
Taking on Chicago's old-boy network

By Erica Schlaikjer
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Dominic Delgado started out as a union apprentice in the structural steel industry in 1966 after a tour of duty in Vietnam. As he worked his way up from general foreman to project manager, he took out a home-equity loan and used some personal savings to start his own steel erecting company in 1985.

Delgado Erectors Inc. got its first contracts in the South Side steel mills repairing furnaces and overhead cranes. Since then, it's grown to post revenue of \$5 million last year and employ about 40, including Mr. Delgado's son and daughter, who plan to take over the business after he retires. It also has worked on high-profile projects like the rehabilitation of the CTA Blue Line and the McCormick Place expansion.

Still, it hasn't been an easy road. "We're not where we should be. We're not the Walshes or McHughs or Power Constructions or Kiewits," Mr. Delgado, 65, says, referring to Chicago's big construction firms.

In Chicago, 13% of Hispanic men work as laborers and helpers — mostly in construction — compared with 4% of non-Hispanic men. Hispanic women account for about 3% of construction jobs compared with 1% for non-Hispanic women. Both Hispanic men and women tend to be employed as lower-level laborers rather than in higher-skilled trades.

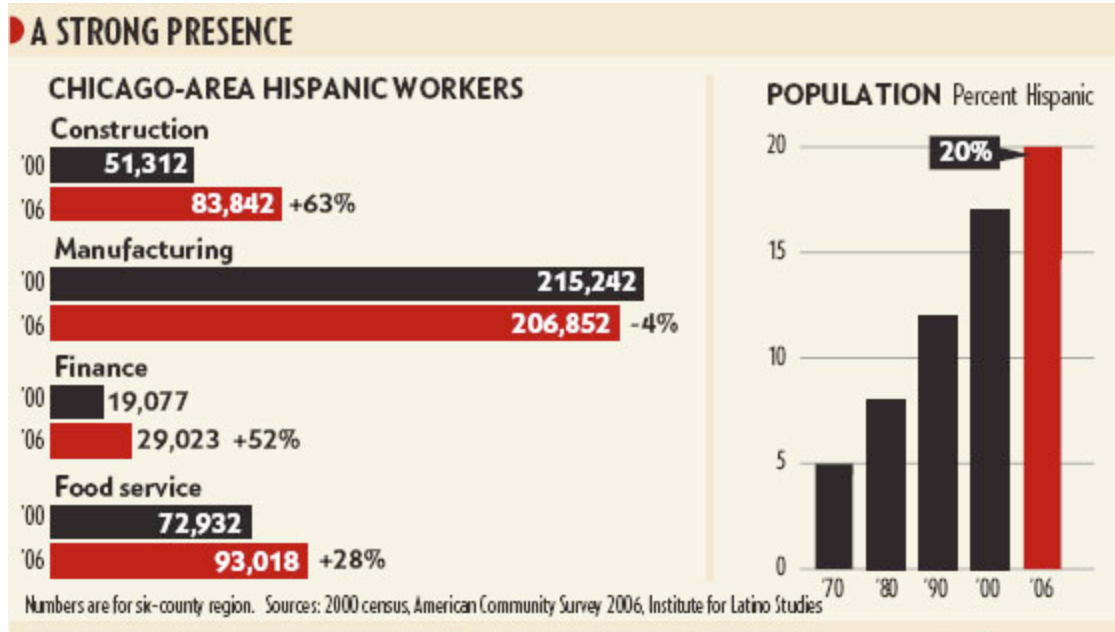
Language is one stumbling block because union contracts, business certifications and even safety procedures are written in English. Other barriers, according to those in the field, are lack of education, access to capital, networking skills and marketing savvy to get ahead in an industry dominated by established companies. Many Hispanics, new to the industry and non-unionized, are shut out from apprenticeship programs with prime contractors.

WINNING THE BID

Minority-owned firms get some help from the government. The Small Business Act mandates that 5% of federal contracts be reserved for socially and economically disadvantaged companies. The city of Chicago sets aside 24% of public construction contracts for firms certified by its Minority Business Enterprise program.

But Mr. Delgado says the disadvantaged status is a double-edged sword: It lets small, Hispanic-owned construction firms bid on public contracts, but once a firm exceeds an average of \$31 million in annual revenue, it is no longer considered a small business by federal standards and must compete on an equal footing with other firms. Private contracts, which have no government set-aside requirements, are harder to win.

"Those private jobs go to the good-ol'-boy network out there," Mr. Delgado says. "They use the same people all the time, so the opportunities are limited."



But entrepreneurs like Leticia Herrera, president of Chicago-based ECI, a certified woman- and minority-owned industrial maintenance and restoration firm, says it's possible to compete with the boys. With \$5.7 million in annual revenue, she credits her success winning clients like the Cadillac Palace Theatre and the John Hancock Building to developing a niche: metal and stone restoration and construction management.

"I'm really busting out of the stereotypes," says Ms. Herrera, 48, who represents the growing number of women owners of construction businesses, which jumped 36% between 1997 and 2002. "I would like to be seen as a successful business owner who happens to be a Latino and a woman."

There is some help for the next generation of Hispanic construction workers. In 1995, the Hispanic American Construction Industry Assn., which promotes 300 construction firms in Chicago, established a scholarship fund that has awarded \$346,050 so far to 207 Hispanic students pursuing careers in engineering, architecture and construction technology.

"If you look at any projects in construction in Chicago like the Dan Ryan Expressway, the McCormick Place expansion, Millennium Park and the CTA Blue Line," says Paul Cerpa, the organization's executive director, "every one has the fingerprint of HACIA members."

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