

TO: Mayor Eric Adams and Speaker Adrienne Adams

FROM: Dynishal Gross, Commissioner, NYC Department of Small Business Services

DATE: December 31, 2025

SUBJECT: Worker Cooperatives as per Section 6-139 of the Administrative Code

The Worker Cooperative Business Development Initiative (WCBDI) is a program that supports the creation and growth of worker cooperatives, businesses that are owned and controlled by their workers, in New York City. In compliance with Local Law 22 of 2015, this report from the NYC Department of Small Business Services (SBS) to the NYC Council includes a summary of services provided by WCBDI to worker cooperatives in the previous three fiscal years. This addendum outlines select obstacles that worker cooperatives encounter when competing for City contracts and recommends measures to lessen the effects of such obstacles and enhance the ability of worker cooperatives to compete for and obtain City contracts.

These challenges and recommendations were gathered by speaking with WCBDI partner organizations that work daily to help worker cooperatives start and grow in NYC, as well as the worker-owners in the cooperatives that have worked with these organizations. In addition, the report describes the success of the initiative throughout the last three fiscal years (2023, 2024, and 2025).

1. Navigating the Government Procurement Process Can Be Challenging for Worker Cooperatives with Limited Time and Capacity

Challenge

Worker cooperatives report that participating in the City's procurement process can require substantial time and administrative capacity, particularly for businesses that are newer to government contracting. Identifying appropriate contract opportunities, understanding requirements, and preparing competitive bids or proposals are all important steps, and some cooperatives note that these activities can be demanding while they continue to operate and grow their businesses.

Recommendation

Worker cooperatives should make full use of the resources available through the NYC Department of Small Business Services (SBS) such as APEX Accelerator. The APEX Accelerator offers free, individualized assistance and training to help businesses confidently navigate local, state, and federal procurement. Through the APEX Accelerator, businesses can:

- Learn about contract opportunities aligned with the goods and services they provide
- Register for contracting email alerts and other tools that streamline opportunity tracking
- Participate in networking events with agency buyers
- Receive tailored guidance on specific bids and RFPs, including labor rates and formatting requirements

To further support worker cooperatives, SBS developed an FAQ guide detailing the free resources and services SBS offers for navigating the procurement process. This guide has been shared with all WCBDI partners, who then circulated it within their cooperative networks to ensure broad access to these tools.

2. Readiness to Pursue Contracting Opportunities Varies, Along with Awareness of Available Support Services

Challenge

Worker cooperatives engage with City contracting at different points in their business development. While some cooperatives expressed interest in procurement opportunities, others shared that contracting does not currently align with their operational capacity or growth priorities. For example, some cooperatives reported having more work than they could currently take on, while others noted that they had limited time to manage the paperwork required during the procurement process. While some cooperatives reported using bidding-assistance services, more work can be done to enhance cooperatives' awareness of the resources available to help them with contracting.

Recommendation

SBS and WCBDI partners will continue to offer flexible, easy-to-access pathways for learning about City contracting and the services available to assist them. This includes providing regular reminders about APEX Accelerator resources through WCBDI communications; continuing SBS's outreach efforts to ensure resources are accessible when cooperatives are ready to explore procurement; providing introductory sessions to help businesses assess whether procurements align with their current capacity and sharing success stories that illustrate how other small businesses have used bidding assistance. By ensuring that cooperatives are aware of these tools and that they can engage with them at their own pace, the City and WCBDI partners can continue to help businesses make informed decisions about when and how to participate in procurement opportunities.

3. Opportunities Exist to Strengthen Awareness of Worker Cooperatives in the Contracting and Business Ecosystem

Challenge

Worker cooperatives report that increased visibility and understanding of their business model within the broader contracting and business ecosystem would help them more fully engage procurement opportunities with the City and other entities. Since the cooperative business structure is less commonly used than more traditional small-business structures, some agencies and prime contractors may be less familiar with how they fit within existing procurement frameworks. In occasional cases, cooperatives have shared that this unfamiliarity can lead to questions about their organizational structure or eligibility—highlighting an opportunity for continued education and outreach.

Recommendation

SBS, WCBDI organizations, and other City agencies can explore opportunities to collaboratively integrate cooperative-specific information into existing trainings and procurement resources. This may include identifying ways to incorporate general information about worker cooperatives, their structures, and their relevance to City contracting processes into appropriate citywide communication channels and guidance documents.

- Embedding this information within established training and resource platforms—where appropriate and in consultation with relevant agencies— would help ensure that worker

cooperatives are understood and recognized as an integral part of the City’s diverse small-business community.

FY2023–25 ACCOMPLISHMENTS

Measuring Our Success

The WCBDI measures its success using five metrics on worker cooperative development. The cumulative outcomes listed below were reported by WCBDI partners and summarize the activities conducted in the last three Fiscal Years (2023, 2024, and 2025).

Category	FY23	FY24	FY25	Total
Number of Educational Services Provided	2224	3102	2764	8090
Number of One-on-One Services Provided	1596	1784	1729	5109
Number of Businesses and Organizations Served*	124	120	286	530
Number of Worker Cooperatives Served**	64	76	76	216
Number of Hires	90	125	112	327