It generates just 2.2 percent and

9 1.6 percent, respectively, of the City and

10 regional gross receipts.

11 This body I know has developed a

12 measure of commitment towards this goal of

13 increasingness [sic], but I just believe we

14 need to be doing more.

15 We as a City must really take a more

16 committed role in allowing the so many

17 other minority contractors who are being

18 left out of the process a level playing

19 field so that they will allow -- be allowed

20 to equally participate in the high volume

21 of commerce that this City and region

22 enjoys, even in the leanness of times.

23 No longer can we be a process that

24 says you can only participate if you are

25 politically connected or are financing

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2 someone's political agenda or that you
3 happen to be one of those, one of the ones
4 blessed to make it through the door of
5 opportunity, and fail to remember where you
6 yourself came from.

7 Too many times success blocks our
8 ability to realize that we, too, are a part
9 of finding success have to have a sincere
10 helping hand and not a handout, but rather
11 a sense of belief and true commitment to
12 wanting for your fellow man that which you
13 would want for yourself.

14 In closing, I respectfully request
15 this esteemed body use the power that this
16 great electorate has granted it, and do
17 more in the way of putting real dollars and
18 not a handout to acquiring a more level
19 playing field for minority contractors.

20 I have two little -- two small notes
21 I'd like to address, if I may, Mr. Chair,
22 first being, in my office I see people
23 coming and going every day, in and out
24 every day.

25 I also deal with a major population

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2 of ex-offenders. I also deal with small
3 business entrepreneurs whom are struggling,
4 and I also deal with a small populous of
5 individuals for whom have the misfortune of
6 having to expend a lot of time and energy
7 on the other side of the fence, but seek to
8 correct that way of life and move into a
9 cleaner mainstream.

10 And the hallmark of my conversations
11 with each and every one of these
12 individuals is that they lack the adequate
13 training necessary to put forth a quality
14 business, whether it comes from, as the
15 woman spoke earlier from West Philadelphia,
16 because there's a lack of that or the level
17 of public school systems or post secondary
18 educational systems that our people are not
19 afforded the opportunity to reach, that our
20 people lack that capacity or the knowledge
21 to know where to go to get this.

22 So, I have been working with many,
23 many of these individuals, and in sending
24 them to, particularly, PCDC to get that
25 kind of access to training or giving it to

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2 them ourselves, based on our experiences.

3 But I find it, you know, a sad
4 situation to know that they cannot get that
5 type of structure without the opportunity
6 to know where it's at.

7 The second piece is, I just had a
8 conversation with a minority contractor.
9 And it alarmed me. And that's why I spoke
10 to a situation here, relative to wanting
11 for your fellow man that which you would
12 want for yourself, and talked about how
13 other minority contractors for whom have
14 paid to play or for whom have just been
15 blessed to come through that door fail to
16 understand that they have a requirement, to
17 reach back and help those that are coming
18 along, because who are the best teachers
19 other than those who have walked through
20 those same footsteps?

21 But these individuals, they turn
22 their noses. They want to -- This one
23 individual, he told me a scenario whereby
24 he was -- had access to some properties
25 through NTI.

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2 But because he couldn't meet that --
3 meet that financial challenge and
4 requirement necessary to put certain pieces
5 in place, that he could not afford the
6 opportunity -- be afforded the opportunity
7 to continue in that playing lane.

8 So there was another gentleman
9 who's... eludes himself to be big in NTI,
10 who garners many, many parcels of property
11 from the City of Philadelphia, in our City.

12 And this man here, this small
13 contractor, has the capacity to take down
14 four, maybe five houses a week.

15 And this man who has all of these
16 parcels is getting somewhere in the
17 neighborhood of \$15,000 per unit to
18 demolish.

19 Well, the man said, I'll tell you
20 what: I won't dissolve my company, but
21 I'll come to work for you for \$15,000 a
22 week at the same pace for which I would do
23 for myself.

24 This minority contractor who was
25 getting all of these properties had the

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2 unmitigated gall to tell this man that he
3 would not nor could he nor would he even
4 entertain the opportunity of paying this
5 man a decent wage to work.

6 So again, because of, quote unquote,
7 pay to play, however we want to look at it,
8 whatever terminology we want to put on it
9 or whatever spin we want to use to describe
10 it and define it, but the reality of it all
11 is that if you're not politically
12 connected, you're not playing, the field's
13 not level for you.

14 If you're not supporting someone's
15 political agenda, then the field is not
16 level for you. But these are the same
17 individuals that under the legal
18 terminology of taxpaying citizen, they are
19 equal in parity, but not equal in
20 disbursement of opportunity.

21 I would pray... I would prey that
22 this body, this esteemed body, would not
23 only look at the situation, as it stands
24 externally, relative to those reasons that
25 I stated as to why these individuals don't

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2 meet certain levels of standards, because
3 either the bar is being raised or they just
4 haven't had the public or the professional
5 grooming to reach the bar, no matter where
6 it is, but that they force the process to
7 take a look at itself from within as well.
8 Because that's where a large portion of the
9 problem lies.

10 And I commend you, Wilson, as Chair
11 of this body, and the rest of the esteemed
12 members of this committee, for taking on
13 this challenge of looking at the serious
14 crisis that exists in our City.

15 Because again, if we don't pay our
16 taxes, we are reprimanded. But if we pay
17 our taxes and we do what we're supposed to
18 do, then we're supposed to have equal
19 access to all opportunities.

20 Give you another quick example, and
21 I'm going to cease this. I look at the
22 dried out corridor. And I said I wasn't
23 going to go here, but I need to. I look at
24 the dried out corridor, and I look at
25 minority entrepreneurship involvement in

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2 the City, and I see the word
3 gentrification.

4 I see the word gentrification in the
5 sense of ownership, and I see the word
6 gentrification in the sense of economic
7 opportunity for minorities.

8 And when I look at that corridor,
9 and I see all those small minority
10 businesses that have been involved in that
11 corridor for years on end, seeking to do
12 certain things, and reaching specific goals
13 and objectives, based on their visions as
14 it relates to their ethnicity, their
15 lifestyles, their community, their lives in
16 that community, raising their children,
17 their heritage, and their investment in
18 that neighborhood. And I see what they
19 lack in opportunity.

20 Then I turn around and I see an
21 organization such as the Dry Coalition come
22 along, and look up and they have a budget
23 of \$500,000 or more working capital for
24 just administrative purposes alone?

25 Then I find disparity. And I find

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2 that disparity not coming externally or a
3 portion of it is externally because
4 certainly we have to bear some
5 responsibility ourselves.

6 But those dollars that they got are
7 public sector dollars. So I asked
8 internally that the public administrators
9 of our City, and our state, and our Federal
10 Government take a real serious hard look,
11 because, see, where I come from guy, says
12 speak out against injustice, even if it's
13 against yourself, your family or your
14 kindred. So, we first must take a look
15 within and challenge ourselves to make the
16 difference. And that's why I commend you.
17 And I thank you, Chair, for this process,
18 and thank you, Councilman.

19 COUNCILMAN GOODE: Thank you.

20 Any questions from members of the
21 committee?

22 (No response.)

23 COUNCILMAN GOODE: Thank you.

24 Mr. Royal.

25 COUNCILMAN NUTTER: Before you

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2 start, are there any other witnesses to
3 testify? Okay. So, Miss Robinson and...
4 Mr. Traylor, are you testifying?

5 MR. TRAYLOR: No.

6 COUNCILMAN NUTTER: Mr. Royal,
7 please identify yourself for the record and
8 begin your testimony.

9 MR. ROYAL: Thank you. My name is
10 Reverend James Royal.

11 I'm a member of the CROP
12 organization, Community Rebirth
13 Organizational Plan.

14 I do have a few copies of my
15 testimony, of which I'm not going to read
16 these 12 pages because most of what is
17 integrated in the draft resolution has been
18 given by others.

19 I'd like to say for the record, so
20 that everybody understands, that we believe
21 in order to increase jobs and dollars in
22 the community, we have to spend the dollars
23 that come out of Washington, D.C. and the
24 state properly.

25 One of the things that does not

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2 happen in the community, which has been
3 stated over and over about training, is the
4 manning table, the monies that come from
5 the Federal Government? Where they go into
6 a distressed neighborhood.

7 Bruce Crawley was talking about 25
8 percent. Well, under the Federal mandate,
9 it's 40 percent in a distressed area.

10 In other words, if you have a
11 three-phase job, you go to that
12 neighborhood where the work is going to be
13 done. You get those people that are
14 unemployed, untrained and train them for
15 each phase of the job.

16 And so, we're looking at that as a
17 way to create immediate employment in the
18 neighborhood. It has been gone over step
19 by step for the last, I guess, three hours
20 that I've been listening.

21 There's three things that you really
22 need in order to create employment and
23 long-term employment. Number one, firstly,
24 the wherewithal, the guts to do it.

25 Number two, you need to train work

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2 force.

3 And number three, you need to have
4 that engine that drives your economy. And
5 in this regard is, fossil fuel.

6 In the information that we have
7 given you, you will see that we do not
8 really intend to just come down and testify
9 again and again because this has been
10 happening for many years.

11 We intend to start that process in
12 the public school system, and with the
13 parents, and with the recovering addicts,
14 and those people that are coming back into
15 the work force.

16 Our students need to be trained.
17 There is a curriculum that we're giving Mr.
18 Vallas, that he now has, of the public
19 school system, that will, in fact, train
20 our students and have them come up to the
21 par that they need to as far as not only
22 just as journeymen, but also business
23 owners.

24 A lot of the information and a lot
25 of the testimony that's been confined to

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2 City contracts? Well, we need to look at
3 the whole array.

4 One of the things that Mr. Vallas
5 tried to put in the public school system is
6 talking about option to go into the
7 service, R.O.T.C.

8 I think that's fine. But I want
9 them to put right along with R.O.T.C. is
10 banks and astronauts, and airplane pilots,
11 and bankers-owners, and car dealers,
12 spaceships, anything and everything a
13 student need to learn.

14 But the principal goal of the
15 information that we've given to you is to
16 show you that we need to have consumer
17 stock ownership and employee stock
18 ownership. We've been talking about that
19 for the last ten years, and it look like
20 it's going to start to come about.

21 Because right now we're in a crunch
22 with oil. And if we had hydrogen fuel,
23 that would be readily available in the area
24 of natural gas, and the area of SEPTA, in
25 the area of these various schools and

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2 businesses, it would cost costs
3 tremendously.

4 But back to the point today is, the
5 issue is, how do we generate jobs and money
6 now? We believe that the manning table in
7 these jobs, where they come to the
8 community talking about NTI, is a perfect
9 example.

10 Those dollars that come from the
11 Federal Government can train those people
12 in the neighborhood right now to go to work
13 right now.

14 Simultaneously we can work with the
15 parents and the students in the public
16 school system. And again, I'll say Mr.
17 Vallas has our plan. He's had it for about
18 a year now.

19 I can say without question our
20 curriculum is superior to anything that the
21 public school system has. It's anything
22 that the -- superior to any of our charter
23 schools. That's already in the curriculum.
24 And much of it is in the statement that we
25 give you today.

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2 We just ask you to look at it
3 because we're going to be sitting down with
4 Mr. Crawley and others, because I will say
5 quite clearly, Mr. Mike Williams, we knew
6 him. We know him. He's not qualified for
7 the job. He's a good middle management
8 person.

9 They should have put somebody like
10 Bruce Crawley in that MBEC position. The
11 idea is not to go on a job and learn when
12 you're in crises.

13 The job is to go in when you know
14 what you're doing. And so, we would say
15 that we'll be coming back from time to time
16 to talk with Council, as we make steps
17 forward.

18 And again, in that document that we
19 gave you, maybe Page 811 or 911 will kind
20 of run to the heart of it.

21 But we're saying to you we need
22 change, and we need it now. We say that
23 everywhere we go. We can not do business
24 as usual.

25 The fact that the administration is

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2 not interested in supporting the process,
3 even what we're going through right now
4 with the budget, is really bad. It's a bad
5 thing.

6 But nevertheless, we want to cut it
7 short because we understand you've been
8 sitting in them chairs for a long time.

9 But it's important for you to know,
10 as you read that information, that we're
11 going to be coming back to you from time to
12 time to implement it.

13 Because even if we can't implement
14 it through Council, maybe we can implement
15 it through referendum.

16 The issue is now, people need
17 relief. They need changes now. The
18 seniors need relief now. People need jobs
19 now.

20 And just because the good ole boy
21 network is still working, it's time for us
22 to do something different than we've been
23 doing in the past. Why? Because we need
24 change now, Mr. Chairman.

25 And again, I thank you for the

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2 opportunity to come.

3 Again, as you get an opportunity to
4 read that and adjust that, we'll probably
5 be talking about that in the future,
6 because we need change now.

7 And again, that 25 percent that
8 Mr. Crawley talking about, it should be 40.
9 This 50 percent that you talking about
10 regionally... Oh, by the way, I think this
11 is -- I would be remiss -- What I'm saying
12 is, this regional spending is a good idea.

13 But I think it ought to be in the
14 City and County of Philadelphia first. You
15 do it in the City and County -- Everybody
16 was talking about where is your
17 demonstration at?

18 Well, let's demonstrate in the City
19 of Philadelphia, because most of the
20 people, with all these tax cuts -- And I
21 hadn't really paid a lot of attention to
22 it. We walked up with the Chamber a couple
23 of years ago.

24 But I wasn't looking for these
25 drastic changes because I was looking for

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2 some balance. I know the Mayor kind of
3 gives you information late. So I don't
4 have it either, of what would actually
5 happen if these cuts were going into
6 effect, and in effect would it actually
7 hurt the City?

8 But at the same time I have to think
9 about most of the people supporting the
10 change don't live in the City. But they
11 make their money out of the City.

12 They live in region, but they don't
13 make their money -- And a lot of them don't
14 want to pay the taxes in the City but they
15 want City taxes cut. So I don't want to
16 see us cut off our noses to fight our face.

17 But back to the point. If we're
18 going to do anything that's going to be
19 effective for the City of Philadelphia, it
20 should be the City and County first. And
21 then if we want to go to the region, great.
22 So ends my short testimony.

23 COUNCILMAN GOODE: Thank you, Mr.
24 Royal. If you would, I would ask one
25 favor, if you could send me an electronic

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2 copy of the bill that you offered.

3 MR. ROYAL: You have it.

4 COUNCILMAN GOODE: I want it
5 electronically.

6 MR. ROYAL: That's an ordinance,
7 based --

8 COUNCILMAN GOODE: Yes. I actually
9 want an electronic copy. If you could send
10 it to me e-mail.

11 MR. ROYAL: I'll be glad to do that.

12 COUNCILMAN GOODE: Thank you for
13 your testimony.

14 Miss Robinson.

15 MS. ROBINSON: Thank you.

16 What happened to the -- Excuse me.
17 First of all, my name is Judith Robinson?

18 COUNCILMAN GOODE: I have no idea.

19 MS. ROBINSON: Well, good. I want
20 to make sure they hear me, because I don't
21 like wasting a lot of time and energy. And
22 we seem to be really wasting a lot of time
23 with a lot of nonsense.

24 I want to talk about the process
25 first of all. I been coming to the

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2 Economic Development and Commerce Committee
3 hearings for many years.

4 And I don't really appreciate how
5 this was set up, to be quite honest with
6 you, with all due respect, Councilman
7 Goode.

8 When I saw this yesterday... And I
9 don't want to digress too far off of this.
10 But I saw yesterday a bill that came in
11 front of the Finance Committee, regarding
12 the Housing Trust, where people had gotten
13 together before the Council hearing and
14 sort of like set up a stacked deck, for
15 lack of a better term.

16 And when that happens, you have all
17 those people sit up in front first with the
18 same ole, same ole that you probably heard.

19 But they want to get it on record,
20 so they are put in front of individuals
21 like myself that don't come here toting
22 that I'm part of an organization of
23 millions of people or whatever they say.
24 Okay? So I just want to state that first,
25 about the process.

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2 We always called. We got our names
3 on a list. And we came in turn, based on
4 when we called. And I think that's the way
5 it went because it always seemed fair to
6 me.

7 Because I understand this hearing
8 was about the 21st Century Forum's Review
9 study.

10 COUNCILMAN GOODE: It's about --

11 MS. ROBINSON: Am I correct?

12 COUNCILMAN GOODE: It's about the
13 report from The Minority Business
14 Development Subcommittee of the 21st
15 Century Review Forum.

16 MR. ROBINSON: Right.

17 COUNCILMAN GOODE: Not the whole
18 Review Forum document, but just that
19 minority --

20 MS. ROBINSON: No, but just the
21 aspect of -- the economic development
22 aspect of that review study.

23 And I did read that document. And
24 from what I read, these were the Mayor's
25 picked people who came back with

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2 information or recommendations.

3 I think it was really laid out nice.
4 They had findings. You had key findings,
5 recommendations, et cetera.

6 And as it relates to economic
7 development, I'm sure you all read it, and
8 you know, have referenced it, and you know,
9 got briefed on it.

10 And I understand that, so I'm not
11 going to rehash that to that extent,
12 because I want to ask the question: Do you
13 all -- And I wanted to ask especially the
14 African American members of this committee:
15 Do you all have the political will, the
16 guts, tenacity, et cetera, that it would
17 take to deal with this issue of the unions?

18 And... And, you know, you get
19 donations from them. Do you have the will
20 to say --

21 COUNCILMAN GOODE: Miss Robinson...

22 MS. ROBINSON: -- no to the unions?

23 Mrs. Robinson, there's absolutely
24 nothing within that report that relates to
25 the unions. It's a report --

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2 MS. ROBINSON: Unfortunately not.
3 That's why I'm not referencing it.

4 COUNCILMAN GOODE: It's a report of
5 the Minority Business Development.

6 MS. ROBINSON: I understand that.
7 But what I'm saying to you is this --

8 COUNCILMAN GOODE: It's not a report
9 on minority employment. It's a report on
10 minority business development.

11 MS. ROBINSON: That's what I'm
12 talking about, because what I'm telling you
13 is not about jobs and how the unions stops
14 African Americans from participating in the
15 job market.

16 Councilman Nutter, are you...

17 COUNCILMAN NUTTER: Miss Robinson...

18 MS. ROBINSON: Yes.

19 COUNCILMAN NUTTER: You and I know
20 each other very well. And you know that I
21 pay tremendous attention to what you say
22 and what you talk about.

23 I do... I have developed over time
24 the ability to listen to a couple different
25 conversations going on. So I'm aware of

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2 what you're talking about.

3 MS. ROBINSON: Okay. I just saw you
4 moving your hand. I'm sorry. I'm sorry.

5 COUNCILMAN NUTTER: No. Actually,
6 I'm trying to get something else resolved.

7 MS. ROBINSON: Oh. I'm sorry.

8 COUNCILMAN NUTTER: Yeah.

9 MS. ROBINSON: I just thought you
10 were, like --

11 COUNCILMAN NUTTER: You thought I
12 was just waving at you?

13 MS. ROBINSON: Oh. No, no, no. I'm
14 sorry, then. I just saw you moving your
15 hand. Okay.

16 COUNCILMAN NUTTER: That's all
17 right.

18 MS. ROBINSON: I'm sorry about that.
19 I'm sorry.

20 But the reason why I'm not
21 referencing the 21st Century Review Forum,
22 because I did not see anything in there
23 about the unions. Okay? And I want to get
24 to that point to say to you all --

25 COUNCILMAN GOODE: Miss Robinson...

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2 MS. ROBINSON: Yes.

3 COUNCILMAN GOODE: I'll how you to
4 testify to whatever you want to testify,
5 but it's not going to be a conversation
6 about something that's not in the report.

7 MS. ROBINSON: Well, why would you
8 waste the time of the community to have
9 people come here and spend three hours
10 going back and forth about a whole bunch of
11 stuff I heard this morning that was not in
12 that 21st Century Review Forum.

13 And then here we sit here. It's
14 just you, me and several other people. And
15 now you're telling me you don't want to
16 talk about something.

17 COUNCILMAN GOODE: I didn't say I
18 didn't want to talk about it. I said you
19 can talk about it as much as you want. But
20 this hearing is on the findings --

21 MS. ROBINSON: Because that's the
22 problem.

23 COUNCILMAN GOODE: Excuse me.
24 Excuse me. This hearing is on the findings
25 and recommendations of The Minority

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2 Business Development Subcommittee report.
3 That's the question.

4 MS. ROBINSON: And how -- who can
5 get the \$50 million, in the name of
6 advocating for black people. That's what
7 it's about.

8 COUNCILMAN GOODE: You can talk
9 about whatever you want to talk about. Go
10 ahead.

11 MS. ROBINSON: Yeah; that's what I
12 want to talk about, that little aspect of
13 it.

14 COUNCILMAN GOODE: Go ahead.

15 MS. ROBINSON: Because we seem to be
16 limited to that, where we're going to have
17 \$50 million being given over to somebody in
18 the name of advocating for African
19 Americans, the same group that supposedly
20 has been advocating for them for the past
21 ten years, the same members that were on...
22 some of the same members, I should say,
23 that were on this -- this forum.

24 So -- So what I'm asking is, do you
25 all have the political will to get past the

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2 studying, the hearings, and get to the
3 bottom line so that our community can move
4 forward? That's what I wanted to ask the
5 African American members of your committee.
6 Can you use your political negotiating
7 skills? Are you willing to buck the unions
8 with your donations? Are you willing to
9 make sure that our youth, our youth --
10 Because I'm kind of past this group now
11 that are talking about what they want.

12 I want to talk about the future
13 generation. Are we going to start -- stop
14 lying about whether we have the skills in
15 our community, when we have business owners
16 that are -- have every document that you
17 would need, everything that you need to be
18 in business in this City?

19 They pay their taxes. They do
20 everything. And you know why they're not
21 here? Because they're so busy trying to
22 keep their head above water that they're
23 not going to be able to come here today and
24 fill up this Council like I saw the folks
25 yesterday filling up this Council,

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2 regarding the issues that they were
3 interested in.

4 These folks that are already
5 qualified, certified, and have all the
6 licenses, documentations, and the taxes
7 paid, et cetera, are not looking for
8 handouts. They're not even looking really
9 for you all to make up some special program
10 for then.

11 They just want equal opportunity in
12 this whole process. When you divvying up
13 things like what I saw yesterday where
14 people come to you beforehand and determine
15 that they going to get X number of dollars,
16 make sure that you think of your folks.
17 You know, that's what the question I'm --
18 the statement I'm down here to make, you
19 know.

20 Because I understand the political
21 process. Thank goodness I learned it
22 really well. And I see what happens. And
23 I see that you all are obviously not
24 putting a word in. You're obviously not
25 making it a priority, else it would have

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2 been dealt with a long time ago.

3 I know how people meet. I
4 understand the stuff very, very well. And
5 I know that obviously something is out
6 of -- truly out of order.

7 But I'm not going to put it all on
8 you all, by any stretch of that
9 imagination. Please don't think I am.
10 Because I really want to start with the
11 Mayor, the Mayor, John F. Street. 25 years
12 we gave this gentleman of our vote and our
13 support and protection.

14 I'm not going to just badger you
15 all. I'm not here to do that today. It's
16 sort of like nonsense, but I have to get
17 this on record.

18 If it was up to me, to be honest,
19 I'll be dealing directly, directly with the
20 Mayor, because it starts from the top.

21 We have a model for this. I was
22 trying to look for Mayor Andrew Young's --
23 You know, what did he do? What guts did he
24 have? You know, what did he leave us?
25 What legacy did he leave us?

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2 I wanted to bring that down here and
3 put it in record. I haven't done, you
4 know, enough research on the internet yet
5 to get it.

6 But what guts did he have at 35
7 years old to stand up and be a true black
8 man? That's what I want to talk about.

9 Look, how can we get beyond all this
10 meeting and -- and having certain meetings
11 with certain people, and then come in here
12 today in front of the Council where you get
13 on record, and then those people go in
14 front, and then here it is 2 o'clock or 3
15 o'clock. I don't care how long it takes.
16 You all met, like, late at night. How come
17 they're not here?

18 COUNCILMAN GOODE: Miss Robinson...

19 MS. ROBINSON: Yes.

20 COUNCILMAN GOODE: Mr. Crawley went
21 first because he was Chair of the
22 subcommittee that issued the report.

23 MS. ROBINSON: I see.

24 COUNCILMAN GOODE: So he was here to
25 present testimony on the report that his

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2 subcommittee issued.

3 MS. ROBINSON: I heard that, sir,
4 and I appreciate that. And I'm glad -- I
5 appreciate you... But let me just finish
6 on up and get on out of here.

7 Regarding training, we go all the
8 way back to the Negro Trade Union 30 years
9 ago.

10 We have trained people in our
11 community. So please, stop.

12 We have women trained. We have
13 African American women that are part of
14 these unions. They're not getting work,
15 and we know that.

16 You know, it's just ridiculous. And
17 then we continue to train. Okay? And they
18 are last hired.

19 The unions are major factors. You
20 have African American owned business
21 people, that when they would even think of
22 submitting a bid for contracts right in the
23 heart of North Philadelphia and other urban
24 areas, they are to ask, are you going to
25 have a union members.

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2 The roofers union, for instance, one
3 of the most corrupt unions in this town,
4 they have the audacity to ask roofers that
5 are African American roofing companies that
6 are African American owned, and have
7 licenses and documentation and all that,
8 are you going to hire somebody from that
9 corrupt union. It's just ridiculous.

10 You're going to have some Joe
11 six-pack type guy ask some black people are
12 they qualified, are they trained, and all
13 that nonsense. Meanwhile, those folks have
14 moved out of our City to New Jersey and the
15 suburbs.

16 COUNCILMAN GOODE: Miss Robinson.

17 MS. ROBINSON: Yes.

18 COUNCILMAN GOODE: What's wrong with
19 unions?

20 MS. ROBINSON: Nothing, except they
21 don't have no black people in them.

22 COUNCLIMAN GOODE: Why not form --

23 MS. ROBINSON: Or very few.

24 COUNCILMAN GOODE: Well, then, why
25 not just form black unions?

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2 MS. ROBINSON: Excuse me?

3 COUNCILMAN GOODE: Well, why not
4 just form black unions?

5 MS. ROBINSON: Well, I don't know if
6 they'd get any work; that's why, because
7 they'll be real segregated even more.

8 But it's not about -- It's about
9 those unions getting all the work, those
10 unions being ahead of RDA, those unions
11 being in places where they can see all the
12 work coming down the pike, they grab it
13 first.

14 The problem is you all, the body,
15 the executive body, and the legislative
16 body --

17 COUNCILMAN GOODE: We're not joined.

18 MS. ROBINSON: Excuse me?

19 COUNCILMAN GOODE: We're not joined.
20 We're two separate branches of government.

21 MS. ROBINSON: I understand that.
22 But they determine and you all vote.
23 And --

24 COUNCILMAN GOODE: We vote on some
25 things. Other things we do not vote on.

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2 MS. ROBINSON: Excuse me?

3 COUNCILMAN GOODE: We vote on some
4 things. Other things we don't have the
5 opportunity to vote on.

6 MS. ROBINSON: That's true. I agree
7 with you on that. That's why I'm'a keep
8 coming back, to the top, because I -- You
9 know, this is the Forum today.

10 I really wish it was at the Mayor's
11 Office; but, you know, since we're here
12 today, I'm'a get all this out. But I
13 appreciate you keeping --

14 COUNCILMAN GOODE: We could actually
15 invite him.

16 MS. ROBINSON: I appreciate you
17 keeping me honest. Okay?

18 But we have people that are
19 qualified in every arena. What bothers me
20 so much is that the stadia, already built.
21 The schools. You only get to do these
22 things every 30 years, it appears to me.

23 The PHA, the Hope Six. All of
24 that's a done deal. When the next time you
25 going to have a NTI? You know. And we

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2 sitting here playing and talking and having
3 studies. And the money is being spent.

4 Every second and fourth Tuesday I go
5 to the RDA board hearings. And that's --
6 The deals are just going through there.

7 You know, I'm just going to say this
8 and I'm going to get on off of this and go
9 on about my business and have a great day.
10 And I hope you all do the same.

11 But if you all have any power or
12 influence to do anything that can be of
13 value to this whole agenda, do it. Do it.
14 Do whatever you can.

15 In your wheeling and dealing and
16 creating and making things happen, all of
17 that. That's all I'm asking of you all to
18 do.

19 But I really think it lays in the
20 lap of the Mayor, Mayor John F. Street.
21 That's where I'm going to put it.

22 And then to the extent that you all
23 vote on this stuff, and you do the
24 legislation and all of that, just bring
25 something to the table.

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2 When you're making your deals, I
3 know what you can do. Because in my little
4 small old business, occasionally I get a
5 chance to pick somebody. Okay?

6 And I pick somebody that I know can
7 get the job done, and I pick them based on
8 certain criterias. Okay?

9 One of them is major, that they can
10 get the job done. And then I look for
11 African American contractors. I really do.
12 In my little small business.

13 So I know what we all can do with
14 our little bit of power and influence.
15 That's all I want to say. And I'm going to
16 leave it alone.

17 Thank you for the time.

18 COUNCILMAN GOODE: Thank you.

19 MR. ROYAL: Mr. Chairman, you just
20 said something. I was getting ready to go
21 out but then when you said --

22 COUNCILMAN GOODE: State your name
23 again for the record.

24 MR. ROYAL: Reverend James Royal.

25 For the record, we are thinking

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2 about starting unions. I just thought you
3 ought to know that. We've been waiting too
4 long.

5 And it's about ownership, because
6 that's the other thing I'm really pushing
7 real hard. That's why I talked about
8 consumer stock ownership, employee stock
9 ownership. We've got to own.

10 So if we get caught up in the
11 policies, if we own what we own, we won't
12 have to get our throats cut simultaneously.

13 But that needs to happen because
14 keep knocking at the door, and begging
15 folks to let you in, something's wrong with
16 that.

17 Thank you so much, Mr. Chair.

18 COUNCILMAN GOODE: Thank you.

19 Mr. Ali. Please state your name for
20 the record.

21 MR. ALI: My name is John Ali. I'm
22 the President of the Contractors Roundtable
23 Council.

24 I was at the earlier session, and a
25 comment was made by Councilman Clarke about

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2 the apprentices, which is something I
3 wanted to address, because he -- the
4 speaker at the time was Bruce Crawley.

5 And one thing that he talked about
6 was the trades. I'm a card-carrying
7 carpenter. I've been in the carpenter's
8 union probably for ten years.

9 But one thing I wanted to be clear
10 to communicate to you, to leadership was
11 that when we talk about trades we're really
12 not talking about transferring one trade to
13 another.

14 That in theory -- Theoretically that
15 might be something that somebody might
16 think that they want to do. But in
17 practice trades don't transfer from -- You
18 don't transfer from a laborer to a
19 carpenter.

20 And just in due respect, I would
21 like to give the respect to the labor
22 union. Although the labor union is called
23 laborers, the labor unit in itself is a
24 respectable trade. They make almost \$25 an
25 hour. That's in their pre-package before

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2 the taxes and whatever. Not to say that
3 anybody disrespected them, but I would just
4 like to respect them in the manner that
5 they should be respected.

6 In addition, 332 is the only
7 predominantly black union that really
8 fights on everybody's behalf and really
9 gives their leadership to help all the
10 causes across the board. So, I just want
11 to be clear on that.

12 But one thing that we can all agree
13 on, we have to be able to help businesses
14 because it's only by helping businesses
15 will we be able to help the apprentices.
16 And although a lot of the apprentice ratios
17 are set by the Federal Government.

18 But even in that, when I think
19 Councilman Nutter, when we had the hearings
20 on the stadiums, we saw that we were -- we
21 weren't participating -- we -- this --
22 Philadelphia wasn't participating, in terms
23 of participation of African Americans in
24 their apprentices, but apprentices were on
25 the stadiums.

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2 But even in that, we weren't
3 maximizing our ratios on the apprentices.
4 And the only way that's going to happen, we
5 have to have business owners that's
6 involved, because the business owners are
7 the ones that are going to make those
8 apprentices move along.

9 And we also have to be in mind that
10 there's 16 trades. And all the trades
11 don't have the same amount of
12 apprenticeship time.

13 Carpenters might have five years.
14 Electricians might have three or four.
15 Cement finishers might have two. So we
16 just have to be mindful of that.

17 But it's a great opportunity for
18 young men and women, Hispanics, blacks and
19 whites to get in. And the ones that's
20 really leading that effort for the trades
21 is DAP. But we have to give them support
22 for them to tackle all the other 15 trades.
23 So I just wanted to make that comment.

24 And I think that the leadership of
25 this Council as it is today, you always

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2 have to be the leadership for whatever we
3 put forward, because there's always going
4 to be people that's on there side of the
5 table that really are going to be looking
6 out for their own interests.

7 And because you're looking out for
8 everybody's interest, you're going to have
9 to put us in check sometime. That's just
10 the reality that you're going to have to be
11 able to deal with.

12 I thank you for giving me the
13 opportunity to speak, and I support
14 everything that all this Council is about.

15 COUNCILMAN GOODE: Thank you. Thank
16 you for your testimony.

17 If there's no further testimony,
18 this Resolution will be held in committee
19 with the other two Resolutions.

20 This hearing is recessed to the call
21 of the Chair.

22 (Hearing concluded at 2:55 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the public hearing of The Philadelphia City Council, taken on June 2, 2004, and that this is a true and correct transcript of same.

DAVID A. DEIK, RPR and
Commissioner of Deeds

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