

**Testimony of Dennis Kim
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before the

**House Transportation and Infrastructure Committee
*“The Department of Transportation’s Disadvantaged Business Enterprise
Programs”***

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My name is Dennis Kim and I am the president of EVS, Inc., an engineering consulting company in Eden Prairie, Minnesota. I immigrated to the United States in 1969 from South Korea. I joined the company in 1980 and took over the ownership in 1982 and currently have more than 20 employees. The focus of my company is civil and environmental engineering.

For the first 10 years of my life in the United States, I continued my education at the University of Minnesota and worked as an engineer with the State of Nebraska. Despite all of this American education, Caucasian professionals who I see at work meetings regularly ask me where I learned to speak English and are surprised that I speak it as well as I do. I have heard many comments about my English. Then they ask me if I am a U.S. citizen. A number of Caucasian people also express surprise when I mention that my son is studying political science instead of engineering. It seems that it is expected that Asians are supposed to study only mathematics or engineering.

I joined EVS, a four-person engineering company in Minneapolis, Minnesota with the dream of becoming a successful businessman. In 1982, I took over the company when the founder moved out of town. One of the ways in which I decided to grow my company was to get involved in government contracting. I first made this decision in 1984, when I obtained Disadvantaged Business Enterprise (“DBE”) certification. It was a time consuming and painstaking process to prepare all the required paperwork. It was also difficult to put together acceptable applications when help was not easily available at that time. The DOT told me they had limited capacity and could not do much to help me.

Despite these difficulties, I am very proud to say that I now have 22 employees. Last year we had \$2.5 million in revenue. I have been able to grow my business from just 4 employees in 1982 to now having 22 employees. I am very proud of what I have accomplished. In 1990 my company was a finalist for the American Society of Civil Engineers award for exemplary engineering work. A decision driving course I designed for Dakota County Technical College in 1998 is still used today to train police officers, fire fighters, commercial truck drivers and other law enforcement officials. The special pavement on the driving course that I designed can simulate winter driving conditions. Being able to drive in very harsh winter conditions is a crucial skill for anyone living in Minnesota, and especially for law enforcement officials who need to quickly respond to emergencies. I’m honored that I was able to play a role in helping the community in this way.

During lunch meetings with potential project partners, Caucasian engineers and consultants tell me that they are sure that I eat stinky Korean food at home. I have tried explaining to them that Korean food tastes good and smells different because it is cooked with ingredients that are not used in American food. They tell me that it still stinks. Now, I make sure that I don’t bring Korean food to work. If I have it at home and have to see any colleagues soon after that, I make sure to brush my teeth, use mouthwash and drink milk in order to mask the smell of the Korean food as much as I can. I drink milk because I heard that it hides strong breath odors. I think this is outrageous. To me, Korean food doesn’t smell any stronger than hamburgers and French fries. I’m deeply offended that I have felt forced to hide eating my Korean food.

The examples about food that I just described are only one example of the discrimination people have shown towards me because of my race. However, I do recognize that the United States has made a lot of progress and I'm very grateful for that. But there is still a lot of work to be done.

In 1998, I first learned of a subcontracting opportunity with a large engineering company in Minnesota. This company was competing for a contract with the Minnesota Department of Transportation. Our share of the contract was more than \$150,000 for 2 phases of the contract. I believe that the total contract amount for the large engineering company was more than one million dollars. EVS had been chosen by this company because we had approached them about this project and there was a requirement of DBE participation.

The project was delayed over a year because the scope of the project has been expanded greatly after the first contract was awarded. There had been a number of issues with the project including expanded scope of work, delay of the work and engineering problems. In the middle of the project, the DOT expanded the scope of the project. Figuring out how the large engineering company and my company were going to accommodate this expansion took significant time. Another reason for the delay was a change in the project management team at the large engineering company and at the DOT – the new people on the project management team had to take a lot of time to become familiar with the project. None of these problems were the fault of my company or me. In fact, during the period of delay, I frequently tried to reach the large engineering company to learn what was going on and I was repeatedly put off and was never given any real information.

Finally, more than a year later, the engineering company and the Minnesota DOT summoned me for a meeting to discuss the project. When I walked into the room, there were 3 people from the engineering company and DOT – all male Caucasians. It was quickly obvious to me that they had already discussed and decided the fate of the project, including my role as a subcontractor. I knew that they already had met earlier because they were on agreement on every issue related to EVS. They told me that the problem was entirely my fault and I was wholly responsible for it. They told me that they were kicking me off the project, and since the problem was my fault they would only pay me a fraction of the money I earned on the project thus far. I felt that their reason for unfairly targeting me in this way is that I am Asian American. Had I been Caucasian they would not have done this to me. They kicked me off the project and replaced me with a Caucasian subcontractor.

I did not complain to anyone about this because I was afraid of retaliation and being labeled as an Asian whiner. I regularly heard Caucasian engineers and contractors complain about DBEs who they thought were complaining for no reason.

When the engineering company and the DOT kicked me off the project, I did not realize then that I had been blacklisted. I came to know this later on when I tried to compete for other projects. The reason for my rejection was consistently that this large engineering company and the Minnesota DOT staff gave me a bad reference and recommended against working with me. Again, I really believe this was because I am Asian American. I was an easy target, as a minority, to be bad mouthed by this large white prime contractor. Since then, I have never been able to procure a DOT contract in the same district where this issue had occurred.

I would welcome the opportunity to do more work with the DOT – in particular I am excited to work on wind energy projects. It's the new frontier and my firm is poised to do really well in this area.

My experience with discrimination has demonstrated to me how important the DOT DBE program is. While in the situation I described, the project goals were clearly not sufficient incentive to keep the large engineering company from discriminating, I do believe that in many other cases the program works. Without it, qualified minority business owners like me would have even less of a chance at getting DOT contracts.

Recently, since federal stimulus dollars have become available, I have contacted the Minnesota DOT about new projects. I have noticed that they have become much more user-friendly and I hope this will continue.

Moving forward, I recommend that all federal and state agencies be more proactive in thinking about small businesses, including DBEs. Instead of always forcing small businesses to compete against large companies, there should be a more even playing field. This can be accomplished by unbundling larger contracts or even having particular contracts that are only open for bids from small businesses. Competition among peers is fair, and of course competition in general is always a good thing. Forcing us to always compete against the big guys means we will almost never get a prime contract. Small businesses want to be a player on their own, but we need experience in managing projects on our own and not always under someone else's umbrella.

This is important because in addition to having the right skills, business is heavily relationship-oriented. When small businesses are always a subcontractor, even on small projects, we don't have the opportunity to build relationships with the key decision makers. Interaction and relationship-building with the key decision makers will help small businesses become prime contractors and grow their business. When the pool of qualified prime contractors increases, the effect is that competition increases – and in business, that is always a good thing.

I really hope that my story will motivate you to not only reauthorize the DBE program but to improve it.

Thank you.