ALLEGHENY COUNTY COUNCIL

PUBLIC HEARING ON MINORITY, WOMEN AND DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

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BEFORE:

Heather S. Heidelbaugh	-	Council-At-Large
Sue Means	-	District 5
William Russell Robinson	-	District 10
Amanda Green Hawkins	-	District 13

Allegheny County Courthouse
Fourth Floor, Gold Room
436 Grant Street
Pittsburgh, Pennsylvania 15219

Tuesday, April 14, 2015 - 5:04 p.m.

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MS. GREEN HAWKINS: Good evening and thank you. We're here to convene a public hearing, and the primary purpose of this hearing is to allow the opportunity for public comment regarding Bill Number 8527-14, an Ordinance of the County of Allegheny, the Commonwealth of Pennsylvania, setting forth a new Chapter 435 of the County Code of Ordinances in order to improve operation of the County MBE program. The bill is currently pending in the Committee on Economic Development and Housing, of which I am the Chair. And I thought it would be a good idea to get public input on the proposed changes to the bill and to see if there are things that we can --- what else we can do other than what's proposed to try to make the bill and the program better.

And so I thank you for coming. And we have five speakers this evening, and we have a specific request from Ms. Anita Brattina to be added to speak. And without any objection from my fellow Council members, I will add you to the list of speakers, and I will call your name in turn.

The first speaker will be Ms. Joanne Peterson. And Ms. Peterson, if you could please step up and provide your address and the organization that you're representing.

MS. PETERSON: I'm with Abator Information Services, and are at --- I'm sorry, over there? Okay.

MS. GREEN HAWKINS: It's okay.

MS. PETERSON: That was my senior moment.

MS. GREEN HAWKINS: And also, with the consent of my fellow Council members, I won't limit our speakers this evening. We do have a short list of public speakers. I won't limit them to the typical three minutes. Okay.

MS. PETERSON: My name is Joanne Peterson. Our address is 615 South Avenue in Wilkinsburg. Our company name is Abator Information Services. First, I want to thank you, Chairwoman, for your confidence to hold this important hearing on the proposed changes to the language regarding the County's Minority Women and Disadvantaged Business Enterprise Program. I appreciate the opportunity to comment. And I'm reading from my notes so I won't waste your time.

I'm involved in two woman-owned businesses in the County, and I'm deeply concerned about these proposed changes for several reasons. I believe that a healthy economy requires strong M/W/DBE businesses to create jobs

and deliver products and services, and that government and corporate purchasing and supplier communities have to cooperate in developing reliable, viable relationships to make M/W/DBE work effectively.

And certain language to accept only DOT-based UCP certifications limits the County and its prime contractors from making use of those M/W/DBEs certified by the National Minority Supplier Diversity (sic) Council and the Women's Business Enterprise National Council. Not everyone can qualify under UCP, and I believe that ending the opportunity for the larger M/W/DBEs to participate in the County's program may reduce County tax revenues with a net negative in the number of employees that they will be able to retain who also pay County property taxes and spend money with other County-based businesses --- think parking fees, PAT writers, entertainment sales tax, whatever. And I respectfully request that the eligibility standard in Paragraph 435.6 be socially or economically disadvantaged individuals.

Many large companies and agencies hear those words small or disadvantaged and they recoil. There is a stigma that small disadvantaged work suppliers are often operating on slim margins, tend to be under-capitalized and cash poor, implying that we don’t have the wherewithal to deliver. Consequently, these small M/W/DBEs rely on these larger M/W/DBEs like 84 Lumber to advocate, mentor and help us build our capacity so that we can grow to service primes ourselves.

Just last month the M/W/DBE Governmental Committee comprised of mentor organizations that include Allegheny County Airport Authority, the Department of the M/W/DBE, Economic Development, Housing Authority, Sanitary Authority and the Port Authority passed out a flyer, Chair, that published EMSDC, Eastern Minority Supplier Development Council, and WBENC, its third-party supplier --- or certifiers. The third-party certification process is as rigorous as the UCP application process, and Allegheny County businesses have invested significant time, money and resources to achieve these certifications. The change proposed by this ordinance will impact three Allegheny County businesses certified by these organizations, barring them from participation as goal-based M/W/DBE suppliers in all future County procurements, or at least that's how we read the language.

On a personal note, when we bought a building in Pittsburgh, we wanted to make the rehabilitation 100 percent M/W/DBE. So the first thing we did was put out a request for proposals to all the M/W/DBE contractors on the Allegheny County M/W/DBE website and all WBENC members asking for theirs. Only one company, a large M/W/DBE, actually responded. We ended up cobbling together a diverse spend, involving two small and one large county registered M/W/DBE. None of them are UCP certified, and one of our suppliers in this effort is 84 Lumber.

We, of course, have been fortunate to work with Amy Criss and 84 Lumber as a direct result of our WBENC certification. I've witnessed 84's commitment to bringing other small diverse businesses within Allegheny County to the table over the last three years. To deny 84 Lumber and large EMSDC-certified companies the opportunity to participate in meeting the County's M/W/DBE goals would directly impact a number of second tier and subcontract opportunities for businesses like mine.

One thing I've never understood is the disparity between minority owned and goals of 13 percent and the two percent. I had to explain in detail to a prime for a David Lawrence Convention Center opportunity that they could not spend with me --- as meeting the entire DBE goal. They are also required to engage in other firms for the M/W/DBE proportion. This spending ordinance is confusing to primes, which seems to create substantial discrepancies in economic progress.

I would encourage the County to continue to recognize third party certifiers and consider adjusting its goals by adding it to say woman veteran businesses. Over one in five Americans or approximately 54 million people have a disability, making it the largest minority group in the nation, transcending race, ethnicity or gender, and yet Allegheny County has no goals for businesses owned and operated by this important group. Thank you. Thank you for your time and your consideration in this matter.

MS. GREEN HAWKINS: Thank you, Ms. Peterson, and excuse me for neglecting to mention my colleagues on Council who are here with me this evening. We have County Council member Heather Heidelbaugh, Councilwoman At Large, County Council Member Sue Means and County Councilman Bill Robinson, and then myself, County Council member Amanda Green Hawkins.

And next we have Mr. Leo Makosky. Mr. Makosky, state your name and your address, please.

MR. MAKOSKY: Leo Makosky, 526 Bellwood Avenue in Monroeville. And I want to thank you for the opportunity that I might speak before you. Quite honestly, my thunder has been stolen because pretty much everything that was said is everything that I agree with. I am a construction professional representing myself, and I would like to speak on behalf of 84 Lumber as a M/W/DBE. Particularly the language that's in here is concerning by the fact that it has no definition for small. I'm not sure what a small business is, but I suspect that that may rule out those companies of stature like 84 Lumber. And I'm also particularly concerned about the single sole source certification process. It would eliminate several other organizations that have been previously recognized, but I find no fault with them. I've never heard that there's been any faults with those companies.

From the construction standpoint, changing --- making the changes as proposed, would extremely change the dynamic for the county and Pittsburgh. It would cause a different dynamic. If the rules are going to be such that you would make that change, then definitely it would impede some effort by 84 Lumber. I know of several other W/M/DBEs that are certified by other agencies that I will continue to call upon.

So again, I repeat everything that has been said before me. I do think that there should be some representation for veteran-owned businesses. It seems like they have not been given much consideration, either in the City or in the County. And that's all. Thank you very much.

MS. GREEN HAWKINS: Thank you. Ms. Heidelbaugh?

MS. HEIDELBAUGH: Just I want to mention this. I introduced a bill which was passed by this Council the first year I was a member of Council to direct a certain amount of contracts to veterans. And that's the law of this County. I don't believe it is under the M/W/DBE. I can't say it fast, M/W/DBE, but I think it's under the Veterans Assistance programs of the County. So there has been something to direct contracts to veterans.

MS. GREEN HAWKINS: Next, we have Mr. Alexander Saksen. And Mr. Saksen, would you please state your name and your address?

MS. SAKSEN: Thank you, Madam Chairwoman and Council. Alex Saksen, 109 Meadowvue Drive in Marshall Township. I'll be brief. I am outside legal counsel for 84 Lumber. Amy Criss of 84 Lumber, their Director of WBE Business Development, will speak in more detail. I'm just here to clarify from a legal perspective our concerns about these amendments, particularly, and perhaps specifically, Section 435-5, Subsection B, the exceptions to the eligibility procedures. We would ask that those not be stricken and be left in so as not to prejudice 84 Lumber or companies like them, as well as the opportunities that larger WBEs provide to smaller contractors. That's all I have. Thank you very much for your time.

MS. GREEN HAWKINS: Thank you. Next we have Ms. Michelle Ellison. Ms. Ellison, would you please state your name and your address?

MS. ELLISON: Yes. My name is Reverend Michelle Ellison. And my address is 2700 Centre Avenue, Apartment 4, Pittsburgh, PA, 15219. Thank you for giving me the opportunity to speak this evening. I'm going to be very brief. I am going to be submitting something in writing as well going down each section. I first want to say I want to compliment the County thus far in the efforts that are being made to include minority and woman businesses and DBEs in Allegheny County. I have three businesses. I'm still getting my --- I'm still in my start-up phases since I came out of New York City years ago to Allegheny County, but I wanted to say I hope we would forge ahead so that we would be asking to continue to be a leader in the region, and so that we can continue to enjoy the national investment in Allegheny County. And I think that our stance as far as how we treat and how we --- the policies we develop can impact on those types of investments. And so I'm hoping that we will continue in our stride and not break it.

My major concern right now is in, I believe, Section 435.7, Section Number 8, and that would be the implementation --- the crossing out of implementation of set asides that have been designated to be crossed out of Allegheny County for minority-owned and woman businesses in the County. I would hope that that section would be included, not be deleted, so that we will fall into other standards set by the SBA and the Commonwealth. All right. So I'm hoping that we will also have set asides for those

businesses, and I think that will help to bring us out of poverty and to address it historically throughout the region and specifically Allegheny County. Thank you very much.

MS. GREEN HAWKINS: Thank you. And next I'm going to invite Ms. Anita Brattina to speak. And then after Ms. Brattina will be Ms. Amy Criss.

MS. BRATTINA: Thank you. My name is Anita Brattina. My address is 1143 McCully Drive, Pittsburgh, 15235. I own two businesses in Allegheny County, and they will be my third and fourth companies that I have started. I've been woman-owned in all four cases and find that actually the way that you drafted this is basically fine. The one change that I would ask you to consider is to make it socially disadvantaged or economically disadvantaged because as a woman-owned company, as I grow, I'd like there to be no ceiling. I'd like to be able to know that I can build a financially viable company, employ people, eventually become a prime and bring other woman behind me to subcontract to me and not feel that there's going to be a ceiling, that once I hit it, I can no longer be eligible to provide services to the County. That was all I had to say. Thank you.

MS. GREEN HAWKINS: Thank you.

MS. CRISS: I'm Amy Criss. My address is 1358 Fourth Street, Monongahela, PA, and I wanted to thank you, Chairwoman Green Hawkins, for holding this important hearing on the County's M/W/DBE program and the changes that you are making to recognize woman businesses. I appreciate that. I appreciate also the opportunity to comment. Forgive me for reading this, but I want to make sure I get all my points across in the allotted time.

My name is Amy Criss and I'm the director of WBE Business Development at 84 Lumber Company. That's a local WBE business owned and operated by Maggie Magerko. I'm also a wife, a mom and a grandmother. I have a daughter and two granddaughters, so believe me when I say I'm passionate about empowering women.

I manage Maggie's WBE certification across the country and help develop new business that she wouldn't have if she was not recognized as a woman business. In this role, I spend most of my time with M/W/DBEs, veterans and disabled businesses. I also spend my time helping these businesses succeed as I help 84 succeed. 84 has four locations in Allegheny County, and we have a 122

families living in the County that work at 84 Lumber Company. 84 has paid over $380,000 in sales and use tax to the County this last year, and Maggie has generously donated $345,000 to Allegheny County nonprofits, schools and organizations in 2014. We're proud supporters of the Pirates, Penguins and Steelers, all the black and gold, and we have spent over $30 million in the last year with businesses in the County. And we are proud that we are part of these wonderful Allegheny County communities. Maggie supports the communities that 84 Lumber works in.

I'm deeply concerned with the proposed changes. A healthy economy requires strong M/W/DBE businesses to create jobs, products or deliver services. 84 has been an example of a strong M/W/DBE business and it would be a detriment to the community to have this example disappear. We're very involved in the community, involved with the M/W/DBE events and continue to work with and help other M/W/DBEs succeed. I do not understand why our County wants to limit the number of M/W/DBE businesses that work within the program in the County. Many of these businesses, including 84 Lumber, are not even certified through the PA UCP DOT regs. I do not believe that the list of M/W/DBEs recognized should be limited to this list. Please consider not removing the exception to Paragraph 435-5, Section B, that allows these M/W/DBEs certified by organizations like the National Minority Supplier Diversity (sic) Council and the Women Business Enterprise National Council the opportunity to work within this program in Allegheny County. Eligibility standards in Paragraph 435-6 should read socially or economically disadvantaged individuals instead of an ---.

As 84 gains more opportunities in the County and across the country, we continue to help other M/W/DBEs gain opportunities such as Joanne, who so nicely mentioned us, and her company. Joanne and I have worked together on many projects, and I've sent many leads to Joanne who benefit from her business. The M/W/DBEs are a tight-knit group and enjoy helping each other succeed. That’s the magic of this group. If you’ve been to any of the events, you'll see that and you’ll feel it. We help each other succeed regardless of race, gender or size. Exclusion seems counterproductive to me.

Please also consider a more even distribution of the percentage goal. Two percent seems small for women. I think that we're breaking into a lot of areas that women

weren't in before, and it would be nice to have a bigger percentage to be able to get into those businesses.

In closing, this is a very --- this very program, in a big way, is the reason that Maggie and 84 Lumber can give back to the County communities in the way that she's been able to. Without the additional WBE business, it will make it more difficult to support these communities. We all live, work and play in these communities, and we love that. And it's important that we, as M/W/DBEs, give back and help the communities that we're located in and that has helped us with business opportunities to grow. Please reconsider removing the exceptions to Paragraph 435-5 in accepting M/W/DBEs of all size to work within your program. Size shouldn't matter. The quality of work and giving back to our communities should. We need to continue to grow diverse businesses of all size in our community. Thank you so much for your time and your consideration in this matter.

MS. GREEN HAWKINS: Thank you. So that completes our list of speakers for this evening's public hearing, and at this time I will ask my Co-Council members if they have any comments or anything that they would like add at this time, starting with Ms. Heather Heidelbaugh.

MS. HEIDELBAUGH: Ms. Smith, would you be amenable to taking some questions?

MS. SMITH: I didn't come prepared, but I can.

MS. HEIDELBAUGH: Okay. Great.

MS. GREEN HAWKINS: I'd like to add --- I don’t know if this helps Ms. Heidelbaugh, but we'll be --- I'll be submitting some questions to the administration about the bill as it is proposed because I do certainly have some questions about it. So I will be happy to include additional questions that aren't answered here in that list of questions from any of the Council members.

MS. HEIDELBAUGH: We'll have a record here ---

MS. GREEN HAWKINS: Yes.

MS. HEIDELBAUGH: --- from the court reporter which we can all get a copy of. Can you describe --- tell me, what is the basis of the change to 435-5B which was just spoken about by Ms. Criss? Why is that being changed?

MS. SMITH: Well, first of all, thank you for allowing me to speak this evening and inviting me. As I said, I didn't come prepared, but I did bring a copy of the changes and I'll try to speak to them. I have an

advisory committee made up of up to 15 professionals from our community. And the Section 435 had not been changed since 1981 when it was written. There were a few amendments and additions, but overall, they took a shot at making changes like three Commissioners, now there's a County Executive, and those sorts of things.

Now, in reference to 435-5 as outlined in 49 CFR, Part 23 and 26, what they're doing is they're --- we have a DOT-related certification. What they're doing is if there are any changes to those federal regs, that's what the law department suggested that we put in because each year as Congress looks at this they have the right to make modifications to our program. It's a federal program administered by County, so that's why it's set up this way.

In the past, I guess in 1981, they decided to put the verbiage in. In 20 --- I guess this is four years. I have a couple of advisory committee members here. It was 2011, '12 when you worked on it? And the decision was to put it in this way because if there are changes made in Congress or to the Federal regs, then it would include those changes.

MS. HEIDELBAUGH: Are the members of your advisory committee public?

MS. SMITH: Public in what way?

MS. HEIDELBAUGH: Does the public know who the members are?

MS. SMITH: Yes, they are listed on the website.

MS. HEIDELBAUGH: And are there any members from the administration?

MS. SMITH: There are two in the room, Barb Parees and Austin Davis. And then there are two other members present, Tony Silva and --- oh, three, Ola Jackson and Roxanne Sewell, and the other members are listed on the website, and they are chosen by the administration, Council and the County Executive.

MS. HEIDELBAUGH: My last question for this little round here is, were you aware that by changing this that we might knock out a number of women who are participating in the program?

MS. SMITH: What the policy has been --- because as you can see there are changes that we had to make because there are no longer legal set asides. So when set asides were mentioned, we had to stop doing that some years ago, even before I came, after the Decision at the

Supreme Court by Sandra Day O'Connor to narrowly tailored programs. The only legal set aside is really the 8(a) program. That's a federal program. As listed here, this verbiage was struck out. Now, there's always the ability to accept other certifications which we have for a number of years. And it was my intention to continue to --- but if there is any doubt from our standpoint as certifiers or any information that we have --- and we're confidential employees so we see just about everything. If we have any doubt about something, we can go back and ask for additional information or choose not to accept other certifications. So what this means is probably in the 11 years that I've been a director, there's been maybe once or twice that EMS --- it wasn't EMSDC at the time. It was --- the Minority Purchasing Council and WBENC have always been accepted unless we know that there's something that may be a problem and may be an embarrassment to the County. And then at such time we would go back and ask for additional information or not accept it.

MS. HEIDELBAUGH: I have more, but I defer.

MS. GREEN HAWKINS: Then we'll return to you. Ms. Means?

MS. MEANS: I don't have anything.

MS. GREEN HAWKINS: And Mr. Robinson?

MR. ROBINSON: Thank you, Madam Chairwoman. I don't have any questions.

MS. GREEN HAWKINS: Ms. Heidelbaugh.

MS. HEIDELBAUGH: I received a call in approximately the first quarter of 2012 from some individuals who were participants in the M/W/DBE program. They had been called into the actual office of Mr. Fitzgerald and they had been asked to provide proof that they were M/W/DBE certified companies. Were you aware of that?

MS. SMITH: I don't know about the incident that you're talking about, but everyone who's certified, at least with the PA UCP, has a letter that indicates that they have been certified and what categories they're certified in and, you know, pretty much that's it.

MS. HEIDELBAUGH: And the other question that these folks who called me had was that there was a discussion about what kind of contributions had been made to the campaign and they were --- stated conversation as to whether they were rightfully certified as M/W/DBE. Do you know anything about that?

MS. SMITH: I wasn't in the room so I --- honestly, this is the first I've heard of this, so ---.

MS. HEIDELBAUGH: Was there any --- do you know of any process in which the people who have these certifications in the County were called in regularly to the County Executive, though?

MS. SMITH: Not by my office.

MS. HEIDELBAUGH: No, I'm asking if you know about that?

MS. SMITH: No.

MS. GREEN HAWKINS: Thank you, Ms. Heidelbaugh. And I, as a Council member --- and I won't speak for other Council members --- have had lots of questions from constituents about our policy and programs which was one of the reasons why I thought it was very important to have this hearing since we have this current bill pending.

MS. SMITH: Uh-huh (yes).

MS. GREEN HAWKINS: There are concerns about the effectiveness of our programs and our policies, so I thought it would be a good idea to undertake this now while we have a bill pending. And I have discussed some of my concerns with the M/W/DBE Committee because I was invited to a meeting by the Chair, Ms. M. Gayle --- Gayle Moss, excuse me. And I do recall talking with the Committee about some things that I had concerns with, one of them being the striking of the letter of intent and things about both goals.

I did receive a communication from Maureen Sweeney of the National Association of Women in Construction about the 13 percent for minority participation and two percent for women, and talking perhaps about the need for a disparity study so that we can make sure that our numbers are consistent with the population within Allegheny County. And I recall being told that those goals were set probably about 30-some odd years ago.

MS. SMITH: 1981.

MS. GREEN HAWKINS: Thank you. So you can see there would be the need for an update. And I will say I recall about the striking of the letter of intent, and tell me if I'm incorrect, but I recall there being an explanation offered that the requirement of the letter of intent would be put into the contracts and would be removed from the program requirements. Did I state that correctly? Maybe not.

MS. SMITH: Maybe not. The letter of intent is in the definition section, but that term shows up nowhere else in the section. It probably --- and I'll have to surmise what they were thinking in 1981, but it was probably at that time they had a lot of really things that they thought were buzz words, and they put those in the definition section. So there was nothing else in this entire section that spoke to a letter of intent.

Now, actually, what happens is there's a participation plan that is reviewed prior to the contract award. And that means under review. We call who's named as women or minorities to see if they first were contacted. Second, that they were actually contacted and told the amount that's listed that's in front of us, and that they agreed to perform. If some of those things turn out not to be true, we go back to whomever has submitted that information. And we indicate that you need to get either real information or you need to clean this up. Okay? So basically, we check everything before, and then during the life of a contract, while there's something to argue about, while there's money on the table, every 30 days we have people, they send us information on whether a firm has been paid or not. And if you've had zero participation for a month, then it's zero. If you paid somebody a million dollars --- but we want to know every 30 days. And then at the end of a contract, we know because not only have you submitted information, but an e-mail goes out to those firms that are minorities and women, and they --- the e-mail says have you been paid? And if I haven't been paid, I think I would get back to somebody saying I haven't been paid during the life of a contract. Then we ask for the invoices and match those up with canceled checks.

So even though someone has attested that they have been paid, we still want the invoice or the ACH transaction. We're getting a lot of those now, where people are wire --- transferring money into accounts. But during the life of a contract is when you have a conversation about money, not after it's over.

MS. GREEN HAWKINS: And forgive me. So it's the participation plan that's going to require the --- something equivalent ---

MS. SMITH: Uh-huh (yes). The equivalent.

MS. GREEN HAWKINS: --- to the letter of intent?

MS. SMITH: Well, actually, you know, if you have a participation plan that is not accurate, then we don’t approve it. We don't recommend that we move forward. There have been contracts that have come through the office that have been turned back, and does the purchasing --- because we don't purchase. We just make recommendations, and we send our recommendation, either positive or negative, back to purchasing. And we've had a good partner. I think actually all the departments work well together, but my particular interaction is predominantly with purchasing and they've been a good partner with me.

MS. GREEN HAWKINS: Thank you for clearing that up, Ms. Smith.

MS. SMITH: You're welcome.

MS. GREEN HAWKINS: Any other comments or questions?

MS. HEIDELBAUGH: I do.

MS. GREEN HAWKINS: Please go ahead.

MS. HEIDELBAUGH: But I have no more questions for you, Ms. Smith.

MS. SMITH: Okay. Thank you for allowing me to present to you.

MS. GREEN HAWKINS: And thank you so much for indulging us.

MS. HEIDELBAUGH: Would you be willing to answer some questions, Ms. Criss? So you heard my questions. What I'm interested to understand is why would 84 Lumber not be able to comply with the DOT? Explain that to me.

MS. CRISS: We're a larger business. We can't certify through the PA UCP because we --- there's an employee limit and a net worth goal that we don't fall into.

MS. GREEN HAWKINS: Can I ask for just one second, please, ---?

MS. HEIDELBAUGH: Yes.

MS. GREEN HAWKINS: Is your counsel here, your attorney? They are? Would you like them to be ---?

MS. HEIDELBAUGH: Yeah, I think it would be probably good to have them up here. Yeah. Okay.

BRIEF INTERRUPTION

MS. CRISS: So we don't fit under those regulations in PA.

MS. HEIDELBAUGH: Okay. So it’s the number of employees 84 Lumbar has that knocks you out?

MS. CRISS: Right.

MS. HEIDELBAUGH: And what is that number?

MS. CRISS: I think it's a 100, if I'm not mistaken.

MS. HEIDELBAUGH: So if you're woman-owned business and you have a 101, you can --- you're not going to be able to get this current --- this certification as is currently amended?

MS. CRISS: Right.

MS. SMITH: Let me explain it ---

MS. CRISS: Yeah, that would be ---.

MS. SMITH: --- because that’s not accurate.

MS. CRISS: You can ---.

MS. SMITH: I mean, ---.

MS. GREEN HAWKINS: Can I ask you to step up to the microphone? Thank you, Ms. Smith

MS. SMITH: The way the federal regs read --- it’s 49 CFR, Part 26. Part 23 is for airport concessions because they have to be larger to be in an airport. It's almost like being in a mall where they have a --- I don't know, a TGIF Friday. You have to have more --- you know, you have to have more capacity. Now, in reference to the size limit, it is based on personal net worth as well as based on the size of the business. The size of the business over --- an average over a three-year period cannot be over $23.9 million. The size of the personal net worth is $1.32 million after you take out your personal residence and your business assets. So if you're over that cap, you're not considered disadvantaged under DOT regs.

MS. HEIDELBAUGH: So your position is it has nothing to do with the number of employees?

MS. SMITH: There is a size requirement under employees --- what is it, Lisa, 500?

LISA: No. It depends on the category.

MS. SMITH: On the category. Sorry. If the category --- if you have a consulting firm and you have 100 employees, you're doing really well. If you have a company that's heavy highway where you're out laying miles of road and you have 100 employees, not so much, because that's a --- it's more labor intensive. So there are various NAICS codes, N-A-I-C-S, codes that the federal government assigns for different-sized companies, different kinds of companies, because we certify everybody from soup to nuts, through the management firms, heavy

highway, lumber companies, you name it. And you know, the size of the company makes a difference. If you're looking at companies that are more labor intensive, then naturally, most times, the number is higher.

MS. HEIDELBAUGH: So then my question which was going to be to Amy because she said she was very involved with this as an avocation --- and either one can answer or both is --- has there been any kind of review to determine once we switch to this DOT-only certification how many women M/W/DBE companies will no longer be able to participate? Do you have an idea?

MS. SMITH: We have always at Allegheny County certified under DOT regs. It has always been under DOT regs, so that portion is not new. And at the discretion of the office, you can accept other certifications because some companies come in, and they're larger and the kind of contracts that have to be left are larger, so it makes sense in order to get more people into the gene pool. But I don't see where there would be --- I mean, you've had county contracts.

MS. CRISS: We have.

MS. SMITH: They've had county contracts, I know. I've recommended them.

MS. CRISS: And we appreciate it.

MS. SMITH: And so I think what you're saying is you probably need to add --- if you'd like or not --- I don't know. I'm a technician. I'm not a policy maker or legislator. Just add others, add on as needed to --- you know, it's like any other contract you write. At the end of --- you always add, add as needed. So there would be the ability to do that, I would think, from a legislative standpoint.

MS. HEIDELBAUGH: So just one more time, if you have an idea. So are you saying to me that you think no one will not be qualified, that these changes will not unqualify any existing recipient of M/W/DBE contracts?

MS. SMITH: Whatever the Council decides to do, I will implement.

MS. HEIDELBAUGH: Amy, do you have a thought on that?

MS. CRISS: We just --- we love working for the County. We saw this ordinance come up and we were afraid it would hamper our ability to work with the County, and so we wanted to come and be heard, so ---.

MS. HEIDELBAUGH: Okay.

MS. CRISS: Thank you so much.

MS. GREEN HAWKINS: Thank you. Anything else?

MS. HEIDELBAUGH: No.

MS. GREEN HAWKINS: Okay. And at this time I was going to see if there were any other people in the audience who wanted to make a public comment, but hadn't had the opportunity to sign up. No one? Okay. Then hearing adjourned.

HEARING ADJOURNED AT 6:00 P.M.

CERTIFICATE

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.

Danielle Ohm

Court Reporter