

Arizona Daily Star®

www.dailystar.com® www.azstarnet.com®

Published: 01.03.2005

City reinstates women's-business goals

Without the targets, construction contracts had been declining

By Tiana Velez

ARIZONA DAILY STAR

The city's equal opportunity office has reinstated its procurement goals for woman-owned businesses following a decrease in the number of construction contracts awarded to them.

The goals refer to the amount of contract dollars - which can range from zero to 11 percent - awarded on a project-by-project basis to a type of business, said Lyle Rayfield, program manager at the Office of Equal Opportunity Programs.

The goals differ depending on how many woman- or minority-owned enterprises are available to work on a project. If none are available, the goal is zero. But a study, commissioned in 2001 by the city and Pima County, found woman-owned businesses were exceeding those goals - receiving more contracts to the detriment of other groups.

The decision to reinstate the goals comes at the end of a year when women's procurement programs were an issue on almost every government level.

In Arizona, Gov. Janet Napolitano recently issued an executive order promoting increased competition for state contracts by small, minority- and woman-owned businesses .

The order is an additional step in a multiyear process that will facilitate the way agencies work with small and women-owned businesses, said Pati Urias, a spokeswoman with the Governor's Office.

Giving access to these groups in the state and city contracting process, Urias added, enables healthy competition, which leads to a stronger economy.

At the national level, a federal women's procurement program - or lack of one - is the central issue in a lawsuit filed against the U.S. Small Business Administration by the U.S. Women's Chamber of Commerce.

As part of the Equity in Contracting for Women Act passed in 2000, the SBA was authorized to create and implement a program restricting to woman-owned businesses access to contracts in industries that were historically closed to them.

In statements earlier this month, Margot Dorfman, CEO of the Women's Chamber, criticized the government's inability to reach its own 5 percent contracting goal. She said it would take 25 years to reach that goal, based on the current rate of federal spending with woman-owned companies.

The lawsuit against the SBA, filed in late October, is still pending.

In the city- and county-commissioned study, Georgia-based research firm DJ Miller & Associates Inc. analyzed procurement data from the city in three areas - construction, general procurement and professional services - for the fiscal periods between 1997 and 2001. While the study revealed woman-owned businesses were underused in the latter two categories, it found the opposite in construction.

Of the total \$145 million paid out to vendors from 1997 through 2001, female-headed businesses received 12.4 percent, compared with only 5.7 percent awarded to minority-owned enterprises.

The Equal Opportunity Office sets its program goals by determining the percentage of contract dollars per project that should be awarded to either woman- or minority-owned businesses.

Based on the findings, the study recommended that the goals be eliminated to fix the disparity, and at the start of fiscal year 2002, they were.

The Equal Opportunity Office continued to keep track of the types of businesses being awarded contracts, Rayfield

said.

In just one year, the percentage of total contract dollars going to woman-owned businesses sank from almost 2 percent to 0.1 percent - from more than \$1 million to less than \$50,000. The period from 2003 to 2004 yielded only slightly higher figures.

"We looked at our records and noticed a decrease in women-owned businesses. That's when Liana Perez (director of the Office of Equal Opportunity) went forward and said, 'There's a disparity emerging again,' " Rayfield said.

The reinstated goals are good news for at least one area business.

K&B Asphalt, owned by Lynne Calhoun, occasionally bids on projects submitted by the city and was awarded at least two contracts from 1995-2002, according to city records.

When the goals were eliminated, there was an initial drop in work, said Donny Russell, a project manager at K&B.

"We were probably awarded a little less, but a lot of that was also us. We became more choosy about which contracts to bid on," he said, adding that the firm will probably pursue more contracts now that the goals are back.

Others were less supportive of the program.

In comments recorded in the study, both men and women business owners questioned the success of gender-based programs like those implemented by the Office of Equal Opportunity.

Many drew comparisons to affirmative action programs, arguing that giving preference to one group of firms based on gender invalidates their skills and expertise.

But there were an equal number of comments that the goals and programs were beneficial to businesses, and helpful to competition within the industry.

The goals "definitely bring more bidders into the process, and that's always good, because you're getting some fresh faces in there, and it isn't the same businesses over and over again getting the contracts," Russell said.

• Contact reporter Tiana Velez at 434-4083 or tvelez@azstarnet.com.

All content copyright © 1999-2005 AzStarNet, Arizona Daily Star and its wire services and suppliers and may not be republished without permission. All rights reserved. Any copying, redistribution, or retransmission of any of the contents of this service without the expressed written consent of Arizona Daily Star or AzStarNet is prohibited.

Ads by Google

[Wide Open Biz Opportunity](#) • www.intentionalwealth.net

Potential for 6 figures in first year. Untapped minority market.

[Construction Management](#) • www.mitcg.com

Minority Owned Construction Management Consulting Company

[Government Contracting](#) • www.professional-certificates.com

Take Contract Management classes 100% online! Free info packs.