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Hitting the target National Harbor is reaching its goals for hiring minority or local contractors

by Liza Gutierrez | Staff Writer
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Developers of National Harbor have been hitting and sometimes exceeding the mark set for local and minority business participation, although local agencies are working to boost the lagging involvement from Prince George's minority firms.

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The TAC Cos., a minority-owned consulting company in Oxon Hill, is helping handle the procurement process at National Harbor and the Gaylord Resort and Convention Center there. It works with contractors seeking opportunities at the \$2 billion, 300-acre project site in Oxon Hill, and mediates any problems that may arise on the job, said Ron Adolph, TAC president and CEO.

The developers, Peterson Cos. of Fairfax, Va., and Gaylord, of Nashville, Tenn., procure services either directly or through general contractors, Adolph said.

The latest TAC report noted local and minority participation at National Harbor hit 36.1 percent, said Kent Digby, vice president and director of operations at the site for Peterson.

An agreement between Peterson and Prince George's County requires that at least 20 percent of the work at National Harbor, with a goal of 30 percent, be performed by companies based in the county and/or minority businesses, Adolph said. Gaylord is required to have at least 15 percent minority business participation, with a 20 percent goal.

There is no specific requirement for hiring Prince George's minority contractors.

More than 4,000 companies have registered for contracting opportunities since TAC started working on the project, over the past several years, Adolph said. Contractors have not entered this process lightly, but it has been more difficult than some had anticipated, he said.

Although Peterson and Gaylord have "always" met or exceeded their goals, some in the county want to see more contracts go specifically to Prince George's minority companies, Adolph said.

Hubert "Petey" Green, president of the Prince George's Black Chamber of Commerce, agrees.



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Photo courtesy of Peterson Cos. The Gaylord Resort and Convention Center, the first of several hotels at National Harbor in Prince George's County, is scheduled to open in April. (Below) National Harbor in Oxon Hill is "a very complex project with very large bid packages," says Ron Adolph (right) of TAC Cos., speaking with JaSun Frone (left) and Vadis Frone, both of Life Infinite of Washington, D.C., at a meeting last month for businesses seeking contracts with the Gaylord hotel.



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However, "a lot of that work is not what the small-business community in Prince George's County has the capacity to do," Green said.

There's a perception that because Prince George's is a majority-minority county with many minority-owned businesses, project participation at National Harbor should reflect that, Adolph said. But many of those businesses that have come forward aren't able to fulfill the work, he said.

National Harbor is an upscale, high-level, mixed-use development and "a very complex project with very large bid

packages,” he said. There have been some contractors that have not been able to qualify or compete successfully, despite work they have done in the past, he said.

Casey B. Stringer, founder and managing member of the Broughton Construction Co., a minority-owned company in Baltimore, agrees.

The situation is improving and there are more minority-owned companies that do have that capacity than in the past, Stringer said. But in a room with about 100 contractors, there may be fewer than half that can perform the type of work required for some of the projects at the Gaylord site, he said.

Broughton Construction is working on the low-rise section of the Gaylord property, which encompasses the hotel lobbies, ballrooms and meeting rooms, and also some retail space.

“Because we are a general contractor, we rely heavily on our subcontractors,” Stringer said. “I was able to build a partnership with good contractors, and that’s how we were able to perform this job.”

If a company that works with TAC isn’t hired for the job, TAC investigates to see if there’s a way to get that company back into the process, Adolph said.

Groups work to boost involvement

James A. Dula, president and CEO of the Prince George’s County Chamber of Commerce, has been meeting with Peterson Cos. officials to see how the chamber can help Prince George’s minority-owned businesses secure contracts, he said.

“My sense is that we have had some frustrated people because they did not really understand the process,” Dula said.

“National Harbor is a huge project. There have been many attempts to do things in a way where all the county would benefit,” he said. “But in the future, we would like to see processes that include local small and minority businesses more in the contractual portion. And we’re working with all entities to do that.”

Partnering is key, and businesses must come together as a team and use their past experiences to get some of the work, Green said.

Many of the small contractors Green has met do not want to partner, he said. He thinks some may not have their books or financials in order, which is required when joining forces with another company, he said.

Green once met with a group of landscapers seeking work at the site, although they had not previously handled projects similar in size and scale. He suggested they come together and combine their workforces, but they didn’t, and later complained about not securing a contract at the development, he said.

“We’ve conducted a couple training classes on partnering and joint venturing,” Green said. “You can lead them to the water but you can’t make them drink.”

CECA, a minority-owned engineering and architecture consulting company in Lanham, is responsible for most of the building inspections at National Harbor, said L. Terry Carnes, founder and president. The company also completed some previous work on the Gaylord site.

CECA’s longtime relationship with ECS Mid-Atlantic LLC, a geotechnical engineering and construction materials testing company in Chantilly, Va., created a partnership that was poised to win contracts at National Harbor.

“When projects like National Harbor come up, and you already have a track record, companies seek you out because you’re not a question mark,” Carnes said.

“People go with what they’re comfortable with,” Carnes said, referring to established companies with a strong record, or people who look and talk like those awarding the work. “Is it fair? Absolutely not.”

Carnes would like to see “a little more pioneering” to increase involvement for minority-owned companies in the county, he said.

The county’s Economic Development Corp. initiated a monthly National Harbor Day, where it brings in contractors that have signed up for opportunities to meet face-to-face with TAC representatives, review plans and explore opportunities, said Kwasi G. Holman, president and CEO of the group.

The agency keeps an extensive database of qualified companies and makes sure they’re aware of the latest procurement

opportunities at the site, he said.

“We assist them in securing bonds and other financing vehicles to meet their contractual agreements,” Holman said.

Holman’s group works with TAC to ensure that the group understands what will be required from the companies, then it works with companies to make sure they are ready to perform, he said.

It’s also going to be difficult for companies that have not been bonded before to get work at the site, Green said.

“If you’ve never been bonded, you can’t be the prime contractor,” he said. “In Prince George’s County, we have settled for subcontracting positions for so long, and have made a comfortable living, that we’re not trying to become the prime contractors.”

Bureaucracy can hold businesses back, but some just don’t know how to get to that next level, he said.

National Harbor at a glance

Gaylord National Resort and Convention Center:

2,000 guest rooms

470,000 square feet of flexible convention, meeting and exhibition space

1.1 million room nights booked to date

Other hotels at National Harbor

Westin 195 rooms

Hampton Inn & Suites 151 rooms

Residence Inn 162 rooms by Marriott

W aloft 150 rooms

Wyndham 250 time-share room Vacation Resorts

1 million square feet of retail, with 20-25 restaurants

500,000 square feet of office space

2,500 residential units