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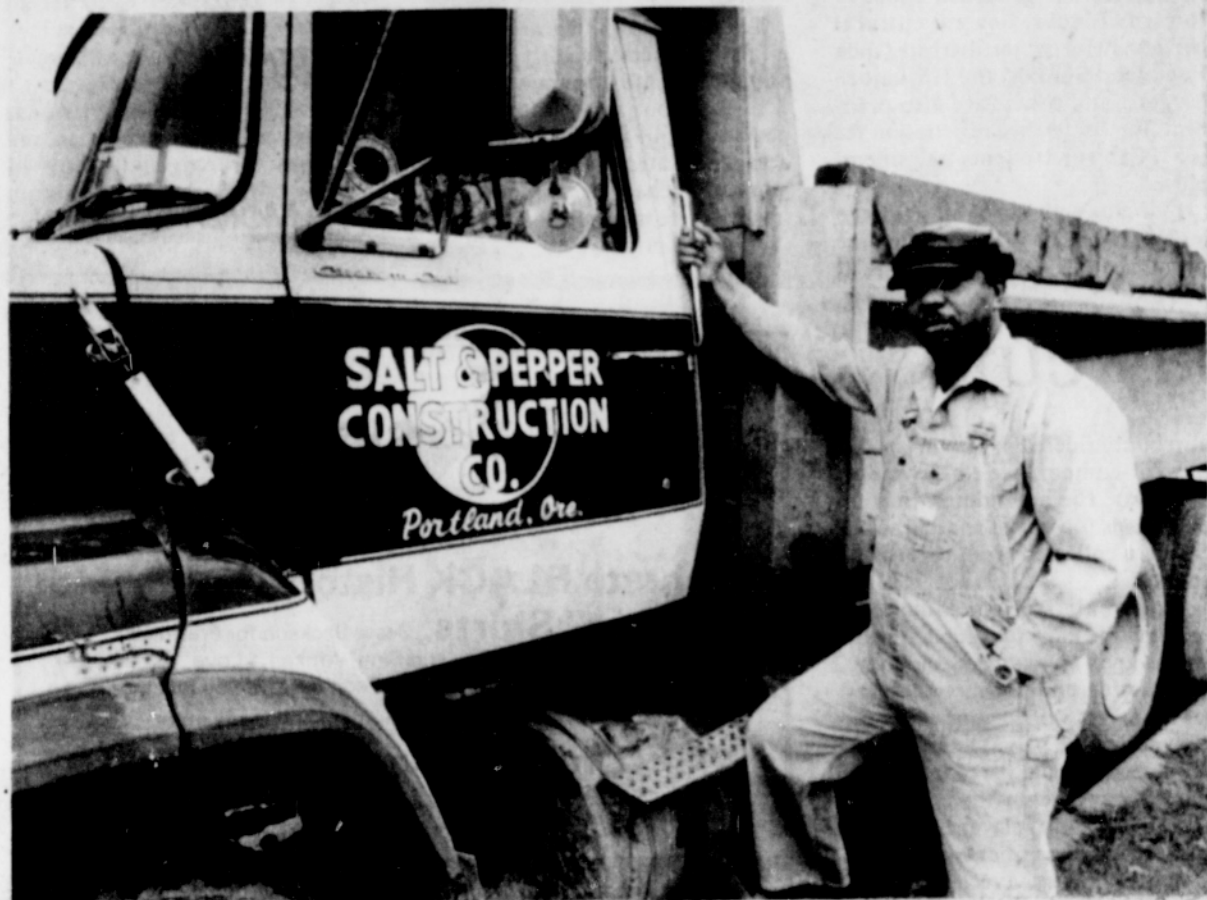
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Two Sections

Copenhagen loses Tri-Met job on MBE deficit



Adolph Evans, owner/operator of Salt & Pepper Construction Company, stands to lose his \$404,000

contract if Copenhagen is not awarded the Tri-Met project.

(Photo: Richard J. Brown)

Tri-Met's denial of its low-bidder on the second phase of the Banfield light-rail construction project will directly benefit the R.A. Hatch Construction Company which has recently come under fire for alleged misuse of minority contracting regulations.

The Copenhagen Utilities and Construction Company of Clackamas, which was the low bidder at \$8.2 million, lost the bid because it failed to guarantee utilization of 15 percent minority sub-contractors. The company came in with 11 percent.

R.A. Hatch Company, co-venturing with Railco Construction Co., came in with a bid \$747,000 higher but indicated that it would reach the 15 percent minority goal set by Tri-Met.

Joel Burt, equal employment officer for Copenhagen, indicated that his company is being punished for its effort to meet not only the letter but the spirit of minority business enterprise regulations. "We have never had a 'client company'. We go through the process and deal with minority companies like we do other companies. If an MBE can do the job, and can do it at a reasonable price, we try to use that company. We have always been able to meet or exceed our goals.

"We could do like some of our

competitors, set up a minority company to insure we could reach the goals, but that is not the intent of the law and wouldn't help anyone."

R.A. Hatch Construction Co., on the other hand, has been accused of setting up Christopher Scarratt, a former Hatch employee, who is Oriental and R.A. Hatch's brother, Richard, in business as Hopsing Construction Company and using that company, almost exclusively, as its minority subcontractor. In August, 1983, Tri-Met denied recertification of Hopsing as a minority company forcing Hatch to turn elsewhere.

Hatch turned to another minority contractor, Jim Winston and Sons of Camas, Washington. "Like Tri-Met, when they disqualified Hopsing on line section 2A, that's a \$7 million job with 15 percent minority requirement—otherwise, I had to sub out a million bucks to somebody and it took me exactly 24 hours to replace Hopsing, but with Winston and Sons, but I had to do the same thing with Jim Winston and Sons that I'm doing with Hopsing. There isn't anyone around here capable of doing that work," R.A. Hatch told a state special investigating committee.

The decertification of Hopsing was based, in part, in the fact that R.A. Hatch Company provided

bonding, a line of credit, loans, equipment rental, personnel and financial oversight to Hopsing, making its operation as an independent company suspect. "Jim Winston," R.A. Hatch told the same committee, "right now they're doing our work on Tri-Met line section 2A, uh, they're really strapped financially, and we advance them their payroll every week to meet their payroll."

His desire to retain the Tri-Met project placed R.A. Hatch in the position of having to find another minority sub-contractor, even though he had to provide the same bonding, loans and assistance that he had for Hopsing. "...my bonding company about went berserk, but what am I going to do? I just tell Tri-Met I can't do it and pitch the job and the next bidder gets it, or something."

Copenhagen did just that. They stated in their bid that they had not been able to reach the 15 percent goal and explained their "good faith efforts" to obtain sufficient minority sub-contractors.

Copenhagen, having been awarded the bid, had 5 days to meet the minority requirements. Following the announcement that Copenhagen had won the bid, several MBE's called to offer bids. "We could have (Please turn to page 9, column 3)

Council discusses EDA strategy

by Chuck Goodmacher



Mayor Frank Ivancie will call for a special council session to allow for citizen comment on the city's EDA strategy.

Portland Mayor Frank Ivancie agreed Wednesday to call a special "council conference" to discuss the City's Overall Economic Development Strategy just submitted to the U.S. Economic Development Administration (EDA). Ivancie agreed to hold the conference after Commissioner Margaret Strachan noted that the public was not invited to comment on the "Development Strategy" before the Council had to approve submission in time for an EDA deadline.

All cities are required by the EDA to submit an annual overall economic development strategy prior to requesting specific program—or project—oriented grant proposals. The document, developed by the Portland Development Commission, is based

on the city's existing economic development strategy and summarizes its major program areas: local business development and a "Business Recruitment Program."

Ivancie initially resisted calling such a conference, saying the strategy is basically the same as last year's. Commissioner Strachan retorted, "Yes, and we all know how well that's worked."

"Although the City Council has approved the strategy for submission to the EDA, it can still be amended, and the conference discussion will also allow for citizens to review the entire economic development policy of the city rather than reacting to particular proposals. The conference will take place sometime early next week, but the specific time has yet to be set by the mayor's office, which can be reached at 248-4120.

City MBE program under fire

by Chuck Goodmacher

At no time during the first half of Fiscal Year 1983-84, have we met the particular goals of the Minority Business Enterprise (MBE) program, noted the City of Portland's chief purchasing agent, Harold Vaughn.

In his report on the Minority/Female Business Enterprise System, Vaughn told the City Council, "although 8.97 percent of all city construction dollars were spent with MBE's, this percent is less than the city's 10 percent MBE utilization requirement."

The MBE program is also coming under fire from large contractors as the program's June renewal date comes closer. One of the main charges leveled at the program to

date is, according to Kevin Spellman of Emerick Construction, "The definition for a minority contractor is too broad." If this statement, which was reported in the *Daily Journal of Commerce* is true, then the percent of minority firms actually receiving city contracts may be even further from the goals set, when the program was adopted, by the City Council in May, 1979.

Commissioner Charles Jordan said of the city's efforts to utilize more minority contractors, "We've been a little negligent in our perseverance," and said he will submit a report soon on how to increase the city's efforts.

Consultants are frequently hired in a hurry for many projects and in such cases, the city bypasses the open request for proposal process,

noted Commissioner Margaret Strachan.

The request for proposal process includes public notice of contracts to be awarded by the city and allows for all interested parties to submit bids or proposals.

Strachan added that all the Commissioners should avoid the need for emergency hiring of consultants by planning further ahead.

Vaughn's report identifies the use of professional services as the greatest deficiency of the city's program. The goal in this category is nine percent, but only 2.67 percent of such contracts were awarded to minority firms. The goal for Female Business Enterprises (FBE's) is also nine percent for professional services, but actual

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Derrick Bell: No more cuts for law education

Grassroot News, N.W.—Dr. Derrick Bell, Dean of the University of Oregon Law School, said quality education has absorbed enough cut backs.

"I'm not going to make any more cuts at the Law School. If anyone makes them without my approval, I would consider that action a dismissal order."

Bell said his statement is not a threat "but it is the only leverage I have. Higher Education and the University of Oregon have been victimized by budget reductions over the years."

Three weeks ago, the State Board of Higher Education ordered the State's colleges and universities to make \$1.2 million in cuts. Bell said the Chancellor's best efforts were "inadequate to keep us from becoming a mediocre law school."

Bell had hoped his personal stand for quality education in Oregon would be a rallying cry for other state officials to join in. But his cry appears to have fallen on deaf ears,

with many critical of his tactic.

Speaking out has always been among Bell's attributes since he arrived in Oregon from a teaching position at Harvard Law School.

During the National Black United Front's convention in July, 1983, Bell stated in the keynote address that, "Black families today, who do not have blood relatives dead too soon or locked away in prison too long, seek with suicidal fury to escape through drugs or drink. A life of subordination and poverty, which, in its own way, is more devastatingly destructive than the existence when laws for Blacks were taught at the end of a whip."

At the February 16th meeting of Commissioner Charles Jordan's Luncheon Forum, Bell told the audience that the courts are not our salvation.

"We should place less weight on what the court does in the area of civil rights because so many of those so-called favorable rulings, when

you read them carefully, haven't done that much."

Bell said it was unwise of Reagan to dismantle the Civil Rights Commission. "It only served as spokesperson for civil rights. They never passed a single bill. Reagan took them on because they were making critical comments."

"That is all they ever did. That is very *Deminimis*, which means the law does not care for or take notice of very small or trifling matters."

He called the conditions of Black people, in modern day America, "that of an exploited, colonized people."

He has outlined these conditions in the Urban League report, *State of Black America, 1984*. His chapter is entitled, *Ceremonies in Civil Rights: a 30-year Retrospective on the Law and Race*.

"All Blacks are covered by more laws protecting them against discriminatory treatment than any of their ancestors. These legal rights

are worthless and the unmet economic needs threaten life itself."

Bell said Reagan has taught white America a lesson. "Their white skin does not protect them against exploitation, unfair taxes and inadequate health care—all the social problems Black folks have been complaining about for years."

At the forum, he utilized the character of Langston Hughes' Jess B. Simple, to make a point: "We've been living off symbols for a long time. Sometimes Black folks won't try to cash them in. They put it in their pockets and try to act and feel rich."

The example he used was Rev. Jesse Jackson's successful diplomatic mission to Syria. "When he landed here with that Black navy pilot in tow, it was worth a million dollars to me. It is like Dr. 'J' making a slam dunk at the free-throw line. It is not just that he did it but that he looked pretty while he was doing it."



DERRICK BELL