

Pittsburgh falls short on contracts with minorities and women, critics say

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Pittsburgh's system to ensure that businesses owned by minorities and women receive a share of city contracts each year remains broken six years after the Tribune-Review reported major flaws.

Pittsburgh Controller Michael Lamb on Friday blamed the Mayor's Office for the continued failures by the city's Equal Opportunity Review Commission.

"There's never been any leadership on this issue from the Mayor's Office to communicate that this is an important priority of the administration," Lamb said. "Until someone in leadership makes this important ... the departments are going to keep doing what they do."

A city ordinance requires 18 percent participation by minorities and 7 percent by women in professional services contracts exceeding \$25,000 and construction work exceeding \$250,000. Companies doing business with the city are required to make a "good faith effort" to meet those goals. Pittsburgh's Equal Opportunity Review Commission (EORC) is responsible for reviewing contracts and determining if a good faith effort has been met.

City Council has approved at least a dozen contracts over the past year that flunked the good faith standard, according to a review of commission meeting minutes and council records. A review of the commission minutes shows only cursory participation by city departments and authorities in submitting contracts for review. In addition, the commission has not issued required quarterly and annual reports on participation levels to council and the controller's offices.

Lamb said auditors from his office discovered similar problems during a review of the commission in 2012.

Valerie McDonald Roberts, Peduto's chief urban affairs officer, who oversees the EORC, and Peduto spokesman Tim McNulty said the administration has been working for years to resolve the situation. McNulty said the mayor's work "behind the scenes" is ongoing.

Peduto, who took office in 2014, was unavailable Friday for comment.

"This is a system that has been in place over the years prior to the Peduto administration, and it's going to take some time to basically reassemble what should be," Roberts said. "We're working on it."

Justin Laing, who chairs the commission, said members questioned their worth after the city pushed through one contract that the commission voted down.

“The commission did feel that the work hasn't been valued,” he said. “I don't think its status quo in that the commission has been pretty rigorous in not passing items that did not meet a good faith effort. More work has to be done around the enforcement and then also bringing in the agencies who have to come there.”

Roberts praised the commissioners and said the system has improved. Pittsburgh can now accurately gauge the exact percentage of contracts going to minorities and women, the biggest flaw found by the Trib in 2012. She said the commission is generating reports and vowed they would be sent to council and Lamb in the future.

The EORC reviewed contracts worth \$205 million in 2017, and \$44 million went to businesses owned by minorities and women, according to Roberts. Minorities received \$28 million (13.7 percent) and women \$16 million (7.8 percent).

“Mayor Peduto is not an authoritarian, a totalitarian,” Roberts said. “That's not his style. He likes to be a consensus-builder, but he also has an edge. When the rubber meets the road, he puts his foot down, but he likes to have a process to bring everybody in. That's the most sustainable way.”

City Councilman R. Daniel Lavelle of the Hill District sponsored legislation that passed in May requiring EORC reports to accompany all procurement contracts that go before council for a vote.

“That then gives council a formal opportunity to weigh in and say, ‘We're not going to accept status quo, or, ‘If you haven't gone before the EORC do not come to us,’” Lavelle said, adding that council should begin seeing the reports after returning from its annual August recess. “My bill was sort of my first attempt to really begin digging into this. Once September comes around, then I'll really get a better understanding of what's happening and be able to take action from there.” Lamb said nothing will change until Peduto is directly involved.

“They can talk about this program until the cows come home, but until the mayor and the Mayor's Office say, ‘This is what we're doing, and it's important to us,’ then nothing's going to happen,” he said.