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

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, November 4, 2009
11:20 a.m.

- - -

PRESENT:

- COUNCILMAN W. WILSON GOODE, JR., CHAIR
- COUNCILMAN DARRELL L. CLARKE
- COUNCILMAN FRANK DiCICCO
- COUNCILMAN BILL GREEN
- COUNCILMAN CURTIS JONES, JR.
- COUNCILWOMAN BLONDELL REYNOLDS BROWN

BILL 090671 - An ordinance amending Section
17-109 of The Philadelphia Code, entitled
"Local Bidding Preferences"...

BILL 090672 - An ordinance amending Chapter
17-1600 of The Philadelphia Code, entitled
"Economic Opportunity Plans"...

- - -

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

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COUNCILMAN GOODE: Good

3

morning. This hearing is called to

4

order. This is a public hearing of the

5

Commerce and Economic Development

6

Committee on Bills No. 090671 and 090672.

7

My name is W. Wilson Goode, Jr., Chair of

8

this committee.

9

I note that a quorum is

10

present. To my left is Councilman

11

Darrell Clarke, the primary sponsor of

12

the bill. To my right, Councilman Curtis

13

Jones, and to my far right is Councilman

14

Frank DiCicco, and we expect other

15

members to show up as the hearing goes

16

on.

17

The title of Bill No. 090671,

18

amending Section 17-109 of The

19

Philadelphia Code, entitled "Local

20

Bidding Preferences," by providing for a

21

local bidding preference for contracts

22

funded by certain federal stimulus

23

moneys, under certain terms and

24

conditions.

25

The title of Bill No. 090672,

1 11/4/09 - COMMERCE - BILLS 090671 & 090672
2 amending Chapter 17-1600 of The
3 Philadelphia Code, entitled "Economic
4 Opportunity Plans," by providing that
5 Economic Opportunity Plans be included on
6 all development projects or contracts bid
7 pursuant to federal stimulus funds
8 allocated to the City of Philadelphia
9 pursuant to the American Recovery and
10 Reinvestment Act.

11 Our first witness will be Steve
12 Agostini.

13 (Witness approached witness
14 table.)

15 COUNCILMAN GOODE: I'll ask
16 Councilman Clarke if he has any opening
17 comments at this time.

18 COUNCILMAN CLARKE: Thank you,
19 Mr. Chairman. Thank you for your
20 leadership on this issue also, along with
21 other members of the Committee.

22 As you know, last week I
23 believe during the stimulus hearings
24 there were several conversations about
25 participation, and actually Mr. Agostini

1 11/4/09 - COMMERCE - BILLS 090671 & 090672
2 and members of the Administration and I
3 met yesterday to talk about some of these
4 issues, particularly these two
5 ordinances. I think one of the
6 ordinances -- and you will hear through
7 testimony that there is some questions
8 about what aspects of the Recovery
9 dollars City Council can impose its
10 jurisdiction on; i.e., the City of
11 Philadelphia.

12 I think during the course of
13 this conversation -- and I just want to
14 say, Mr. Agostini, thank you for sitting
15 down with me -- that as it relates to the
16 action that will be taken today on that
17 one particular bill, the bill talking
18 about local preferences, at the end of
19 that meeting, we said that we would hold
20 the bill, but there's a strong likelihood
21 that I may ask the members of the
22 Committee to move it out of committee,
23 with the understanding that we still have
24 some work to do as it relates to the
25 final -- as it relates to the conclusion

1 11/4/09 - COMMERCE - BILLS 090671 & 090672
2 of the bill and the ultimate language
3 that we will put in there, but this will
4 be determined by the members of the
5 Committee as we proceed.

6 Thank you, Mr. Chairman.

7 COUNCILMAN GOODE: Any other
8 comments from members of the Committee?

9 (No response.)

10 COUNCILMAN GOODE:

11 Mr. Agostini.

12 MR. AGOSTINI: Thank you,
13 Councilmember.

14 Councilmembers, good morning.
15 I'm Steve Agostini. I serve as the
16 Budget Director and Recovery Officer for
17 the City of Philadelphia. I appear
18 before you today to offer testimony in
19 support of both Bills 090671, 090672, one
20 to require local bidding preferences for
21 contracts using Recovery funds and the
22 other requiring Economic Opportunity
23 Plans on all contracts pursuant to
24 Recovery funds.

25 The first bill, 090671, would

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2 amend The Philadelphia Code by providing
3 a ten percent bid preference for local
4 business enterprises who submit bids
5 funded in whole or in part by the
6 Recovery Act. As you know, a five
7 percent preference already exists for
8 LBEs who compete for City-funded bids.

9 The second bill, 090672, would
10 amend The Philadelphia Code by requiring
11 EOPs, Economic Opportunity Plans, for
12 development projects or contracts bid
13 pursuant to ARRA. As you know, EOPs are
14 currently required for Procurement
15 Department public works bids over a
16 million dollars as well as several other
17 categories.

18 As I mentioned to Councilmember
19 Clarke, the Administration is supportive
20 of the intent of both bills to encourage
21 local and minority, women and
22 disabled-owned businesses to compete for
23 contracts funded under the Recovery Act.
24 We recognize that small and disadvantaged
25 businesses are significantly impacted by

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2 the recession. We believe that creating
3 the Office of Economic Opportunity and
4 placing it within the Commerce Department
5 helps ensure that M/W/DSBEs are supported
6 to take advantage of ARRA funds and other
7 competitive opportunities. Nevertheless,
8 we think that the intent of what you're
9 trying to do makes a great deal of sense
10 to us.

11 As the Councilmember mentioned
12 and what I committed to the Councilmember
13 in the meeting that we had yesterday was
14 that I would do some research on the
15 existing grants that we have in place as
16 well as potential grants that we may be
17 eligible for, both on a competitive as
18 well as on a formula basis, to see if
19 indeed there are any stipulations, any
20 provisions that would prevent the City
21 from adopting these kinds of amendments
22 as the Councilmember has offered.

23 Along with that, we also
24 committed to looking at what other cities
25 are doing to see if there are indeed

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2 instances where those preferences are in
3 place and to the extent that we can
4 borrow or learn from those other
5 communities to try and do that.

6 And my hope, Councilmember, as
7 I said to you yesterday, is to try to get
8 you something preliminarily by the end of
9 this week, and that's still my intent.

10 Thank you for the opportunity
11 to testify before you today. I'm happy
12 to answer any questions. As I said and
13 in the testimony, we're going to do the
14 research to see if there's anything that
15 the federal government has implemented
16 that would prevent us. Again, I don't
17 know what that might be, but I think it's
18 important for us to know so that it does
19 not potentially jeopardize our ability to
20 draw down funds and keep funds while
21 trying to pursue the intent of the
22 legislation.

23 COUNCILMAN GOODE: Thank you,
24 Mr. Agostini.

25 Councilman Jones.

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2 COUNCILMAN JONES: Thank you,
3 Mr. Chairman, and I want to thank
4 Councilman Clarke for introducing this
5 legislation and you for having the
6 hearing promptly.

7 My concern would be -- and also
8 thank the Administration, you in
9 particular, for responding well to the
10 hearings that we had on the stimulus.
11 I'm encouraged by the communications with
12 Clarke's office and with my office and
13 other members of Council. I am -- I have
14 to restrain my optimism, but I am very
15 optimistic about our progress and what
16 we're going to be able to achieve on
17 behalf of the Philadelphia business
18 community and institutions. So I'm
19 excited, and I'll say it on the record.

20 My concern is having, in
21 another life, served as the Director of
22 the Minority Business Enterprise Council
23 that we adhere to or at least examine
24 those procurement laws carefully. I
25 think there are some state laws that may

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2 govern this process, and I'm going to
3 wait to find out from you what your due
4 diligence suggests. I think there's some
5 things that we can do, and we have to
6 carefully craft that as not to violate
7 any of those procurement laws and fair
8 practices.

9 The other concern I would
10 have -- and I'll probably wait for
11 Director Dow. You have a new title and
12 I'll get it on the record --
13 All-Things-Commerce Dow to give us an
14 idea of the potential for reciprocity
15 from other municipalities that try to
16 kind of penalize us for doing that. And
17 I want to go on the record saying early
18 that barring any major revelations today,
19 I'm for this legislation, but we need to
20 be careful not to wind up in court over
21 it and take one giant step forward and
22 three backwards. So we need to do that
23 due diligence.

24 Thank you, Mr. Chairman.

25 COUNCILMAN GOODE: Thank you,

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2 Councilman.

3 Any questions for this witness?

4 (No response.)

5 COUNCILMAN GOODE: Thank you,

6 Mr. Agostini.

7 MR. AGOSTINI: Thank you.

8 COUNCILMAN GOODE: Our next

9 witness is Jackie Hill from the

10 Pennsylvania Minority Business Enterprise

11 Center.

12 And let me note for the record

13 we've been joined by Councilman Bill

14 Green.

15 MS. HILL: Good morning.

16 COUNCILMAN GOODE: Good

17 morning, Ms. Hill. We have copies of

18 your testimony. Please feel free to

19 summarize it, if you'd like.

20 MS. HILL: Okay.

21 The Enterprise Center received

22 in September of 2009 a contract with the

23 U.S. Commerce Department to make sure

24 that throughout the State of Pennsylvania

25 minority businesses were included in the

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2 ARRA dollars. When Mrs. Clark was here
3 last week, Councilman Clarke asked us a
4 specific question that I'm not sure was
5 answered in regard to the leverage that
6 we had in terms of being able to get some
7 support to get things done.

8 I report as the Director of the
9 program to David Hinson, who is the
10 national Director of Minority Business
11 Development Agency. He in turn reports
12 to Secretary Gary Locke and
13 Vice-President Joe Biden. In turn, on
14 Mondays there is a conference call with
15 governors across the country and the
16 issues, concerns that we have around
17 municipalities, cities, authorities who
18 are not working with us and responding to
19 our concerns are discussed in those
20 conversations. If it narrows down to a
21 particular state or a particular city,
22 then, of course, that would not be one of
23 the conference cold calls. That would be
24 more of a one-on-one type call. So we do
25 have ability to make sure that the

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2 information is properly communicated.

3 One of the things too that I
4 want to make sure that people become more
5 aware of and that we become more
6 progressive in our thought process,
7 almost 60 percent of businesses in the
8 City of Philadelphia are comprised of
9 either white females or ethnic
10 minorities. We are looking at a
11 database -- and, Mr. Dow, you can correct
12 me if I'm wrong -- of about 1,269
13 minority businesses that are certified
14 with the City of Philadelphia. If that
15 is the universe from which we are pulling
16 minority-owned businesses for contract
17 opportunities, we are leaving out most of
18 the businesses that are -- the majority
19 of businesses that are operating in the
20 City.

21 Now, I have heard, I think like
22 everyone else, the rumor mill about the
23 OEO Office changing its certification
24 process and opening up to take on other
25 certifications not just with the City of

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2 Philadelphia. But I think when you think
3 about the shift in demographics, that our
4 country will be 50 percent minority, 50
5 percent non-minority by 2040, and if you
6 drill down to the non-minority, white
7 females will be the majority of that
8 segment of the population. So you're
9 looking at 80 percent of America -- a
10 classification of people falling into a
11 minority category. If we do not position
12 ourselves to engage these companies in
13 business opportunities, how do we intend
14 to grow the City of Philadelphia and the
15 United States of America, because this is
16 going to impact us. We are there now.
17 If we're almost 60 percent minority
18 business ownership with a combination of
19 females and ethnic minorities, we are
20 there now. And the average-sized
21 business in Philadelphia from the
22 research we've done is about \$100,000.
23 That's not a large operation.

24 The work of the Enterprise
25 Center is to grow existing businesses, to

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2 take them to the next level. Our new
3 model -- most of you are aware of the
4 Enterprise Center as an incubator. In
5 2004, we changed that model and we do
6 what we call business acceleration. We
7 provide services to grow businesses that
8 are generating a quarter of a million
9 dollars or more in revenue and that have
10 the capacity to grow, create jobs and
11 generate tax revenue.

12 So I would hope that we would
13 use the stimulus opportunity as an
14 opportunity to fix what has been a broken
15 system, which allows for more inclusion
16 of minority businesses, because that is
17 going to be the backbone of the economy.
18 It is the backbone of the economy for our
19 city. So even if the economy were to
20 take a shift in a positive direction and
21 we have excluded the majority of
22 businesses in the City who are not
23 participating in some grand scale, then
24 we still don't have job creation and a
25 tax revenue base that we can pull from.

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2 So at this point, I'd like to
3 stop and answer any questions that any of
4 you may have.

5 COUNCILMAN GOODE: Thank you.

6 Councilman Jones.

7 COUNCILMAN JONES: Thank you,
8 Mr. Chairman, and thank you for that
9 testimony. I was intrigued by the
10 conference call with the governors.

11 MS. HILL: Yes.

12 COUNCILMAN JONES: And did I
13 understand you to say that the average
14 participant like yourself or a
15 subcontractor or people providing
16 technical assistance listen in and
17 participate in that conference call with
18 the governors?

19 MS. HILL: Yes. We've had the
20 opportunity to do that on one occasion,
21 but we have a regular call with the
22 Commerce Department team, minority
23 business development team to push the
24 information up, provide reports on a
25 regular basis. That's how we found out

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2 who was responsible for the City of
3 Philadelphia in terms of them giving us
4 information of people that we can contact
5 and reach out to. We own the
6 relationship with Secretary Creedon, who
7 is the Chief Implementation Officer for
8 the State of Pennsylvania, and we --
9 because our contract is for Pennsylvania,
10 not just the City of Philadelphia. And
11 so they have been providing us with the
12 information that the City is providing
13 them with in terms of who point people
14 are and what activities have occurred.

15 COUNCILMAN JONES: On that
16 conference call, do they discuss both the
17 formula side of the house and the
18 competitive grant side of the house? Are
19 both issues discussed?

20 MS. HILL: We're not in on that
21 part of the conversation as much as what
22 our self-interest is.

23 COUNCILMAN JONES: Okay. What
24 are some of the top issues or impediments
25 that were discussed in those conference

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2 calls, just to give us a heads-up not to
3 be able to repeat some of the problems
4 other municipalities have had? What were
5 some of the recurring issues or barriers
6 to participation that stuck in your mind?

7 MS. HILL: The City of
8 Philadelphia I don't think is unique in
9 not being able to have a system to get
10 the money out in a timely fashion. I
11 think the thought process was there, but
12 the ability to actually implement is a
13 whole different ball game. So I think
14 getting the money out.

15 Now, the downside of getting
16 the money out was that there was no
17 legislation, executive orders, whatever
18 steps people have taken to ensure that
19 the dollars that President Obama's
20 intent, that it would help low income,
21 small business and minority communities,
22 there was nothing there attached to it on
23 the front end. So you have prime
24 contractors. Eighty-eight percent of
25 Pennsylvania's dollars in construction

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2 have been let. It's out there on -- it's
3 been awarded.

4 COUNCILMAN JONES: Repeat that
5 again.

6 MS. HILL: Eighty-eight percent
7 of construction dollars for the State of
8 Pennsylvania have been let.

9 COUNCILMAN JONES: For the
10 Recovery?

11 MS. HILL: Under construction,
12 that's right. So now we're running
13 behind people, because we only got the
14 Governor to sign the Executive Order last
15 week to say that you're required to have
16 a minimum of ten percent participation,
17 and these are private-sector businesses
18 versus the City or some other body where
19 we have people like yourselves who can
20 hold folks accountable. So that's one of
21 the challenges. So that's probably not a
22 unique one, but the whole minority
23 inclusion piece and making sure that
24 those dollars trickle down to the ground
25 level for the people in our neighborhoods

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2 and communities is where the challenge
3 is, because the channels don't go that
4 deep.

5 COUNCILMAN JONES: So we let
6 the contracts and then said, Oh, by the
7 way, participation is required, no
8 regulations?

9 MS. HILL: That's exactly
10 right. And even in fairness to them, you
11 know, you gave me the money, now you're
12 kind of pulling me back in. Whereas,
13 even though the City of Philadelphia has
14 not let a lot of the money out, the 157
15 million, and when you look at the pitiful
16 website, it says we spent \$773,000, I
17 guess in this case that's a good thing,
18 because if we can attach the goals on the
19 front end for the departments, that at
20 least allows us to capture them and not
21 chase them.

22 COUNCILMAN JONES: Is there a
23 special certification required for
24 companies dealing with Recovery dollars?

25 MS. HILL: No. What we've seen

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2 is they've been -- certifications in
3 general have been accepted across the
4 board.

5 COUNCILMAN JONES: So
6 reciprocity?

7 MS. HILL: Yes. Because we
8 actually have with our national
9 Director's goal is -- one of our
10 initiatives is to identify five companies
11 in the Philadelphia market and take them
12 to a hundred million dollars. We are
13 cross-pollinating with other cities and
14 areas to get whatever it is we need to
15 bring those resources to bear to be able
16 to make those kinds of things happen. So
17 it is not limited, and if there's a
18 company over there that has the capacity,
19 as long as they agree to mentor and match
20 Philadelphia-based companies, we will
21 help them get to the table to get them
22 engaged.

23 COUNCILMAN JONES: We won't
24 belabor this discussion with what the
25 intent of the hearing is, but we're going

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2 to look forward to drawing upon your
3 experience with these conference calls to
4 give us some guidance locally,
5 particularly when it comes to rule
6 changes, reg changes, different
7 opportunities that are on the horizon,
8 best practices and worst practices so
9 that we don't repeat those mistakes, but
10 take advantage of their experience in
11 this.

12 MS. HILL: And there is an
13 additional document which I didn't
14 circulate publicly, but I did make
15 available for each of you. This is a
16 plan that was laid out by the U.S.
17 Commerce Department and Minority Business
18 Development Agency that was provided to
19 us in July in terms of what the national
20 plan is for minority inclusion. So I
21 would appreciate if you take a few
22 minutes to kind of go through and
23 understand what -- it's a much larger
24 goal and there are people at a national
25 level having the right conversation.

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2 COUNCILMAN JONES: Just final
3 question. In your conference calls, did
4 it sound like there's a second round
5 coming or the possibility?

6 MS. HILL: We're still waiting
7 on the other money to come down.

8 COUNCILMAN JONES: Yeah, but
9 I'm just -- did you hear --

10 MS. HILL: Yeah. I get that
11 sense that that's a possibility.

12 COUNCILMAN JONES: Okay. Thank
13 you.

14 Thank you, Mr. Chairman.

15 COUNCILMAN GOODE: Thank you,
16 Councilman.

17 Any other questions for this
18 witness?

19 (No response.)

20 COUNCILMAN GOODE: Seeing none,
21 thank you.

22 MS. HILL: Thank you.

23 COUNCILMAN GOODE: Let me note
24 for the record we've been joined by
25 Councilwoman Blondell Reynolds Brown, the

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2 Vice-Chair of the Committee, to
3 demonstrate this is not an all-male
4 committee, but there is gender inclusion.

5 Our next witness is Liberty
6 Biomass.

7 (Witnesses approached witness
8 table.)

9 MR. SMITH: Good morning.

10 COUNCILMAN GOODE: Please state
11 your name for the record.

12 MR. SMITH: My name is Henry L.
13 Neese Smith and this is Ms. Vionace
14 Martin from Liberty Biomass.

15 COUNCILMAN GOODE: Can you pull
16 the mike a little bit closer to you.

17 MR. SMITH: Henry Neese Smith
18 from Liberty Biomass of Philadelphia, a
19 renewable energy company that has a
20 mission to provide alternative and
21 renewable energy and coordinate that to
22 the disadvantaged neighborhoods of
23 Philadelphia. This project allows us to
24 provide jobs, job training and other type
25 of conservation initiatives for the

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2 neighborhood of Mantua and other

3 neighborhoods of the City.

4 First of all, I'd like to thank

5 Councilman Curtis Jones for his

6 cooperation, along with Councilwoman

7 Jannie Blackwell, who assisted us in

8 trying to develop our proposal. And we

9 have submitted a proposal to almost all

10 of the City agencies, and we have not

11 been able to get definitive cooperation

12 from them, and what we're asking this

13 morning is what must we do and how must

14 we -- how must we -- what must we do to

15 access some of the stimulus advantages

16 that would be put forth in the next few

17 weeks or so for this project.

18 COUNCILMAN GOODE: Thank you.

19 Will you be offering testimony?

20 MS. MARTIN: I wanted to add

21 that we were promised an RFP --

22 COUNCILMAN GOODE: State your

23 name for the record.

24 MS. MARTIN: Vionace Martin.

25 We were promised an RFP through

1 11/4/09 - COMMERCE - BILLS 090671 & 090672
2 the Sustainability Office. In December
3 of 2008, we met with Mark Alan Hughes.
4 Prior to that, we already had a
5 relationship with Bill Toffey from -- he
6 was the Energy Manager. He recently
7 retired. Prior to that, he was with the
8 Water Department.

9 But we were promised an RFP.
10 Our stance was that we are a minority
11 business who is small, and if we are not
12 a Gamesa or one of the other big
13 companies, renewable energy companies,
14 how do we obtain some of the funding.
15 And an RFP seemed to be an appropriate
16 way, and the stimulus dollars at that
17 time was new and everyone was hopeful.

18 Since that time, we've had
19 follow-up with those offices, and the
20 response has been an RFP has been
21 drafted. However, it's not going to be
22 released because the City does not want
23 to be responsible for the separation of
24 any waste streams. As you know, Biomass
25 deals with municipal waste, wood waste or

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2 any type of crop waste and we would like

3 to convert that into energy. But the

4 short answer is, no, there is no RFP.

5 There has not been an RFP. There will

6 not be an RFP. And we will be very happy

7 and pleasantly surprised if an RFP is

8 released.

9 COUNCILMAN GOODE: Thank you

10 for your testimony.

11 Are there questions from

12 members of the Committee?

13 (No response.)

14 COUNCILMAN GOODE: Is there a

15 volunteer from the Administration?

16 (Witness approached witness

17 table.)

18 MR. AGOSTINI: When you put it

19 that way.

20 Councilmember, Steve Agostini,

21 Budget Director and Recovery Officer.

22 I will go and look into this as

23 soon as I get back to the office. I am

24 not aware of it. I will ask some

25 questions and try to get a response back

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2 to you and to the individuals to my left.

3 I don't know about it. I know that we've

4 had some issues getting RFPs out,

5 primarily because the funding hasn't

6 arrived. For the energy block grant, we

7 received notification of that, I believe,

8 September 28th or September 29th that we

9 actually had an award. I know the

10 dollars have not materialized. But I

11 will go back and check and report back to

12 you.

13 COUNCILMAN GOODE: Councilman

14 Jones.

15 COUNCILMAN JONES: Thank you.

16 Mr. Agostini, we have a problem

17 also in award versus available revenue.

18 MR. AGOSTINI: Yes.

19 COUNCILMAN JONES: Can you for

20 the record kind of articulate that and

21 then any ideas how we address that issue,

22 because it's nice to get an award letter,

23 but --

24 MR. AGOSTINI: Councilmember,

25 that has become probably the most

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2 significant issue for us, because it's
3 one thing to have an award letter and be
4 told that either on a formula basis or on
5 a competitive basis you've been awarded
6 some dollars from the Recovery grants.
7 It's quite another thing when the dollars
8 don't materialize into the City's
9 treasury that then gives us the ability
10 to spend those dollars.

11 As I mentioned once before and
12 I think I mentioned this to you
13 specifically, on average we're waiting
14 almost two months between the actual
15 award being proffered to us and the
16 receipt of funds, and in some cases,
17 we're still waiting. There's one grant,
18 I believe it's the COPS grant, that would
19 give us the additional 50 officers where
20 we are about to break four months in
21 terms of waiting from the award date to
22 the delivery of funds to the treasury.

23 It's one of the things that I
24 hope we can get addressed. It is a
25 subject of a draft e-mail I have that's

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2 going to the Recovery Office in
3 Washington and Mr. DeSeve, and I'm happy
4 to provide a copy of that to you so you
5 can see. I am asking and I'm trying to
6 find out. I don't have a good answer as
7 to why there's that holdup.

8 COUNCILMAN JONES: Also, having
9 talked to both members of -- well, at
10 least two members of the Philadelphia
11 delegation to Washington, it's on their
12 radar screen as well to try to figure out
13 a solution to that problem so that we can
14 get to implementation quicker with some
15 type of --

16 MR. AGOSTINI: That would be
17 very helpful.

18 COUNCILMAN JONES: Thank you,
19 Mr. Chairman.

20 COUNCILMAN GOODE: Any more
21 questions or comments from this panel?

22 (No response.)

23 COUNCILMAN GOODE: Thank you.

24 Mr. Agostini, please spend some
25 time with our witnesses before they

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2 leave.

3 MR. AGOSTINI: I will.

4 COUNCILMAN GOODE: Thank you.

5 Our next witness is Hanford

6 Jones.

7 (Witness approached witness
8 table.)

9 MR. JONES: Members of the
10 Committee, good morning. My name is
11 Hanford Jones. From '77 to '89, I ran
12 the Maryland Minority Contractors
13 Association. From 1990 to 2007, I worked
14 for the City MBEC and retired in '07. I
15 just came from Procurement this morning
16 and looked at 28 contracts. The 609
17 review of stimulus-let contracts by the
18 Water Department shows that black
19 contractors aren't faring well with
20 stimulus monies. And that's nothing
21 negative to say about the minorities
22 and/or women who have gotten the DBE
23 awards under stimulus, but in addition to
24 a ten percent advantage for the majority
25 of firms who win City contracts by

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2 which -- when I say "majority," the white
3 firms who are currently winning 99
4 percent of all City-let public works
5 contracts are now at another advantage to
6 keep that dynasty of awards by having a
7 ten percent higher number than somebody
8 who is not a local business enterprise.
9 So be it. However, I would hope that
10 this Administration also looks at what it
11 can do to advantage black businesspeople
12 who are in construction, because I don't
13 want to read it now, but out of 28
14 contracts, over 26 of them have no black
15 subcontractors.

16 Now, when I worked in MBEC, my
17 superiors would always tell me, We can't
18 guarantee that they could be black.
19 Well, but how many contracts do we have
20 to watch go without black participation
21 before it becomes a civil rights lawsuit
22 or some negative adverse thing that black
23 people have to do to survive?

24 I would hope that this Council
25 itself embarks upon reviewing the

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2 Procurement-awarded information as I've

3 done and see how we're getting left out.

4 Not only by blacks who live in the City.

5 Most of these contractors who are meeting

6 the DBE requirements aren't even from

7 Philadelphia. So you're losing out on

8 local subcontractor dollars and you're

9 losing out on an actual culture of

10 businesspeople, because in another five

11 years, with these kinds of reports,

12 there's no need to have a business if

13 you're black and try to get work with the

14 City as a sub, because these contractors

15 are using everybody else but blacks.

16 And, again, that's not the

17 issue. The issue is who is not getting

18 utilized. And I would hope that this

19 honorable Council takes this very

20 seriously, because at some point, equal

21 opportunity becomes a dream still.

22 COUNCILMAN GOODE: Thank you

23 for your testimony.

24 Are there any questions for

25 this witness?

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2 (No response.)

3 COUNCILMAN GOODE: Thank you
4 very much.

5 Is there anyone else here to
6 testify on either of these bills?

7 (No response.)

8 COUNCILMAN GOODE: Seeing none,
9 we will move from our public hearing into
10 a public meeting to consider Bills No.
11 090671 and 090672.

12 The Chair recognizes Councilman
13 Clarke for a motion on Bill No. 090671.

14 COUNCILMAN CLARKE: Thank you,
15 Mr. Chairman. I move that Bill No.
16 090671 be reported out of committee with
17 a favorable recommendation.

18 (Duly seconded.)

19 COUNCILMAN GOODE: All in
20 favor?

21 (Aye.)

22 COUNCILMAN GOODE: Those
23 opposed?

24 (No response.)

25 COUNCILMAN GOODE: Bill No.

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2 090671 is reported out of committee with
3 a favorable recommendation.

4 The Chair recognizes Councilman
5 Clarke for a motion on Bill No. 090672.

6 COUNCILMAN CLARKE: Thank you,
7 Mr. Chairman. I move that Bill No.
8 090672 be reported out of committee with
9 a favorable recommendation and a request
10 for suspension of the rules to allow
11 reading at the next session of Council.

12 (Duly seconded.)

13 COUNCILMAN GOODE: All in
14 favor?

15 (Aye.)

16 COUNCILMAN GOODE: Those
17 opposed?

18 (No response.)

19 COUNCILMAN GOODE: Bill No.
20 090672 is reported out of committee with
21 a favorable recommendation and a
22 suspension of the rules to allow for
23 first reading at our next Council
24 session.

25 This concludes our public

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2 meeting. Thank you very much.

3 COUNCILMAN CLARKE: Thank you.

4 (Committee on Commerce and

5 Economic Development concluded at 11:50

6 a.m.)

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CERTIFICATE

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

MICHELE L. MURPHY
RPR-Notary Public

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