

Tim Lohrentz's Commentary on "Minority Contracts in Engineering"

Commentary On
Minority Contracts in Engineering

I believe that Myrna's part ownership in the firm does present a "conflict of interest" in hiring MBE Design Group. This reaches a level of public scrutiny because public tax dollars are being used to fund some of the contracts that MBE is used on. In addition, MBE is being used to fulfill Lesak's requirement to have minority-owned sub-contractors. In this setting, MBE should be required to bid on any potential subcontracts, both for ethical and public transparency reasons.

I do not think that Eileen's taking over the Presidency of the firm should be questioned on its face. The question of succession is a serious one at many minority owned firms. Obviously she is majority owner but it is not clear if she is acting as the CEO. If so, there is no reason to question her role. If she is a good CEO she will surround herself with people who know business and who know engineering. She could be very successful and maintain the minority status of the firm in a successful way.

The problems in the relationship between Lesak and MBE pre-date Eileen. Obviously it is not healthy for MBE to have 85% of its work coming from Lesak. However, it is better to give Eileen at least a year in her new position before addressing this since it requires some major changes to the firm's business plan and this should only be done from a position of strength - when the firm has completed its transition to new leadership.

It would be the responsibility of senior leadership at Lesak, such as the lead engineer, to question the appropriateness of the Lesak - MBE relationship for a variety of reasons. How this questioning occurs really depends on the corporate structure and environment at Lesak."