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REMARKS PREPARED FOR DELIVERY BY
SECRETARY ELIZABETH HANFORD DOLE
NEVADA ECONOMIC DEVELOPMENT CORPORATION'S
NATIONAL MBE PROCUREMENT CONFERENCE
LAS VEGAS, NEVADA
MAY 29, 1986

What a joy to be in Las Vegas with so many people who are committed to promoting minority business enterprise. I appreciate the work of NEDCO in assisting minority businessmen and women to gain the strength to compete in the open marketplace. And if I leave you with no other message here today, I want you, Bob Bailey to know this: my heart, my mind and my door will always be open to those who labor in the vineyards of equal opportunity for minority business.

This conference, born 11 years ago in the zeal of a great national undertaking -- the Minority Business Enterprise program -- has become a new force for progress in 1986. As expressed in your convention theme, "Taking the Next Step," NEDCO and the minority community it serves are in a challenging year of transition into the open market. NEDCO has always been out front in counseling and advising minority businesses on what the next step will be. You and your host, Senator Paul Laxalt, have shown commitment and determination. You and the co-sponsors of this conference, the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce, have made an excellent start, but our task is far from complete.

What we in the federal government have learned is that contracting with minority companies is good business for everybody. The Department of Transportation needs the skills and motivation of minority business enterprise. We need you to help solve the transportation problems facing us in the rest of this century. My Department has awarded contracts to minority businesses at a record-breaking pace over the past few years. And

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I couldn't be more pleased with the performance -- and especially with the outstanding results.

During the last 200 years America has undergone major economic, social and political changes which profoundly affect the way we live and think. The questions may change --the strategy may change, but the goal remains the same -- equal access to America's promise of economic independence.

Fifteen years ago, few opportunities existed for minorities. Today minorities are delivering the goods and providing services to a wide range of private and federal-aid projects. Minority contractors for the DOT have successfully completed projects ranging from providing administrative and computer services to constructing interstate highways and building a Coast Guard ice-breaker.

For example, the National Highway Traffic Safety Administration, part of DOT, awarded a contract to the Maxima Corporation to develop and implement the National Occupant Restraint Information System, called NORIS. NORIS is a two-tier information system designed to provide information sharing with state and local governments on safety belt usage, fatal accident and injury data and demographic factors related to seat belt use. And I'm delighted that our choice was also Black Enterprise magazine's choice for "company of the year". My congratulations to Joshua Smith, Chairman and CEO of Maxima and his brother, Dave Smith, corporate counsel, who is here today.

Bay City Marine, Inc., of San Diego, California, a minority-owned ship construction firm, built an icebreaker for the Coast Guard. It is the first ship ever commissioned by the U.S. Coast Guard that was built by a minority firm in this country, and at \$15 million it's the largest contract ever awarded an 8(a) firm by the Coast Guard.

We've been doing cost comparisons to see which would result in the most savings to the government -- performing a service in-house or contracting the service out. And in many cases our comparisons show that minority business is a great bargain for the taxpayers. As a result of one of our cost comparisons, we awarded a contract to Micro Computer Systems Inc. an 8 (a) firm to support the computer operations of the Federal Railroad Administration, the Maritime Administration and the National Highway Traffic Safety Administration. The contract is for \$2.5 million and will save the department \$425,000 over 27 months.

My office has set aside for an 8 (a) firm, a requirement to provide computer operators and tape librarians to support the Department's Transportation Computer Center. The estimated cost is between \$3 million and \$5 million over three years. This contract will be unusual in that the SBA gave us authority to conduct technical competition among 8 (a) firms, thereby assuring the Department the best service and at the same time giving the 8 (a) firms the opportunity to compete among themselves.

In November 1985, the Coast Guard awarded competitively full food service contracts to six firms to operate 12 large Coast Guard dining facilities in the continental U. S. and Alaska. Originally, the Coast Guard proposed to have one contractor selected to provide services at all sites, but decided to allow awards on either a nationwide or individual site basis to increase small and disadvantaged business participation. I am happy to report that Aleman Food Services, Inc., of San Antonio, Texas, was selected to provide services at two sites, the Coast Guard Academy at New London, Connecticut, and the Aviation Training Center in Mobile, Alabama. The total services to be provided at these two sites is estimated to be \$10 million over the next few years. By allowing small and disadvantaged businesses to bid on individual sites, we saved \$8 million over the lowest single bid to supply all food services to all sites.

This contract award returned the supplying of food service to the private sector, freed up 220 personnel slots, and resulted in a projected saving of \$36 million. I'm glad that minority business could play a key role in this effort.

In addition, Input Output Computer Services, Inc., a Massachusetts firm, is an excellent example of minority enterprise on the move. FAA awarded a \$20 million contract to this minority-owned firm for the development, integration and deployment of an Interim Voice Response System. This system provides general aviation pilots with direct access to pre-flight weather information through conventional touch-tone telephones.

These companies are approaching the next step. The skills developed in performing these contracts will better equip all these firms to compete for contracts both in the private sector and the federal government.

And I want to take this opportunity to congratulate every one of you here today on your outstanding efforts in improving the competitive skills of minority business enterprise. I especially want to thank Wilfredo Gonzalez, Associate Administrator for Minority Small Business, of the Small Business Administration. He has been so helpful to us, both in the demonstration 8 (a) pilot program and in furthering all aspects of minority business enterprises.

With the dedication and assistance of people like Willie, we have increased awards to minority firms each year in both our direct procurement and financial aid programs. In the Department of Transportation, there has been an increase of 76 percent in direct procurement dollars spent with disadvantaged business enterprises since 1980. Final FY 1985 figures indicate that \$285 million of DOT's procurement dollars went to disadvantaged businesses, compared with \$148 million in 1980. I'm proud of these figures because they are among the best of any Department in the federal government. And I want to reaffirm my strong commitment to minority business enterprise.

The numbers are impressive. But their significance lies in the performance behind them. They tell a dramatic story of your strength, your determination and your ability. They assure equal opportunity in America -- as both a moral imperative and an economic reality. As I indicated earlier, the thrust of federal contracting today is to strengthen minority businesses so they can compete in the general marketplace.

I can't promise you the next step will be easier than the ones you have taken. I know it hasn't been easy for you. To those of you who are minority businessmen and women, I too know something about your struggle. For I know your road to economic opportunity has not been smooth. I know you've had to break many barriers.

Though your burden clearly has been heavier, I know what it was like to be a member of a generation of women who broke through economic and political barriers. I don't pretend my experiences as a woman struggling to achieve equal opportunity in America are as significant as the struggle of minorities seeking a chance in business. But it's helped me understand. It's sensitized me -- and it has increased my determination to fight to remove any remaining barriers to equal opportunity in our land wherever they exist, and to assure that all segments of our society have every chance to benefit from renewed economic prosperity.

One of my first acts as Secretary of Transportation was to direct my Administrators to make sure that Minority Business Enterprise efforts are rated as critical job elements in those merit pay positions which include contracting responsibilities. In other words, the promotion prospects and merit pay increases for those executives will depend, in part, on how faithfully they support minority business contracting opportunities.

I have also launched a concerted effort to reach and assist women business owners. Our Office of Small and Disadvantaged Business Utilization has begun a nationwide effort to identify and assess the needs of women business enterprises. In addition, DOT will host a Women's Conference on Business and Career Issues in Washington this fall. One of the purposes will be to encourage women business enterprises to participate in our contracting program. And I want to issue a special invitation to men too.

Let me say further that we recognize the contracting complexities at any level of government. A newcomer to the government procurement arena must be as mystified as Alice in Wonderland. To help business enterprises, we have regional Program Management Centers to alleviate some of the problems. These centers seek out new minority firms and help get them into the system. They give technical assistance and information. Quite simply, these centers ensure minority, women and disadvantaged business participation in contracting activities of our grantees -- the state and local governments.

We also know you share our concern with the problem of "front organizations." The Department has been working to put a stop to "fronts"

attempting to enrich themselves at the expense of the legitimate minority contractors. But it's a tough problem and much more can and will be done. Last year at the Council I announced that I had directed the Inspector General of the Department of Transportation to mount an offensive against fronts with the same determination and vigor that have assured our success in the campaign against bid-rigging. The Inspector General moved in December to solicit information about front-related offenses. As a result of that solicitation, Hotline complaints regarding fronts increased significantly. Forty-seven Hotline complaints regarding front matters were processed within the last six months. In addition, the Inspector General has addressed groups of transit officials regarding the move to curb front activities and he has discussed the parameters of the problem with the Department of Justice Economic Crime Council. I pledge to you to continue the fight to eliminate front activities.

Despite our most dedicated efforts, however, we cannot succeed without your help. No individual or business is hurt more by the operation of fronts than the legitimate minority firms. You are the primary victims. We share a common foe. We must purge them from the procurement process.

All of this progress and our hope for the future would not exist without the growing strength and tireless dedication of minority business enterprise. Your participation is vital and your commitment most impressive.

In fact, I sense a momentum building in this conference and throughout our country. You are taking a giant step forward to the next level of success. With inner strength, fortitude, tenacity and creativity as your tools, you are creating viable businesses and in the process carving out a solid place for yourselves within the bedrock of the mainstream economy. Propelled by the promise of the future, you will make it to the next step. Take risks, stretch beyond your grasp, and maintain courage no matter what obstacles you face and you will continue to succeed.

Joseph Charles Price, founder of Livingstone College in my home town of Salisbury, N.C., was a black leader of great intellectual stature who always looked beyond the trials of the present to the triumphs of the future,

"I don't care how dark the night," Price once wrote, "I believe in the coming of the morning."

Surely we stand today in the sunlight of a morning bright with promise for all Americans. Our nation's economy is healthy. Transportation is on the move, propelled in part, by the energy of our minority businessmen and women. Our dreams are just beginning to be realized.

Sometimes we all feel weary as we strive toward our goals. President Reagan told me recently of his early days as Governor of California. Sometimes the stress became almost unbearable -- I was tempted to look behind me for someone I could pass the problem to. Suddenly I realized I was looking in the wrong direction -- and I looked up. I couldn't get

through a day on this job without calling on God's help. I agree wholeheartedly with those words. Ours is neither the time nor is this the place for those with faint hearts, feeble courage, weak commitments, or selfish motives.

We must not falter in our goal for all Americans to reach their full potential, to realize equal opportunity. Let us take the next step together. America needs it. History demands it. Our children will reward it.

Thank you very much.

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