

# Certification Increases Contract Opportunities For Minority And Women Business Owners

By Lori Myers

Patricia Cumor, President/Owner of First Capital Insulation Inc. in York, knows firsthand about being a woman in a man's world. Decades ago, Patricia was working in a bank by day and, along with her husband, spent evenings and weekends installing insulation. When the couple moved from Maryland to Pennsylvania, Cumor felt that the time and place were right for her to

start up her own company.

"I asked my husband, 'What do you think about opening up an insulation business?'" Cumor recalls. "He thought it was a wonderful idea. When I asked him if he would work for me, he said 'yes.'"

Her company began in 1982 and with it came growth and an excellent reputation. But in 1991, when she heard about the Minority-Owned Business Enterprise (MBE) and the Women-Owned Business

Enterprise (WBE) programs, Cumor knew she needed to apply in order to get that competitive edge.

"We do a lot of government work and getting this certification is a wonderful marriage between the two," Cumor remarks. "It opens up a whole avenue of information for any woman in any sort of business."

The MBE and WBE programs began in 1987 and are a way to expand opportunities

for women and minority-owned businesses in state contracting. It allows small businesses, such as Cumor's, to get their foot in the door when it comes to competing for state government contracts. In 2004, Governor Edward Rendell signed an executive order affirming his administration's commitment to expanding those opportunities and making sure women and minorities get in the bidding loop.

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"Historically, minority-owned and women-owned businesses have not necessarily had access, help, or know-how to get involved in contracting," says Don Cunningham, Pennsylvania Secretary of General Services. "When Governor Rendell came into office, we took a hard look at how the Commonwealth does procurement. We saw that nothing was being done for small, disadvantaged businesses. The performance was abysmal. The governor has made a strong statement that it matters."

Now the total number of state certified vendors in the minority and women-owned business opportunities program is 1,552. Of those, 978 are women-owned. Not only has the program placed certified women business owners on the list for government contracts, but also the state has realized millions of dollars of savings on computer-related items. Prior to 2004, the Commonwealth was spending \$3.1 billion for goods and services going through the department of general services for all of their 15 agencies such as the Pennsylvania Department of Transportation and the Department of Environmental Protection. From January to September of 2004, procurement of computer servers realized annual savings of \$13.4 million with 27 percent of those purchases being obtained from one woman-owned business. The buying of computer network equipment

saved \$8.5 million with 10 percent coming from one woman-owned business. The purchase of personal computers saved \$19 million and those items were purchased



**Patricia K. Cumor, President of First Capital Insulation, Inc.**

from eight different minority-owned and women-owned businesses. Computer maintenance services realized a \$4 million savings buying from one minority-owned and one woman-owned company.

"By the end of 2006, we are targeting 10 percent purchased from minority-owned

and women-owned, and that will include construction," Cunningham says. "What we're finding is that we're well on our way to meeting that goal."



**Sandra L. Hauck, President of Diversified Data Systems, Inc.**

To be eligible for certification, the business must be at least 51 percent owned by qualified minorities and/or women and be a for-profit enterprise. It needs to be already established and doing business and be independent of other business entities. The monetary thresholds allowed are \$20

million for most businesses and \$25 million for non-IT businesses as far as annual sales. Eligible businesses must also employ no more than 100 people.

"They're pretty stringent requirements," Cunningham explains. "We've been aggressive in getting more women to sign up for more state contracts. We're really pleased with the quality of businesses and know there are more."

Sandra Hauck, Chief Executive Officer of Diversified Data Systems Inc. in Mechanicsburg, one of the oldest computer firms in the area, says that obtaining that certification ten years ago has made a huge difference to the growth of her company. As a result, Hauck has increased her business focus on the public sector and state government contracts. Getting that stamp of approval has put Diversified in a different league because it has allowed it to bid against larger firms while getting the attention of those firms. Doing all of that has enhanced Diversified's own credibility.

"If it were not for the certification we would not be large enough to respond and be able to fulfill the entire commitment that the project might entail," Hauck explains. "It has given us the stamp of authority to our business and conveys a comfort level to vendors. It has also allowed us to develop rewarding partnerships."