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## Concerns expressed at hearing

by Christian Morrow  
Courier Staff Writer

The commonwealth of Pennsylvania has formally unveiled its streamlined purchasing and minority contracting initiative, first outlined in a New Pittsburgh Courier exclusive last month.

And although those who attended the public hearing on the Supplier Diversity Initiative, hosted by the African American Chamber of Commerce, liked what they heard, some said they are concerned about the details.

Department of General Services Secretary Don Cunningham—joined by Deputy Secretary Peter Speaks, Democratic state Reps. Jake Wheatley and Joe Preston Jr., Allegheny County officials and about 40 chamber members—tried to allay those concerns.

"By almost any measure, the commonwealth's performance in creating opportunity for disadvantaged business has been abysmal," said Cunningham. "We can and must do better. This initiative is an aggressive, comprehensive effort I believe will generate significant opportunities for minority- and women-owned businesses."

Basically, the initiative will reduce state procurement costs by consolidating 15 purchasing departments into one and taking advantage of bulk pricing for multiple agencies, retraining agents in commodity-specific areas of expertise, and holding online, reverse auctions to get the best deal.

However, the "best deal" does not mean just the best price, said Cunningham. During a test-run purchase of 12,000 computers for the Department of Public Welfare and PennDOT, he said the system produced a 34 percent price reduction for the winning bid—the second lowest.

Cunningham said DGS has an overall disadvantaged-business target of 10 percent.

"We built into the specs a minority-distributor requirement," he said. "The lowest bid didn't include one, so we went with the next one."

The other change in purchasing aimed at increasing state M/WBE contracting involves reciprocal certification of disadvantaged firms.

By accepting certifications—that agree with state criteria—from other state and municipal agencies, national minority trade associations and federal entities, the state can increase its pool of potential minority vendors, while reducing the onus on firms to seek multiple certifications.

Eustace Uku, president of EXICO, who monitors minority participation on construction projects, made two recommendations to strengthen the initiative; be careful who you accept certifications from, and set separate MBE and WBE goals.

"At least one of the national agencies you mentioned certifies firms with as little as 30 percent minority ownership as MBEs," he said. "Clearly, that is unacceptable."

Uku also said without separate minority and women participation goals, MBEs could be squeezed out by WBEs and the state would still reach its 10 percent goal.

Clarence Curry, whose CFC-3 management services also monitors construction contracting participation, said he thinks the initiative "puts the cart before the horse."

"There are specific guidelines for procedures. I know they mean well, but there is no implementation plan to make it happen," he said. "Until they publish the guidelines, we won't know if it's a new DGS or not. The jury is still out."

Speaks said he and Cunningham will review the comments made at the Oct. 9 hearing and will lay out a strategic plan to accomplish their objectives. He added Gov. Ed Rendell will issue an executive order outlining many of the initiative's details by week's end.

an executive order outlining many of the initiative's details by year's end.

"We have a statutory requirement that 'minority firms' be 51 percent minority owned. If they are not we simply will not accept certification," said Speaks. "We have a series of meetings planned with these entities and will have a definitive list by the end of the year."

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