



Women Construction Owners & Executives, USA

**Testimony of Sheila Ohrenberg  
President, Sorella Group  
Kansas City, Kansas**

**Committee on Small Business  
House Subcommittee on Contracting and Infrastructure  
Hearing on  
“Utilization of Small Contractors in the Infrastructure Plan”  
June 10, 2021**

Good afternoon, Mr. Chairman, Ranking Member, and Members of the Subcommittee.

Thank you for holding this hearing on the “Utilization of Small Contractors in the Infrastructure Plan.” As a small businesswoman and as President of Women Construction Owners and Executives (WCOE), I commend your commitment to ensuring that all categories of business owners will benefit from the robust infrastructure investments being debated.

First, I want to take a moment to thank the Members of the Small Business Committee for their key role in enacting and finetuning the Paycheck Protection Program. The program was a lifeline to WCOE members. Thank you for your quick action in the face of the pandemic.

**Introduction**

I am Shelia Ohrenberg, President of Sorella Group out of Kansas. I am pleased today to be representing WCOE, a national trade association representing the interests of women owners and executives in the construction industry. WCOE was founded in 1984 and has continued to be the voice of women business owners in the construction industry for over 37 years. We have worked to create fairer procurement processes under the WOSB program so that female owners in the construction industry will have greater opportunities for success.

WCOE members from across the nation work in a wide variety of construction industry occupations and our firms includes both union and nonunion companies. Members include a rebar/highway contractor in Illinois, a landscaper who performed the landscape revitalization for the Statue of Liberty, a steel supplier for major federal projects from CA, a minority female owner out of Kentucky, the owner of an electrical company in CA, a trucking company owner from MO, and many more, including women who own construction-related professional service businesses. We are all eager to help maintain and modernize American Infrastructure. WCOE members hold a variety of different certifications: small business, WOSB, EDWOSB, DBE, MBE, EDWBE, and HUBZone contractors. As a group, WCOE focuses on helping women-owned businesses – and women executives – succeed in the construction industry.

My company, Sorella Group, is headquartered in Kansas City, Kansas, with additional offices in Nashville, Tennessee and Denver, Colorado. Sorella Group is a full-service carpentry company and material supplier, complete with design and installation services. Sorella is an accomplished company performing a variety of work including work as a subcontractor on a one and a half billion-dollar, state of the art, international airport project and a military hospital renovation. I founded Sorella Group in 2006 and have grown considerably over the past 15 years.

Today's topic is timely. Direct investment in infrastructure by the federal government is desperately needed but women business owners continue to be underutilized in the federal procurement process. Unfortunately, women face discrimination in the bid process both in the private and the public sector. The ability to fully compete for federal contracts is critical because winning a federal contract award is a powerful tool that will help women, and any small firm, grow their business.

### **Importance of Federal Infrastructure Investment to Small Business**

WCOE urges Congress to enact a bold infrastructure package. The President has proposed a wide-ranging American Jobs Plan (AJP) and we hope the bipartisan negotiations will quickly bring agreement on critically important infrastructure spending. Infrastructure is the strategic underpinning of the nation and yet the U.S. has been underinvesting in our infrastructure for decades.

Direct federal contracts are important to small businesses, but equally important are the grants and federally assisted project funds that go to state and local governments and make up many of the set-aside and DBE contracts that are extremely important to small businesses. The USDOT funds transportation projects in aviation, railway, and highway construction. After responding to the pandemic, state and local governments are "tapped out." Construction projects on the books have been pushed back, due to lack of funds, in some cases for years.

Maintaining and modernizing infrastructure is essential to any business. Infrastructure investment is critical for small business owners like me. An infusion of federal infrastructure projects means work, job creation, more opportunities for expanding my business and all women-owned construction firms.

Maintaining and building infrastructure expands access for business, enhances business operations, creates demand, and is vital to growth. Construction work means being on the road – road congestion leads to wasted fuel, lost productivity and more pollution. For WCOE members working on transit systems or highway construction or almost any project, delays mean higher costs and consequently the scope of the project is cut down or curtailed indefinitely.

## **Importance of Ensuring Contracting and Subcontracting Opportunities for Small Firms**

Although small businesses drive innovation, job creation and economic growth, women-owned small businesses, minority businesses, and veteran-owned small businesses continue to face direct and structural barriers to success. Unfortunately, this is true in the federal marketplace as well as the private market.

**The federal contracting programs Congress has put in place to provide greater opportunities for small businesses to win federal contracts and subcontracts are still necessary today.** The rates and costs of obtaining financing, bonding, and insurance are disproportionately high for small business and especially women-owned businesses. At WCOE events, new members share stories of the same social and economic barriers faced by women in past decades. As the Congress and the Biden Administration consider a massive infrastructure investment initiative, WCOE hopes more will be done to see that a fair portion of federal contracts and subcontracts go to these groups.

Consider that after 25-years, the WOSB program is still seeking only 5% participation across all market sectors even though 42% of all businesses are at least 51% owned, controlled, and managed by one or more females.<sup>1</sup> **The federal contracting goal for WOSBs still sits at 5% and the goal has been met only twice, once in 2015 and again in 2019.**

A February 2021 Congressional Research Service Report (R46322)<sup>2</sup> reports that although WOSB program usage has increased, WOSB set-asides and sole source awards continue to account for a relatively small portion of the federal contracts awarded to WOSBs and that the Department of Defense accounts for almost half of the WOSB awarded contracts.

Congress needs to do more to see that women-owned firms, in addition to minority and veteran-owned firms, receive fair access to federal contracts and subcontracts.

## **Enhance Economic Opportunities for Small Business Through the Federal Marketplace**

A bold, expansive infrastructure package would be a great vehicle that government can use to increase contracting opportunities for women-owned businesses that have continued to face an uphill battle in winning contracts and for whom the playing field is not yet level. WCOE has promoted several ideas that would help women in construction and other industries to grow.

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<sup>1</sup> [State of Women-Owned Business Report](#), 2019, Commissioned by American Express,

<sup>2</sup> [SBA Women-Owned Small Business Federal Contracting Program \(R46322\)](#), Congressional Research Service February 2021, Robert J. Dilger,

In addition to robust funding for core federal programs and innovative financing mechanisms, legislation could:

- A. Increase the statutory goals (currently 5%) for WOSBs and other categories. Considering that 42% of U.S. businesses are owned by women, the goal should be higher. It has been 5% since 1996, even as the percentage of women business owners has increased. In New York state, for example, when the goals were set higher, the number of contract awards to women-owned companies increased.<sup>3</sup> **Incentives to meet the goals would be helpful, especially if there are no consequences for never meeting goals.**
- B. Include language from a bill to be re-introduced next week by Representative Grace Meng (D-NY) in the House, and by Senator Tammy Duckworth (D-IL) in the Senate, which would revive the Interagency Committee on Women’s Business Enterprise (ICWBE), which would ensure more effective coordination of agency resources for women business owners.
- C. Require more transparency utilizing the SBA Procurement Scorecard. The Scorecard should include how many WOSB contracts are awarded along with the value of the contracts awarded by each agency. This would give a more complete picture of which agencies have an energetic WOSB outreach. A single million dollar contract is different than 40, \$25,000 contracts.

WCOE has recommended other regulatory changes that would make a difference to WOSBs. These would:

- Require that SBA determine how many different women-owned businesses there are within NAICS Codes. If there are 1,000 WOSBs under a particular NAICS code but 12 received all the contracting funds, that would reveal over 988 businesses did not receive work.
- Increase the small business size standards for construction by using an area multiplier. Costs of labor and materials are much higher in some urban areas. A construction industry firm can easily exceed a high dollar gross revenue threshold. For construction, receipts are a misleading indicator for size due to material, supplies and labor costs.

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<sup>3</sup> [Making the Grade: NYC Agency Report Card on Minority- and Women-owned Business Enterprises](#) / 2017), Scott M. Stringer

In addition, WCOE has worked with other construction industry coalitions for legislative contracting reforms, which will help make small businesses, including women-owned, construction firms more viable, particularly considering access to capital and to bonding are always significant issues. These include:

- Ensure payment and performance bonds for P3s and other creative financing mechanisms;
- Address payment issues for change orders;
- Exempt the Miller Act bond threshold from Indexing by supporting H.R. 2949, keeping in place payment and performance bonds on construction contracts of \$150,000 and more.

### **Conclusion**

Thank you again for your focus in the effort to increase contract awards to entrepreneurs who have continued to face discrimination and fight barriers beyond the usual hardships of running a small business. WCOE hopes to continue to work with you to fight for pathways that will encourage and support new generations of women so they can successfully take the leap into the world of small business.