

**AIRPORT DISPARITY STUDY
PUBLIC FORUM
JULY 12, 2010, 4:05 PM**

SPEAKER 1, representing an African American female-owned construction firm:

We are a woman-owned DBE, WBE business enterprise. We are also an 8(a) set-aside and we are also an SBE organization as well. In my review of the study, and there's a lot of information, as you attest. But one of the things that I would suggest because the basis of this Study may suggest or the spirit behind this Study may suggest that there's no evidence to support proclamation of discriminatory habits, notwithstanding Proposition 209 and its non preference for race/gender based, methodology behind contract dissemination. Clearly when you look at the results of the work that is being done at the airport, something truly has to be done. One of the things that I considered is that the current methodology of contract award is based on low bid. I think there can be some alternatives to low bid in an effort to do contract awards to local minority, women-owned business enterprises that are qualified, that are, that have demonstrated a track record or competency who are attuned to prevailing wage and who are accustomed to the process. So with that in mind, I think that's part of the stuff that could be considered. Everything is low bid right now and we're beginning to see, particularly in our sector where you have general contractors of, you know, mid-size to larger who normally wouldn't bid on smaller projects, who are beginning to come and compete with the smaller firms on smaller contracts and it's very competitive. So with that in view, you know, I think probably we can consider something in conjunction with low bid. Maybe some best value or something that can help to allocate more business to qualified small business enterprises. Thanks.

SPEAKER 2, Caucasian female owned construction supply firm: It is a woman-owned business and I represent Women Construction Owners and executives. The airport Disparity Study certainly shows discrimination is alive and well in this County in San Diego. According to the Study 24 or 25 of FAA-funded contract dollars would be expected to go to women or minority-owned firms nearing 2003 and 6 and it was a

dismal 2.8 went to the WBE's. Airport Authority should provide leadership in implementing its program and should consider race-conscious goals as well as a race neutral. The routine threat of litigation for the construction interest in this city should not deter the Airport Authority from implementing meeting race-conscious goals. Before finalizing this program, the Airport Authority needs to check with other public agencies about the outcome of their small business programs only if WBE's compare to the other businesses. The need to increase the goals are great and the Executive Summary option One is a document and annual aspirational goal of 23.5% and I would recommend that or higher. On the ACDBE concession side, I'd say a 50% goal for WBE's wouldn't be too high. As I walk through the airport, most are women workers. So why not encourage them to be the owners? In Section B, determining achievement of annual aspirational goals through neutral means, that never works. You can look at all the figures since the 209 passed and there's no participation where there's no goals. Factors that continue to be a problem are access to capital and particularly in this current economy, we just can't find work. Unions and the construction trades continue to make it very difficult for minorities and women to be in there and get part of that training. M/WBE's need to be included in airport programs and their outreach efforts, more of that needs to happen. Contracts need to be unbundled on the construction side. I just have two more. So we need to have those contracts unbundled so we as minority and women contractors can wrap our arms around those projects. Department of Transportation is considering increasing net worth, which will encourage more M/WBE firms to be certified and become part of this program. That was \$250,000 net worth and that was back 10 years ago and now it needs to be raised. So I would recommend the airport will do the same thing if that comes about. Also, in the Coral Construction case, I think the airport should monitor that so they can be prepared with appropriate action if that remedies some experience. Good-faith effort, documentation and outreach solicitation of M/WBE's should be reviewed and questioned. I can tell you that good-faith effort is really a joke. I have some stories to tell you, but when I start getting called from India about my good-faith effort, I think that's enough.

SPEAKER 3, representing San Diego NAACP: You know, I spend a lot of time in the airport because I travel a lot and I as I walk through the airport, I see people of all race, ethnicity, young, old, men and women using the airport. And as a result of using the airport, they pay airport fees and taxes and all that kind of stuff you pay on your tickets. So I'm really disappointed on behalf of NAACP to see this report, which demonstrates that when it's time for the contracts to be let that suddenly there's no diversity. All kinds of people use the airport. All kinds of people should be able to take advantages of the contractors and the vendor opportunities here. So I urge the Airport Authority to take whatever steps necessary in order to improve that diversity. I certainly don't have the details of all the steps that are necessary, but I certainly think that if race-neutral steps don't work then go to race-conscious steps. That's something that you should consider doing and do it without delay. I also urge you to, in addition to contracting with more MBE, WBE, DBE businesses, with the business that you do contract with, make sure that those businesses have diverse workforces. So when you enter into a contract with a construction company, for example, what does their workforce look like? If you also encourage them to have a diverse workforce, then you are building out future possible people whom you can work with because the people who are the employees of these companies will possibly become business owners of the future. And, finally, I just urge you to keep good data, keep good data in terms of your outreach, keep good data in terms of the firms that are out there and I just urge you to really just do a better job because it's ridiculous that the airport is doing such a poor job in terms of diversity.

SPEAKER 4, representing service-disabled veteran business group: Good afternoon. First of all I'm happy to be here, thanks for the invitation. I'd like to tell you a little bit about me first and then I'll tell you why I'm here. I'm a member of the Black Contractors Association and the NAACP. However, more importantly, I'm a member of the, I'm the vice chairman of the Elite SDVOB Network, that's the Service Disabled Veteran-Owned Business Network. This forum was centered about DBE, Disadvantaged Business Enterprise. However, they neglected to say anything about the DVBE. We have the shades of the rainbow in our group--women, minorities like myself. I'm also a member of

the Hispanic Chamber of Commerce. We have everybody and we are, the DVBE's are a part of the DBE is a part of the DVBE. So many acronyms. The disadvantaged businesses, we are those because I'm not even talking about the federal dollars. My chairman is going to speak a little about that. I have submitted contracts to the airport on Gate 19 and the USO. However, and I've been doing business now in San Diego for 25 years, a licensed contractor, own two houses in Southern California, one in South Carolina, but to no avail. None of my records, and I'm a contractor in good standing with the Contractors Board. I don't advertise because I go referred. That means I'm doing okay, but none of this means anything to the airport. And I fly out of San Diego two or three times a month so I spend a lot of time here. I spend a lot of money with you. I think you should give us little folks, give us some back. I don't want to belabor the point, however, because I want my chairman to really hone in on some of the reasons why what you're doing is somewhat unfair. Thank you.

SPEAKER 5, representing service-disabled veteran business group: I'm the chairman of the Elite Service Disabled Veteran-Owned Business Network. And one of the reasons why I'm here today, a very good friend of mine and other people said that I shouldn't be here today because we're not DBEs. And every speaker that came up here prior to me getting up here is right on with what you're saying. And, in essence, when you stop talking about DBEs, service disabled veterans are then taught of DBEs. You want to know why? I know I got the African-Americans and Hispanics and Native Americans and women and every section, gender, race, creed, whatever you want to have. They fought for this country and they became disabled for this country and being disabled has made them extremely disadvantaged business enterprises. And you know what that reflects in and we all hear about unemployment, 10%, 11% and everybody's going, oh my God, that's terrible. Ladies and gentlemen, the current count on unemployed service disabled veterans in this country is 46.5%. And I'm here today to get a piece of the action, not by mandate even though we are mandated as DBEs under Section 26.5 of the DBE Program and I'm real happy about that because that little fact there is going to cost Mr. Robert Silvas a beer someday. He said we weren't DBEs and it's not a forum. Well, in all honesty, there is a forum. This is the forum for it. What

we're proposing to do and we will help everybody in this community to do, if we can get one project called the USO building. And what we want to do with that building is say that the airport stepped up with the Service Disabled Veteran Business Enterprises, who are DBEs, and 46% of them unemployed. San Diego did it. They let them build that building and we are going to push to do that. And in doing so, we will, in fact, bring in the entire San Diego community. It's a \$5 million project out of a billion dollar project. So we got to start somewhere; let's start right here. And if we win, I'll guarantee you, I will bring in Katie Couric, okay, whether you like her or if you don't and Dianne Sawyer, whether you like her if you don't, and I'm going to ask them to do a jig out there in that parking lot. Okay. Any questions? No questions. That's all I got to say. Thanks.

SPEAKER 6, representing an African-American owned construction company:

Good evening, everyone. I do want to apologize; I'm coming straight from LA for a birthday weekend. I may not be appropriately dressed, but I am very interested in this topic and I did decide to come and speak here about my own experience in the city when I heard about it. So after perusing through the Study and reading the Executive Summary, I just, I do have two recommendations. One is that we do, the Airport Authority does implement a race-conscious bidding in order to bridge the gap and cure some of the disparities that are shown in this Study. And also and these are things that we've already heard, but I also think that it should be considered a waiting another hearing or at least waiting to make any decisions to a later date after the Coral Construction decision is published as it will determine whether race-conscious remedies are legal under California law. And so that will, that will have a big impact on any of the decisions that the government agencies here in California make because currently I know that there are some legal concerns about legal whether implementing the race-conscious remedies to sort of bridge this gap, if that's even possible without being challenged. So I'll just tell you a little bit about myself. My parents are the owners of Montgomery Construction Services. They've been in business for about 30 years here in San Diego and I'm also a business owner. I own a law practice here in San Diego that I just started. But you know, in those 30 years watching my parents fight for fairness and fight to have a successful

business, although they're very much qualified, I'm very passionate about these issues. I have seen firsthand how without government intervention, the industry, especially the construction industry, is very isolated and can be very racist. So I just believe that these, in order to, we all want to work together in order to accomplish the goals that I believe most of us want to accomplish. We need to at least implement race-conscious remedies in order to solve many of the problems that have been addressed in this disparity study. So thank you so much for your time.

SPEAKER 7, Hispanic female-owned electrical supply firm: Sure, I'll speak a little bit. First of all, thank you very much for having this forum and allowing us to get an opportunity to speak about this issue. I've been a business owner since 1988. I own a small company, an electrical supply firm and I've been certified for many years, I think since 1992. My experience has been that, oh by the way, I'm also involved with the WCOE, the Women Construction Owners and Executives and the National Organization of Women in Construction and I've also represented the small group of distributors, small suppliers in the San Diego region. So I can speak with a little bit of confidence here that my experience in business has been not very favorable in women, unfortunately construction. We are still facing enormous, enormous challenges being considered on projects. Minorities are facing the same challenges as we are, as the women are. In the past few years since there were no goals, our businesses have really literally gone down. I've had to downsize a couple times and it's very unfortunate that we've had to get to this level to get some kind of participation. Now that some agencies are adopting the goals, we are seeing now more participation, but let's be very clear. When there are no goals, there's no participation. And so I would like to encourage everyone here to really speak out for the minority community and including disabled veterans as well and women that we really are in the same boat and we really need you to support us because we are the business owners, small business owners in the community. We are the ones that provide the jobs for this country and it's really critical that we are allowed to maintain in business and to progress as small business because this is really where our country's going to go. It's the small business that creates jobs in our communities. So thank you very much and

if I can answer any questions, please feel free to come to me and I will be happy to answer them. Thank you.

SPEAKER 8, African American owned construction and final clean-up company: I didn't want to come up here at first. I own a construction company, a final clean-up company. I've been living here all my life. I have five generations here in San Diego and I work from San Diego, L.A., Las Vegas and I've opened my business in Atlanta, Georgia. I have a son that goes to Morehouse in Atlanta, Georgia and like everybody else here, I fly in and out of here four or five times a month. I fly back and forth and you know my uncles and my grandfather that worked here in San Diego, I think they'd roll in their graves to see the undiverse care for African- American people and participation in San Diego, California where there's no work for us here in San Diego. You know, I flew to Atlanta for the first time. I got off the plane and I was really shocked of all the constructions going on and I see my people working, police, working the airport. I've been to Washington, DC and seen the same thing and I'm just appalled and disgusted of where I was raised and born at, how many contractors hide behind Prop. 209 and I have a good record of working with some big companies, Clark Construction, Hensel Phelps, McCarthy, and I'm a veteran too. You know, when I got out of high school, the first place I went, my friend went partying. I was coming here to MCRD to start my life at the United States Marine Corps Boot Camp and it even hurts me to even seen the lack of diversity even at the military bases and I don't know what we're going to do about it. The only thing I can say without never getting nowhere with this. You can be the DBE, veteran, disabled veteran, whatever. As long all these contractors hide behind Prop. 209, it's going to always be in existence and it ain't going to never change. That's all I have to say, thank you.

SPEAKER 4: When I heard about this, I was a little bit concerned because it came to me by virtue of another group and I'm a researcher. I went to the website and looked at the Disparity Study. There's actually 694 pages. That's an awful lot for folks like myself to

read. You did a study and have a legal report. That's more than a ream of paper. I didn't read all of it, mind you, but I glanced over it, that's an awful lot of information that's being given out, real people, they don't have access to it. And that, again, is a little bit of a disparity. Please, consider what you're doing. We all spend a lot of time here. We all spend a lot of money in this airport. We spend a lot of money for San Diego. Help us out. We're not asking for a whole bunch. We just want a little tiny bit of a billion dollars.

SPEAKER 5: One of the things that we found that appears to be working, we heard a lot about goals. We heard a lot about setting up, you know, the problems with 209 and all that. Now I'm fully aware that that's been a horrendous excuse for a lot of, as that gentleman mentioned, for a lot of these contractors to crawl under. Now what we've gotten so far, at least with our network, and I ask you to consider this as the airport to followed this model and that is, we went to the utilities. Now people say, why is the Service Disabled Veterans Business Enterprises going to somebody that's a utility? Huge, huge, huge company. I got put on a national utilities diversity council meeting; it's an outgrowth of the California Utilities Diversity meeting that my vice-chairman sits on for the State of California. With that, we got a lot of people together and said, you know, let's see what we can do because we want to, not because we have to. So we went and we just, for example, of the three companies, major power and light companies in San Diego, we got to them and we got them to start moving forward on goals that they established. Not that somebody else established, meaning, the wanted goals. I want to do this because it's the right thing to do, not because I have to do it. And they stepped up. And one meeting I went to was at this huge hotel in Washington, I think they called it the Renaissance or whatever, where it costs you more money than I made the first month that I was in the Navy to buy a beer. And the secretary, one of the assistant secretaries of the Department of Energy said, "come on I'm going to buy you a beer" and I said, "boy, you've got a lot more money than I've got in this place". But we sat down at the bar and he said do you have any idea, and this is for everybody out here to take back to your groups, do you have any idea how much the people that provide you lights and heat, in other words the power companies, how much their budget is, their operating budget is for

one year? Anybody got an idea in here? Anybody got a clue? It's a lot more numbers than I can figure in my head. It's \$1.4 trillion. Now the Department of Defense, ladies and gentlemen, their budget last year, and I use, I'm not very good because you know I'm an old born-in Brooklyn-type kid, so it's a little hard for me to say this but mas o menos, The DOD budget is \$550 billion. So you compare 1.4 trillion to 550, who are you going to market to? I'd be out there marketing to those utilities, trust me. Now last year, Southern California Edison, PG&E and Sempra did a little bit better than 21% of their spend with minorities, women and service disabled veterans. San Diego Gas and Electric was the first power company to make their goal, their own CPUC goal and go beyond it to 1.9%. And they did it because the CEO said they wanted to and it was the right thing to do. So it's up to us as a group to make sure that the CEOs in the airport and the movers and shakers of the airport and the Board get the message and make them want to not because they've got to. Okay? Now nationally, you want to add AT&T and the COX people in, that amount jumps to \$4.7 trillion. Trillion. A lot of money, I'd be marketing where the money is. Why go else places when you've got your own market to market to?

SPEAKER 2: Well I just wanted to say that this is really not just a disparity study with the airport. Well once the Disparity Study done, there's a lot of eyes open. And if we could find some entity that could be a real leader around here then everything would fall into place behind it. So I would like to encourage whoever's working on the Disparity Study to really show some leadership because it's not only the disparity at this airport, but it's all the other agencies and the state and even maybe the nation.

SPEAKER 3: I just have another question. I was just wondering how much outreach was done to let people know about this public hearing. For an airport, that's for a whole region or several counties. It's very little turnout and I know a lot of people are not going to get into the details of this kind of thing, but I am just wondering what type of outreach was done to let people know that this is happening and the significance of it.

MODERATOR: We advertised in several newspapers, including Asian, Voice and Viewpoint, Hispanic. We advertised in the general population newspapers as well as email blasts to the DBE community, our vendor management system and others. It's been on our website with the email blast and notifications and the advertisements said that the Study would be on our website and available for public comment.

SPEAKER 9: I first want to thank you for this opportunity to speak. I'm speaking on behalf of the Coalition of Concerned Women. And we did review the Executive Summary of the Disparity Study, which is very technical and an extensive study. And having also recently reviewed and testified on an audit conducted on the City's equal opportunity program, we understand the importance of the Airport Authority assuring adequate data collection and matrix to evaluate the success of its DBE program for Federally assisted and locally funded projects. Evidence in both the City's audit and the findings in the Airport Authority's Disparity Study suggests discrimination is alive and well in San Diego County, but that institutional barriers continue to exist and as a community, we need to address them on an ongoing basis. Thus, we feel that the MBEs and the WBEs should be included in airport programs and outreach efforts. We would encourage the Airport Authority to, one, increase the aspirational goals of DBEs on all airport procurements, including concessions based on the Disparity Study's availability analysis. Secondly, consider the use of race-conscious remedies to address disparities, particularly in procurements where underutilization is highest. Acknowledge, third, acknowledge that regional programs targeting local small businesses may not necessarily be sufficient to assure opportunities for historically underutilized firms, including those owned by minority group members. And, fourth, streamline bidding procedures to encourage increased participation by certified firms. And we ask, as one of the other speakers had talked about, that you be mindful that other regional agencies will be watching to see what the Airport Authority does and your agency Disparity Study may have broader implication than the obvious ones. In closing, and as I mentioned earlier, the Study seems to confirm the continued existence of institutional barriers that negatively impact people of color in San Diego. Other studies recently released by local

public agencies document failures to implement and enforce regulations, I just have two more sentences, establish to remedy marketplace discrimination. The lack of accurate or sufficient data, transparency and little attention to equal employment opportunity on the part of businesses contracting with public agencies are very serious concerns and, again, we appreciate this opportunity to give our remarks and as it was asked in terms of the outreach and participation today, in today's hearing, if you're not getting enough public input or sufficient public input, we encourage you to do another public hearing and we would be more than glad to help you with the outreach.

MODERATOR: This is the conclusion of the Disparity Study Public Forum.

END OF MEETING – approximately 6pm.