

Hello, My Name is Ruth Bley and I'm here to tell you a story.

I founded Bleyco, Incorporated in 1988 and am and always have been its President. Primarily performing electrical construction, Bleyco specializes in projects involving bridges, tunnels and piers. Notable projects include the New Bay Bridge Suspension Span, the new Benicia Bridge, and the Devils Slide Tunnel.

Prior to the passage of proposition 209, Bleyco benefited from the "friendlier" construction environment that sought to include women owned businesses into the contracting mix. Bleyco started with small jobs, discrete items that could be separated from larger electrical subcontracts – stand alone items such as the lighting of the Castro Valley BART platform, lots of temporary signal systems, temporary power on large projects, and many other smaller contracts. We chose to focus on the more difficult projects and in the mid 90s landed projects such as the SF Airport Elevated roadways and the 101/280 interchange upgrade. The prime contractors in those days were **inspired** to work with Bleyco as we continued to stretch our capacity and increase our technical ability. And let me be clear, this inspiration was due to DBE goals. Bleyco continued to target bridges (Park Street bridge, High Street Bridge & 4<sup>th</sup> street bridge) were all bridges that we were the low bidder on. We also bid on and landed numerous small tunnel lighting projects. My small company has evolved into a company that was low bidder and successful subcontractor on the Bay Bridge SAS structure and the Devils Slide Tunnel on Hwy 1.

I am testifying here today on behalf of Women Construction Owners and Executives, USA. WCOE is a national trade association representing women business owners and policy making executives in the construction industry. In California there are over 12,000 women owned construction companies. A majority of our members perform public works projects and so have been negatively impacted by Prop 209.

I want to emphasize that WCOE does not believe in quotas. The bidding process must be exactly that – a process that identifies a competent contractor with the lowest price able to construct the project. The public works arena is full of super large construction companies, as this is the only way to bid, bond and construct the public works projects that now go into the billions of dollars.

That leads me to the other problem in California - the definition of a small construction business. Under US Small Business Standards, a small business is considered eligible for an outreach program if it annual sales average \$27 million or less per year. Under the State DGS standards for State outreach, the average gross income could not exceed \$8 million and this applies to all contractors whether you are a painter or an electrical contractor. If you're an electrical contractor 8M is not very much when over 50% of your costs are materials – very expensive materials. Therefore, even though I only employ 35 full time people, I am not a "small business" by the DGS standards. The problem this creates is that small businesses by DGS standards are so small that there is hardly a portion of work small enough and discrete enough for them to bid and perform on these public works projects.

If you would have asked me 25 years ago what I would have anticipated the construction industry to be like in the future, I would have told you that I would expect to be working with a lot more DBE firms. Unfortunately, that is not the case and it is my experience that there are now fewer women owned firms out there. The inspiration for the large primes to think outside of the box is gone, and DBE's and small business have suffered. I am not blaming the large contractors – their focus is the project and construction is a risky business. No one would logically add additional risk to a project for no reason.

Before Prop 209 there was a reason – the government recognized that small and DBE business are the backbone of communities – and therefore created incentives that allowed entrepreneurial people to get a foothold in an industry that is very close nit and very complicated. This reason no longer exists and the whole state is impacted by the loss of income to small and DBE businesses.

If this committee wanted to quantify the impact Prop 209 has had, then you could have a study compare the women and minority participation on federally funded projects in California (mainly Caltrans work) to the percentage of women and minority owned companies participating in other public works projects. I believe you will find that federally funded projects have a higher level of women and minority participation. Affirmative action is not about granting a privilege or benefit to an individual or group just because of their gender or minority status. Rather affirmative action only creates **an opportunity** to compete for a job or position. One still needs to fulfill the requirements of the offer.

Women Construction Owners and Executives, USA and I thank you for this opportunity to testify.