

Outside Chicago, few minority-owned contractors for Central Illinois work

[TOM LISI tom.lisi@lee.net](#) / Apr 29, 2018 / herald-review.com

DECATUR — One problem remains three years [after the city council approved an ordinance](#) to give more opportunities to minority-owned businesses on public works projects: The small pool of qualifying businesses.

The mandate requires contractors on city projects to make a "good-faith" effort to have 10 percent of subcontracting work done by minority-owned businesses, defined as racial or ethnic minorities. The goal is to ensure a more level playing field for minority businesses that have historically not had a seat at the table for construction contracts paid for with taxpayer money, one reason some African-American business leaders say people look for work elsewhere.

"A lot of people are leaving because they have no opportunities," said Darrell Reynolds, owner of New Beginnings Contractors Inc. and a member of the Metro Decatur Black Chamber of Commerce.

But not all parts of the goal have been met. City staff released data this month showing that in the life of the policy, just 1.3 percent of that work has gone to minority-owned businesses. Deputy City Manager Billy Tyus said the number needs to improve and staff are currently looking at the issue.

"There is a lack of (minority) contractors not just in Decatur but across the state, and I believe that Decatur could be a center of excellence for developing emerging contractors, not only to perform work on city projects, but on projects outside of our community," said David Tyrolt, president of Dunn Co., an asphalt contractor and producer in Decatur.

[While the city does not require state certification](#), the Illinois Department of Transportation and the Department of Central Management Services handle billions of dollars of government projects each year and have long had a system in place for businesses owned by minorities, women, veterans, and people with disabilities.

In Macon County, just four minority businesses are certified with IDOT to bid for road and construction projects. Two additional construction-related businesses are certified as a minority-owned business with CMS.

A Herald & Review analysis found that 84 percent of the 920 [minority-owned businesses certified](#) by CMS are in the Chicago area, while just four certified minority businesses total -- two of them outside the construction industry -- are in Macon County.

Likewise, in IDOT's broader program that includes other categories, such as women and veterans, more than 1,000 businesses are certified. Eleven are inside the region that serves Macon County and the eastern part of Central Illinois.

Part of the discrepancy can be explained by demographics. Chicago and its suburbs are home to much of the state's minority population and a large share of government work -- from roads to building maintenance to healthcare services. Some minority-owned contractors in Decatur say even for them, most of their government contracts are for work up north.

"I'm going to be working up in Chicago all summer this year," said Mark Tyus, owner of Euroclydon, Inc., whose business does concrete and finishing work. The business is certified by IDOT, a process Tyus said took 18 months.

The minority business ordinance has had a degree of success. Its second goal, that 18 percent of workers on projects are minorities, has been surpassed, according to city staff. Since 2015, more than a quarter of workers on city projects have been racial or ethnic minorities.

But some of the few minority contractors that are active in Macon County say they are still having trouble winning bids in Decatur for a variety of reasons, including union membership requirements in the state, lack of access to the companies that win bids from the city, and the narrowness of the ordinance, which requires a good-faith effort of prime contractors only if they choose to hire subcontractors for a project.

In 2017, of the 13 projects the city put out to bid, only four prime contractors hired any subcontractors, minority-owned or otherwise, according to Billy Tyus, the city official, who is not related to Mark.

Mary Cave, an associate with the Decatur engineering firm Chastain & Associates, said the ordinance has good intentions, but prime contractors making bids in the city are increasingly taking on the entire project to avoid the subcontracting requirements.

"If it's really challenging to try to find those subcontractors, it's almost easier for companies to do it themselves," Cave said.

The lack of established minority contractors to choose from has been a problem since the city ordinance went into effect. Meanwhile state agencies and the city of Chicago have had policies for decades, in part, due to federal requirements.

IDOT, for instance, has had a policy since the 1980s, which is open to several categories of what are called disadvantaged business enterprises. Those now include businesses owned by veterans, disabled persons, and women, as well as minorities — a structure mandated by federal transportation officials in 2003.

"It just hasn't been pushed out," said Reynolds, owner of New Beginnings, one of two minority-owned construction-sector contractors certified by CMS in Macon County. "I think I've been (certified) for over 10 years now. It's been out there, it just hasn't been exposed (in Decatur)."

Meeting the requirements

A ruling feature of large-scale construction work in Illinois is the presence of trade unions. For contractors, to have access to union labor has a lot of benefits. One, said Reynolds, who is a union contractor, is workers are already trained and almost always do a reliable job. Unions also make sure members are properly certified, trained and insured, reducing the liability of individual contractors.

But for Decatur's local minority-business ordinance, the effect of union requirements can exclude African Americans, said Mark Tyus. The city does not require contractors to use union workers, but if a bidder that wins the contract has an agreement with trades unions to use them, they cannot hire non-union businesses or workers.

"I found myself meeting all the requirements, but when I got to the bidding process, because the particular company (was using union labor), I was (not eligible)," Tyus said.

It's unclear how many minority-owned businesses are union-affiliated and how many are not, but Tyus said he is a member of an African-American union, Allied International 101, which is not affiliated with the state's major trade unions.

Contractors that agree to use union labor for projects are subject to fines and picketing from rank-and-file members if they do not fulfill the agreement. Billy Tyus said the city is reviewing the city's ordinance concerning the issue of prime contractors' obligations to union labor.

The problem can go both ways, Reynolds said. Union-affiliated contractors, minority or not, can't participate in projects with non-union contractors because it violates their rules of membership.

'We'r Some of the area's white-owned contracting companies and legacy trades unions are beginning programs to help minority workers learn critical skills tied to the construction trades and running a small business.

Anthony "Corey" Walker, advisory board member of the Greater Decatur Black Chamber of Commerce, said the city is doing its part to fulfill the goals of the ordinance, and minority communities need to continue to work hard to develop qualified businesses. "I would say in the (1980s and '90s), you had bona fide (minority-owned) contractors that were working in Decatur," he said. "There could be nobody that's picked up the ball from the ones that we had here (since then)."

Tyrolt said he has been pushing the city to embrace a "mentor/protege" program similar to one developed by IDOT. Billy Tyus said the idea could be included in the minority business ordinance by qualifying it as a way to meet the effort to include minorities in contracts.

The idea would require winning-bid contractors to give one-on-one guidance to a minority worker or business during a project to either gain construction skills or learn the process of

securing government contracts. "Getting (contractors) engaged in a mentor/protege program with an intensive one-on-one, that could really help somebody along," Tyrolt said.

Teamsters Local 916 in Central Illinois has just started its own mentor program. Jerrime Hiser, a business agent for the local union, said they have several major contractors in the area ready to take in candidates.

Without strong connections and contacts between local minority businesses and larger established contractors still few and far between, African-American business leaders in Decatur say they are trying to push more information on black construction workers and contractors to learn the ropes of how to register with the state to get certification as an minority-owned business. The process requires a slew of business documents like bylaws, tax forms and proof of majority ownership.

"We're trying to help businesses to become more knowledgeable on how to do this, especially when you're working with governmental bodies," said Ingrid Smith, director of economic development for the Metro Decatur Black Chamber of Commerce.

With the Decatur Township office, the Metro Decatur Black Chamber hosted a workshop on Friday for contractors on how to apply for minority business enterprise (MBE) certification with the state, and mentorship opportunities with the Teamsters and elsewhere.

"I was just talking to a gentleman, asking him if he was interested in becoming an MBE, and he said, 'No I don't want to do all that, the state gets into your business,'" said Wole Adeoye, president of the Metro Decatur Black Chamber. "I said, 'Who told you that? That's misinformation.' Especially if they're not well-received, they feel like the government or the city is against them. So how do we overcome that?"

Adeoye said he's been invited to workshops for MBEs in Chicago, and said the city should be doing the same. City officials have held two annual forums on the ordinance for MBEs and contractors, and the city's deputy manager spoke and answered questions on city projects.

"We should all be making efforts to make sure everybody takes advantage of what is available," Adeoye said.

e trying to help businesses ... "