

Target Market Public Hearings





Illinois Department of Transportation

Office of the Secretary
2300 South Dirksen Parkway / Springfield, Illinois / 62764
Telephone 217/782-5597

December 30, 2011

Dear Colleagues:

Consistent with Public Act 097-0228, the Illinois Department of Transportation conducted public hearings in Chicago, Peoria and East St. Louis to hear testimony from minority, female and general contractor groups, community organizations and other interested parties to provide public comment on perceived instances of discrimination in the construction industry in the state of Illinois.

This booklet is a compilation of the actions taken by the department to elicit the following information, copies of public testimony received, written comments and oral testimony through a special hot-line of individual experiences of perceived instances of discrimination. We appreciate the time taken by individuals and organizations to participate in this process and without this participation, we could not proceed with the appropriate review for the establishment of a Target Market Program in the state of Illinois.

As we review the documents and testimony to find evidence of egregious discrimination, I am committed to the diversification of contracting opportunities with the Illinois Department of Transportation. I appreciate your time and effort with this endeavor and look forward to working with you in the future.

Sincerely,

A handwritten signature in cursive script that reads "Ann L. Schneider".

Ann L. Schneider
Secretary

Flyers



Illinois Department
of Transportation

SAVE THE DATE

The Illinois Department of Transportation (IDOT) will host Public Meetings to gather testimony on two initiatives, the Target Market Program and a new initiative designed to help Disadvantaged Business Enterprise (DBE) firms' obtain bonding or financing necessary to qualify for project contracts. At each meeting:

- IDOT will update participants on the Target Market Program, established in state law to increase the amount of work that is available to minority-owned and women-owned businesses and to encourage firms that are not prequalified or DBE-certified to take the necessary steps to obtain certification.
- IDOT will outline the creation of a new initiative designed to address specific financial needs of DBEs, providing additional capability to participate in IDOT's transportation-related contracts.

IDOT will present an overview of the two initiatives at each meeting. Participants in the public meetings are encouraged to provide testimony and comments with regard to their experiences in obtaining highway contracts or subcontracts.

You are cordially invited to attend any of the public meetings, so please save the date for the meeting nearest you.

Date	Time	Location
Wednesday December 14, 2011	11:30 AM-3:00 PM	Woodson Regional Public Library 9525 South Halsted Chicago, IL 60628
Thursday December 15, 2011	11:30 AM-3:00 PM	The Gateway Building 200 Northeast Water Street Peoria, IL 60602
Friday December 16, 2011	11:30 AM-3:00 PM	East St. Louis Public Library 5300 State Street East St. Louis, IL 62203



Illinois Department
of Transportation

REMINDER

SAVE THE DATE

Date	Where	Time	Facility Address
Wednesday December 14, 2011	Chicago	11:30 AM-TBD	Woodson Regional Public Library 9525 South Halsted (Auditorium) Chicago, IL 60628
Thursday December 15, 2011	Peoria	11:30 AM-TBD	The Gateway Building 200 Northeast Water Street (Rooms 201 and 202) Peoria, IL 61602
Friday December 16, 2011	East St. Louis	11:30 AM- TBD	East St. Louis Public Library 5300 State Street (Auditorium) East St. Louis, IL 62203

The Illinois Department of Transportation (IDOT) is conducting Target Market Public Meetings to gather testimony for the Target Market Program and a new initiative to assist Disadvantaged Business Enterprises (DBEs) obtain bonding and/or financing necessary to qualify for IDOT construction contracts.

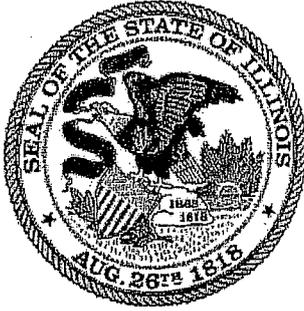
At each public meeting:

- IDOT will provide status on the Target Market Program and solicit public testimony from contractors. The Target Market Program was established to increase contract participation opportunities for minority and women-owned businesses.
- IDOT will announce the creation of a new bonding/finance initiative designed to address specific DBE financial needs and provide additional contract participation opportunities.

IMPORTANT NOTES:

- If you are unable to attend and wish to provide testimony, please forward written comments via email to Director Frank McNeil at frank.w.mcneil@illinois.gov. Comments must be received by close of business on December 21, 2011.
- The meetings will begin **promptly** at 11:30am and held in disabled friendly facilities. American Sign and Spanish Language interpreters will be present. Should you require other special accommodations please contact David Dailey at (217) 557-5900.

Press Release



State of Illinois
Pat Quinn, Governor

Illinois Department of Transportation
Ann L. Schneider, Secretary

FOR IMMEDIATE RELEASE:
December 12, 2011

CONTACT:
Guy Tridgell 312-814-4693
Josh Kauffman 217-558-0517

IDOT to Host Public Meetings on Target Market Program, New Financing Initiatives

CHICAGO – The Illinois Department of Transportation (IDOT) will be hosting three public meetings this month to obtain feedback on the Target Market Program and to make Disadvantaged Business Enterprise (DBE) firms aware of new initiatives to address their specific financial needs.

The meetings will be taking place at the following locations, beginning at 11:30 a.m.:

- Dec. 14 – Carter G. Woodson Regional Library, 9525 S. Halsted St., Chicago.
- Dec. 15 – The Gateway Building, 200 Northeast Water St., Peoria.
- Dec. 16 – East St. Louis Public Library, 5300 State St., East St. Louis.

Earlier this year, Governor Quinn announced the Target Market Program, which identifies state-funded projects for bidding by minority and women-owned firms and encourages eligible firms to become qualified DBE contractors and subcontractors.

At the three public meetings, contractors and subcontractors will be invited to share their experiences with the Target Market Program to assist IDOT with making future improvements to increase participation. Staff with IDOT also will be outlining a new initiative designed to help DBE firms obtain the necessary financing and bonding to qualify for the bidding process.

For more information on the Target Market Program and the meetings, please contact Monica Schulter at 312-793-3307.

###

Outreach

Murphy, Kenneth E

From: DOT.SBE
Sent: Tuesday, November 29, 2011 2:13 PM
Subject: IDOT Public Meetings

Please see the attached flyer containing information and dates of upcoming IDOT Public Meetings.



Save the Date
doc.pdf

McNeil, Frank W.

From: Gomez, Vittorio M.
Sent: Friday, December 23, 2011 11:57 AM
To: McNeil, Frank W.
Cc: Boyd, Marva E.
Subject: RE: Phone Call Update

Greetings Frank and Marva:

Here are the tallys:

Direct DBE Contact

Calls made- 326

Calls left to make- 107

DBE's who will call or email (Approx)- 57

Assist Agency Contact

Calls made- 14

Calls left to make- 4

Emails sent- 13

Everyone is working diligently and in general, are encountering positive response to this outreach endeavor.

Will forward another update at 3:30 PM.

Vittorio M. Gomez
Deputy Director, OBWD
Illinois Department of Transportation
100 W. Randolph, Ste. 6-600
Chicago, IL 60601

312. 793. 2966 - Office

<http://www.diversity.dot.illinois.gov/>

From: McNeil, Frank W.
Sent: Friday, December 23, 2011 8:03 AM
To: Gomez, Vittorio M.
Cc: Boyd, Marva E.
Subject: Phone Call Update

Vittorio, please provide an update of the status of the calls made and how many are pending. An email about 11:30am and another at 3:00pm on status will suffice. Look forward to completing this task. Thanks for the hard work.

McNeil, Frank W.

From: Gomez, Vittorio M.
nt: Friday, December 23, 2011 2:40 PM
McNeil, Frank W.
Cc: Boyd, Marva E.
Subject: Phone Call Update #2

Greetings Frank and Marva:

Here are the total tallys:

Direct DBE Contact

Calls made- 419

Calls left to make- 0

DBE's who will call or email (Approx)- 57

Assist Agency Contact

Calls made- 18

Calls left to make- 0

Emails sent- 13

Everyone has worked diligently and in general, encountered positive response to this outreach endeavor.

Have a great Christmas.

Vittorio M. Gomez
Deputy Director, OBWD
Illinois Department of Transportation
100 W. Randolph, Ste. 6-600
Chicago, IL 60601

312. 793. 2966 - Office

<http://www.diversity.dot.illinois.gov/>

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Subject: Phone Call Update

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OUTREACH FOR PUBLIC HEARINGS

Media Advisory sent to
St. Louis, Peoria & Chicago media markets
By Office of Communication and Information

The IL UCP Directory
Emailed Flyer to 1,705 Firms

Phone Calls were made
To IL UCP firms
Located in Districts 1, 4, & 8

Flyers Emailed to the Following Organizations:

Mr. Larry Ivory, President
Illinois Black Chamber of Commerce
331 Fulton Street
Peoria, Illinois 61602
LarryIvory@illinoisblackchamber.org

Ms. Belinda Henderson
Executive Director
Black Contractors United, Inc.
1200 South Marshfield
Calumet Park, IL 60827
Phone: 773/483-4000
Fax: 773-634-8264
E-mail: belinda_bcu@yahoo.com

Mr. Matt Davidson
Association of General Contractors of Illinois
3219 Executive Drive
Springfield, IL 62703
Phone: 217/789-2650
Fax: 217/789-1048
E-mail: mdavidson@agcil.org

Mr. William E. Mason Sr.
Metro East Black Contractors Organization
1801 Tudor Avenue
East St. Louis, IL 62207
Main phone: 618/271-1974
Cell phone: 618/670-1225
Fax: 618/271-0746
E-mail: cindistovall@sbcglobal.net

Mr. Michael J. Sturino
President & CEO
Illinois Road and Transportation Builders Assn.
500 Park Boulevard, Suite 1250
Itasca, IL 60143
Phone: 630/773-1220
Fax: 630/773-1231
E-mail: msturino@irtba.org

Ms. Beth Doria
Executive Director
Federation of Women Contractors
5650 S. Archer Ave.
Chicago, IL 60638
Phone: 312/360-1122
Fax: 312/360-0239
E-mail: fwcchicago@aol.com

Mr. Jorge Perez
Executive Director
Hispanic American Construction Industry Assn.
901 W. Jackson Blvd., Suite 205
Chicago, IL 60607
Phone: 312/666-5910
Fax: 312/666-5692
E-mail: jperez@haciaworks.org

Mr. Tim Garvey
Southern Illinois Builders Association
1468 Green Mount Road
O'Fallon, IL 62269-8390
Phone: 618/624-9055
Fax: 618/624-9065
E-mail: tim@siba-agc.org

Ms. Patricia Reiman
Illinois Association of Women Contractors
c/o P J R & Associates, Inc.
P.O. Box 9
Campbell Hill, IL 62916
Phone: 618/426-3325
Fax: 618/426-3713
E-mail: pir@egyptian.net

Joan A. Parker
Women Construction Owners & Executives
406 North Clinton Street
Chicago, IL 60654
Phone : 312/909-1313
Email: joanaparker@att.net

Ms. Mary Kay Minaghan
Women Construction Owners & Executives
308 Circle Avenue
Forest Park, IL 60130

Ms. Theresa Kern
Women Construction Owners & Executives
P.O. Box 490
Worth, IL 60482

Chicago

Chicago:

Written Testimony

HISPANIC AMERICAN CONSTRUCTION INDUSTRY ASSOCIATION



December 20, 2011

Mr. Frank W. McNeil
Director
Office of Business and Workforce Diversity
Illinois Department of Transportation
2300 S. Dirksen Parkway, Room 300
Springfield, IL 62764

Board of Directors

Federico d'Escoto
President

Javier Diaz
Executive Vice President

Victor Ignacio Dziekiewicz
Vice President

Oscar A. Fragoso
Secretary

Ivan Solis
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Joel Arce
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Lalo Ederly
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Rafael Hernández
Martha Morelos
Jorge A. Moreno
Gina Raffin
Carlos Salazar

Executive Director
Jorge Perez

Past President
Victor Ignacio Dziekiewicz

Re: IDOT challenges faced by HACIA members

Dear Frank:

This letter is a follow-up to the IDOT Diversity Target Market hearing held December 14th at Woodson Public Library in Chicago, which is another impressive example of IDOT taking the necessary steps to move in the direction of leveling the playing field for Hispanic-owned businesses who are interested in becoming vendors of IDOT. We thank you for soliciting HACIA's input in your quest to make IDOT more efficient, more effective, and more inclusive, and we commend Secretary Ann Schneider and the entire IDOT team for exemplary leadership.

In response to the question about challenges faced during attempts to win IDOT business, we spoke with our members and obtained some feedback that we think will be helpful to you. Our members insisted on remaining anonymous, but provided the following examples:

- If IDOT unbundled some of the projects, smaller contractors will be able to bid as primes and, as long as they are abiding by "prevailing wage" requirements, they should be able to work on these projects.
- Slow payment from IDOT.
- Slow payment from general contractor: Member reported working on a landscaping project for IDOT, and when work was required to stop because season ended, member would not get paid until the *following* season.
- Unbundle contracts. Will make it possible for smaller contractors to participate.
- Conduct more outreach to promote DBE Program, and to market to the disadvantaged, minority, and woman-owned businesses.
- Primes hired by IDOT tend to subcontract with the same subcontractors. IDOT needs to diversify their pool of GC's so that the same subs aren't being utilized. This would give subs an opportunity to establish relationships with different GC's and improve their chances of getting work.
- Bonding requirements are too high. If the GC puts up the bonding they will withhold final payment to the subs, in some cases, for an entire year.
- Communication between various IDOT divisions is not ideal.
- The landscape division was able to deduct certain items from the contractor to cut the contract almost in half. In essence, the Landscape Division has too

much influence on final design, and does not always adhere to bid specifications. Thus, the contractor cannot make a profit if the contract is changed last minute.

- Panel at the pre-bid meeting seemed to disappear toward the end of the meeting and only one person was left behind to answer questions, giving the impression that the meeting was simply a formality and no one there really had any chance at working with them.
- Big issue which is never discussed at any pre-bid meetings is the strong-hold of the Unions.
- The GC's that can perform on these types or size of projects all have union labor agreements. Therefore, there will never be an opportunity for non-union subs to do any IDOT work.

As you can see, it can be very intimidating and discouraging for some of our members, *and Hispanic, minority- and women-owned businesses in general*, to bid on IDOT business. These experiences are very disheartening to Hispanic business owners, MBE's, and minorities in general. But there is hope. If IDOT addresses these issues and implements positive changes, there may be a chance to correct challenges.

We look forward to working with you and participating in the focus groups to address these issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jorge J. Perez', with a large, sweeping flourish extending to the right.

Jorge J. Perez

Executive Director

Murphy, Kenneth E

From: McNeil, Frank W.
Sent: Tuesday, December 27, 2011 10:01 AM
o: Murphy, Kenneth E
Subject: FW: proposal to safeguard diversity
Attachments: Contract IDOT-2012.docx

FYI

From: DOT.Diversity
Sent: Tuesday, December 27, 2011 9:59 AM
To: McNeil, Frank W.; Schanzle-Haskins, Ellen J; Boyd, Marva E.; Schneider, Ann L
Subject: FW: proposal to safeguard diversity

Enclosed is an email received through the diversity email account that contains a proposal, which I thought you should have. Also, since Mr. Perkins mentioned that he offered testimony, I will insert this email in the TMP Tracking document. Lastly, since Mr. Perkins has submitted this proposal I assume this would be reportable? Please advise.

-Jonathan

From: Maurice Perkins [mailto:mperkins100@gmail.com]
Sent: Sunday, December 25, 2011 4:37 PM
To: DOT.Diversity
Subject: proposal to safeguard diversity

Hello,

I was at your meeting at the woodson library and offered testimony for the record on concerns to african american workers and contrators.

We are now sending you a proposal that would assure that our concerns are met.

Thank you

Maurice Perkins
1-773-715-4280

Inner City Youth and Adult Foundation, Inc.

501C3 Tax Exempt Organization
Swift Mansion
National and State Historical Landmark Site
4500 South Michigan Avenue
Chicago, Illinois 60653
773 285-2000**773 548-1238 Fax
(Save the Children)
December 2011

To: Ann Snyder
Legislator Members

The purpose of this letter is to outline the Agreement between Illinois Department of Transportation and Coalition of Inner City Youth and Adult Foundation relating to the Community Relations Support and Outreach Consulting for the Redline and various other projects.

Scope of Services

Coalition of Inner City Youth and Adult Foundation and will be responsible for employment and training initiatives and will be responsible for contractor initiatives geared towards insuring the involvement of local and minority and women owned business in the achievement of project goals of 25% MBE AND 5% WBE. The specific scope of services is identified on the attached documents.

Exhibit A- MBE/WBE/EEO Affirmative Action Plan which consists of six pages.

Business Terms-

The total fee for all of these services is 130,000. The breakdown is. The fee includes office support, staffing, phone/ fax and mailing, database procurement and management, reporting and all related employment activities. The fee will be billed at the rate of \$10,833.34 monthly for twelve months beginning January 1, 2012 and ending December 31, 2012. We have also agreed that the monthly reporting required by the Illinois Department of Transportation will be prepared by the Coalition of Inner City Youth and Adult Foundation, Inc beyond December 31, 2012 until the project is complete.

At the completion the project and assuming all goals have been met for both EEO and WBE participation and all goals have been met with the satisfaction of the Illinois Department of Transportation without any disruption to the project including: demonstrations, pickets and that the team has worked successfully into promoting the project and commitment to the community that project is in compliance with the contract requirements. IDOT shall fund an additional bonus to the participants of this agreement.

Please indicate your acceptance of this agreement by signing where indicated below.

Sincerely,
Ann Schneider
IDOT Secretary

Agreed and Accepted

_____ Date _____

Illinois Department of Transportation

_____ Date _____

EXHIBIT A
MBE/WBE/EEO
AFFIRMATIVE ACTION PLAN

Scope of Services

Illinois Department of Transportation is committed to servicing the community as a whole in establishing and maintaining an Affirmative Action Plan with complete MBE/WBE participation and minority recruitment at all levels. In connection with the construction of the McCormick Place Parking Facilities, Office & Conference Buildings, a critical part of affirmative action programming is eliciting the active cooperation of local minority /women groups through secular, religious and community organization. In this connection, the Chicago Design Partners proposes the need for the following services throughout the project duration:

EEO/AA OUTREACH RECRUITMENT

1. SCOPE OF Services

Of utmost importance as part of affirmative action-programming is the Contractor eliciting the active cooperation of minority/women groups with expertise in manpower provision. The Consultant would take the following steps to identify qualified minority/women workers

- 1) Visit employment and minority/women organizations that can refer qualified applicants and develop a regular working relationship with them. Written notice will also be sent to any and all appropriate organization to solicit qualified applicants.
- 2) Advise all employment offices, trade schools and colleges attended by substantial numbers of minorities that project-related contractors are hiring minorities/women qualified for various trade/crafts positions.
- 3) Ask prime and sub contractors to send to each labor union or representative of workers with which they have collective bargaining agreements, a notice that they are committed to the project's Affirmative Action Plan Program and desire union cooperation.
- 4) Review all allegations and the reasons for rejection of any minority/women workers referred for employment.

II. SCREENING

The Consultant will develop screening criteria for the applicants. This process will enable a systematic approach in making screening decisions. An accurate and complete assessment of individual applicant's abilities, trade and interests will serve to:

1. Increase the probability of individual applicant's success job placements.
2. Specify the responsibilities and history of performance of the applicant.
3. Provide information for job placement and monitoring reports.
4. Provide appropriate documents to ensure proof of residency and other documents as required.

III. JOB INTAKE/REFERRAL

The Consultant will establish a working and referral relationship with the project subcontractors to determine subcontractor's needs. Referrals will be made based upon applicant's skilled trade qualifications and union affiliation. The consultant will continuously maintain communication with subcontractors to ensure referrals are made as soon as an opening arises. The following procedures will be used to ensure applicants are placed in a timely manner.

1. Applicants for job referrals who, are not disqualified by reasons of stator minimum age limits, income residence or physical or mental health, will be deemed eligible for referrals to employers for employment which they are qualified to perform.
2. The Consultant will require each applicant to complete a serially numbered application for referral. The application will include name, address, and telephone number, union affiliation, if any the occupations/trade for qualified to perform, and a summary of experience in the stated occupation/trade.
3. Each such applicant may state more than one occupation/trade for which he/she is qualified and desires referral.
4. Each applicant for job referral will be filed alphabetically under occupation/trade. The file will contain the pertinent information relating to the applicant including, but not limited to proof or verification of his/her qualifications and experience, complaints, reports, letters, grievance, and other relevant information.
5. The Consultant reserves the right to verify the truth or falsity of the applicant's statements on the application regarding qualifications. If it is established after a discussion with the applicant that the statements were materially falsified, the applicant's referral application may be voided in whole or in part.
6. The Consultant will maintain the following 1) the date the applicant was referred. 2) The name of the requesting employer; and 3) the occupation/trade referred.
7. The applicants name shall remain in the job referral register until he/she has been offered a job referral or has otherwise obtained employment and has maintained such employment for three (3) working days.
8. In the event a referral is offered to an applicant in one occupation/trade for which he/she has indicated qualification and desire for job referral, and he/she has refused to accept, such refusal will be noted in the job referral register. The applicant will be required to register a new and will be placed at the bottom of the list. The applicant will not lose his/her position if the refusal is good cause such as a documented court appearance, death in the family, etc.

9. An applicant may be referred out of chronological order if he/her possesses special skills and abilities required by any other applicants preceding him/her on the referral list.
10. Employer requisitions communicated to the Consultant during other than normal referral hours or on, Saturday, Sunday or holidays, and which constitute work emergencies, will be filled by the Consultant in an expeditious manner, Saturdays, Sunday or holidays and which constitute work emergencies, will be filled by the Consultant in an expeditious manner.
11. Whenever any preceding applicant is bypassed for any of the reasons previously stated or referred out of chronological order of registration, the Consultant will, in an appropriate column, state such fact, and the name of the subcontractor making such specific request. Additionally, the subcontractor shall explain the reasons for such sequence referral upon request.
12. Any applicant for referral whose employment is terminated two times in any twelve-month period for incompetence, attendance or refusal to perform the work assigned, will lose referral rights, unless he/she can satisfactorily demonstrate to subcontractor and Consultant staff that their termination was unjustified.

IV. REPORTING AND COORDINATION

The following reports will be submitted to documents placements, programs effort:

Monthly Reports

These reports will highlight goals, monthly placements, program accomplishments, and document outreach efforts and any problem/resolutions.

Close-Out Report

In this report, statistics will be provided to document number of applicants screened, referred, and placed.

V. REPORTING AND COORDINATION

The project staff will be supervised by _____, Project Executive, with day-to-day activities performed by _____ project Coordinator.

V1. GOALS

EEO and Diversity Compliance

V11. CONCLUSION

Further, Consultant will participate in meetings and/or discussions with City or contractor association representatives regarding affirmative action guidelines and efforts throughout the Project. Consultant will also prepare information for and participate in any necessary meetings with various interested community groups, as appropriate.

The Consultant will constantly be aware that established goals have achieved at all times during the project duration. As stated above, we expect the Consultant with to provide the Contractor with top quality advisory Development planning and arbitative services as required and to assist the Contractor in creating and monitoring the above affirmative action MBE/WBE plan, Consultant will also participate in Meetings that pertain to achievement of the Plan. In doing so the Consultant will have enable the Contractor will have enable the Contractor to maintain a comprehensive Plan.

B.MBE/WBE OUTREACH RECRUTIMENT

I. OBJECTIVES

- 1) Provide top quality advisory, development planning and arbitative services, as required.
- 2) Assist the general contractor in creating and monitoring affirmative action plans as to minority and women business development.
- 3) Facilitate appropriate technical assistance.
- 4) Work with existing community resources.
- 5) Work in an efficient and timely manner to accomplish the Client's objectives.

II. SCOPE OF SERVICES

At the direction of the Illinois Department of Transportation, detailed tasks to develop and implement an overall Affirmative Action Program by Consultant for the construction phase would include;

1. **Participate with Illinois Department of Transportation** in Meetings with Interested/Affected Parties; Purposes of the meetings would be to gain support for the anticipated program between the general Contractor, prime subcontractors and representatives from local contractor Organizations.
2. **Preparations of Affirmative Action Program**, will include mechanisms to promote minority and local business and employment, and to maximize the benefits to minorities, women and local residents, With this program, an Affirmative Action Plan will be prepared, establishing mechanisms to achieve "best effort" goals for the preconstruction, construction and post construction periods. Individual "trade area goals will be considered, depending on the capabilities of the general Contractors.

3. **Design and Implementation** of proper Recordkeeping System; Mechanisms for reporting and monitoring minority and female contract supplier and employment participation will be developed for The PROJECT. Strategies would be developed to ensure participation in every phase. The recipient of said reports will be defined as well as the mode of assessing and tracking the reports. Consultant will work closely with Illinois Department of Transportation and use all the best efforts so that reports are prepared properly and are accurate reflections of efforts made to date.
4. **Facilitation Evaluation Roles:** Consultant will participate in the general contractor bidding process, as well as in the prime subcontractor bidding process so that all best efforts are made with respect to achievement of employment and development goals. This includes preparation of bid document language as it relates to MBE/WBE goals.
5. **Representation and Presentation of Information** Related to Affirmative Action Program: Consultant will participate in any meetings and /or discussion with City or contractor association representatives regarding affirmative action guidelines and efforts throughout the Project. Consultant will also prepare information for and participate in any necessary meetings with various interested community groups, as appropriate.
6. **Dissemination** of Certified MBE/WBE Contractor Lists and Assistance in investigation certification status of contractors: Throughout the project's life, the need of certified local MBE's to bid on the project will require research and investigation by the individuals who know the certification contractor for various trade areas and investigate the certification status of such MBE and WBE firms as appropriate.

III. **Additional Services**

1. Establishing a working relationship with the City of Chicago's Affirmative Action Representative. The purpose of this relationship is to ensure such person will have knowledge and understanding of affirmative action activities.
2. Develop mechanism for tracking established goals and ensure that a strong internal monitoring program is instituted early on.
3. Assist Illinois Department of Transportation with preparation of Affirmative Action language for including in all bid and contract.
4. Hold a minimum of one MBE/WBE Outreach conference to identify potential minority and female subcontractors and suppliers.
5. Prepare presentations of information to required community government organizations and business groups.
6. Assist in the identification of qualified MBE and WBE construction firms.

7. Participate in as many pre-bid meetings with the general contractor as required to ensure affirmative action issues are discussed.
8. Highlight through various publications, Illinois Department of Transportation activities and accomplishments

IV. Timetables

1. Assist in the presentation of any necessary public testimony and in the representation of Illinois Department of Transportation at public meetings if necessary.
2. Meet with the Illinois Department of Transportation approximately on (1) or two (2) times a month to discuss affirmative action progress and recommend certain actions for construction phase.

Chicago: Transcript

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1 (WHEREUPON, PROCEEDINGS WERE HAD
2 WHICH WERE NOT HEREIN TRANSCRIBED AT
3 THE REQUEST OF IDOT.)

4 MS. FIELDS: Put this speaker on the
5 record. They are going a little out of order.

6 THE REPORTER: Okay.

7 MS. LOGAN: Good afternoon everyone.

8 I was in the construction industry
9 for more than 20 years. I was 21 years of age and
10 did very well; but there were many barriers that
11 prohibited us from growing further and
12 participating at a level that everybody who wants
13 to should be able to. The congressman writes
14 "Testimony for the State Department of
15 Transportation hearing on targeted partnership."

16 Mr. Chairman, my name is Sherita
17 Logan, and I am the Deputy District Director for
18 the 7th Congressional District for Congressman
19 Davis, and I am pleased to be here today to
20 represent him.

21 Congressman Davis is and has been a
22 long-time advocate for affirmative action and
23 lending himself to whatever it takes to make those
24 things happen in leveling the playing field for

1 individuals and companies trying to break into the
2 construction road building and building trades
3 industry.

4 We commend the Secretary, the
5 Chairman, the staff and all of those individuals
6 for making this discussion possible so that we can
7 determine what really works and what does not
8 work.

9 In Illinois we all know that the role
10 that labor unions play and their influence that
11 they do willingly when it is time to come to
12 contracting and construction and other building
13 trades.

14 We have seen program efforts,
15 programs and had all kinds of conversations; but
16 oftentimes not action.

17 Therefore, I urge that the secretary
18 program developers and all of those who have the
19 authority and responsibility to help equalize the
20 opportunities.

21 I urge that we scrutinize these
22 programs carefully and get rid of every possible
23 barrier, seen and unseen, known and unknown and
24 the loop holes that would have or could cause the

1 program not to be less than effective.

2 I know that Mr. Davis wanted to be
3 here in person to emphasize and strongly support
4 for this prototype program efforts.

5 I know that he feels strongly the
6 pain and the frustration of the people wanting to
7 work; and when work is available, they are told
8 that they cannot be considered or that they cannot
9 be hired because they are not in the unions nor
10 neither their father nor their grandfather was in
11 the Union.

12 We thank you, Mr. Secretary,
13 Ms. Secretary. We thank you, Mr. Chairman, and we
14 thank your staff for helping to move us closer to
15 the efforts to the perfect union that has evolved
16 all of our lives, all of our natural lives. We
17 thank you very much.

18 I won't stray much from what the
19 congressman had said and what he meant, but the
20 barriers that exist we need to have those candid
21 conversations and do the work.

22 We commend those who are doing the
23 work who put forth the legislation and those who
24 are hear to listen from the State level so that as

1 we all travel we can continue this conversation
2 and help break down those barriers.

3 Thank you very much.

4 [Applause.]

5 MEETING OVERVIEW BY DIRECTOR FRANK W. MC NEIL:

6 MR. MC NEIL: My name is Frank McNeil. I
7 am the Director of Office of Business and
8 Workforce Diversity, and I am here today more so
9 to get your testimony as everyone has requested.

10 We have the opportunity to create
11 something in Illinois that we have nowhere else,
12 and I think this is an opportunity of a lifetime
13 because what we are trying to do is level the
14 playing field.

15 We need the input from individuals
16 who are in the working community in the
17 contracting community to come forward and give us
18 examples of barriers and things they had to
19 overcome in order to participate in this process.

20 I want to first before we get anymore
21 testimony allow Representatives Will Davis,
22 representative LaShawn Ford and Representative
23 DuBuclet and Representative Burke to have a few
24 words just before we get started and then we will

1 start with the testimony.

2 We have right now in line Matthew
3 Cooper from Innercity Underwriting will be the
4 first person we hear from testimony this morning.

5 (WHEREUPON, PANEL REMARKS WERE NOT
6 TRANSCRIBED HEREIN AT THE REQUEST OF
7 IDOT AND PUBLIC COMMENTARY WERE
8 TRANSCRIBED HEREIN AS FOLLOWS:)

9 MR. MC NEIL: Let me go over the ground
10 rules one more time. We are going to have
11 testimony.

12 Please when you come up, state your
13 name and what organization or entity you are
14 representing because we do have a court reporter
15 who is reporting this, and this is going to be a
16 part of the official record that we have to
17 produce in order to get this program into force.

18 So right now the first person we have
19 on our list is Mr. Matthew Cooper from Innercity
20 Underwriting Agency Insurance and Bonding.

21 Mr. Cooper.

22 MR. COOPER: Good afternoon. My name is
23 Matthew Cooper. I am President of Innercity
24 Underwriting Agency.

1 We are a full service insurance
2 Agency that does both insurance and bonding.

3 In addition to that capacity, I am
4 also here as Chairman of the Cosmopolitan Chamber
5 of Commerce, which is historically the oldest
6 African-American Chamber of Congress in the City
7 of Chicago and so I am here in both capacities, in
8 the capacity as an insurance broker who works with
9 a number of contractors in their efforts obtain
10 insurance and bonding for various contracts. I
11 have been asked to speak relative to what my
12 experiences have been.

13 The legislation that you have I have
14 to commend you on is great legislation. I think
15 it's a great move forward.

16 I commend Senator Hunter for her
17 efforts to identify one of the major roadblocks
18 that we have.

19 We can have a target market that says
20 we will provide opportunities to minority and
21 women-owned businesses in those areas.

22 But once they get those
23 opportunities, then they have to provide insurance
24 and bonds for that.

1 It has been our experience that that
2 has been extremely difficult to obtain and as the
3 market, particularly the insurance market and the
4 financial markets become tighter and tighter, it
5 becomes even more and more difficult to do.

6 The experiences contractors have
7 relative to bonds fall into two areas.

8 One, if you do a contract in the
9 State of Illinois, City or the county, for the
10 most part you have to be a Union contractor.
11 Every contractor who is a Union contractor has to
12 provide a wage and welfare bond.

13 So that is the first bond that they
14 have to provide. Those bonds are difficult for
15 small firms to get and usually those who require
16 them setting aside some funds that they could use
17 for the projects in order to secure the bonds.

18 First of all, everybody is familiar
19 with what a bond does. I just want to make sure
20 we are all real clear about that.

21 With the State when you get a
22 contract, essentially what the State requires you
23 to do is have a financial vehicle in place that
24 guarantees the State your performance of that

1 work; and if you fail to perform on the contract
2 as you bid, then the insurance company or the bond
3 company that is on that bond then has to step
4 forward and either pay off the terms of that
5 contract or find some other way in which those
6 contracts are provided for.

7 That being the case in the
8 underwriting process for a bond, there is a lot of
9 scrutiny done to the financials, to the
10 performance level and the size of the firm.

11 Minority-owned firms historically
12 have bid smaller and less exposed to these
13 opportunities for a variety of reasons, primarily
14 as we mentioned is legislation, the discrimination
15 issues that we deal with and because of that when
16 you do finally get that opportunity providing the
17 bond to secure that contract becomes the other
18 road barrier. So you can win the contract, but
19 you can't provide the bond; and in some cases if
20 you are able to provide the bonds because your
21 cost of the bond or because of the requirements
22 where you get the bond.

23 A lot of times the contractors in
24 order to get the bond will have to provide a lot

1 of collateral for the bond.

2 That collateral will be in terms of
3 actual cash or letter of credit. That means that
4 money that they would need to finance the project
5 is now being put up to secure a bond; and,
6 therefore, they are now put at a big disadvantage
7 in terms of getting the bond. So, that becomes a
8 major road block for contractors getting the
9 bonds. That is why I think what Senator Hunter is
10 trying to do in that area is very important. It
11 will make this legislation extremely effective.

12 As I believe the Secretary Martin
13 mentioned, we walk the walk. We have talked the
14 talk. If we are going to really get some reaction
15 done, we really have to solve this particular
16 problem.

17 Those are my comments. I am open for
18 any questions anybody may have.

19 MR. MC NEIL: Thank you very much for your
20 testimony, and this is more of a hearing to hear
21 what you have to say. We are creating a record.

22 So those people who want to testify,
23 we want to create a good record so that when we go
24 forward, we have the back-up that says there are

1 people out here who are looking for legislation
2 that will increase the opportunities for
3 African-Americans and minorities, women to get
4 into the IDOT transportation contracting business.
5 Thank you very much.

6 MR. COOPER: One note to that in point in
7 terms of actual experiences, I will say there have
8 been a number of times my phone has rang when
9 there is a letting by IDOT, and contractors will
10 call me and say this is something I can really do.
11 I mean, this is a project I really want to bid on.
12 I really want to bid on this. Can you get me the
13 bid bond that is required or can you provide the
14 bond? And I can tell you on a number of occasions
15 I will have to say I don't think you are going to
16 be able to get the bond for that.

17 In the new legislation there is no
18 bid bond required, so we have to be cautious about
19 the actual performance bond once we award it and
20 then you still to provide the performance bond. I
21 have had a number of situations where people call.
22 They are fully capable of doing the work, but
23 unable to do it because that becomes a hurdle or a
24 barrier that they can't overcome. Thank you.

1 MR. MC NEIL: Thank you.

2 The next person on here is Mr. Willie
3 Sellers of Sellers & Sellers.

4 MR. SELLERS: Good afternoon. My name is
5 Willie Sellers, and one of the reasons I am here
6 is because of the lack of opportunities that
7 African-Americans have on the IDOT projects; and I
8 just want to talk about a couple of the barriers.

9 One of them is like low balling, like
10 they say the reason that we don't get the work is
11 because our prices is too high; and when you are a
12 small company, your insurance, your fuel, your
13 cost is higher than the major companies.

14 So like a lot of them have gas tanks
15 right on their site. So they are able to buy gas
16 in bulk and insurance. Our index is higher. We
17 have to pay higher for insurance. There is a lot
18 of barriers there. So that is one thing is low
19 balling the price.

20 The other one is the waiver and the
21 modification. When you give the big company
22 waivers and modification, you are telling them
23 that they don't need to use us. So, that is what
24 they used, and now we are sitting at home.

1 The other one is the Union. You
2 signed a PLA with the unions and African-Americans
3 have no Union representation, and those are three
4 barriers that kill us right there.

5 So, I am saying that instead of
6 giving waivers, make them give the money back to
7 the State or offering a fund to help minorities
8 bid a job.

9 So those are three of the things I
10 see that we need to address, the PLA, low balling
11 and modifications. If there is nothing else, I
12 will get up. Thank you.

13 MR. MC NEIL: Thank you, Mr. Sellers. We
14 appreciate your comments, and they are part of the
15 official record.

16 So those of you who are testifying,
17 this is a part of the record.

18 Maurice Perkins from Midwest Fuel
19 Cell.

20 MR. PERKINS: Good afternoon.

21 My name is Maurice Perkins from
22 Midwest Fuel Cell and Alternative Energy Sources.

23 We have been a DBE for the last five
24 years, and it has been kind of unfruitful.

1 I also do for the Department of
2 Corrections transitional housing for ex-offenders
3 and have been doing this for seven years.

4 I would like to say that job
5 development programs in the white community
6 construction is the staple. It's the staple of
7 their community.

8 Those ex-offenders and people in the
9 white community very often find themselves on
10 construction jobs, and it will be great for our
11 people that are transitioning from prison and
12 different places like that to be able to
13 participate.

14 Now, I have worked with Taylor Cotton
15 when he constructed the Chicago Urban League's
16 program for construction.

17 What we don't have now is a
18 monitoring apparatus. There needs to be serious
19 monitoring. We have monitored McCormick Place on
20 their first and second expansion, which guarantee
21 us input.

22 We monitored the new Cook County
23 Hospital. There are no monitoring apparatuses in
24 place to guarantee that the numbers are right and

1 we are being included. We have a monitoring
2 proposal for this body that has been effective all
3 over the country. We would like to submit that at
4 a point.

5 Also, mental protege' is very
6 important. This is a picture of Larry Huggins.
7 We worked with Larry and protested against most of
8 the major construction companies. When we had him
9 in the paper under our organization here, the
10 Governor called him and Dan Walsh called him a
11 mentor protege'.

12 He would not be a successful
13 entrepreneur without the fact of a mental protege'
14 and people like Dan Walsh saying "Come on, let's
15 take this trip together." That is what it takes.

16 When you are talking about bonding
17 and you are talking about these kind of surety
18 bonds and stuff, a major company in a mental
19 protege' arrangement could arrange all of that.
20 They could envelop you right into their bonds and
21 whatever else that you need.

22 Mental protege' and IDOT has not
23 happened in many years, and it needs to because if
24 you got a company doing 200 million dollars a

1 year -- I mean they certainly could be a mentor to
2 a company that is just getting started or a d/b/a,
3 and their revenues have to stay on I think two
4 million.

5 What we are saying is that this needs
6 to happen. You know back in the '60s, we had to
7 march on the Chicago Federation of Labor, and it
8 seems like we keep reinventing this wheel.

9 When our people are out there
10 suffering all of these guns, all of this violence,
11 they need work; and I can't go out there and stop
12 any of this without having some alternatives to
13 offer.

14 So you need to tell these larger
15 companies -- and you know who they are, McKeons,
16 Paschen, those big companies that they need to do
17 more in the mentor protege' program.

18 Now, if you could do something with
19 that, then you would have done a great deal and
20 you would make us viable companies as DBE's.

21 The gentleman that spoke before me
22 talks about waivers and modifications. That is
23 what they do. They come in low. They get those
24 change orders; and before you know it, it's almost

1 double. They get a waiver so they don't have to
2 look for me.

3 Waivers, waivers, waivers, you know,
4 we need to do something effective in this state.
5 We have been talking about this for years and
6 years.

7 I hope this is the body that really
8 wants to address this issue in a meaningful way,
9 because you got black Chicago on the fringes, 40
10 percent unemployment rate. In the ex-offender
11 community, that could be 70 percent.

12 I mean, that is why our streets are
13 what they are. The men that would mentor these
14 young men are trying to get to the table with IDOT
15 and others so they can have substance. They can't
16 go out and do things in the community because they
17 don't have the substance because these doors are
18 closed.

19 We did the same thing here with Tim
20 Martin years ago, and really I commend you. I
21 just hope that this becomes a means to an end, and
22 we certainly would like to come to Springfield and
23 be a part of something meaningful and substantive,
24 not just reinventing the wheel, more smoke and

1 mirrors and there we stand on the sidelines.

2 Thank you.

3 [Applause.]

4 MR. MC NEIL: Thank you, Perkins. Let me
5 say a couple of things.

6 First of all, would you please if you
7 have specific instances of discrimination or you
8 feel that you have been discriminated against by a
9 construction company, we want you to put that on
10 the record.

11 Second of all, the Illinois
12 Department of Transportation has one of the few
13 approved mental protege' programs in the country;
14 and, by the way, Walsh Construction is one of our
15 mentors right now, and they do have someone in the
16 program.

17 So, we are not saying that this is
18 the end all or be all, but we do have a mentor
19 protege' program.

20 We are working on that, and we will
21 continue to try to work on that to try to get more
22 people in the mentor protege' program.

23 With that said, Ms. Michelle Lawrence
24 is the next person that we want to call up.

1 MS. LAWRENCE: Hi. My name is Michelle
2 Lawrence. I am the owner-operator of ML Group,
3 LLC. We are a paint marking company. We are also
4 a DBE. We have been doing IDOT work for three
5 years, and I have to say thank you to OBWD for all
6 of the support that we have received, which has
7 helped us be successful in actually performing
8 jobs.

9 Last year we completed the I-290
10 project, which is from the post office all the way
11 out to I-88. We did all of the pavement markings
12 for that project.

13 But as we are growing, it would be of
14 tremendous help for us to grow if there were
15 opportunities for to us be a prime contractor.

16 If there were some small set-asides
17 that we could bid on as well as being able to
18 obtain bonding, we solely operate off of the
19 projects that we generate money from IDOT, and it
20 would also be helpful if the front pay act, if we
21 could shorten it to like maybe seven days as
22 opposed to 15 days. For those of us who don't
23 have a line of credit, that would be helpful.

24 I also submitted a request to be a

1 mentor protege'. I know that OBWB has been doing
2 a great job, Frank Marva and everyone else in your
3 success in growing. Hopefully we will be around
4 much longer. Thank you.

5 [Applause.]

6 MR. MC NEIL: Thank you, Ms. Lawrence.

7 Again, if you have specific instances
8 of where you feel that you have been discriminated
9 against, please put them on the record.

10 The next person that signed up is
11 Isaac Trigleth from Bee Jay's Electric.

12 Come up, sir.

13 MR. TRIGLETH: Good afternoon, everybody.

14 My name is Isaac Trigleth. I am the
15 owner of a small electrical construction firm. I
16 am a DBE, and I got by DBE through IDOT.

17 But after I got my DBE which took
18 about eight or nine months and tried to get work,
19 I was told after a while "You don't have any
20 money." I was just trying to figure out what does
21 that mean.

22 These gentlemen that have come before
23 me have pretty much said what I was going to say
24 except that I am an electrical contractor.

1 I cannot work on an IDOT project or
2 any project where there is a major construction
3 firm as a subcontractor without being in the
4 Union.

5 The State or the Governor or anyone
6 else in Chicago can say whatever they want.

7 These contractors will not hire me if
8 I am not in the Union; and to get into the Union,
9 I have to have money. I have to have money
10 guaranteed for the wages of my men that I hire.

11 I had been told that there would be
12 supplemental monies from the general contractors
13 they would give me as a sub under them that would
14 enable me to give to the unions for the men that I
15 would need to do these jobs. But that is up to
16 the contractor. It's a give or take situation.

17 So, for the time that I have been in
18 here in the DBE program, it has not been fruitful,
19 and I have tried.

20 I have been to a lot of IDOT
21 meetings. Like I said, some people that were in
22 power told me that the reason you don't get any
23 money contracts is because you don't have any
24 money.

1 So this is the first meeting that I
2 have been to in a while. So that is one of the
3 things, and the other things you know about, the
4 bonding; and I don't know if you have to have
5 bonds as a subcontractor under a General.

6 Usually they cover it, I imagine; but
7 for a person that is just starting out on an IDOT
8 project as a subcontractor I don't know all of it,
9 but it's difficult I know that. Thank you.

10 [Applause.]

11 MR. MC NEIL: Thank you.

12 The next person I have is Percy
13 Thomas from Midwest.

14 Is Percy Thomas still here?

15 MR. THOMAS: First off I want to thank you
16 for our distinguished panel for being here and for
17 putting on the effort that you put on.

18 I am a member of P & A Development.
19 We are a small development agency out in the area
20 of Maywood.

21 We have been involved in an
22 employment opportunity grant program for about the
23 last six months.

24 We are working in conjunction as well

1 with a not-for-profit housing helpers where they
2 are supplying us houses so rehab in the area.

3 Well, my partner and I went into the
4 agreement in the beginning not expecting things to
5 work.

6 Knowing that there would be many
7 glitches in while the system of things as they are
8 always are, we recently ran out of funding through
9 the program.

10 I don't know the situation of why the
11 funding ran out, but I am going to say we picked
12 up 50 students.

13 We took on our projects personally 20
14 students training them in the areas of electrical
15 plumbing, dry walling, painting and to see the
16 energy and enthusiasm that they have in terms of
17 just being able to come to work on a daily basis.

18 When our program first started, we
19 asked to see a show of hands of those who had
20 criminal records. Just about every hand went up.

21 Now talking personally with them, we
22 find some of them killers, drug sellers, gang
23 bangers, what-have-you.

24 We didn't judge them in reference to

1 that; but as they were seeking an opportunity, we
2 gave an opportunity so that we could say that
3 during the period of time while we had them, that
4 activity with them stopped because they were
5 responsibly with us on a daily basis working.

6 I know that it's not the type of
7 program that can solve every problem that Blacks
8 face and Latinos face in the areas that we live
9 and other minorities face in the areas where we
10 live. But I know that it's at least a start.

11 I want to know if we can work a
12 little bit more closely with some of the members
13 of the Senate, some of the members with State
14 Representatives in terms of striving to push
15 forward more apprenticeship programs, not
16 pre-apprenticeship programs, but more apprentice
17 programs and hopefully in the future even bypass
18 the Unions that we know have not worked in our
19 best interests.

20 Those Unions that we know when they
21 have the history of that have actually worked to
22 keep us out of the job force more so than help us
23 get in.

24 We want to be soldiers to bring about

1 a peaceful solution and with us giving every man
2 and woman ability to earn a living wage. Well, it
3 helps toward that intended goal.

4 I thank you all again for having this
5 event and allowing me the time to speak. Thank
6 you.

7 MR. MC NEIL: The next individual is Dipak
8 Shah, and that's Rubinosos & Mesia Engineers.

9 MR. SHAH: Good afternoon. I am Dipak Shah
10 from Rubinosos & Mesia Engineers. I am the
11 president of the firm.

12 First of all, I would like to thank
13 everyone for making this event possible,
14 especially the Secretary and, of course, the
15 senators and the representatives.

16 I know this is more about
17 construction; but I believe I heard that this also
18 includes other services; and I must tell you that
19 the target market does help because we are the
20 beneficiary of the target for the City of Chicago
21 offers, because we have been able to get the prime
22 projects instead of just certain consultant work.

23 Even though IDOT has been very nice
24 to us and we have been getting some consultant's

1 work, but the target market will improve our
2 chance of getting the prime projects which is the
3 ones you want to do always, because that is how
4 you grow.

5 Thank you that you guys are trying
6 this and hopefully things will work out; and it
7 will improve the situation. Thank you again.

8 [Applause.]

9 MR. MC NEIL: The next individual is Malik
10 Everett of Malik Everett & Associates.

11 MR. EVERETT: My name is Malik Everett of
12 Malik Everett & Associates. I have a small
13 professional service and construction company on
14 the South Side of Chicago.

15 I would like to talk about a specific
16 instance. I know that most of the people talked
17 earlier about the general thing.

18 I recently became a DBE with the City
19 of Chicago; and, of course, that certifies you
20 with a bunch of other groups.

21 As far as my certification, I am not
22 certain if it's because of the DBE or the BEP
23 program why I got a call one day. I got a call
24 from the State agency.

1 They required some fencing to be
2 done; and, of course, I put together a bid, and I
3 sent it to them. In a day or two the guy called
4 me and said I have to bid it. That is good. You
5 can build projects on top of projects. That is
6 what I was attempting to do.

7 After getting an I-Bid I was going to
8 be able to do this project, I found out that the
9 agency required a three million dollar insurance
10 policy. I thought "Wow." I had just completed a
11 federal project, a \$600,000 project with a million
12 dollars worth of coverage, and they didn't have
13 any problems.

14 I thought it was quite unusual that I
15 would have to have a three million insurance
16 policy for a \$9,000 project. It just kind of
17 threw me for a loop. You got to keep working.
18 You can't cry. You got to get up and brush
19 yourself off and keep going.

20 Then this came up. I really
21 appreciate you all being here to hear my -- I hate
22 to say cry, but basically that is what it is.
23 It's a challenge.

24 MR. EVERETT: Thank you very much for being

1 here. Have a nice day.

2 REPRESENTATIVE DAVIS: What is the name of
3 the agency that called you?

4 MR. MC NEIL: He wants to know the name of
5 the agency that called you?

6 REPRESENTATIVE DAVIS: Are you willing to
7 share the name with us?

8 MR. EVERETT: I hate to say the name in
9 public, but maybe just you and I. I don't want to
10 just put it out there.

11 REPRESENTATIVE DAVIS: Okay. Thank you.

12 MR. MC NEIL: The next individual is
13 Mr. Edward Forte from Precise Construction. I did
14 see him here earlier. There he is.

15 MR. FORTE: Good evening. How much time do
16 we have?

17 [Laughter.]

18 MR. FORTE: Do I have to buy everybody
19 lunch?

20 I am Edward Forte, the CEO for
21 Precise Construction Systems, and I am also
22 Chairman of the Board of an organization called
23 Black Contractors United; and we have been
24 involved in the construction community and

1 construction industry since 1976.

2 We have been on two governors small
3 business task force. My mother was involved in
4 writing the original affirmative action
5 legislation with Congressman Savage.

6 I have watched this industry for 35
7 years of my life, and today in this meeting after
8 35 years we are still discussing the same problems
9 that we were having 35 years ago, because the real
10 issue has never ever been identified.

11 We have heard today from bonding, the
12 bonding situation. Well, the bonding industry has
13 been the No. 1 opponent of affirmative action
14 since its inception, the bonding industry.
15 Point-blank it's simple. They were and still are
16 at the top of the ladder when it comes to
17 anti-affirmative action.

18 No. 2, Union involvement, the unions
19 are in the business for keeping their bodies of
20 people, their members working who has the
21 seniority.

22 They don't like us, because we
23 weren't allowed in prior to 1971 and are still
24 fighting to get in some of them now. The doors

1 are still closed. So, now we got bonding and we
2 got the unions.

3 No. 3, banking, the money, let's look
4 at that. In order to be a DBE, your total
5 networth the last time I checked cannot exceed a
6 million dollars. It's 1.3 now now.

7 If your total networth, your cars,
8 your jewelry, your house, whatever else you might
9 own can only be 1.3 million dollars, how much of a
10 bond can you get?

11 Do you want me to tell you? It's
12 about a half a million dollars, because the
13 bonding industry works exactly like the banking
14 industry.

15 In order to borrow, it's a 10-to-one
16 ratio and then you have to have past history to
17 perform the exact thing that you are going to
18 bond.

19 There is no justice because you know
20 how to do electrical work that you can put a bond
21 to install a gas line. It doesn't work that way.

22 So, therefore, those obstacles, those
23 barriers to entry have been put in front of the
24 entire DBE community, be it black, white, female,

1 white male, it doesn't matter because it's by
2 design.

3 Again, take the whole thing around
4 banking and bonding.

5 If the subcontractor of which the
6 majority of your DBE's got to enter the industry
7 since the 1980s, the last recession, the general
8 contracting community took the position of pay you
9 when they get paid. Okay?

10 So, therefore, by you being a
11 subcontractor you have every liability, payroll,
12 fuel, equipment, taxes, insurances, overhead,
13 everything comes due in seven to 30 days, yet your
14 average pay is 63 to 72 days.

15 So how are you going to have a credit
16 rating to go and borrow money with all of these
17 late pays, and it's by design.

18 You can't even borrow money against
19 contracts with the current banking industry
20 because a contract in this essence has no value.

21 You have to have a working
22 relationship with that under one million dollars
23 threshold, I might add, in order to get a line of
24 credit to pay for the overhead and the cost of

1 doing these projects.

2 So, until we collectively sit down
3 and acknowledge the fact that in the construction
4 industry in Illinois because this is one of the
5 few states that you don't have to have any
6 historical data to support that you are a
7 contractor.

8 Everywhere else you test. You
9 demonstrate your financial responsibility and
10 ability to pay your bills on time; but in Illinois
11 all you need is \$125 and you are a general
12 contractor, period.

13 I have heard this issue about the
14 minority community overcharge. We don't
15 overcharge.

16 We get overcharged because none of us
17 are doing a consistent amount of business where
18 the big vendors get rebates to our competitors.

19 Oh, yeah, you got that federal law.
20 You got the rate, and you outright charge us a
21 different price. So what you do is they give it
22 back to them in the form of a rebate to another
23 job. But at the end of the day the matter is
24 still the same, period.

1 Until we collectively, the
2 politicians and the people that are trying -- and
3 I have never understood this -- how we come up
4 with things without talking to individuals that is
5 really doing the business.

6 This is not something anybody is
7 going to walk into and know. It's not written in
8 a book. So how can we formulate these things
9 without talking to the people that is actually in
10 it everyday all the way down to the barriers of
11 entry through IDOT.

12 There are things on the books that
13 has been there for years that were taken off by --
14 certain things were taken off by Governor Ryan and
15 then they mysteriously wound up back when
16 Blajeovich took over.

17 So, until these things are addressed,
18 I can honestly sit here and say anybody in their
19 right mind that would invest the kind of money
20 that it takes to be successful to do contracting
21 work for IDOT is crazy because you have no
22 safeguards on your money.

23 There is not one wall and one
24 position to protect the subcontractor from the

1 general contractor.

2 There is not a sub in this building
3 right now that could stand to go through the court
4 system to get his money.

5 He has already told you that he
6 doesn't have any money. So they know that from
7 Day 1.

8 So, all they will do is deny a
9 changeorder, deny a payment, low and behold you
10 are out of business in 90 days. And then all of a
11 sudden the State Revenue Department and everybody
12 else is chasing you.

13 Now, you never get that bond that I
14 heard from the first person who walked in here
15 speaking, period.

16 So, until we identify the fact that
17 this industry is one that must be, needs to be
18 monitored on every level, we are never going to
19 get it done for people. It's just not going to
20 happen.

21 I was at a meeting about similar
22 things that Quinn chaptered two Thursdays ago.

23 The same conversation that I heard at
24 17 years old attending these meetings with my

1 mother I heard at 52 years old, and it's the same
2 people in the room. They just got grayer and
3 older and leaning over a little bit. That is what
4 we are dealing with.

5 We sat on the Dan Ryan task force.
6 Now, if you want to talk about dirty laundry, the
7 subcontractors out there on the Dan Ryan -- and I
8 won't call any names -- they had never had any
9 history of doing this type of work, but the people
10 that got the history couldn't be it. Why?
11 Because the major general contractors, some of
12 which I heard you all say about mentor protege'.
13 They relax the requirements or use their
14 requirements to get who they want in, and that
15 usually is who they can control.

16 So, until that happens, that we take
17 a firsthand position and say what is real and how
18 does this really work, we can sit at these
19 meetings everyday.

20 I would ask for there to be some food
21 and drink at them, and you are never going to get
22 it done because the opponent are individuals that
23 feel that the construction industry belongs to
24 them from the bottom to the top.

1 We have people that work for you on a
2 regular basis. They have enough nerve. I was
3 told to tell Martin point-blank we are not going
4 to deal with your stuff. If you want your roads
5 and bridges built, this is the way we are going to
6 do it.

7 You can have this program, but we
8 don't want any monitoring. That is how bold these
9 people have gotten it, period; and if you give the
10 indication that you may not go with the program,
11 you are never going to know what they are planning
12 in the background.

13 How would you know? You are not in
14 the industry?

15 So, again, I applaud and respect
16 everybody up here that is trying to do the right
17 thing; but I do not see the right thing ever being
18 done if we don't grab the bull by the horns.

19 It is ludicrous that in 2011 people
20 that look like me are still asking, "Can I get in
21 the Union to work," and this is in their
22 neighborhood. Think about that.

23 You bring in people that don't look
24 like them from everywhere, even Iowa, Kentucky,

1 Indiana. That is what Governor Ryan and I had a
2 big discussion about when we did Illinois First.

3 How about we just start worrying
4 about the minority community in Illinois, and
5 let's see if we can worry about how to keep all of
6 Illinois' money in Illinois.

7 Those are the things and the concepts
8 that have to be dealt with. You are chasing your
9 tail with the bonding industry if the threshold to
10 be a DBE is 1.3 million dollars.

11 It's never going to happen because
12 when you sign what is called the indemnification
13 agreement, that is the guarantee that lets the
14 bonding company sell your wife, your kids' and
15 everybody else into slavery if you make a mistake.

16 Well, if you can't sign an
17 indemnification agreement that is 10 to one on a
18 bond that you want, chances are you are not going
19 to get it.

20 So I will be more than happy to go to
21 Washington, been there on a small business task
22 force, argued these same points for years.

23 In Springfield I can sit almost in a
24 passenger seat and go to Springfield, but this

1 time maybe if we address it from the top to the
2 bottom and the real issues and not worry about
3 political correctness, we can get something done.
4 Thank you.

5 [Applause.]

6 MR. MC NEIL: Thank you, Mr. Forte.

7 Next is Calvin Williams.

8 MR. WILLIAMS: Good afternoon. My name is
9 Calvin Williams, and I think that everybody that
10 has spoken before me has said probably as good as
11 I can say it all of the things that I was planning
12 to say regarding the barriers that we are facing
13 as a Black community in the State of Illinois.

14 The one thing that I would like to
15 point out are a couple things.

16 I would like to point out in addition
17 to the monitoring that that has been discussed so
18 eloquently by Mr. Forte is enforcement.

19 Monitoring as a program without
20 enforcement means nothing and so monitoring a
21 system that has actual tracking and actual
22 enforcement or penalties, if you would, associated
23 with it will provide some teeth and make these
24 larger companies think twice about trying to go

1 about awarding these contracts in a backhanded
2 sort of way.

3 The other thing I would like to point
4 out is that when we talk about the disparity among
5 contractors in the State and dollars awarded, we
6 have to look at the fact that of the minorities
7 that are classified in the State, blacks are given
8 the least or we have been awarded the least of
9 amount of contracts, and I think that is in line
10 with all of the barriers that have been discussed
11 today.

12 I think that one of the things I
13 would like to suggest is that the minority
14 classification be broken up or specified or
15 whatever words you want to use to really emphasize
16 the disparity and where the actual efforts need to
17 be placed.

18 From what I know about the contracts
19 that have been awarded, white women are classified
20 as a minority; and they have in effect received
21 the large share of the monies that have been
22 awarded to date and then I can go on and on about
23 the groups. But African-Americans are the last.
24 We receive the least amount of these funds.

1 So what I would like to see in order
2 to sort of start correcting this error of ways, if
3 you will, is to actually break up the minority
4 terminology or the classifications and start
5 placing emphasis on where the efforts need to go
6 in order to help black businesses, and that's all
7 I would like to say. Thank you.

8 [Applause.]

9 SECRETARY SCHNEIDER: I just wanted to butt
10 in here for just a second.

11 All of your comments have been
12 extremely helpful. For us to be able to implement
13 the Target Market Program, we need specific
14 examples.

15 So, I encourage you that if you have
16 specific examples and you don't want to testify to
17 those examples today, please submit those in
18 writing so we can get those in the record because
19 that is what is really important for us to legally
20 determine whether or not there has been egregious
21 discrimination, and we need your specific examples
22 of how you have been shut out and what those
23 processes have been.

24 I think we have heard a couple of

1 examples today, and I would encourage more
2 examples of those things so that we can get the
3 record that we need to move this program forward.

4 So, again, thank you all very much
5 for your comments in helping us to realize what
6 some of the barriers are that you have faced.

7 But it is also helpful to us to get
8 those very specific examples of how you have been
9 shut out. So, I just wanted to put that up there.

10 MR. MC NEIL: Thank you, Madam Secretary.

11 Again, as she said, if you don't want
12 to testify and you want to provide written
13 testimony, there is an address you can send your
14 comments to.

15 There are envelopes out there for you
16 to get and fill out and send it in to us so we can
17 make this a part of the official record.

18 Next is Belinda Henderson.

19 MS. HENDERSON: Good afternoon. My name is
20 Belinda Henderson. I am the Director of Black
21 Contractors United.

22 I have not been in that position
23 long, but I was also a subcontractor for 13 years
24 and was IDOT's minority contractor of the year in

1 2006.

2 I gave up my business two years ago,
3 and one of the main reasons why I did that was the
4 union issue that has faced every subcontractor out
5 here and every contractor, period.

6 No one ever seems to feel that they
7 are a problem to the small businesses, but they
8 are a major obstacle.

9 As other contractors had stated, you
10 are not paid on a prompt basis; whereas, your
11 union dues and all of these things, your benefits
12 and things are due in 30 days.

13 After that 30 days is up and your
14 payment is due on the first, if it is not there,
15 you get a letter on that second day of your
16 delinquency saying that they are coming after you
17 and your company.

18 Everyday thereafter you have a
19 percentage that can go anywhere between two to
20 seven percent per day that is tacked on to those
21 benefits that are owed. That right there can put
22 a business out. They will keep you off of a
23 project simply because you have not paid your
24 dues.

1 From talking with numerous people, no
2 one ever wants to go up against them to try to
3 help anyone do anything about that.

4 The other topics that I have planned
5 on speaking to, my predecessor that was here
6 earlier, Mr. Forte, did that very eloquently.

7 So I really have nothing else to say
8 except for the fact that I hope this works. I
9 will be in contact with most of you in the future
10 because of my position. Thank you.

11 [Applause.]

12 MR. MC NEIL: One more item of concern is
13 that for those of you who don't want to submit
14 written testimony, the court reporter will be here
15 until 3:00 o'clock; and if you want to go up after
16 this meeting is over and speak with the Court
17 report and give her your experience, you can do
18 that so that you don't have to speak in front of
19 the crowd, but there is an opportunity for written
20 testimony.

21 There is an opportunity to provide
22 private testimony. As long as it's on the record,
23 we will accept it.

24 At this time we have Mr. Hafece.

1 MR. HAFECE: My name is Bader Hafece. I am
2 Vice President of DAMA Consultants.

3 This session will give us an
4 opportunity for many DBE firms to submit on time.

5 This is going to be a benefit for the
6 State and for IDOT since there are many people who
7 will submit the bid.

8 The price is going to go down, and it
9 will benefit the budget of the State, so they will
10 improve their deficit.

11 Most of these d/b/a firms, most of us
12 came from big firms, and we have done the same
13 quality to do most of the tasks with no overhead.
14 So the session will be good for the State. Thank
15 you.

16 [Applause.]

17 MR. MC NEIL: The next individual is Luis
18 Montgomery.

19 MR. MONTGOMERY: Good afternoon. My name
20 is Luis Montgomery, and I am with 2IM Group, and I
21 am also a vocal speaker for the Hispanic American
22 Construction Industry Association, HAM.

23 I have a DBE and MBE design
24 consulting firm, and I think that the target

1 market with the City of Chicago has been very
2 successful.

3 It's something instead of reinventing
4 the wheel perhaps looking at that as an
5 opportunity to use, I don't know what the
6 differences are going to be, and one thing that
7 the small companies, the DBE's really wanted to
8 build is capacity. And that is something we can't
9 do without getting prime contracts. I think
10 somebody else mentioned that.

11 If we build capacity, it's going to
12 be local capacity, it's not going to the bigger
13 companies, especially in the design industry that
14 are going to ship it out to California or New York
15 or wherever.

16 This is going to be local capacity
17 people that are in the communities that work as we
18 work in Illinois for the Illinois Department of
19 Transportation and the City of Chicago, whoever it
20 is. That is basically all I have to say.

21 [Applause.]

22 MR. MC NEIL: Thank you.

23 Next we have Alfonso Castro and Juan
24 Arreola, and we do have a language interpreter

1 here so we are able to communicate.

2 So, thank you, Maggie for being here.

3 MR. ARREOLA: Thank you everybody for
4 listening. I am Juan Arreola with Humir
5 Construction.

6 We are a small company. We have
7 worked hard to have a small company, but the
8 problems we have encountered is that most of the
9 union -- the unions kill us because they don't
10 wait for the money. We don't have a large
11 capacity, a large funding capacity.

12 As a small company, we are limited by
13 the funds for the jobs. Once we reach the limit,
14 it's hard to get more. For the companies or the
15 jobs to pay, at this time they take 90 days.
16 Whatever loans we can get, the interest, they also
17 charge interest and the unions kill us. You get
18 behind, and you end up paying 40 percent of what
19 you really owe. They want to take over your
20 company.

21 One of the suggestions for this
22 target market is with small companies if we are
23 able to join two or three small companies to bid
24 on a larger job to make it easier to do a joint

1 venture with a small companies, and then we can
2 get bigger jobs because we are small and are very
3 trained in quality of work.

4 So insurance and bonding is another
5 thing. For a small job that they gave us, they
6 want us to match the same amount of the amounts
7 given to the contractors.

8 If they have six million, they want
9 you to match six million on a job, but it's going
10 to last two weeks. And that job covers all your
11 funding.

12 You won't be able to get more work
13 because you don't have the capacity to keep
14 working, and we have been striving to support at
15 least 10 families a year; and not having the funds
16 or the help, we are sometimes thinking just to
17 shut down our company down, which would leave me
18 as an owner broke, and I will leave a lot of
19 people out of work.

20 Thank you for listening.

21 [Applause.]

22 SECRETARY SCHNEIDER: Are they asking you
23 as a subcontractor for that insurance amount?

24 MR. ARREOLA: Yes. As a minority, you have

1 to match their amount. They cannot have less than
2 they do, and we have to cover them.

3 That is also a disadvantage on the
4 State contract. GC's get a mandatory six percent
5 mobilization. They grant 66 percent mobilization
6 over the quote; and we as a minority, we get three
7 percent. But it's only a loan. We got to repay
8 that money which the general contractors don't.
9 And that is a disadvantage also.

10 Also, how can they expect us to
11 survive if we don't get any help? At least if we
12 get paid in 30 days or 45 days, that is a lot of
13 help. Thank you.

14 MR. CASTRO: Good morning, everybody.
15 Thank you for being here and listening to us and
16 trying to know what our problems are as a
17 minority.

18 I work for the same company, Humir
19 Construction; and just to put some more
20 information about the specific problems we have,
21 we have an issue with the State target. We can
22 not fit a bond for \$5,000 to recover our money for
23 the job we already did.

24 The Union says we need that bond; but

1 in order to get it, we have to go to our insurance
2 and the insurance says we cannot get it because of
3 many issues that takes place. So we have our
4 money from two months ago sitting there with this
5 UCC. We can not recover it until we get that
6 bond.

7 It looks like we are already on the
8 path on the way to fix this; but for us that
9 \$25,000, \$30,000 is our life.

10 If we had a chance to fix all these
11 problems and get more opportunities to keep
12 working, at least as a minority company, we could
13 get more jobs to people that are looking for it
14 right now.

15 We only have 10 or 12 people working
16 with us a year. During the high season, we have
17 probably 15 people.

18 If we had a chance to get this
19 financial resources available to us, we could get
20 more jobs, which I think is one of the biggest
21 things this country is facing now, trying to get
22 more jobs for people. The jobs are there, but we
23 need to pay people. Nobody works for free.

24 So I would like to find a way to keep

1 working as a company and to keep more
2 opportunities to people looking for jobs. Thank
3 you very much.

4 MR. MC NEIL: The next company we have here
5 is Eric Thames with Midwest Fuel Cell.

6 MR. THAMES: My name is Eric Thames. I am
7 the vice president of Midwest Fuel Cell and
8 Hardware. I just want to touch on a few things
9 that I have went through.

10 What everybody is talking about is
11 checks and balances being able to see what was
12 really going on with us being selected as
13 subcontractors and contracting firms.

14 It will be easy to sit here and say
15 well, such and such did this, this firm did that;
16 but all you have to do is look at the actual
17 numbers. The numbers show that there is
18 preference.

19 When you got your major general
20 contracting firms, what they are doing is they are
21 choosing who they want to work with as
22 subcontractors; and if you just go back over the
23 course of the years and see where they have always
24 chosen on a consistent basis, I am almost positive

1 that it would be closely to the same.

2 Speaking of preference, what they
3 will do with us as subs is they will say okay.
4 You can eye this project for \$85,000, but I can
5 take a look at the blueprints and say there is no
6 way possible this can be done at \$85,000 just to
7 walk into this contract just to get one. I would
8 bankrupt myself. So it's basically saying we gave
9 you an opportunity, but we really didn't. It's
10 just on the books.

11 And then the bidding, they use our
12 firms to keep the firms that they prefer basically
13 to keep them honest.

14 They will send out a bid and say
15 would you bid on this, this, this and this. Then
16 I will touch base with the actual firm that they
17 used the last time. They will use them again and
18 say this is where you need to be at.

19 So, as far as finding out exactly
20 what is going on with all the different firms and
21 who is doing what, just follow the numbers, follow
22 the numbers for financing for 10 years. Follow
23 the numbers.

24 The size of the contracts, a lot of

1 us look at the size of the contracts, like the
2 contracts need to be broken down.

3 It's understandable that you can't
4 break a full contract down because then you will
5 have 10 things that will be bid on and four things
6 that won't, and they won't complete a contract.

7 There has to be a way for us to get
8 involved and being a part of getting these
9 contracts also.

10 Insurances and costs and things like
11 that for us, we start with a higher modification
12 factor; and the mod factor is based on you have an
13 accident. So, by you being a newer firm or just
14 getting the contract, they are going to
15 automatically give you a higher mod factor by the
16 State.

17 Your modification factor is
18 automatically one, which means your policy that
19 would normally cost somebody else \$4,000 a year,
20 it is going to cost you \$16,000.

21 So if I bid a contract that starts in
22 April, I am spending approximately eight to 10
23 grand before April even comes in on just the
24 insurance alone.

1 Where did I come up with that? It's
2 almost impossible to stay float until then. These
3 were just some of the things that I wanted to
4 touch basis on.

5 When they say put the committees
6 together to go ahead and have a monitor and
7 monitor, monitor, monitor, all you have to do is
8 monitor the books and monitor the numbers, monitor
9 who has the contracts and monitor who they are
10 hiring, and you will now. Thank you.

11 [Applause.]

12 SENATOR HUNTER: Thank you for your
13 testimony.

14 What we are really trying to get at
15 is we know how to monitor the books, we know how
16 to look at the numbers and all of that kind of
17 stuff.

18 What need some additional testimony
19 from you all, some specific instances, some
20 specific instances, something that happened to you
21 or someone told you to do this or do that or you
22 are not going to get this if you don't do that,
23 that kind of stuff, whether it came from someone
24 from IDOT, whether it came from someone from

1 administration, whether it came from the Unions,
2 we don't know where it's coming from; but if you
3 have some specific experiences with any of those
4 entities or anyone else, that is what we are
5 looking for.

6 Have you got some of those? Let's
7 hear from you then. Let's hear it.

8 MR. MC NEIL: And you don't have to
9 identify the actual company or the actual union.
10 Just talk about that experience that you had with
11 a Union or with a company, whether it be from
12 internally or externally, what issue do you have
13 or have you had with a company?

14 Give us specifics, that is, what
15 happened to you?

16 Did a company require you to provide
17 a bond where they actually already bonded the job
18 and they told you that you had to pay even though
19 you know the prime bonding of the job, they asked
20 you to also put up a bond.

21 I know there is some issues out
22 there. So, if you have those, would you please
23 come forward. Robert Moore, UFBC is the next
24 individual

1 MR. MOORE: To the Panel, my name is Robert
2 E. Moore. I am the President of United For Better
3 Communities. I also am the President of the
4 Community Development.

5 I have been in the construction
6 business now for over 32 years. I was an 8-A
7 contractor.

8 So I have done government projects,
9 and I understand very clearly that with the help
10 of SPA, a lot of times minorities or blacks get
11 opportunities that they wouldn't normally get.

12 I would hope that IDOT would look at
13 using some models that SPA used in order to put
14 black folks to work, black companies to work.
15 It's very well thought out. It's very well laid
16 out. The mentor protege' programs through SPA,
17 these things are very well laid out. That's
18 No. 1.

19 Those who have come up to testify
20 prior to me have done a very fine job, and I think
21 have identified a lot of the problems.

22 Let's talk about solutions. From
23 what I have heard and what I have known over the
24 last 32 years of the construction business as

1 regard to bonding, what I found out is that the
2 SPA bonding is more attainable when we go that
3 route; however, they, too, are still looking for
4 liquidity, equity and cash as well as job
5 performance.

6 I would like to see, because I know
7 it's needed, funds set side specifically to help
8 black companies.

9 If you would set aside at least 50
10 million dollars in a bond fund, at least 50
11 million dollars and a bond fund with a manager,
12 that would go a long ways to help a lot of
13 contractors become competitive and being able to
14 obtain bonding.

15 If you set aside 50 million dollars,
16 there could very easily equate to 250 million
17 dollars to 300 million dollars in working
18 capacity.

19 This money will be in a revolving
20 account. As jobs are completed, the contractor
21 will be charged a percentage just like through
22 SPA. We pay two-and-a-half percent. That money
23 then would go back into that fund.

24 Eventually you will be able to get

1 your 50 million dollars back because the money
2 will be a revolving account, or you could get
3 yours back and this money could grow.

4 I would also suggest that we do the
5 same thing as regard to banking. Banks want to
6 lend money; but there again, they want to feel
7 secure and happy and all of that good stuff.

8 So, then if we put another 50 million
9 dollars at least in a fund, they are again a
10 revolving fund, every contractor that comes up
11 here talks about how much money they have to pay
12 to get money, how much money they have to pay in
13 order to get funding.

14 So then if you will work with them,
15 put this money in the account and set up a
16 managing team so they do not have to wait anything
17 over 30 days to get their money.

18 If the money is in places like in the
19 bank and then of course, if you gave a bank 50
20 million dollars, there again, that money would
21 equate to probably 500 million dollars in bonding
22 and having money to pay the subcontractors on
23 time.

24 If you decide then even with this

1 target that you will be able to set aside some
2 funds over to help them mobilize and go out and
3 start jobs that, too, would be very helpful, but
4 at least if we had this money in place.

5 Now, another thing and those who are
6 in this business and in this town who know already
7 that IDOT is very well-funded.

8 It is set up in a very nice way, and
9 it's unfortunate to say; but we as blacks do not
10 have that type of infrastructure. We need it.

11 I would suggest that in our own
12 backyards Chicago State would be identified as a
13 place where as minority contractors will have a
14 place to go and get the things that they need to
15 make sure their paperwork is straight. And not
16 only that, but Chicago State has students that are
17 in engineering and all of these things. So there
18 is opportunities to help people with estimating
19 and setting up their companies properly and the
20 whole nine yards.

21 Chicago State right now, there is a
22 building called the Robinson Center on campus
23 empty. It has been empty I am told over eight
24 years. We need that facility. We need a place

1 that everybody can go to. It is identified and
2 funded so that people will know go to Chicago
3 State if you want to do work with IDOT or with the
4 City with the State, whatever the case may be.

5 By IDOT bringing some folks there to
6 help guide people through the maze, they come to
7 work every day at 8:00 o'clock there. We will
8 know where to go. We are tired of chasing our
9 tails and jumping over here and jumping over
10 there.

11 There is no way in the world are we
12 going to ever bring this to an end in the way that
13 we are going.

14 I would suggest approximately 25
15 million dollars be placed at the Robinson Center
16 to get it running and whatever it needs to get it
17 up and running so that we can use the college, use
18 that University there and their phone.

19 They also can be training themselves
20 and their students learning estimating, doing
21 estimating right there on the premises.

22 Without infrastructure -- I am a
23 military man. I stayed in the military seven
24 years.

1 Without a headquarters, without a
2 place to manage your situation, you cannot be
3 successful, and that's what is happening in the
4 black community.

5 We have a meeting over here today.
6 We have a meeting over there tomorrow. We are
7 going to talk about contracts over here, nothing
8 cohesive, no master plan. Who fails to plan plans
9 to fail.

10 What is happening in the black
11 community, we are failing. It's not because we
12 don't have the drive or we don't want to.

13 The obstacles are so great you can
14 minimize that if you would work with us to go to
15 Chicago State University, set up shop properly and
16 go to work.

17 Put together the bond fund, 50
18 million dollars in the bond and at least another
19 50 million dollars in a bank fund all revolving.

20 Thank you for your time.

21 [Applause.]

22 MR. MC NEIL: Laura Pager, Gale
23 Construction Company.

24 MS. PAGER: Thank you very much for your

1 time.

2 Again, I am Laura Pager, and I own
3 Gale Construction Company. I am a DBE prime
4 contractor. I have never subbed.

5 I started doing IDOT work as a prime
6 in April of 2009, and my first two projects were
7 almost identical.

8 I finished six contracts as a prime
9 now for the last two years. I have some very
10 specific examples for you.

11 Doing IDOT work has almost spun me
12 into bankruptcy. But you know we are on our way
13 back. I am not in it, and we are fine now; but I
14 have some specific examples of what has happened
15 as a result of doing the IDOT work.

16 I wasn't willing to put anything on
17 paper before until this past week only because
18 IDOT held -- and not IDOT really.

19 I think it was the engineer
20 themselves was holding over \$140,000 on me from a
21 project that arose that I have had open since May.

22 So, I didn't want to say anything
23 until I knew I was getting paid; and as of today,
24 it looks like I only have \$12,000 left to get

1 paid. So, I am willing to speak publicly now.
2 That contract is IDOT No. 87643. It was out in
3 Morris, Illinois on Ottawa Avenue.

4 I was awarded that contract in the
5 September 2010 letting. It was a \$474,000
6 project. It ended up being I think \$596,000 or
7 \$569,000 because of extras.

8 One of the things that happened is --
9 and I understand this completely -- the City of
10 Morris, I was completely taking that bridge down.
11 It was a 30-day shutdown, and it was a bridge in a
12 roadway that at least 400 or 500 people it was the
13 only way for them to get into the town. They had
14 to otherwise go six or seven miles out of their
15 way.

16 So this job was supposed to go and be
17 completed by the end of November 2010, and that
18 would have been perfectly fine.

19 I could have gotten the job done in
20 that time, but IDOT and the City of Morris decided
21 to wait until April of 2011.

22 Again, normally that would be fine,
23 but you have to understand that when we are
24 smaller contractors and I barely can get by now

1 with \$474,000 worth of bonding was sitting out
2 there, and that lessened my capacity not only to
3 bond in other work beyond IDOT and other local
4 municipalities, but it also reduced my ability to
5 bid in the January, March and April lettings for
6 any other work; and those kinds of instances make
7 it far more complicated for subs or for primes to
8 continue to bid work because you reduce my
9 capacity by half a million dollars on work that
10 only took 30 days to do. It took 45, but no fault
11 of my own. That was the extras that had design
12 problems. But it was those kinds of instances.

13 The other job that I have had not an
14 issue with but am curious about, I finished this
15 contract in a six-day period. We were given 15
16 days. That is 60L44, and it was bridge cleaning,
17 five bridges in Joliet, Illinois, all of those
18 fancy draw bridges.

19 In that instance and in most of my
20 projects, I have won four of six bridge projects
21 up against a company that is probably about a
22 billion dollars in capitalization, and I am a one
23 to two million dollar company a year.

24 I don't think there is a lot of small

1 primes out there like me. As a matter of fact, I
2 know there are not; but just the idea of me having
3 to meet the same kind of union rules, union
4 funding, I have been sued by the laborers.

5 I am paying down \$9,000 in liquidated
6 damages alone because I wasn't paid timely enough,
7 and that just happens.

8 It's the nature of doing business,
9 and it cost the subs here a lot and the smaller
10 primes an enormous amount of money.

11 By 60L44, what I am curious about
12 from my perspective is it was a \$87,000 job; and I
13 am not quite sure I understand why projects that
14 are \$87,000 or \$150,000 where somebody the size of
15 a two million dollar company has to bid up against
16 that billion dollars or two billion dollar
17 company.

18 When you listen to the IDOT letting
19 being read off and the next one I guess is in
20 January, you will see that like, say, Item No. 15
21 could be a 10 million dollar project and D
22 Construction could win that and then Item No. 17
23 is a \$100,000 project and D Construction could win
24 that or Walsh, and I just wonder why more projects

1 are not based on a dollar basis put aside for
2 smaller DBE contractors because when you do look
3 at your IDOT letting, even for the one in January,
4 I think there are maybe five or six jobs up in
5 Districts 1, 2 and 3 that are squared for a setoff
6 or for set aside.

7 I am not quite sure I understand how
8 those projects get to be determined and why there
9 are not more substantial \$100,000, \$200,000,
10 \$300,000 projects put into the bucket of the
11 Target Market Program. I don't quite understand
12 that. That is one of my other issues.

13 The other is on a prequalification
14 basis and I want to State I am not prequalified
15 anymore with IDOT as of April 30th.

16 I expect my financials to be good
17 enough at the end of December to get that back in
18 early winter.

19 But in order for your
20 prequalification, we have to have either compiled,
21 reviewed or audited statements; and our
22 prequalification is based on which type of
23 accounting finances we use.

24 And for again for subcontractors and

1 for smaller companies an auditing financial
2 statement isn't worth my \$10,000 a year because I
3 am never going to be able to bond for 10 million
4 dollars right now.

5 I started my 16th year as a
6 contractor in January. I have never ever been
7 able to get out of the two million dollar cycle of
8 bonding simply because I own the company myself.
9 My home is up against it, but there is only so
10 much equity that I've got. I can't pool money
11 with other people.

12 I am not allowed to pool money with
13 other people because I can only be the only owner
14 of the company in order to qualify for my WBE in
15 Chicago and my DBE. It's a very strange cycle. I
16 can't tap other owners. I am not allowed to take
17 money from anybody. I am not exactly willing to
18 lend money. So we are never going to be able to
19 get out of that cycle without some way of changing
20 the prequalification and possibly doing it on a
21 job-by-job basis.

22 So that if a company comes in and
23 wants to be prequalified because I know several of
24 the subcontractors that are in here, there was no

1 reason for them, that they would never have been
2 able to do any of these bridge cleanings like on
3 60L44. It was not a complicated job. They could
4 have gone in there as a prime, but they probably
5 don't have the bonding capacity either for
6 \$87,000. And those kinds of jobs are wonderful
7 jobs for smaller subs to be able to cut their
8 teeth on and get up to the point of being a prime
9 contractor, and I think that that type of thing is
10 a missed opportunity; and if we can find a way to
11 get some of these subs who are more than competent
12 up to a level where they can bond for that type of
13 thing, then you would probably find that you would
14 be able to raise everybody up financially. Thank
15 you for your time.

16 [Applause.]

17 MR. MC NEIL: Thank you.

18 CLOSING REMARKS:

19 SECRETARY SCHNEIDER: I think we have a
20 phone number you can also call to give us your
21 stories.

22 MR. MC NEIL: We will set up a phone
23 number. If nothing more, I can give you my number
24 directly. For my office it's area code

1 217-785-5395.

2 If you have a story you want to
3 relate about anything that you feel has been
4 discriminatory or a discriminatory practice that
5 you have encountered in your construction history,
6 that is the phone number to my office directly.

7 So if you want to call that number
8 and leave a message on there about any
9 discriminatory practice, please feel free to do
10 so.

11 That was the last person that was
12 signed up to testify.

13 As I said, the court reporter will be
14 here until 3:00 o'clock. So if there are other
15 people who want to testify and don't want to
16 testify on the record, you can go sit down and
17 talk to the court reporter and give her your
18 testimony, but be as specific as you possibly can.

19 Is there anyone else that wants to
20 testify at this point in time?

21 We are not going to close down, but
22 we will also allow -- yes, sir.

23 AN UNIDENTIFIED VOICE: Whose phone number
24 was that?

1 MR. MC NEIL: That is my phone number,
2 Frank McNeil.

3 AN UNIDENTIFIED VOICE: Thank you.

4 MR. MC NEIL: The Court reporter is here
5 until 3:00 o'clock.

6 So if you don't want to testify
7 publicly, you can come down and sit down and talk
8 to the court reporter until 3:00 o'clock.

9 You can also provide written
10 testimony if you wish.

11 They have envelopes in the back where
12 you can fill out, and they will come directly to
13 our office in Springfield.

14 SECRETARY SCHNEIDER: Thank you very much
15 for coming and sharing your stories with us today.

16 Some of the things that you told us I
17 did not know, so that is going to be very helpful
18 for us going forward.

19 Again, as Frank indicated, the court
20 reporter will be here until 3:00.

21 Please feel free to stay and give
22 your story so we can get those very specific
23 instances of how you have been shut out of work.

24 Those are very important to us; and

1 as Frank mentioned earlier, you don't have to
2 specify the company or if it's a Union issue.
3 Specify the Union. If you are concerned with
4 that, you can just talk about the specific
5 instance, but you don't have to identify the
6 people involved.

7 We thank you again for coming today.
8 It has been very helpful to us.

9 I will be reviewing the court
10 reporter's record and anything else we get on the
11 record through the phone calls and through written
12 testimony. We appreciate your help. Thank you.

13 MR. MC NEIL: Anyone else that has anything
14 to say, the court reporter is going to be here
15 until 3:00 o'clock.

16 [Applause.]

17 (WHEREUPON, the following statements
18 were made outside the presence and
19 the hearing of the public.)

20 THE REPORTER: Please give your name for
21 the record, sir.

22 MR. TERRELL: My name is Patrick Terrell.
23 I am the CEO of Terrell Materials.

24 Approximately two years ago there was

1 a major letting for IDOT on the Eisenhower. It
2 was basically a stretch and patch-type job. That
3 job had an unusual high compliance number on DBE
4 participation number.

5 While this job was well within our
6 capabilities, we cleared it with IDOT, that this
7 does in fact fit under our category.

8 What basically ended up happening,
9 whether it was conspiracy or whatever, because I
10 will never know because I never was given a clear
11 reasoning. We bid our work to, I believe, all
12 parties that we thought to be bidding. That is a
13 crime.

14 The successful or the low bidder was
15 a tri-venture. That bid was approximately between
16 30 and 35 million dollars. Our scope of work was
17 approximately six to nine million dollars.

18 While strategically we didn't send
19 our numbers out until later just because we were
20 well aware that there was a lot of buzz going on,
21 and a tremendous amount of good faith letters were
22 going to go out.

23 We finally got -- they were read low.
24 I believe the tri-venture was the single bidder on

1 that job, hence they were called in to IDOT for a
2 bid review or award review. That job was
3 determined null and void, and the job was rebid.

4 On the next go-around the same
5 tri-venture was once again read low, although this
6 time we had no work on that job whatsoever, I was
7 always concerned that when they had the -- I can't
8 remember the term, but the bid review, we as a
9 subcontractor with the substantial amount of work
10 on that job were not invited to represent
11 ourselves.

12 Then once again rumor was that there
13 were questions about the capability of my company
14 to perform on that particular job.

15 I don't know that for a fact; but if
16 that was the case, I feel that that was a
17 discriminatory issue that I was unable to
18 represent and fight for that job to be awarded the
19 first time around.

20 The Secretary is looking for
21 testimony of what we felt was discriminatory, and
22 I am not sure if that was the cause or if it was
23 because it was a single solo bid or what-have-you,
24 but I never got an answer.

1 Fast forward to earlier this winter
2 or late fall, there was another IDOT job that was
3 awarded, and I applauded the compliance side of
4 IDOT for scrutinizing some of the participation
5 that was on that job.

6 I was contacted by IDOT to see if I
7 would be interested in performing on that job to
8 replace what they thought at the time was a shady
9 business.

10 My company turned 100 percent toward
11 the direction of getting a very competitive
12 number.

13 We were able to identify equipment
14 that was needed, and ultimately we were told after
15 the review that while we are going to let IDOT, we
16 are going to let the prime contractor still
17 utilize this firm; but we will make sure that they
18 make up the compliance that we discovered was not
19 being met in other areas.

20 I would want to know how they did
21 that and why they didn't use me, because the only
22 comment that I received from IDOT was that the
23 prime contractor said that my bid was too high
24 when I know that my bid was a market rate bid.

1 I will end it with this: I think the
2 target market project is an excellent idea. It's
3 not the first time, but the underlying issue that
4 was heard so many times this afternoon is that
5 without assistance from the Department for
6 bonding, this will never work; and my company has
7 been involved in very large projects.

8 We have been able to purchase our own
9 equipment. We have the manpower. We even have
10 lines of credit; but in order to be successful or
11 to even be to bid a target market job, bonding is
12 going to be the No. 1 barrier in this.

13 My last comment is I believe -- I
14 truly believe that the best mentor protege' is not
15 only amongst the major find in a DBE; but if this
16 target market is successful, it gives a shining
17 star for DDE's to work harder and look forward to
18 something as opposed to either A, the industry
19 putting them out of business or B, graduating from
20 the program and then going out of business.
21 That's, I guess, all I have to say.

22 THE REPORTER: Thank you.

23 Sir, would you state your name for
24 the record, please.

1 MR. PASS: Yes. My name is Leon Pass, and
2 I am a professional land surveyor. We have had a
3 number of years in my 30-plus years of experience
4 looking for a more direct way to seek certain
5 certifications in regards to becoming prime as
6 opposed to a subcontractor.

7 At this point I have never been a
8 prime. I came very close some years back from my
9 company that was going very well in 2006.

10 I became very, very near getting to
11 the prequalifications as well as prime. I had a
12 general I worked with named Joyner; but we were
13 not able to close the deal.

14 There always seemed to be something
15 that is coming up or some stumbling block in your
16 way; and once you had gotten over the other, there
17 seems to be something else that is put in the way.

18 The fact of the matter is I feel IDOT
19 and your organization and I think that to a
20 certain degree may have heard they are interested
21 in a university.

22 In my situation being the first black
23 surveyor in the State to be licensed in this
24 State, and that was not an advantage to me.

1 There were four or five other
2 African-American surveyors, in other words, the
3 companies that I had to compete against for bids
4 and on these other matters were so huge there was
5 just no way that I could compete.

6 I had a situation to where I received
7 a contract from the Army Corp. of Engineers. Only
8 after I was on the project and working one month
9 and they appraised me of what a great job I had
10 done. Then I was fired after that praise. The
11 excuse that I was given was that the other
12 engineering firm that was there -- and I won't
13 state any name -- said I want to start all our
14 surveying divisions. We think we can serve you
15 better. We deal with an outside surveyor firm and
16 just dealing with the surveying firm that we want
17 to come in because we are the engineer from the
18 project.

19 I came close to a couple of
20 contracts. What is large to me is \$250,000.
21 That's large for me. It's always a situation that
22 I am within two or three days of projects being
23 let.

24 I am being asked for some reason why

1 I am cut out because of the influence. Maybe it's
2 the politics or other connections that the big
3 guys have over someone small like myself.

4 I am not even looking to compete with
5 people who have establishments and who have proven
6 themselves in this particular state.

7 I just would like to know that when
8 someone needs what you asked, what anybody asks
9 me, that Leon be given things to complete the
10 application or to do the requirements, the
11 prerequisites that we want you to have before we
12 have an opportunity to bid on this.

13 Then when I meet those prerequisites,
14 I expect legitimately to be considered for that
15 particular project, not some situation where they
16 say well, he may be able to complete the job or
17 maybe his finances are not great, but we have a
18 company over here that has been in business.
19 Again, we don't have problems with completing the
20 job.

21 So I know with my maybe limited
22 experiences, I can't say a whole lot more than I
23 am saying other than the fact that somewhere down
24 on the line if they are interested in the

1 inclusion and diversity that we have in the State,
2 I just feel that somebody should be some sort of
3 oversight to see that if all of our paperwork and
4 bidding is in order that we should not be
5 circumvented or moved aside because of evolving
6 muscles that the existing land firms have that
7 they can come in, or they get the contract because
8 he knows he's small and insignificant, we will
9 find a way that he doesn't get the job, or if he
10 gets the job, we will find some way to sabotage
11 it. There is no oversight that he will lose the
12 job.

13 So what you do is you figure out they
14 are going to sabotage the job. So you try to save
15 your name, and you just quietly resign from doing
16 the job without any recourse, because if you
17 continue to fight these things, your name is being
18 damaged any way; and the next time you apply, they
19 will point out that something happened in that
20 particular contract, and you weren't able to
21 complete it. So it's kind of like being between a
22 rock and a hard place in the situation in these
23 kinds of things. That's it.

24 MR. WILLIAMS: My name is Calvin Williams.

1 I am the President of Construction Contracting
2 Services Incorporated.

3 We are a new DBE firm; and as a DBE
4 firm, we are very excited about reaching out to
5 the prime contractors to subcontract work as well
6 as looking for opportunities to be general
7 contractors on small work.

8 The service that we provide is
9 general contracting, and we self-perform property
10 work and also provide construction management
11 services.

12 Right after we were certified, we
13 started making phone calls to prime contractors
14 looking for opportunities to bid on subcontracted
15 carpentry work.

16 One thing we ran into right away was
17 can you provide a performance and payment bond and
18 can you bond a job? That was one of the issues.
19 That was not the major issue. It was can we bond
20 a job?

21 The finances, can we provide a
22 financial statement that shows that we have so
23 many dollars -- I think the figure was \$250,000 in
24 the bank to support our payroll and other things

1 that we needed for a period of time.

2 We weren't able to do that and so
3 after the first two or three instances of that we
4 felt that it wasn't really worth it to continue to
5 chase that opportunity and so we have not been
6 able to secure any DBE IDOT State of Illinois
7 work, because we don't have the resources right
8 now to meet those requirements basically.

9 And so what we are hoping will happen
10 here is that all of the comments were made today
11 that the State will be able to break up some of
12 these packages so that we can bid and chase
13 packages as a prime contractor to deal with the
14 financing issues and deal with the issues that are
15 really preventing us from utilizing or benefiting
16 from DBE certification. I think today's event is
17 great. I really enjoyed it. I just hope that we
18 could get some results out of it. Thank you.

19 MS. JOSHUA: Good afternoon. My name is
20 Attorney Rose Joshua. I am presently the
21 President of Chicago South Side NAACP and also a
22 practicing attorney since 1985.

23 I would like to thank the Illinois
24 Department of Transportation for having this

1 public meeting and how important it is to inform
2 IDOT of the needs of our community in order that
3 people in our community have the opportunity at
4 IDOT.

5 Maybe three weeks ago we had a
6 meeting with the NAACP under our Labor and
7 Industry Committee, and the meeting was about
8 people who were interested in doing business with
9 the University of Chicago.

10 I know we are not talking about the
11 University of Chicago; but what I learned from the
12 meeting was that before people are able to apply
13 for the opportunities by different agencies
14 especially IDOT that they need services to get
15 themselves ready and prepared for the opportunity.

16 The particular job or project that
17 individual or company may have the capability, but
18 what is needed is what I call back office
19 services. These are services in accounting.

20 They need legal assistance, and all
21 of those administrative services that make a
22 corporation viable to an institution for the lack
23 of a better word.

24 Also, what was mentioned was that

1 once that is in place, then they are ready to
2 apply for full opportunities.

3 Then we find that the individual if
4 they have been doing the work for a period of
5 years, they may not have personally the financial
6 wherewithal; and what I have seen and especially
7 with a couple of institutions or private
8 companies, they asked for the personal information
9 of the individual rather than what the company is
10 worth.

11 It is my thinking if the project
12 required bonding, then that bonding should be
13 enough.

14 And there should not be an additional
15 requirement of the personal financial worth of an
16 individual who was applying for a project.

17 That individuals need assistance with
18 precertification and certification. We need that.
19 They need it, and I think that at the outset if
20 there is some type of program that is set up where
21 bonding is provided to help those individuals, and
22 I think that if that is done, then we can revive
23 our communities where they should be revived.

24 I am understanding that there may be

1 companies who are minority companies who provide
2 the type of service that I am talking about. Why
3 not utilize those companies to do what is being
4 asked here?

5 So basically what I am saying is we
6 need front money, front money, help the individual
7 pull themselves up by the bootstrap so that they
8 are able to bid on projects and also then,
9 therefore, they are able to feed their names.
10 That's it. Thank you.

11 (WHEREUPON, the IDOT public
12 meeting was adjourned at 3:00
13 p.m.)

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CERTIFICATE OF REPORTER

STATE OF ILLINOIS)
)
COUNTY OF DU PAGE)

I, Patricia Ann Armstrong, a Certified
Shorthand Reporter, Registered Professional
Reporter and Notary Public within and for the
State of Illinois, do hereby certify that the
foregoing proceedings were taken by me to the best
of my ability and thereafter reduced to
typewriting under my direction; that I am neither
counsel for, related to, nor employed by any of
the parties of this proceeding, and further that I
am not a relative or employee of any attorney or
counsel employed by the parties thereto, nor
financially or otherwise interested in the outcome
of the action.

Notary Public in and for the
State of Illinois
Certified Shorthand Reporter

Peoria: Transcript

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STATE OF ILLINOIS
TARGET MARKET PUBLIC HEARING

ILLINOIS DEPARTMENT OF TRANSPORTATION
TARGET MARKET PUBLIC HEARING

December 15, 2011

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STATE OF ILLINOIS
TARGET MARKET PUBLIC HEARING
ILLINOIS DEPARTMENT OF TRANSPORTATION
TARGET MARKET PUBLIC HEARING
THE PUBLIC HEARING called for examination
pursuant to the provisions of the Illinois
Department of Transportation as they apply to the
taking of public hearings, taken before Kathy L.
Johnson, C.S.R., a Notary Public in and for the
County of Henry, State of Illinois, on December
15, 2011, at the hour of 11:30 a.m., at the
Gateway Building, 200 N.E. Water Street, Peoria,
Illinois, 61602.

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A P P E A R A N C E S

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St. Louis, Missouri 63101
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1 (Hearing commenced at: 11:30 a.m.)

2 (Secretary of Department of Transportation
3 Ann Schneider - video playing.)

4 MR. MCNEIL: Thank you. That was
5 Secretary Ann Schneider. And, again, for all of
6 those who don't know, Ann has been confirmed as
7 the first female Secretary of Transportation in
8 the State of Illinois, so we really are happy
9 about that, and we look forward to working with
10 her.

11 My name is Frank McNeil and I'm the
12 Director of the Office of Business and Workforce
13 Diversity. And for those of you who are here we
14 asked you to be here because Ann has opened up,
15 we have the new Target Market legislation which
16 we are trying to get testimony that says you have
17 had some issues with contracting with the
18 Department of Transportation or with your prime
19 contractor, and we would like to get as much
20 testimony of possible discrimination as we
21 possibly can to put on a record.

22 We have a court reporter here who is
23 dictating and taking down this information
24 because we have to justify the need for our

1 Target Market program. So if you, we have cards
2 that are being passed around for those who want
3 to testify today or who want to make some
4 comments. So fill out a card, bring it up to me
5 or give it to one of our people here and you will
6 be given an opportunity to get your comments on
7 the record of egregious discrimination as you
8 have experienced as an individual and as a
9 company in dealing with IDOT, the target, your
10 contractor friends, whatever entity you've had
11 the possibility, the bank, getting financing.
12 Whatever you want to say, now is the time.

13 I want to first introduce all of the
14 members of the panel here because we're very
15 happy to have all of these distinguished people
16 here today. And let me start on the end, and the
17 local home boy here, is Senator David Koehler
18 from Peoria; Senator Toi Hutchinson who is the
19 sponsor of the Target Market legislation.

20 Senator Mattie Hunter, who has some
21 legislation dealing with bonding and financing to
22 help minority businesses and females with bonding
23 and financing. And the local home lady, Mrs.
24 Jehan Gordon. Jehan. And Representative Wil

1 Davis from Chicago.

2 So they're all here to hear your
3 testimony today and to give us a few remarks. So
4 we're going to get started with Senator
5 Hutchinson. And, Senator, here, you want to step
6 up? Okay.

7 SENATOR HUTCHINSON: Hello, everybody. I
8 am so happy to be in Peoria. My name is Toi
9 Hutchinson and I am from the 40th District which
10 is inland, infield to the southern part of Cook
11 County. My District spans four counties, so I am
12 one of the ones in the Senate who sees things
13 from a slightly larger perspective than just one
14 county.

15 I have to look at not only the county
16 that deals with a lot of revenue across the
17 State, which is Cook, and everyone knows you have
18 that big, bad Chicago up there, but I also deal
19 with Will County, Kankakee County, and Iroquois
20 County, and I'm soon to pick up Grundy County,
21 which means it's not just Cook, it's also the
22 collar counties and the counties that surround
23 that, so it gives me an interesting perspective
24 on all things transportation.

1 I am Chair of the Revenue Committee in
2 the Senate, and I am Vice Chair of
3 Transportation, so I am really concerned about
4 making sure that all of the contracts that get
5 let by IDOT and are using our state dollars, that
6 people who look like the State of Illinois get a
7 chance to participate like everybody else.

8 So we're really concerned that we need to
9 hear your stories about what you've experienced.
10 And the Secretary said it great when she said
11 this is an evidentiary hearing. And in order for
12 us to narrowly tailor any of the revenues that we
13 come up with, the bill that talked about target
14 markets previously only said that we have the
15 right to do a Target Market program to further
16 the goals of diversity.

17 What we changed in that legislation and
18 then I carried in the Senate and that
19 Representative Wil Davis carried in the House,
20 was this is a way for us to remedy the egregious
21 instances of discrimination. That's very
22 different. That's taking things that actually
23 happened, taking testimony that actually happened
24 so we can figure out a way to fix it.

1 We are going to invest in the spine of
2 this State. That's infrastructure. The spine of
3 this State. The biggest issue we're going to be
4 facing in the next 10, 15, 20 years are roads and
5 bridges and schools and whether or not our
6 crumbling infrastructure is going to be built up
7 so we can take this into the next century.

8 You should be a part of that. You have
9 to be a part of that. People who look like me,
10 people who look like other folks across the State
11 that are not a part of the majority population,
12 need to have a chance at a level playing field.

13 And it's unfortunate that we're having
14 this conversation in 2011, but that's why we're
15 here, and we need you to be open and honest and
16 as frank as you possibly can be about what you've
17 experienced, what it's really like on the ground,
18 how easy or difficult it is to get a contract,
19 what happens when you do bid.

20 All of those things that happen we need
21 to know about it so that we can start to work. I
22 want you to know that myself and my colleagues,
23 we're here to listen. So we're going to take all
24 these things down, and IDOT's going to take this

1 information so we can figure out how we can then
2 come up with some way to make things better so
3 that across the Board, across the Board, if
4 there's something, if there's work to be done,
5 that everyone gets a shot at doing it. Everyone
6 gets a shot.

7 So thank you for being here, and please,
8 please don't be shy. Say what you have to say,
9 because that's why we came all the way down here
10 to hear it. Thanks.

11 MR. MCNEIL: Senator Hunter.

12 SENATOR HUNTER: Thank you. Good
13 morning. It's afternoon now. I'm State Senator
14 Mattie Hunter. I live in Chicago as well, and I
15 represented the Third legislative District of
16 Chicago which is a very diverse district. And
17 some of the areas within that District is Old
18 Town, downtown, near north, near south side of
19 Chicago, Chinatown, Wessex Park, Grand Boulevard,
20 Washington Park and parts of Englewood community.

21 I'm here to support my colleagues
22 Hutchinson and Davis on this legislation, but I'm
23 also here because once contractors bid and is
24 granted a contract they have another problem, and

1 the other problem is bonding. Okay. You don't
2 have the revenues to pay for the bonding.

3 And so I have some legislation that I've
4 already introduced, and I think it is Senate Bill
5 2491. Okay. And so that bill is sitting there.
6 We're modifying it constantly to make it a better
7 and stronger bill. And we hope to identify pots
8 of monies to make available for contractors for
9 bonding purposes.

10 Okay. And so this is a comprehensive
11 approach. We've heard from you all from
12 throughout the State. We've heard that you're
13 having all kinds of problems, so let's hear from
14 you guys. Let's not be shy. We were in Chicago
15 and some of them put some things out there and
16 others did not.

17 So if you have some egregious examples of
18 some instances that you've had with whomever,
19 whether it was within the public community or the
20 private community, let's hear about it. Because
21 finally you have some legislators who are trying
22 to fix the problem.

23 We're working with the Department. We're
24 working with the Governor's office. The last

1 piece that we need is your testimony. We need
2 your, we need your examples. We need information
3 from you. Okay? Thank you.

4 MR. MCNEIL: Representative Davis.

5 MR. DAVIS: Good afternoon, everyone.
6 Thank you to our hosts, our colleagues here, to
7 our Department of Transportation, for allowing us
8 this opportunity. It is indeed an honor for me
9 to be here. I am Wil Davis. I represent the
10 30th District, which is the far south side of
11 Chicago and south suburbs.

12 Like my colleague, we came a little ways
13 to hear exactly what you have to say. Another
14 hat that I wear in the Legislature, I'm Joint
15 Chair of the Illinois Legislative Black Caucus.
16 I've had the pleasure of working with Larry on a
17 number of different issues. I'm looking forward
18 to continuing to work with him on other issues
19 that impact minority communities.

20 Everything that was said thus far is
21 important. This is an opportunity for you to
22 share information with us. And I know, as I
23 learned in Chicago yesterday, that sometimes this
24 is going to be a little tough because some of you

1 may not want to openly share your stories because
2 you don't know who's in the room. And,
3 unfortunately, somebody may be in the room that's
4 going to go back and tell on you, and it's
5 unfortunate if that's the case. If you're in the
6 room you know who you are, and I'll leave it at
7 that. I'll leave it at that.

8 But in order for us to rectify some of
9 these challenges, one guy yesterday said we've
10 been talking about this for 17, 18 years. I
11 won't disagree with that. I'm not quite that old
12 in this process, but I won't disagree with that.
13 But the only tool that we have is legislation.
14 It's the only tool that we have.

15 So regardless of the folks that have been
16 talking about it, now we have to address it
17 through a legislative process, and that's our
18 tool to try to make it better. Now, sometimes
19 you say that things will get worse before they
20 get better, and that may very well be the case
21 here.

22 But, nevertheless, we have to step out
23 there on faith. We've got to figure out how to
24 make it work, how to make it better, so that some

1 of you as we move forward as well as others that
2 come behind you will have opportunities to
3 benefit from this.

4 I said yesterday that in the State of
5 Illinois, while we talk about all the financial
6 trouble that the State is having, one thing holds
7 true. The State is still fixing roads, building
8 bridges, building more roads. So money is being
9 spent. So there's absolutely no reason why you
10 as contractors, as businessmen and women, should
11 not be able to take advantage of these billions
12 of dollars that they are spending to do these
13 things.

14 A story in the newspaper about one of our
15 Board members from the tollway, which does not
16 impact you directly here, but in the northern
17 part of the state is questioning the numbers that
18 the tollway is putting out. I mean, they've even
19 announced a multi-billion dollar capital program
20 to build roads, some of the same stuff that
21 you're doing.

22 So we've got to figure out how to make
23 sure that these opportunities are available to
24 you, and this is one way to help us to get there.

1 So thank you very much for your participation,
2 and we look forward to hearing your comments as
3 we move forward.

4 MR. MCNEIL: Thank you, Representative
5 Davis. And now to the local home people.
6 Senator Koehler, we're going to start with you
7 and then we'll get Representative Gordon.

8 MR. KOEHLER: Well, thank you. I'm just
9 happy to be here to support my colleagues and,
10 you know, a special thanks to Senator Hutchinson
11 and Representative Davis for the legislation. So
12 this is an important issue for Peoria, and that's
13 why Representative Gordon and I are here, so
14 thank you for inviting us. Thank you.

15 MR. MCNEIL: Thank you. Representative
16 Gordon.

17 MS. GORDON: Thank you. Good afternoon.
18 I just wanted to thank you, all of you, for
19 taking the time out of your day to allow us as
20 legislators to have the ability to rectify some
21 of the wrongs that we know that have happened in
22 the past, but you all have no idea the tool that
23 your voices will have in this process. So
24 please, as my colleagues have already indicated,

1 please be willing to share.

2 Many of you in the room I've had
3 conversations with you in the past in my office
4 or over the telephone and you all have shared
5 some of the things that you've had to deal with
6 dealing with contractors, IDOT and the like. And
7 I'm more than sure that you are going to do that
8 same thing here today.

9 So thank you all for coming up, and thank
10 you to my colleagues for taking the time out of
11 your holiday calendar to come down here all the
12 way to Peoria. We all should be very grateful
13 that we have folks in Springfield that are not
14 just from here like myself and Senator Koehler
15 but folks from all over the State of Illinois who
16 care about things that are happening around the
17 State. So thank you so much.

18 MR. MCNEIL: Thank you, Representative
19 Gordon. And let me first note, identify one of
20 my old friends and colleagues from days past,
21 Local Alderman Clyde Gulley. Clyde, stand up.
22 And Clyde is also going to be testifying later
23 this morning, but he's a local official here so I
24 want to make sure that he's identified and given

1 his props as we say.

2 All right. The first person that signed
3 up is Mr. Alfredo Delacruz, Alfredo's Ironworks.
4 And the microphone is right here. And, Maggie,
5 if you would help him I'd appreciate it. And,
6 Maggie, would you have him identify himself for
7 the record?

8 MR. ALFREDO: Hello, everybody.

9 (Audience replied hello.)

10 MR. ALFREDO: My name's Alfredo. I'm
11 here just like I think everybody else just to
12 find some opportunities. I have a business
13 established for over 10 years. I do not belong
14 to this area. I came from two and a half hours'
15 drive. What happened is I'm just looking for
16 work to make, to keep my business.

17 I've been working for 10 years in the
18 private sector, which is that. So this year
19 thanks to all of our people in Chicago that help
20 us fulfill some requirements for DBA's. We've
21 got certifications but, so we are not new in this
22 program. I'm kind of lost. I have no idea how
23 to proceed, how to contact some of the general
24 contractors.

1 My problem, my main problem is the
2 bonding. One of my other problems is the Unions
3 because working on the private sector you can
4 have no problems with any unions. After we
5 register with that DBA we need to deal with some
6 of the unions, which we have no experience, and
7 we will write to you for some help to help us
8 navigate with the unions.

9 Talking to some of the unions, they want
10 you to pay MIT's about \$3,000 a month just for me
11 to be on the job site, and it's money that we do
12 not have. What I can send an employee, I just
13 pay the prevailing wages or the union dues for my
14 employee, but I cannot stand on that ground
15 unless I pay over \$3,000 a month.

16 Even if I work or I have no work, it
17 doesn't matter. Once I get to the union I have
18 to pay that amount, and I don't have it. So the
19 other issue with the unions is the Chicago area
20 is very well protected for the unions. They want
21 over 50 percent of the locals, and we have an
22 hour drive from Chicago, but we're not local.

23 So it's hard for us to participate with
24 the general contractors because an hour's drive

1 we do not belong to the unions or to the local
2 companies, so that made me drive two and a half
3 hours to Peoria trying to find opportunities.

4 I also drove two and a half hours to
5 Metro Lake in the Quad Cities like a month ago to
6 try to find more work. They're doing some good
7 projects on the transportation, public
8 transportation. But I haven't, I find it real
9 hard to find general contractors so they can give
10 me the blueprints or something that I can help
11 them bid.

12 So it's a web site where you can find the
13 blueprints but you have to pay for those. Some
14 companies have the rights to those blueprints and
15 unless you pay you have no way to see those
16 blueprints, so it's pretty hard for us to do jobs
17 with them. Other than that it's the only
18 question that I have. Thank you.

19 MR. MCNEIL: Thank you. We had another
20 dignitary come in while we were getting a little
21 busy. Senator Darin LaHood.

22 MR. LAHOOD: Well, thank you very much.
23 I don't know if dignitary is the proper term
24 here. You give me too much praise here. But I

1 am Darin LaHood. I represent the 37th Senatorial
2 District which represents part of Peoria. I
3 apologize for being a little bit late this
4 morning. When you represent 10 counties going
5 from here to the Iowa border you can't be every
6 place at once, so I apologize.

7 I'm very, very happy to be here with some
8 of my colleagues here today for this forum, and
9 be happy to answer any questions afterwards, and
10 just pleased to be here to be with you today.
11 Thank you.

12 MR. MCNEIL: Thank you, Senator LaHood.
13 And the next person is Pamela Frasier,
14 All-In-One, from Springfield, Illinois.

15 MS. FRASIER: Good morning. My company
16 is All-In-One and it's a pressure washing
17 company, and I have yet to be awarded an IDOT
18 contract at this point, but diligently we have
19 had a bid read, was not low bidder.

20 Going forward with the Target Market
21 program, what we ran into was the
22 pre-qualifications. I know there's the small
23 business initiatives that they have and you don't
24 have to go through the same parameters such as

1 getting the bonding and the pre-qual. When you
2 do have a Target Market program and you have
3 jobs, in my case it's a lot of the work of
4 cleaning bridges. Well, it also encompasses the
5 painting of the bridge.

6 So if the job is too large, it's too
7 large of a job to have my company come in and
8 having, so I've actually spoken and participated
9 with numerous IDOT officials as well. And the
10 bulk of it comes down to how it, the line item is
11 written.

12 If it's too large of a, as far as
13 financial capacity to bid on the job, and of
14 course too large of a job to even bid on that's
15 one problem area that I've run into. Also, such
16 as the breaking out of the bridge washing,
17 cleaning versus painting of a particular job.

18 With the Target Market program there are
19 jobs, when you don't label it out such as a small
20 business initiative, when you have a small
21 business initiative you don't have to do the same
22 pre-qualifications and bonding as well. I am a
23 private contractor with IDOT. I'm also a DBE
24 with IDOT.

1 I've also worked along with the Mentor
2 Protege Program, and the problem there is you
3 have to have three years of IDOT experience,
4 which I don't have that IDOT experience, so
5 therefore that program, Mentor Protege, does not
6 fall in line for something that would be suitable
7 for my company.

8 Once again, you're knocking on doors,
9 you're participating, you're being visible, but
10 the job itself is over my financial capacity, so
11 I'm unable to bid on the job.

12 So those are the kind of areas that I
13 feel not only with the bonding, bonding is truly
14 something. I mean, that's something that has to
15 be presented before with, along with the bid.
16 Even if you're awarded on the contract, if you
17 can't meet that, if you can't meet that number
18 there's no way you can secure IDOT work.

19 It doesn't come at the end of once you
20 secure a bid. It has to come at the beginning.
21 So you can't get award of a contract and then go
22 to a lending facility and say I have a secured
23 contract. You don't get that far. We're missing
24 it from the beginning.

1 When you bid on a job, and I think that's
2 a lot that goes unmistakable with not being,
3 knowing of the process of how to bid. We have a
4 Supportive Services. I've utilized the
5 Supportive Services, and a lot of times if you
6 yourself don't go through all the parameters from
7 the beginning to the end then you don't know.

8 I don't need the bonding after I, I will
9 never secure a job if I don't have that surety
10 bond up front, that dollar amount. And I would
11 be more than happy to speak with anyone regarding
12 the pre-qualifications.

13 Some of the Target Market programs are
14 just like your tar, like the small business
15 initiatives that eliminates that need. If you
16 have jobs that are too large for the small
17 business or DBE to sustain they can't get it.
18 There's no way they can bid on the job. It's too
19 large. It's over their financial capability.
20 Thank you so much.

21 MR. MCNEIL: Thank you. The next person
22 signed up to speak is Mr. Clyde Gulley, and he's
23 vice president of Rock Solid Concrete Products,
24 Incorporated.

1 MR. GULLEY: Thank you, Frank, and thank
2 you to all of you for being here. Just a little
3 background just to note that we've been in
4 business for a number of years. Rock Solid has
5 been established for six years now, and for five
6 years we've been a DB company. Not only a DBE
7 but I think we're a BET and have an 8A
8 application and all down through the line.

9 I have like eight items that I want just
10 to point out of challenges that we have as
11 minority contractors. Some years ago they
12 changed the utilization form requirement that you
13 had to send the utilization form in prior to the
14 bid, and I think there was a lot of things in the
15 planning of that that may have been good. I
16 think what we were trying to do is keep people
17 from bid shopping is what I heard.

18 But since they established that new
19 program I think it has made it, I think, I know
20 it has made it more difficult for us to get jobs.
21 Basically you send in your participation form and
22 usually you don't even hear back from the
23 contractor, where before at least they would talk
24 to you and say, you know, there may be something

1 wrong with your bid, you might want to check it.

2 But I think we have found over the years
3 that since implementation of the new form that
4 the procurement of jobs at least for our firm has
5 been a lot less, and a lot less dialogue has
6 taken place. So, you know, I think there needs
7 to be some tweaking in that process because in
8 trying to make it better we have saw a drastic
9 reduction in the amount of minority businesses,
10 especially locally in District Four, that have
11 been able to get work.

12 Some of that may be because of the
13 attitude of the prime contractors because of the
14 way they shop for pricing and they want, it seems
15 like with the way that you have to put your bids
16 together now that if, the only way you'll get a
17 job, at least that's been my records, and we are
18 not newbies at putting estimates together.

19 We've actually put estimates together for
20 five million dollars, and I started to bring the
21 files with us of all the bids that we've actually
22 submitted. It's not that we're not submitting
23 the bids. We're in business to make money like
24 other business owners are in business to make

1 money, and we don't want to only work if we mess
2 up on a bid. And seemingly, that's the only bids
3 we get.

4 We even did a research, our own internal
5 research, to say well, maybe there's something
6 wrong with our company and the way we put the
7 bids together. And we know what our bids are and
8 know what the numbers should be. And we
9 purposely, we looked at what we wanted the bid
10 and reduced the bid just to throw in a crazy bid
11 to see if we would almost do it for nothing could
12 we get the work.

13 And every one of those jobs I got. Every
14 one of them. We got those jobs. But if you put
15 the bid in to make money like the private
16 contractors are doing you won't get the projects.
17 And I just think that's unfair, that we have to
18 work for less than what everybody else is working
19 for.

20 I had a particular job and we, I'm just
21 going to be quite frank and say, and be specific,
22 on I-55 we had a project in Bloomington for over
23 six hundred thousand dollars for trucking. Now,
24 we only own a couple trucks, but what we had done

1 is, and follow the rules, that if you hire other
2 DBE trucks then they can be part of the
3 participation as well.

4 So our goal was to not only use our
5 trucks but use other DBE firms so they can work
6 on the project and that we all could work
7 together to get the work and get the job done.
8 We submitted a proposal on the Form 2520 ahead of
9 the bid date with our prices, and we were told
10 that we couldn't work on that project unless we
11 worked for their price.

12 And we, we're against that. We don't
13 want to work for less than what it was supposed
14 to be. And so, I'm going to make a long story
15 short and I'll tell anyone that wants to hear the
16 whole story, the whole story, but I have seven
17 other points I want to make.

18 On that project they said we can work if
19 we worked for their price, and we were like no,
20 this is the price. And what we have found and
21 what we can document that the majority are the
22 white companies that were working on the same
23 project on the same day that we were there, doing
24 the same thing we was doing, being just as

1 efficient as we were, were all getting paid more
2 money.

3 And when we went to them and told them
4 about how unfair it was to us, they said they
5 would not change the price. And so March 23rd of
6 this year we walked off the job. We said we're
7 not going to work no more if you're not going to
8 pay us what you're paying them.

9 So to allow things to happen in this
10 state with these dollars that would allow people
11 to pay us less than what we should be paid I
12 think is unfair, and we should be able to do
13 something. There's a disparity there. If we're
14 doing the same work with the same equipment why
15 should we work for less? I don't think that's
16 fair.

17 And really how you count, when you're
18 looking at the disparity, how you count the
19 disparity is very important. Sometimes they
20 don't look at the fact that some smaller
21 companies, and this is what I know from other
22 disparities, and maybe you have covered this base
23 and it's not a problem here, but sometimes when
24 you're counting for companies that have been left

1 out you look at the MSA and look at companies
2 through unemployment that have employees, and if
3 they're not paying unemployment and not part of
4 that system then they don't count as a business.

5 And that's, if you don't have employees
6 and pay unemployment compensation on employees
7 you don't count as a business. And there are
8 many companies in Peoria, many small businesses,
9 that may be entrepreneur, maybe an
10 owner-operator, that may have a company, capacity
11 and experience, but they're not counted in the
12 number of businesses that currently exist in a
13 city or a municipality.

14 So oftentimes you miss the minority
15 businesses that are actually existing because
16 they don't fit in to the criteria we use to
17 determine whether or not they're a minority
18 business or not, and I think that's, that's,
19 that's wrong.

20 There's a lot of people, I bet if you
21 count them here, how many businesses are here,
22 you probably only have ten percent of the
23 minority businesses that even show up on the
24 radar. So we miss the real number of what the

1 true disparity is because there are more
2 businesses that are in business that are doing
3 business that are not counted. So I want to make
4 sure we don't miss how you count businesses
5 because there are more businesses that actually
6 exist than what you actually count.

7 Then insurance requirements, and I just
8 tried to do some research to find, I mean,
9 there's a couple things on insurance. First of
10 all, most small businesses are paying more for
11 insurance than majorities are, or other large
12 businesses.

13 So when we're trying to bid against
14 companies that have been established for a number
15 of years, for example, if you have a new DBE
16 company that's trying to participate in the
17 market he can't participate equally and can't do
18 the work for the same dollar because his cost of
19 doing business is higher because of his banking
20 costs are higher because he's probably paying a
21 higher percentage on the interest.

22 His insurance is higher because he's
23 being placed in a pool. And since he's in a pool
24 his insurance rate is higher, so his fixed costs

1 and rates of doing business is higher just
2 getting into the game than everybody else is
3 paying. But then the prior contractor is coming
4 to him and saying you have to do the job for less
5 than everybody else, when your costs are higher
6 than everybody else that's participating.

7 So that's a problem that the insurance,
8 that the minority contractors have to buy in the
9 pool is higher than what everybody else is
10 paying, but then we're expected to do the job for
11 less money than everybody else. That's unfair.

12 And not only the cost of the insurance,
13 but like Workman's Comp insurance and the rates;
14 I mean, that's the other formula that increases
15 the cost but something we haven't talked about in
16 detail that the laws in the State of Illinois for
17 legislators, in Illinois if you hire somebody
18 your cost for owner-operator is more for minority
19 for contractors because in Illinois, insurance
20 companies in Illinois charge more.

21 The way they, when they audit you they
22 charge you more for your insurance than if you
23 had insurance from a company outside of Illinois
24 boundaries. Okay. So that's again putting us at

1 a disadvantage. So you have some companies that
2 work in Peoria, and I wish they could share with
3 the minority contractors, that don't have the
4 same requirements for Workman's Comp that the
5 minority contractors in Peoria, Illinois have.

6 And so that puts us at another
7 disadvantage. But then when you, but then added
8 to that requirement of insurance that, we went
9 through this thing and had the meetings about the
10 Classification Act and, you know, who was an
11 employee and who's not an employee.

12 But it's interesting the State of
13 Illinois has one way to determine who's an
14 employee and who's not an employee. And they
15 changed the rules and implemented the
16 Classification Act because I guess people in some
17 other state called Chicago was doing something
18 different and they was trying to catch them from
19 lowering their cost by calling people employees,
20 and we wanted to fix that.

21 But in the effort to fix what was going
22 on in that state it actually hurt us in the rest
23 of the state because the law made it where it was
24 difficult for you to hire someone and be able to

1 afford to have them on your staff because of the
2 way the union and the Classification Act is set
3 up. And I can give someone a long detail of that
4 because I researched that as well.

5 So basically what, so just maybe segue
6 from that, the other thing about the unions.
7 While specifically being frank, when we were in
8 Bloomington I thought I had went to Mississippi
9 because what the unions did to our company and
10 other companies in Bloomington, it should be,
11 that's just straight out discrimination.

12 We're the only company that had to sign
13 the agreement so that other companies could work.
14 And what they made us do is pay our employees
15 more than any other employees on the whole job
16 had to be paid. And I'm trying to understand how
17 the State would let them get away with that.

18 How can unions come in here and dictate
19 on a State and Federally funded job that, and
20 what was really interesting, the only person and
21 the only company that had to do it was the
22 minority companies. None of the other white
23 companies that was there had to do it. No one
24 had to sign an agreement.

1 But if we wanted to work on the job,
2 because they said because we were from Peoria
3 that we had to pay our employees more. And I
4 thought that was wrong, unfair, unrighteous. And
5 you can check the records, you know, do a FOIA,
6 go back and look at what the other companies had
7 to pay, and I'll show you what we had to pay, and
8 we had to pay more. You know, how is that fair?
9 To me that's local modern day discrimination,
10 trying to keep us off the job any way they could.

11 And then maybe coming to conclusion, the
12 things which you did was Supportive Services. I
13 think, you know, the Supportive Services program
14 remodeled, I don't know if we was trying to save
15 money or what we were trying to do, but we need
16 to bring that back into the community.

17 We're making it, where it is now I think
18 the people, the people that's doing it to me, you
19 know, I don't think they're getting the numbers
20 and providing the services as it had been in the
21 past. So basically in an effort to make it
22 better, in my opinion you made it worse. Because
23 we do not have the connectivity, we don't have
24 the same service, and we need to fix what's going

1 on with Supportive Services so we can help people
2 get the jobs, do the estimating, do the
3 financing, do the things that's necessary to help
4 build businesses.

5 The last thing I would say is, because I
6 know in the Target Market program hopefully
7 there's going to be some set-asides to make it
8 where prime contractors or really DBE contractors
9 can work as primes, being on smaller jobs and
10 what have you, because we, I know our company, we
11 can show that we have a capacity.

12 I mean, we've done over, you know, over,
13 you know, three or four million dollars in work,
14 and the papers we get from the State we get high
15 marks in every category. So, I mean, we've shown
16 that we had a capacity to do the work. So being,
17 and if we had the availability of smaller jobs
18 that we could be on as a prime and do our job I
19 think that would be a very strong asset to help
20 them build capacity of small companies and
21 turning things around.

22 Lastly, about the American Recovery Act,
23 you know, I don't think in the American Recovery
24 Act I think when they were talking about it they

1 were saying there was going to be the
2 trickle-down effect. And I remember, I know you
3 probably remember hearing the trickle-down
4 effect.

5 Well, I don't think, it might have
6 trickled down, but I don't think it got down to
7 our level. I mean, a lot of people got a lot of
8 that, but it didn't trickle down to our level.
9 And if it did they were having you work for a
10 pittance, and that's unfair. And if there's any
11 way you can fix that so we can all participate
12 and be a part of this great American dream, I
13 think that would be a great thing if you can
14 accomplish that. Thank you.

15 MR. MCNEIL: Thank you, Clyde. And at
16 this time we want to take just a small break here
17 to introduce Miss Althea Taylor and Taylor Made
18 because she is the new Supportive Services
19 contractor that IDOT has secured through the
20 Supportive Services network. And, Althea, if you
21 want to say a few words you can.

22 But she is here. She's with IDOT now,
23 and she's a contractor with IDOT and she's to
24 provide Supportive Services. And let me

1 understand, for Supportive Services you'll be
2 doing managerial or technical?

3 MS. TAYLOR: We're doing technical.

4 MR. MCNEIL: You're doing technical. So
5 Althea will be helping you prepare your bids and
6 all those kinds of things.

7 MS. TAYLOR: Thank you so much. My name
8 is Dr. Althea Taylor, but everybody just calls me
9 Taylor so please just call me the same. We are
10 here. We are located in Chicago, but I am very,
11 very familiar with pretty much the entire State
12 of Illinois. Welcome to BN&AK. So it actually
13 always helps.

14 I am very passionate about Peoria.
15 Everybody will tell you Larry Ivory is, you know,
16 the best thing ever put out there that has really
17 been helping, and of course you too. But that's
18 because he's right next to me so I can say that.
19 But in this we have been selected by IDOT to
20 provide Supportive Services for the technical.

21 And what that means is we are able to
22 help you all with the, with construction and with
23 any bids that you have being DBE firms. If
24 you're not a DBE firm, which is Disadvantaged

1 Business Enterprise, don't worry, we can help you
2 do that too and help you to get where you need to
3 go.

4 All the responsibilities of Taylor Made
5 Industries since the inception of it is, we
6 actually do this for 43 states, is we actually
7 help businesses to start and to grow. And our
8 biggest thing that we want to do and see is for
9 you all to get on these contracts, so we take the
10 time to actually help you estimate these
11 contracts based on what the numbers are showing,
12 and break those things down.

13 So we are glad to be here. We want to be
14 of service. We have a great team. Calvin who
15 is, Calvin Williams, he's part of our, part
16 working with us and subcontracting. He is,
17 actually owns his own construction firm as well,
18 been very successful, from Walsh Construction and
19 everything else. So he knows the numbers, he
20 knows how to help you estimate, he knows how to
21 get you onto these jobs correctly.

22 We want to be able to be of assistance to
23 you. We know that there was a lot of things that
24 were coming out of things that need to be done.

1 I totally agree with a lot of the things, but one
2 of the things that we're glad to see, is IDOT is
3 making sure the Supportive Services are there.

4 If you all want to know more information,
5 learn more things about the estimating and
6 potentially getting contracts, Calvin does have a
7 sign-up sheet. We'll have those afterwards that
8 you can sign up so we can have information for
9 you. Thank you.

10 MR. MCNEIL: Thank you, Miss Taylor. And
11 we're going to move forward with the program and
12 Chris Smith of Smith Brother's Trucking.

13 MR. SMITH: I am Chris Smith, Smith
14 Brother's Trucking, a small trucking company here
15 in Peoria. I go to different, when I first
16 started I said well, all I need to do is get a
17 truck, find a company that will hire me and go to
18 work. And I did that for a year. I've been in
19 business for four years now, and it didn't work.

20 I mean, I wasn't getting no calls, no
21 any, nothing. So everybody said oh, go DBE.
22 With DBE you'll be able to, you know, you'll get
23 jobs. I went and got, became DBE. I went
24 through the trials of becoming DBE, and I went to

1 the different companies here in Peoria that are,
2 you know, we all know who they are.

3 But they said well, you need insurance.
4 We have a special insurance with our name on it
5 that covers you on anything happens on the job.
6 Went and got that. That went on for two years I
7 paid this insurance, never got a call from the
8 company.

9 Okay. I'll drop it. So I gave that up
10 and went on and just started doing small private
11 jobs that carry, you know, to pay my bills and
12 this, that and the other.

13 So every time when, I rent a lot down
14 here on Washington and I'm sitting on my lot one
15 day not doing anything and here goes this company
16 that I was paying this insurance for right down
17 in front of my lot where I'm paying this lot rent
18 and I can't even get a job with this company.
19 And I'm just wondering, you know, is this DBE
20 going to help me get in here at one point in time
21 or am I going to go under before I get a chance
22 to even work for this company I paid two years'
23 insurance for. And that was just, you know, I
24 put my name in.

1 Every year I have to go to the company to
2 get their trucking manual because they don't have
3 my address or phone number, what, I don't know,
4 but I drive out to them, get the information,
5 fill it out, take it to them, but never get a
6 call back.

7 I'm just wondering what do I need to do
8 to just get a job with either one of the two
9 companies that do most of the business here in
10 Peoria? And that's my, thank you.

11 MR. MCNEIL: All right. Thank you, sir.
12 Would you, I'll give you one of my cards after
13 the meeting so that you can get a hold of me and
14 we'll talk about DBE. Etta J. Washington from
15 Decca Properties.

16 MR. WASHINGTON: Good afternoon. I'm
17 glad everybody came down. I'm Etta J. Washington
18 with Deca Properties, and I'm a certified general
19 real estate appraiser. I really came here to
20 give praise to the DBE program because nine years
21 ago the DBE program got me in to deal with a lot
22 of contractors, and right now I'm still working
23 for most of those contractors.

24 I'm probably a little different from most

1 people in this room. I am busy. I am working.
2 But the gripe I have is when I get paid. After I
3 do the work, one time I did some work in July and
4 I had to get it done in two weeks. And I got it
5 done in two weeks, but I didn't get paid until
6 the next April.

7 So it's not uncommon to wait six months
8 on your pay, so you can't hire nobody. You can't
9 hire nobody when you're waiting for your money
10 like that. So what I'm proposing, and I've
11 talked to a few people, what I'm proposing is a
12 60 day status letter after you complete your
13 work.

14 And I'd like to see this letter come from
15 IDOT. Some kind of policy. That way the DBE
16 won't get in trouble by going to the prime and
17 complaining. You know, sometimes that brings on
18 stuff.

19 But I think 60 days after you complete
20 the work if you can get a status letter from the
21 prime saying I've got the money, you'll get yours
22 soon, or else we haven't got the money. And I'd
23 like you to establish a letter coming from the
24 prime to the DBE and also going to the EEO Office

1 of that District.

2 MR. MCNEIL: Mr. Washington, we do have
3 what we call a prompt payment clause in the
4 contracts now, and 15 days from the date that
5 that prime contractor is paid he's supposed to
6 pay you. And you can file with IDOT under the
7 prompt payment clause and we'll investigate it
8 and get you paid a lot faster than that, because
9 we've been working on that for the last year.

10 MR. WASHINGTON: We don't know exactly,
11 we don't know when they get paid.

12 MR. MCNEIL: It's on the internet now.

13 MR. WASHINGTON: It's on-line?

14 MR. MCNEIL: You can go on-line and find
15 out.

16 MR. WASHINGTON: Do you check every month
17 or check weekly or what?

18 MR. MCNEIL: If I wanted my money I'd be
19 on them every day.

20 MR. WASHINGTON: I have waited, I have
21 waited six months, but now we're getting a lot of
22 new contractors and I think if you don't, if you
23 don't check with somebody after that long the
24 judge probably wouldn't give you anything because

1 they could go out of business.

2 MR. MCNEIL: No, you can file your prompt
3 payment claim with IDOT. You don't have to go
4 into court now.

5 MR. WASHINGTON: Okay. Thank you. But
6 the DBE program, I just want to say the DBE
7 program is good, it's working. It got me in the
8 door, and most everybody I've ever worked with
9 I'm still working with. Thank you.

10 MR. MCNEIL: Jim Steer. Jim Steer is the
11 prompt payment claims individual with the Office
12 of Chief Counsel. Jim Steer, S-t-e-e-r, with
13 IDOT. And so if you have a prompt payment claim,
14 Jim Steer. Sam Hobson, III.

15 MR. HOBSON: How is everybody doing? My
16 name's Sam Hobson, III, the president of Epic
17 Construction Services. I've been in business
18 since 2003. I've been certified with IDOT since
19 2004, and I was actually awarded the 2006 New DBE
20 Contractor of the Year for the Upgrade 74 project
21 that came to pass.

22 But IDOT, the gentleman said, from
23 Chicago, he said kind of air out your grievances
24 but watch what you say, you know, because you

1 don't know who's in the room. But actually I got
2 to the point where I ain't got nothing to lose,
3 you know. So I have a lot of concerns with the
4 DB program?

5 Yes, it's helpful. I believe in it
6 because I'm still certified, but I don't think
7 it's, I don't think it's, I really don't think
8 that it's helping for the minority group in this
9 area specifically speaking. What I mean by that
10 is black contractors. You know, we, we, we, we
11 got a company that we've established that we made
12 a force.

13 We won a large contract worth 3.1 million
14 and we executed successfully and we've shown that
15 we can compete out there and, but now it's gotten
16 to the point now where, you know, the specific
17 contractors in this area that you've worked with
18 in the past or that you're trying to work with,
19 if you go on the other side of the bridge, which
20 was Walsh Construction come down from Chicago and
21 won two out of three of them awards and awarded
22 us that project, or that contract, and they kind
23 of looked at the contractors that went to the
24 other side as traitors.

1 So now it has got to the point where that
2 contract that I had in 2006, that was my last one
3 because the contractors around here feel, you
4 know, and I mean, it's business, you know. But,
5 you know, now we're dealing with something else.
6 It's a new, like a new territory between the
7 minority and the women, specifically speaking.

8 And I believe, and I will say this
9 honestly, I believe in order, if you want this
10 program to be successful and, you know, the DBE
11 program is labeled for minorities, I think you
12 need to separate the girls, because if you look
13 at the statistics in between 2007 to this date
14 there's more women getting contracts than actual
15 black businesses.

16 You've got the, you know, the
17 contractors, the general contractors, they've got
18 their specific DB contractor minority that they
19 keep, you know, just to show I guess to IDOT hey,
20 we're employing, you know, these contractors.
21 But when IDOT leases out, or releases billions
22 upon billions of dollars, you know, and these
23 programs, what was the Recovery Act, just, you
24 know, establish whatnot.

1 And just, and, you know, particularly
2 just throughout the State and, you know, you get
3 the, you try to expand your horizon, try to get
4 to a different level by expanding myself. I
5 moved to Chicago, you know, to a bigger region to
6 kind of grow. I wanted to grow. I wanted to be
7 bigger than labeled as a minority contractor
8 because I don't like that, you know.

9 I don't want to be considered a DB for
10 the rest of my career in business. You know, I
11 would like to, you know, one day be able to be a
12 prime contractor and go across this country and
13 work, you know. But, you know, we kind of got
14 it, you know, we kind of got to the point where
15 we don't even bid at all because there's, you
16 know, we had a relationship with the Illinois
17 Black Chamber of Commerce, Peoria Local, and we
18 were like a family all the DBE's, and when I look
19 around I saw a few of us here, but seven years
20 ago this whole room would be filled up, because
21 we're, we're losing.

22 And the people that were helping us, IDOT
23 is not helping them so they can't help us
24 anymore. They have to, you know, they have to

1 stop what they're doing because they're not
2 getting paid or they're getting detoured from
3 helping, you know, contractors like myself just
4 so we can grow.

5 They're not going to leave no business
6 behind. That's their motto, Peoria Chamber. But
7 at the same time, you know, the people that's
8 trying to help us, and they're affiliated with
9 IDOT that, not trying to help them, you know, who
10 do we have to speak for us? Because, you know,
11 we have all these meetings.

12 Actually I'm kind of tired of coming to
13 them because they ain't doing nothing. You know,
14 you've got people in an office that's required,
15 that don't, I guess don't care about the
16 sensitive needs to the African American community
17 and the DB program, and yet they get awarded for
18 their accomplishments during their tenure in
19 IDOT. I don't understand.

20 You know, I mean, we can sit here and we
21 can have these meetings, you know, the news come
22 out everybody, hey, we want to help, you know.
23 Well, let's help. Because I, the last problem
24 that I had, and I'm going to sit down, the last

1 problem I had, like I said, I tried to expand my
2 company, and I went to Chicago.

3 I moved up there, and I wanted to
4 actually get certified in all the districts
5 because, you know, you've got DB firms, WB firms
6 that come from other, you know, regions to
7 District Four which is, you know, the region that
8 I'm primary in, but we can't get no work.

9 We get X'd out of the box, but everybody
10 else is working. But then IDOT tells me that you
11 can't, you can't bid on this job down here. You
12 know, I mean, I've tried to do everything I can
13 do for certification qualifications to become a
14 DB contractor throughout the State and, you know,
15 we get held up. That's it for me.

16 MR. MCNEIL: Okay. Thank you, Mr.
17 Hobson. Ward from Ward's Landscaping.

18 MR. WARD: Good evening, everyone. My
19 name is Ward Dean Smith from Ward's Custom
20 Landscaping. I've been in business now for, as
21 of last April for about 25 years as Ward's Custom
22 Landscaping for 20 years as a DBE, and I think
23 I've been in the program in here about longer
24 than anyone in this room.

1 So I want to thank whoever was the one
2 that brought this program to Peoria because, as
3 my fellow DBE said, in being in this program I've
4 been nominated for DBE Contractor of the Year
5 about six or seven times. So that says that I
6 was doing good work.

7 I want to thank also Mr. Crowe because
8 ever since I've been in the program if I call him
9 he will try to help me. And I want to thank this
10 man right here, Larry Ivory, because, and I know
11 most of you that are familiar with Upgrade 74 as
12 the young man was talking about that redone every
13 overpass and whatnot through Peoria here, I was
14 the sole landscaper, and I know about 100 percent
15 of you other than Larry and Mr. Crowe, I was the
16 sole landscaper for the first three years.

17 But I want you to know that if it wasn't
18 for Larry Ivory, Mike Jordan, and Supportive
19 Services I would have been eaten alive, because
20 we had a contractor that was trying to say things
21 that just wasn't true about me as far as my
22 ability to do the work that I was doing out
23 there.

24 And so, and Supportive Services, you need

1 someone such as my, for myself, to get that big
2 general contractor off your back, and that's what
3 Larry done and Mr. Crowe done for me. You know,
4 and I just want to say my biggest thing in this
5 DBE program throughout the years, because I've
6 been going down to Springfield or wherever we
7 would have Today's Challenge, Tomorrow's Reward
8 banquet every single year.

9 But there was never any place that, you
10 know, although we had breakout sessions and stuff
11 like that where you would, they would basically
12 say you can voice your opinion about what's going
13 on in the program and how you felt about it, but
14 it really wasn't because it was always rushed and
15 brushed aside. And then when you would try to
16 say something they had about a program it was
17 just really, nobody really listened. And that's
18 been, I think as a DBE in this program our
19 biggest downfall. Nobody would really listen.

20 Like, you know, things that somebody
21 passed, and I don't know who because that's the
22 problem that I'm having now, and unlike Mr.
23 Washington here I've been busy. You know, when I
24 first started off in the program I had to go way

1 out. You know, I'm talking about like down
2 wherever.

3 Any of you guys that know where Sparta,
4 Illinois is? Tilden, Charleston, Paris, you
5 know. From east to west, from north to south.
6 The only place that I didn't do business and
7 which I didn't want to do business in was the
8 Chicago area.

9 But Rockford, from Rockford back down to
10 all the way to the tip end of Illinois when I
11 first started. And then I got to be known by
12 doing business with the contractors around here
13 so I didn't have to go out that far anymore. But
14 it's become hard the last couple of years because
15 of just whatever, you know, more contractors come
16 in, and the economy has gotten hard so everybody
17 and their brothers and sisters try to come in and
18 do landscaping at this point.

19 So that's the way I see it. But I've ran
20 into a lot of hard problems like my brother the
21 council man said here, prejudice (sic) is still
22 alive and well in this country and in this State.
23 Because, you know, I just run into the old
24 problems.

1 And I had a project over there in
2 Bloomington to where, you know, I was putting
3 down erosion blankets on 55, and I don't know if
4 Mr. Crowe heard about it but I was trying to call
5 him yesterday. But like I say, I didn't get in
6 touch with him and I just left it alone because a
7 young lady took the call and said that she would
8 try to straighten things out.

9 But in the sense that I done the project,
10 had some 29,000 square yards of erosion blankets
11 brought on-site, and I'm sitting waiting on my
12 payment. They got the payment turned in on time,
13 but when I got my check from the general
14 contractor it was 22,000 yards what they paid me
15 for. And they wanted to tell me that my men
16 overlapped some 70, I mean, you know, some 7,000
17 square yards of blanket.

18 I said no way. You know, I'm there on
19 the site and I'm looking at it. There was a
20 couple areas where it was overlapped but no, not
21 no 7,000, you know, square yards of it. And then
22 on the opposite side of the road, I just got
23 finished with that the day after Thanksgiving,
24 the general contractor told me to bring

1 12,600 square yards of blanket.

2 I said now, if I done 22,000 on the
3 opposite side, which you paid me for, and on both
4 sides of the road the contractor is starting from
5 the same place and stopping at the same place,
6 there's no way that 12,000 is going to do that.
7 He said oh, the other side is smaller. I said I
8 don't buy that. I said but I'll put the 12,600
9 down, and when I done that they came up short.

10 Then the superintendent's boss came out
11 there and both of them got a hundred foot tape
12 and a roller and rolled it and measured it. They
13 ordered another 12,000. I put that down. I told
14 them in the beginning from that I said it's still
15 not going to be, I've been in this long enough, I
16 don't have a perfect eye I said, but I can tell
17 you with my eyes that's not going to be enough
18 either.

19 So we put that down, and then we had
20 another 3000 yards brought on-site, put that
21 down. Before they put that down I told them that
22 that wasn't going to be enough. And then the day
23 after Thanksgiving the general contractor got out
24 there with his men and, because I told them I

1 wasn't going to work during a holiday because
2 that was going to be triple time for me.

3 And like the council man say, they want
4 to push you into a situation where you're always
5 losing. It doesn't matter what, to the general
6 contractor that's able to foot these bills
7 because they're the big general contractor. But
8 with myself where you put, and put your quote in
9 so low because you have to go low because if you
10 don't you don't get the contract.

11 And then if you try to do something like
12 get a job finished with holiday pay or whatever
13 then you're coming out of the, it's just going to
14 be a losing job to you. So anyway, the general
15 contractor got out and done the job himself,
16 which didn't really matter to me at that point.
17 But what I'm saying is still he ordered another
18 six thousand square yards out of that which
19 finally completed the job.

20 So in all he came up with about 33,000
21 square yards total. And my argument to him was
22 that hey, you see, you said you measured the
23 opposite side with a GPS system. Okay. You see
24 how you messed this up with the measurement. On

1 this side you had to come out here three
2 different times, and on the fourth time you
3 finally got enough blanket to complete the job.

4 I said so just come up to what we did on
5 this side. And then this side, the final side
6 which we were doing was on the inside of the
7 curve. If anybody's familiar with 74 and 55
8 where they interchange right there in
9 Bloomington, you know, that's where I was putting
10 the blanket down.

11 Now, if you think that the inside of the
12 curve ought to be smaller than the opposite side,
13 the first side that I done was the outer side.
14 Now, how do you come up with 22,000 yards that
15 you paid me for on the opposite side, and then on
16 the last side that I was doing, you know.

17 So my argument was that, yesterday, was
18 that hey, I'm trying to be proactive in the sense
19 that I don't want to be waiting for my check this
20 time and then you come up, cut me short. And
21 then on the opposite side if you just pay me,
22 come up from that 22,000 to 26 and a half or, you
23 know, something like that I said I'll let it go.
24 We don't have to go back out there and measure

1 and pay me for 26,000 out of the 27,000 that I
2 put down on the new side and it will be fine.

3 But see, like I said, that entire job is
4 gonna be a, on my bid just about right at
5 \$50,000. When am I going to get paid. I don't
6 know. Then I have a job here in town with the
7 same thing, about \$60,000.

8 Right now they disbanded and laid the
9 engineers off and turned it over to another
10 construction, engineering firm, that myself and
11 the general contractor are going to have to bring
12 up-to-date as to what has gone on throughout the
13 whole project. When am I going to get paid? On
14 the first stint, which was Northmoor, if
15 Washington says he's on a project on Northmoor,
16 on Northmoor from Knoxville down Northmoor to
17 Sheridan, I laid sod. My last day of work was
18 May 2nd. May 2nd. And I got paid 25 percent of
19 that sod.

20 Okay. The next time I got any pay from
21 that, my pay estimate, which was turned in the
22 last part of August, now, what takes that
23 engineer that long to turn a pay estimate in? My
24 thing is you can't make it. The Prompt Pay thing

1 hasn't worked because you've still got that
2 engineer that don't turn, if he's got any kind of
3 gripe against you or just being plumb lazy, if he
4 don't turn the paperwork in you don't get paid,
5 even by Prompt Payment.

6 MR. MCNEIL: The pay estimate has to go
7 in before you --

8 MR. WASHINGTON: That's what I'm saying,
9 it has to go in. But if they don't turn that pay
10 in, that estimate in, you don't get it. And then
11 just like you say, six or seven, eight months
12 down the road. I've been fortunate in my
13 20 years I've never had to be bonded. I always
14 worked off of the general contractor's bond.
15 But, you know, just like I say, my bank is
16 patient with me, you know. But seeing, for the
17 people that don't, is not that fortunate, there's
18 no way that I could have stayed in business in
19 that 20 years that if I didn't have people that
20 believed in me that when I got paid that I would
21 pay them, you know.

22 This cross that I wear, it's not for, you
23 know, bling-bling or nothing like that. I'm a
24 Christian. And I believe that me and God is more

1 than a conqueror. You see? And you see me, I'm
2 passionate about what I do because I do it for my
3 living and I do a good job, and I get out there
4 and I get my jobs done and done right and on
5 time.

6 But the only thing that I'm concerned
7 about because, like I say, I'm very happy, you
8 know. Man, I don't know, just to be able to tell
9 my story. My story is that if you can't get us
10 paid, you know, then, you know, all of the
11 talking and everything that we're doing is just
12 for nothing. Because this young man here, we've
13 had two or three meetings about this same thing
14 but we didn't, we were trying to voice our
15 opinion. We try to get things done. One thing
16 that I want to say before I lose my thought
17 because in my landscaping, I don't know who
18 changed this. I think I was on a section, a
19 portion of the job that, when it got changed.

20 I was down in Jacksonville, Illinois. I
21 had 13,000 yards of sod that I was putting down,
22 and there was another contractor, DBE contractor,
23 that came on the end of that job and he put down
24 sod and he only watered it one time and walked

1 off the site and didn't water it no more and the
2 sod died.

3 And then the next year when it came
4 around there was a new thing with the sod that
5 you had to water seven more times and bring that
6 up to 15 times in which you had to water. And
7 then when you get paid you get paid for only 25
8 percent of the sod, and then you've got to wait
9 until that engineer turns the other estimate in,
10 which might be seven or eight months down the
11 road.

12 The longest I've ever waited on my money
13 on one job was eight years. Eight years. Eight
14 years. I've had four different jobs where I had
15 to wait five to six to seven years. This was on
16 Dirksen Parkway in Sangamon. Like I said, I've
17 been, I am the reason that around here when the
18 State went from, because the State used to didn't
19 put down soft tolerant sod.

20 It used to just be, would be Kentucky
21 bluegrass. But the reason, I mean, I'm the
22 reason that D.A. Hoerr started putting down soft
23 tolerant sod and raising soft tolerant sod is
24 because I used to do about 200,000 yards of soft

1 tolerant a year just all over Peoria, all over
2 this state.

3 Nobody knows it because I don't wear my
4 logo on my truck, you know. I don't go around
5 searching for work because I've been busy. I've
6 been blessed. But it just is still so tiring
7 that, you know, with the sod, paying 25 percent
8 and you get the rest of your money six, seven
9 months down the road.

10 Planting trees, they pay for 25 percent.
11 Then you get the rest of the money after a year.
12 The plant has to last a, has to live a year and
13 then I get situations we've had for the past
14 couple of years where it would get so hot it's
15 just like a desert, you know, here in the state.
16 I was out there over at Bloomington putting down
17 erosion blankets when the temperatures hit 118
18 degrees heat index, and we couldn't do nothing
19 but go outside and sod it, you know, and put down
20 a roll and a half and we had to go down and get
21 water because it was too hot to work for men.

22 And then we had to start at 5:30 in the
23 morning and then let the guys go at 11:00 because
24 it was just too hot to do anything out there.

1 I've been through the storms, I've been through
2 the rain. But the thing is, the thing that I
3 have a problem with is getting me paid because,
4 you know, I have to, I have to pay my bills. I
5 have to pay my suppliers, I have to pay my
6 workers.

7 The next thing is about the unions. Like
8 I said, myself, I always get what's left in the
9 union halls. I've tried for 20 years to hire,
10 just hire a good foreman. When you find somebody
11 and you take them to the unions then you can't
12 hire them because the union don't let you get the
13 union card. The big contractors, they take
14 whoever they want. If they don't have two days
15 of school they take who they want, not somebody
16 with a high school degree or a college degree or
17 whatever. You know, they take whoever they want
18 there and get them hired.

19 That's what I would like to do, hire who
20 I want, but they don't let me do it, you know.
21 And just things like that. But the most
22 important thing is, like I said, remove all of
23 this stuff because sod is going to be a big, if
24 the sod is down in a week and a half that's all

1 it takes, you know.

2 Clark knows, it don't take but a week and
3 a half. You know, if it's not going to live
4 after a week and a half then don't pay me. But
5 pay me my money when I go out there and do this
6 job, not six or seven months down the road.
7 Eight months down the road when, like my man
8 here, he said he got one contract. That
9 shouldn't be, you know.

10 And, you know, I don't know. Mr. Crowe,
11 these, like I said, these engineers, man, I don't
12 know who is totally over all of them but you run
13 into some of them and they've got a gripe with
14 you when you show up on the job site. And if
15 they don't turn you, turn, you know, no matter
16 how good you treat them, no matter how good you
17 do the job or whatever, and they don't turn your
18 paperwork in, Prompt Pay can't get you nothing.

19 And then when you try to tell somebody
20 about it then they say well, it's your fault.
21 Like I say, I asked those engineers over there
22 before I showed up on site, which I do all the
23 time, tell me what you want me to bring as far as
24 material. I can order it.

1 I don't have no problem with getting any
2 material that's, you know, that they tell me to
3 bring because I have good suppliers and they know
4 that I'm going to pay them. My thing is just get
5 these engineers to know that hey, you know, their
6 job in terms of you've got to treat everybody the
7 same way.

8 And, you know, we can do these jobs
9 because, you know, every, you know, as far as the
10 people around here they know that I can do the
11 work because I proved it. And what, you know, I
12 know I'm jumping from place to place, but going
13 back to Upgrade 74 here, what was wrong with
14 that, and, you know, on my side of it was that
15 the State had a completion date. Okay. The
16 general contractor had work some year and a half
17 to two years up to getting him or her or whoever,
18 you know, like this young man said, the general
19 contractor was Walsh for the first couple of
20 years on that.

21 They had all of that time to get up to
22 their completion date. But then I had, you know,
23 my contract was from 474 all the way to Pinecrest
24 over here. Both sides of the road that we was

1 doing, and I had to do all of the landscaping
2 within three months and still meet their
3 completion date. I got it done.

4 But in that time, Larry knows, I had two
5 strokes. I couldn't walk, I couldn't talk, and I
6 had to learn how to do everything over again.
7 And when I had, when I had the second stroke the
8 doctor said well, tell me, Mr. Smith, when did
9 you have a stroke before. I said I don't know
10 anything about it. You know, I didn't know
11 anything that I had had a stroke.

12 And he said yeah, this is your second
13 stroke. And then laying up there that night,
14 because they was going to let me go home but they
15 just, God intervened and said no, you're not
16 going to send him home, they kept me in and
17 overnight I had the third stroke, and that's what
18 got me where I couldn't walk or talk or anything.

19 But I'm here today speaking my voice, the
20 same thought that I had in my mind back then.
21 Because see, if nobody ever know anything, know
22 that Ward Dean Smith as a person, I love
23 everybody and can love everybody. I and my
24 classmates as far as my high school class, we

1 adopted a motto from John F. Kennedy, and he said
2 this in a speech that he was giving.

3 He said some people see things as they
4 are, and I quote, some people see things as they
5 are and say why. I see things as they never were
6 and say why not. End of quote. And I thank you
7 for this time.

8 MR. MCNEIL: Larry Ivory.

9 MR. IVORY: Well, first let me thank the
10 distinguished legislators for being down here. I
11 was very happy to see my good friends from
12 Chicago and obviously Senator Koehler and Senator
13 LaHood and IDOT here. And let me first also
14 acknowledge the Secretary of Transportation. I
15 think it was our best choice. I'm optimistic.
16 There's a comment that someone says. It says
17 that a pessimist may be right in the long run but
18 the optimist has a better time on the trip,
19 learned to enjoy the trip.

20 So what we're trying to do here today is
21 really bring, from my position because I think
22 I've been around construction a pretty good while
23 and I've seen a lot of the contractors, I know
24 we've fought together on a number of issues, and

1 I think I can speak candidly not only from a
2 local business but from a statewide and from a
3 national position also, and I'm going to state
4 the obvious right now.

5 First of all, was that most of us know
6 high infrastructure is funded by what? Motor
7 fuel tax, right? That means that every time we
8 go to the gas pump we're paying for highway
9 infrastructure, right? And it seems to be fair
10 that we ought to participate where our dollars
11 have paid the opportunity. I think that's just
12 as American as apple pie.

13 One of the things that we see throughout
14 the country is that we continue to see a very low
15 participation for African Americans. I don't
16 care where you go in the United States, we've
17 done the numbers, the numbers are dismal to say
18 the least.

19 Now, I'm not here to cast a stone or to
20 blame any particular person or particular, any
21 particular. I'm going to state what I consider
22 to be some of the inherent facts and some of the
23 experiences that we've had as an organization and
24 some of the work that we've done with members and

1 challenges that they've had.

2 And when Ward Dean mentioned the fact
3 that, you know, the work that he's done, and Ward
4 Dean has done an excellent work. I remember when
5 we were working with IDOT when they had the I-74
6 project and he's got two major contractors, Walsh
7 and UCM, and we knew that they had liquidated
8 damages, and we knew from a Supportive Service
9 side that the contracts was going to try to shift
10 the burden if they could to someone else so they
11 wouldn't get hit with the liquidated damages.

12 And sure enough, that's exactly what they
13 did. And we saw a consistent pattern with both
14 UCM and Walsh Construction Company. And what we
15 found was that we would get a phone call saying
16 Larry, we've got a problem, Ward Dean hasn't
17 prepped the job, the truckers aren't doing their
18 job, and it was non-stop.

19 And what we find out, we would go out to
20 the site, and we would be ahead of the game and
21 we'd found out that Ward Dean had already done
22 the prep work and they were just looking for
23 someone to blame. And we would call them back
24 out to the job site and say now, that's not true

1 because we were out there. Here's the facts.

2 And we forced them to kind of do what
3 they didn't want to do. But what it spoke to was
4 the fact that if you don't have strong Supportive
5 Services, if you don't have strong oversight, big
6 contractors will eat alive small contractors. As
7 a matter of fact, I believe as a part of the
8 overall strategy, this is my opinion, it's a part
9 of the overall strategy to make money on
10 yourselves, because quite frankly if you
11 underestimate your jobs you get the job like
12 Clyde says.

13 If you don't keep track of the work,
14 which is the responsibility of the subcontractor,
15 but if you don't keep track of it every time we
16 find that they're going to take full advantage of
17 your lack of tracking your work. And we saw it
18 again and again and again.

19 So what I'm saying to you, I believe that
20 there is some degree of energy that's put into
21 the fact to undermine subcontractors and to make
22 sure they don't survive in the business.

23 Now, is that true throughout the
24 industry? I'm not certain of that. I can tell

1 you I saw it happen. I think it continues to
2 happen. And about a year and a half ago the
3 National Black Chamber of Commerce, because of
4 the problems that we saw across the country, we
5 instituted our own hearings and we went around
6 the country to about nine different states.
7 Illinois was one of the states we went to.

8 And we had attorneys and we had public
9 hearings. And we got contractors from all around
10 the state to come to Chicago and have testimony
11 and we recorded those testimonies about the
12 egregious problems that contractors were having
13 across the state. We did that a year and a half
14 ago and we took that to Congress, and we
15 presented this documentation of information that
16 clearly states from their position some of the
17 inherent problems and challenges that they were
18 experiencing.

19 I am going to submit to the Secretary
20 and, Frank, to you, our findings and our
21 testimony. It's been recorded. I'm going to
22 submit to you, you know, our documentation, the
23 actual people. Now, what I have to do is get the
24 permission of the individuals that we interviewed

1 throughout the State and make sure they give us
2 permission to release the video and their
3 comments.

4 But once we've got that we will surely
5 submit this to IDOT as additional evidence in
6 terms of some of the inherent challenges that I
7 think we face across the board. I'm going to
8 give you another example. I serve on a policy
9 procurement board, 25 Senate President, and
10 there's five of us.

11 And not long ago when we were talking
12 about construction, and we talked about
13 construction and engineering, they presented to
14 us they had a nine million contract that was
15 awarded and they had a goal that was 19 percent.
16 And I commended them for setting the goal of 19
17 percent, and I thought that was pretty
18 impressive, especially in the engineering
19 environment and engineering position.

20 When I asked them to give me a breakdown
21 of the ethnicity of the people who had been
22 awarded the contract to meet the 19 percent there
23 was no, there was a sense of protectionism in my
24 opinion that they did not want that information

1 released.

2 Legal counsel suggested that let's hold
3 on until we take a look at the numbers and then
4 we would bring those numbers back to the policy
5 procurement board and we would release those
6 numbers. Well, because of the policy procurement
7 board's position they have to bring those numbers
8 back to us. They don't have an option with that.

9 So when we got the numbers, the numbers,
10 here's what the numbers said. The numbers said
11 that of all the engineering work of the nine
12 million and the 19 to 20 percent goal that they
13 had, that white women got approximately
14 11 percent. Hispanics got approximately about
15 8.2 percent, and the African American
16 participation, and we've got qualified black
17 engineering firms, was less than 4.5 percent.

18 Now, legal counsel made a strong argument
19 that Larry, the Federal guidelines don't separate
20 African Americans from any group, it's all
21 together. I agree with that. But the point that
22 we make is that there is an obvious trend when it
23 comes to African American participation across
24 the Board. And not just in construction, but in

1 other areas.

2 And then we understand that when you talk
3 about sustainability, economic impact,
4 environmental impact and social impact. When
5 you're going to have high crimes, high
6 unemployment, all of the negative things that
7 impacts a community is going to happen when
8 there's no economic blood flow flowing to that
9 community.

10 So if we want a stronger State of
11 Illinois, a stronger community, you've got to
12 make sure there's economic opportunity because
13 the only way you can have sustainable communities
14 and black communities that have sustainable black
15 businesses, that means the black contractors have
16 to participate where the dollars help create the
17 opportunity.

18 Like our good friend Duncan says all the
19 time, there's no discrimination when it comes to
20 collecting your taxes. There ought to be no
21 discrimination when it comes to giving out
22 contracts. But we can clearly see an enormous
23 disparity.

24 Now, the disparity study clearly pointed

1 out the under utilization of the DB program.

2 Okay. But what it didn't do is break down the
3 separate categories across the board. So it
4 lumped it all together and said it was under
5 utilization, which is obvious, and we support
6 that.

7 The real question is that we ought to ask
8 the question as to what is a breakdown by
9 categories, and are African Americans
10 participating at greater or under-utilized than
11 any other group of people or not. I think that
12 was taxpayers' money. We spent a million dollars
13 in base entitlement. We ought to ask for that
14 information so we can see the real numbers, not
15 just the numbers that people want to put together
16 and state the obvious, that they're
17 under-utilized.

18 I think we ought to ask for the numbers
19 that really speak to the issue of how much
20 under-utilization are you experiencing in the
21 African American community. And all of us know
22 based upon Atiran (phonetic) and also Prosen
23 (phonetic), which is a Supreme Court ruling about
24 narrowly tailoring and how you can have a

1 set-aside program, it's the basis of remedy that
2 you can have.

3 But if you don't ask that question and if
4 we don't break it down, how then can you have a
5 program that's really designed for African
6 Americans if they're the most, if they're the
7 biggest group that's been under-utilized?

8 So I say to us is that we ought to ask
9 the question. We ought to ask our legislators to
10 ask the questions, help give us the real numbers
11 across the Board. My other comment is really
12 kind of quick. I'll give you kind of the things
13 I think we need to do.

14 Number one, a lot of contractors because
15 they haven't gotten paid, and there's a lot of
16 games that they play with getting paid, I've seen
17 the best of them do it. I've seen contractors,
18 big prime contractors do a lot of games with
19 subcontractors, not just sometimes with African
20 Americans, sometimes with Hispanics, sometimes
21 with white females because they have the power,
22 the authority, the resources to do what they want
23 to do.

24 And if you don't have a strong Supportive

1 Service or someone doing what Frank does and
2 others do then I think you're very vulnerable in
3 that situation. So it's apparent that one of the
4 things that happened is that we've got to work on
5 a program that improves credit enhancement
6 because a lot of contractors are struggling
7 because one, they didn't get paid because they
8 don't have good credit, so we've got to restore
9 credit.

10 And I think we already have a program
11 that deals with credit enhancement, because
12 you'll probably find 70 percent of our
13 contractors have a problem in getting financing,
14 and the only way you're going to overcome that, I
15 think you've got to really have a strong program.

16 If you have under-utilization then you
17 can come up with a program that really takes a
18 look at how do we get credit to individuals who
19 have bad credit. And it may take a little time
20 but we ought to have a program to address those
21 needs and strategies, and ought to be a part of
22 our game plan.

23 Financing and bonding, again, I want to
24 thank Senator Hunter for her movement and, pardon

1 me, for their movement in terms of bonding
2 because bonding is a big issue. The only way
3 that we bring about parity is that we have to
4 have contractors who have capacity.

5 And highway construction, Barack Obama,
6 did the economic stimulus plan. We had Secretary
7 Ray LaHood, a great leader in Transportation, but
8 when you took a look at the participation of
9 African Americans and the stimulus money, and I
10 was on the conference call with the White House,
11 I can tell you I told them unequivocally, the
12 people who voted you in aren't the people who are
13 getting this contract and participating.

14 And that's a real legitimate problem that
15 we have to make sure that the people participate,
16 and bonding is the only real solution if we're
17 going to grow capacity because in my opinion the
18 ultimate objective of this program and the DB
19 program was started since 1982, and the objective
20 is that we have to build capacity and have
21 general contractors who can go out and compete
22 and bid on 50, 60, 80 million dollars. And guess
23 what, we don't have anyone in the State of
24 Illinois who has the capacity to do that.

1 We have to build contractors who graduate
2 from the DB program and go out and compete,
3 because the fact of the matter is is that people
4 hire people that they like and they know and look
5 like them in most cases. So if we never have any
6 prime contractors go out and compete there's a
7 pretty good chance that we're going to be subject
8 to the whims because a prime contractor can
9 choose whoever he wants to.

10 He don't have to take the lowest bid. He
11 can choose whoever he wants to to participate on
12 that contract. It can be a person that has three
13 percent hire and he is well within his legal
14 authority to choose who he wants because it's his
15 choice.

16 Now, when it comes to lowest responsible
17 bid on the prime side, it's a bid to the lowest
18 bidder. But in the subcontracting world it's not
19 always done in that fashion. So unless we help
20 to grow African American contractors to build
21 capacity, I think you inherently still are always
22 going to have a problem because people, if you
23 get an African American firm that succeeds and we
24 grow them, and we ought to have a program for

1 that, I think you'll see greater participation.

2 I trust that this administration, the
3 governor, the leaders here, will really kind of
4 hear what's really impacting the African American
5 community. More debts, more crime, all that's
6 indicative of economics. And if we don't focus
7 on business, growing business, removing barriers,
8 the basis by which we can do this now, the
9 disparity study, is a legal, legitimate argument
10 to bring about real remedy is a disparity study.
11 The under-utilization.

12 We must ask for their data to take a look
13 at how bad African Americans are being treated,
14 are under-utilized. And then we must have an
15 honest, open conversation about the remedies that
16 we can do to help fix the problem. I challenge
17 this great State of Illinois to step to the plate
18 to do what's right not for just African
19 Americans, because it's right for the country.
20 When people participate and they have hope and
21 they have opportunity it's good for America.

22 So again, I encourage all of us to do
23 everything we can to make sure this becomes a
24 realty.

1 MR. MCNEIL: Thank you, Larry. Antonio
2 Lipscum.

3 MR. LIPSCUM: Good afternoon, everyone.
4 Just thankful to be here. Respect all the panel
5 here today. We appreciate your time and we're
6 just thankful for the opportunity to address you
7 all in relation to, in particular, the minority
8 participation.

9 I can speak as a young, novice contractor
10 trying to get off the ground. Looking at it from
11 the standpoint of trying to see, okay, who is the
12 all stars that we can look at that we can grow
13 and respect. I do have, like Clyde had
14 mentioned, some contractors that we, you know,
15 are fairly new in the game that would like to see
16 how we could grow capacity for our companies and
17 participate.

18 And, you know, I even have a special
19 friend that I invited, and we actually stopped
20 work to try to come here to try to believe in
21 this process and believe in what's going on. But
22 at the same time, you know, when we look at
23 what's going on in our community, in particular
24 Peoria, and we would like to see, you know, some

1 African Americans that, you know, are being
2 successful outside of just the private sector, we
3 would like to see a prime contractor who's an
4 African American, you know. People that we can
5 look up to and respect.

6 And quite frankly, you know, when we look
7 at what's going on we're just very discouraged
8 about, you know, the way things happen. I mean,
9 I understand, you know, you guys are part of
10 relations to looking at this study and that
11 study, I mean, but sometimes things just break
12 down to common sense.

13 I mean, you know, you look at, you know,
14 people that's working. Okay. You see, you know,
15 a white company there, you know, and you see a
16 black lady, you know, holding the sign. Okay.
17 So who is running the major equipment there and
18 that kind of stuff? We don't see our own.

19 As an African American male I don't see
20 my own participating in those type of things.
21 And, you know, it's kind of discouraging, you
22 know, when you don't see your own face doing
23 certain things.

24 Okay. I know in relation to IDOT that

1 you send out money for training to help minority
2 participation get, you know, get involved with
3 the different trade opportunities and so forth,
4 pre-training and so forth. Now, a lot of those
5 dollars are going out to ICC.

6 Well, we want to be able to train our own
7 people. We want to believe that we can take some
8 of our own and give them the basic skills and the
9 basic knowledge so that we can hire them. My own
10 experience, you know, growing up poor in a gang
11 infested environment, you know, seeing a lot of
12 things happen, but with knowing that, you know,
13 we could see a carpenter that's licensed.

14 You know, I've seen people, young
15 people's lives just get saved and brought out of
16 a gang environment because their father was a
17 carpenter or their father was a journeyman
18 electrician and so forth. And quite frankly,
19 what we see a lot of times is just these one
20 generational businesses.

21 When the father died the whole business
22 died, you know. And we're just tired of seeing
23 that. We want to be able to train up, you know,
24 like the gentleman said, he's a Christian, I'm a

1 Christian. We believe if you train up a child in
2 the way he should go and he won't depart from it.

3 So, I'm saying I respect the fact that,
4 you know, IDOT gives us, the contractors, these
5 opportunities to move to the next level, but
6 seriously, I mean, is this really real? You
7 know, is it really real? That's, I mean, that's
8 my point. Like the gentleman said, are we going
9 to really get these contracts or should I have
10 went and put in that faucet that I was supposed
11 to put in before I came here, you know.

12 I mean, because quite frankly, we just
13 don't believe in it. I don't believe in it. I'm
14 here. I want to believe in it, but at the same
15 time, I'm hoping when I leave here today, and the
16 good friend that I brought here, we won't just
17 say oh, it was another meeting that we had that
18 we came to and nothing was done about it. And so
19 just to be clear, we know that the insurance is
20 the problem. We know that the bonding is a
21 problem.

22 We know that trying, even with the union
23 trying to get our, okay. Say, for instance, we
24 do an eight week preparatory program to get our

1 young African Americans involved with, you know,
2 we get them in the union. They sit on the books.
3 They don't even get enough hours for
4 unemployment.

5 So it's just a vicious cycle of the lack
6 of participation with minorities in the union.
7 So to be quite frankly, I'm not anti-union, I
8 think a union is great if you can get in there
9 and the union is doing what they say they're
10 going to do. But a lot of times they don't.

11 You know, we don't see, we don't see
12 African American journeymen electricians and
13 plumbers like we should. And so I'm just saying,
14 you know, if there's something maybe you all
15 could do with that.

16 I mean, I head up Cornerstone Vocational
17 Center. We're trying to get funding so that we
18 can offer services so that we can know who our
19 population is, so if you do need a person who
20 wants to participate to get a job with the
21 contractor, we want to be their resource.

22 I'm also a part of the Black Chamber of
23 Commerce. I believe in what we have. It's just
24 that for the ones that we have elected we want to

1 be able to believe in you. You know, we want to
2 throw a party for you, to be honest with you, and
3 say hey, we want to celebrate the fact that we've
4 got a voice and you listened and you took our
5 concerns, our real concerns that, you know, a lot
6 of people are hurting right now.

7 It's a bad economy. People, you know,
8 are just trying to get food on their table. You
9 know, especially us as contractors, we're not
10 getting no jobs. We want, we're just trying to
11 survive. And we want, we want to celebrate the
12 people that we vote in office by saying listen,
13 we voiced our opinion, you heard us, and there's
14 something, something done that makes us feel like
15 we can believe again. So, you know, that's
16 basically all I have to say.

17 MR. MCNEIL: Thank you. Gabe Yala.
18 Gabe.

19 MR. YALA: Good afternoon, and
20 distinguished Panelists and Chairman Larry, thank
21 you for the opportunity to provide this platform
22 for this community to provide input. I'm
23 speaking from the standpoint of compliance. How
24 do we, we have a lot of good laws on the books.

1 Let me give you, since we're talking
2 about transportation, we all interact with
3 transportational law, legislative law like
4 driving speed. Not that anybody actually has
5 been given a ticket. But the law is in the
6 books. We know what the laws are. We're
7 supposed to drive a certain speed, a certain
8 street or highway.

9 And we try as best as possible to obey
10 those laws, but every once in a while those laws
11 are not obeyed and we have another system called
12 enforcement mechanism. We have people that make
13 sure that when somebody is violating those laws
14 that there will be some consequences.

15 So therefore, we are more careful and we
16 try to obey the rules, and we start the
17 enforcement. If you look at, I don't know the
18 history of enforcement in traffic law, I don't
19 profess to know, but if you go back and look at
20 history you probably saw enforcement where you
21 have cops inside of, in a position watching cars
22 pass. And when they see a cop obviously the cars
23 start moving a little slower.

24 Then when we get to the point where you

1 have (inaudible) sufficient enough and then we've
2 got, I mean, the right to like radar. And most
3 cops have electronic means to even (inaudible)
4 before you get there. Just last, during the, one
5 of the sessions, legislation, I remember there
6 was some law passed to have some cameras in the
7 Chicagoland area in some of the areas.

8 That means now we got better. We don't
9 even have to have a cop on the street. We can,
10 you know, you can be at home and get a ticket in
11 the mail. So we've gotten better. So that means
12 that every time now we are trying, we are more
13 cautious. We get to the stoplight. We know even
14 if we don't see a cop at the corner that there
15 are consequences.

16 And so we, because we know it was
17 important, we know the consequences of breaking
18 those laws so we make it count. And I'm saying
19 that to, kind of getting back to compliance with
20 management participation. We have a lot of good
21 laws on the books. We have a lot of compliance
22 that, wait a minute. Okay.

23 The contractor has certain goals and the
24 breakdown of it, including the contract work

1 force. But if you don't have the good mechanism
2 we're still trying to have cops sit by the side,
3 you know, to come on the road to see who is going
4 to move faster, and knowing that there's so many
5 roads you don't have enough cops to go around
6 and, you know, there's no consequences.

7 There are no tickets. We don't have
8 traffic cameras that people are moving faster
9 now. So people, you know, don't take it
10 seriously because there's nothing to hold them
11 accountable. So I'm going to give you a specific
12 example of how some of the accounting rules that
13 govern compliance.

14 Because one of our specialties in
15 compliance, so I speak this from best knowledge
16 that we have in this field. Today if you talk to
17 most people that deliver compliance, the rules
18 that they apply, abide by, is that if you are
19 awarded contract, first year contractor,
20 subcontractor, you can count it towards your
21 goal. But you, you can count it toward your
22 goals.

23 But whatever happens with that contract,
24 they're going to have (inaudible), it doesn't

1 matter. So in most cases you may have a minority
2 contractor in the middle of a contract but
3 subsequently my subcontractors contract normally
4 with the contractors. But you see how to obtain
5 the goal of the contract because you won't look
6 at the first year.

7 So I think that there is an opportunity
8 to improve performance and also do it better
9 monetarily to make sure that people that receive
10 the contract actually award the contract. I
11 think the Federal guidelines are very, very clear
12 about it. If you don't have your own work force
13 and your own people doing the work actually, you
14 know, you only, the only thing that you should
15 count is the part of the money that you kept.

16 Because if you subcontracted everything
17 that's out and only get five percent of the job
18 that's how much you value added to the contract.
19 So those are somewhat regimented and I think they
20 can improve the accounting process.

21 One of the things that I learned early in
22 my life is that an accounting system matters
23 because it is the accounting system that
24 determines how people perform. If you set the

1 right accounting system this is how I'm going to
2 judge performance, this is what kind of quality
3 I'm going to determine performance, people will
4 perform towards that. I think we need to kind of
5 look at, we're looking at how to improve
6 participation.

7 We need to look at what accounting system
8 we have in place, how we are accounting for it,
9 and then what is the mechanism that we have in
10 place to make sure that we are holding people
11 accountable. There are a couple of laws that I
12 think are summarized here in Housing Assistance
13 349.

14 That's the law that was passed to help
15 employ more people in Illinois. And
16 unfortunately, there are no mechanisms. I spoke
17 to a lot of local audits, elected officials.
18 They don't have any way to understanding how this
19 actually works. How do you, you know, how do you
20 know this person lives in Illinois and how is the
21 project that we have today going in that IDOT is
22 responsible.

23 How do you know that everybody working on
24 that project is actually even a resident. Those

1 are, you know, those are requirements. Those are
2 laws on the books right now. But I can tell you
3 that there are no mechanisms to really try this
4 ongoing business to make sure that people that
5 actually participate in the work for this project
6 are actually Illinois residents.

7 And recently House Bill 2987, that it is
8 probably by agreement. That actually has some
9 impact on minority work force that actually
10 participate in related work force. But again,
11 what is the mechanism in place to make sure that
12 we can account for that correctly.

13 You know, there's no point putting a
14 speed limit on the highway if we don't, if you're
15 not serious about trying to hold people
16 accountable. If they break, even if we break
17 rules. So those are the things that I wanted to
18 kind of, I know that a lot of things we're
19 talking about here are related because in order
20 to get a better performance from the rules that
21 we have, whether it's a DBE program or audit
22 program that we have in place for minority
23 participation, we've got to get serious about how
24 we do the accounting, how do we hold people

1 accountable, and what kind of mechanism we have
2 in place to make sure that when people, that
3 people know that, you know, they're going to be
4 held accountable.

5 And I don't know most of you that, you
6 know, to me is very, you know, is very obvious,
7 if you see a cop, a cop parked on the road
8 anywhere, you can go and all of a sudden there's
9 two or three cars stepping on their brakes
10 because they know somebody's watching.

11 You know, there is some, there is some
12 benefit there to having a mechanism that allows
13 you to have some kind of transparency to say some
14 people know that there's transparency, people are
15 watching, because you have a camera hiding
16 somewhere or there could be a camera. Even if
17 it's no camera, guess what, everybody's mindful
18 as to how they respond to the situation that they
19 need to respond responsibly.

20 So as we go through this dialogue I hope
21 that we kind of take a look at the enforcement
22 mechanism, how do we enforce these laws that we
23 have on the books on any new legislation that
24 we're looking at and not just to have something

1 on the books that never translate to changing
2 anything on the ground, because it's not laws,
3 it's important, but it is implementation of that
4 law that actually change lives, that change
5 things. So we can have the laws on the books,
6 but most of us don't know they exist because they
7 haven't been really enforced.

8 Until it's enforced then we realize that
9 that's where we have interaction with that
10 particular law. So that's my comments. I want
11 to keep it as brief as possible. But I have a
12 very long version of what I'm talking about and
13 if you've got any opportunity to provide a long
14 version of what I'm saying I will be more than
15 happy to do that. Thank you.

16 MR. MCNEIL: Thank you. Let me remind
17 everyone that this is about personal testimony
18 that you have had as far as discrimination in the
19 contracting community. What kind of issues have
20 you faced, has it been bonding, has it been
21 finance, has it been the on-the-job harassment.
22 Those kinds of things we are looking for. So if
23 you have those kind of things, please come
24 forward. And the next individual is Edward

1 Taiwo. Our court reporter needs a break. We're
2 going to take about a five minute break.

3 (Break taken at this time.)

4 MR. MCNEIL: Mr. Taiwo. Edward Taiwo.

5 MR. TAIWO: Ladies and gentlemen,
6 thank you all for inviting us to come and talk
7 today. When I first received an email to come
8 here I vaguely looked at it because I'm thinking
9 in my mind will there be anything new coming from
10 IDOT.

11 The second time I got the email from
12 Janet's office, I said well, I guess you have to
13 come around. And before I began I got that email
14 from (inaudible) competition about the annual
15 committee web sites. And I went in there and I
16 said (inaudible) let me go to that meeting and
17 see what's going on. So when I came here this
18 morning I (inaudible) and I asked, I talked to
19 (inaudible). I said what is new coming out
20 different from IDOT. So just wait and see and
21 see what is new.

22 My name is Edward Taiwo and I'm the
23 president of Tabitha Ventures. I'm a civil
24 engineer, and I came to the U.S. in 1997 from

1 Nigeria. When I came in first I wanted to get to
2 my story so that you can know who I am and where
3 I am --

4 MR. MCNEIL: Edward, could you please
5 talk about your experiences?

6 MR. TAIWO: I know.

7 MR. MCNEIL: Okay.

8 MR. TAIWO: But if I don't tell you
9 how I got, I mean, I don't want to jump to that
10 experience because you won't understand why I'm
11 asking is anything new coming from IDOT. So what
12 I learned, I mean, she's learning to me because,
13 I mean, I don't want to go to the (inaudible) in
14 the court of law because I don't want to create
15 (inaudible) my case.

16 When I left Bradley in '03 I went to
17 (inaudible) until I got it and I was brought to
18 DB. I got my DB status position. When I got the
19 DB, because normally I don't even know what to do
20 with this so, but they told me after so many
21 meetings that I want to, I need to bid for IDOT
22 jobs. And I have everything going on with me in
23 '05.

24 I don't have any prior financing on my

1 own. I went to the bank to get enough credit.
2 On the issue of the bonding I was very lucky. I
3 got a very good bonding company (inaudible), and
4 I was an SBA. That is, my bonding came from SBA
5 Guarantees. SBA guarantees five percent of my
6 bonding for me to do my job.

7 When I started my business I believe I
8 can do a lot of things, so I started as a general
9 contractor on my own due to smaller bonding
10 companies. My bonding was around (inaudible). I
11 want to bring my company to a certain level but
12 there was a problem. There was a problem in '07.
13 August '07.

14 I got the contract with IDOT and that
15 had to do with the DBE program. As I said, I
16 launched myself out to be a general contractor.
17 So I've done similar, you notice that (inaudible)
18 two of those jobs were IDOT, but this one I got
19 in '07 and I, we were late in going to that job
20 site so we couldn't finish on time. So that was
21 just was time (inaudible).

22 In the bonding balance when you have a
23 bond I will put it as a problem (inaudible) IDOT
24 as the bonding company to (inaudible). This is

1 why it's very, very contested for me. As I said.
2 I'm not going to (inaudible) but when my bonding
3 was (inaudible) during the period of me and IDOT
4 (inaudible) I remember I went to one of the IDOT
5 officials.

6 I'm begging to please if you want to
7 take anything out of my life please do not take
8 away my bonding from me. See, bonding is my
9 life. Forget about everything else. You can
10 (inaudible), please don't take my bonding away.
11 I knew how I got my bond.

12 I traveled from Peoria (inaudible) to
13 make my show to manager. Before I did, before
14 they took me to SBA before I got my bond. Okay.
15 During those times in August, September, October,
16 November, I was just talking to IDOT officials.
17 I remember I went back to my bonding company. I
18 said please do me a favor. I said I want to
19 finish the job with you, even though IDOT, I said
20 to them (inaudible) let me do it with you.

21 Then my bonding company said
22 something, that you are only person that was ever
23 called as a contractor to finish a job after it,
24 after time lifted. Most contractors, they always

1 walk away. I said I'm not walking because this
2 is not my fault. It wasn't my fault. According
3 to IDOT, they said my bonding was released. And
4 I told them my bonding comes from SBA Guarantees.
5 By then I placed my bonding with my surety
6 manager. It goes to SBA.

7 Every time it was 10, 15, 30 days for
8 them to go through my records. Before they
9 granted it its represent come back on my surety
10 manager before they can write number for the
11 process of bonding delivery as fast.

12 I told this IDOT official please, this
13 is issue why we are late. But what does this
14 mean? Anyway, as I said, the bonding company
15 came in to finish the job on my behalf, and
16 normally after it incurred some losses I covered
17 \$38,000 of that money. And when I been there,
18 there with my attorney since '07, it was this
19 year, two months ago, that this (inaudible) and I
20 was in my attorney's office about a couple months
21 ago for my deposition and (inaudible).

22 The point I'm making here is this.
23 Being a DBE contractor, this somebody (inaudible)
24 advantage. I did not expect IDOT (inaudible)

1 even if, even if I did something wrong, for them
2 to go to my bonding, this was, for them to take
3 away my means of livelihood.

4 Where I am today I'm here just by the
5 grace of God. I started to look at problems,
6 that's a real problem in my life. I couldn't do
7 the IDOT jobs again, I couldn't do the work I
8 used to do again, but I still keep going, moving
9 on.

10 So my (inaudible) is this. Once that
11 we are DBE, and I want the IDOT official to be
12 able to afford the call two months (inaudible).
13 You see, we are not saying that, I mean, that you
14 give us, or you always just bend the rules for
15 us. We want to play by the rules.

16 But if something happens I learned the
17 war, I mean, I learned the way that don't make
18 things to work. I mean, this job, don't try to
19 walk something out of us. Don't let me
20 (inaudible). I now go to Larry Ivory. By the
21 time I went to Larry Ivory it was too late.

22 I went back. He told me, he said
23 Edward, if you had, if you had come to me this
24 would not have swallowed you. But because you

1 didn't come to me before that was why you are
2 swallowed. If I had come to you because of that
3 I would have known what to do.

4 One would have to go to Larry Ivory
5 just like IDOT official meant to swallow you.
6 What did I do? You see, (inaudible) this
7 permission. I'm the last person to believe in
8 excuses because I believe, I mean, (inaudible) go
9 against me.

10 If I can play by the rules, do a lot
11 of things the way it ought to be done. But I'm
12 beginning to see now, I remember when she come to
13 our office, (inaudible) Service, and the,
14 (inaudible). They were asking me what did I
15 think the outcome. I don't know. But I'm very
16 sure exclusion is part of it. (Inaudible).

17 If I give you all the books,
18 everything, it's not opinion, it's not opinion.
19 (Inaudible) somebody I wrote a letter. Someone
20 who are trying to pick me (inaudible). And
21 that's my issue about the issue of the bond
22 issue.

23 Now, I note (inaudible). How do we
24 right the wrongs? (Inaudible) My bonding

1 company said unless I pay that money or I make a
2 good faith effort to pay back that money they are
3 not going to give me bonding again. They are
4 able to give me bond, but unless I can make
5 payments.

6 So I make payments. And so then I
7 won't be able to go bid on IDOT jobs. Then my
8 work is (inaudible). My job classification is
9 concrete work. I've bid in some work to
10 (inaudible) everything. I kept on bidding for
11 them in '08, '09. Nothing came up.

12 Then one day I asked them, I said, is
13 there anything that's wrong with my numbers why
14 you are not using me? They said, Edward, your
15 numbers are good, but you are in the field, you
16 are in the scope of work that's very, very
17 competitive. Unless you can bid a better number
18 you are not going to get jobs. I said well, I
19 can't go lower than this. If I go lower than
20 this I will be working at a loss. At that point
21 I stopped bidding IDOT jobs.

22 If I'm not in civil works I'm not in
23 (inaudible) good experience. Because my fourth
24 degree was building, so I would go out to CDB, I

1 would go out and do sub work for them. I've done
2 flooring, painting. That's how I've been keeping
3 myself busy since '07. So I don't know what
4 could be done about the issue of (inaudible).

5 Then I went back to IDOT. I said
6 okay, you know what, take me away from concrete
7 works. Give me more latitude to compete
8 (inaudible). I give you all my resume,
9 everything. They said okay. We have seen
10 everything, but you do not have the (inaudible).

11 So now I'm not bidding on the
12 concrete. And the people who are bidding for
13 concrete told me it's very competitive. Unless I
14 can do my numbers down I won't get any jobs. So,
15 and I can't go down any more. If I go down more
16 than that I will be doing it at a loss.

17 We know what (inaudible) our own
18 estimates. So the (inaudible). People have been
19 talking about, you know, you know, you know, I'm
20 letting you know because when I --

21 MR. MCNEIL: Sir, it will, Edward, I
22 don't want to cut you off but we have one more
23 speaker and then they have to catch a plane in 15
24 minutes. I don't want to cut you off but I've

1 got to get you to bring it to a close.

2 MR. TAIWO: Just so you know I want
3 them to be able to (inaudible) that set of
4 numbers. I think to me, you know, they're kind
5 of a particular organization because they're
6 using that organization to be able to know who is
7 doing what (inaudible).

8 So if you, as our leaders, would be
9 willing to look at, you know, as a work
10 (inaudible) to be able to work more effectively I
11 think you can do a lot of good. So that's what I
12 want to say.

13 MR. MCNEIL: Thank you very much. I'm
14 sorry I had to cut you off. Roger Fleming,
15 Senior.

16 MR. FLEMING: I'm sorry. I'm Roger
17 Fleming. This is my son Roger, Jr., the best guy
18 for me to be able to be here and tell my story.
19 I've been doing this for a long time. I've been
20 doing steelwork for, since 1969. I got into
21 business in the eighties.

22 And even when I was working in the
23 field for someone else I seen things that were, I
24 seen where black contractors doing things, you

1 know, and, and sometimes they were picked on.

2 I'm telling, I was, I have the experience. I

3 seen it with my own eyes, not from hearsay.

4 From, sometimes they were from IDOT engineers.

5 You know, if you see a problem with

6 somebody you should tell them, you know, don't,

7 you don't impress me by telling me after you get

8 done with a job and say hey, you got your share,

9 right. No, you cut off the, you know, I've seen

10 it so many, so that was a big problem.

11 It was like a, they were picking. I

12 tell them, I don't, you know, I'm about ready to

13 retire so I ain't got nothing to lose, you can

14 blackball me, whatever you want to do. But these

15 things go on. These things go on.

16 Is it petty? Yes, it is. You know,

17 but it, you know, I guess people just want a fair

18 playing field. It's not fair. It's not fair at

19 all, and it's getting worse. I had to stay up

20 there because I, this program is almost, it

21 started off good but it was almost like it was

22 made to fail.

23 And, but I have a few stories, you

24 know. I was down in Springfield. I was in

1 business about two years, maybe, a year and a
2 half, doing good, you know. I know what I'm
3 doing when I do my work. And I was down in
4 Springfield and had this meeting. This meeting
5 was about white females and black men.

6 They said they lobbied for this
7 hearing, white females, to become part of, I say
8 a joint, I want to say, I would say a joint
9 venture to eliminate black men who were fronting.
10 And they were doing it, they were front
11 companies. It's a bad thing. I tell it like it
12 is.

13 They have front companies. Black guys
14 doing their share. They get a 10 million dollar
15 job, I'll give you \$5,000, just sign your name.
16 That was going on. That's the truth. So we said
17 well, weed this out. We're going to make
18 everybody the same. We're going to, and I was, I
19 said man, that's not good.

20 And guess who still complains about
21 it? A white man stood up and complained. You
22 know what he told me? Are you working. I always
23 worked. I always worked. I always had a job. I
24 said yeah, but downline it's going to affect me.

1 I knew this here, back in the eighties. All the
2 people who complained was a white guy. Why was
3 he complaining? Because he's gonna set his wife
4 up in business so he can become a minority.
5 That's the truth.

6 Nobody wants to talk about it. I talk
7 about it. I talked about it. I got tired of
8 talking about it, how this is going to kill the
9 program. And that's the, that's what's killing
10 this program right now. Why do you fight that so
11 hard?

12 You know, I used to do, I have done
13 five million dollars in work a year. Now I'm
14 doing \$30,000. Something's wrong with that. How
15 much work is being let out right now? You check
16 the books on the last bidding. I bet you it's
17 not even one percent of blacks who got the job.
18 One percent. You think that's not
19 discrimination? One percent. Nobody wants to
20 talk about this, about this here percentage
21 thing. I go to IDOT, I go to IDOT, bid my own
22 jobs.

23 I know what I'm doing. I got
24 Contractor of the Year last year. Well, this

1 year, whenever it was, for doing quality work.

2 And I'm the only black guy down in Springfield in

3 that dinner. The only one in the whole state.

4 Something's wrong with that.

5 You have to, you know, they say well,

6 well, the Federal government came in. Well, the

7 Federal government is going to have to come in

8 again and get this straightened out. They passed

9 a law. They lobbied for this here.

10 They knew what was going on. General

11 contractors think we're a burden on them. I do

12 my work and I do it good, and I know what I'm

13 doing. The way I do things they even copy the

14 way I do them.

15 You know, I'm not going to sit back,

16 and I don't want no man to take care of me. I

17 take, all I want is a fair playing field. You've

18 got companies coming to contract work down here

19 doing work right now in Peoria. But you let a

20 big company come down here, oh, no, we've got to

21 keep it at home. But do they keep theirs at

22 home? No, they don't.

23 They sub it out to somebody else who

24 come from 400 miles away. How can they do that?

1 I'm not going to bid a job to break even. I bid
2 the job to make money. That's what it's about,
3 making money. I shouldn't have to break down a
4 job to say well, this is how I made out, I'm
5 going to take two of the guys and I'm going to
6 give my bid too.

7 I had a guy tell me you're going to
8 break your bid down for me. Do you break your
9 bid down for the State? No, you don't. You just
10 hand that bid. I'm not going to go out there and
11 work for nothing. And they say well, is it a,
12 something's going on. I know, I know how to bid
13 a job. I've done it all my life.

14 And what's going on, something's going
15 on. It's not fair. It's not fair what's going
16 on. There's no way somebody come out of town and
17 beat me on a bid. And when I bid a job and they
18 beat me down and I've got to work overtime or
19 something, I shouldn't have to do that, you know.
20 I go Supportive Service. I go Supportive
21 Service. Ain't nobody there to help me in
22 District Four. That's a fact.

23 There's no one there, like I say. One
24 guy, Glenn, Glenn's there all the time, every

1 month, and bid a job. He does help me. But the
2 person in charge now is not helping me. Might be
3 helping somebody else but they ain't helping me.

4 My boy got out. He said Dad, he said,
5 he's supposed to take over. He said I can't do
6 it anymore. So right now, you know what I'm
7 doing right now? Working for a contractor, the
8 museum, a white guy with two companies, a
9 minority company and a female, and one of them is
10 a female.

11 Four of the guys I broke in with, my
12 nephew and my cousin are working down there for
13 him. Something is wrong with that picture. I
14 mean, I just bid a job and I felt like it was, I
15 wouldn't get the job. Was he (inaudible), I
16 don't know. But the man I trained is a good
17 ironworker. Steel iron worker.

18 Why am I down there now working for a
19 guy that most likely is in it in his wife's name
20 and they're minority? That's why I was late for
21 the meeting. I can't come to the meeting now
22 because I went from a 10 million dollar company
23 to a \$30,000 company.

24 And I know what I'm doing. Nobody has

1 to babysit when I go on my jobs. As a matter of
2 fact, they call me to help them out. I just
3 helped a company out a week ago. Called me and
4 my boy. We worked 12 hours a day because they
5 couldn't get it done.

6 But will you give me a contract to do
7 it? Something's wrong with that picture. And
8 this country, this city's backwards. Always been
9 backwards. I was born and raised here in Peoria.
10 Peoria is a city that wants to stay, don't want
11 to get big but they want me to show out, you
12 know.

13 But I know this particular area. Even
14 with the 74 job, Larry, if it wasn't for Larry,
15 I'll just tell it, tell it like it is. I tell
16 the truth. I'm not going to pompom for Larry.
17 But on that 74 job this company Debbie came in
18 here. Debbie down in Springfield. He's an
19 ironworker. I know him.

20 Debbie's an iron worker. He put it in
21 his wife's name. He got half the job over here
22 and, well, he got most of the work. Most of the
23 work here. He's an ironworker. He put, his
24 wife's a nurse. Now I'm competing against him.

1 That ain't right. So what's fair? Is it fair to
2 keep them all where we are with this saying, how
3 do I say it? The same goal, you know. Why don't
4 you go back the way it was. You get your 10
5 percent, 15, I get my 10, 15. No. You want all
6 of the pie is what it is. You don't want me
7 around.

8 You know, you laugh in my face but
9 really you don't want me to succeed. I could be
10 bonded and everything. But I couldn't, you know,
11 that's my story. I tell it like it is, you know.
12 It's not right what's going on. It's not right,
13 discriminating against a black contractor.

14 They say they weren't discriminated
15 against. They got their share of the pie. They
16 want it all. And the general contractors want
17 it. They lobbied for that. They went to the
18 Government and we stood back and let them do it.
19 We let them do it because we won't stick
20 together. And that's all, you know, you guys get
21 my point. It's not a level playing field, and
22 I've been saying this for years and nobody would
23 listen.

24 So, you know, I know you guys got to

1 go, but there's, and I want to talk about one
2 more person, Mike George. I mean, he's on the
3 job. Mike George, he's not here no longer. I
4 don't know, where is he at, Larry? Going home?

5 MR. IVORY: He's in India.

6 MR. FLEMING: Mike, he cared about us.
7 He would call me Rog. (Inaudible) that's what,
8 you know, this here. Done his job. It's not
9 being done now. It's not being done by Kate.
10 That's all I've got to say.

11 MR. MCNEIL: Thank you very much. Let
12 me first of all thank all of you people for
13 coming down and sharing your stories with us this
14 afternoon. And let me give one kudo to my Chief
15 of Staff, Marva Boyd, who's in the back of the
16 room greeting, and she's done a good job of
17 helping us pull all of this together.

18 Taylor Made is here, the new
19 Supportive Services for District Four. So those
20 of you who need to talk to Taylor Made please
21 make yourself available. You know, Larry knows
22 me. He's got my business card. And I think all
23 of these ills that you're hearing about, I was at
24 IDOT during the I-74 job. I left, and I'm back

1 now.

2 So, Larry, you know how to get a hold
3 of me. You know if you have problems I will deal
4 with them. So thank you all for coming. Joe,
5 thanks a lot for doing the supplemental work that
6 you did, getting our people here. Thank you to
7 all the Senators and Representatives for coming,
8 and we look forward to seeing you tomorrow in
9 East St. Louis.

10

11 (Whereupon, the meeting was concluded.)

12

13 (Hearing end time: 2:20 p.m.)

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CERTIFICATE OF REPORTER

I, Kathy L. Johnson, a Certified Court Reporter, and Notary Public within and for the State of Illinois, DO HEREBY CERTIFY that the testimony of all witnesses in the foregoing hearing were duly sworn to testify to the truth and nothing but the truth; that the testimony of said witnesses was taken by stenographic means by me to the best of my ability and thereafter reduced to print under my direction.

I further certify that I am neither attorney nor counsel for, nor related, nor employed by any of the parties to the action in which this deposition was taken; further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, or financially interested in this action.

Kathy Johnson
Notary Public within and
For the State of Illinois.

East St. Louis

East St. Louis:

Written Testimony

Murphy, Kenneth E

From: McNeil, Frank W.
Sent: Thursday, December 22, 2011 1:12 PM
To: Murphy, Kenneth E
Subject: FW: 12/16/2011 IDOT Public Meeting Additional Comments
Attachments: scan0001.pdf

FYI

From: Elius Reed [mailto:ereed@siu.edu]
Sent: Thursday, December 22, 2011 12:15 PM
To: McNeil, Frank W.; williamd@ilga.gov; ereed@siu.edu
Subject: Fwd: 12/16/2011 IDOT Public Meeting Additional Comments

Dear IDOT OBWD Director Frank McNeil;

Listed below are my additional comments regarding the IDOT Public Meeting that was conducted at East St. Louis, Illinois on 12/16/2011.

The 2005 IDOT Supportive Services Program document that I obtained from the IDOT website on 1/8/2010 states the primary purpose of the IDOT Supportive Services Program is to increase the number of Minority firms participating in the federal aid highway program and to contribute to growth and eventual self sufficiency of Minority firms; the Supportive Services Program establishes procedures to develop, conduct, and administer Minority Business Enterprise Training and Assistance Programs especially for the benefit of Minority and Women businesses; IDOT's \$3,600,000.00 investment in Supportive Services to DBEs is provided free of charge to those Minority Businesses Enterprises determined to be eligible for participation in accordance with 49 CFR 23 and 26 and have a work specialty related to the highway construction industry; DBEs are provided with business development, and financial supportive assistance with the objective of developing their business skills to a level of self sufficiency; the following services are provided statewide-business development; financial and bonding assistance; Job Training-OJT (under which Minorities and Women are placed as Trainees on highway construction jobs at Carpenter; Iron Worker; Operator; Cement Finisher; Electrician skilled craft positions until they become Journeymen Workers and are placed into Unions) ;during period 6/1/2008-present the IDOT Supportive Service OJT Program has not been implemented in IDOT Districts 1-9 in violation of 23 CFR 230.113- the 8 week IDOT Pre-Apprenticeship Highway Career Construction Training Program has been implemented in IDOT Districts 1-9. On about 1/2007 I was informed that part of the new IDOT Plan is to replace black Construction Workers on highway construction jobs with Mexican/Hispanic Construction Workers. On about 5/20/2009 I asked the IDOT District 9 E T Simonds Construction Company Human Resources Manager Laura Wilson did they have the IDOT Mentor Protege Program; on 5/29/2009, 6/12/2009 ETS Human Resources Manager Wilson mailed me letters stating that IDOT District 9 does not have the IDOT Mentor Protege Program. On 6/9/2009 I mailed IDOT Business Workforce Office Director Lawrence Parish my Mentor Protege Program application listing that my Sam's Construction Company was certified as a DBE in

IDOT Districts 8 and 9, and that I had more than 3 years of highway construction industry work experience during period 1983-present; on 8/16/2009 I received a letter signed by Parish stating that the IDOT Mentor Protege Program Committee had reviewed my application and had rendered my firm not eligible to participate in the Mentor Protege Program-as a Protege I must have at least 3 years of experience in the highway construction industry and be a certified DBE-once my firm has met the above requirements IDOT looks forward to my further participation in the Mentor Protege Program; on 8/21/2009 I mailed IDOT Parish a letter requesting that he reconsider his decision to deny my Mentor Protege application on the ground that 49 CFR 26.35 lists the IDOT Mentor Protege Program eligibility requirement as a certified DBE- Parish denied my reconsideration request. During period 1995-present I have been enrolled in the Ch. 31 VA Disabled Veteran Rehabilitation Program for SIUC Paralegal training, VA job placement and requested small business assistance; on 12/16/2010 I e-mailed IDOT Management Consultant Mark Vaughn a letter stating that Ch. 31; Section 3117(b)(1) entitled "Training and Rehabilitation For Veterans With Service Connected Disabilities" states that if any case in which a Veteran has completed a Vocational Rehabilitation Program for self employment in a small business enterprise, the VA Secretary shall assist such Veteran in securing a loan and shall cooperate with the Small Business Administration to assist such Veteran to secure a loan for the purchase of equipment needed to establish such Veteran's own business, and to ensure that such Veteran receives the special consideration provided for in Section 8 of the Small Business Act; on 4/6/2010 I e-mailed Vaughn a letter stating that I needed a letter written to my Ch. 31 VA Counselor Mary Snyder stating that I was requesting assistance in obtaining a \$50,000.00 small business loan; on about 3:30 PM, 4/13/2010 I had received Mark Vaughn's letter addressed to Ch. 31 VA Counselor Snyder stating that I was requesting assistance in obtaining a \$50,000.00 start-up business loan for my Sam's Construction Company; during the scheduled 4:30 PM, 4/13/2010 meeting Ch. 31 VA Counselor Snyder told me that she had received Vaughn's letter-the VA could not give me a \$50,000.00 loan-my case was closed. During the first IDOT District 9 5/4/2011 Informational Meeting I stated that it cost about \$50.00 per hour/\$200.00 per day to employ a Union Construction Laborer on a job-IDOT cannot have newly certified IDOT DBEs trying to bid on construction contracts without talking about money-IDOT Management Consultant Mark Vaughn had stated that a DBE needs to have a \$50,000.00-\$1000,000.00 start-up business loan to get started-IDOT had recognized that problem and had listed in the 2011 IDOT DBE Report the Small Business Initiative (SBI) and Model Contractor Programs as some of the programs that IDOT had developed to help DBEs to get started; I asked IDOT Technical Consultant Jim Schoenherr did he have any information concerning the IDOT SBI and Model Contractor Programs-they both answered no; IDOT District 9 EEO Delores Smith stated that a Protege must have 3 years of work experience as a highway Contractor; I stated that IDOT has a list of approved Mentors and Proteges-I asked are there any approved IDOT Mentors and Proteges in District 9; IDOT EEO Smith answered no stating that IDOT has to have Contractors agreeing to participate in the Mentor Protege Program-IDOT does not have any Contractors agreeing to participate in the Mentor Protege Program in District 9; I asked was Mark Vaughn still employed as the IDOT Districts 4-9 Supportive Services Management Consultant-Smith answered no stating that Mark Vaughn had quit and had started his own business-Sara Hutson is now the IDOT Districts 4-9 Management Consultant. On 5/7/2011 I e-mailed IDOT District 9 EEO Smith a letter stating that the 5/4/2011 Informational Meeting did not address the 6/11/2011 IDOT Bid Letting-I requested that an Informational Meeting be conducted to address the 6/11/2011 IDOT Bid Letting. On 7/7/2011 I hand delivered to Illinois Lt. Governor Shelia Simon's IDOT office a letter signed by myself and two other District 9 DBEs requesting that the IDOT Mentor Protege Program be implemented in District 9 for the first time; that the IDOT 3 year highway construction experience eligibility requirement be eliminated, and that the District 9 DBE Prime Contractors be required to participate in the IDOT Mentor Protege Program; on about 4:00 PM; 7/11/2011 Simon's office Secretary told me that they had some people in the IDOT Springfield, Illinois office looking at my 7/7/2011 letter. During the 10/2011 Illinois State NAACP Convention Labor and industry Committee Workshop it was stated that Prime Contractors had replaced blacks on highway construction jobs with Mexican/Hispanic Construction Workers in Chicago, Illinois. On 11/12/2011 I was e-mailed a copy of the HACIA Newsletter concerning the IDOT/HACIA Mentor Protege Networking Event that was conducted in Chicago, Illinois on 10/26/2011 for Hispanic DBEs that I stated IDOT Deputy Director Diane O'Keffe explaining how the Mentor Protege Program will benefit Prime Contracts and DBE firms-listing IDOT Acting Bureau Chief Scott Stiff as discussing how the newly

constructed IDOT/HACIA templates will make the IDOT Mentor Protege Program application process a more simplified one; on 11/22/2011 I e-mailed IDOT Secretary Schneider a letter requesting to be informed if a similar IDOT Mentor Protege Networking Event could be conducted in Carbondale for black District 9 DBEs; Schneider did not respond to my letter. On 11/27/2011 I e-mailed IDOT District 4-9 Management Consultant Jara Hutson a letter again requesting to be provided with information concerning the IDOT DBE Business Development Program and any financial assistance offered by the 35 banks listed in paragraph #4 of the 1/21/2011-6/17/20011 IDOT Bid Letting Sections. On about 11/27/2011 the Metro East Black Contractors Association (MEBCO) filed a \$600,000,000.00 lawsuit against IDOT in the U S District Court concerning the lack of Minority Construction Workers and Contractors employed on the Mississippi River Bridge construction project. On 11/27/2011 I e-mailed IDOT Secretary Schneider a letter requesting that similar Mentor Protege Program Events be conducted in Chicago and East St. Louis, Illinois for black male IDOT Districts 1 and 8 DBE Contractors. On 11/30/2011 I filed a DBE complaint with National DBE Program Manager Martha Kenley concerning the IDOT Mentor Protege Program 3 year highway contractor eligibility requirement; the IDOT Mentor Protege Program having not been implemented in District 9; no Informational Meetings having been conducted in District 9 to address the IDOT Bid Lettings; District 9 DBEs not having been provided with financial, bonding, business development assistance by the IDOT Management Consultants in violation of 49 CFR 26.35; only one District 9 EEO person employed to monitor Minority Construction Worker employment in the District 9 16 counties; the IDOT OJT Supportive Services Program not having been implemented in Districts 1-9 since 6/1/2008 in violation of 23 CFR 230.113; IDOT Officials having conducted the 10/26/2011 Mentor Protege Networking Event for Hispanic DBEs and not for black IDOT DBEs. On about 12/1/2011 I received an e-mail Notice of the 12/16/2011 East St. Louis, Illinois IDOT Public Meeting-the Notice stated that participants in the public meeting are encouraged to provide comments with regard to their experiences in obtaining transportation related contracts. On 12/2/2011 I was e-mailed a Notice by the DOT.SBE stating that the 2011-2012 IDOT District 4-9 Supportive Services Management contract had been awarded to Mark Vaughn. On 12/8/2011 I received a letter from IDOT Management Consultant Mark Vaughn stating that he had been asked to respond to my 11/27/2011 e-mail letter to former IDOT Management Consultant Sara Hutson; Vaughn stated that the first sentence of 49 CFR 26.35 states that IDOT is only required to establish a DBE Business Development Program if an Operating Administration directs you to-to date such a directive has not been given to IDOT and IDOT has not elected to voluntarily establish the program. On 12/9/2011 DOT.SBE e-mailed me a Bonding Education and Access To Capital Program document stating that US Dept. of Transportation Bonding Education Program is a partnership with the Surety and Fidelity Association of America to help small businesses become bond ready-to be considered for the program applicants must be the primary owner of a business that has been in business for at least 3 consecutive years and have revenue of at least \$500,000.00; I then realized that my and other newly certified DBE firms would not be eligible for the new IDOT Bonding Program because we have not been in business for 3 years and do not have at least \$500,000.00 in revenue.

During the 11:30 AM; 12/16/2011 IDOT meeting you, Illinois State Representatives William Davis, Toi Hutchinson; and Mattie Hunter sat at the front table; IDOT Official Marva Boyd and other IDOT Officials sat at the back of the meeting room; about 15-20 persons attended the meeting including IDOT Districts 4-9 Management Consultant Mark Vaughn; I was later informed that that the new Senate Bill Target Market legislation and the new IDOT USDOT Bonding Education and Access To Capital Programs had been discussed; on about 12:30 PM, 12/16/2011 I arrived at the meeting from Carbondale, Illinois- a black female East St. Louis, Illinois IDOT Trucking firm DBE stated that she did not have a good credit score-she had paid off all of her debts but was still denied a business loan by the bank-she stated that it is federal money that the banks get to make the business loans; State Representative Davis instructed her to contact Congressman Jerry Costello and other State Representatives to let them know about her problem; another black female East St. Louis, Illinois Real Estate DBE thanked IDOT for her first \$750,000 bid contract award; you then asked for any other comments; I stated that the IDOT has the Mentor Protege DBE Contractor OJT Program in which DBEs are provided with financial and bonding assistance and equipment-the federal 49 CFR 26.35 Mentor Protege Program eligibility requirement states that a DBE must be certified-the IDOT Mentor Protege Program

eligibility requirement states that a DBE firm must have 3 years of highway Contractor construction experience- I asked was/is 49 CFR 26.35 the controlling authority for the IDOT Mentor Protege Program; State Rep. Davis stated that 49 CFR 26.35 is the standard-IDOT had made its Mentor Protege Program eligibility requirement more strict-Davis asked me what would I like to suggest; I stated that I would suggest that the 49 CFR 26.35 DBE certification Mentor Protege Program eligibility requirement be used instead of the IDOT 3 year highway construction Contractor eligibility requirement-the IDOT 3 year highway Contractor Mentor Protege Program eligibility requirement is a barrier that prevents new DBEs from participating in the Mentor Protege Program-very few if any new DBEs have the 3 year highway construction Contractor work experience. I then stated that about 3-4 weeks ago the IDOT Officials had conducted a Mentor Protege Program Event in Chicago, Illinois for the Hispanic DBEs during which they had discussed how the IDOT Mentor Protege Program would benefit the Prime Contractors and DBEs, and how the newly constructed HACIA/IDOT templates would make the IDOT Mentor Protege Program application process more simplified-I asked would IDOT conduct similar Mentor Protege Program Events in East St. Louis and Chicago, Illinois for the black IDOT DBEs; you stated that IDOT has conducted Mentor Protege Program Events in East St. Louis, Illinois; I then read the 49 CFR 26.35 Appendix C section entitled "What Role Do Business Development and Mentor Protege Programs Have In The DBE Program" which states that you (IDOT) may/must establish a DBE Business Development Program (BDP) to assist DBE firms in gaining the ability to compete successfully in the market place outside the DBE Program-part of the BDP is the Mentor Protege Program; I then asked did IDOT have the Business Development Program listed in 49 CFR 26.35 Appendix C; State Rep. Davis answered yes stating that it is IDOT Management Consultant's Mark Vaughn's job to work with the DBEs to assist them with business development; State Rep. Davis asked IDOT Management Consultant Vaughn had he talked to me-Vaughn answered yes; State Rep. Davis asked me had I talked to Vaughn-I stated that I would talk to Vaughn-he had just had his contract renewed. I then stated that in each of the IDOT Bid Lettings there is a section entitled "Minority Owned Financial Institutions" stating that it is IDOT's policy to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, and to make reasonable efforts to use these institutions and encourage Prime Contractors on Federally funded contracts to make use of those institutions-a list of about 35 banks are listed; I asked did any of the banks provide IDOT DBEs with any financial assistance; you stated that you had not seen that section of the IDOT Bid letting-you would have to look at it; you asked were those banks located in the Chicago, Illinois area; I answered yes; you then ended the meeting at about 1:30 PM stating that persons/DBEs will have 5 days in which to submit and additional comments/suggestions. After the meeting ended I told IDOT Management Consultant Mark Vaughn that I would contact him to schedule a meeting in Carbondale with me and other District 9 DBEs. Please notify me of any incorrect statements that I may have listed above. (See attached Exhibits #1-19).

Elius Reed 12/19/2011

Corrected 12/22/2011



Pat Quinn, Governor

Home Directory Help FAQs Site Map Contact Us

TRAVELING PUBLIC MAPS PROJECTS ROAD CLOSURES NEWS DOING BUSINESS LETTING & BIDDING CAREERS @ IDOT GENERAL INFO

SUPPORTIVE SERVICES PROGRAM



Most Requested ...

State Links ...

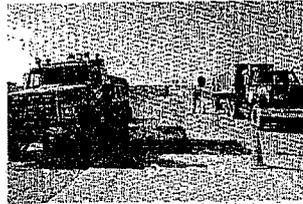
OTHER RESOURCES

- Accountability
- Bicycling
- County Engineers
- Environment
- Inspector General
- IPASS
- Motorcycling
- OBWD
- Planning and Programming
- Public Partners
- Public Transportation
- Safety Information
- Scholarships
- Secretary of State
- Truckers

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Privacy by SafeSubscribeSM
For Email Marketing you can trust.



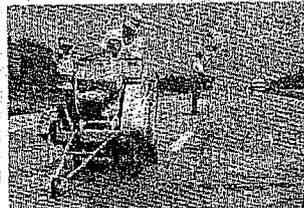
The primary purpose of the supportive services program is to increase the total number of minority firms participating in the federal-aid highway program and to contribute to the growth and eventual self-sufficiency of minority firms. The Supportive Services Program establishes procedures to develop, conduct and administer minority business enterprise training and assistance programs specifically for the benefit of women and minority businesses. IDOT's \$3.6 million dollar investment in supportive services to DBEs is provided free of charge to those minority business enterprises determined to be eligible for participation in accordance with 49 CFR parts 23 and 26 and have a work specialty related to the highway construction industry.

The following services are provided statewide:

- technology assistance
- technical assistance
- business development
- financial and bonding assistance
- Job Training (OJT)
- Employment (EEO) assistance

Program History and Federal Requirements: 49 CFR part 26.1 and 26.33

On March 31, 1980, the United States Department of Transportation (USDOT) published a regulation entitled "Participation by Minority Business Enterprise in Department of Transportation Programs." The important features of the regulation established the required components of a minority business enterprise program applicable to the states. The regulation, codified in 49 CFR Part 23, carried out USDOT's policy of supporting the fullest possible participation of firms owned and controlled by minorities and women in DOT programs.



Section 106(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (STURAA) expanded the DBE program to include women. The DBE program has continued under section 1003(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century of 1998 (TEA-21).

In the revised regulations published February 2, 1999, the ten percent goal became an aspirational goal at the national level, which USDOT uses as a tool in evaluating and monitoring DBE opportunities to participate in federal-assisted contracts. IDOT has followed the regulations in the development of the 22.7% statewide goal for DBE participation on highway, transit and airport construction projects.

To be considered eligible to participate in IDOT's DBE program, a firm (including its affiliates) must meet the requirements of 49 CFR part 26, subpart D, concerning group membership or individual disadvantage, business size, ownership, control and be involved in heavy construction (non building), engineering (consultant), and/or supplier/equipment rental/trucking services.

The DBE program is intended to provide contracting opportunities for small business concerns owned and controlled by socially and economically disadvantaged individuals in DOT financial assistance programs. This includes assisting the small businesses throughout the life of the contracts in which they participate. DBEs are provided business development, technical, technology

(Exhibit #1)

and financial supportive services assistance with the objective of developing their business skills to a level of self-sufficiency.

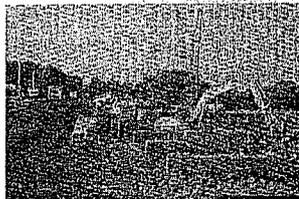
The Office of Business and Workforce Diversity (OBWD) administers the DBE program per federal mandate (CFR 49 Part 23). OBWD is responsible for goal setting, certification, compliance, and administering the supportive services program.

The following link provides:

- listing of 2005 supportive services consultants
- type of assistance they provide
- location of where services are provided
- the consultant's contact information

SUPPORTIVE SERVICES BROCHURE Updated 01/05/06

How supportive services consultants are selected:



The Supportive Services consultants are selected through the Request for Proposals (RFP) process. An RFP is advertised on the Central Management Services Procurement Bulletin. A pre-proposal meeting is then held with all interested vendors to answer questions and clarify any ambiguities. In this case we had two in Chicago and two in Springfield. Vendors then have two or three weeks to prepare and submit proposals. Once proposals are received, we perform an administrative review. All Vendors who pass that move on to a technical review. The Selection

Committee reviews all responsible proposals and rates them based on the criteria published in the RFP. Once they rank all of the proposals, we open prices and assign price points. A recommendation is then made to the Director of Finance and Administration who is the State Procurement Officer for IDOT. We then publish the award for seven days on the Procurement Bulletin before we can execute the contract.

Who are the 2005 supportive services consultants?

1. Target Group, Inc
2. Illinois Laborers – Employers Cooperation and Education Trust
3. The Coalition for United Community Action – ORTC
4. Chicago Women in Trades
5. United Services of Chicago
6. Burriss and Lebed Consulting, LLP
7. Mexican American Chamber of Commerce dba Illinois Hispanic Chamber of Commerce
8. Ralph G. Moore & Associates
9. OnShore Technology Group
10. Wicks Construction Services, Inc.
11. Harper Trenholm & Associates
12. Hispanic American Construction Industry Association
13. Rebirth of Englewood
14. The Bronner Group

E.T.SIMONDS CONSTRUCTION COMPANY

P.O. BOX 2107
CARBONDALE, ILLINOIS
62902-2107

PHONE (618) 457-8191
REGISTERED PROFESSIONAL ENGINEERS

FAX (618) 549-0131
BRIDGE AND PAVING CONTRACTORS

June 25, 2009

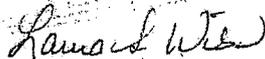
Elius Reed
2012 S. Illinois Ave Apt 3
Carbondale, IL 62901

Dear Mr. Reed,

I received your most recent letter and attachments. I appreciate your providing the additional information about your personal experience and will provide this information to the Engineering Assistant for the DBE file. I would reiterate that District 9 does not currently have a mentor program with IDOT, and any questions regarding this issue should be directed to IDOT staff.

As with your previous correspondence, I have copied this letter and attachments to Delores Smith, IDOT District 9, so that she is kept in the loop. As always, I wish you success in your new business.

Sincerely,



Laura S. Wilson, SPHR
Human Resources Director
E.T. Simonds Construction Company

Received 5:00 PM, 6/26/2009

(Exhibit #3)

FOUNDED IN 1946 BY EUGENE T. SIMONDS



Illinois Department of Transportation

Office of Small Business Services
2300 South Dirksen Parkway / Springfield, Illinois 62764

August 12, 2009

Mr. Elius Reed
2012 S. Illinois Avenue
Apt. #3
Carbondale, IL 62901

Dear Mr. Reed:

The Illinois Department of Transportation is in receipt of your Mentor-Protégé application. The M/P Committee has reviewed and rendered your firm not eligible to participate in the program.

Attached are the Mentor/Protégé guidelines. As a protégé you must have at least three (3) years of experience in the highway construction industry, be a certified DBE, and remain eligible for DBE certification throughout the duration of its participation. Once your firm has met the above requirements we look forward to your future participation in the program.

If you have any questions or need assistance with the development plan please feel free to contact your district's Contract Compliance Coordinator, Delores Smith at (618) 351-5326.

Sincerely,

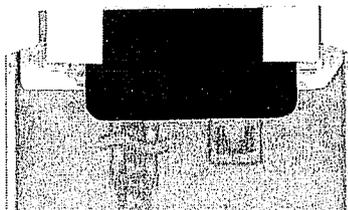
Pamela Simon, c

Pamela Simon
Project Manager

Attachment:

Received 11:30 PM, 8/16/2009

(Exhibit #13)



ELIUS REED
2012 South Ill. Ave Apt 3
CARBONDALE, ILLINOIS 62901

PAMELA SIMON
FOOT PROTECT DIRECTOR
2300 SOUTH DIRKSEN PARKWAY
SPRINGFIELD, ILLINOIS 62764

REQUEST TO RECONSIDER PROTECT APPLICATION DENIAL
FILED 3:00 8/26/2009

(Exhibit #5)

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Certificated Mail Only. No Insurance Coverage Provided)
For additional information, visit our website at www.usps.com

	AMOUNT
Postage	\$0.61
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$3.41

Stamp: CARBONDALE, ILL. 61701
21
2009
USPS 21701

Official Use

Sent to: PAMELA SIMON
Street, Apt. No., or PO Box No.
2300 SOUTH DIRKSEN PKWY
SPRINGFIELD, ILLINOIS 62764
PS Form 3800, April 2006

2622 0400 2000 0402 2797
7000 0000 0340 2797

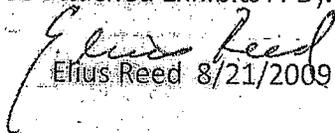
Pamela Simon
Project Manager
IDOT Office of Small Business Services
2300 South Dirksen Parkway
Springfield, Illinois 62764

Dear IDOT Project Director Pamela Simon;

49 CFR Section 26.53(a)(b)(1) entitled "What Role Do Business Development and Mentor Protégé Programs Have In The IDOT DBE Program" states that you (IDOT) may, or if the Operating Administration directs you to; you must establish a Business Development Program (BDP) **to assist firms in gaining the ability to compete successfully** in the market place outside the DBE Program; as part of your BDP you must establish a Mentor Protégé Program in which another DBE or non DBE firm is the principal source of business development assistance to a DBE firm; **only firms that you had certified as a DBE before they are proposed for participation in a Mentor Protégé Program are eligible to participate in the Mentor Protégé Program. Paragraph #23 of the IDOT Mentor Protégé Guidelines state that the Mentor must have at least 5 years of experience as a Contractor on IDOT highway construction contracts; the Protégé must have 3 years of experience in the highway construction industry, be a certified DBE, and remain eligible for DBE certification throughout the duration of its participation.** Page #9 of the 2009 IDOT Report entitled "Mentor Protégé Program" states that in response to the Illinois highway industry's strong interest and to encourage maximum competition and enhance the capabilities of IDOT's DBEs to perform on IDOT highway construction projects IDOT developed a Mentor Protégé Program; the 3 year Program began in 4/2007 and is being implemented in all districts; as of July 2008 there were 25 Mentors and 36 Protegés and 13 Mentor Protégé pairs; there have been 3 Mentor Protégé Projects awarded; IDOT and FHWA continue to review Mentor and Protégé applications for eligibility to participate in the Program and to monitor the Program to ensure it meets the established requirements.

On 6/19/2009 I mailed to IDOT Business Workforce Diversity Office Director Lawrence Parish my Protégé application listing that I was a certified as an IDOT DBE Sam's Construction Minority Contractor on 4/21/2009; I also attached a copy of my resume showing that I had more than 3 years of highway construction industry work experience during period 1983-present. On 8/16/2009 I received your letter dated 8/12/2009 stating that the IDOT Mentor Protégé Committee had reviewed and rendered my firm not eligible to participate in the program; attached are the Mentor Protégé Guidelines-as a Protégé you must have at least 3 years of experience in the highway construction industry, be a certified DBE, and remain eligible for DBE participation throughout the duration of its participation;

once my firm has met the above requirements they look forward to my future participation in the program. Pursuant to 49 CFR Section 25.35(a)(b)(1); paragraph #23 of the IDOT Mentor Protégé Guidelines; and page #9 of the 2009 IDOT Report I file a Request For Reconsideration of the IDOT Mentor Protégé Committee's 8/12/2009 decision to deny my Protégé application on the ground that I was certified as an DBE Minority Contractor by IDOT on 4/21/2009 prior to the 8/12/2009 date on which the IDOT Mentor Protégé Committee denied my application for participation in the Protégé Program; I have more than 3 years of experience in the highway construction industry; I am and will remain a certified IDOT DBE throughout the duration of participation; IDOT developed the Mentor Protégé Program to encourage maximum competition and enhance the capabilities of IDOT DBEs to perform on IDOT highway construction Projects; and to assist DBE firms in gaining the ability to compete successfully in the market place outside the DBE Program. (See attached Exhibits A-D).


Elyus Reed 8/21/2009



Hutson

Associates

CONSULTANTS

April 9, 2010

Ms. Mary Ann Snyder
Department of Veterans Affairs VR&E
Marion VAMC Bldg. #2 Rm. #114A
2401 West Main Street
Marion, IL 62959

RE: Elius Reed
Sam's Construction, Inc.

Dear Ms. Snyder,

I have been asked by Mr. Reed to write you a letter requesting assistance for Mr. Reed as he works to obtain a business loan. Mr. Reed incorporated Sam's Construction, Inc. last year, but has been unable to obtain work due to limited access to capital. Sam's Construction is an IDOT certified Disadvantaged Business Enterprise (DBE) which will give Mr. Reed a competitive advantage when bidding on IDOT jobs.

I have worked with Mr. Reed since October, 2010 as a consultant on behalf of IDOT. I am contracted by IDOT to provide management support services to those firms participating in the IDOT DBE Program.

I am not currently aware of what direct lending or lending assistance programs the Veterans Affairs Administration has available to veterans. I am able to assist Mr. Reed with completing any necessary applications and compiling any related schedules. Mr. Reed is requesting a loan in the amount of \$50,000 to \$100,000 to fund the necessary start-up capital for his business until he begins to be paid for the services he provides.

Please advise what program(s) you have available that would best meet Mr. Reed's request. Please also advise what steps need to be taken to begin the process. Thank you for your time and assistance in these matters.

Very Truly Yours,

(Exhibit #6)

Mark E. Vaughn, CPA

Cc: ✓ Elius Reed
Delores Smith, IDOT District 9 EEO Officer ✓
Carol Lyle, OBWD Deputy Director / SBE Bureau Chief ✓

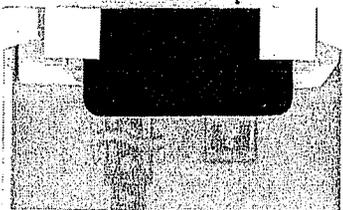
5

Received 3:30 PM, 4/3/2010
mailed 4/2/2010

3555 College Avenue
Alton, Illinois 62002
618-433-9229 (office)
618-433-9239 (fax)

P.O. Box 182
120 North Washington
Bunker Hill, IL 62014
618-585-6150 (office)
618-585-6152 (fax)

www.hutsonassociates.com



Shelia Simon
Lt. Governor
State of Illinois
IDOT District 9 Headquarters
Carbondale, Illinois 62901

RECEIVED
JUL 11 2011
R

Dear Lt. Governor Shelia Simon;

During the 2:00 PM; 2/28/2011 DBE Credit Workshop that was conducted at the IDOT District 9 office I stated that a newly certified DBE needs to have at least a \$50,000-\$100,000 start-up business loan to get started/cover about 1 month of construction and payroll costs; IDOT Management Consultant Mark Vaughn agreed; John Logan College Procurement Officer Lindsey Hughes stated that there are no Sothern Illinois area banks/lenders-the closest one is in Edwardsville, Illinois; I stated that the IDOT Mentor Protege Contractor OJT Assistance Program is the perfect solution because the Mentor Contractor provides the Protege DBE firm with bonding, financing, and equipment; the Code of Federal Regulations 49 CFR 26.35(a)(b)(1) Mentor Protege Program eligibility requirement states that a person has to be certified as a DBE to be a Protege; the IDOT Mentor Protege Program eligibility requirement states that a person has to have 3 years of Highway Contractor experience to be a Protege. On about 8/16/2009 IDOT denied my Mentor Protege Program application because my DBE Sam's Construction Company did not have 3 years of Highway construction experience; thus the IDOT Mentor Protege Program 3 year Highway construction experience eligibility requirement is a barrier that prevents me and other newly certified District 9 DBEs from being admitted into the IDOT Mentor Protege Program as Proteges. The 2009-2011 IDOT DBE Goal Reports state that the IDOT Mentor Protege Program is being implemented in all IDOT Districts; however the IDOT Mentor Protege Program has never been implemented in District 9. I and the below listed newly certified IDOT District 9 DBEs request that the IDOT Mentor Protege Program be implemented in the District 9 area for the first time; that the current IDOT Mentor Protege Program 3-year DBE firm Highway construction experience eligibility requirement be eliminated; that the Federal 49CFR26.35 (a)(b)(1) DBE firm certification eligibility requirement be implemented for the IDOT Mentor Protege Program; and that the District 9 Prime Contractors be required to participate in the Mentor Protege Program. (See attached Exhibit #1).

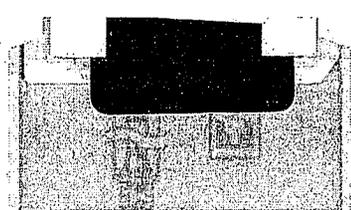
Elius Reed
Elius Reed 7/7/2011

Sam's Construction Company

(Exhibit #7)

Samuel Thomas
Samuel Thomas 7/7/2011

Thomas Construction Company



Tony D. Hosley

Tony Hosley 7/7/2011

Do It Right Construction

Hand delivered to Lt. Governor

Shelia Simon 4:00 PM; 7/11/2011

CC: Illinois State Rep. Mike Bost

Southern Illinois Labor Industry Concerned Citizen Committee



SIU Southern Illinois University
CARBONDALE

Elius Reed <ereed@siu.edu>

MENTOR - PROTÉGÉ NETWORKING EVENT

1 message

HACIA <emedina@haciaworks.org>
Reply-To: emedina@haciaworks.org
To: ereed@siu.edu

Tue, Nov 1, 2011 at 3:53 PM

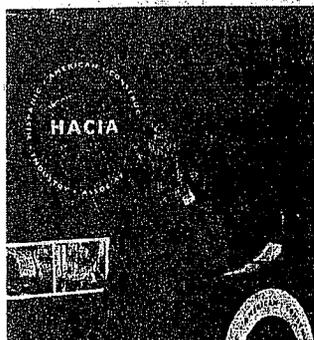
Having trouble viewing this email? [Click here](#)



November 1, 2011



Marva Boyd, IDOT Chief of Staff



Diane O'Keefe, IDOT Deputy Director

We would like to thank everyone who attended the IDOT/HACIA Mentor-Protégé Networking Event on Wednesday, October 26, 2011 at the East Bank Club.

HACIA was very well represented and we had an overwhelming number of people who were in attendance for this event.

The guest speakers included Ms. Marva Boyd (IDOT Chief Staff) who discussed HACIA and IDOT's continued plan on working together and was grateful for the invitation

Ms. Diane O'Keefe (IDOT Deputy Director, Region 1 Engineer) gave a brief overview of the Mentor-Protégé program and the Mentor-Protégé plan and how this program will benefit all Prime and DBE firms.

Mr. John Fortmann (IDOT Engineer of Project Development, District One) discussed upcoming opportunities with IDOT and gave a brief description of each project.

Mr. Scott Stitt (IDOT Acting Bureau Chief of Design & Environment) discussed the current Mentor-Protégé Plan. He mentioned that upon approval of the new templates that have been under construction between HACIA's P&D Committee & IDOT, it will make the application process a more simplified one.

(Exhibit #8)



Elius Reed <ereed@siu.edu>

Supportive Services Update

1 message

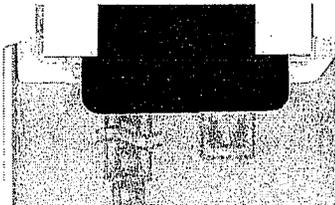
DOT.SBE <DOT.SBE@illinois.gov>

Tue, Oct 11, 2011 at 2:43 PM

Cc: "Gold, Brenda" <Brenda.Gold@illinois.gov>, "Marruffo, Fred M" <Fred.Marruffo@illinois.gov>, "Maury, Marco F" <Marco.Maury@illinois.gov>, "Pepper, Kati L" <Kati.Pepper@illinois.gov>, "Brown, Ronald S" <Ronald.Brown@illinois.gov>, "Green, John R" <John.Green@illinois.gov>, "Shrum, John W" <John.Shrum@illinois.gov>, "Coleman, Lee A" <Lee.Coleman@illinois.gov>, "Smith, Delores A" <Delores.Smith@illinois.gov>

Notice to IDOT/IL UCP DBE firms - The **management** (District 4 - 9) and **technical** (Districts 1 - 9) supportive services consultant contracts **expired October 8, 2011**. There will be a lapse of services for an unknown period of time, so your patience is appreciated. IDOT will notify you as soon as new contracts are signed.

(Exhibit #9)





Elius Reed <ereed@siu.edu>

12/2011 IDOT District 9 EEO Job Vacancy

Elius Reed <ereed@siu.edu>
To: ann.schneider@illinois.gov, ereed@siu.edu

Tue, Nov 22, 2011 at 10:26 AM

----- Forwarded message -----

From: Elius Reed <ereed@siu.edu>
Date: Tue, Nov 22, 2011 at 10:11 AM
Subject: Fwd: 12/2011 IDOT District 9 EEO Job Vacancy
To: ereed@siu.edu

Dear IDOT Secretary Ann Schneider;

Pursuant to CFR Title 23, Section 113 I request to be allowed to submit a Request For Proposal/bid for the IDOT Districts 4-9 Management Supportive Services contract; I request to be notified of the time, date, and location of the Pre-proposal Meeting. On 4:00 PM, 7/7/2011 I hand delivered to Illinois Lt. Governor Shelia Simon's IDOT District 9 office a letter signed by myself, Tony Holsey; and Sam Thomas (IDOT District 9 DBEs) requesting that the IDOT Mentor Protege Program be implemented in District 9 for the first time; that the current IDOT Mentor Protege Program 3 year DBE firm highway Contractor experience eligibility requirement be eliminated; and that the District 9 DBE Program Prime Contractors be required to participate in the IDOT Mentor Protege Program. On about 4:00 PM; 7/11/2011 Lt. Governor Simon's office Secretary told me they had someone in the Springfield office looking at my 7/7/2011 letter. On about 3:53 PM; 11/12/2011 I was e-mailed a copy of the HACIA Newsletter concerning the IDOT/HACIA Mentor Protege Networking Event that was conducted in Chicago, Illinois; it listed IDOT Dep. Director Diane O' Keefe as explaining how the IDOT Mentor Protege Program will benefit all Prime Contractor and DBE firms; it listed IDOT Acting Bureau Chief Scott Stitt as discussing how the newly constructed HACIA templates will make the IDOT Mentor Protege Program application process a more simplified one. Please inform me whether or not a similar IDOT Mentor Protege Networking Event can be conducted at the IDOT District 9 office or at some other location in Carbondale. (See attached document).

Elius Reed 11/22/2011

----- Forwarded message -----

From: Elius Reed <ereed@siu.edu>
Date: Mon, Nov 21, 2011 at 1:16 PM
Subject: Fwd: 12/2011 IDOT District 9 EEO Job Vacancy
To: ann.schneider@illinois.gov, ereed@siu.edu

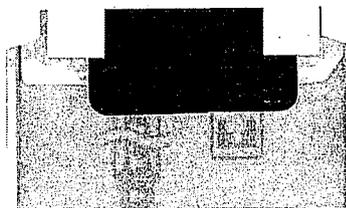
Dear IDOT Secretary Ann Scneider;

On about 4:20 PM; 11/18/2011 an IDOT Springfield, Illinois Supportive Services Office employee called and asked me what type of Supportive Services was I in need of, I stated Management and Technical-the IDOT Mentor Protege Program has never been implemented in the IDOT District 9 area-she stated that is State wide; I stated that I needed financial and bonding assistance; she stated that the new IDOT Supportive Services contracts are being negotiated-they would e-mail me a Notice when they are completed; I asked was IDOT District 9 EEO Delores Smith retiring on about 12/16/2011-she looked at some documents and answered yes; I asked who is IDOT EEO Delores Smith's replacement; she again looked at some documents and stated that Debbie Lee is the IDOT EEO Delores Smith's replacement-she instructed me to contact Supportive Services Consultant about the IDOT Mentor Protege Program; attached is a copy of my resume for the IDOT District 9 EEO job vacancy.

Elius Reed 11/21/2011

(Exhibit #10)

<https://mail.google.com/mail/?ui=2&ik=ecbd2aea1c&view=pt&search=inbox&msg=133...> 11/22/2011



Mark E. Vaughn

From: Elius Reed [mailto:ereed@siu.edu]
Sent: Sunday, November 27, 2011 07:52 PM
To: Sara Hutson <SHutson@hutsonassociates.com>; Elius Reed <ereed@siu.edu>; Schneider, Ann L
Subject: Fwd: 5/2/2011 Target Market Meeting

Dear IDOT Management Consultant Sara Hutson;

During the 5:00 PM, 5/25/2011 meeting I read and showed you 49 CFR 26.35 stating that IDOT must establish a DBE Business Development Program; I asked did IDOT have a DBE Business Development Program (BDP); you stated that you did not have any information on the IDOT DBE BDP Program; I asked did IDOT still have the Illinois Dept. of Commerce and Economic Opportunity DBE Contractor Financial Assistance Program; you stated that you find out that information and let us know; DBE Tony Holsey asked did you have any information on any banks that would provide DBEs with financial assistance/start-up business loans; you stated that you may have some information about banks with start-up business loans-you would provide us with that information. On 6/2,12/2011 I e-mailed you letters again requesting to be provided with information concerning the Illinois Dept. of Commerce Economic Opportunity DBE Contractor Finance Program; banks that would provide DBEs with start-up business loans; and information concerning any financial assistance offered to DBEs by the 35 banks listed in paragraph #4 of the 1/21/2011-6/17/2011 IDOT Bid Letting Sections; you failed to respond to my letters/failed to provide the requested information. I again request that you provide me with the above listed information.

Elius Reed 11/27/2011

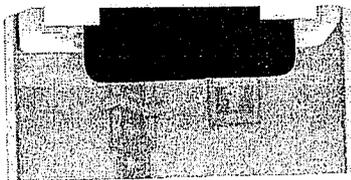
----- Forwarded message -----

From: Elius Reed <ereed@siu.edu>
Date: Thu, Jun 2, 2011 at 8:27 PM
Subject: 5/2/2011 Target Market Meeting
To: Sara Hutson <SHutson@hutsonassociates.com>, ereed@siu.edu

Dear IDOT Management Consultant Srar Hutson;

During the 5:00 PM; 5/25/2011 meeting I asked you did IDOT still have the Illinois Dept. of Commence and Economic Opportunity DBE Contractor Finance Program; you stated that you would find information about the DBE Contractor Finance Program and let us know; DBE Tony Hosley stated that he needs to have a \$25,000 start up business loan for payroll-he asked you did you have information on any banks that would provide DBEs with financial assistance/start-up business loans for DBEs; you stated that you would provide us with that information; you then provided us with assistance in completing the Target Market Pre-Qualification application. Please provide me/us with the above listed information. On about 6/1/2011 I examined the Target Market Program website and discovered documents stating that the Target Market Program Public Act 96-0975 became effective 1/1/2011; on about 1/1/2011 IDOT issued a Target Market Program Public Notice stating that IDOT would conduct a public meeting concerning the Target Market Program on 1/26/2011 at 10:00 AM. The Target Market Program legislation (20 ILCS 2705-600) states that the Department (IDOT) shall

(Exhibit #11)





Elius Reed <ereed@siu.edu>

IDOT Mentor Protege Networking Event; IDOT 2011-2012 OJT Request For Proposals

Elius Reed <ereed@siu.edu>
To: ann.schneider@illinois.gov

Sun, Nov 27, 2011 at 4:11

----- Forwarded message -----

From: Elius Reed <ereed@siu.edu>
Date: Sun, Nov 27, 2011 at 4:07 PM
Subject: IDOT Mentor Protege Networking Event; IDOT 2011-2012 OJT Request For Proposals
To: ereed@siu.edu, holsey_62901@yahoo.com

Dear IDOT Secretary Ann Schneider;

I state that the IDOT Mentor Protege Program is the solution to the lack of capital, bonding, bank loan, equipment and other problems that I and other IDOT DBE Contractors have found to be barriers in being able to bid on highway construction contracts, because the 3 year IDOT Mentor Protege DBE Contractor Contractor Assistance OJT Program provides DBEs with business training, record keeping, loan packaging, bonding, equipment utilization and other needed assistance; the IDOT Mentor Protege Program has not been implemented in IDOT District 9. I request that IDOT Mentor Protege Networking Events be conducted in the Chicago and East St. Louis, Illinois areas for the black male and female IDOT Districts 1 and 8 DBE Contractors, in the same manner as IDOT conducted the Mentor Protege Networking Event on about 10/26/2011 in Chicago, Illinois for the IDOT District 1 Hispanic DBEs. During the 10/2011 Illinois State NAACP Convention Labor and Industry Workshop it was stated that the white male IDOT Prime Contractors had replaced the black Construction Workers on highway construction jobs with Hispanic/Mexican Construction Workers in Chicago, Illinois.

Title 23, Section 230.111 of the Code of Federal Regulations entitled " Implementation of Special Requirements For On The Job Training (OJT)" states that the State Highway Agency (IDOT) shall determine which Federal and State highway construction contracts shall include the Training Special Provision and the minimum number of Trainees to be specified. The 4/2005 IDOT OJT Brochure states that the IDOT OJT Program is a contract agreement between IDOT and Construction Contractors to provide skill craft training to 18 year and older Trainees to insure increased participation by Minorities and Women in the highway construction industry this is accomplished by requiring the Contractors on Federal and State funded highway construction projects to provide the training necessary to enable Minority and Women Trainees to perform the duties of a Journeyman Worker in the selected job classifications. On about 1/2004 the Laborer Union Officials spent large sums of money to get Rod Blagojevich elected as the Illinois Governor; Gov. Blagojevich then rewarded the Laborer Union Officials for their political support by allowing the Laborer Union Officials to take over control of IDOT/appoint their Laborer Union members to key IDOT positions, and awarding the OJT contracts to the Laborer Union. During period 4/13/2004-12/31/2005 the two IDOT Districts 2-9 \$400,000.00 and \$550,000.00 IDOT OJT contracts were awarded to the Springfield, Illinois Laborer Union LECET Construction Opportunity Program the contracts stated that the Vendor shall assist Contractors by placing Minority and Female Trainees and Apprentices into specific training slots in State highway construction work classifications; Trainee slots will include the following crafts-Operating Engineers, Carpenters, Iron Workers, Cement Finishers, Electricians. During period 8/18/2006-5/31/2008 the two \$485,896.00 IDOT Districts 2-7 and 9 OJT contracts were awarded to the Carbondale, Illinois Betty Taylor Associates Innovative Training and Supportive Services Construction Career Connection Training Program

(Exhibit #12)

<https://mail.google.com/mail/?ui=2&ik=ecbd2aealc&view=pt&search=inbox&msg=133...> 11/27/2011

and to the Chicago, Illinois Victoria Banks United Services of Chicago; you signed the two Betty Taylor Associates OJT contracts as the IDOT Finance and Administration Director. On 7/7/2006 IDOT District 9 EEO/DBE Liaison Delores Smith and Betty Taylor Associates Field Representative Felipe Martin wrote former C'dale NAACP President Carlton Smith a letter requesting that he and other C'dale Community Leaders attend a 6:30 PM, 7/18/2006 meeting at the SIU Dunn Richmond Center to allow them to explain the IDOT DBE and Supportive Services Programs which have opportunities for Minorities and Women in the construction trades; I attended the meeting and complained that there were no Minorities employed on the C'dale E T Simonds Highway 13 construction project-Field Representative Felipe Martin stated that he would have a Minority construction worker placed on that job-the next day a black male was placed on the E T Simonds Highway 13 Construction project as a Laborer Trainee-he later quit the job after working about 4-5 months; no other Minorities were placed on any District 9 highway construction jobs as Trainees during period 4/13/2004-6/1/2008. On 7/16/2009 IDOT placed out Request For Proposals/bids for the IDOT District 1-9 Management and Technical Supportive Services (SS) contracts-IDOT did not place out a Request For Proposal/bid for the IDOT Districts 1-9 OJT SS contract. During the 8/4/2009 C'dale NAACP Labor and Industry Committee meeting IDOT District 9 EEO Delores Smith stated that IDOT is working with Illinois Community Colleges for classroom training and OJT placements-she would be meeting with IDOT and the John A. Logan Jr. College Officials concerning the matter, IDOT has received federal funding as is now in the process of writing the new classroom training/OJT contract. During the 8/28/2009 East St. Louis, Illinois IDOT Disparity Study meeting I asked why was IDOT eliminating the OJT Program and changing it to classroom training; IDOT Workforce Diversity Office Director Carol Lyle stated that the past black IDOT OJT Supportive Services Consultants had not done their jobs/did not meet the goal of getting enough Minorities employed as OJT Trainees on highway construction jobs-IDOT had decided to try the classroom training; I stated that the 2006-2008 IDOT Minority Construction Employment Reports listed 49 OJT placements (36 white males; 13 black males; 8 black females). On 10/9, 17/2009 I wrote former IDOT Secretary Gary Hanning letters requesting that a Request For Proposal for the IDOT Districts 1-9 OJT SS contract be posted due to the large number of unemployed Minorities; on 10/28/2009 I received a letter from IDOT Secretary Hanning stating that IDOT would not be requesting proposals this year from outside Consultants to provide OJT SS in Districts 1-9, instead IDOT has elected to utilize the services of the Illinois Community Colleges to provide training and skill improvement for Minorities, Women, and disadvantaged individuals. I state that the new 8 week classroom IDOT Highway Career Construction Training Program (HCCTP) is a Pre-Apprenticeship Program-it is not the same IDOT OJT skilled craft Journeyman Training Program-very few if any of the HCCTP Program graduates have been placed into area Union Apprenticeship Programs or to work on highway construction jobs. I state that IDOT needs to issue a Request for Proposal for the 2011-2012 IDOT Districts 1-9 OJT SS contracts and allow interested/responsible Community Organizations the opportunity to submit proposals/bids-IDOT needs to award the OJT contracts to responsible/reliable black Consultants who will meet the goal of getting the required number of Minorities and females placed as Trainees on the various highway construction projects. I state that during period 6/1/2008-present IDOT has failed to have the IDOT Districts 1-9 OJT Supportive Services contracts implemented in violation of Title 23, Section 230.111 of the Code of Federal Regulations. Please notify me of any incorrect statements that I may have listed above. (See attached documents).

Elius Reed 11/27/2011

Southern Illinois Labor Industry Concerned Citizen Committee

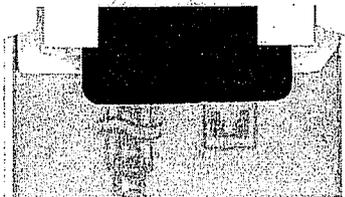
and NAACP Member

CC: Illinois State Rep. Mike Bost

NAACP

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<https://mail.google.com/mail/?ui=2&ik=ecbd2aea1c&view=pt&search=inbox&msg=133...> 11/27/2011





Illinois Department
of Transportation

SAVE THE DATE

The Illinois Department of Transportation (IDOT) will host Public Meetings to gather testimony on two initiatives, the Target Market Program and a new initiative designed to help Disadvantaged Business Enterprise (DBE) firms' obtain bonding or financing necessary to qualify for project contracts. At each meeting:

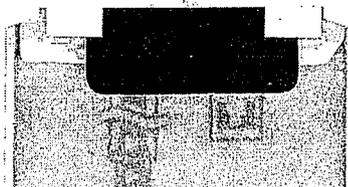
- IDOT will update participants on the Target Market Program, established in state law to increase the amount of work that is available to minority-owned and women-owned businesses and to encourage firms that are not prequalified or DBE-certified to take the necessary steps to obtain certification.
- IDOT will outline the creation of a new initiative designed to address specific financial needs of DBEs, providing additional capability to participate in IDOT's transportation-related contracts.

IDOT will present an overview of the two initiatives at each meeting. Participants in the public meetings are encouraged to provide testimony and comments with regard to their experiences in obtaining highway contracts or subcontracts.

You are cordially invited to attend any of the public meetings, so please save the date for the meeting nearest you.

Date	Time	Location
Wednesday December 14, 2011	11:30 AM-3:00 PM	Woodson Regional Public Library 9525 South Halsted Chicago, IL 60628
Thursday December 15, 2011	11:30 AM-3:00 PM	The Gateway Building 200 Northeast Water Street Peoria, IL 60602
Friday December 16, 2011	11:30 AM-3:00 PM	East St. Louis Public Library 5300 State Street East St. Louis, IL 62203

(Exhibit #13)



Fwd:Amended IDOT District 9 DBE Complaint

Elius Reed <ereed@siu.edu>
To: ereed@siu.edu

Wed, Dec 14, 2011 at 7:30 PM

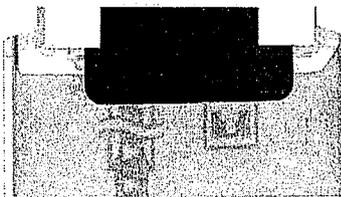
Dear National DBE Program Manager Martha Kenley;

Pursuant to 49 CFR 103 (a)(d) I file the following complaint with the USDOT FHWA Office of Civil Rights; I request conciliation.

1. During period 8/1/2009-present; 6/1/2011-present the IDOT Diversity Workforce Office Officials have prevented me and other IDOT DBEs from participating in the IDOT Mentor Protege DBE Contract OJT Program by establishing/enforcing a 3 year highway Construction Contractor eligibility requirement instead of the USDOT federal DBE Contractor certification requirement, in violation of 49 CFR 26.35(b)(1) and Appendix D(C).
2. During period 1/2007-present; 6/1/2011-present the IDOT Diversity Workforce Office Officials have not had the IDOT Mentor Protege (DBE Contractor OJT) Program implemented in IDOT District 9; the IDOT Diversity Workforce Office Officials have had the IDOT Mentor Protege (DBE Contractor OJT) Program implemented in other IDOT districts.
3. During period 6/1/2009-present; 6/1/2011-present there have been no Informational Meetings conducted in IDOT District 9 with the DBEs and Prime Contractors to discuss the upcoming bid letttings; during period 6/1/2009-present; 6/1/2011-present Informational Meetings have been regularly conducted in the other IDOT Districts with the DBEs and Prime Contractors to discuss the upcoming bid letttings.
4. During period 6/1/2009-present; 6/1/2011-present I and other District 9 and other DBEs have not been provided with adequate financial, bonding; business development; and other needed assistance by the IDOT Management Consultants in violation of 49 CFR 26.35.
5. During period 1/1/2006-present; 6/1/2011-present the IDOT Workforce Diversity Office Officials have employed only 1 EEO Staff employee in the IDOT District 9 Office (Delores Smith) to monitor the employment of Minorities and Women Construction Workers by Contractors on the highway construction projects in the 16 IDOT District 9 Counties; during period 1/1/2006-present; 6/1/2011-present the IDOT Workforce Diversity Office Officials have employed more than only 1 EEO Office Staff person in other IDOT District Offices to monitor the employment of Minority and Women Construction Workers by Contractors on the highway construction projects in the other IDOT Districts-some of which contain less than 16 counties.
6. During period 6/1/2008-present; 6/1/2011-present the IDOT Workforce Diversity Officials have not had the federally funded/mandated OJT Supportive Services Program implemented in IDOT Districts 1-9 in violation of 23 CFR 230.
7. On about 10/26/2011 IDOT Officials conducted a Mentor Protege Networking Event in Chicago, Illinois for the IDOT DBE Hispanic firms to discuss how the Mentor Protege Program will benefit all Prime Contractors and Hispanic DBE firms; during period 10/26/2011-present the IDOT Officials have not conducted any IDOT Mentor Protege Networking Events in Chicago, East St. Louis, and Carbondale, Illinois for the IDOT DBE black male and female firms to discuss how the IDOT Mentor Protege Program will benefit all Prime Contractors and black male and female DBE firms.
8. During period 1/1/2011-present; 6/1/2011-present IDOT Officials have worked with the IDOT Hispanic DBE firms to construct new templates in order to make the IDOT Mentor Protege application process a more simplified one; during period 1/1/2011-present; 6/1/2011-present the IDOT Officials have not worked with the IDOT black male and female DBE firms to construct new templates in order to make the IDOT Mentor Protege Program application process a more simplified one.
9. During period 6/1/2009-present; 6/1/2011-present the IDOT Management and Technical Supportive Services Consultants have not provided me and other DBE firms with the Minority Business Enterprise training and development; financial; bonding; and other program assistance needed to develop our DBE firms into self sufficient organizations capable of competing for and performing various highway construction contracts in violation of 49 CFR 23; 26 and Appendix C.

(Exhibit #14)

Elius Reed 11/30/2011;12/14/2011





Ellus Reed <ereed@siu.edu>

Notice: District 4 - 9 DBE Supportive Services Management contract has been awarded

1 message

DOT.SBE <DOT.SBE@Illinois.gov>

Fri, Dec 2, 2011 at 3:56 PM

Notice: The 2011/2012 District 4 - 9 DBE Supportive Services Management* contract has been awarded to the following consultant:

Districts 4, 5, 6, 7, 8, 9 (contract period 11/18/11 - 11/17/12)

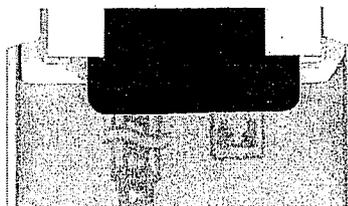
Mr. Mark Vaughn, Project Director
Franklin & Vaughn, LLC
2220 South Route 157, Suite 200 E
Glen Carbon, IL 62034
Phone: 618/614-3194
Fax: 888/675-4426
E-mail: mark@franklinvaughncpa.com

* Management Assistance - Assistance with cash flow, bonding and financing, payments, obtaining work and equipment / other resources, preparation of business plans, computer technology, IDOT DBE program certification, prequalification (construction/consultant), assessment / development / improvement of management, accounting and computer systems, assistance with loan package preparation, development of web site / marketing materials / safety plans, and IDOT DBE workshops, etc.

Please contact Mark for any management assistance you may need. Contact IDOT's Bureau of Small Business Enterprises' at 217/785-7527 if you have any questions or comments regarding IDOT's supportive services assistance.

(Exhibit #15)

<https://mail.google.com/mail/?ui=2&ik=ecbd2aea1c&view=pt&search=inbox&th=13400d...> 12/2/2011



Nathan D. Franklin, CPA
Phone: (314) 707-7872 • Fax: (888) 675-4426
nathan@franklinvaughncpa.com



Mark E. Vaughn, CPA
Phone: (618) 614-3194 • Fax: (888) 675-4426
mark@franklinvaughncpa.com

2220 South Route 157 • Suite 200E - Meridian Centre Two • Glen Carbon, IL 62034

December 5, 2011

Mr. Elius Reed
Sam's Construction
2012 S. Illinois Ave., Apt. 6
Carbondale, IL 62901

RE: November 27th Correspondence

Dear Mr. Reed,

I was asked to respond to your email (see attached) to IDOT Secretary Ann Schneider and Ms. Sara Hutson dated November 27, 2011. Effective November 18, 2011, the Illinois Department of Transportation (IDOT) contracted with my firm to provide DBE management supportive services to IDOT's DBE firms in its Highway Districts 4 through 9.

Your first concern relates to the establishment of a Business Development Program in accordance with 49 CFR 26.53. In reviewing this code section, I was unable to find reference to the Business Development Program. However, I expanded my search and found the Business Development Program discussed in §26.35. I am making the assumption that this code section is the section you intended to reference, and I have included a copy of this section for your review. I would direct your attention to the first sentence of the code. This sentence states that IDOT is only required to establish a DBE business development program if an "operating administration directs you to." To date, such a directive has not been given to IDOT, and IDOT has not elected to voluntarily establish the program.

I would further direct your attention to the same 49 CFR 26.35 that discusses the Mentor-Protégé Program. IDOT has established Mentor-Protégé Programs for both construction and consultant contracts and currently has many firms approved to participate in the programs. Although Mentor-Protégé construction/consultant contracts would be rare in District 9, if you wish, I would be pleased to meet you in Carbondale to assist your firm through the application process. I know we've discussed the construction Mentor-Protégé program previously, but I do not see that your firm is currently on the approved list. Please let me know if I can assist.

Your next concern relates to the Illinois Department of Commerce and Economic Opportunity (DCEO) DBE Contractor Financial Assistance Program. In researching its website, I do not see any evidence that this program currently exists. I called the DCEO to discuss this program. The Contractor Financial Assistance Program was never funded. Therefore, the program never officially launched. I discussed some of the other programs listed on the website. These programs are currently on hold. The DCEO updated all of its programs about six weeks ago and effectively ended the relationships it had with all participating banks. DCEO is in the process of signing new agreements with the banks and will have several lending assistance programs available for use soon. I will keep you posted as I learn more.

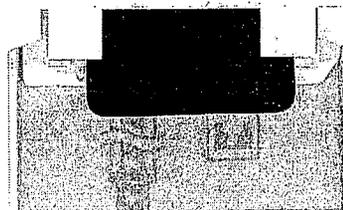
Your final concern references IDOT's Target Market Program (Program) that became effective July 1, 2010 (Public Act 96-0795), and was implemented in January 2011. An email blast was sent by IDOT to

Received 5:00 PM, 12/8/2011

Creating Value • Building Wealth • Partnering for Success

www.franklinvaughncpa.com

(Exhibit #16)



its DBE firms on October 28, 2010, with information concerning the implementation of the Program. A copy of the email that was sent to you is attached. As the program was open to IDOT DBE firms who were prequalified by IDOT's Bureau of Construction, subsequent emails were sent only to those firms. The program is still ongoing, however, revised legislation (Public Act 97-0228) was signed July 28, 2011 by Governor Quinn, and it is anticipated that IDOT will again advertise Target Market contracts in 2012. A copy of the legislation is attached for your information.

Elius, I trust this letter will address your concerns. Should you have additional questions, please do not hesitate to contact me. I will be happy to discuss your questions in person, by phone, or mail.

Sincerely,
Franklin & Vaughn, LLC

Mark E. Vaughn, CPA
Mark E. Vaughn, CPA

Enc.

Cc: Ms. Ann Schneider, Secretary, Illinois Department of Transportation
Mr. Frank McNeil, OBWD Director
Ms. Carol Lyle, OBWD Deputy Director
Delores Smith, EEO Officer

FYI: Bonding and Access to Capital Education Program

DOT.SBE <DOT.SBE@illinois.gov>

Fri, Dec 9, 2011 at 2:00 PM

— LATEST NEWS & EVENTS —

Bonding Education and Access to Capital Program

Program Overview

The US Department of Transportation (DOT) Bonding Education Program (BEP) is a partnership with the Surety and Fidelity Association of America to help small businesses become bond ready. Becoming bondable is a challenge for many disadvantaged businesses and this program aims to help businesses grow by obtaining or building bonding capacity.

The BEP consists of a comprehensive set of all-inclusive workshops designed to address what businesses need to do to become bond-ready, as well as one-on-one sessions with local surety bonding professionals to help in assembling the materials necessary for a complete bond application. This program is tailored to businesses competing for transportation-related contracts.

The bonding and access to capital education program will consist of the following:

Four Bonding Workshops

During this four session bonding training, participants will attend workshops that will provide a range of information related to improving their company's operations and thereby making it easier to be bonded or to increase their bonding capacity. They will learn how bonding relates to all aspects of their business operations and specific approaches and techniques that result in a successful bond application and long term surety relationship. (Details Below)

Four Access to Capital Workshops

During this four session Access to Capital training participants will receive comprehensive training in the areas of Basic Accounting & Record Keeping; The importance of personal credit ratings and their impact on a banks' business loan decision; Bank Underwriting guidelines and loan packaging. During the fourth and final session, participants will have an opportunity to meet in one-on-one sessions with senior bank loan officers and gain valuable feedback. (Details Below)

Eligibility

To be considered for the program, applicants must be the primary owner for a business that meets the following criteria:

- Have been in business for at least three consecutive years
- Revenue of at least \$500,000
- Preference given to those with prior transportation work

(Exhibit #17)



[Home Page](#) > [Executive Branch](#) > [Code of Federal Regulations](#) > [Electronic Code of Federal Regulations](#)

Electronic Code of Federal Regulations

e-CFR (M)

e-CFR Data is current as of May 5, 2011

Title 49: Transportation

PART 26—PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES IN DEPARTMENT OF TRANSPORTATION FINANCIAL ASSISTANCE PROGRAMS

Subpart B—Administrative Requirements for DBE Programs for Federally-Assisted Contracting

[Browse Previous](#) | [Browse Next](#)

§ 26.35 What role do business development and mentor-protégé programs have in the DBE program?

(a) You may or, if an operating administration directs you to, you must establish a DBE business development program (BDP) to assist firms in gaining the ability to compete successfully in the marketplace outside the DBE program. You may require a DBE firm, as a condition of receiving assistance through the BDP, to agree to terminate its participation in the DBE program after a certain time has passed or certain objectives have been reached. See Appendix C of this part for guidance on administering BDP programs.

(b) As part of a BDP or separately, you may establish a "mentor-protégé" program, in which another DBE or non-DBE firm is the principal source of business development assistance to a DBE firm.

(1) Only firms you have certified as DBEs before they are proposed for participation in a mentor-protégé program are eligible to participate in the mentor-protégé program.

(2) During the course of the mentor-protégé relationship, you must:

(i) Not award DBE credit to a non-DBE mentor firm for using its own protégé firm for more than one half of its goal on any contract let by the recipient; and

(ii) Not award DBE credit to a non-DBE mentor firm for using its own protégé firm for more than every other contract performed by the protégé firm.

(3) For purposes of making determinations of business size under this part, you must not treat protégé firms as affiliates of mentor firms, when both firms are participating under an approved mentor-protégé program. See Appendix D of this part for guidance concerning the operation of mentor-protégé programs.

(c) Your BDPs and mentor-protégé programs must be approved by the concerned operating administration before you implement them. Once approved, they become part of your DBE program.

[Browse Previous](#) | [Browse Next](#)

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For questions concerning e-CFR programming and delivery issues, email webleam@opa.gov.

[Section 508 / Accessibility](#)

(Exhibit #18)

<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=ce2f9eb39ea75b1c951a7670cccd50...> 5/9/2011



[Home Page](#) > [Executive Branch](#) > [Code of Federal Regulations](#) > [Electronic Code of Federal Regulations](#)

Electronic Code of Federal Regulations

e-CFR
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e-CFR Data is current as of May 6, 2011

Title 49: Transportation

PART 26—PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES IN DEPARTMENT OF TRANSPORTATION FINANCIAL ASSISTANCE PROGRAMS

Subpart F—Compliance and Enforcement

[Browse Previous](#) | [Browse Next](#)

Appendix C to Part 26—DBE Business Development Program Guidelines

The purpose of this program element is to further the development of DBEs, including but not limited to assisting them to move into non-traditional areas of work and/or compete in the marketplace outside the DBE program, via the provision of training and assistance from the recipient.

(A) Each firm that participates in a recipient's business development program (BDP) program is subject to a program term determined by the recipient. The term should consist of two stages; a developmental stage and a transitional stage.

(B) In order for a firm to remain eligible for program participation, it must continue to meet all eligibility criteria contained in part 26.

(C) By no later than 6 months of program entry, the participant should develop and submit to the recipient a comprehensive business plan setting forth the participant's business targets, objectives and goals. The participant will not be eligible for program benefits until such business plan is submitted and approved by the recipient. The approved business plan will constitute the participant's short and long term goals and the strategy for developmental growth to the point of economic viability in non-traditional areas of work and/or work outside the DBE program.

(D) The business plan should contain at least the following:

(1) An analysis of market potential, competitive environment and other business analyses estimating the program participant's prospects for profitable operation during the term of program participation and after graduation from the program.

(2) An analysis of the firm's strengths and weaknesses, with particular attention paid to the means of correcting any financial, managerial, technical, or labor conditions which could impede the participant from receiving contracts other than those in traditional areas of DBE participation.

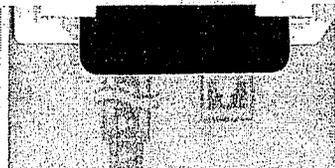
(3) Specific targets, objectives, and goals for the business development of the participant during the next two years, utilizing the results of the analysis conducted pursuant to paragraphs (C) and (D)(1) of this appendix;

(4) Estimates of contract awards from the DBE program and from other sources which are needed to meet the objectives and goals for the years covered by the business plan; and

(5) Such other information as the recipient may require.

(E) Each participant should annually review its currently approved business plan with the recipient and modify the plan as may be appropriate to account for any changes in the firm's structure and redefined needs. The currently approved plan should be considered the applicable plan for all program purposes

<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b89b9b49249443e59664d608e19e...> 5/10/2011

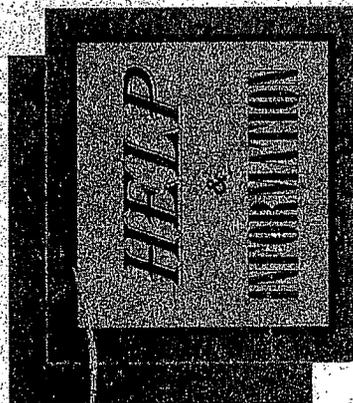


Notice of Letting

Volume 14, No. 12r

March 25, 2011
REVISED: April 19, 2011

Letting Date:
April 29, 2011



Transportation Bulletin

Illinois Department of Transportation
2300 South Dirksen Parkway, Springfield, Illinois 62764

(Exhibit #19)

4. **Minority-Owned Financial Institutions (**

It is IDOT's policy to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on federally funded contracts to make use of these institutions.

As of September 30, 2010, the list of minority owned financial institutions are as follows:

ALL AMERICAN BANK	DES PLAINES, IL
AMERICAN METRO BANK	CHICAGO, IL
AMERICAN METRO BANK , 667 N CASS AVE OFF	WESTMONT, IL
AMERICAN METRO BANK , CHINATOWN BRANCH	CHICAGO, IL
COVENANT BANK	CHICAGO, IL
FOSTER BANK	CHICAGO, IL
FOSTER BANK , ANNANDALE VA BRANCH	ANNANDALE, VA
FOSTER BANK , ARLINGTON HEIGHTS BRANCH	ARLINGTON HEIGHTS, IL
FOSTER BANK , DEVON BRANCH	CHICAGO, IL
FOSTER BANK , HMART BRANCH	NILES, IL
FOSTER BANK , LINCOLNSHIRE BRANCH	LINCOLNSHIRE, IL
FOSTER BANK , NAPERVILLE BRANCH	NAPERVILLE, IL
FOSTER BANK , NILES BRANCH	NILES, IL
FOSTER BANK , ROLLING MEADOWS BRANCH	ROLLING MEADOWS, IL
HIGHLAND COMMUNITY BANK	CHICAGO, IL
HIGHLAND COMMUNITY BANK , 10837 S HALSTED ST OFF	CHICAGO, IL
HIGHLAND COMMUNITY BANK , WOODLAWN BRANCH	CHICAGO, IL
ILLINOIS-SERVICE FS&LA	CHICAGO, IL
ILLINOIS-SERVICE FS&LA , CHATAM BRANCH	CHICAGO, IL
INTERNATIONAL BANK CHICAGO	CHICAGO, IL
INTERNATIONAL BANK CHICAGO, BELLWOOD BRANCH	BELLWOOD, IL
INTERNATIONAL BANK CHICAGO, SOUTH CHINATOWN BRANCH	CHICAGO, IL
INTERNATIONAL BANK CHICAGO, STONE PARK BRANCH	STONE PARK, IL
NATIONAL REPUBLIC BANK CHICAGO	CHICAGO, IL
NATIONAL REPUBLIC BANK CHICAGO , 2615 W DEVON AVE OFF	CHICAGO, IL
PACIFIC GLOBAL BANK	CHICAGO, IL
PACIFIC GLOBAL BANK , 9239 S ASHLAND OFF	CHICAGO, IL
PACIFIC GLOBAL BANK , SOUTH ARCHER BRANCH	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY , BONZEVILLE FACILITY	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY , CHATHAM RIDGE FACILITY	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY , DRIVE-IN FACILITY	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY , MICHIGAN AVE FACILITY	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY , MIDWAY FACILITY	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY , OHARE FACILITY BRANCH	CHICAGO, IL
SEAWAY BANK & TRUST COMPANY , WAUKEGAN FACILITY	WAUKEGAN, IL



East St. Louis:

Transcript

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IN RE: TARGET MARKET PROGRAM
ILLINOIS DEPARTMENT OF TRANSPORTATION

PUBLIC HEARING, taken on December 16, 2011, at East St. Louis Public Library, 5300 State Street, East St. Louis, Illinois 62203, before ASHLEY C. HIGH, RPR, CSR (IL) and Notary Public, within and for the State of Missouri, in regard to the Target Market Program.

- PRESENT:
- FRANK W. MCNEIL, Director
 - TOI W. HUTCHISON, 40th District Senator
 - WILL DAVIS, Representative
 - MATTIE HUNTER, Senator
 - MARVA BOYD, Chief of Staff
 - KAREN WARD, Office of Chief Counsel

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A P P E A R A N C E S

FOR THE ILLINOIS DEPARTMENT OF TRANSPORTATION:

FRANK W. MCNEIL
OFFICE OF BUSINESS AND WORKFORCE DIVERSITY
2300 S. Dirksen Parkway, Rm. 300
Springfield, IL 62764
(217) 785-5394

COURT REPORTER:

ASHLEY C. HIGH, RPR, CSR(IL)#084-004666
MIDWEST LITIGATION SERVICES
711 North Eleventh Street
St. Louis, MO 63101
(314) 644-2191
(800) 280-3376

ALSO PRESENT:

BRANDI EVANS, Sign Language Interpreter

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

2 MR. MCNEIL: Good morning. My name is Frank McNeil.
3 I'm the Director of the Office of Business and Workforce
4 Diversity, and we are pleased to have you here today. We are
5 here to discuss and to get your input on some legislation.

6 One piece of legislation that has passed and been
7 signed into law by the Governor is target market legislation.
8 And one piece of proposed legislation Senate Bill 2491 by
9 Senator Mattie Hunter, who is here today.

10 And we have -- we want to get your testimony, your
11 input and what you have experienced as DBEs, as contractors,
12 subcontractors, prime contractors in contracting work with the
13 Department of Transportation. Specifically, we want to know
14 if you've experienced any discrimination, and if you have this
15 is the testimony we'd like to hear this morning.

16 I have with me this morning the Chief of Staff, Ms.
17 Marva Boyd in the back of the room. We also have Ms. Karen
18 Ward of the Office of Chief Counsel. And we also have some --
19 a message from the Secretary of Transportation, Ms. Ann
20 Schneider, who is the first female Secretary of Transportation
21 in the state's history, so we are going to hear the message
22 from Secretary Schneider and then we're going to get started.
23 (VIDEO PLAYED.)

24 MR. MCNEIL: So we're going to get started this
25 morning, and my first introduction is Senator Toi Hutchinson,

1 who sponsored the target market legislation, and Senator
2 Hutchinson is here from in and around the City of Chicago and
3 areas south, north, east and west.

4 Senator Hutchinson?

5 SENATOR HUTCHINSON: Hi, everybody. My name is Toi
6 Hutchinson, I'm from the 40th District. I actually live about
7 45 minutes south of Chicago, I live in Olympia Fields, so my
8 district covers four counties, the southern part of Cook
9 County, eastern Will County, Kankakee County and Iroquois
10 County. So it is a district where the lines go south of I-80,
11 so it's considered a down state district, as well.

12 I'm here because I sponsored this piece of
13 legislation, and I'm also Vice-Chair of the Transportation
14 Committee in the Senate, as well as Chair of Revenue, as well
15 as Chair of the Senate Black Caucus.

16 So I'm here because we have some serious concerns
17 about where -- whether and where and when there have been
18 egregious forms of discrimination in the contracting of
19 contracts led by IDOT. And we want to make sure that both
20 women and minorities have an equal opportunity at bidding and
21 being awarded some of these contracts.

22 So I'm here -- we're here to hear testimony. We
23 would love to hear specific -- not really love, because it's
24 2011 and the fact that we're talking about this kind of stuff
25 in 2011 is not something you phrase with: I would love to

1 hear, because it's actually quite depressing. However, what
2 we need to hear are specific examples of specific things that
3 have happened to you, if you would be so kind as to share,
4 that's the reason we have a court reporter here to make sure
5 that the testimony goes on the record.

6 The point of the bill was for the Department to be
7 able to remedy some of those situations. And in order for us
8 to do that in a way that stands up in a court of law we need
9 to be able to narrowly tailor whatever remedy we come up with
10 with specific things that happened.

11 So this day is really important, and it's even more
12 so important if you're willing and able to be honest and think
13 about what your true experiences have been.

14 We've had three other hearings -- is it three?

15 REPRESENTATIVE DAVIS: Two.

16 SENATOR HUNTER: Two.

17 SENATOR HUTCHINSON: Two other hearings, one in
18 Chicago, and one in Peoria that was yesterday, and now this
19 one down here. And in those hearing we've heard a lot of
20 recommendations about what the Department ought do.

21 But this is an evidentiary hearing and we need to
22 hear specific testimony about things that have happened, so if
23 you can share that with us we'd really, really would
24 appreciate it. But overall we came a long way to hear how
25 you've been experiencing things down here in this district,

1 and I hope you'll be as frank as possible so that we can take
2 our work back to the legislature. Thank you.

3 MR. MCNEIL: The next senator is Senator Mattie
4 Hunter, and she's proposed Senate Bill 2491, which is
5 legislation that would propose financing and bonding for
6 minority companies.

7 And so, Senator Hunter?

8 SENATOR HUNTER: Thank you, Mr. McNeil.

9 Good morning. Thank you for coming. I echo the
10 same thing that Senator Hutchinson indicated. I was the
11 cosponsor of her legislation. We're very concerned about your
12 concerns and your issues, as well as your experiences, which
13 is why we took time out of our schedule to work with IDOT to
14 schedule the hearings and to come down.

15 We've been hearing for many, many years about
16 discrimination practices, disparity issues, just overall
17 concern as to reasons why many of you are not making the kinds
18 of dollars that you feel you should be making.

19 And so we're trying to remedy the situation. So in
20 the past two hearings many recommendations were made to us as
21 to what we need to do, but in order for us to remedy the
22 situation we need some specific, specific experiences that you
23 all have had.

24 We've heard from people saying that they had
25 discrimination practices from -- or from -- from unions and

1 some of them were talking about IDOT engineers, whatever the
2 situations are, we don't know, whatever the situations are,
3 please share those with us, that's what we're here for, that
4 is what we're trying to remedy here, okay?

5 Now, I will be sponsoring, as Mr. McNeil indicated,
6 Senate Bill 2491, which we're identifying some dollars to put
7 into a pot to fund bonding. Many of -- of the businesses, the
8 DBEs, are saying we get contracts, but we cannot find dollars
9 for bonding and that's where we lose everything.

10 So that's the bill that I'm working on. I filed it
11 already in the Senate, and we'll start addressing those issues
12 come January, but we need some input from you all so that we
13 can continue to move forward. Thank you very much.

14 MR. MCNEIL: We also have Representative Will Davis
15 from Chicago, as well -- Harvey, to be honest. And Will is
16 Chairman of the Illinois Black Caucus, and he's here as a
17 co-sponsor -- House sponsor of the target market legislation.

18 Representative Davis?

19 REPRESENTATIVE DAVIS: Good morning, everyone.
20 Again, my name is Will Davis, Representative of the 30th
21 District, which comprises the far south side of Chicago and
22 several of the south suburbs.

23 As was stated before, I'm the House sponsor of the
24 target market legislation, and I don't necessarily need to
25 repeat anything that my colleagues have already said. I think

1 you understand exactly why we're here, but more importantly
2 than just why we're here is what you have to say to us.

3 Again, as legislators what our tools are, or our
4 primary tool is legislation, that is how we impact situations,
5 that is how we try to make changes in the environment and in
6 various environments in Illinois. One environment that we are
7 obviously aware of is the fact that minorities and women do
8 not get their fair share of contracts that take place here.

9 One thing that I've noticed is that in the State of
10 Illinois, despite the economic downturn that we all talk about
11 and that is taking place all over the country, one thing is
12 true Illinois is still building roads, still building bridges.
13 We are spending millions and millions of dollars in order to
14 do so. So there's absolutely no reason why minorities and
15 women should not receive their fair share of the contracts.

16 I think we're very clear on the terms. We have
17 prime contractors that work aggressively against minorities
18 and women to make sure that they do not receive contracts. We
19 have people within agencies that make it very difficult for
20 minorities and women to win at getting contracts, as well.

21 There's a lot that needs to be addressed, and while
22 we appreciate your recommendations, and we've heard several of
23 them over the past couple of days, that includes changes with
24 bond -- making bonding available, split goals. You know,
25 we've heard a lot of recommendations, but in order for this

1 legislation to be effective we need to hear specific instances
2 of how you might have to been wronged in the process of
3 obtaining a contract, whatever that may be, or you may not
4 think it's -- it's insignificant, well why don't you share it
5 with us, let us make the decision whether or not it is or is
6 not significant enough, but we probably think that it is.

7 But that's what's important for us today, so we hope
8 that you'll take the opportunity to share, and that you won't
9 to be embarrassed or be considered about any repercussions
10 from somebody in the room that will go back and tell on you.
11 And I'll just leave it at that, because we know it happens
12 unfortunately.

13 So that being said, ladies and gentlemen, thank you
14 very much for being with us today and we look forward to what
15 you have to say.

16 We have a court reporter here, and we have a person
17 who is sign -- giving sign language for those who may be hard
18 of hearing. And if someone has a language difficulty,
19 specifically Spanish, we have someone who can interpret that
20 as well.

21 We want you to -- when you stand up to speak, speak
22 clearly, give your name and your company you're representing,
23 and if you could fill out a card, so that we can have a record
24 of your speaking, but the court reporter will take your name
25 and address and information. So when you come up, give us

1 your name, address and speak clearly, so that we can get all
2 of this information in the record.

3 For those of you who don't want to speak today, we
4 have the opportunity for you to send in written testimony as
5 long as we can get it by the 21st of December, so that it can
6 be included in the official record. So those of you who don't
7 feel comfortable speaking today, you can have an opportunity
8 -- there's some envelopes over there with Ken, and you can get
9 an envelope with the address already on it, and all you have
10 to do is put your testimony inside that envelope, send it off
11 to us, and we will record it in the record.

12 So now, for those of you who came to speak, if you
13 have the opportunity -- if you want the opportunity, now is
14 the time, fill out a card, so that I can have that record, and
15 then whoever is here -- no one has given me a card yet, so if
16 you're here to speak, please, there's the podium, and step up
17 to the podium.

18 I can't believe nobody --

19 FROM THE AUDIENCE: This doesn't need to go on the
20 record.

21 (THERE WAS AN OFF-THE-RECORD DISCUSSION.)

22 SENATOR HUNTER: Are you all under the same
23 impression?

24 FROM THE AUDIENCE: Yeah.

25 MR. VAUGHN: I thought it was to explain the

1 programs.

2 MR. MCNEIL: You want an explanation?

3 SENATOR HUTCHINSON: They thought it was to explain
4 what the target market program.

5 MR. MCNEIL: Oh, okay. If I could take a brief
6 minute, I'll go over the target market legislation. The
7 target market legislation, which is Senator Hutchinson's
8 legislation, was introduced -- one, it had to clear up some
9 defects in the current target market legislation that was
10 passed the year before as far as its constitutionality.

11 What this hopes to do is to set up a system where
12 women and minorities can bid independently of prime
13 contractors to go out and get work for the Department of
14 Transportation. They -- we have just had the rules to be
15 proven by the joint committee on administrative rules about
16 two days ago, and so these rules will be the rules of
17 operation for the target market program.

18 One of the things the rules set out is that we have
19 to have a testimony of egregious discrimination so that we can
20 fashion the program to address those needs. And so that's
21 what the target market legislation in a nutshell really is.

22 Once we can fashion a program to meet those needs,
23 then we will put out a lay in order to address those needs, so
24 it could be one of three or four different remedies. We could
25 do dual goals. We could do just straight contracting. So

1 there are a number of things we can do, but we have to have
2 the testimony from you to say these are the experiences we've
3 had in trying to contract with IDOT. I had a contract, but I
4 couldn't get bond. I had a contract, but I had a union issue,
5 and I couldn't satisfy the union issues. Those are the kinds
6 of experiences we were hoping to hear today.

7 As far as the financing legislation, we're trying to
8 -- Senate Bill 2491, what that legislation hopes to do is
9 create a pool of money for those individuals who are in --
10 maybe certified as a DBE, but when you go to the bond market,
11 or to get insurance, or get a line of credit from the bank you
12 won't be able to get that because of your history.

13 Because most of them will look at you and say: What
14 is your history. What is your credit history. Those kinds of
15 things are what they're looking at, and if you don't have that
16 kind of history, you can get a contract, but without the bond
17 you won't be able to go out and participate.

18 So those are the sort of like a quick overview of
19 what these two pieces of legislation will do. And so, this is
20 what we're trying to get the testimony, so that if you think
21 that bonding is the number one issue that you face, then you
22 should stand up and talk about bonding and how difficult it is
23 for you to get bonding. If you feel that it's so difficult
24 for you to participate, because of your history with the prime
25 contractors here's an opportunity for target market for you to

1 come in and participate with people of your similar size.

2 So that's sort of where we are. So if you want to
3 come up and testify we would surely appreciate your input
4 today.

5 MS. MEEHAN: My name is Joni Meehan of MT Company.
6 And I feel discriminated -- I am a Hispanic owned company.
7 I've been certified with IDOT for 14 years. I was certified
8 before women owned businesses were. I would say 95 percent of
9 my work has been through the Federal Government.

10 The Federal Government they put contracts aside for
11 a percentage of women owned businesses and a percentage of
12 minority owned businesses. This here is a -- the area you're
13 in is a largely minority area of population. But the biggest
14 amount of awards is going to women owned businesses, and I
15 think that it would be to more benefit the community to have
16 separate --

17 MR. MCNEIL: Dual goals?

18 MS. MEEHAN: Yes. Yes. And I just -- seeing that
19 it would help the minority contractor to get the larger
20 contractors to work with them if these goals have to be met
21 separately. And if the Federal Government can do it, I don't
22 see why the State of Illinois can't.

23 MR. MCNEIL: Okay. And make sure she gets your name
24 and address.

25 MS. MEEHAN: Okay.

1 SENATOR HUTCHINSON: I just wanted to say that right
2 now one of the problems that IDOT is experiencing is that the
3 federal goals don't separate, and whenever we have projects
4 where there's \$1 of federal funding, IDOT has to go by federal
5 rules and the DBE program for these federal contracts put
6 women and minorities all in the same pot.

7 MS. MEEHAN: But you go to a federal corp of
8 engineers, you go to the Department of Natural Resources, they
9 put out bids that are set aside for 8A, which is minority
10 only, they put out for women owned businesses only, they can
11 set aside work for specific DBE goals, but IDOT doesn't.

12 MR. MCNEIL: Not -- we can't -- IDOT cannot
13 separate. We have one goal on the project. They made a
14 request -- specifically from District 8, Metro East, made a
15 specific request for dual goals for this area --

16 SENATOR HUTCHINSON: To waive the federal
17 requirement that it didn't separate.

18 MR. MCNEIL: Right.

19 MS. MEEHAN: But you go to a Federal Government
20 agency and they solicit their work separately. See, I don't
21 -- like I said, go to a corp of engineer job and the way they
22 put out their work is either 8A, women owned, or hub zoned, or
23 -- I mean, their work is -- you know, their -- their work is
24 set aside --

25 MR. MCNEIL: In other words, categorized.

1 MS. MEEHAN: Right.

2 MR. MCNEIL: And that's how they can do that,
3 because we only have one thing and that's DBE -- strict DBE.

4 MS. MEEHAN: Then don't you think that that is
5 discrimination when the area you're in is more categorized by
6 one item than the other, but the other one every time it's
7 not -- it's not equally distributed.

8 MR. MCNEIL: I understand what you're saying, but I
9 don't think it works just like that. I think we have an
10 issue -- DBE contracting we make -- we set a goal for any --

11 MS. MEEHAN: For disadvantaged businesses --

12 MR. MCNEIL: -- disadvantaged business, correct.

13 MS. MEEHAN: -- but you don't set goals for --

14 MR. MCNEIL: Women or minorities --

15 MS. MEEHAN: -- minorities --

16 MR. MCNEIL: -- African Americans or Hispanic, they
17 don't break down the goals for each one of those groups.

18 SENATOR HUTCHINSON: And that's what we're trying to
19 explain, that the federal requirements for DBE, not 8A, we
20 can't go after 8A work --

21 MS. MEEHAN: You can --

22 SENATOR HUTCHINSON: That's federal.

23 MS. MEEHAN: You just --

24 SENATOR HUTCHINSON: So what I'm trying to clarify
25 is the State has to -- whenever there's \$1 of federal funds

1 for these projects that IDOT gets, they use it in the DBE
2 category, that's the way they solicit their business. The DBE
3 category per Federal rules does not separate the goals.

4 The State applied for a waiver to be able to
5 separate the goals, because in recognition of the fact that
6 that was a problem that they were coming -- the waiver was
7 denied. So yes, and so what we're saying is we recognize that
8 there's an issue, that's part and parcel -- part of the reason
9 for the target market program, as well, because we're trying
10 to figure out a way --

11 MS. MEEHAN: That's what I thought the target
12 program was --

13 SENATOR HUTCHINSON: -- so we're trying to find a
14 way, and what we've heard at multiple hearings are we've got
15 to find way to separate these goals and create dual goals.
16 It's a federal problem that we have right now.

17 So hopefully maybe more testimony like this would
18 bolster our case in front of the Federal Government that this
19 is an issue that we're experiencing, and we can document the
20 egregiousness of it, so we're going to have to get as much
21 data as possible to do that.

22 MR. MCNEIL: One other thing is that when you become
23 a DBE the Federal Government recognizes white women, Hispanic
24 women, African Americans, all in that same category, Asian
25 specific, Asians, American Indians, all as DBE. We cannot --

1 the Department of Transportation cannot say, We're going to
2 subcontract 10 percent to African-Americans, 5 percent to
3 women, 5 percent to Hispanic.

4 MS. MEEHAN: But the Federal Government does it
5 themselves.

6 MR. MCNEIL: But we can't do that.

7 MS. BOYD: I just want to say something. My name is
8 Marva Boyd, Chief of Staff with IDOT. We are bound by the US
9 Department of Transportation and the Federal Highway
10 Administration, and we have to follow those rules. And I
11 think some of these other agencies, the federal agency that
12 you're referring to, are not bound by those same agencies,
13 okay?

14 So maybe that helps to clarify why those agencies
15 can split out the work for minorities and women, and why IDOT
16 at this point cannot. Does that help?

17 MS. MEEHAN: Oh, yeah.

18 SENATOR HUTCHINSON: It doesn't help, but you
19 understand.

20 MS. MEEHAN: But it clarifies why it is, and why it
21 is not the other.

22 MR. MCNEIL: Anybody else that would like to put
23 something on the record today? Surely appreciate it. Yes,
24 sir.

25 MR. VAUGHN: My name is Mark Vaughn. I'm with the

1 IDOT Supportive Services as a consultant. And I work with
2 numerous minority firms across the state, and bonding and
3 financing is a big area, so if there's any way I can assist
4 with that, telling you what I hear from the minorities. I've
5 worked with several, gotten business plans, loan packages
6 together, gone to the banks, no, not going to help you.

7 So that could be a real critical area, particularly
8 if it could help, not only with the bonding, but with that
9 initial payroll, getting that start-up, you know, they've got
10 a contract, they know they can do the work, but they know they
11 can't make the first payroll either.

12 So if there's anything that could be in there to
13 help with that initial start-up, that would be great. Like I
14 said, if I can assist in anything, I'd love to help.

15 SENATOR HUNTER: If you could share with us right
16 now while you're here some of the things that you've been
17 hearing from the companies and the businesses that you've been
18 working --

19 MR. VAUGHN: That's what I'm hearing is -- in fact,
20 I've got three -- three that I've been working with here
21 recently --

22 SENATOR HUNTER: Okay.

23 MR. VAUGHN: -- that we're working on getting that
24 loan package together, but in past they've put it together and
25 they can't get the financing. I helped one --

1 REPRESENTATIVE DAVIS: Well, I mean what she's
2 asking -- like, for instance, you go to the bank, the bank
3 says no, what are their reasons?

4 MR. VAUGHN: Credit scores -- they feel the credit
5 scores are too low. They don't have enough equity in things.
6 The businesses is too new, particularly, you know, if your
7 business is one to two years old, the banks don't want to
8 touch it. After you've been in business for two or three
9 years you probably don't need the bank as much as you do
10 getting that initial start-up.

11 I can't answer the -- the cash they lend -- we don't
12 want to lend to a new company, but a new company is the one
13 that needs it the most. But they -- they -- it's credit
14 scores, it's the access to equity so that they can get that --
15 that initial loan.

16 REPRESENTATIVE DAVIS: So the fact that these
17 individuals have a signed contract from the State of Illinois
18 indicating they are going to get work doesn't help them at
19 all?

20 MR. VAUGHN: It has not been so far. I talked to a
21 bank just last week, I said to them can we use the -- can we
22 use the contract that they have. No, if he's got any equity
23 in his house, we'd rather have him use that than the contract.
24 So it's -- it's -- in this case the bank was not going to be
25 -- was not going to be interested in looking at that contract.

1 SENATOR HUNTER: Has any of those businesses gone to
2 SBA, for example, to try to obtain any kind of financing?

3 MR. VAUGHN: Not currently. We've talked to
4 different banks about that, and unfortunately -- one of them
5 in particular said -- and this was a company up in Peoria,
6 they said, We'll loan you the money, no problem, as long as
7 you don't make us go through the SBA, because the SBA red tape
8 is too much.

9 And this gentleman, he said -- we said -- we -- they
10 told him, We know you, we know your credit history, we'll lend
11 you the money, but we'd rather not go through the SBA --

12 SENATOR HUNTER: Okay.

13 MR. VAUGHN: -- but the others, at this point,
14 hadn't tried to utilize SBA on things.

15 SENATOR HUNTER: Has any of those businesses
16 discussed like how much money are they really in need of?

17 MR. VAUGHN: That is an issue. I have been working
18 with one company up in the Bloomington area, and he feels that
19 he needs about eight or ten trucks to get started. I said,
20 Let's get one truck -- let's get one truck, let's get going
21 and from there we can build, but no, he wants -- he wants the
22 three quarters of a million dollar loan right out of the box
23 to get going. And it's difficult. So we have had those
24 conversations, but we don't necessarily come to an agreement
25 on what that amount is.

1 REPRESENTATIVE DAVIS: You are contracted with IDOT
2 to provide these services?

3 MR. VAUGHN: Yes.

4 REPRESENTATIVE DAVIS: So if you are working -- or
5 have worked with DBEs, can you lend anything to the
6 conversation as to why we're here, as to the challenges that
7 they have getting work on state contracts?

8 MR. VAUGHN: I'm not sure I completely understand
9 what you're asking me to --

10 REPRESENTATIVE DAVIS: Well, you're working with the
11 DBEs --

12 MR. VAUGHN: Right.

13 REPRESENTATIVE DAVIS: Are they getting work?

14 MR. VAUGHN: Some are.

15 REPRESENTATIVE DAVIS: Some are. The ones that
16 aren't, are you aware of what their challenges are, the
17 challenges that they're having getting the contracts?

18 I mean, if you're working with them, I'm just asking
19 can you share any of what you've heard, if anything, at all
20 from these DBEs in terms of why they haven't been able to get
21 work on IDOT contracts.

22 MR. VAUGHN: Some of them their prices aren't as
23 competitive on things. As far as I know most of the -- and I
24 may be way off on this -- most of the goals being set are
25 being met, but it's competitive out there, and I've worked

1 with some and they felt they had good prices, but they didn't
2 get selected and another DBE firm did. I think they still
3 feel like there's a little bit of shopping going on from most
4 DBE companies. I've got this bid from this company, can you
5 get me this bid, okay, you can get me that bid, then we'll go
6 with you instead.

7 But it's -- it's -- they don't -- the main hurdle I
8 hear about is they don't have the capital to even be able to
9 submit a bid. If I won this contract, I wouldn't be able to
10 do it because I wouldn't be able to get started.

11 MR. MCNEIL: Mark, let me ask a question about the
12 mobilization --

13 MR. VAUGHN: Uh-huh.

14 MR. MCNEIL: -- and a lot of DBEs complain that it's
15 very difficult to get mobilization from the private
16 contractor, have you had that experience?

17 MR. VAUGHN: I've not had that experience. The
18 concern I've heard is that it just wasn't enough to really be
19 beneficial --

20 MR. MCNEIL: So the 3 percent was not enough?

21 MR. VAUGHN: -- to get their equipment out to the
22 job site. Right. It helps -- if we can get our equipment out
23 to the job site, but before we get our first contract payment
24 we've got to make probably at least two or maybe three
25 payrolls, and that wasn't enough to help them get started.

1 MR. MCNEIL: The other question, the engineers
2 putting in the pay estimates was another issue that came up.
3 Are you familiar with the engineers putting in the pay
4 estimate, because without the pay estimate it doesn't go into
5 -- it doesn't get to us and we then can't follow-up to make
6 sure they get paid?

7 MR. VAUGHN: I'm not familiar with that part.

8 SENATOR HUTCHINSON: How long have you been a
9 consultant?

10 MR. VAUGHN: I just, myself, just got restarted the
11 end of November. I worked on it previously for the fall of
12 2009 through spring of 11. And then the company that I worked
13 for at that point, I left, and they made payment contract
14 through the fall of this year. I resubmitted by bid and was
15 awarded, so I've just gotten back to it here in November.

16 SENATOR HUTCHINSON: Thank you.

17 MR. VAUGHN: Thank you.

18 SENATOR HUNTER: Thank you.

19 MR. MCNEIL: Anyone else who would like provide
20 testimony?

21 MS. BRIDGES: My name is Sharon Bridges, and I'm
22 from Brown Trucking Company. And we've been in business for
23 ten years, and we have never had an IDOT job, and we bid on
24 them continuously.

25 The work that we do receive is really not --

1 nothing -- no more than \$5,000s on DBE statement. And my main
2 concern is IDOT they award the jobs to mostly the same
3 contract -- main contractors, and my thing is why do they
4 allow the contractors to continue to pick the same
5 subcontractors or hoggers on the projects instead of, you
6 know, spreading it among everyone, because most of the jobs
7 are done by the same people, so that is my main concern.

8 REPRESENTATIVE DAVIS: Can you speak to why your
9 bids have been rejected, if that factors into this
10 conversation? Because you said you've been bidding, and not
11 receiving, can you speak to why not?

12 MS. BRIDGES: Well, no one never really responded on
13 why we were rejected, but I know that the majority of the time
14 is because the prime wants the subs to work for really
15 nothing. So us, personally, we refuse to work for nothing,
16 because if we're going to go bankrupt, it's because on our
17 half, not because we've taken pennies to be on an IDOT job.

18 MR. MCNEIL: Let me ask. You've been sort of
19 offered a contract, but it's below what you bid the job?

20 MS. BRIDGES: No, we've never been offered.

21 MR. MCNEIL: You've never been offered?

22 MS. BRIDGES: Never been offered, but our rates are
23 reasonable, because 90 percent of our work come from Missouri,
24 and we live in Illinois, we shouldn't have to go to Missouri
25 to get our work.

1 MR. MCNEIL: But you are certified in Illinois?

2 MS. BRIDGES: Uh-huh. We're certified through --
3 and we -- we did both of our certifications together, Illinois
4 and Missouri, but we never got word from Illinois, but we
5 continuously get our work from Missouri.

6 REPRESENTATIVE DAVIS: Are there significant
7 differences in the prices that Missouri is willing to pay
8 versus what Illinois pays --

9 MS. BRIDGES: Yeah.

10 REPRESENTATIVE DAVIS: -- does that figure into that
11 at all?

12 MS. BRIDGES: The rates -- they start from 78 all
13 the way up to \$90 an hour.

14 REPRESENTATIVE DAVIS: In Missouri?

15 MS. BRIDGES: That's in Missouri. Illinois, they
16 want you to work starting from 75, no more than 78, so. And
17 then they want you to be union and pay union wages, how can
18 you do that if the prime wants to pay you 75, \$76 an hour.

19 SENATOR HUNTER: What was the nature of your
20 business once again?

21 MS. BRIDGES: We do hauling -- trucking.

22 SENATOR HUNTER: And what was the name of the
23 company again?

24 MS. BRIDGES: Brown Trucking.

25 SENATOR HUNTER: Brown Trucking.

1 REPRESENTATIVE DAVIS: You mentioned that generally
2 in Illinois you're asked to work for 75 to -- approximately 75
3 to \$78 an hour, now is that what's stated in the contract, or
4 is that what they tell you, and that's below what's stated in
5 the contract? Help me to understand.

6 MS. BRIDGES: Well, some of the IDOT jobs that we
7 work -- well, we bid it, is not what they pay. And they said
8 that this is what they can pay.

9 REPRESENTATIVE DAVIS: That's what they said --

10 MS. BRIDGES: So it's like either up to us whether
11 or not if we want to do that job for the day.

12 REPRESENTATIVE DAVIS: Okay. Is that generally
13 below the \$75 or is that about it?

14 MS. BRIDGES: No more -- no more than 78.

15 REPRESENTATIVE DAVIS: Okay, no more than 78.

16 MR. MCNEIL: So when you get to 78 you have to pay
17 union scale and you have to pay their benefit package, right?

18 MS. BRIDGES: Right.

19 MR. MCNEIL: Which basically takes away any profit?

20 MS. BRIDGES: Right, so it would be like we would
21 make, maybe, 30 or \$40 out of that 78, 75, whatever it is, so.

22 MR. MCNEIL: Okay.

23 REPRESENTATIVE DAVIS: So do you know if you bid,
24 and obviously you don't get the award, the companies that do
25 get the awards, are they still asked to pay 75 or 78, and they

1 can do it because they're a bigger company and they have more
2 resources helping?

3 MS. BRIDGES: I can't speak for what other companies
4 get paid. All I can say is that most of the IDOT jobs is the
5 same main contractors and subcontractors working on the job,
6 instead of -- it's more than one minority company in the city,
7 how come it's not multiple, they shouldn't allow him to -- I
8 mean, I know they see the forms, and I know that they see who
9 they pick for their subcontractors and other workers or
10 whatever, so why should they allow them to keep continuing to
11 use the same people when they should let it spread.

12 SENATOR HUNTER: Are you able to identify who those
13 prime or subcontractors are, who are constantly getting the
14 work all the time? No? It's okay if you don't want to --

15 MS. BRIDGES: I mean, they know who they are.

16 SENATOR HUNTER: We don't live down here, we don't
17 know.

18 MS. BRIDGES: It's just the main people that you see
19 working on the highways.

20 MR. MCNEIL: Well, and by the way, if you want to
21 the court reporter will be here till 3 o'clock, if you don't
22 want to say that now, you can talk to her off the record and
23 she can still record it, so that you don't put out something
24 you don't want anybody to hear, because this will be for our
25 records only.

1 MS. BRIDGES: Okay.

2 SENATOR HUTCHINSON: Thank you.

3 And what about written testimony, Frank?

4 MR. MCNEIL: And yes, you can send in written
5 testimony. There's -- she has envelopes over there, and if
6 you want to send in a written statement saying: These are the
7 companies, you can identify those. If you want to send it in
8 to us, we can make it part of the record, you don't have to
9 say it today, as long as you get it in by December 21st.

10 SENATOR HUNTER: Thank you.

11 MR. MCNEIL: State your name.

12 MR. ADAMS: My name is Nate -- Nathaniel Adams.
13 Piggyback on what Mark has said, and Ms. Brown [sic]. Part of
14 the problem is that -- first of all, I've worked on the
15 project for 20 some odd years --

16 MR. MCNEIL: Nate, why don't you give a little
17 background, I don't think people understand where you coming
18 from.

19 MR. ADAMS: My name is Nathaniel Adams. I'm a
20 Supportive Services Consultant with the Illinois Department of
21 Transportation for approximately 24 years. I worked at SIU
22 Edwardsville back in the '80s on the contract, worked for
23 Wicks Construction Service, Victor Wicks for 14, 15 years,
24 worked for Milt Johnson out of Chicago, he's deceased now, out
25 of Springfield. I worked for RJ Mayfield [phonetic] for three

1 years. I worked for Butler, Sandy Lovi [phonetic]. And most
2 of the work has been in District 7, 8 and 9, and some in
3 Peoria.

4 The major concern from the DBE perspective, most of
5 the prime contractors in this area tend to work with companies
6 that they know, how they know them, you know, that's a
7 different subject. But they tend to work for people that they
8 know, thus you have the problem that Ms. Brown [sic] has,
9 because a lot of construction industry is part of a good ol'
10 boy type network situation.

11 So there are several companies in this area -- most
12 DBEs throughout the state are in trucking, concrete, and
13 landscaping, seeding, that makes up most of the DBE
14 contractors, so it's highly competitive. And when it comes to
15 working East St. Louis and the surrounding area it's the
16 second highest concentration of African-American contractors
17 in the state.

18 One of the guys -- contractors told me the other day
19 is that -- and it gets back to what Ms. Brown [sic] is saying
20 is that they don't really get work outside of Madison and
21 St. Clair County for the most part, so they kind of understand
22 that they're not going to get a lot in Randolph and the
23 outlying counties.

24 But when it comes to working in East St. Louis a lot
25 of the same companies that get the work in the outlying areas,

1 get it here, and that's where the issue is coming from. And
2 it has always been is that they feel that if they can't get
3 work outside, they understand that, but as it relates to work
4 right here in Madison and St. Clair County there are more than
5 enough people that are capable of performing the work,
6 accounting their own payroll, their insurances, but they don't
7 get it.

8 Part of the problem is that when the Department sets
9 up rules to play the game it kind of changes from time to time
10 and they feel like it's -- it's always a change against them
11 right here in East St. Louis.

12 The word on the street is that if Keeley & Sons
13 doesn't get the job, then the African-Americans in East St.
14 Louis don't get work. If you -- if you --

15 SENATOR HUTCHINSON: You said if Keeley & Sons will
16 --

17 MR. ADAMS: He'll subcontract --

18 SENATOR HUTCHINSON: He'll subcontract -

19 MR. ADAMS: -- he'll subcontract mostly all the
20 time, and he has always had a mixture. He's had white
21 females. He's had some Hispanics. He's had
22 African-Americans. It's always a mixture.

23 And you -- I don't know if you guys have been here
24 for the past meetings, but in the past meetings -- I know the
25 Secretary was here -- and it's been brought out that some of

1 the other ones that -- just like you said, they use the same
2 people, and they have, I guess, a right to do that, but for
3 the sake of fairness and the sake of diversity there should be
4 something -- and I guess they approve the programs -- she
5 doesn't want to say names, because, you know, they send out an
6 approval list so, I mean, they can click a button and find out
7 who gets what, so.

8 But those same companies -- prime contractors are
9 the ones that they have the problem with for the most part,
10 not the DBE or WB and not that, it's just that the same
11 contractors when they get work, the primes they tend to use
12 the same people, and they don't -- they don't tend to spread
13 the wealth when it comes to East St. Louis projects, because
14 they've kind of assumed in their mind -- or in their mind that
15 they're not going to get much work in Belleville and in those
16 outlining counties of the district, they're just not going to
17 do it.

18 So I think if -- if the Department can hold fast to
19 the rules that they have set and not necessarily grant
20 waivers, because there have been a few that's been granted,
21 then I think it would be a little bit better situation for
22 everyone, because I don't think she has any axe to grind with
23 another trucking firm, you know, that's just the nature of the
24 business, but when you get a prime contractor that constantly
25 -- he only uses those people, you can meet with them, they can

1 meet with them, they might get a little job, but when the big
2 work comes, it's going to be someone else, and especially not
3 someone from the local area. And I think that's what -- the
4 biggest concern is, is that the people right here can't get
5 work right here, and that's really a problem.

6 The -- I guess the job that Weber got, 30 some
7 million, I think they granted him a waiver of something, and I
8 think initially he wasn't even -- he had not submitted his --
9 he did not meet his participation and issue, but there are
10 rules and stuff that you can come back and try to get more.
11 But eventually he wound up getting a waiver, maybe a very
12 small, but that's a concern, because there's people that could
13 have actually done the work and they didn't get it.

14 So I think if you can hold fast to the rules that
15 they've set, and maybe try to encourage some of the other
16 prime contractors when they send in participation statements
17 to try and be a little bit more diverse, then I think some of
18 your issues will go away.

19 REPRESENTATIVE DAVIS: Let me ask this. So do you
20 think there are enough DBEs -- since that's the term you're
21 using -- firms so that no one would have to be granted a
22 waiver?

23 MR. ADAMS: Yeah, there are plenty of firms that --
24 in this area that could do work, can finance their work. She
25 finances hers, Ms. Brown [sic]. You have several contractors,

1 Mason, that can finance his, you know, a lot of the
2 contractors it's not about -- with them, the ones that -- that
3 are not getting work, most of those people can actually
4 perform, ready willing and able to do the work and they can
5 finance it.

6 Now, the payment problem like Mr. Vaughn said
7 that's, you know, the slow pay and that gets back to the
8 contractors, because you know, she don't really want to file a
9 lien against a job, because then the work she's getting now
10 she's probably not going to get the next time. So you know,
11 there's a fine line, so that's kind of where supportive
12 services kind of has to be the bad guy, so that she could get
13 her money.

14 The State on most jobs pays every two weeks -- well,
15 some jobs, definitely every once a month. But if the prime is
16 not paying -- for whatever reason I got a call today, this
17 morning, and the guy has an invoice out since October,
18 that's -- I mean, the State's bid paid that money, but the
19 prime -- oh yeah, they have -- the prime -- and it's on the
20 computer, you can find out what's been paid, so -- but they're
21 telling me, Well, you'll get paid, we going to get you, you
22 know, all that, and they don't really want to -- you know,
23 about the prime, sometimes you have to do that, because I
24 believe -- and I'm not working for anybody that don't want to
25 pay me, you know. I understand there's some slower things,

1 but for the most part, you know, if I've done the work and
2 you've gotten paid, you should pay me.

3 REPRESENTATIVE DAVIS: Absolutely.

4 MR. ADAMS: And that's another issue, but if the
5 Department -- and they have prompt pay laws, it's in place.
6 But the psyche is they don't want to do that, because they may
7 not get what little work they're getting.

8 REPRESENTATIVE DAVIS: So in other words, they're
9 not only violating the law and then expect -- if somebody is
10 going to do anything?

11 MR. ADAMS: Right.

12 REPRESENTATIVE DAVIS: Chances are they won't, but
13 they'll just violate the law.

14 MR. ADAMS: Exactly.

15 REPRESENTATIVE DAVIS: Okay.

16 MR. ADAMS: Exactly.

17 REPRESENTATIVE DAVIS: So would your recommendation,
18 at least on the pay side of things be that if you have a
19 subcontractor, everything's been approved, and I don't know if
20 that's necessarily approved for the prime thing or through
21 another process, that they get paid directly from the State?

22 MR. ADAMS: Well, the State will tell you that they
23 don't have a contract with a facility --

24 REPRESENTATIVE DAVIS: Sure.

25 MR. ADAMS: -- they have a contract with the prime.

1 REPRESENTATIVE DAVIS: Understood.

2 MR. ADAMS: I think it's -- it's -- our --
3 Ms. Meehan -- it's our stuff -- it's our job to make sure that
4 they get paid and we should have Supportive Services, the
5 Department should have good relationship with the prime,
6 Ms. Brown [sic] needs her money --

7 REPRESENTATIVE DAVIS: Of course.

8 MR. ADAMS: -- you know, let's pay her. If the
9 Department they have, you know, evaluations on jobs, you know,
10 every RE fills that out, and when the REs -- or when you get
11 complaints from Ms. Brown [sic] saying, you know, Joe Jones he
12 doesn't pay time me, then maybe at some point -- and it gets
13 back to the Department again, maybe at some point then they
14 could say to Joe Jones, Look, we've had some issues with
15 payment from you, and not just one company, but several, if
16 you continue down this road -- and maybe we need to think
17 about your pre-qual, if we could do something with your
18 pre-qual and nobody wants that, nobody -- if you paid the
19 prime, you should get your money, because he don't want you --
20 they don't want you to call the bonding company, because then
21 that affects them, that usually gets the ball rolling, but
22 they don't really want to do that, because again they're
23 really not getting a lot of money.

24 Supportive Services and the Department could then
25 start analyzing some of the prime contractors that are in this

1 mode, and some of that may change, but some I think is just
2 the nature of the business. Like I said, I've been around
3 this for a while now, and some of the same issues are the same
4 back then. It took a while to get -- to turn it in to you
5 playing with the bid, it took a while for that, I mean you got
6 other agencies -- and I don't want to sit here and talk
7 forever -- but you have other organizations, AGC and stuff
8 like that, you know, they're there to support small business,
9 so they tend to get kind of get their work because they're
10 political versus the smaller organizations who really don't
11 have the resources to go after such things.

12 So I mean if the Department could kind of stay
13 strong on regulations that they have in place, you know,
14 naturally there's a process, but just stay with it, because
15 you know, with the new turning in of participation statements
16 now I think that should -- that has made a difference. Still
17 you have a few people that's not getting work, but -- and
18 they're a good company -- you know, they're a good company and
19 you have a lot of companies in here that could actually do the
20 work, minorities and women and other ethnic groups. Thanks.

21 SENATOR HUNTER: Thank you.

22 SENATOR HUTCHINSON: Thank you.

23 MS. BRIDGES: Excuse me. For the record, we would
24 rather get paid from the State any day of the week instead of
25 going through them, because I mean -- on experience, that's

1 the way that we had to get paid is threatening to call the
2 State to check-up on the payments, and then that's when they
3 want to pay when you shouldn't have to go through that.

4 MR. MCNEIL: Two things. If that engineer on the
5 job doesn't put in that pay estimate, that is the critical
6 part, and that is a -- something that we look at IDOT, has the
7 engineer on the job put in the pay estimate, because if he
8 hasn't put in the pay estimate, how do I say this -- sometimes
9 primes are late in getting in pay estimates, so that holds up
10 your money, because they may have more resources than the
11 subcontractors so they can sit and wait for the two or three
12 or four weeks, you can't wait to get paid, you have to pay
13 your people right away, so that is a real issue and we are
14 dealing with that.

15 On the waiver issue, the waiver issue is something
16 we look at also, we don't grant waivers without looking for
17 the good faith effort, and unless these individuals make a
18 good faith effort to do everything, and a lot of times IDOT
19 reduces the quantity of work and that causes the prime
20 contractor to come in and seek a waiver, because that work is
21 normally at the end of job where most of the DBEs are working.

22 So that is another issue that we -- and it comes to
23 my office, as you know -- the waiver request, the review and
24 they have taken the task and they have to produce
25 documentation, they just can't come in and say, I made a good

1 faith effort. They have to have it in writing where they
2 sought out, and then the Department does send us a reasoning
3 in saying IDOT reduced the quantities by this amount, so
4 therefore that subcontractor was reduced that's why the prime
5 is going to waiver. So it is not something that just happens.

6 The other part of that is modification. The waiver
7 is on the back end, at the end of the job, modifications at
8 the front end of the job, and that's when they -- a contractor
9 doesn't meet the goal on the front end and we have hearings
10 now on the mods so that if that individual has not met the
11 goal on the front end, they have a hearing on whether or not
12 we going to go to the second low bidder, so that is -- we
13 will -- if we don't make that modification, we go to the next
14 bidder.

15 Yes, ma'am?

16 MS. LEWIS: Good afternoon. My name is Angel Renee
17 Lewis. I am the owner of Executive Real Estate Consulting
18 Services, which I am a DBE, and I have been a DBE for ten
19 years. My story is really a little bit different than most of
20 the contractors here today, because I am the only person in
21 southern Illinois that do what I do, so whenever there's an
22 RFP put out and there's minority participation put on there
23 then I just have to sit and let -- the phone will ring all
24 over the place, because all the prime contractors are going to
25 be contacting me asking me to be on their team.

1 So for me it's a little bit different, but it's been
2 a struggle. It's not been easy, because I've had to get the
3 certification, I had to get -- just continuing education just
4 to stay on top of my field just to be able to be competitive.

5 I have -- honestly, I have been working for ten
6 years off and on different projects. My only complaint is
7 that I would wish that IDOT would have the minority
8 participation or the DBE goal to be higher, usually it's so
9 minimal that, you know, you're only able to make a few dollars
10 here or there per contract.

11 But I am happy to say that I just -- I've been
12 fighting to be, like most of these people, to get -- to become
13 a prime, and I just got an award, so I am thankful, but it's
14 been good, it's been -- it's been -- for me it's been -- I had
15 to just stay on top of it and work very hard. I mean, I
16 worked well over the hours that are expected just so that I
17 can stay competitive.

18 But it's been -- I can say IDOT has been fair to me,
19 because of the field that I'm in, land acquisition
20 negotiations, relocation. So on the RFP that just came out,
21 me as a prime, I have surveyors, appraisers, review
22 appraisers, engineering firms, just a gamut of prime
23 consultants that are lining up behind me to work with me, so
24 that's my positive story.

25 REPRESENTATIVE DAVIS: Thanks.

1 MR. MCNEIL: Thank you.

2 MR. ADAMS: Real quick. As it relates to Ms. Brown
3 [sic] -- part of --

4 MR. MCNEIL: State your name for the record.

5 MR. ADAMS: Nate Adams again. If on subsequent
6 payout estimates prior to and this -- you know, too much
7 cumbersome paperwork. But if after that first estimate that
8 they've gotten the prime contractors has received if -- if he
9 has subs and we know what subs have worked that pay period
10 requiring a lien waiver for any subsequent payments, and that
11 way in order for him to get paid on the second estimate he has
12 to produce lien waivers from all the subs that he has paid
13 from the first estimate.

14 Now, again, that's a paperwork nightmare, but it
15 again helps not just only DBEs, but all the subs on the
16 project. And then that way he'll have a reason to pay time
17 it. But again, that's -- the State normally says in those
18 situations that we have a contract with prime, we have a bond
19 and that kind of usually the way it goes, but if they could
20 take that extra step I think that would help all the subs on
21 the job as far as payment issues.

22 MR. MCNEIL: Anyone else want to come forward? We
23 would be more than happy to take your testimony. And again,
24 if you don't want to testify today, if you don't want to give
25 information, you can send it in to us by December 21st and it

1 will be included as part of this record.

2 So is anyone else wanting to come forward?

3 MS. BOYD: Excuse me, Frank, for clarification, do
4 you mean it's got to be postmarked by a certain date or
5 received it by a certain date?

6 MR. MCNEIL: Well, we were hoping to receive it by
7 the 21st, so if it's postmarked before the 21st it's
8 considered received.

9 Anyone else?

10 I would ask -- well, the court reporter will be here
11 until 3 o'clock, so unless someone else has testimony, I don't
12 want -- I won't adjourn the meeting, but the meeting -- if you
13 want to talk -- yes, sir?

14 State your name.

15 MR. REED: Elias Reed. Sam's Construction.
16 District 9. Carbondale, Illinois. I got a Mentor-Protege
17 Program, Code of Federal Regulations states that the main
18 requirements that a DBE certified to be in the program, IDOT
19 requirements are that you have to be three years highway
20 construction experience as a contractor to get in, which is
21 the controlling authority, the Code of Federal Regulations, do
22 they override the IDOT restrictions?

23 It's a great program for DBEs to get started, help
24 the prime contractors provide their financing and equipment
25 like on-the-job training program for contractors.

1 And also, IDOT had a Mentor Protege event in
2 Chicago, I think, two, three weeks ago for the Hispanic
3 organization.

4 MR. MCNEIL: I think HICA may have had a Mentor
5 Protege --

6 MR. REED: They said that IDOT officials appeared
7 there and explained how the Mentor-Protege Program will
8 benefit all prime contractors and DBEs. And it also stated
9 that -- in the newsletter that they -- HICA, whatever that is,
10 Hispanic organization --

11 MR. MCNEIL: HICA.

12 MR. REED: IDOT worked with them to create a new
13 template that would make the application process more simpler.

14 MR. MCNEIL: No, it's one application that we take
15 for Mentor Protege. We only have one application.

16 MR. REED: It stated in the newsletter that IDOT --
17 they was putting out a template to make the application
18 process more simplified. I'm asking why -- couldn't they have
19 similar events for -- in East St. Louis, Chicago, Carbondale
20 for the black DBEs?

21 MR. MCNEIL: I think we've had events for Mentor
22 Protege down here. I'm almost sure we have.

23 MR. REED: I thought it was a new event that just
24 happened --

25 MR. MCNEIL: Mentor Protege has been around -- this

1 is going on, like, I think its third year, so there's been
2 Mentor Protege events here.

3 MR. REED: But my question is --

4 MR. MCNEIL: Because in fact, there is an individual
5 in East St. Louis that is part of the Mentor-Protege Program.

6 MR. REED: My question is in the Code of Federal
7 Regulations the controlling authority for IDOT Mentor-Protege
8 Program, or the IDOT -- the --

9 MR. MCNEIL: I understand what you're asking --

10 MR. REED: The Code of Federal Regulations states --

11 MR. MCNEIL: The Code of Federal Regulations gives
12 us the opportunity to create a Mentor-Protege Program, and as
13 we create the program our Mentor-Protege Program stipulation
14 says you have to be in business three years. That's your
15 question, I think?

16 MR. REED: All right. If the Code of Federal
17 Regulations says --

18 MR. MCNEIL: It says you have to be certified --

19 MR. REED: Right.

20 REPRESENTATIVE DAVIS: Let me ask it this way. I
21 think sometimes the challenge we have with the Federal
22 Government is that the Federal Government sets a floor, if the
23 State, in this case IDOT, wants to make it more stringent, for
24 lack of a better word, we can add to it, we cannot go
25 backwards from the Federal Government, but we can go forward

1 from the Federal Government.

2 So your concern is that if the Feds are saying you
3 need to be certified, we say three years, that that's creating
4 a different -- a more -- a hurdle, more or less, right?

5 MR. REED: Starting out a DBEs have three years
6 highway contractor experience, is what I'm -- it's a barrier.

7 REPRESENTATIVE DAVIS: So you say that's a barrier
8 that the State needs to move away from the three years?

9 MR. REED: It prevents people from --

10 REPRESENTATIVE DAVIS: So would you suggest that the
11 State only use the federal guideline, or should it be
12 something in addition to the federal guideline for the State?
13 I'm asking.

14 MR. REED: I'm not suggesting -- I'm asking which is
15 the controlling authority, the Code of Federal Regulations --

16 REPRESENTATIVE DAVIS: But that's what I mean, you
17 can go above that. The Federal Government sets a minimum, if
18 I can say it that way, but if the State wants to increase that
19 --

20 MR. REED: I would request they use the Code of
21 Federal Regulations.

22 REPRESENTATIVE DAVIS: That's what I mean. So are
23 you suggesting we just adhere to what the Federal Government
24 says --

25 MR. REED: Right.

1 REPRESENTATIVE DAVIS: -- and not add anything to
2 it?

3 MR. REED: It's a barrier to new starting -- newly
4 started DBEs that don't have no highway contractor experience.
5 It's hard. And that Mentor-Protege event they had in Chicago,
6 you said they've had them in East St. Louis and Chicago, too?

7 MR. MCNEIL: We've had Mentor Protege open houses or
8 whatever here in the Metro East area, because we have two
9 people -- it is an application where the actual contractor has
10 to apply and so we've had those events to explain the
11 Mentor-Protege Program.

12 MR. REED: One more question. The Code of Federal
13 Regulations, I think, 49-23 states something about a DBE --
14 IDOT DBE Business Development Program. Does IDOT have a
15 Business Development Program?

16 REPRESENTATIVE DAVIS: Well, you said the Code of
17 Federal Regulations, I don't know if that will specify a
18 particular state, so it says Illinois specifically in the
19 Federal Regulations.

20 MR. REED: It says you must -- I got it right here.

21 MR. MCNEIL: We have a Supportive Service Program
22 which works with DBEs to develop their businesses. You can
23 get assistance in bonding and finance -- well, not so much
24 bonding, but in bidding and your preparation of your website,
25 your business cards, your business plan. Mr. Vaughn just

1 explained all the things that he does as a Support Service
2 Consultant --

3 REPRESENTATIVE DAVIS: I think this gentleman --

4 MR. REED: I just came in.

5 REPRESENTATIVE DAVIS: -- came in after Mark spoke.

6 MR. MCNEIL: Well, Mark, I think you've had
7 communications with Mr. Reed here --

8 MR. REED: But I'm saying the Code of Federal
9 Regulations here details --

10 MR. MCNEIL: That is the business development is our
11 Supportive Services, so that you can develop -- we help you
12 develop your business cards, your business plan, your website,
13 all of those things are part of a business development.

14 MR. REED: So IDOT does have a business development
15 plan?

16 MR. MCNEIL: We don't call it that, we call it
17 Supportive Services.

18 MR. REED: Okay.

19 REPRESENTATIVE DAVIS: So have you met with this
20 gentleman before, sir?

21 MR. VAUGHN: Yes.

22 REPRESENTATIVE DAVIS: Okay, so you guys have met.
23 So what is he asking for that you're not already doing? I
24 guess that's what I'm trying to understand.

25 MR. VAUGHN: The main thing he was discussing was

1 the Mentor Protege.

2 REPRESENTATIVE DAVIS: Okay. Are you clear, sir,
3 that --

4 MR. REED: Just a minute, just a minute.

5 REPRESENTATIVE DAVIS: Okay, okay.

6 Yes, ma'am?

7 MS. BRIDGES: May I ask who is the IDOT consultant
8 for District 8?

9 MR. MCNEIL: Consultant for District 8 --

10 FROM THE AUDIENCE: That was just announced last
11 week, wasn't it?

12 MR. MCNEIL: I think it's DSI.

13 MR. VAUGHN: For technical services?

14 MR. MCNEIL: Huh?

15 MR. VAUGHN: For technical services, that's correct.

16 MR. MCNEIL: DSI for technical services.

17 REPRESENTATIVE DAVIS: Is there another consultant
18 for something other than technical?

19 MR. VAUGHN: I do management supporting services,
20 and he does technical supporting services.

21 REPRESENTATIVE DAVIS: Okay. Since we've had other
22 people speak, can you give us your name again?

23 MR. REED: Elias Reed, Carbondale, Illinois. This
24 is Code of Federal -- 49 CFR 26.35 it says: What role does
25 business development and Mentor Protege Programs have in the

1 DBE program. It says: You may or, if an operating
2 administration directs you to, you must establish a DBE
3 business development program to assist firms in gaining the
4 ability to compete successfully in the marketplace outside the
5 DBE program, and part of it is the Mentor-Protege Program.

6 But Appendix C, that's the business development
7 program guidelines, and it's very detailed, that's what I'm
8 asking. Do they have a detailed business development program?
9 This is in the Code of Federal Regulations.

10 REPRESENTATIVE DAVIS: So you're saying the CFR
11 directs us to have this business development program --

12 MR. REED: It says --

13 REPRESENTATIVE DAVIS: -- Mr. McNeil is saying that
14 our business development program is the Supportive Services
15 Program.

16 MR. REED: Okay.

17 REPRESENTATIVE DAVIS: That's what he says, so
18 that's what I'm trying to understand. Is there something that
19 you're asking for, or that you're looking for that he's not
20 providing?

21 MR. REED: I said it's very detailed in the Code of
22 Federal Regulations, do you have the same type program that's
23 listed in this.

24 REPRESENTATIVE DAVIS: You're asking us if we have
25 the program, we're telling you that that's program, so if you

1 don't recognize that as the program, I'm trying to understand
2 specifically what it is that you're looking for that he's not
3 providing.

4 MR. REED: He just got certified again and -- okay.
5 I'll get with him.

6 REPRESENTATIVE DAVIS: Okay, all right.

7 MR. MCNEIL: Yes, ma'am?

8 MS. CARRAWAY: Hi, my name is Stephanie Carraway. I
9 am the owner of SC Hauling. I have a question about -- I am
10 DBE certified, I just got certified under trucking. I want to
11 see about going to excavating. Do --

12 MR. MCNEIL: You mean a different category?

13 MS. CARRAWAY: Yeah. Will it take as long --
14 because it took like nine months for me to get certified for
15 trucking.

16 MR. MCNEIL: Okay.

17 MS. CARRAWAY: Is it going to take that long for me
18 to go into another field?

19 MR. MCNEIL: Well, I think if you -- you have to
20 fill out the application as usual, but you have to show that
21 you have the experience -- the additional experience in
22 excavation in order to get that category. So you're only
23 approved in trucking, as I understand it?

24 MS. CARRAWAY: Exactly.

25 MR. MCNEIL: And so, you're asking for excavation,

1 so you'll have to, one, show that you have the equipment and
2 the expertise in order to do the excavation --

3 MS. CARRAWAY: Okay.

4 MR. MCNEIL: -- and we will make any evaluation once
5 you submit that application of whether -- and then we'll make
6 a decision whether you get it or not, and that's it, but it
7 shouldn't take nine months.

8 Your initial certification process, as you know, is
9 very arduous and sometimes that takes a long time, but I will
10 say for my certification staff, we have made sure that we
11 don't have the number of fronts that happened -- and
12 unfortunately, Missouri and other places where they have had
13 issues with people being in the program that should not be in
14 the program.

15 So when they do -- while we may be a little bit
16 behind the time in some times, I know that when you are
17 certified you are probably a number one as we say.

18 MS. CARRAWAY: Okay. Now, to -- I know Mr. Vaughn
19 couldn't tell you specifics on everyone that said -- people
20 that couldn't get approved, because of their credit score, I
21 have testimony.

22 President Obama signed into law or act for small
23 businesses to get -- be able to get loans, and millions of
24 dollars were poured into Illinois a bank in Fairview Heights
25 was one of those banks that received some of that money. I

1 applied for a loan there. I needed working capital, as well
2 as I needed money to purchase another truck. I only have one
3 truck. But I applied for a loan for that, I was turned down.

4 And in 2006 I paid off all of my bills. I did have
5 bad credit, and I paid off all of my bills in 2006, and it's
6 still haunting me.

7 I talked with the president of the bank in Fairview
8 Heights, Illinois, and he told me it was because of my credit
9 score. So I can, you know, testify to that, that is a
10 problem. I mean, how can we get, you know, loans -- I mean,
11 if, you know, why is it so tight, if they're -- they're giving
12 the money to the bank to disperse the money, it's like the
13 bank is using their guidelines to, you know, disperse the
14 money.

15 This is money from the government, you know, it's
16 not -- I'm not going to say it's not the bank's money, but
17 this is money that was allocated for businesses that cannot
18 get -- you know, that are -- I'm trying to -- I'm trying to
19 better myself, you know, so I mean I guess I just don't
20 understand why.

21 MR. MCNEIL: Well, you know, I don't want to speak
22 for the bank, I wouldn't do that, they have their regulations
23 and to -- it was my understanding that this money was not to
24 be put at the same level that you -- because you were higher
25 risk that was why the money was put there for people of your

1 nature that you had a higher credit -- or a lower credit
2 score, therefore this was why the money was put there for
3 people like you to get a loan.

4 MS. CARRAWAY: Exactly.

5 MR. MCNEIL: But I don't know what criteria the
6 banks may be using, but that is something that we really don't
7 have control of, but I think that you might want to contact
8 your congressman about that, because that is federal dollars.

9 MS. CARRAWAY: I agree. Thank you.

10 REPRESENTATIVE DAVIS: Or your senator -- Senator
11 Durbin represents the entire state, you know, versus your
12 congressman, so either one of the two.

13 MS. CARRAWAY: Okay. Thank you.

14 MS. BRIDGES: Excuse me?

15 MR. MCNEIL: Yes, ma'am.

16 MS. BRIDGES: Sharon Bridges again. As far as the
17 loans, I got denied, too, but my credit score was good. I
18 have a 721, but because I had a bankruptcy on there, which
19 expires at the end of this month, I still was denied, so.

20 MR. MCNEIL: Again, contact your congressman or your
21 senator because those are federal dollars, and if they -- and
22 I don't know want any questions -- and I think Mr. Vaughn has
23 dealt with, I have a gentleman that calls me on a regular
24 basis who has a guaranteed SBA loan, but the banks won't take
25 it his SBA loan, they won't loan him any money, and he went

1 out and got it, and he's went to several banks trying to get a
2 loan, and they won't loan him the money even though he has an
3 SBA guarantee.

4 Yes, sir?

5 MR. REED: Can I ask it from back here? Elias Reed
6 again. There is a section entitled: Minority loan financial
7 institutions. It states that it's IDOT's policy to
8 investigate the full extent of services offered by financial
9 institutions owned and controlled by social and economically
10 disadvantaged individuals in the community to make responsible
11 efforts to see that these institutions and to encourage prime
12 contractors on federally funded contracts to make use of these
13 institutions. And it got a list of minority depository
14 institutions in Illinois that they list. Do these banks
15 provide assistance on loans for DBEs?

16 MR. MCNEIL: I would have to go back and look at
17 that, sir. I'm not familiar with the banks that are on that
18 list right now, but I'll make sure I get a copy if that and
19 make sure we go in and look at them, but I think it's --
20 probably most of those banks are in Chicago, if I'm not
21 mistaken --

22 MR. REED: Yeah, Chicago. The bid list?

23 MR. MCNEIL: Yes.

24 Anyone else? If not, I will say that I appreciate
25 you guys coming out today, giving your testimony. We

1 appreciate your helping the Department move forward in trying
2 to understand what the barriers are to get more women and
3 minority contractors out there on the playing field.

4 So we will take this under advisement, and hopefully
5 we'll have a target market program and bonding and financing
6 in the near future. Thank you very much.

7 (HEARING ADJOURNED AT 1:02 P.M.)

8 (RECORD OFFICIALLY CLOSED AT 3:00 P.M.)

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CERTIFICATE OF REPORTER

STATE OF MISSOURI)

) ss.

CITY OF ST. LOUIS)

I, Ashley C. High, a Certified Shorthand Reporter (IL),
Registered Professional Reporter, and a Notary Public within
and for the State of Missouri, do hereby certify that the
hearing aforementioned was held on the time and in the place
previously described.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Notary Public within and for
the State of Missouri

Prior Testimony

Richard Carter
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Please give us a little background – the type of work that you do and how long you have been in business, and then go into the specifics of your concerns.

I'm based in Chicago. My background is in construction consulting management. To give you an idea of some of the projects we've worked on – we were part of the O'Hare international terminal. We actually built that. We went from there to the CTA Green Line rehab project, here in Chicago. The latest project, in the corporate arena, was the rehab of the senior housing for CHA. I was operating in that capacity as a project manager, until July 31, 2002. Then the project went out to the street for re-bid, once again. That's when I left corporate America and I started my own business.

So, I started my business in 2002, but I was not incorporated until 2006. I got into rehabbing homes – buying them and reselling them, and doing projects of different disciplines. [I did] carpentry, plumbing, electrical. I did that for a while and then I entered the arena in 2006 in the dump business, which is when I applied for minority certification.

I applied to the Illinois Department of Transportation for my DBE status. I went through their process and they awarded my DBE status. To my understanding, that was pretty much what needed to be done to get into the larger projects, and take advantage of federally funded projects. I started there – I say started, because I never got past starting there.

What do you mean by that – “you were never able to get past starting there”?

I was informed that there were all sorts of support networks out there for the newly certified – in terms of setting up a website and helping you set up your business, building a business plan. [That] they would provide different professionals to help get that done.

The first was a company that contacted me through the Department of Transportation's resource center to help me setup my website. They were also going to take me to different functions – to fundraisers, different workshops and things of that nature. [This would be] where the larger companies would be, [where I could be] introduce[d] to owners and lead engineers - people who could actually help me build my business.

Define fundraiser?

Well not necessarily fundraiser, just different kinds of mixers that allow you to network. Once they setup the website, which was relatively simple, before the networking functions – which could have really benefited my business – they had me sign a piece of paper that would allow them to get the funds released to them that were provided by IDOT, for all these services.

This was a private consultant to IDOT?

Yes, then I never heard from them again. Even though I called constantly. After three or four months, my website was down. There was a hosting fee that I was never informed of.

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This wasn't technical assistance -- you were going to be a client of theirs? A customer?

No, this was actually assistance that was to be provided for by IDOT. They paid for it. But I didn't get the services they were supposed to pay for.

To clarify -- you became DBE certified. Then you were advised by IDOT that they would provide you a certain amount of technical assistance. And that was to be in the form of referral to a consultant?

Well, what I quickly realized, it wasn't a referral, but they put my information out to a network of consultants that could all start calling me, and get my business, so they could get that IDOT money.

So, for example, for that website hosting fee -- the consulting company probably got funding from IDOT to pay for that [but then tried to charge you for it as well]?

Absolutely. I was under the impression it would be provided for at least a year. And in the interim relationships would be forged at these networking events, that would at least generate some business to allow me continue with my administration.

Needless to say, [not being an established company] you don't have the funding to continue to pay your employees until you get paid. Everyone knows, if you get in bed with the government -- they may say sixty days but it's really more like ninety to one hundred and twenty, if then. I have partners who are waiting on money from the city for two years.

Speaking to the issue of your black labor workforce, on union jobs - are blacks represented in those union jobs?

Absolutely not.

Do you have any choice as to how you select your workers on these union jobs?

I do have a choice. Once again, I don't think they're going to provide any assistance -- "it's your job, you find the employees," so on and so forth. One guy I met, that actually was in the union, did tell me that they referred to different projects -- from the union -- but it's usually to larger companies.

Those union workers have more knowledge how a union works than I do as a business owner, trying to find business, from the outside -- I'm the new guy.

So in this instance you were able to use your minority workers, but you have to use them under the union rules?

Absolutely. I had one driver that actually wrote out in her contract -- she was my first driver, a white female -- "this is what I want to get paid, I agree to this as long as you agree to this..." I had to fire her because she took time off for a distant cousin's funeral and took five days -- that's four grand out of my pocket. For a distant cousin that's a gang-banger that got shot?

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Once I fired her, she filed a grievance. The union came and said "you were only paying her twenty-one dollars an hour? You were supposed to pay thirty-four dollars an hour." And they tried to sue me to get the additional funds. They didn't prevail though.

The guy that ran the union out there, saw one of my partner's drivers and asked "you seen that son of a bitch [about me]? But you're not going to tell me how much I'm going to pay my driver unless you make sure I'm getting paid what I should on that project. It was the Army Corps of Engineers on that project. But they don't want to regulate that contract; they want to regulate the small business owner.

But you were paying the Davis-Bacon wage?

Oh, absolutely.

And the disparity in treatment comes, relative to how competitive you are on the job, through the kind of information the union will provide your white counterparts and not you?

Absolutely.

Your testimony also speaks to the issue of harassment. Besides the issue of paying the union dues and fees, is there any other kind of harassment?

Absolutely. There is a great amount of disrespect on the project. One driver went to a project and got the truck loaded. He got on the scale and was over by half a ton. They told him to dump it, but not where. He saw a hill there with the same type of stone and went to dump it. The guy came over and said "don't come back to this site." But the girl pointed him there to dump it. And the other guy was a forklift driver – he didn't own the quarry. But he told [my driver] not to come back to the site. My driver got back over to the project and we told him we couldn't use him for the rest of the day because this was the only site we were working with that day, and they didn't want him back on the site. For a misunderstanding?

[In another incident] my driver pulled up but got stuck a little bit – they had to pull him out. He drove right where they told him to drive. [But they yelled at him] "if you can't drive, you don't need to be on this site!" Who they hell are they talking to like that?

With respect to the union – I had a new driver come out to a site. They had seen my truck out there many times. But they noticed it was a new driver. Some guy came to ask for my driver's union card. My driver had applied for one but hadn't received it. But that didn't stop this other guy from harassing him every day until he got the card. To the point my driver climbed out of the truck and wasn't going to deal with him.

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One other thing to clarify – relative to the utilization of minority workers. In your prepared testimony you speak to the fact that large, non-minority owned businesses are not forced to use minorities, and there is no system in place, even though there may be goals?

Absolutely. Every bid process that I've been involved in has had a minority requirement. I've never once seen it fulfilled or enforced. The reason I've been given is that the minority workers or companies didn't have the proper credentials.

For example, my company – I've been told my bid wasn't considered because I didn't have a particular document in my bid. But could you have told me before? Now, on the next bid I have that document but there's another document that I don't have in this second bid.

So they accept the bid, for bidding, but there's no checklist that they complete and give back to you?

No.

And relate that back to the use of minority workers?

In my opinion, the minority dollars should go to minority companies – not just minority workers. I don't have any problem hiring a white guy, Italian guy, whatever. But they don't want to work for our companies because they know we're not going to get the work. So they'll go to the larger, more established companies.

You stated that the other general prime contractors will increase the scope of work without consideration of more costs?

Absolutely. The larger the scope, the less likely it is you'll get minority businesses even bidding. They know they can't qualify. First of all, they can't procure bonding because the project is too big. They can provide all of the minority workers you need for this project, but since my paperwork is not in order, it doesn't even make sense to bid.

Rather than have multiple things as separate entities, they encompass them in one particular number. [What should be] four small, four million dollar bid out projects, now you have a twelve to eighteen million dollar project there's no way I can get bonding for. I'm just getting established, but how much expertise do you need to drive gravel from point A to point B?

You think that's trying to limit the competition and direct the competition?

Absolutely. They call it the "Windy City" because it's cold politics that goes on in Chicago.

Arthur J. Gass
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It is very important to us that we establish the linkage between black labor and black business, and demonstrate how the ability to create jobs in our community is inextricably linked to the vibrancy of our business community. With that said, would you discuss your affiliation and background, and how it relates to these issues?

I've been doing this program for a little over forty years. One of the areas we are heavily involved in is getting contractors prepared, structurally, to be competitive.

Having looked at the contractors in our community – and knowing that in Waukegan we are right at the door of a naval base and VA hospital, and that a lot of the county's Fortune 500 companies are in Waukegan – yet the city on the outskirts is one of the poorest communities in Lake County. We're concerned because for a naval facility and government facility with minority participation goals of 19.6% and 6.9% for women, why is it that those areas are so depressed when you have such major dollars coming in right at the threshold of that community?

So we started the contractor's academy. We found out that they have great skills but not business acumen. So we put together the academy to make sure they had the acumen to go with those skill sets. Because although Naval Station Great Lakes is there, in order for them to get government contracts, they have to have certification. So I took them through the process to get certified.

One company I wanted to highlight has been in business for three years, grown tremendously, has great revenue and structure – totally legit. And yet, we took them through the certification process and worked with them to get a contract – only to be told that they don't have enough experience to get work at Great Lakes. But that was never in the requirements – just that you can prove you've done work, are bondable, have insurance, and great references. They have all of that – why can't they get the work?

So this is an 8(a) certified company, and the work they were going for at Great Lakes had been set aside as 8(a). What is the nature of the work?

Yes. It was general construction and he was bidding as a sub as well as trying to do a joint venture with one of the primes.

So he was bidding two ways. And he also had a bonding company that wanted to bond him. Was the contractor he was subbing for 8(a)?

That was Bowler Construction Company. Bowler was bidding as a prime and the minority firm as the sub. There was another portion of the contract the minority firm was bidding on as the prime. But it was part of the same scope of work. They were told they didn't have enough experience – even though the bonding company was guaranteeing it.

Another 8(a) got the contract, but they were not from Waukegan. At the time he was the only black 8(a) general contractor firm in Waukegan.

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What was the ethnicity or race of the firm awarded the contract?

I'm not sure but I don't think it was African American – they were either Hispanic or woman-owned.

The reason had nothing to do with his capability or bonding, but because he “lacked experience.” But that was ludicrous because it’s a developmental program.

And from what I understand from others that have graduated from the program, and tried to get work, they were not successful. For example, T. Wallace had not been successful.

T. Wallace had graduated – I actually look at the program not as “graduating” firms but “kicking them out”- but once he exited the program, what was his experience?

He had a contract to do work. One of his partners in the project passed away, and the prime decided to take it away from T. Wallace and awarded it to somebody else. They said there were too many loopholes with the company whose owner had passed away that could delay them. T. Wallace had graduated from the 8(a) program, but the other company was in a joint venture with them.

I’m a little confused - most 8(a)’s are also SDB companies. And SDB’s are normally subcontracting. I think of 8(a)’s mainly as primes. So just to clarify, when you say “primes,” you mean the owner of the project.

Yes.

On that T. Wallace contract, the opportunity was missed because the owner of the 8(a) died. Why does that rise to the level of a complaint for you?

There was no reason for them to pull it. T. Wallace was more than capable of performing. But the prime felt that it may cause too many problems so he pulled it and awarded it to another 8(a).

They were a local firm, and the prime brought in another firm from outside of the area?

Yes, I believe it was a firm owned by white females.

We have also focused on the relationship of unions and the participation of blacks in the various trade unions. Do you have insight on that issue?

Yes. We train eighteen to thirty-two year old black males and women to get into the construction trades. We discovered that after we put them through the training, the unions have closed their apprenticeship programs. Even if the programs aren't closed, they're not currently meeting that 19.6% goal and 6.9% goal for women. So if you have closed your apprenticeship program, there is no way a contractor can be in compliance without a pool of apprentices. Where are you going to get the people from?

Historically, for the last eight or nine years, there has been no compliance. They just put it into the cost of doing business, because there are no teeth in the discipline.

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It's worse than that – they're actually suppressing FOIA requests. Oracle, HP, Google - all these companies doing just 2.3% with blacks and 3% with Hispanics. OFCCP is not enforcing like they used to.

Shouldn't the DOL refuse to certify a labor union that cannot match these numbers?

Yes, they shouldn't certify the union itself.

They are all out of compliance. Any federal highway project – you don't see the representation of blacks on those projects. It's not representative. It might be all Hispanics [and no blacks, but still be 19.6% "minority" overall].

The DOL certified those unions' programs, but the unions are not even producing what's needed in order to have the contractors be in compliance with the federal mandates.

You cited the issues involving 8(a)'s and the disparity with local companies competing against outside companies. You spoke about union participation and certification and their lack of compliance relative to demographics. Is there anything more you would like to share?

I think those are the key issues. If union halls don't have a large enough pool, there is no way they can maintain compliance. So you'll have more and more minorities and women out of work. These set asides and goals were designed so that all can participate. But because they're out of compliance, then even though the set asides are there, they're not effective.

Mr. Chair, let's go to the SBA and get an audit on 8(a) contracts at Great Lakes Naval Station, by race.

Would you please start out with some background information?

I have been in the construction trades since 1977. I began with the Urban League apprenticeship program and became a journeyman. I worked for several years for the same contractors. This was in Peoria, Illinois.

I've been in business with one [construction] company for the last six years. The first few years were okay working IDOT contracts. It began to fail though.

Because I had been in the trade so long, we knew how to cut corners and make the company a success. But they began to set my insurance up to be dropped.

Who's they?

The city the work was in was basically a Caucasian city and the company we were working with basically had the run of that city. As the project neared completion, our insurance dropped.

Property and casualty insurance?

No – general liability and worker's compensation.

Did they give you a reason why?

No, there was no reason. The following day the union came in and ran us off the job.

How? Were they blocking you from the job? Were they threatening?

We weren't using the local people. We had crossed over from our union to theirs. It's in a way where they replace you with their guys – through the prime – and you have to come back when you get the insurance and workers through their local. But by that time – three or four days when everything was rectified – the job was completed.

The few jobs that we worked with them – we bid in such a way that would allow us to profit and grow the company, but they knew that and prevented it. They replaced our workers with their local workers. The agreement we had made with the prime is that we were only going to use certain people under the general liability.

I need to clarify how this happens if you'll walk me through it: When you win a job as a subcontractor to a prime, you've agreed to only use certain workers – certain unionized workers, from certain halls. Are you saying you started the job without the workers as agreed and then when they discover it you have to go back and find workers to meet that requirement?

No – I had an agreement with the prime and used the workers as stipulated. But the local union was not aware of our agreement with the prime and was of another mind. The union didn't care about our agreement. The union found out and suddenly we had "insurance problems," coincidentally.

You were trying to understand how it worked to be “pushed off” or “run of a job” – guys come up with a certain persona, like with mob characteristics, and I just put my hands up and say we’ll come back when we get it together. But by that time the job is done. That’s just one incident.

But there’s a pattern of preventing you to make money - IDOT, as well as the primes, so that if you make one mistake you won’t make any profit.

How is that different from similarly situated white companies that might be on that job as well? Have they ever had agreed upon labor and were not changed, or had insurance problems but were not pushed off the job? Why do you believe your company was treated differently?

[Things would happen like] we’d be told we weren’t keeping up on a job and that we need four or five more people. We’d get them and then the insurance premiums would go up. Eventually, they’d say let’s take him off the job, he can’t keep up. They blow us out of the job that way. This was on an ongoing basis with black contractors.

You said the insurance company dropped you because you weren’t using union workers. But that shouldn’t be a requirement of insurance.

Will you relate more of the tactics used against your company to drive you off the job?

IDOT has certain standards – you have to be paid by a certain date after the primes. That was never done correctly. There were times I wasn’t paid up to six and seven months after a job was completed.

I love what I do and I’m good at it. So we can make money and they realize it. Anything they can do to prevent you though, they do. We might have two projects thirty miles away. And the contractors would seemingly communicate to make sure that you couldn’t leave theirs.

IDOT’s rules are that when they pay a prime, the subs are to be paid in fifteen days?

Right, but sometimes it goes months. When I told a prime it seemed like they didn’t have to follow the rules, boy he would blow up.

Did you address it with IDOT?

Yes, but nothing was done. It wasn’t in writing, but we would go to EEO. When we went to Mike George, the EEO liaison, it would be done more quickly, but still not on the schedule.

So they’re paid on a monthly basis. When the next month comes up they didn’t have to show by affidavit they paid their subs from the last payment?

Apparently not. Or they’re saying they are but they’re not. All I know is they’re not paying me. No one came to me to confirm I’d been paid.

Your testimony would suggest there is communication between IDOT and your primes on your status on a particular job, about what would be necessary to delay you, and thus cause you to become unprofitable.

That's correct. We've done jobs for HUD – and others beyond the state level – and sometimes there are EEO officers checking what I paid guys. They would prevent my workers from working and slow the job up.

They'd talk to all the workers and do a survey – “are you being treated fairly, any complaints?” - but they'd take an inordinate amount of time and slow your progress?

Yes. We did another job for University of Illinois, Champagne. We worked with the prime in Bloomington. They knew we could do it and they had to cover the minority goal. We did the job within four days. We did the floor in such a way that the guys we hired were impressed with how quickly we got the job done. I used and paid their supervisors as the prime wanted – but they charged me \$10,000 for two and half days, just for payroll. Just writing checks for workers. That ate into our profit really bad but we still made money on it fortunately because of how we run our work schedule. But in another position it would have put us badly in the red.

To summarize your testimony, it would speak to a lack of real oversight in how these programs are administered by IDOT. And that you've experienced collusion, that takes place between the unions, IDOT, and prime contractors that do not permit your company to make a profit on the jobs you perform?

Yes.

Would you consider IDOT hostile? You don't consider them as a partner or someone that can assist you, but as someone who might hurt you?

Yes I do.

Is there anything else you would like to add?

On one particular job, there was another DBE of non-African American decent, a Hispanic woman owned company. We were in the office of the prime and he wouldn't accept our bid. He actually “shopped her bid” to us – showed us her bid, and said we had to beat her price or we wouldn't get the job.

You have come before us to provide testimony about your experience and that of other black contractors trying to grow and develop your company in the construction industry. Would you first give us some background and then go into some of your specific concerns?

I am the owner of a construction and safety company in Joliet, Illinois. I formed the company in 2003 and became certified in 2003. I've been in construction for twenty-five, thirty years. My dad was a dynamiter. Right out of high school I went into construction.

My key concern with IDOT is with the consultants they bring on board.

There are nine districts in the state of Illinois. The consultants are formed so that they can provide services to minority businesses. Twenty-five years ago, some [African-American contractors] were able to come through the Harold Washington administration. They were able to get into the mainstream, do the O'Hare projects and everything. To this day they are still in business.

But with the younger generation coming behind them, the DBE system has stunted their growth. The consultants are supposed to provide you with certifications, bonding, and financing. The consultants have to do seminars every month – that's how they get paid, and their contracts get renewed by the state.

But to me, as I've traveled back and forth to Springfield the last six years, I've noticed that the large contractors already have their own protégés. When you contact them – they already have protégés.

Would you focus first on the role of the consultants? You suggested the younger generation of contractors is being stunted. How so?

You need the precise information for bidding practices as a DBE – for the primes, in order to get paid. But this service is not being provided. I had to learn on my own through growing pains.

The consultants just give you the bare minimum – just how to get certified. But after that you're not guaranteed work. You might have to go out paying a lot of credit. In Peoria, some churches joined together to become a line of credit.

How did the black churches in Peoria become a line of credit?

Almost like partnering, without a controlling interest, the churches would provide working capital.

They would collect money from their members to use as working capital?

Many larger black churches have a lot of money. Some have joined to form lending institutions. We found the churches would get on board as a line of credit.

That's interesting. In my area, in Maryland-Washington, DC area, we had some churches come together to ensure banks were complying with the Community Reinvestment Act, concerning mainly residential mortgages, but they began to expand into issues of business.

This is the same type of concept. The churches didn't necessarily give money but lent their power.

Getting back to the consultants; you said they do certifications, financing and bonding. Obviously they're not doing financing though because the churches had to help with that. What about the bonding?

Same issue - unless you have a company willing to give you a new project. Say a church is going to build a new building. You go on board to become the general contractor. During that process you could build your bonding capacity. But as long as you're working as a DBE under the prime, unless you're accumulating financials, there's no way to every get bonding.

Are you aware of the DBE bonding program?

I am now, but the consultants never informed me. Neither did they inform me about the DOT short term lending program.

How are you in a position to know what other minority contractors experience?

I've been in construction for thirty years. I know everybody.

Being in that tight network, you know that other black contractors' experiences with the consultants are similar to yours?

Yes.

The assistance you can confirm they provide is a means to get certified, even if it takes a year or a year and a half? But regarding financing and bonding, they don't provide it?

Yes.

Do they help you and other similarly situated black contractors in Joliet identify and secure contracting opportunities?

No.

Do they have expertise in bidding construction projects?

They're supposed to. They have estimators but they're serving eight other people bidding on the same job - so who's going to get that job?

Bid-letting - it's all done in Springfield?

Yes. One day a month.

What happens the evening before? In Indiana, all the contractors have a party at a Marriott and talk bids. They rig the bids that evening, and in the morning they rotate - one competitively and the others way off, and they laugh through the whole thing.

That's a possibility.

Once again, closing the consultant issue, the assistance you can confirm they provide is a means to get certified, but regarding financing, bonding, and contracting opportunities, they don't provide it?

Exactly. I'm the only black builder in Joliet. We have three trucking firms and one concrete firm. One is certified 8(a) and the other as DBE. But Chicago doesn't recognize anything other than MBE.

They don't have reciprocity? Even federal certifications? They have to accept DBE Certifications. New Orleans tried that mess after Katrina...

A company called us to get on board for a project because they needed the MBE participation. I can show you my package with my certifications and safety plan I handed out to all the primes. But they said you don't have the MBE certification.

The US Department of Transportation requires every state to have a one-stop certification that is honored - the DBE program. We just need to pick up the phone to get that straightened out.

The other entities acknowledge that once you're certified with IDOT.

Anything else regarding the consultants?

They have to have seminars once a month. Guys come in and they tell you about it but how long can you spin your wheels? You listen to them, but as far as growing, it doesn't work.

Your experience has demonstrated the use of IDOT consultants represents a waste of time for most black contractors?

Yes.

You also spoke about the access to capital. Let's discuss Project Labor Agreements. You stated they're used on every contract you bid on.

They don't have to be but it's a union town. You can only get it without using the union if you stay below the wire.

In Illinois, anyone between \$10,000,000 and \$20,000,000 is considered a minority.

Whoa, can you explain that?

That's what the state says. That's why big companies form minority companies and keep them under that threshold to bid against us, paying half (because of their buying power) for concrete.

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Are you saying they're front companies?

Haha, of course – WBE's.

So the big primes either have relationships with WBE's or they spin off WBE companies, and provide them a competitive edge, over you?

Yes.

Your comment about the \$10,000,000 and \$20,000,000 threshold – regardless of who owns it or controls it, they're considered minority owned? Or just race neutral "small business"?

Yes – well, they receive "small business" designation but they receive the same advantages as minority owned businesses. Companies that have been in business twenty-five years stay under that threshold – how can you beat them?

Refocusing on the PLA's, tell me how they have been detrimental to you and other minority contractors and laborers.

Being from a union family, I figured when I formed my company I would join. But upon my signing, I was quickly spending a \$140,000 a month just in payroll – including \$30,000 for the union. The only thing left to play with was the profit margin. You take a loss and you're out of business.

But I figured I'd use the union's training facilities they have already – just land the job and hire who I want. Get them into the union, the \$750 union card pays for itself.

You get blacks into the union?

Yes, that's all I get in. That was my number one goal forming the company.

So because of PLA's, it allows you to get the people you want on the job? And it makes it more profitable?

Yes, and otherwise they would never get into the union.

You can actually control who the union sends?

If there are any blacks in the union, I ask for them. If they're not, they'll send me someone else.

A complaint we often get when black companies join the union, is they have to assign their workers to the union hall, somehow they peel off; they don't stay.

We as black people still have to pay to play.

Why are there so few blacks in Chicago unions?

We as black people have to learn to pull each other along. Because if you have a company they have to assign you cards, you know someone with a job coming up, and there's federally funding...

Are you saying the unions are fair to blacks?

No, but I'm in a position to control my labor force by working through the union in this county.

How many black journeymen does the Chicago carpenter's union have?

I'm not sure – could be just twenty in the whole city.

That's fifty years after the civil rights act!

Regarding bidding...

It's a joke. Say you pay an estimator \$40/hr and it takes a day to put that bid together. You've got everybody sending you facts to bid on the job – but they already have in their mind who they're going to put on. Do you keep paying your estimator to keep bidding these – fishing, hoping you'll land the job? It doesn't work.

Fortunately I have people on board that are superintendents and project managers that grew up with me and will stick with me until we land some work – which we just did.

But the formal bidding process would not work absent those relationships for most minority contractors?

Right.

In your prepared statement, you said the unions have no representation of minorities. "We have no vote." But because of your company, you just said you're in a better position to control your minority participation in your labor force. How do you reconcile those two perspectives?

If someone's already there, we have to reach to bring somebody else – someone else taught me how to put waivers in, and that's what gets you paid. It took me seven years to learn that.

If you have to call the union on a project here in Chicago, to bring you fifteen carpenters, chances are you won't get one black though?

Right, I have to recommend them. But the union will say they need a steward and a foreman just to walk around and do nothing.

Would it be fair in light of what I just read, that a more accurate description of your experience is that without more minority contractors that have done like you, that is a direct consequence of the number of minorities in the union as well? Having the contractors there demanding minority labor, you'll get more minorities in the unions themselves?

Yes. We just went to the city council and implemented that new contracts for the railroad yard would be a certain percentage minority.

Mike Caruthers
Chicago Testimony
March 24, 2010
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Tell me about Walsh's new protégé program? Do you know of any successful protégés that have gone through that?

Yeah, they're white women!

Who was that Chicago football player they prosecuted, protégé-ing for Walsh?

Right, Roland Harper.

You mentioned a contractor – does he have any equipment? Can he do general contractor work?

Yes. He does not have his own asphalt plant though.

Is there anything more we haven't covered?

To me, as minority blacks, we need a liaison for the state overseeing these things, making sure we get paid in fifteen days, when they say fifteen days – regardless if the general got his money or not.

Thank you very much for stepping forward. It takes courage to do this. It's very important.

Larry Ivory
Chicago testimony
March 24, 2010
Page 1 of 4

Background

The uniqueness of the experience we bring stems from a contract we were awarded a number of years ago, in Peoria, through what was called the "TAP" program. The program was being implemented for the first time, and it was because of a major project coming to Illinois - the I-74 project worth about \$600 million - the largest downstate infrastructure project for IDOT in many years.

As we saw it coming, we began to position contractors and ministers to get our people prepared to participate, to get ahead of the game early.

IDOT put out an RFP for supportive services that we won to help contractors. IDOT was concerned because the project was very visible in District 4, and they had not had a good track record for minority participation.

A good friend of mine has a saying: intentional discrimination creates a habit, a habit creates an attitude, and an attitude creates a culture - the habit here that African Americans had stopped bidding because there was a sense of hopelessness.

So they needed us to get involved, to show blacks that this time there was truly an opportunity and not like before - that you put in a bid but you were never going to get an opportunity.

We were able to achieve fifty-percent black participation on the I-74 contract, a historic rate that had never happened before.

But ultimately we found there are a 101 ways to kill a contractor, especially a subcontractor. And I would say that the Illinois Road Builders Association doesn't like the DB program. They hate it. Many times their strategy is to minimize the program, destroy the confidence of contractors, so that later on they can say it's not working and the program should be reduced or done away with.

Strategies/tactics to push out African American contractors

Bidding is a fine art. Many times, enormous amounts of pressure are put on African American subcontractors to drop their bids. These subcontractors are as competent and capable as their white counterparts.

Because of the community involvement, and the significant minority participation goals that were in place, there was more sensitivity. But the contractors really didn't want the DB program to succeed so they had to find other reasons to justify what was going to happen.

So when an African American subcontractor would put in a bid, they would be beaten down so that they took a job for a substantially lower profit margin.

How were they beaten down?

A proposal would require DB participation, and [due to community involvement/sensitivity] there had to be some African American participation because it was too big, or there were too many pastors and ministers involved to have no minority participation.

But when the African American contractor submitted a bid, the response would be that it was simply too high. So eventually they would drop their bid because either they could lower it and keep good employees working and have a smaller margin, or they would have to walk away. In most cases they decided some work is better than no work. So they would end up taking the job with small margins and then the real games would begin to play out. We didn't see the same type of pricing pressure being put on the white counterparts. And once they lowered their bid, which already had small profit margins built in, it didn't take a whole lot for them to be upside down.

Many times prime contractors allege shortfalls and schedule delays on the minority subcontractors. It was their fault but they try to bury the subcontractors. I gave the subs cover by documenting and challenging the factual descriptions from the prime contractors of what was taking place. Historically DB contractors had no one, and when we came into the picture there was someone on their side that could challenge the primes and even IDOT's lack of sensitivity.

Weren't you performing part of the work that was supposed to be performed by the funding recipient to Title VI?

Correct, I believe from the beginning the strategy of the Road Builders was to minimize African American contractors across the board and then justify that the program wasn't working because there wasn't success and no capacity built.

Do you think IDOT was partnering with the Road Builders?

I think there was a great deal of close ["revolving door"] relationships. The last three IDOT Secretaries of Transportation went to work for the big firms. It's a situation that creates a culture where they are looking out for their own collective interests.

Prime contractors trying to pass off IDOT liquidated damages to the subcontractors

A common [abusive] practice occurred when IDOT had liquidated damages on a project, having to do with getting done on time. What would traditionally happen was that when they got close to where it would go to liquidated damages, the delay would be [falsely] attributed to the subcontractors. The subcontractors didn't have the legal power to fight it, and wouldn't be protected by IDOT. In most cases the subcontractor would fundamentally be put out of business because they couldn't handle the liquidated damages. The prime contractor would outright lie about the reason the work wasn't done on time. We would document that or even call IDOT ahead of time and be on the ground protecting the interest of the subcontractors.

To clarify, how does the liquidated damages provision between IDOT and the prime translate to adversely affecting the minority sub, when there is no privity of contract between IDOT and the sub, and there is no liquidated damages provision between the prime and the sub?

Even if it's not in the contract, the prime sends payment to the sub minus money the sub thinks he is owed. The sub can't afford an attorney, the prime drags it out, and the sub faces being "black-balled" with every other prime in the area if he objects.

It was a common practice, especially with the best DB firms. When one began making too much money, the competition found a way to undermine his profitability. This is often done through documentation - requesting work to be done without documentation, and then later refusing to pay because of the lack of it.

We got better at minimizing the failure and that's why we were considered one of the best consulting teams in the state. As we began to get ahead of the problem suddenly something really began to change.

IDOT was aware that lack of documentation was a problem and that in some cases liquidated damages were being passed on. Occasionally, when IDOT realized there was a situation where four or five DB firms would be buried by liquidated damages - and there was sensitivity - IDOT would try to renegotiate [to avoid putting the DB out of business.]

In my opinion, primes want to get rid of the DB's. They do this by ensuring that none of the DB's build capacity. Then, once it is clear none of the DB's are growing to a certain level, you can justify that it isn't working and get rid of the program.

Taking into account the unique position you have held in this market, how would you address the challenge of DB' building capacity? And secondly, because of your effectiveness as an advocate for minority contractors, please describe how that adversely affected your relationship with IDOT?

In order to address the injustice I see, the ultimate goal I see is to build capacity. But [the current] mentor-protégé programs fundamentally don't work. Because you're paying a prime contractor to help a firm who fundamentally he believes will be a competitor.

You have to find African American firms that already have some capacity and someone who is not threatened by them who would mentor them.

With all the money African Americans pay into the motor fuel tax, we have to create a self-bonding program to make sure there's bonding capacity. The only great equalizer to this issue is growing more African Americans contractors that can go out and compete. Otherwise they're always subject to the prime contractors, even if they're the lowest bidder and competent.

Larry Ivory
Chicago testimony
March 24, 2010
Page 4 of 4

Are you aware of the DOT bonding program, and their short term lending program?

I've heard about the SBA programs but others tell me it is overly rigorous, and I am not very familiar with the DOT programs for DB's.

The SBA PRC loans were not being honored by Illinois banks.

Is the DBE program flawed because it strictly deals with subcontracting, as opposed to a program that would allow larger minority firms to work major contracts that would enable them to subcontract to other minority firms and to mentor-protégé.

Yes

We believe we encountered a strategy to undermine our organization because we did things that had never been done. We had truckers, who - for the first time in history - got million dollar contracts. Some people were unhappy with our success and statewide contracts. I had people that were heads of government agencies saying "they're trying to bury you guys, you got to fight them."

IDOT came to us at one point saying they didn't want us to contact a number of contractors they didn't think needed help. They put it in writing and told us not to reach out to this group. They only said it to us, not the other consultants doing the same outreach. They micromanaged everything we did and treated us disparately in other ways. We still have not been paid for some of the work we did for IDOT.

We felt there was an outright attack on our organization ultimately so we decided not to bid for IDOT after our last IDOT contract was completed.

Email Comments

**Target Market Program Testimony
Contact Information: Toll-Free Line & Email Correspondence**

Date	Time	Name	Phone	Contact Information (email)	Testimony
12/21/11	1:09 pm	Darryl Q. Joyner	773/548-1238	www.dsairheating@gmail.com	<p>My experience with the Illinois Department Of Transportation's bid procedure started out kind of rough because the bid process was structured so unique. Our firm provided numerous bids before we were able to win a bid. We decided to use a different approach which has had a small but positive effect. My opinion as owner of D's Air & Heating, Inc. a DBE firm suggest that establishing your strategic plan for bidding in this monopoly of small businesses is the best method to the bid process. At my first glance I entertained the thought of the process being unfair but once I change my thought process and became more determined to achieve with acceptance of the bid process I concluded better strategies to obtain my goal.</p> <p>I hope this information is helpful in this day to day effort for bettering the bid process</p> <p>D's Air & Heating, Inc. D. Q. Joyner</p>
12/23/11	11:38 am	Johnny Littleton	708/339-4531	errikka@sbcglobal.net	<p>Mr. Littleton believes a gender bias favoring a specific female DBE contractor. This contractor successfully get contractors and subcontract these projects to him. J C Garage and four other unnamed contractors. Mr. Littleton would like to be placed on the Public Meetings mailing list. Specifically, for the Greater Chicago Area. His mailing address is 15925 Woodbridge Avenue, Harvey IL 60426</p>
12/23/11	11:32 am	Willie Mason Sr.	618/271-0707	masonconstruction@sbcglobal.net	<p>Mr. Mason will forward his testimony via e-mail.</p>

Target Market Program Testimony
Contact Information: Toll-Free Line & Email Correspondence

Date	Time	Name	Phone/ Email	Contact Information (email/phone)	Testimony
12/22/11	9:39 am Submitted via email through Target:Market@illinois.gov	Adebayo Adanri	Ph: 309-888-9600 Fx: 309-888-9100 Cell: 618-444-3968/ Bayo Adanri [bayoadanri@pvc-inc.net]	Adebayo Adanri, AICP, SRA Certified Urban Planner & Certified General/Real Estate Appraiser Planning & Valuation Consultants, Inc. 202 Arlington Drive Normal, IL 61761 Ph: 309-888-9600 Fx: 309-888-9100 Cell: 618-444-3968 www.pvc-inc.net	I have not been discriminated against or stopped from bidding on IDOT projects; it would however be helpful if D/W/MBE participation be required on all projects and if IDOT could push for mentoring program in all discipline – this will help build capacity and workforce ability to meet IDOT needs as well as help minority businesses to reach their potentials. Thanks again for reaching out to us; you initiative makes a difference and we wish you God's speed.
12/23/2011	3:30 pm Submitted via email through Target:Market@illinois.gov	Maurice Perkins	Ph: 773-715-4280 mperkins100@gmail.com	mperkins100@gmail.com	TRUE DIVERSITY CAN ONLY TAKE PLACE WITH STRUCTURED INDEPENDENT MONITORING BY COMPANIES LIKE OURS. THAT HAVE A VAST KNOWLEDGE ABOUT THE PROCESS. HAVING WORKED ON A DOZEN PROJECTS OF THIS NATURE INCLUDING THE FIRST TWO MAJOR EXPANSIONS AT MCCORMICK PLACE AND THE CTA GREENLINE. ALSO THE MENTOR PROTEGE PROGRAM MUST BE ON THE SAME LEVEL AS THE ONE DEVELOPED BY WALSH AND RITEWAY CONSTRUCTION. THE PRIME ASSISTED THE DBE WITH ALL THE TOOLS NECESSARY TO SUCCEED AND SUPPORTED THE RELATIONSHIP

**Target Market Program Testimony
Contact Information: Toll-Free Line & Email Correspondence**

					<p>ON SEVERAL OTHER JOBS UNTIL THE DBE BECAME SOLID. I AM NOT A FAN OF EITHER WALSH OR RITEWAY. I AM POINTING OUT TO YOU A PROCESS THE BORE FRUIT ALL OF THE COMPANIES I HAVE MENTIONED ABOVE HAVE MET WITH OUR ORGANIZATION ON THE PROTEST LINE AT ONE TIME OR ANOTHER, I THINK WE UNDERSTAND EACH OTHER. I HOPE THIS NEW EFFORT IS A GREAT SUCCESS. I HAVE A PROPOSAL FOR THE MONITORING WORK NEEDED ON THE PROJECT. PLEASE VISIT OUR WEBSITE AT WWW.INNERCITYOUTHCHICAGO.ORG. THANK YOU, MAURICE PERKINS</p>
12/25/2011	4:37 pm Submitted via email through DOT.Diversity@illinois.gov	Maurice Perkins	Ph: 773-715-4280 mperkins100@gmail.com	mperkins100@gmail.com	<p>Hello, I was at your meeting at the woodson library and offered testimony for the record on concerns to african american workers and contractors. We are now sending you a proposal that would assure that our concerns are met. Thank you</p> <p>**Mr. Perkins submitted a proposal entitled Contract IDOT 2012**</p>
12/26/2011	7:20:02 pm Submitted via email through TargetMarket@illinois.gov	Toney Holsey	HOLSEY_62901@YAHOO.COM	HOLSEY_62901@YAHOO.COM	<p>Black DBE faces a lack of white contractor support and banking support. Also, there is a lack in the following:</p>

December 22, 2011

**Target Market Program Testimony
Contact Information: Toll-Free Line & Email Correspondence**

					<p>Pool banking relationship</p> <p>Mismanagement of DBE Funding</p> <p>Mentor protege program not in effect or available for minority DBE</p> <p>Pool overall DBE minority outreach in aiding minority DBE</p> <p>The factors listed above should be addressed.</p>
12/28/11	3:30 pm Submitted via email through TargetMarket@illinois.gov	Maria de J. Prado, CPA	(312) 567-1330 ext. 20 mprado@pradorenteria.com www.pradorenteria.com	mprado@pradorenteria.com	<p>To Whom It May Concern:</p> <p>This is in response to IDOT's inquiry regarding incidents where one was discriminated on the basis of race, national origin, or gender and it hindered ones' ability to work on IDOT projects.</p> <p>In Prado & Renteria's experience, IDOT's lack of BEP participation goals on Professional Service Contracts such as Accounting and Auditing has hindered the firm's ability to work on IDOT projects. If IDOT adopted a BEP participation goals on Professional Service Contract such as Accounting and Auditing, Prado & Renteria CPAs would have an opportunity to partner with other CPA firms and participate on IDOT projects. Some examples where P&R has been unable to participate are:</p> <p>Agency Reference Number _____</p>

December 22, 2011

