

CITY OF NEW YORK

MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (M/WBE) PROGRAM

Annual for Fiscal Year 2023

Compliance Report covering July 1, 2022 – June 30, 2023

**Lisa Flores
City Chief Procurement Officer
Mayor's Office of Contract Services
255 Greenwich St., 9th Floor
New York, New York 10007**

**Kevin D. Kim
Commissioner
NYC Department of Small Business Services
1 Liberty Plaza, 11th Floor
New York, New York 10006**

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Introduction

As New York City continues recovering from the COVID-19 pandemic, Mayor Adams has consistently highlighted the need to move forward stronger than ever before, ensuring our recovery is centered on equity. In particular, the City will aggressively pursue increased M/WBE utilization in the over \$30 billion of annual public procurement, to “help small M/WBEs increase their capacity to win larger contracts and take on the ‘disparity within the disparity.’”¹

This report, along with the M/WBE Program section of the 2023 Citywide Indicators Report published by MOCS², summarizes program activity, prime contract, and subcontract utilization data for City-certified Minority and Women-Owned Business Enterprises (M/WBEs) and Emerging Business Enterprises (EBEs), as well as additional data specified in Section 6-129(l) of the New York City Administrative Code. The reporting period covers activity during the Fiscal Year 2023 (July 1, 2022 – June 30, 2023) and is jointly submitted by the Director of the Mayor’s Office of Contract Services (MOCS), as City Chief Procurement Officer, and by the Commissioner of the Department of Small Business Services (SBS). The City’s M/WBE program is led by Sheena Wright, First Deputy Mayor and Citywide M/WBE Director, and is administered in partnership with the Chief Business Diversity Officer, Michael Garner, the Mayor’s Office of M/WBEs (OM/WBE), SBS, and MOCS.

As further expanded upon in the related 2023 Citywide Indicators Report, during FY 2023, M/WBEs were awarded over \$1 billion in prime contracts subject to the M/WBE program and over \$406 million in eligible subcontracts. The City achieved a combined prime and subcontract utilization of 28%.

Expanding the Base of Certified Firms

SBS continues to increase the participation of M/WBE firms in City contracting by expanding its base of certified businesses. During the certification process, a company’s ownership and management structure is thoroughly reviewed to ensure the applicant performs the key functions of the business. The NYC Online Certification Portal (<https://sbsconnect.nyc.gov/>) allows M/WBE firms to certify and recertify online, check the status of applications, and update their business profiles to better promote themselves to buyers. In FY 2023, SBS conducted 51 certification workshops attended by 1,103 businesses.

¹ “Rebuild, Renew, Reinvent: A Blueprint for New York City’s Economic Recovery”. Released March 10, 2022.

<https://www1.nyc.gov/assets/home/downloads/pdf/office-of-the-mayor/2022/Mayor-Adams-Economic-Recovery-Blueprint.pdf>

² Annual Citywide Indicator reports can be found on the MOCS website: [MOCS Citywide Indicator Reports](#)

Partners help extend the reach of SBS certification outreach efforts. Businesses receive assistance in applying for certification from the community-based groups that comprise the New York City Council-funded M/WBE Leadership Associations, and the SBS network of Business Solutions Centers located throughout the five boroughs. This helps to ensure higher quality applications, making the submission and the certification review process easier and simpler. Between July 2022 and June 2023, SBS certified 1,109 new M/WBEs and recertified 1,710 M/WBEs, bringing the total number of City-certified companies to 10,799 as of June 30, 2023. Partners also help support the business growth of M/WBEs with marketing workshops, networking events, and business development services. During the reporting period, SBS collaborated with local development corporations, trade associations, industry membership organizations, and local chambers of commerce on 193 events to spread the word about the benefits of certification and the range of capacity-building services available citywide to help businesses grow.

Emerging Business Enterprise Program

Local Law 12 of 2006 created the Emerging Business Enterprise (“EBE”) program, directed at expanding procurement opportunities to disadvantaged businesses. Although similar outreach approaches and capacity-building initiatives were and continue to be undertaken by SBS to successfully implement the M/WBE and EBE programs (SBS often targets potential M/WBE and EBE groups simultaneously), the outcomes of such measures are quite different. Similar to the federal DBE program, eligibility for EBE certification under the City’s program requires that applicants satisfy a two-prong test of economic disadvantage and social disadvantage. Where social disadvantage is presumed for M/WBEs and further evaluation of social or economic disadvantage criteria is not required for those individuals, the City’s program criteria rely on individual and specific determinations of an applicant’s disadvantage. As of, June 30, 2023, there were 31 certified EBE companies. Unlike the M/WBE program, limited participation in the EBE program has made it difficult for City agencies to set goals on contracts. During the reporting period, 11 EBEs were awarded approximately \$1,636,547 in all types of prime contracts and subcontracts. SBS continues to strive towards increasing participation in the EBE program through a wide range of outreach efforts regularly conducted with businesses and community partners. Once increased participation in the EBE program is achieved, City agencies will have sufficient availability of certified EBE firms needed to set feasible contract goals.

Locally-based Enterprise Program

Although the Locally Based Enterprises (LBE) program is not referenced in Administrative Code §6-129, LBE is a certification category administered by SBS, and the applicability of the LBE program in City procurement is impacted by the M/WBE program. As set forth in Administrative Code §6-108.1, the LBE program is designed to promote the growth of small construction firms through greater access to contracting opportunities with the City. Generally, the program requires agencies to utilize LBEs as a prime or subcontractor on specific construction contracts. However, the number of contracts subject to the LBE program has substantially decreased in recent years due to other goal-setting programs established by the City, State, and federal governments. Under the LBE program rules, contracts are excluded from the program if they are federally, or State funded and subject to their requisite goal programs. Federally funded construction projects are generally subject to the Disadvantaged Business Enterprise program, and State funded contracts are subject to other goals and requirements as well, including Article 15-A of the New York State Executive Law. As many City construction contracts are federally and State funded and subject to subcontracting goals under those programs, they are not covered by the LBE program. With the creation of the City's M/WBE program, M/WBE subcontracting goals are applied to City-funded construction contracts in lieu of LBE goals. Accordingly, this further limits the applicability of the LBE requirements.

As of June 30, 2023, there were a total of 20 LBE certified firms. Many of our LBEs are also certified as M/WBEs and can be considered for subcontracting opportunities on City construction projects with M/WBE goals. During the reporting period, 5 LBEs were awarded \$840,613 in all types of prime contracts and subcontracts.

Selling to Government

SBS offers selling to government services that help M/WBEs navigate the City's procurement system. Services are provided through a combination of workshops and one-on-one assistance. To be an effective bidder on City contracts, M/WBEs must understand the City's procurement rules and how to respond to solicitations. M/WBEs must also maintain the most up-to-date information on their profile in the SBS Online Directory of Certified Businesses (www.nyc.gov/buycertified) and other City procurement systems. During FY23, SBS held a total of 119 workshops attended by a total of 3,071 participants to help M/WBEs build knowledge and understanding of the City's procurement rules, procurement portals, how to effectively respond to solicitations, and best practices in contract management.

Also, during the reporting period, 877 firms were supported through 1,172 instances of one-on-one technical assistance for submitting the most competitive bids and proposals, navigating government procurement, and successfully performing on contracts with the City.

On September 22nd and 23rd, SBS hosted the two-day 2022 Citywide M/WBE Procurement Fair comprising of an in-person event at the Barclays Center (9/22) and a virtual event (9/23) convening over 900 attendees. Mayor Eric Adams delivered the keynote address announcing that the City surpassed its 10-year OneNYC goal to award \$25 billion in contracts to Minority- and Women-Owned Business Enterprises by FY2025 – 3 years ahead of schedule. Clara Wu Tsai, founder of the Brooklyn Social Justice Fund, SBS Commissioner Kevin Kim, and Lisa Flores, Director of the Mayor’s Office of Contract Services, presented remarks on ways the City is helping M/WBEs to succeed. In addition to the hundreds of M/WBEs in attendance, more than 75 City and State agencies and authorities, Prime Contractors, and Business Support Providers participated as exhibitors in the event. The fair offered 8 opportunity rooms where participants learned about current and upcoming contracting opportunities, onsite technical assistance for existing firms, and a spotlight Cannabis Conversation focusing on M/WBEs in NY’s Cannabis Industry. M/WBEs networked directly with procurement and program staff responsible for specific areas of work.

SBS also works with the New York City Council through the M/WBE Leadership Associations to provide certified firms with more capacity-building services, including help applying for loans and surety bonds, preparing bids and proposals, and marketing to both the public and private sectors. During the reporting period, member organizations sponsored 80 events, provided 1,623 one-on-one assistance sessions, assisted with 194 loan applications, and awarded 100 loans to M/WBEs.

Capacity Building

In addition to the requirement that the City find vendors responsible, State law also requires that most contracts be awarded to the lowest responsive bidder or the best proposer. SBS has worked aggressively to expand opportunities for minority and women-owned firms by connecting them to a comprehensive range of programs that provide procurement technical assistance and capacity building support, as well as other resources to help them navigate and compete in the public procurement marketplace.

SBS administers a set of capacity-building programs and services for M/WBEs and small businesses that are designed to help firms better bid on, win, and perform on City contracts.

Bond Readiness provides certified construction and trade companies with financial and project management skills to help them secure or increase surety bonds necessary to compete on City contracts. The program offers a 12-session cohort conducted over 24 weeks that provides classroom instruction, agency participation, training, and one-on-one assistance, as well as introductions to a network of surety agents. Firms are encouraged to bid on City contract opportunities where appropriate, while applying for pre-approval for bonding during the program. During the reporting period, 31 firms graduated from the FY 2023 13th cohort.

Bonding Services provides certified construction and trade companies with access to six-hour QuickBooks for construction clinics, webinars, and one-hour one-on-one bonding assistance sessions to assist firms with, respectively, organizing their bookkeeping and accounting practices and preparing applications for bonding, understanding surety bond application preparation concepts, in order to compete for larger City contract opportunities. During the reporting period, there were 8 QuickBooks for Construction Clinics with 118 participants, 7 webinars with 101 participants, and 144 firms participated in 257 one-on-one bonding assistance sessions.

M/WBE Contract Legal Services, new offering launched in March 2022, designed to provide certified firms with education and legal consultation clinics so that they can become informed consumers of legal services; enter into commercial contracts with an understanding of terms, conditions, obligations, and rights; to equip them with the tools and strategies to negotiate or re-negotiate commercial contracts that reflect their best interests and minimize their risk; and understand their obligations, rights, and recourse under existing commercial contracts. During the reporting period, 421 participants attended 10 webinars and 143 attendees participated in 8 legal consultation clinics.

The **M/WBE Mentors Program**, launched in January 2021, is designed to create spaces for peer mentorship and networking amongst NYC-certified M/WBEs. Through curated, industry-focused events, owners representing a variety of industries and backgrounds serve as mentors to less experienced MWBEs. By mining their own experiences for advice, these mentors provide the insight their peers need to chart their own path of growth through government contracting. During the reporting period, the Program hosted 11 events with 749 participants.

The **NYC Construction Ramp-Up Program** recently launched its first cohort in June 2023. This intensive educational, training, and mentorship program helps M/WBE construction firms understand the requirements of the City's pedestrian ramp rehabilitation projects in order to successfully compete and qualify for the work and an upcoming related M/WBE Pre-Qualified List (PQL). During the reporting period, 32 firms were accepted into the first cohort.

New York City Economic Development Corporation and SBS launched the Contract Financing Loan Fund in FY 2017. The Loan Fund enhances the ability of business owners to access the capital they need to win, take on and perform successfully on NYC contracts, and reduces the cost of capital to a 3% annual interest rate. During the reporting period, 34 loans totaling \$ \$7,711,524 were awarded through the Loan Fund to certified M/WBEs.

Program Compliance

To ensure that all agency staff responsible for purchasing activities are knowledgeable about the M/WBE program and their agency's goals, SBS, MOCS and OM/WBE conduct agency training sessions. During FY 2023, 280 procurement professionals from 42 agencies attended 12 training sessions. The topics included implementation of M/WBE policy of the New York City Administrative Code, strategies and best practices used to identify M/WBEs for contract opportunities, M/WBE goal setting, and enhancing M/WBE procedures in all contract areas.

Quarterly compliance meetings with agency commissioners and M/WBEs officers are held to discuss utilization and agency initiatives to increase M/WBE performance. In the reporting period, the former Director of the City's M/WBE program, Deputy Mayor Maria Torres-Springer, Deputy Mayor for Economic and Workforce Development and Citywide M/WBE Director held the first two FY 2023 quarterly compliance meetings on September 22, 2022, and December 12, 2022. The second quarterly meeting was held on December 12, 2022, and was attended by 143 attendees representing 46 agencies. In the last two quarters of the reporting period, quarterly compliance meetings were held by First Deputy Mayor Sheena Wright, the incoming Citywide M/WBE Director, in partnership with the Chief Business Diversity Officer, Michael Garner on March 17, 2023, and June 22, 2023. In April 2023, in addition to the quarterly compliance meetings, the Chief Business Diversity Officer launched monthly all-agency accountability meetings accompanied with weekly agency focus groups.

Qualified Joint Venture Agreements

During the reporting period, one M/WBE was awarded approximately \$38,407,350 in a qualified joint venture.

