

Worcester Spent More Than \$100 Million Building Polar Park. Minority Companies Got Peanuts



Libis Bueno, CEO of Domitek, stands outside of Polar Park in Worcester, Mass. on April 6, 2021. He said he and other minority-owned businesses were frozen out of the ballpark's construction contracts.

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When the city of Worcester won the rights to build the new home for the Red Sox minor league affiliate, city leaders promised the giant construction project would bring vast new opportunities to local businesses — particularly companies owned by women and minorities.

But as the team prepares to take the field next month, GBH News has learned that minority-owned businesses were largely shut out of park construction.

Of more than \$100 million in construction contracts awarded for the project, less than 1% went to a certified minority-owned business, a GBH News investigation has found.

The city of Worcester and Polar Park construction manager Gilbane/Hunt provided GBH News with spending reports which claimed that minority-owned firms had been awarded 4% of the construction contracts and womenowned firms had received 13% of the work, for a total of 17% — close to the project's combined goal of 20% for women and minorities.

But those reports were incorrect. Gilbane/Hunt claimed credit for payments to minority-owned companies that are not in fact minority-owned. It also claimed payments to companies that were higher than what those companies say they were actually paid.

For example, the 4% minority figure Gilbane/Hunt provided includes a contract for \$1,083,908 to a company called Rebars and Mesh. That is a state-certified woman-owned firm, not a minority business.

Gilbane/Hunt also said it had paid \$2,737,800 to two minority-owned businesses, Don Martin Corporation and SUR Construction. GBH news confirmed with the company presidents that they received a combined total of approximately \$173,000 in contracts.

It is difficult to pinpoint exactly how much money minority-owned firms made on the project, largely because of differences between what Gilbane/Hunt stated in its reports and what GBH News uncovered. But it's clear that minority businesses received less than \$1 million worth of work on the \$100 million project, and the real total is probably closer to half that. When GBH News informed some minority-business owners and advocates about these findings, they called the project a "failure" and an "inside job" reserved for white-owned companies.

The city and Gilbane/Hunt said they regard the project as a success.

The <u>soon-to-be open</u> 10,000 seat Minor League Baseball park is part of a statewide <u>trend uncovered by GBH News</u> in the past year where minority-owned businesses struggle to access lucrative contracts for public projects. Boston <u>has acknowledged</u> that minority businesses got less than one half of 1% of city contracts over a five year period, and GBH News reported last year that the value of state contracts won by minority firms <u>has dropped</u> over the past two decades.

Gilbane/Hunt declined interview requests but emailed statements to GBH News saying it was "proud" of its hiring for Polar Park, especially the "minority and women-owned businesses that helped build this project."

When asked about the inaccurate information in its reports, a Gilbane/Hunt spokesperson provided a statement saying that the company was merely relaying figures submitted by its subcontractors.

"The project is not complete, so Gilbane/Hunt Joint Venture is still in the process of performing close out and verification of paid actuals," the statement said.

Representatives of the city also said they regard the ballpark construction as a win for both contractors and workers.

City spokesperson Walter Bird declined GBH News' interview requests to City Manager Edward Augustus and directed all questions about Polar Park construction to Worcester Redevelopment Authority Executive Director Peter Dunn.

Dunn pointed to the Gilbane/Hunt claim that women and minority-owned businesses got 17% of contracts.

"I would say that we're pleased with that number," Dunn said. "Is it a perfect project? No. I mean, we're always trying and trying to continue to do better."

He said that Worcester needs to conduct a more detailed diversity study to better understand the number of minority-owned businesses in the city so that it can see whether there were more companies available to participate.

Dunn also pointed out that the project exceeded some of its workforce labor goals.

According to a Gilbane/Hunt Workforce Diversity & Inclusion report from Feb. 28, 25% of the people hired to work on Polar Park were people of color. That exceeded the 15.3% project goal. They also reported hiring 6% women, against a 6.9% goal, and 21% Worcester residents, against a 25% goal.

The project did not meet any of the new workforce goals Worcester established in August 2019, about a month after construction began at Polar Park. At the time, City Manager Augustus had said Gilbane/Hunt would be "encouraged" to meet those goals.

The city's workforce hiring goals for construction projects is now 38% people of color and 10% women.

The Worcester Regional Chamber of Commerce, which facilitated local business connections with Gilbane/Hunt, was among those that championed the Polar Park construction project and the Worcester Red Sox's relocation to the city.

A spokesperson for the chamber sent two written statements from Alex Guardiola, its director of government affairs and public policy.

"We are happy to see that many local companies, a number of which are Worcester Chamber members, were able to work on this project," Guardiola wrote. "Minority-owned, women-owned and veteran-owned companies are an integral part of the success of Polar Park, and their involvement underscores the wealth of diversity here in the city of Worcester."

Five of the nearly 50 contractors awarded work at Polar Park were Worcester-based businesses, according to a GBH News analysis. Most of the remaining contracts went to companies based in eastern Massachusetts.

Libis Bueno, CEO of the Worcester-based IT and security firm Domitek, said he believes Gilbane/Hunt had "no intention" of hiring a significant number of minority contractors.

He estimates his company could have bid on millions of dollars of work at Polar Park. However, he wasn't alerted about the bidding process despite assurances from Gilbane/Hunt employees that he'd be kept in the loop. And, he said, he's not the only local company that was overlooked.

"The fact that nobody else that I know of that could have provided some of those services didn't either, then it proved my point that this is an inside job," he said. Bueno acknowledged that his firm and other local minority businesses may not be union shops, which the majority of the firms working on Polar Park were. Still, he estimated that there are 15 to 20 local minority-owned companies who had the skills to work on the project.

"My tax money is not classified to go just for the union. My tax money goes for every project," he said. "So that means because I'm not a union [shop], and I'm here, somebody who's from New Hampshire can get the job because they're in a union shop. To me, I think that's crazy."

Striking out on work at Polar Park is the latest in a series of frustrations Bueno said he's had with the city.

For 17 years, Bueno said, he's worked for the Pentagon and in other communities but never landed a contract with the city of Worcester.

"We're not looking for a handout," Bueno said. "All we are looking for is opportunity and to be part of the progress."

Feeling excluded from that progress, Bueno said he's considering relocating his company to Florida.

Fred Taylor, head of New England Regional Council of Carpenters, Local 107, a Worcester-based union and the business representative for the North Atlantic States Regional Council of Carpenters, said having less than 1% minority contractors working on Polar Park is "definitely not acceptable."

He said the city should learn from this mistake moving forward.

"We want progress, right?" said Taylor. "We got a lot of work to do to bring more people in."

But Taylor applauded the workforce hiring on the project.

"The numbers that the city put on these projects, the public projects, are higher than the state requirements," he said.

The goals for hiring women and minorities as employees and contractors during the construction phase on state projects are currently 8.8% for women and

4.2% for minorities, and "are set for individual contracts based on project specific considerations," according to the state.

Segun Idowu, executive director of the Black Economic Council of Massachusetts, said Worcester and Gilbane/Hunt's "desire" to include minority contractors "only went so far as the press announcement."

"No one should be satisfied with a number like that," Idowu said, referring to GBH News finding that less than 1% of contracts for Polar Park went to minority contractors. "There should be an acknowledgment that there was a failure on the part of the city and this company."

He added that Worcester needs to put policies in place to assure its projects are equitable and inclusive to people of color, for both workers and contractors.

"Worcester has a healthy population of folks of color," Idowu said. "Why you wouldn't want them participating in the economy of the city and greater Worcester doesn't make any sense to me. The development of some communities cannot coexist with the underdevelopment of others."

Reggie Nunnally, former executive director of the Massachusetts Supplier Diversity Office — the office that certifies minority-owned businesses — said that Gilbane/Hunt pitched itself to Worcester leaders promising a partnership with one local minority-owned business. But he believes that company, Fisher Contracting, was merely used for publicity.

Nunnally cited a March 2019 document created by Gilbane/Hunt for its sales meeting to the Worcester Redevelopment Authority that listed Charran Fisher, the president of Fisher Contracting, as a "3rd Base Coach and WBE partner."

Fisher is the only person of color not directly employed by Gilbane/Hunt pictured on the document. Her company is a certified woman owned and minority owned business.

"I won't say [Fisher] was supposed to get a lion's share [of contracts], but she should have been in there, just on the publicity of this, for at least a million dollars," Nunnally said.

It is unclear exactly how much money Fisher Contracting made on Polar Park, but it is significantly less than \$1 million, according to Gilbane/Hunt's own reports.

When contacted by GBH News, Fisher declined to comment.

GBH News Investigations Editor Paul Singer and intern Monica Sager contributed to this story.

Clarification: This story has been clarified to reflect that not all of the work on Polar Park was done by unionized workers. A spokesperson for the city said 93% of all contracts went to union firms and 95-98% of the total contract value will be paid to union companies "once all bills are reconciled."

Correction: A previous version of the story mistakenly identified the name of the chamber, which is the Worcester Regional Chamber of Commerce, and said the chamber declined interview requests. The text has been updated, and we regret the error.