TESTIMONY OF

Richard Buery

Citywide Director of M/WBEs and Deputy Mayor for Strategic Policy Initiatives
Before the New York City Council Committees on Small Business, Contracts, and Women's
Issues

December 5, 2016

Good afternoon, Chairs Robert E. Cornegy, Jr., Helen K. Rosenthal, Laurie A. Cumbo and members of the Committee on Small Business, the Committee on Contracts and the Committee on Women's Issues.

My name is Richard Buery and I am the Citywide Director of Minority and Women-Owned Business Enterprises ("M/WBEs") as well as New York City Deputy Mayor for Strategic Policy Initiatives. I am joined today by Jonnel Doris, Senior Advisor to the Citywide M/WBE Director and Director of the new Mayor's Office of M/WBEs, who comes to our program from New York State. Jonnel successfully oversaw operations for The Governor's Office of Storm Recovery, a program that sought to rebuild communities damaged in the wake of Hurricane Irene, Tropical Storm Lee and Super Storm Sandy by employing the services of M/WBEs. Also with me today are familiar faces: Michael Owh, the City's Chief Procurement Officer and Director of the Mayor's Office of Contract Services ("MOCS") and Gregg Bishop, Commissioner of the NYC Department of Small Business Services ("SBS").

Today, I present before the Council for the first time since the creation of the Mayor's Office of M/WBEs. On September 28, 2016 Mayor Bill de Blasio announced the new office as a critical and much-needed next step in the Administration's efforts to drastically increase business opportunities for minority and women entrepreneurs.

The Mayor's commitment to creating an equitable City – a City that is better and fairer for all New Yorkers regardless of skin color, regardless of gender, regardless of country of origin – is the central mission of this Administration. This mission applies to education, to public health, to affordable housing – and it applies equally to economic opportunity. Equity demands that all businesses – including M/WBES – have the opportunity to do business with the City.

But expanding opportunities to women and minorities is important to us for practical reasons as well. Contracting with the City can be a conduit to long-term economic prosperity for the individual business owner that has positive implications for the entire local economy and workforce. And the truth is, we need these businesses. Businesses of color have so much talent and expertise – we can't afford not to do business with M/WBEs. Yet we know that our City – historically – has not had the full benefit of the diverse perspectives, talent, creativity, ingenuity and expertise that our minority and women entrepreneurs have to offer.

So, we have a lot of work to do. This City has not always had an open door for M/WBEs. But we have made great strides over the past two years, and for that, I am thankful to the Council and, advocates from the M/WBE community for their continued support in this important work.

I am also grateful to the Administration officials who have worked on the M/WBE program in this Administration prior to my arrival: Former Counsel Maya Wiley, Commissioner Bishop, Director Owh and others.

I would also like to thank the elected officials at the state level who are equally dedicated to the mission of making New York a great place for women and minority entrepreneurs to run a business.

Most importantly, I would like to thank the M/WBEs themselves who have advocated on their own behalf, pushing us to go further.

I will begin today by highlighting some of the ways that the City's M/WBE program has flourished under the leadership of Mayor Bill de Blasio. These successes put us on the right path to accomplishing the audacious goals that the Mayor has outlined for the new M/WBE Office.

- Pursuant to Local Law 1, which governs the City's M/WBE program, we nearly doubled our utilization rate – the percentage of dollars awarded to M/WBEs subject to the City's Program – from 8% in FY2015 to 14.3% in FY2016;
- We've increased by 23% the number of certified Minority and Women-Owned businesses since the start of the de Blasio Administration to the end of FY 2016;
- And we've held more than 200 outreach events in the five boroughs to attract women and minority entrepreneurs to our program.

But we know that we can do better. With the creation of the Mayor's Office of M/WBEs this fall, Mayor Bill de Blasio has doubled down on his commitment that race, gender and ethnicity will not stand as barriers to economic prosperity for New Yorkers.

The Mayor has set an ambitious new goal: to award at least 30% of the value of City contracts subject to the M/WBE Program to Minority and Women Owned Businesses by 2021. This will include prime and subcontract awards by Mayoral agencies. It also includes certain City-affiliated agencies that are not currently part of the City's M/WBE program: the Department of Education, the School Construction Authority and the Economic Development Corporation. And he has appointed me to direct the work that will get us to that goal.

There are four core principles that guide and measure the work of the City's new program: accountability, accessibility, capacity and sustainability. This is how we are going to get to our 30% goal.

<u>First: Accountability.</u> We now have oversight at the Deputy Mayor level of City agencies' M/WBE programs and practices. This is real change. It was important to the Mayor to have the leader of our M/WBE program as part of his senior leadership team where executive decisions are made. This allows the City to pursue an *actionable* top down/bottom up approach to transparency and compliance.

Working in tandem with The Mayor's Office of Contract Services, the Mayor's Office of M/WBEs will work with City agencies to build and improve their M/WBE programs. Understanding the constraints that each agency faces in terms of capacity and resources, we will provide assistance to help them meet their goals. We will also review agency performance at quarterly meetings convened by my office. This is in addition to reviewing the quarterly and annual compliance reports required by law and hosting other ad hoc meetings as necessary. And of course, each of the deputy mayors will be given the data to hold their respective Commissioner's accountable. This puts us in a position to monitor our results and course correct if and when necessary.

<u>Second: Accessibility.</u> We are breaking down the barriers to entry that challenge women and minority business owners seeking to participate in the City's procurement process.

- We are creating new access to capital streams, including a new contract loan fund that caps interest rates at 3% the lowest interest rate of any government program in the State.
- We are also creating a \$10M fund to help M/WBEs secure the surety bonds they need to win and perform on City contracts. This will ensure more access to opportunities.
- We've instructed City agencies to de-bundle some large scale contracts by breaking down the work into smaller, individual RFPs. By de-bundling procurement opportunities we can ensure that smaller M/WBEs have the opportunity to compete for more business.
- We are continuing to improve the certification process, which is a critical first step in
 participating in City procurement. Through SBS, we are providing more technical
 assistance to help M/WBEs get certified quickly. Certification is also the entryway
 through which M/WBEs are eligible for additional technical assistance and support
 programs that have been proven to lead to success in later stages of procurement.
 - So far, we have retooled the certification process so that it takes about two
 months from the time of submitting an application to becoming certified; making
 New York City's certification process the fastest in the state.
- Moreover, as it relates to access, the City has never had a centralized M/WBE operation
 at the Deputy Mayor level until now. Our M/WBEs have asked for a single access point
 via which all M/WBE-related questions and issues could be raised. The Mayor's Office of
 M/WBEs will be that one-stop-shop to connect all the agencies that provide services
 through the City's M/WBE program.

<u>Third: Capacity.</u> To build the capacity of M/WBEs who seek to do business with the City, we are adding more people and resources to the Department of Small Business Services to provide additional technical assistance and intensive, customized educational programs to M/WBEs.

This will enhance these business owners' ability to compete successfully in the marketplace. We know that technical assistance programs work to help get M/WBEs certified; they also work for helping M/WBEs win contracts.

• In fact, more than two thirds of the M/WBEs that received city contracts in FY16 benefitted from resources offered by SBS, designed to put them on a path to success.

And finally: Sustainability. Through our capacity-building programs, firms build relationships with multiple city agencies and they graduate with three year plans for growth. Bond readiness graduates leave the program pre-qualified for the bonding that is a required for government construction contracts. And all of these graduates are connected to contract financing and other resources to help them perform on increasingly larger projects. Investing in these firms' success now is how we will achieve sustainability over the long term.

Sustainability is also built into the structure of our new M/WBE program. Our program is designed to make M/WBEs responsive to the City's procurement needs. We are assessing City procurement trends for areas of opportunity, and we're targeting our certification and capacity building programs to ensure that M/WBEs are equipped to compete in these areas of growth. By building the pipeline of qualified M/WBEs to match forecasted need, we ensure the sustainability of our program.

Leading these efforts day-to-day is M/WBE Senior Advisor Jonnel Doris who is head of the Mayor's Office of M/WBEs. It is a pleasure to introduce him to those of you who haven't had a chance to meet or work with him in his new role yet. We are so lucky to have a leader as experienced as Jonnel in this role and advising us on best practices. No one understands this work better and no one is more committed.

He was successful in his work for New York State and he's going to do a great job for New York City.

As the Chief Diversity Officer for the Governor's Office of Storm Recovery (GOSR), he oversaw New York State's \$4.4 billion recovery efforts, initiating and leading the Office of Diversity and Civil Rights, which included directing policy and implementation of the M/WBE Program. Under his leadership the office went from a few M/WBEs to a robust program engaging several hundred M/WBEs, with over \$300 million in spend. He developed and implemented strategic initiatives resulting in increased utilization of State and Federal M/WBEs. Including, the GOSR's Local Opportunities Program and Web Portal, two resources which continue to increase employment and business opportunities and enable hundreds of M/WBEs, small businesses and local residents to participate in New York's rebuilding efforts.

That perspective makes Jonnel a real value-add to the M/WBE Office and he is already challenging us to approach the City's M/WBE work in new ways.

So we have come a long way, and we have a lot to build on as we move our M/WBE program forward.

Yet, there are constraints in State law that limit our ability to have the kind of robust program our City needs and our businesses deserve. Part of our serious commitment to improving this work is pushing for changes to State law that will give New York City some of the same tools and flexibility that our State government has to maximize M/WBE participation.

First Proposal: Raise Thresholds for Discretionary Spending

Under current law, the City is only allowed to award public works contracts (construction) up to \$35,000 and purchase contracts (goods and standard services) up to \$20,000 without competition.

We are seeking the authority to engage in discretionary spending with M/WBEs up to a \$200,000 threshold.

We believe this will significantly help the City, given that in those areas where the City has broader discretion, the City's utilization rate for M/WBEs is over 30%.

We believe this change will result in significantly more contracts to M/WBEs.

Second Proposal: Expand Definition of "Best Value" Procurement

Right now, the option to use "best value" procurement applies to purchase contracts only. We seek an amendment to state law to allow the City to expand its use to all contracts.

As a City, we need to look at a variety of factors when assessing which bidder offers the "best value" to the City. Of course, the contractor must have the ability to do the work. Price is also a key consideration. But price isn't the only consideration. There are a number of factors that matter when considering whether a given business is the best option for the City. For example: their records of complying with existing labor standards and protecting the health and safety of workers. And yes, whether they are an M/WBE.

<u>Third Proposal: Allow the City to Establish Capacity-Building Programs for Certified M/WBE Firms</u>

Current law does not explicitly provide strong authority for the City to create mentorship programs and meaningful opportunities for participants in those programs.

We are seeking an amendment to state law that would allow the City to establish capacity building programs for the benefit of State or local M/WBE certified firms.

We know that when supportive programs are available to M/WBEs, their likelihood of securing contracts increases significantly. Our certified businesses deserve this dedicated support.

I will close with this. Though we have our work cut out for us to meet the Mayor's ambitious goals, I am confident that right now is the time to take the bold steps that will get us there. The policy changes being put in place by the Mayor's Office of M/WBEs take into account the best practices that we all have learned over the years doing this work together.

This audacious commitment to the M/WBE program comes just after the Mayor outlined a goal to award \$16 billion to Minority and Women-Owned Businesses over the next 10 years above and beyond Local Law 1. That goal was about changing the culture of how our City engages M/WBE business owners. It was about setting expectations across the City agencies that we need them to be part of this equity agenda with us, and that starts by giving more business to M/WBEs.

And you know what: we are ahead of schedule in achieving that goal. Currently, \$3.54 billion has been awarded to M/WBEs under the OneNYC goal.

That is not insignificant. It lets us know that the City is ready for the most robust M/WBE program in its history.

One thing that I can tell you about this Administration after nearly three years of serving as Deputy Mayor is that when we say we are going to make something a priority, we make it happen. We hold ourselves accountable to achieving that goal, no matter how ambitious it may be. If it means that we have to change the way City agencies work together, then that's exactly what we'll do.

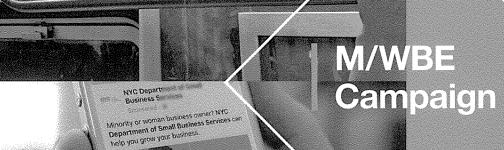
My commitment to you here today, on behalf of Mayor Bill de Blasio, is that we will bring the same dedication that got us pre-kindergarten for all; that established IDNYC as the largest municipal identification card program in the country; that's fueling THRIVE NYC, the largest mental health reform movement of any City in the country; to our M/WBE program and to meeting its goals.

Thank you for the opportunity to testify.



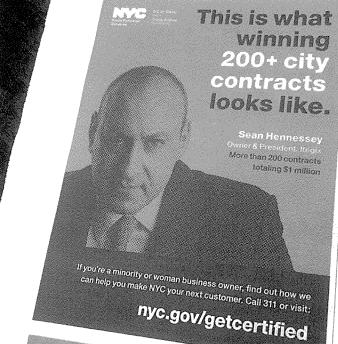


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Oversight Hearing:
"Update on the City's Efforts to Expand Contracting
with Minority and Women-Owned Businesses"

Presented to

New York City Council, Committee on Women's Issues,
Committee on Contracts, and the Committee on Small Business
Monday, December 5, 2016

Prepared By:

Nancy Carin, Executive Director at Business Outreach Center (BOC) Network on behalf of the Worker Cooperative Business Development Initiative and BOC Capital Corp.

Business Outreach Center BOC Capital Corp. 85 South Oxford Street Brooklyn, NY 11217 Good afternoon, distinguished members of the New York City Council Committee on Contracts, Committee on Women's Issues and Committee on Small Business. On behalf of the 13 organizations that make up the Worker Cooperative Business Development Initiative, and Business Outreach Center in particular, we want to thank you for this opportunity to testify on the barriers to contracting that minority and women-owned businesses face, with a particular focus on worker-owned cooperatives.

First, we wish to acknowledge Council leadership for their continued support and advocacy for the Initiative and the worker-owned businesses we assist. As a result of the over \$5 million dollar investment by the City Council over the last three years, New York is now home to the greatest number of worker cooperatives in the United States. Since July 2014, the Initiative has supported the start-up of 40 worker cooperatives and provided technical assistance to these and hundreds more businesses.

Workers own these business and have representation on and vote for the board directors, adhering to the principle of one worker, one vote. As a result of this structure, profits do not go to distant investors, but are directly passed on to the business's workers. In turn, these workers spend their earning income locally, therefore contributing to the development of their communities. The structure also promotes long-term investment in workers, thereby encouraging higher retention rates, extensive skills training, and better wages.

This testimony will address challenges for many businesses pursuing MWBE status and the opportunity for contracting with worker cooperatives given their unique role in the economic development of underserved communities.

As a funded member of the Initiative, Business Outreach Center Network (BOC) is a non-profit organization whose mission is to improve the economic prospects of traditionally underserved groups, with a focus on underserved-income entrepreneurs and their communities. For twenty years, BOC Network has provided its clients with one-on-one counseling, training, workshops, and financial services to help them start-up or grow their businesses.

BOC services include assistance with MWBE certification, as well as training, one-on-one TA and contract-based lending through BOC Capital Corp. CDFI to support cash flow needs through a unique financing product in partnership with NYCEDC and NYC SBS. BOC Capital provides training to certified MWBE construction contractors under NYCEDC Blueprint to Success and Construct NYC. As such, BOC has direct experience with the contracting challenges of MWBEs.

The Minority and Women-Owned Business Enterprise Certification Program is an absolutely essential one for promote equity through ensuring city procurement opportunities to minorities owned and controlled by women and people of color. We commend the City for committing to \$16 billion in MWBE awards over 10 years as part of OneNYC.

In recognition of the role that cooperatives can play in addressing the economic development of underserved communities, New York City signed the first ever piece of city legislation to require a city's economic development arm to track municipal support of worker cooperatives. Signed in March of 2015, Intro. 423 will require the city to assess how it can better support worker cooperatives, as well as report on the number of city contracts awarded and number of cooperatives that have received assistance from the Department of Small Business Services.

Unfortunately, many small MWBEs are challenged by the amount of documentation required in order to obtain certification. MWBE cooperatives face a unique challenge resulting from their worker ownership structure in meeting the documentation requirements.. If a business has been in operation for less than 3 years, personal tax returns of the business owners, rather than the business's tax returns, must be submitted. In the case of cooperatives, this greatly amplifies the amount of paperwork needed, and is further complicated by the fact that

many worker-owners may not have filed taxes or lived in the country over the last 3 years. Providing proof of ethnicity also becomes a challenge in this situation.

There are a variety of mentorship and training programs and workshops that focus on bonding, understanding contracts, the bidding process, Vendex, labor and operational requirements for contractors. One of the best known is the SCA mentorship program that is tied to contract opportunities. However, MWBE's in NYC have experiences ranging from frustration and confusion to positive growth and unfortunately to business failure, all of which we have directly witnessed. Agencies have been known to contract with MWBEs who do not have the cash flow ability to handle the job, to add on change orders that take months to approve while work must be performed immediately. Agency mentorship programs may contract with an MWBE. Prime contractors are known to "squeeze" their subs, however this practice is amplified when a prime is using an MWBE sub strictly to meet requirements, leading to impossible financial issues for the MWBE.

When approached, City agencies, authorities and prime contractors often will not agree to a payment assignment which is a requirement for much contract-based lending. Non-payment for completed work has forced many MWBE businesses to close down operations, which presents a risk to MWBEs and to mission-driven lenders.

We recommend a review of agency practices to protect against underbidding that harms MWBEs and MWBE programs overall. When a mentorship program participant gains a job that is underbid, it puts the company at risk, and locks out responsible MWBE bidders. Agencies should be held accountable for accepting the lowest responsible bid based on value engineering and bid review. In addition, when an agency requires MWBEs to 'work under duress' on potential change orders without negotiating the price beforehand, we have a serious problem.

Recommendations for oversight of prime contractors:

- Place damages and limits on future contracting opportunities on prime contractors that do not pay their MWBE subcontractors.
- Ensure that advocacy services have teeth for MWBEs that experience payment or job site issues, ie: primes do not receive payment unless there is a process in place to ensure that subcontractors are paid.
- Eliminate pay when paid clauses in contracts for small MWBE contracts, especially for retainage that extends more than 3 months after the MWBE portion of the job is complete.
- Provide free legal representation to disadvantaged MWBEs to deal with payment issues, job site issues and workers comp audits.
- Rate prime contractors based on issues with payment to MWBE subcontractors and jobsite complaints, and bar poor performers from access to city contracts.

It is important to address each of these issues with different resources that accommodate small, medium and larger MWBEs, and the unique position of MWBE subcontractors. We hope particular attention is paid to insurance, bonding, cash flow, and business operational requirements for worker cooperatives.

We thank you for the opportunity to testify, and urge the City Council to consider standards that streamline MWBE certification for the City's small businesses, especially worker-owned cooperatives, to pave the way for them to pursue contracting opportunities. We look forward to continue working closely with you to ensure individuals and families have opportunities to achieve economic advancement and create shared prosperity for all New Yorkers through the MWBE program.



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Prepared By:

Claudia León, Worker-Owner at Pa'lante Forward Green Cleaning, LLC. on behalf of the Worker-Owner Leadership Council of the New York City Network of Worker Cooperatives (NYCNoWC)

New York City Network of Worker Cooperatives

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[ESP]

Buenas tardes, distinguidos miembros del Comité de Contratación, del Comité de Pequeña Empresa y del Comité de Asuntos de la Mujer, del Concejo de la Ciudad de Nueva York. Soy miembra trabajadora de la cooperativa Pa'lante Forward Green Cleaning. Agradezco la oportunidad de compartir mi testimonio sobre cooperativas de trabajadores y empresas propiedad de minorías y mujeres.

Pa'lante Forward Green Cleaning fue inaugurada en el 2014, en Jackson Heights, Queens, por mujeres y hombres que se unieron para crear fuentes de trabajo sostenibles con salarios dignos en la industria de la limpieza residencial y comercial. Nuestra cooperativa se fundamenta en principios de igualdad, participación en decisiones y entrenamiento profesional constante; principios que a menudo están ausentes en compañías privadas de limpieza en las que hemos trabajado anteriormente.

El apoyo de organizaciones como Make The Road NY, Center for Family Life y New York City Network of Worker Cooperatives a través de la Iniciativa promocionada de Small Business Services ha sido fundamental para desarrollar nuestra empresa como un negocio viable y sostenible en el tiempo, para poder atender no solo a residencias sino también a empresas de gran tamaño y organizaciones sin ánimo de lucro de gran prestigio.

Mi nombre es Claudia León, y soy originaria de Puebla, México. Me mudé a los Estados Unidos hace 6 años, buscando nuevas oportunidades de empleo y superación personal para mi y mi familia en México, quienes dependen de mi. Al llegar encontré un trabajo de mesera donde trabajaba 9 horas al día, 6 dias a la semana, ganando \$20 por dia. Trabajé en estas condiciones por tres años, en un ambiente donde me sentí humillada y totalmente limitada en mi desarrollo y superacion personal.

Después de conocer mis derechos me di cuenta de que estaba siendo víctima de explotación laboral, en ese momento decidí dejar mi trabajo, aun sabiendo lo difícil que es encontrar un trabajo nuevo. Con el apoyo y asesoría de Make the Road NY, me uní a un grupo de 14 mujeres y 2 hombres, con quienes decidimos comprometernos a crear esta cooperativa como un lugar de trabajo diferente, en donde todos tengamos una voz, un salario justo, trabajos estables y con un ambiente de respeto y dignidad; también un lugar donde cada una pueda desarrollar capacidades y contribuir al crecimiento de la empresa. Por ejemplo, yo formo parte del comité de publicidad que trabaja en el mercadeo de la cooperativa y estamos enfocándonos en que nuestra cooperativa sea un éxito, así en un futuro crearemos más oportunidades para que otras personas que deseen superar sus condiciones laborales y mejorar sus vidas puedan formar parte de nuestra cooperativa.

Para que historias como la mía puedan repetirse y para que las iniciativas cooperativas puedan desarrollar su objetivo económico es importante considerar cuales son las barreras actuales para certificación y contratación con la ciudad. En ocasiones las cooperativas como Pa'lante tienen la capacidad y los servicios de calidad para contratar con la ciudad pero las barreras de acceso a la certificación MWBE, en relación a documentación, aplicación y requisitos, a veces obstaculizan esta posibilidad. Es por esto que les pedimos reconsideren el proceso de certificación, especialmente para nuestro tipo de negocio cooperativo.

Agradecemos al Concejo de Nueva York por la oportunidad para dar este testimonio.

[ENG]

Good afternoon, distinguished members of the New York City Council Committee on Contracts, Committee on Small Business, and Committee on Women's Issues. I am a worker-owner at Pa'lante Forward Green Cleaning cooperative. I appreciate this opportunity to testify about worker cooperatives and minority- and women-owned business enterprises.

Pa'lante Green Cleaning was launched in 2014 in Jackson Heights, Queens by men and women who came together to create sustainable jobs with a living wage in the cleaning industry. Our cooperative embodies the principles of equality, workplace democracy and ongoing professional training, principles often absent in the traditional cleaning companies we have worked for in the past.

The support of organizations such as Make The Road NY, Center for Family Life and New York City Network of Worker Cooperatives, through the Initiative promoted by Small Business Services has been crucial to our ability to develop our cooperative as a viable and sustainable business, to serve not only residential customers but also large private companies and important community organizations and NGO's.

My name is Claudia León and I am originally from Puebla, Mexico. I migrated to the United States 6 years ago, looking for employment and for personal development opportunities for myself, and ultimately for my family in Mexico, who depend on me. Upon arriving I found a job as a restaurant server where I worked 9 hours a day, 6 days a week, earning \$20 per day. I worked for three years in an environment where I felt humiliated and cut off from any opportunities to develop my skills and achieve my personal goals.

After learning and understanding my rights, I realized I was a victim of labor exploitation, and so I decided to resign my job, even though I understood how difficult it could be to get a new one. With the help and guidance of Make The Road New York, I joined a group of 14 women and 2 men, who decided to commit to the project of creating this cooperative as a different workplace, where each of us would have a voice, fair wages, stable jobs and in an environment of respect and dignity; furthermore, a place where each of us could develop their capacities and contribute to the business's growth. For example, I currently work on the Publicity Committee, which designs and executes marketing strategies, focusing on the success and growth of the cooperative, so that, in the near future we can create opportunities for other people to join the cooperative and improve their working conditions and livelihoods.

For stories like mine to be replayed and for cooperative initiatives to achieve their economic goals it-s important to consider which are the current barriers of certification and contracting with the city. Often, cooperatives like Pa'lante have the capacity and quality services to contract with the city but the barriers to access MWBE certification, as it relates to documents, applications and requirements, are an obstacle to this possibility. This is why we ask you to reconsider the certification process, particularly for cooperative business such as ours.

We thank the City Council for the opportunity to testify.



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Prepared By:

Katarina Spasic, Worker-Owner at Bikes&Humans on behalf of the Worker-Owner Leadership Council of the New York City Network of Worker Cooperatives (NYCNoWC)

New York City Network of Worker Cooperatives

495 Flatbush Ave. Suite 2 Brooklyn NY 11225 Phone: (212) 390-8178 Good afternoon, distinguished members of the New York City Council Committee on Contracts, Committee on Small Business, and Committee on Women's Issues. I am a worker-owner at Bikes&Humans and a representative of the Worker-Owner Leadership Council. The Leadership Council is a segment of the membership of the New York City Network of Worker Cooperatives (NYCNoWC). I appreciate this opportunity to testify about worker cooperatives and minority- and women-owned business enterprises.

My testimony will shed light on the composition of worker cooperatives in New York City, and reiterate a need for solutions to the barriers we face.

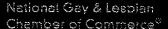
NYCNoWC is the trade organization for worker cooperatives in the New York metropolitan area and has a membership consisting of worker-owned businesses and support organizations. The Leadership Council, made up of five worker-owners elected by NYCNoWC membership, exists to bring the voices of worker-owners to the funded Worker Cooperative Business Development Initiative by providing a space for them to give feedback on programmatic priorities. Leadership Council members also serve as representatives of worker-owners in City and State Lobbying efforts.

Of the 20 worker cooperatives surveyed as part of the Solidarity Economy Research Project this year, women constitute 98% of all worker-owners in the City. Even excluding the all-female workforce of the City's largest worker cooperative, Cooperative Home Care Associates (CHCA) in The Bronx, the share of female workers-owners is 70%. Seven coops of the 20 surveyed are 100% women-owned. Another striking fact is that 99% of worker-owners in the City are non-white. Latino owners are the majority group at 70%, followed by Black owners (28%).

As a former lawyer and social justice advocate, I see worker-cooperatives as an opportunity to give life to social and economic human rights. As an immigrant woman, I see the coop movement as an empowering force. As an entrepreneur, developing my own start-up as a coop meant that I'm committed to values of self-help, equality and, solidarity, in life and in business. In my view, there has never been a better social and political climate for the cooperative to re-emerge as the most sustainable model of organizing enterprises. More importantly, the most humane model.

Thus, it is of utmost importance that we reduce barriers for worker cooperatives that wish to certify as MWBEs. We need to take into consideration the effort it takes for numerous worker-owners to submit paperwork at the time of application and renewal. We also need to keep in mind that cash flow is an issue for these businesses. Since many are small- to mid-scale, the deferred payments of city contracts place an unworkable strain on the ability of these business to provide services. Easy access to city-backed grants and lines of credit to business that have been awarded city contracts is critical.

One of my favorite writers said about bicycles: "It's an invention that was in many ways ahead of its time, and whose time has finally come." I think the same way about cooperatives. We thank the City Council for the opportunity to testify.





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Testimony by the National Gay & Lesbian Chamber of Commerce

New York City Council Oversight Hearing: Update on the City's Efforts to

Expand Contracting with Minority and Women-Owned Businesses

December 5, 2016

On behalf of the National Gay & Lesbian Chamber of Commerce, and the more than 1.4 million LGBT business owners we represent in the United States and around the world, I thank the Committee on Small Business and the Committee on Women's Issues for their leadership in expanding contracting for women and minority owned businesses; an essential issue which is first and foremost about the economic development of the City of New York and its thriving, diverse business communities.

Nationally, NGLCC has a network of over 45 local affiliate chambers, with additional global affiliate chambers spread across five continents. In concert with our partners around the world, NGLCC serves as the globally recognized voice of the LGBT Business Community and sole certifying body of LGBT Business Enterprises (LGBTBEs). While our national headquarters is in Washington, DC, our satellite office, and home to one of our largest affiliate chambers, is in New York City—making today's hearing even more enriching for me as both our national Senior Vice President and as Director of NGLCCNY. This particular conversation seems to be on the hearts and minds of many in New York, as NGLCC was proud to stand with State Senator Brad Hoylman just a few months ago for the introduction of the New York State Supplier Diversity



Act—which would open NY state's nearly \$240 Billion in contracts to LGBT, veteran, and disability owned businesses alongside all other recognized MWBE communities. I am honored by this chance to discuss providing similar opportunities for inclusion to all diverse business communities right here in New York City.

The rationale is simple; our city economy simply doesn't work without full participation. Discrimination and lack of inclusion is not only morally wrong; it's antithetical to the pro-business climate for which New York is renowned. The city's economy will be strengthened as more citizens fully engage in building equity, creating jobs, and developing sustainable economic strength. LGBT business owners pay taxes and create jobs in the same way that all small businesses do. They should have access to every opportunity to grow their enterprises, including contracting and procurement opportunities with their city. The strongest city economies are the ones that include and engage everyone.

At this moment, LGBT owned businesses are providing top quality goods and services—from personnel to pavement—at extremely competitive prices to many of the prime contractors New York City uses everyday. They deserve the fair and equal chance to win those contracts outright, like all other diverse communities in our city. For New York state's estimated 86,000 LGBT business owners, many of whom live right here in New York City, modernizing and expanding our city MWBE program to be fully inclusive of all diverse business communities promises to provide fair and equal access to the American Dream throughout our magnificent city. Diversity in citywide contracting in turn fuels innovation, creates jobs, and drives economic growth, resulting in renewed competition that drives down bid prices, saving New York taxpayers millions of dollars annually.

We were extremely pleased to hear about the September 2016 announcement of a coalition of city & state elected officials planning to introduce laws explicitly banning discrimination against



minority, women, and LGBT-owned businesses in government procurement. While current laws prohibit discrimination in housing, employment and public accommodations, protection against discrimination for the awarding of contracts does not exist within New York State or City legislation. Non-discrimination efforts are the **first steps** to full intentional inclusion of certified LGBT Business Enterprises, a revenue neutral policy already in use by an ever-growing number of Fortune 500 companies & government agencies. We want to help you painlessly develop inclusive policies that will grow industries and create jobs while New York exceeds all its goals as a leader in economic inclusion for all diverse people.

But why the urgency right now? Because the sooner everyone is welcomed to the table, the sooner our procurement programs can move out of low gear and finally achieve their full capacity. All our communities are asking for is exactly what is at the heart of all MWBE programs: a fair shot to succeed. It's the tax revenue created by LGBT, disability, and veteran owned businesses that help pay for the over \$10 billion spent on New York City contracts, and opening them up to our communities is simply a matter of fairness and a continuation of NYC's legacy as a national leader in economic opportunity.

At a time when many governors and local legislatures are hatefully using taxpayer dollars to discriminate, it is fitting that the city that played such an essential role in the women's suffrage movement and, a century later, the gay rights movement, could be home to the nation's largest city-wide expansion of contracting opportunities, allowing *all* minority communities to thrive.

And I stress, and will continue to stress, *all* communities. To paraphrase Justin Nelson, the President and Co-Founder of NGLCC, "when it comes to inclusion, there is no "us against them" – no more "the pie isn't big enough" – because we all know the pie is as big as we collectively want to bake it! When communities of color do better, so do we. When women do better, so do we. When people with disabilities do better, so do we! And when we do better, so do they.



It is extremely important to note that including LGBTBEs and others will not detract or diminish the contracting opportunities for our friends already in the diverse business community. Adding more suppliers drives competition, lowers prices for taxpayers, and allows diverse communities to work *together* in order to grow the overall number of contracting opportunities and increase economic growth.

So let's be clear about what expanding New York City's contracting programs is *not*. It is not a hand out, it is not a set aside, and it is not any kind of preferential treatment for the LGBT community or our allies. It is an equal seat at the table for every hard working, tax paying citizen of the City of New York. It allows them the fair and unfettered access to win city contracts on merit. And it will, without a doubt, bring tremendous benefits to *all* minority business communities throughout the city.

Across the country states, municipalities, and private companies have taken powerful steps to foster opportunity among historically disadvantaged business owners, including LGBT-owned businesses championed by the NGLCC—not just because it's the right thing to do, but also because it's essential to a thriving bottom line. New York City would be following in the steps of several states, state agencies, other counties as well as major cities to welcome LGBTBEs in a way that is **revenue neutral and free of additional red tape** that is cumbersome to small business development.

It's time for New York City, long respected as the national leader in business, diversity, and opportunity, to take its place as the most inclusive city for minority-owned business in America. Currently, the Commonwealth of Massachusetts, the Commonwealth of Pennsylvania, two state agencies, California's Public Utilities Commission (CPUC) and the Philadelphia Regional Port Authority (PRPA), and several regional governments, including Essex County, NJ; King County,



WA; and Cleveland, OH engage in the intentional inclusion of certified LGBT owned businesses—with many more major cities working with us on implementation in the years ahead.

These actions provide models for New York City that we should follow. To that end, NGLCC and our partners stand ready to work closely with your committees to better support businesses owned by LGBT individuals and other historically disadvantaged persons throughout NYC.

Following the implementation of the California's AB1678 inclusion law, there was a dramatic spike in the number certified LGBTBEs in California—resulting in a more than 200% increase in LGBT businesses in the state in the first year. We know that can and will happen here in New York City. What we cannot afford to do is wait for disparity studies to tell us what we already know: the LGBT community is kept away from opportunities that would help them, and in turn the entire city of New York, succeed.

As you know, each year The New York City Comptroller's Officer releases a Making the Grade report demonstrating that minority- and women-owned businesses have experienced barriers to contracting with New York City. That report led to many successful meetings between my organization and members of Comptroller Stringer's team, as well as many of you here on the Small Business and Women's Issues committees to find modern, creative solutions to our MWBE needs.

According to NGLCC's experience and analysis, LGBT-owned businesses face similar hurdles to minority- and women-owned businesses in contracting with governments. In fact, NGLCC has found that only 10 percent of LGBT-owned businesses receive contracts from state and local governments despite over 80 percent of LGBT business owners saying that would like the opportunity to do so.



We often forget that the important work of lifting up minority business communities is incredibly personal—effecting the daily lives of so many people looking to all of us to help them get the fair shot they *deserve*. I'm proud to have several NGLCC Certified LGBT Business Enterprises here with us for today's hearing, and we know their testimony will provide invaluable context for these much needed WMBE program reforms. Another LGBTBE who couldn't join us today because they are busy working with a major corporation who intentionally welcomes both their womenowned and LGBT-owned business certification is CreagerCole Communications, founded by Manhattan-based business and life partners Cindi Creager and Rainie Cole.

They told me that, "Expanding New York's supplier diversity pool will create huge economic opportunities for growing, lesbian-owned companies like ours. As a certified LGBTBE in New York, we welcome the chance to do business with the city that we love and to bring our authentic selves to the negotiating table as we vie for contracts here. A victory like this in New York would be a great boon to our company and allow us to contribute to the city's vibrant economy."

Strong, modernized, and fully-inclusive WMBE and Supplier Diversity programs prove every day to corporations, governments, and communities that bringing everything we are to everything we do makes us more competitive as businesses, more confident as business people, more connected as a business community, and more successful as an economy.

We are excited to soon count New York City among those who believe in the power of inclusion not just as the right thing to do, but also as an economic imperative for our beloved city. Our economy will be more inclusive and successful thanks to your leadership; leadership which our communities are seeking more than ever in these uncertain political times.





NEW YORK CITY LGBT BUSINESS ENTERPRISE INCLUSION

It will be a privilege to work with New York City. The NGLCC policy teams look forward to collaborating and creating a policy to include the thriving LGBT business community in New York City's procurement and contracting opportunities.

Not only is the model for intentional inclusion of certified LGBT Business Enterprises (LGBTBEs) championed by NGLCC revenue neutral for the City, it's a ready-to-launch turnkey solution that is already in use by an ever-growing number of Fortune 500 companies & government agencies. We want to help you painlessly implement a mechanism to grow industries and create jobs while becoming a leader in economic inclusion of all diverse people.

Below you will find an LGBT supplier diversity initiative question and answer session that should help you get started!

NGLCC Background & Certification:

- NGLCC is the only national not-for-profit advocacy organization dedicated to expanding the economic opportunities and advancements of the LGBT business community and exclusive certification body for LGBT Business Enterprises (LGBTBE)
- The NGLCC LGBTBE certification is a fully accredited process that is rigorous and thorough. It is recognized by well over 1/3 of the Fortune 500 companies, multiple state and local governments, and federal agencies.
- Estimated 1.4 million LGBT business owners in US; Nearly 1,000 NGLCC Certified LGBTBE
- 45+ NGLCC Local Affiliate chambers across the US like NGLCCNY, 140+ corporate partners, and 15+ international
 affiliates
- LGBTBEs build supply chain relationships with America's leading corporations & agencies, create jobs, and generate economic growth

What is the rationale for the inclusion of certified LGBT Business Enterprises (LGBTBEs)?

The rationale is simple; our economy simply doesn't work without full participation. Discrimination is not only morally wrong; it's inefficient. The City's economy will be strengthened as more citizens fully engage in building equity, creating jobs, and building sustainable economic strength.

LGBT business owners pay taxes and create jobs in the same way that all small businesses do. They should have access to every opportunity to grow their enterprises, including contracting and procurement opportunities with their cities and states. Intentional inclusion efforts must be made in order for underutilized diverse communities to recognize and engage in these types of opportunities. The strongest economies are the ones that include and engage everyone.

Including LGBTBEs will not detract or diminish the contracting opportunities for our friends already in the diverse business community. Adding more suppliers drives competition, lowers prices for taxpayers, and allows diverse communities to work together in order to grow the overall number of contracting opportunities and increase economic growth.

Additionally, the LGBT segment intersects with all other diverse segments. Including LGBT people strengthens all other inclusion efforts; it will attract more people of color, more women, more people with disabilities, and more Veterans. It's important to note that over 1/3 of Fortune 500 companies agree with this principle and include certified LGBTBEs in their supplier diversity programs.

Any Questions? Team NGLCC is standing by for you:

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Who else is implementing supplier diversity initiatives?

New York City would be following in the steps of several states, state agencies, other counties as well as cities. For LGBT business owners doing business with NYC, supplier diversity initiatives provide fair access to business opportunities and cultivates innovation, creates jobs, and drives economic growth.

Currently, the Commonwealth of Massachusetts, the Commonwealth of Pennsylvania, two state agencies, California's Public Utilities Commission (CPUC) and the Philadelphia Regional Port Authority (PRPA), and several regional governments, including Essex County, NJ, King County, WA and Cleveland, OH, engage in the intentional inclusion of certified LGBT owned businesses. Additionally, the <u>State of New York</u> has recently introduced supplier diversity legislation.

With the passage of <u>AB1678</u> in 2014, California became the first-in-the-nation to pass a public mandate requiring the intentional inclusion of certified LGBT Business Enterprises in contracting with California Public Utilities. Following the implementation of the law, there was a dramatic spike in the number certified LGBTBEs in California.

With the enacting of executive order <u>no. 565</u> in 2015, Massachusetts became the first-in-the-nation to expand supplier diversity initiatives to include the LGBT Business Enterprises *statewide*. This precedent setting public policy also required the inclusion of all veteran-owned and disability-owned businesses.

Following the great work in Massachusetts and California, <u>Pennsylvania</u> enacted a similar executive order to Massachusetts expanding nondiscriminatory practices in contract and grant awarding to include sexual orientation, gender identity and gender expression. The Pennsylvania executive order is all encompassing, including nondiscrimination practices in the awarding of contracts and grants, the hiring and treatment practices of contract and grant awardees, and the awarding of subcontracts and supply contracts for performance of contract and grant awardees.

Every day the NGLCC policy team is coordinating with local legislators to create opportunities for LGBT business owners to contract with state governments just like every other small business. National legislation or a Presidential executive order is necessary to ensure that every LGBT business owner has the same right to opportunities as everyone else in America.

Below is a list and detailed explanation of each LGBTBE inclusion policy effort.

California's Public Utilities Commission (CPUC)

Summary: This bill extends provisions of the utilities' Supplier Diversity Program that is administered by the CPUC to LGBT business enterprises (LGBTBEs). With the passage of AB1678 in 2014, California became the first-in-the-nation to pass a public mandate requiring the intentional inclusion of certified LGBTBEs in contracting with California Public Utilities. Following the implementation of the law, there was a dramatic spike in the number of certified LGBTBEs in the County.

Policy Highlights:

- 1. Mandates submission of verifiable plans for increasing procurement from LGBTBEs
- 2. Requires the CPUC to adopt the certification standards created by the NGLCC

Source of Authority: Legislative Statue (AB 1678)

Best Practices: Recognizing third party certification of LGBTBEs by the NGLCC to create a revenue neutral certification and verification process

Means for Data Collection (if any): Requires annual reports detailing the progress of increasing procurement from LGBTBEs

Implementation & Administration costs: As this legislation simply adds a certification category to a process that CPUC was already doing, the implementation and administration costs were/are negligible. Additionally, because the CPUC accepted third party certification of LGBTBEs by the NGLCC, it did not have the additional cost of implementing a new certification





Essex County, NJ

Summary: Inclusion of LGBTBEs in supplier diversity program. In a Memorandum of Understanding between the County of Essex and NGLCC, the County agreed to begin recognizing the NGLCC certification of LGBTBEs and expanded their outreach to include local LGBT affiliates.

Policy Highlights:

- 1. Recognized NGLCC certification of LGBTBEs
- Expanded outreach to LGBT community

Source of Authority: Essex County Office of Small Business Development and Affirmative Action order (through MOU)

Best Practices: Recognizing third party certification of LGBTBEs by the NGLCC to create a revenue neutral certification and verification process

Implementation & Administration costs: As this action simply adds recognition to an additional certification category to a process that the County was already doing, the implementation and administration costs were/are negligible. Additionally, because the County recognizes the third party certification of LGBTBEs by the NGLCC, it did not have the additional cost of implementing a new certification process.

King County, WA

Summary: Expanding King County's tracking system for contracts awarded to include LGBTBEs. The County Business Development and Contract Compliance Office will begin tracking the number and dollar value of contracts that are awarded to certified LGBTBEs. These LGBTBEs will also be certified as Small Contractors and Suppliers under the County's Contracting Opportunities Program.

Policy Highlights:

- 1. Inclusion of LGBTBEs into the county's diversity supplier tracking system
- 2. Begin tracking the number of contracts procured by LGBTBEs

Source of Authority: No new legislation or executive order was needed to implement these changes, however, the authority would be under King County Employee-based Equal Opportunity (EEO)/Affirmative Action (AA) Advisory Committee

Means for Data Collection (if any): Data collection will be through the existing system which new firms self-identifying as LGBTBEs and County staffers verifying certification status with the NGLCC

Implementation & Administration costs: The process has just begun so no data has been collected on costs, however, given that the process of accepting NGLCC certification is revenue neutral and as the tracking system already exists, implementation and administration costs are expected to be negligible.

New York State (In Process)

Summary: Extend state contracting opportunities to LGBTBEs, disability-owned businesses enterprises and veteran-owned business enterprises. This piece of legislation has been recently introduced into the NY State congress.

Policy Highlights:

- 1. Establishes new division to regulate all supplier diversity efforts
- 2. Develops guidelines and deadlines for annual reports tracking the progress of increased procurement by LGBTBEs
- 3. Establishes NGLCC as third-party certifier for LGBTBEs

Source of Authority: Legislative Statue (A10622) (Has not been passed)





Massachusetts

Summary: Expanding the Massachusetts Supplier Diversity Program to include veteran, disability and LGBT owned businesses. With the enacting of executive order no. 565 in 2015, Massachusetts became the first-in-the-nation to expand supplier diversity initiatives to include the LGBTBEs statewide. This precedent setting public policy also required the inclusion of all veteran-owned and disability-owned businesses.

Policy Highlights:

- 1. First-in-the-nation statewide inclusion of certified LGBTBEs
- Expanded certificate categories to include: veteran-owned business enterprises, disability-owned business enterprises, and LGBT-owned business enterprises

Source of Authority: Executive Order (No. 565)

Best Practices: Recognizing third party certification of LGBTBEs by the NGLCC to create a revenue neutral certification and verification process

Means for Data Collection (if any): Supplier Diversity Office's annual report (previously established reporting system expanded to include veteran, disability and LGBT owned business data)

Implementation & Administration costs: As this executive order simply adds certification categories to a process that the state was already doing, the implementation and administration costs are negligible. Additionally, because the state has accepted third party certification of LGBTBEs by the NGLCC, it does not have the additional cost of implementing a new certification process.

<u>Pennsylvania</u>

Summary: To ensure that Commonwealth contracts and grants are nondiscriminatory (by race, gender, creed, color, sexual orientation, or gender identity or expression). Following the great work in Massachusetts and California, Pennsylvania enacted a similar executive order to Massachusetts expanding nondiscriminatory practices in contract and grant awarding to include sexual orientation, gender identity and gender expression. The Pennsylvania executive order is all encompassing, including nondiscrimination practices in the awarding of contracts and grants, the hiring and treatment practices of contract and grant awardees, and the awarding of subcontracts and supply contracts for performance of contract and grant awardees.

Policy Highlights:

- 1. Prohibits discrimination (by race, gender, creed, color, sexual orientation, or gender identity or expression) in three aspects:
 - a. In the award of Commonwealth contracts and grants
 - b. By those who are awarded Commonwealth contracts and grants in the hiring and treatment of their employees
 - c. By those who are awarded Commonwealth contracts and grants in their award of subcontracts and supply contracts for performance under Commonwealth contracts.
- 2. Directs Commonwealth agencies to consider programs designed to increase participation of LGBTBEs in contracts with the state
- 3. Promotes creation of educational programs to better prepare LGBTBEs to compete and succeed in the Commonwealth economy

Source of Authority: Executive Order (2016-05 - Contract Compliance)

Best Practices: Recognizing third party certification of LGBTBEs by the NGLCC to create a revenue neutral certification and verification process

Means for Data Collection (if any): The executive order mandates the development and implementation of monitoring and reporting systems. These systems should be developed and come fully into effect in 2017.





Philadelphia Regional Port Authority (PRPA)

Summary: To promote opportunities for full participation by Minority-owned, Women-owned, Veteran-owned or Service-Disabled-Veteran-owned and LGBT-owned small businesses in all project-related construction contracts. To promote full participation in contracting opportunities for all disadvantaged businesses, to include LGBTBEs, by insuring that all Prime Contractors do not discriminate in the solicitation, award and administration of construction subcontracts on PRPA's projects.

Policy Highlights:

- 1. Prohibits discrimination against LGBTBEs, in addition to minority-owned, women-owned, veteran-owned or service-disabled-veteran-owned small businesses, in awarding contracts for the PRPA
- 2. Establish minimum levels for participation

Source of Authority: The Board of the PRPA mandate

-City of Cleveland, OH

Summary: Provides access to contracting opportunities to LGBTBEs

Policy Highlights:

- 1. Established a registry for LGBT business enterprises to provide access to contracts and bids
- 2. Provides the opportunity to track economic growth among LGBT business enterprises

Source of Authority: City of Cleveland order

What contributions have LGBT Chambers of Commerce made to the business community?

At the national level, the National Gay & Lesbian Chamber of Commerce has established memorandums and shared programming with the U.S. Small Business

Administration (2012 & 2015), the U.S. Department of Commerce (2011), the U.S. Department of Labor (2013), the U.S. Department of Agriculture (2016) and several other government agencies. They are the founding organization behind the National Business Inclusion Consortium (2011), which includes the U.S. Hispanic Chamber of Commerce, the U.S. Business Leadership Network: Disability at Work, the Women's Business Enterprise National Council, the U.S. Pan Asian American Chamber of Commerce, the National Black Justice Coalition, and WeConnect International.

Lesbian, gay, bisexual, and transgender chambers of commerce are similar in operation to other minority, women, or general market chambers of commerce.

They make significant contributions to the economic vitality of their respective regions and states, and nationally. LGBT chambers are focused on providing services and opportunities to the businesses they represent. This includes but is not limited to: business development opportunities, workshops, conferences, and capacity building seminars for business owners, and entrepreneurial scholarships and grants. Local chambers of commerce may be able to offer support with specific business services, recommend or advise on business loans and grants, and provide opportunities for peer-to-peer business networking and foster new connections. Many local chambers have thousands of small business members.

Local chambers are also deeply involved in establishing links with corporations within their footprint and have helped to incorporate LGBT-owned businesses into larger corporate supply chains. In this respect, they serve as a bridge between corporate procurement opportunities and small business contractors.

Nationally and at the state level, LGBT chambers of commerce provide input on policy, legislative, and regulatory matters where they may impact the small business community.





Would supplier diversity initiatives have a fiscal impact to New York City?

No, it doesn't have to. By recognizing the NGLCC as the exclusive third-party certification body, the initiative can be revenue neutral. Which means there does not have to be a cost to the taxpayers in the County in implementing such policies. Ultimately, supplier diversity initiatives create many new jobs in growing industries.

Furthermore, the inclusion of LGBT businesses in the pool of qualified potential bidders on contracts will lead to greater competition, which traditionally leads to lower prices/saving for the County.

Would supplier diversity initiatives make it more expensive to do business in New York City?

No. Quite the opposite. Greater competition by a large pool of qualified bidders leads to lower prices for goods & services purchased with taxpayer dollars.

Why does this matter now? Wasn't this covered by The Equality Act?

The Equality Act, introduced in July of 2015, aims to bring federal non-discrimination protections for LGBT people, promoting equal access to employment, housing, credit, public spaces and services, education, federally funded programs, and beyond.

However, it does not address many of the business inequities that have kept tax-paying, law-abiding LGBT citizens from achieving the American Dream. We hope action in New York City will ignite more essential conversations that benefit LGBT business owners, including nationwide protection from discrimination in government contracting alongside other diverse-owned businesses.

What certification mechanism is used to define an LGBT Business Enterprise?

The National Gay and Lesbian Chamber of Commerce (NGLCC) has a fully accredited certification process which is rigorous and thorough. The NGLCC's certification process is based on the certification process of such well-respected organizations such as the National Minority Supplier Diversity Council (NMSDC) and WBENC. The LGBT Business Enterprise Certification includes the submission of financial/corporation documents for review and analysis to determine complete ownership, site visits to ensure that the business is meeting Commercially Useful Function Guidelines and operating in compliance with standard industry ethics and guidelines.

Each application also goes before a certification committee, which is a third-party certification body that reviews all the application files, site visit notes, and makes an independent decision on the eligibility of each applicant based on the certification criteria and application files.

Is it as rigorous a certification as the DBE Certification or WEBENC, NMSDC's Certifications?

The NGLCC's certification and analysis is based on the same founding principles and guidelines as the process for the United States Department of Transportation's Disadvantaged Business Enterprise Program (DBE), WBENC's, and NMSDC's certification programs which include the submission of financial/corporate documentation, analysis to determine at least 51% LGBT ownership, operation and control, site visits and close adherence to ethics standards.

More information on LGBTBE Certification is available at nglcc.org.

Any Questions? Team NGLCC is standing by for you:

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- NGLCC Policy Team | <u>Advocacy@NGLCC.org</u>
- Call our office: 202.234.9181

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