

CITY OF NEW YORK

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

Annual for Fiscal Year 2022

Compliance Report covering July 1, 2021 – June 30, 2022

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Introduction

As New York City continues the recovery from the COVID-19 pandemic, Mayor Adams has consistently highlighted the need to move forward stronger than ever before, making sure 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, “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 section of the [2022 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 Fiscal Year 2022 (July 1, 2021 – June 30, 2022), 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 Maria Torres-Springer, Deputy Mayor for Economic and Workforce Development and Citywide M/WBE Director, and is administered in partnership with the Mayor’s Office of M/WBEs (OM/WBE), SBS and MOCS.

As further expanded upon in the report, during Fiscal Year 2022, M/WBEs were awarded over \$933.5 million in prime contracts subject to the M/WBE program and over \$465.5 million in eligible subcontracts. The City achieved a combined prime and subcontract utilization of 22.94%. SBS held hundreds of capacity building and certification events, assisted hundreds of M/WBEs in learning to navigate City procurement, and grew the pool of certified firms. The report demonstrates that the City and its agencies made substantial progress towards achieving citywide goals in FY 2022.

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

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 2022 Citywide Indicators Report Appendices (<https://www1.nyc.gov/site/mocs/partners/m-wbe-appendices.page>)

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 the first three quarters of FY 2022, SBS conducted 55 certification workshops and application review sessions for 841 businesses.

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 2021 and June 2022, SBS certified 1,034 new M/WBEs and recertified 1,285 M/WBEs, bringing the total number of City-certified companies to 10,768 as of June 30, 2022. 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 251 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, 2022, there were 30 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, EBEs were awarded a total of \$2,657,876.85 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 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, 2022, there were a total of 11 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, LBEs were awarded approximately \$4,640,900 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. In FY 2022, SBS held a total of 123 workshops attended by a total of 3,313 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, 1,738 firms were supported through 2,909 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.

SBS also works with the New York City Council through the M/WBE Leadership Association 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 sector. During the reporting period, member organizations sponsored 91 events, provided 1,261 one-on-one assistance sessions, assisted with 165 loan applications, and awarded 53 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 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, 26 unique firms graduated from the FY2022 (12th) 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 92 unique firms participating, 6 webinars with 56 unique firms participating, and 97 firms participated in 229 one-on-one bonding assistance sessions.

M/WBE Contract Legal Services is a new offering, 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 risks; and understand their obligations, rights, and recourse under an existing commercial contract. During the reporting period, 4 webinars were conducted with 117 unique firms participating and 18 firms participated in 1 Legal Consultation Clinic.

The **M/WBE Mentors Program**, is designed to create spaces for peer mentorship and networking amongst NYC-certified M/WBEs. Through curated industry-based 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 10 events with 517 unique firms in attendance.

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, 36 loans of \$11,386,866.98 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 at the Citywide Training Center and specific trainings at agency offices. During FY 2022, 518 procurement professionals from 46 agencies attended twelve 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, Online Directory training, 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 for Strategic Policy Initiatives J. Phillip Thompson and former M/WBE Senior Advisor and the former Director of the Mayor's Office of M/WBEs Magalie Austin held the first two quarterly compliance meetings. The first quarterly meeting was held on September 14, 2021 and was attended by 132 attendees representing 45 agencies. The second quarterly meeting was held on December 22, 2021 and was attended by 116 attendees representing 44 agencies. Deputy Mayor Maria Torres-Springer, Deputy Mayor for Economic and Workforce Development and Citywide M/WBE Director, held the third quarterly compliance meeting on March 31, 2022 and was attended by 163 attendees representing 48 agencies. The fourth quarterly meeting was held on June 16, 2022 and was attended by 152 attendees representing 48 agencies.

Qualified Joint Venture Agreements

There were two contracts subject to the M/WBE program awarded to a qualified joint venture during the reporting period.

Industry	Total Contract Value	# of contracts	Ethnicity	Value to MWBE	%
Construction Services	\$221,168,785	1	WBE - Caucasian Woman	\$111,984,303.04	50.63%