

September 18, 2020

My name is Evalynn Williams. I am the President and CEO of Dikita Enterprises, Inc., a family-owned minority consulting engineering and architectural firm headquartered in Dallas, Texas. We celebrated our 40th year in business last November. We provide civil design, program and construction management, and transit market research as it relates to public transit planning. We have 40-50 people typically and employ all nationalities of which many are skilled professionals who are either woman or are of a minority group. My father, Lucious Williams, founded the firm in 1979 in Milwaukee Wisconsin and branched to Dallas, where I was attending college in 1983. I promised him 2 years as his CFO in exchange for paying off my college loans, which was only \$5,000 at the time. That was 36 years ago. We've been partners ever since. Over the years, especially in the 80 and 90's we have many times been the first African American firm to be awarded....and you can fill in the blank. Even today, I'm amazed that we continue to be the first African American engineering firm to prime a contract with public entities. Many of the firms we began with in the early 80s no longer exist for various reasons, but mostly because of the lack of opportunities and resources. We are the oldest African American professional engineering firm in North Texas.

We offer our services to mainly the governmental sectors, that are federally, state or locally funded. Our industries include public transit, highways, aviation, public educational institutions, including K-12 and higher education, municipalities for roadway and infrastructure projects. We have worked on multi-billion dollar projects as well as those under \$100,000. We have worked across the nation providing a variety of services, typically transit planning. We are certified in 19 locations across the nation. Being certified in these many areas allow us to participate with transit properties and provide transit market research. We typically are precluded from offering engineering services as a DBE in other states because of certain state laws. Neither my father nor I have a professional engineering license. We excel in management, marketing and financial expertise.

I have a BBA degree in information systems and an MBA in accounting. I serve on several civic boards and have won my share of awards. I am currently a member of COMTO and the American Public Transportation Association (APTA), where, in October, I will become the first African American female to chair APTA's distinguished Business Members Board of Governors. APTA membership includes at least 90% of all public transit organizations in North America and practically every large national commercial firm that does business with public transit authorities. COMTO, which is the Conference of Minority Transportation Officials, is the leading national advocate for employment diversity, inclusion and contracting opportunities in the multi-modal, multi-billion-dollar transportation industry. Their mission is to eliminate barriers to maximum participation for minority individuals, veterans, people with disabilities and certified MWDBE businesses.

In 2010, I became President and CEO of Dikita and my father has remained active as the Chairman of the Board and Director of Government Affairs. He owns 51% of the firm and I own 47%, while my oldest daughter owns 2%. Being trained in accounting and finance, running an engineering firm has its challenges in of itself. Being a female, an African American, and a small business in the construction industry has had many challenges. There are certain systemic stereotypes that are associated with all the classes of categories I've mentioned, but typically they all have one thing in common. The idea that women, African Americans, small businesses, engineering companies ran by non-engineers - produce an inferior work product. These certainly create barriers for successfully contracting and being relevant in the industry. Of

all these labels, I think being African American, however, presents the biggest challenge when competing for work.

Being a disadvantage business has certainly helped level the playing field. As the CEO of a 2nd generation African American engineering and architectural firm, we would never have sustained had it not been for disparity programs such as the Federal DBE Program. Competition for prime contracts with the Department of Transportation, Federal Aviation and Federal Transit is difficult at best, and out of reach for most minority and women owned businesses (M/WBE).

It is almost impossible for DBE firms to compete with large national and international firms. They have the capacity and depth within their workforce and can pull from global office locations. And over the last 15 years, they have gotten even larger; which makes the reauthorization of the DBE Program is so extremely critical to firms such as *Dikita Enterprises, Inc.* It provides us with opportunities to join a team as a subcontractor, a prime or joint venture partner, which in turn helps to build financial capacity and workforce resources. It's because of this program, Dikita led a joint-venture team with a huge majority firm to design and build the last 3 miles of rail line for the Dallas Area Rapid Transit system (DART), saving the agency over \$4 million. DART was able to open for revenue service 2 months ahead of schedule. Sixty-one percent of the team were DBE firms.

The truth is.....if not for the DBE Program, large corporations would not share the work and would self-perform 100% of contract-work. Being called "disadvantaged" is not a privilege nor does it sound like a goal that a company would strive to be. The reality is, without the program we would not have a chance at fair competition. Quite frankly, it was embarrassing explaining to my 21-year-old millennial, a few years ago, why we were considered a disadvantaged business. I can tell you that an engaging conversation and history lesson spun from this revelation. Nevertheless, the DBE program is necessary for the continuing survival of firms such as mine - to feed our families, educate our youth, and build our communities.

I know for a fact that if it wasn't for the federal and local equity programs, we would not be able to compete or obtain contracts. That is evident when you look at private vs. public work. In the public sector, the large firms that are considered primes, contract with us only to the extent that it will help them win the project. If the goal is 25%, then they will typically subcontract only that minimum amount, even though we are a proven entity. Case in point. We were going after a project in a small suburban community near Dallas. I found out about the request for proposal because I had very strong relationships in that community. Much of the project was within our wheelhouse and we felt certain we could successfully propose and win. Since there were parts of the work that others could do better, we reached out to a nationally known local firm that we had worked with in the past. They were not aware of the opportunity. What happened later was shocking but not surprising. In an email thread that was inadvertently sent to me, I read a discussion that went something like this (all names are fictitious and are here to make the conversation easier to understand):

- John informed his boss Ted that Dikita had inquired about XYZ company providing service on an upcoming proposal.
- Ted asked about the services to be performed and John explained the services and thought Dikita and XYZ could do well since they have worked together in the past.
- Ted asked about the minority participation goal.
- John told him that there was no minority goal.
- Ted asked John why they would sub to Dikita.
- John reminded Ted that Dikita was very good at providing these type of specialty services

- Ted told John that XYZ was bigger and to dig into the opportunity.
- When John asked about participating with Dikita, Ted told him that since there was no minority participation, they would just do the project themselves.
- When John questioned Ted again, Ted told him that XYZ was bigger and to reject our offer.
- This is when John sent us an email rejecting our offer and inadvertently included the entire thread.

This kind of conversation among large majority firms is not unusual and is a matter of practice. And often we only suspect or hear about why we were rejected from a third party. However, this was played out in an email and was so painful and disappointing.

There are many story-book episodes regarding blatant discriminatory practices that occur to either keep minority firms small or run them out of business, especially African American firms. Everyone knows that DBE businesses often live month to month unless we have been successful in backfilling our pipelines with future projects. One of the most disheartening feelings is to know that you are only as good as the current project. We have had many relationships with larger firms and have provided excellent service, but it's never quite the excellent services in which you are remembered. We are the token DBE checkbox that fulfilled the requirement. This I say because I have witnessed the less than genuine relationships we have forged. We can perform exceptionally well for many years on a 5-year large project. However, I notice that when that same large firm is going for the exact project-type in another state, they will not invite us to the team. When I've asked about being on the team, the reply is the same, "we needed you in Dallas, we will "use" someone else in Houston". When I question why, the answer is always "because you are only useful in Dallas and taking you to other cities or states doesn't help us to win", even if we are the best in providing the services required. It's political. Well that mentality keeps firms like mine small and confines us to our own neighborhoods. For us to grow, we need not only to be able to work in other states, but to work in the private industry. Working for private developers is typically not an option, hence the need for DBE program for government projects.

I'd like to talk about another challenge I see with the DBE Program. While I appreciate the nature of the DBE program, there seems to be a lack of attention to some of the challenges we face. Still in existence are discriminatory and other related barriers that pose significant obstacles for minority and women-owned businesses competing for federally funded contracts. One such barrier is the lack of regular inflation-adjustments to the Personal Net Worth requirement for DBE certification. Unlike the Business Revenue Cap, (which is reviewed and adjusted periodically by the Secretary of Transportation) it was 22 years before an inflation-adjustment was made to the Personal Net Worth, increasing the 1989 cap of \$750K to \$1.3M in 2011. It is important to note that much like the economy, the personal net worth of DBE owners and their companies are fluid. The lack of regular inflation-adjustments stops DBE businesses from growing and could prematurely remove businesses such as mine from the program. Some folks think that this \$1.3M net worth is vast. If you are a successful business, you must accumulate a net worth that will allow banks to loan you money in order to continue upward growth and mobility. But more importantly, you must save money for retirement. While the formula for calculating personal net worth excludes our homestead, it does include your retirement savings. By including restricted retirement savings into the calculation, it acts to disincentivize a business owner from saving adequately for retirement. At the end of the day, we all should have a transition plan and be able to retire comfortably. However, if most of the dollars I save become retirement assets and those assets count against me in the certification process, then I'm likely not encouraged to save but to spend. So, I am asking that the program exclude retirement savings from the Personal Net Worth calculation.

In conclusion, the disparity and the inequities of our capitalistic society, coupled with the injustices from America's history of discriminatory practices against African Americans specifically, are reasons that DBE program must continue to exist and expand. My dad, my daughters and I depend on the program to stay in business. This program is not a handout, it's a leg up. It forces the big companies to play fair, and quite frankly, if we graduated from the program (and its sister M/WBE local programs) or the program is dissolved, we would be out of business at the expiration date of the last contracts in our pipeline.