

# UNITED BUILDERS & CONTRACTORS, INC.

AN ASSOCIATION OF AFRICAN AMERICAN BUSINESSES

TESTIMONY  
ON  
KANSAS SMALL, MINORITY AND WOMEN-OWNED  
BUSINESS DEVELOPMENT ACT  
BEFORE  
KANSAS HOUSE COMMITTEE ON COMMERCE AND  
ECONOMIC DEVELOPMENT

February 20, 2012

By

Corelia (Cokie) Diggs

Good Morning Chairperson Brown and members of the Commerce and Economic Development Committee. I am Cokie Diggs, Chair of the board of trustees, United Builders & Contractors. Thank you for allowing me time to bring to your attention the interest and concerns of a group of small and disadvantaged business owners, from Sedgwick County and other similar sized businesses from throughout the state. All of whom are taxpayers.

United Builders is an association of African American owned construction, service and professional firms, food concessionaires, supply vendors, and related associates joined together to promote the growth and development of Wichita African American owned businesses. Our primary objective is to break down and eliminate discriminatory procurement barriers in local and state government and the private sector. These barriers restrict participation of African American and other socially and economically disadvantaged businesses and entrepreneurs in the Kansas economy.

Issues I discuss with you today have affected and continue to affect the existence of a viable small, minority and women-owned business sector in this state's economy. Therefore, **our organization is requesting that the Kansas Legislature enact a small, minority and women-owned business development law that will ensure the businesses we represent will have reasonable access to tax-supported state government contracts.** Such a law will have the

effect of saving many of these small businesses from fading out of existence as has the small family farm.

In 1984 the Kansas Legislature attempted to eliminate the disparity in state contracting with the passage of the Kansas Small Business Procurement Act. Unfortunately, the Act expired on July 1, 1988, well short of time needed to reverse bad procurement practices. That is why we are again asking for your help. The problems are as pervasive today as they were decades ago.

For generations skilled construction craftsmen have aspired to one day establish and operate their own construction companies as was the case with most members of United Builders & Contractors. For most, they started their construction careers as carpenters, plumbers, electricians, cement workers and other crafts. Today however, they, like the small farmer, are in danger of becoming extinct.

In 1968 the City of Wichita established a federally funded housing code enforcement program that operated in a low-income neighborhood, helping property owners bring their property into code compliance through grants and low interest loans.

That program, starting in 1968, renovated owner occupied dwellings and other privately owned property. It provided minority and many small majority contractors with their only opportunity to received tax supported contracts from the City of Wichita.

Some 44 years later, most African American contractors in Wichita are still relegated to performing on small rehab contracts through city government.

Passage of the proposed **Kansas small, minority and women-owned business development act** will help open up greater opportunities for these businesses to perform on larger tax-supported projects for the state and for local governments.

Since 2005 our organization has been involved in a consistent effort to encourage enactment of diversity in purchasing ordinances by the City of Wichita, Sedgwick County and the Wichita Public Schools (USD 259) without results.

It is clear, without enforceable laws, such as the proposed **Kansas small, minority and women-owned business development act**,

small, minority and women-owned businesses cannot compete effectively in the marketplace.

For decades there have been government programs such as the **minority business enterprise provision of the Public Works Employment Act of 1977** and court rulings, pro and con regarding set-a-sides and other special remedies to help underutilized minority businesses gain a foothold in the construction industry **Fullilove v. Klutznick, 448 U.S. 448; Adarand Construction, Inc. v. Pena; Richmond v. J.A. Croson Co., 488 U.S. 469.** However, minorities and disadvantaged contractors have not made significant progress in the industry and are no better off today than they were in the 1960s.

Throughout the United States, African Americans workers and contractors have gained only limited access to the construction industry. Not until President Johnson issued Executive Order 11246 in 1965 and the U.S. Department of Labor imposed equal opportunity employment standards for companies with federal contracts and their unions in Philadelphia in 1969, did conditions improve somewhat for minority construction job applicants.

However, conditions did not, and have not, improved significantly for minority and disadvantaged contractors and business owners. That is the reason we appear before you today, asking that you join other states that have helped small businesses within their jurisdictions through the enactment of small, minority and women-owned business development programs with enforceable goals.

Your positive action on this matter will ensure our businesses are given opportunities to bring more jobs to our communities and thereby lift more families out of poverty. **In short, we are asking that there be fairness in the state's purchase of goods and services.**

I have provided you with 23 pages of written testimony. It highlights experiences of several of our members as well as summaries of two studies related to the difficulty they encounter attempting to do business in Kansas.

Thank you for listening. I will be happy to answer questions you may have.

The following are summaries of studies that highlight barriers confronted by minority business enterprises as they conduct business in Kansas. One study was prepared by the Urban League of Wichita for the Kansas Department of Transportation and the other for the City of Wichita by a City Council appointed citizen's taskforce.

### **KANSAS DEPARTMENT OF TRANSPORTATION STUDY**

The purpose of the KDOT study was to, 1) identify minority business enterprises in Kansas, 2) identify existing problems confronting minority contractors and minority business enterprises, 3) make specific recommendations for alleviation of identified problems, and 4) construct a register of Kansas minority contractors. The KDOT Study was completed and published in 1976.

“During calendar year 1975, the Kansas Department of Transportation (KDOT), awarded contracts valued in excess of \$86 million, of which minority contractors received \$2.58 million, or 3% of the total awarded. Furthermore, 93% of the value of the contracts awarded to minorities went to two firms, both owned by members of the same family. Due to increasing concern about the lack, of minority contractor participation in highway construction projects within the State of Kansas, the Kansas Department of Transportation entered into a contract with the Urban League of Wichita, Inc., to conduct a study of existing problems confronting minority contractors and minority business enterprises and to recommend a positive plan or program for improving the effectiveness of the current program.

Urban League conducted interviews with 139 minority entities throughout the state. Such minority business entities include those contractors, minority business enterprises, minority firms, and minority business firms stated

herein, and are defined as businesses of which at least 50% are owned by minority group member(s), (minority group members are Blacks, Spanish surnamed Americans, American Orientals, American Indians, American Eskimos and American Aleuts), and which have been established as bona fide business entities for a period of at least two years.

Disadvantaged contractors and small contractors are defined as entities which may or may not be at least 50% owned by minority group member(s), and shall not have earned gross receipts of more than \$500,000 each year for either of the past two years.

The identification of minority firms was accomplished with the aid of: the Kansas Office of Minority Business Enterprise - Wichita and Topeka, the United Contractors Association of Wichita, MO/KAN of Topeka and Kansas City, and Chambers of Commerce throughout Kansas.

Each interview took the form of the minority contractor responding to questions from a confidential questionnaire (see Appendix A). In addition to the minority business concerns and minority contractor interviews, seven majority contractors were interviewed utilizing the same technique with a slightly different questionnaire and selected officials of the KDOT were also interviewed.

## **DISCUSSION OF RESULTS**

Once the data collection phase of the project had been completed, the minority contractor register was prepared, and is attached to this report as a separate document. This register not only identified minority contractors but also general experience, configuration of company, and areas of interest. Summary statistics for some of these categories are as follows: 63% of the

minority firms interviewed was configured as a sole proprietorship, 22% as a corporation, and 14% as a partnership. Two firms did not identify their configuration.

Of the 139 interviewed firms, twelve had previous experience with the KDOT. The average number of years experience for these twelve firms is nineteen years. Of the twelve, seeding was the primary activity of six firms, heavy construction the activity of two firms, signing the activity of one firm, refuse hauling the activity of one firm, trucking the activity of one firm, and general construction the activity of one firm.

A comparison of the length of time contractors have spent in firms in current operation, with the total length of time spent in that field, revealed that minority contractors showed considerable stability. Of the contractors surveyed, less than 10% had been operating fewer than 2 years, while approximately 20% had been in business at least 20 years.

Bonding was identified as the most significant barrier to minority participation in KDOT contracts. Historically, bonding companies look at a contractor's liquid assets, capability, and character. Minority contractors, not unlike many majority contractors, received their construction training through employment with older majority construction firms. However, due to discriminatory employment practices, such as denial of promotions into foreman/ superintendent, estimator and project manager positions, minority contractors, for the most part, were not able to gain the kinds of management and technical skills necessary to maximize the probability of successful growth and development. With such limitations, minority contractors find it almost

impossible to measure up to the capability criteria of surety firms. Likewise, the difficulty in obtaining bonding along with discrimination in obtaining contracts, has kept minority contractors from developing adequate assets. Finally, due to the social structure in this state and country, minorities have not had the opportunity to develop social and business relationships with bankers, surety agents, etc., and thus have a difficult time in demonstrating their "character" to a surety company. Without the ability to become bonded on significant size jobs, the minority contractor is prevented from establishing a reasonable growth pattern. The problem of bonding is thus a crucial one for the future of minority contractors.

The viability of a strong group of Kansas minority contractors depends, in part, on an effective mechanism to secure easier credit and financing. There was found to be no strengths in these areas among the contractors surveyed. By contrast, it was typical to find among those majority contractors surveyed, instances where they provided financial and technical aide or assistance to small majority firms who also had normal access to adequate venture capital from financial institutions. These same inducements to entering the construction field were not found to be available to the minority contractor.

The second most often identified problem was prequalification. It is recognized that a need exists for prequalified contractors, but the present process also prevents the small business from engaging in growth oriented projects. The KDOT has taken a step in the right direction by not requiring CPA certification of financial position for contracts below \$300,000. Nevertheless, the same effects of discrimination as discussed in bonding are felt in prequalification. The prequalification process requires the firm to have had considerable

experience, a large amount of working capital, and the necessary equipment if the prequalification rating is to be reasonable. However, all of these areas are sensitive to discrimination against minority contractors. Because minorities have been prevented from engaging in significant construction projects in the past, it is unreasonable to expect them to have the type of financial statement that would allow them a high prequalification rating.

The lack of capital needed to obtain the necessary equipment for highway construction was also identified as a problem. Equipment used in highway construction requires a considerable outlay of capital that the minority contractor does not have. Even working capital for day to day operations is a significant problem and having to wait for payment of any work completed can put extreme strain on the financial position of a minority contractor.

Highway construction requires a variety of specialized skills that are often learned through on-the-job experience. As stated previously, many minority contractors acquired highway construction experience with majority firms before establishing their own but were denied opportunities for gaining specialized skills through promotions to more responsible positions with the company.”

I can not tell you if any of Urban League’s recommendations to KDOT were adopted. I can say however, that KDOT does set goals for disadvantaged business enterprise participation on its federally assisted projects.



## **CITY OF WICHITA STUDY**

In response to charges of overt discrimination by city agencies in the awarding of construction contracts, Wichita's governing body, the Board of City Commissioners, adopted, in 1977, a Minority Set-A-Side program requiring that 10 percent of the value of all Capitol Improvement Project work go to minority business enterprises. This program resulted from a two-year negotiation between a coalition representing minority contractors and representatives of majority construction firms. This program provided several minority contractors with opportunities to perform on city projects as prime and subcontractors. Unfortunately the program was terminated in December of 1979.

In 2003 charges of discrimination were again leveled at the city by minority contractors. In response the Wichita governing body established a Wichita Supplier Diversity Task Team to investigate the allegations of racial discrimination in the City's purchasing process. Among Task Team findings were the following:

- “1. A 1994 Disparity Committee Study concluded that there is effectively no Small Disadvantaged/Women Owned Business program in existence in the City of Wichita.**
  
- 2. Recommendations from the 1994 Disparity Study largely either were not implemented or not accomplished.**
  
- 3. The Small Disadvantage Business Enterprise trends with regard to the absolute amount purchased (down by 47% in**

2003 compared to 2000) and the percentage of the total purchase (down from 2.4% in 2000 to 0.7 % in 2003) have declined steeply –and the latter is low by any measure.

4. The 1994 Disparity Study states that “the City has fallen short on its minority goals (The Diversity Task Team could find no evidence that there were ever any goals or metrics established.)
5. Goals and objectives for purchase from SD/WOBE’s are not a part of the City’s purchasing strategy.
6. There is a general feeling among business owners interviewed that previously established relationships with City personnel greatly influence purchasing decisions.

In its March 3, 2004 report to the City Council, the Wichita Supplier Diversity Task Team advised that “There is dramatic room for improvement in the level of purchases from small minority owned and small women owned businesses. However, this improvement will not occur without increased intent and effort by the City of Wichita. The City has to adopt a ‘find a way’ attitude.”

In an unrelated 2006 fourth quarter Financial Report to the Supplier Diversity Task Team, the City’s Purchasing Department’s total payments for goods and services for the three months ending December 31, 2006 were \$ 67,254,650 African American firms received \$255,428 or 0.00379 percent of the total.

Of the 15 African American firms listed in the report, two shared 74 percent of payments to the group. Other racial minority vendors achieved slightly better results. For example:

- Asian firms earned \$410,595.90
- Hispanic firms earned \$7,836,454.33
- Native American firms earned \$648,780.95
- Women owned firms, not including African Americans, earned \$2,491,461.90.

During the preceding three quarters of 2006 the City spent a total of \$180,490,984. African Americans earned \$617,637 For the whole of year 2006 the City of Wichita spent \$247,745,635 for goods and services. However, African Americans received less than \$1 million.

The Wichita Eagle newspaper has published several articles highlighting City Hall discussions, meetings and hearings regarding minority business complaints of limited opportunity to provide goods and services to the City of Wichita.

An illustration of how badly some minority businesses have been treated by their local governments is highlighted in the following case studies.

### **Case Study #1. Sarah's Ice Cream**

Steve Habtemariam, an African American, and his family, dba Multi-Business Services Corp., and owners of Sarah's Ice Cream, received an expensive education in their attempt to continue in business as a concessionaire in the Wichita airport's main concourse while the city and its agent wanted to move a national brand competitor into Sarah's space.

In 2006, after 16 years of providing excellent service to the traveling public, visitors and airport employees, the Habtemariam's ran headlong into corporate America's desire for sameness and the city's desire for brand names in the airport. The Habtemariam's were told by Host Marriott, the city's agent and the airport's primary concessionaire, that his business would have to move from their current location to a less visible and less profitable spot in the airport terminal so that Starbucks Coffee could move into their current spot. In the eyes of Host Marriott and city administrators, Sarah's was just a small black owned business and not deserving of a prime business location in the gateway to Wichita.

Since the Habtemariam's contract for Sarah's Ice Cream was up for renewal Host Marriott assumed they could just order them to give up their space and there would be no problem. Only after the Habtemariam's appealed for and received support from the African American community and an appearance before the Wichita City Council, and an order from the Council did Host Marriott and the City Manager take the Habtemariam's desire to stay in their location seriously.

After months of additional negotiations a contract was agreed to, keeping Sarah's Ice Cream in its previous and desired location.

### **Case Study #2. McFadden Construction**

John McFadden, an African American, dba McFadden Construction, has worked as a contractor on City of Wichita projects since 1980, first as a home builder and housing rehab contractor and then, starting in 1988, he focused on paving streets and sidewalks. Contracts he received ranged between \$100,000 and \$300,000. In 2006 McFadden decided that he had the experience and management capability to perform on much bigger projects. He therefore bid on and won a \$1.3 million street paving project that also included underground utility work that he was to subcontract to a major general contractor in the city. However, a city purchasing department staffer, on his own, decided that McFadden should not have this particular project and went about seeking means to disqualify him. As a result, this city staffer discovered that the bonding company McFadden had used for six or seven years on city projects was not officially registered to do business in the state of Kansas and therefore McFadden in fact had no bonding.

McFadden's subcontractor offered to place the project under his bond but the city would not allow that and gave McFadden hours to come up with new bonding. That not being possible, the project was awarded to McFadden's bidding competitor. The city's action essentially put McFadden out of business.

### **Case Study #3. Minority Contractors & Consultants, Inc.**

Moses Thompson, an African American, dba Minority Contractors and Consultants, Inc (MCCI), negotiated a contract with the City of Wichita for the removal of asbestos prior to demolition of the former LaQuinta Inn. Thompson submitted a \$413,683 quote to the city purchasing department to perform the required work. In a face to face meeting with city staff, the staff responded to Thompson's bid with a \$350,000 offer. Also at this meeting was Bob Helsel, representing Precision Environmental Services, a competitor of MCCI and agent of the City of Wichita. The city had hired Precision as the project manager of the hotel abatement project. Helsel suggested to the city staff that MCCI only be paid \$300,000 for work on the project. The city accepted that suggestion and used it as its negotiating ceiling.

Reluctantly, MCCI agreed to accept a \$300,000 contract to perform asbestos removal at the vacant LaQuinta Inn. However, before a contract was signed, MCCI received a letter from Purchasing Manager Melinda Walker with the following contract conditions:

1. Work with Precision Environmental Services, which is the City's third party contractor that will provide air monitoring and be the project manager.
2. Provide the City of Wichita with a "cost not to exceed" price for this Asbestos Abatement for the former La Quinta Inn.
3. Your company will be able to provide a Performance Bond and Labor & Material Payment Bond in the amount of one hundred percent of the cost price.
4. Complete this job within the 60 working day time frame.

Conditions # 1 and # 4 concerned MCCI. The project was too big to complete in 60 days and Thompson had already explained to Walker and her staff that MCCI and Precision Environmental Services had a previous working relationship and that relationship exposed Precision Environmental Services as having a prejudicial attitude toward MCCI,

and Moses Thompson in particular. It was reported to Thompson, a year or so earlier, that Leon Conway, president of Precision, in a public meeting, was over heard to state "...not to worry about Moses, he (Conway) would break him." Based on the prior negative experience working with Precision, Thompson expressed his concern to city staff about Precision's participation on the project with him. The Walker letter implied that MCCI accept the conditions or there would be no contract.

MCCI was not the first choice of the Purchasing Division to perform abatement work even though MCCI was in the second year of a two-year contract with the city for asbestos inspection and abatement. Only after a complaint to the City Manager did Purchasing comply with contract #PB600055 and begin to negotiate with MCCI.

It is apparent that because Moses Thompson had the audacity to challenge the purchasing manager's decision to bid this project instead of negotiating with MCCI, plans were set in motion to drive MCCI out of business. The city's agent, Precision Environmental Services, through its employee Bob Helsel, set about trying to do just that through changes in work orders, re-inspections and delays designed to impede progress and drive up cost to MCCI. The result of this action is that MCCI encounter massive cost overruns on the project resulting in a loss of bonding, essentially putting the company out of business.

The mission statement in the city's Emerging and Disadvantaged Business Enterprise Policy and Procedure Manual states: "The City of Wichita is committed to ensuring equal opportunity, promoting diversity and enhancing economic opportunities for Emerging and Disadvantaged businesses." The program's Policy Statement in that same manual states in part "The City of Wichita is committed to the development and support of Emerging and Disadvantaged Business Enterprises. It is the policy and commitment of the City of Wichita to provide Emerging and Disadvantaged businesses the maximum opportunity to participate in, compete for and be utilized by the City of Wichita in its procurement of goods and services."

The actions of city staff in the above three cases and others involving African Americans are a clear violation of the city's diversity programs and raise questions about the purpose of their Emerging and Disadvantaged Business Enterprise Program. City payment reports from January 2006 through December 2008 highlight even more

graphically the disparity in city contracting. The City's total expenditures for goods and services during this time frame were \$702,147,070.58. During that same three-year period African Americans only received \$1,909,193.30 in payments.

### **Sedgwick County, Kansas**

Unlike the City of Wichita, Sedgwick County has no written equal opportunity or diversity procurement policies and programs, and no history of providing information about efforts to recruit minorities businesses, particularly African American, to provide goods and services. An example of the County's reaction to an African American business effort to secure a county contract is highlighted here.

### **Case Study. TCV Publishing, Carter-Sherman Broadcasting & DigiSigns, Inc.**

Sedgwick County, Kansas published a Request for Proposal on May 25, 2006 to acquire "Out Reach Marketing/Media Services for the Sedgwick County Health Department (Northeast Wichita Healthy Start Initiative)." This program was targeting residents of Wichita's African American community. TCV Publishing, an African American owned newspaper publishing company targeting the African American community, Carter-Sherman Broadcasting, an African American owned broadcasting company, operated an urban radio station that broadcast an R&B and Hip Hop format and DigiSigns Inc., an African American owned digital sign and information display company, formed a joint venture and responded to the County's RFP. The County had sent Request for Proposal notice to 17 media and marketing firms, none of which were African American. Proposals were received and opened on June 6, 2006. Award to the best proposer was to take place on June 21, 2006 after acceptance by the Board of Sedgwick County Commissioners. While TCV Publishing and joint venture partners submitted the best overall proposal the recommendation to the Board of County Commissioners was to approve all responders.

After complaints by TCV to its County Commissioner and the County Managers office the project was withdrawn from the commission agenda. Almost a year later the Outreach Market/Media Services project was revived but changed to a straight purchase of services procurement. This action left TCV Publishing little chance of receiving contracts to provide service to Sedgwick County.

Following five years of meetings with Sedgwick County staff and the Board of Commissioners at which UBC repeatedly requested that the county enact diversity in purchasing resolution, the manager, in a March 31, 2010 email to the county commission chairman, stated “I am proud of our efforts in this area.” Later, in a June 3, 2010 Wichita Eagle news article about the issue, the manager is quoted as saying “he thinks the county has done a pretty good job of being diverse in its purchasing.” The Manager’s statements follow a county report that shows 2008 expenditures of \$222 million on goods and services with African Americans received only \$ 53,000 of the total expenditures.

### **Wichita Public Schools, USD 259**

In November of 2008 voters in Wichita passed a \$370 million bond initiative for school construction. African American voters were credited with providing the margin of victory. The addition of some federal and state funds may bring the total available dollars to be expended on more than 91 projects to over \$500 million.

The Wichita Board of Education, USD 259 adopted its first disadvantaged business enterprise purchasing policy in June of 2009. But even with this policy in place, USD 259’s Director of Operations, at a meeting for contractors to discuss implementation procedures for the \$370 million school construction program, stated in response to a question, “is there a diversity requirement on this program,” “no, there is no diversity requirements.” That statement in a room full of white contractors had the effect of hanging a Jim Crow era WHITES ONLY sign on USD 259’s money trough. What makes matters worse is the fact that federal dollars will be used to build safe rooms in new and remodeled schools.

USD 259’s plans for 91 projects does not include provision for utilizing African American businesses and especially the nationally known local architect highlighted here.

### **Case Study. McAfee3 Architects (Charles F. McAfee, FAIA, NOMA, PA)**

Charles F. McAfee, born, raised and a lifelong resident of Wichita, Kansas, is a graduate of the University of Nebraska, School of Architecture. While maintaining the office he opened in Wichita in 1963 as his headquarters, years ago he branched out to offices in



Dallas, Texas and Atlanta, Georgia which are managed by two daughters who themselves are well experienced architects. McAfee is the only African American owned and managed architectural firm in the state of Kansas. The 46 year-old award winning firm specializes in Design, Program Development and Management, and, Planning and Construction Administration.

The Wichita Public Schools has already selected architectural firms to design the projects. The McAfee firm was not among those selected to design any of the 91 projects, not even projects in the African American Community.

It's ironic that in 2009, Charles McAfee, in his hometown, was still unable to overcome the fact that he is African American, while at the same time he is celebrated as an award winning designer and finds great success in other areas of the country. For example, McAfee was the lead architectural firm for the design and building of the \$1 Billion 32 venues 1996 Atlanta Olympics. And yet, with all of his experience and expertise, the Wichita Public Schools was not able to let McAfee design one project, not even one in the African American community.

USD 259 reports 2008 expenditures for goods and services at \$332,718, 537.74 and African American payments at only \$10,887.00. USD 259 reports spending \$951,158,424.99 on goods and services during the three year period of 2006 through 2008. During that same time span African American received only \$352,718.95 in contract payments.

### **STATE OF KANSAS**

Our organization has not received good data on expenditures for the purchase of goods and services from African American and other disadvantaged businesses by the state of Kansas. However, the Kansas Department of Transportation, Office of Civil Rights, provided the following information on KDOT's expenditure of federal aid funds during FY 2009. State allocated funds are not included.

“Total dollars awarded to prime contractors:

\$469,589,858.12

Total Amount committed to DBEs:

\$39,075,409.00

Amount to DBEs breakdown by ethnicity & gender:

Black American \$ 3,175,964.83

Hispanic American 5,064,612.56

Native American	7,894,221.37
Asian/Pacific American	1,943,493.60
Non-Minority Women	20,997,116.64

This information is based on federal aid projects let by KDOT for the period: 10/1/08 through 9/30/09.”

*Debra A. Hepp*  
 Program Consultant II  
 Office of Civil Rights  
 Kansas Department of Transportation

## CONCLUSION

Upon returning home from World War II, thousand of veterans, including African Americans, used their GI Bill to pursue education and job training goals. Many African American veterans received training in construction trades. A number of these men migrated to Wichita, seeking work in the construction industry. They came from Arkansas, Texas, Mississippi, Georgia, Alabama, Louisiana and Oklahoma. Their timing was bad. Major contractors in Wichita were not hiring African Americans as craftsmen during the late 40s, 50s, and early 60s. Many relocated to other states where opportunities were greater or returned home.

Those veterans who remained in Wichita worked odd jobs to earn enough money to purchase basic tools of their trade and went into business as small job contractors. Some of these men were the contractors I worked with beginning in 1969. Today, I am working with some of their sons. The sons are confronted by many of the same barriers that their fathers first faced more than 60 years ago.

The solution to this problem is for the legislature to enact the proposed Kansas Small and Disadvantaged Business Development Act. Passage of this bill will say to prime proposers, bidders and government employees and officials on state projects that government will mandate opportunities for African American, other minority and women owned business participation on tax-supported projects. That is the only way the businessmen and women our organizations represents will have a fair opportunity to compete for work on projects that their tax dollars help finance.

# **ATTACHMENTS**

## CITY OF WICHITA 2008 EXPENDITURE FOR GOODS AND SERVICES

MINORITY GROUPS	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL
ASIAN	\$66,081.29	71,099.43	\$267,780.70	\$489,238.98	\$894,200.40
AFRICAN AMERICAN	68,886.52	102,967.44	115,327.64	106,385.10	\$393,566.70
HISPANIC	2,743,133.31	4,954,962.23	7,482,316.44	11,612,410.15	\$26,792,821.92
NATIVE AMERICAN	123,567.62	277,335.58	359,042.50	642,107.96	\$1,402,053.66
WOMEN	2,422,206.54	3,982,814.15	4,187,628.72	2,612,667.80	\$13,205,317.21
<b>TOTAL MINORITY RESULTS</b>	<b>\$5,423,875.28</b>	<b>\$9,389,178.83</b>	<b>\$12,412,096.00</b>	<b>\$15,462,809.99</b>	<b>\$42,687,960.10</b>
<b>TOTAL G&amp;S EXPENDITURES</b>	<b>\$38,279,423.82</b>	<b>\$57,257,251.45</b>	<b>\$68,929,209.76</b>	<b>\$73,961,678.94</b>	<b>\$238,427,563.97</b>

Note1: In the second quarter of the total G&S expenditure line is a \$521.00 payment to a veteran business enterprise that does not show again in the report.

Note 2: African Americans continue to lose ground in their effort to provide goods and service to Wichita city government. and services to Wichita city government. While the other four minority groups tracked by the city's purchasing department have shown significant growth over the past three years, African American continue a long slide down the economic ladder.

Note 3: Three year comparison:

Wichita's 2006 purchase of G&S amounted to: \$247,745,634.84  
African Americans received only \$873,065.93 in contract payments for the entire year

Wichita's 2007 purchase of G&S amounted to: \$215,973,871.77  
African Americans received only \$642,560.67 in contract payments for the year.

Wichita's 2008 purchase of G&S amounted to \$ 238,427,563.97.  
African Americans received only \$393,566.70 in contract payments.

Data Source: City of Wichita Emerging Business Enterprise Quarterly Reports, prepared by Janice K. Briggs  
Purchasing Div., Department of Finance

# Sedgwick County 2008 Expenditure Report

FW: Sedgwick County 2008 Purchase of Goods and Services

"Baker, Iris" <ibaker@sedgwick.gov>

View Monday, June 8, 2009 7:40:40 AM

To: Prentice Lewis <plewis\_builders@swbell.net>

Cc: "Buchanan, William P." <wbuchana@sedgwick.gov>; "Chronis, Chris" <cchronis@sedgwick.gov>;

"Holt, Ronald" <rholt@sedgwick.gov>

Prentice, per your request, the following are 2008 statistics. The chart reflects the dollars spent on goods and services and also shows activity with and without the arena included. Feel free to call if you have questions. Thanks.

	Dollar Amount	Percent of Amount	Percent of Amount (less Dondlinger/Hunt expenditure)
Totals	\$222,850,195.76*	3.39	4.92
African American	\$53,130.87	.02	.03
Asian	\$379,551.23	.17	.24
Hispanic	\$3,378,802.47	1.52	2.20
American Indian	\$192,299.04	.09	.13
Other	\$1,463,315.01	.66	.95
Women Owned Business	\$2,078,380.28	.93	1.36

\*Of the \$222,850,195.76 spent, \$69,501,500.00 went to Dondlinger/Hunt for the Arena project.

Iris Baker  
Purchasing Director

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## Wichita Public Schools

MINORITY GROUPS	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL
ASIAN	\$1,950.00	\$820.50	\$10,916.50	\$221,814.82	\$235,501.82
AFRICAN AMERICAN	\$0.00	\$0.00	\$900.00	\$9,987.00	\$10,887.00
HISPANIC	\$300.00	\$100.00	\$12,763.43	\$0.00	\$13,163.43
NATIVE AMERICAN	\$5,247.00	\$2,089.00	\$30,200.32	\$31,617.00	\$69,153.32
WOMEN	\$57,747.00	\$93,197.38	\$60,802.75	\$101,502.21	\$313,249.34
TOTAL MINORITY RESULTS	\$7,497.00	\$3,009.50	\$54,780.25	\$263,418.82	\$328,705.57
TOTAL G&S EXPENDITURES	\$65,244.00	\$96,206.88	\$115,583.00	\$364,921.03	\$641,954.91

**Three year comparison:**

<b>2006 expenditures for G&amp;S:</b>	<b>\$300,373,789.73</b>	
Asians received:	\$699,290.53	0.232807%
African Americans received:	\$322,078.76	0.107226%
Hispanics received:	\$7,172.78	0.002388%
Native Americans received:	\$82,227.47	0.027375%
Women Owed received:	\$870,291.51	0.289736%
<b>2007 expenditures for G&amp;S:</b>	<b>\$318,066,097.52</b>	
Asians received:	\$395,024.06	0.124196%
African Americans received:	\$19,753.19	0.006210%
Hispanics received:	\$6,895.84	0.002168%
Native Americans received:	\$49,475.50	0.015555%
Women Owed received:	\$409,154.03	0.128638%
<b>2008 expenditures for G&amp;S:</b>	<b>\$332,718,537.74</b>	
Asians received:	\$235,501.82	0.070781%
African Americans received:	\$10,887.00	0.003272%
Hispanics received:	\$13,163.43	0.003956%

**Native Americans**

**received: \$69,153.32 0.020784%**

**Women Owed received: \$313,249.34 0.094148%**

Data Source: USD 259 Purchasing a department in the Division of Operations.

Prepared by: Vickie Foss, CPPO  
Purchasing Manager