



## **THE COUNCIL OF THE CITY OF NEW YORK**

### **FOR IMMEDIATE RELEASE**

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### **James, Stringer, Rosenthal, Cumbo, Cornegy, Crowley & Advocates Call for More Support for Minority- and Women-Owned Businesses**

MANHATTAN, NY – Contracts Chair Helen Rosenthal, Women's Issues Chair Laurie A. Cumbo, Small Business Chair Robert E. Cornegy, Jr., and Women's Caucus Co-Chair Elizabeth Crowley will conduct a joint oversight hearing on the City's work to award contracts to Minority- and Women-Owned Business Enterprises (M/WBEs) and on eight bills to expand opportunities for M/WBEs and hold the City and those doing business with the City accountable for reaching M/WBE goals. One of bills is from Public Advocate James, a strong leader in the push to reform MWBE, who will attend the hearing.

Currently the City has aspirational goals for M/WBE awards for all service contracts and any contracts for goods under \$100,000. M/WBEs received 7% of the total value of these contracts in Fiscal Year 2015 (\$396.5 million out of \$5.7 billion), according to the Mayor's Office of Contract Services (MOCS) [Agency Procurement Indicators](#) report for FY 15. M/WBEs did substantially better in receiving subcontracts in FY 15: \$75 million out of \$170 million, or 44%.

The hearing follows the Administration's [November 11th announcement](#) to expand access to loans, credit, legal assistance, and other professional services to M/WBEs to increase their participation in City housing and economic development projects.

The eight bills would make it easier for Minority- and Women-Owned Business Enterprises (M/WBEs) to receive City contracts in the following ways:

**Promote M/WBEs in all major city projects.** [Int. 1021-2015](#) (Rosenthal) would require an independent M/WBE consultant for any city project with a budget over \$10 million. The consultant would need to have expertise in M/WBE procurement, and he or she would assist the prime contractor in finding M/WBEs to be considered for subcontracts and monitor and report on the contractor's performance in meeting M/WBE goals to the contracting agency.

**Increase EDC accountability through annual reports to ensure satisfaction of M/WBE requirements by contractors.** [Int 923-2015](#) (Cumbo) would require the Economic Development Corporation (“EDC”) to assess and evaluate whether contractors receiving economic development benefits have fully complied with MWBE requirements and require the Department of Small Business Services to submit a report on EDC’s assessment.

**Establish an advisory board to assess challenges and provide recommendations to increase M/WBE procurement opportunities.** [Int 981-2015](#) (Cumbo) would create an advisory board to enhance procurement opportunities for minority and women-owned businesses across city agencies.

**Require mandatory M/WBE training for agency chief contracting officers (ACCOs).** [Int 976-2015](#) (James) would require the Department of Small Business Services to conduct mandatory trainings for agency chief contracting officers (ACCOs) and agency M/WBE contracting officers regarding participation of M/WBEs in city procurement, and to post information on its website regarding ACCOs, including the date of the last mandatory training attended by each ACCO.

**Require city agency utilization plans to be posted on the Department of Small Business Services' website.** [Int. 1005-2015](#) (Crowley) would require city agency utilization plans to be posted on the Department of Small Business Services’ website. These plans contain agencies participation goals for MWBEs, the list of names and titles of agency personnel responsible for implementation of the plans, and a description of the proposed methods and activities to achieve the participation goals.

**Streamline approval process for small M/WBE construction projects.** [Res. 923-2015](#) (Rosenthal) would adopt the rule amendment voted on by Procurement Policy Board on October 21, 2015 to raise the micropurchase limit for construction contracts from \$20,000 to \$35,000. The change will impact M/WBEs contracting to do small construction projects (such as installing of new technologies in a school or maintenance projects) by significantly reducing processing time. New York State procurement guidelines have a limit of \$200,000 for specific businesses that include M/WBEs, allowing agencies to purchase services without a formal competition; increasing New York City's limit will help put NYC closer to the State's model on procurement services and allow M/WBEs to be chosen for their quality of work and not have to participate in a "race to the bottom" against other competitors.

The package also includes two bills to amend reporting requirements to align with

internal practices used by MOCS: [Int. 1019-2015](#) (Rosenthal) and [Int. 1020-2015](#) (Rosenthal).

"Minority- and women-owned businesses (MWBES) are critical to New York City's economy. While the City only awarded \$396.6 million to MWBEs, or 7% of applicable prime contracting universe, some agencies have distinguished themselves in awarding contracts to MWBEs. For example, the Department of Design and Construction (DDC) awarded \$164.7 million to MWBEs in FY15. Today we will hear from the Administration, M/WBEs, and advocates about barriers to entry and how we can better ensure that the demographics of the business owners that receive city contracts better reflect those of New York City. I am proud to chair today's hearing with Women's Issues Chair Laurie A. Cumbo and Small Businesses Chair Robert E. Cornegy, along with Women's Caucus Co-Chair Elizabeth Crowley and Public Advocate Letitia James, all of whom have been strong advocates on this issue," said **Council Member Helen Rosenthal, Chair of the Committee on Contracts.**

"Minority and women-owned business enterprises (MWBES) are vital to the economic growth and development of our city and the communities they serve. As the primary employer of our city's private sector workforce, their success is instrumental to job creation and our economic stability. Despite the growing number of MWBEs in New York City, only a small fraction or 5.3 percent were awarded government contracts in fiscal year 2015. In order to expand MWBE participation in the procurement process, we must gain greater insight of the Economic Development Corporation as well as city agencies to close the gap and spur job creation. Through increased accountability and transparency, we can ensure that all contractors are in compliance with our city's MWBE requirements and that we periodically assess existing challenges to increase procurement opportunities," said **Council Member Laurie A. Cumbo, Chair of the Committee on Women's Issues.**

"When we fight for fairness and equal access for MWBEs, we are really fighting for all New Yorkers because these businesses are key job providers for residents and they support other small businesses, to keep dollars circulating in our community. As Chair of the Committee on Small Business, removing the barriers that have limited MWBE progress is one of my highest priorities. I'm extremely pleased to be tackling this topic with my colleagues on the Contracts and Women's Issues Committees today," said **Council Member Robert Cornegy, Chair of the Committee on Small Business.**

"I am proud to sponsor this bill that's a substantive move toward supporting MWBEs, and ensuring that our government is more inclusive," said **Public Advocate Letitia James.** "However, it is not enough to simply have MWBE policies on paper, we must ensure that diversity and inclusion are well-established in our procurement process. New York is the most diverse City in the world, and every aspect of our government should reflect that."

“Every business should have an equal opportunity to compete for city contracts,” said **Comptroller Scott M. Stringer**. “But as my Making the Grade report has shown, the City has failed to meet even modest goals for M/WBE procurement—hurting small companies and our economy as a whole. I applaud the City Council and The Black Institute for working to improve transparency and accountability in city contracting.”

“New York City has the largest and most diverse population of businesses in the country, yet our City procurement does not reflect that same diversity. To change this, it’s critical the Administration – from the mayor’s office, to every city agency – prioritize M/WBE contracting and be more transparent in its plans to do so. My bill would require these goals be publicly shared, so we can identify any agency falling short, and why. Thank you to Council Members Cornegy, Cumbo and Rosenthal for their dedication to this issue,” said **Council Member Elizabeth Crowley, Co-Chair of the Women’s Caucus**.

“The legislation around Minority Women and Business Owned Enterprises (M/WBEs) that is being proposed by my colleagues in the City Council is long overdue, said Assemblymember Rodneyse Bichotte, Chair of the Subcommittee on the Oversight of Minority and Women-Owned Business Enterprises. It will provide the necessary oversight, and create a more transparent process so that there can be better documentation of how the City is doing as it relates to its M/WBE goals and the enforcement of real economic inclusion,” said **Assembly Member Rodneyse Bichotte**.

“These bills are a move towards equal treatment for all New Yorkers who want to work with the city. For too long, New York has failed its minority and women-owned businesses. Today, the City Council is taking a bold step to hold the city accountable to its commitments to M/WBEs,” said **Bertha Lewis, Founder and President of The Black Institute**.

“Women Builders Council congratulates the NYC City Council members, Helen K. Rosenthal, Laurie Cumbo and Elizabeth Crowley and NYC Public Advocate Letitia James for their proposed legislation that will serve to increase new opportunities for MWBEs. These women understand the needs of our MWBE community and the challenges we face as we navigate NYC public sector procurement. WBC fully supports the proposed legislation,” said **Deborah Bradley, President of Women Builders Council**.

“Achieving economic equality in city contracting for Black businesses is critical if we are to eliminate the disparities in wealth, health and education currently afflicting our community. We will continue to work with the City Council to close this gap,” said **Regina Smith, Executive Director of the Harlem Business Alliance**.

“We are 100% in support of these eight bills,” said **Chelsea LeMar, Executive Director of Professional Women in Construction**. “They will lead to greater representation of MWBEs, which more accurately reflects the diversity of New York City. PWC is a resource for MWBEs, and these regulations will champion the work we have set out to

do.”

"The New York State Chapter Association of Minority Contractors (NYSAMC) has been a fierce supporter and advocate for minority contractors in New York State over the last 25+ years. The playing field has been mildly tilled, as we struggle to address how NYC spends \$17 billion on goods and services, but less than four percent goes towards MWBE. Almost two decades ago, inclusion in the competitive contracting business was a mere aspiration. Minority owned contracting companies struggled to gain the proverbial seat at the bargaining table prohibiting them from bidding on contracting projects. NYSAMC and several community advocates answered that call. Today, we stand firmly and in solidarity with our membership, colleagues, and elected officials to champion for more training, financing, legislation, and MWBE inclusion initiatives to benefit this marginalized sector," said **Joseph Coello Sr., President of the New York State Association of Minority Contractors.**

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