

**TESTIMONY BEFORE  
SELECT COMMITTEE ON THE  
UTILIZATION OF MINORITY, WOMEN AND  
DISADVANTAGED BUSINESS IN  
COMMONWEALTH OF PENNSYLVANIA  
CONTRACTING**

**House Resolution 78  
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Good morning Mr. Chairman, Members of the Committee – my name is Rosemary Chiavetta and I thank you for the opportunity to come here and testify today.

I am an attorney, lobbyist and consultant successfully in private practice for the past ten years, and in February of 2002, I became certified as a woman business enterprise. Although professional services do count toward the points that a company can earn when being considered for a contract award, the five inquiries I have received from prospective contractors in the past 7 years were not interested in professional services. So I did not pursue the full parameters of what I might achieve if I heavily advertised my women business enterprise status.

But with a tough economy I decided that I needed to expand my business opportunities in other directions. And when I started hearing about the various projects that could receive stimulus monies from the American Recovery Act, I started to make some inquiries and discovered that to its credit, the Rendell Administration intended to make minority and women owned business participation a must when companies applied for stimulus funds, and I applaud the Administration for doing so.

I also applaud this Legislature for taking these steps to better insure minority and women owned business participation in state contracting - so I offer these few suggestions which I think will help eliminate the barriers that I believe still exist.

First, make real use of your greatest asset – the current Bureau of Minority and Women Business Opportunities in the Department of General Services. The people working there are dedicated, friendly, and will bend over backwards to help any business with certification or updates to their codes or how to get your business better known to potential vendors and bidders. As I stated, I never really pursued the opportunities that might be out there, but when I began to educate myself on how the process works, the Bureau became a true friend.

So my first suggestion is give the Bureau some real teeth to enforce required participation from every bidder. This employs workers in small businesses who in turn pay taxes back to the state and

enhances your revenue collections. It's better than having those small businesses lay off workers and produce nothing but an unemployment statistic. I am not suggesting subsidizing companies or giving work to those who are unqualified to do the job. Indeed there may be times when a specific contractor cannot find a qualified disadvantaged business to partner with. What I do advocate is a good faith effort to allow qualified small businesses the opportunity to prosper, grow and create jobs.

Second, I have spoken with companies that find it difficult and time consuming to research the minority and women business database. It would be very helpful and would no doubt increase participation levels if each time a procurement document is released for bid – a list of qualified minority and women business entities and the corresponding codes under which they are certified was attached to the document packet. Numerous other requirements are attached, so why not a minority and women business list making it easier for prime contractors to contact us?

Third, look at sole source, no-bid contracts. Every one of these contracts should be required to have minority and women business participation or at least small business participation. Often these contracts are awarded to large firms which should not be exempt from the requirement.

Fourth, the billions of dollars of stimulus money that are about to be passed out for various projects in Pennsylvania should not be awarded to any prime contractor unless the bid has achieved 10 to 20% participation by minority or women business sub-contractors. With the billions of dollars about to be deployed, small business is the backbone of our economy and the key to restoring it. It would be an insult if small business was shut out of the process. I implore all who have oversight in handing out funds under the Recovery Act not to let that happen.

Finally, if you are going to require participation, then don't do it half measure. No public monies – whether directly or indirectly – whether for commodities or services – should be spent by this Commonwealth without some level of participation by disadvantaged small businesses. In addition, this Commonwealth appropriates billions of

dollars to municipalities, school districts, the state system of universities and other educational institutions – and all of them spend those state dollars on contracts for commodities and services. Therefore, those entities should also be required to seek minority and women business participation when spending those state appropriated dollars. The Commonwealth's funds should be spent for the Common wealth!

There has been criticism about the use of minority and women business contractors – that this process only seeks to create an entitlement or spread around the wealth. Small business is the last real bastion of capitalism in America - its not Wall Street or corporate America or Detroit – when you work for yourself, it takes determination and creativity to go it alone – it is the epitome of the survivor spirit – you eat what you kill, and if you fail, you fail totally – no one is there with a check to bail you out. That attitude and determination would strengthen any prime contractor seeking to do business with the Commonwealth. We bring variety and fresh ideas, and we also know when to just be a team player.

Thank you again for allowing me to present these suggestions for making this process more open for minority and women business participation. I will be happy to answer any questions posed by the Committee or members of the General Assembly.