

All efforts coming from procurement offices located in Washington, DC are null and void of outreach for the inclusion of Black owned businesses.

National Black Chamber of Commerce 1350 Connecticut Avenue NW Suite 405, Washington
DC
20036
202-466-6888 202-466-4918 fax
www.nationalbcc.org
info@nationalbcc.org

March 5, 2007

Honorable Albert Wynn

Via email to:

Re: Federal Procurement in the Gulf Rebuilding

All efforts coming from procurement offices located in Washington, DC are null and void of outreach for the inclusion of Black owned businesses. The “minority business” component consists mainly of Alaska Native Corporations (subsidiaries of large white owned firms with some paper tie to a tribe in Alaska). It appears that almost 80% of reported minority business goes to ANC's.

This is pretty disgusting when they are large white corporations being listed as 8a firms.

Many of these firms are receiving contracts outside of their core competency and sub them off to other large firms for completion.

The other 20% is being assigned to firms who will eventually subcontract much of the work out to non-minority firms as the volume exceeds reality. Most of these firms who “carry the paper” for these contracts are Asian. These forms of charades cause this office to not accept any minority business report from any federal agency until it is audited by us.

After the audit, Black business will at best approach a 2% level.

In essence, if the contract is coming directly from Washington, DC there will be no inclusion of Black businesses. We have been successful in securing contracts from large corporations who have received the infamous no bid gifts from Homeland Security and the US Army Corps of Engineers. Bechtel, Shaw, Flour and a few others are starting to award sizeable contracts to aggressive Black owned firms. They are doing this out of their own need and commitment.

There is absolutely no enforcement coming from any federal entity.

One model that has proven it to be effective is the State of Mississippi’s Minority Small Business Development Division. This is a partnership between the state and the federally funded Procurement Technical Assistance Counselors (PTAC).

They have five offices throughout Mississippi and provide through email every federal, state, county and city bid/RFP that is available in the state.

The year before Katrina, this office did \$70 million in small, minority bids.

In the year after Katrina, they achieved over \$700 million in awarded bids for its constituents.

Governor Barbour has funded this effort effectively.

In addition, the Mississippi SBA has been quite active in working with the PTACs.

The State of Louisiana has no comparable program. The evidence of SBA and PTAC activity is miniscule at best. I have not seen nor heard of any citing of SBA employees in over a year.

At the request of Mayor Nagin, we have formulated a Bonding Assistance Program to help the City meet its 35% goal for its local contracting. The State of Mississippi has now adopted the program under the management of the above office.

The State of Louisiana has yet to voice interest.

The NBCC has four affiliate chapters in Louisiana and a statewide chapter in Mississippi. We are quite proud of their efforts dealing with the local agencies and breaking loose some noticeable opportunities.

It is understood that at this time we will not receive any outreach or assistance from the federal government.

Our contractors are banding together and approaching local opportunities head on.

The federal government is not what it used to be.

Attached please find an active SBA Complaint that I have given to the Inspector General of the SBA. He has acknowledged receipt and is preparing a response. Also, please find a couple of emails from our New Orleans chapter that will give you a good flavor of what our contractors are going through.

I am in the Gulf Region at least twice per month. Please do not hesitate to use us for assisting in any effort you propose. Your interest and leadership in this battle is greatly appreciated.

Harry C. Alford

HARRY C. ALFORD

President/CEO