

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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November 29, 2017

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HELD AT: 250 Broadway - Committee Rm.
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B E F O R E: HELEN K. ROSENTHAL
Chairperson

COUNCIL MEMBERS: Peter A. Koo
Costa G. Constantinides
Chaim M. Deutsch
Corey D. Johnson
I. Daneek Miller

A P P E A R A N C E S (CONTINUED)

Greg Bishop, Commissioner
Department of Small Business Services

Jonnel Doris, Senior Advisor to the Mayor

Michael Owh, Director
Mayor's Office of Contract Services, MOCS

Rob Piechots. Director
Brooklyn Small Business Development Center.

Corey Ortega, Director
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New York City Veterans Alliance

Manuel Rodriguez, Get Ready to Run Fellow
New York City Veterans Alliance

Dr. Overhulser, Founder of Orgology.

[sound check, pause]

CHAIRPERSON ROSENTHAL: Okay, good morning [gavel] and welcome to the Contracts Committee of the New York City Council. Today is November 29, 2017. I am Helen Rosenthal, and I have the honor of chairing this committee. We were joined today by some members, but they left, and I know that they are going to come back. The City of New York procured some \$21 billion worth of contracted goods and services in Fiscal Year 2017. This number not only reflects how essential our procurement process is to City Government, but also represents a significant part of the city's economy. Today's hearing is an opportunity to review the ways in which that procure—that procurement process supports and is strengthened by the diverse and dynamic business environment in New York City. Specifically, we will explore the needs of communities that have traditionally lacked access to the procurement process. While the city's Minority and Women Owned Business and Enterprise Certification Program sets goals and provides formal support—formal support structure for MWBEs, other groups like veterans, people with disabilities and the LGBTQ community have

all expressed concerns about obstacles that prevent them from competing for city contract dollars. We hope to review the steps that the city is taking to support those communities through the tools it does have both in terms of procurement and support for their businesses more generally. As another disparity study is conducted, as part of the city's MWBE Certification Program, now is the perfect time to review the city's policy in supporting other under-represented business communities. This is not the first time that the Council has sought to raise these concerns, and indeed the city has taken steps to address this issue in the past. For instance, in 2013, the Council passed Local Law 144, which required the Department of Small Business Services and the Chief Procurement Officer to study veteran-owned businesses and opportunities for such businesses in city government. While the report that emerged from that study advised against the creation of a separate certification program, there were several additional steps that the Department of Small Business Services committed towards ensuring that veteran-owned businesses were given access to the resources that they need. This included new steps

for identifying veteran-owned businesses that do business with the city through the Payee Information Portal, and several ideas for targeted outreach to veteran business owners. I look forward to hearing about the progress toward implementing those recommendations as well as any challenges that may have been encountered. Many in the LGBT community have called for a similar evaluation of the city's support for LGBTQ business owners, as have representatives of business owners with disabilities. I look forward to hearing from the Administration on the efforts they have taken to support those communities, as well as from representatives of these communities themselves on their experience working with the city as well as additional support programs they have identified that should be explored. I also hope to help—I also hope to hear from the Administration about their thoughts of whether or not these additional groups should be included in the City's Disparity Study. I hope that today's hearing will be springboard for a conversation as we work to ensure that all the city's contracting dollars support all corners of our diverse business community, and that we as a city are taking full

advantage of the benefits of operating in such a diverse and dynamic business environment. I want to thank the LGBT Caucus especially Council Member Dromm and Chair Rosie Mendez for their partnership and leadership in pushing for this hearing. I also want to thank our Committee Staff Counsel Alex Paulenoff, and Policy Analyst Casey Addison, as well as my Legislative Director Sean Fitzpatrick for their work in putting this hearing together, and with that, we will hear from Greg Bishop, Commissioner of the Department of Small Business Services.

COMMISSIONER BISHOP: Thank you. Good afternoon, Chair Rosenthal and member of the Committee on Contracts. My name is Greg Bishop. I am the Commissioner of the Department of Small Business Services. Here with me today is Senior Advisor to the Mayor Jonnel Doris, and the Director of the Mayor's Office of Contract Services, Michael Owh, who will help me answer some of your questions. At SBS, we aim to unlock economic potential and create economic security for all New Yorkers by connecting them to quality jobs, building stronger businesses and fostering vibrant neighborhoods across the five boroughs. Today, I'm pleased to testify on

the services SBS offers for under-represented businesses in procurement. Small businesses are essential to providing opportunities for individuals to strengthen their own economic security as well as provide jobs for members of their communities. They are the engine of our economy, and make up the character of our vibrant neighborhoods. At SBS, we help New York City's 230,000 small businesses start, operate and grow. It is critical for SBS to provide services that are inclusive of all communities and ensure everyone has access to economic opportunity. This is particularly important for businesses contracting with the city because a diverse pool of vendors allows the city to procure the best goods and services. SBS plays a key role in the city's Minority and Women Owned Business Enterprise Program with a goal of ensuring that the city's procurement reflects the diversity of our business owners. Like all other businesses, MWBEs participate in a competitive bidding process to ensure the city is choosing the strongest vendor. In order to establish the program, the City had to conduct a disparity study show the disparity between the availability of firms owned by minorities of women and a market area,

and utilization of those firms by an agency. The most recent disparity study will be finalized by the end of the year, and will be published early next year. SBS offers a number of services to assist under-represented businesses that are ready to make the city their customer. Cash flow is often an issue for companies working on city projects particular for smaller and under-represented businesses. So, the Administration recently launched a Contracting Financing Loan Fund. This revolving fund offers low interest loans of up to half a million dollars kept at a 3% interest rate. The fund was designed to assist small Minority and Women Owned Businesses and other under-represented business owners working on city contracts who often need funding to begin contract work. To date, we have made 19 awards valued over \$3.5 million, which have given these businesses the capacity to effectively and confidently complete city contracts. We have also announced the creation a \$10 million Bond Collateral Assistance Fund, which we expect to launch early next year. Similar to the Contract Financing Loan Fund, this fund will support small businesses, MWBEs and other under-represented businesses facing obstacles

accessing surety bonds and city contracts. The program allows businesses to apply for a surety bond, which is collateral assistance of up to half a million dollars or 50% of the contract amount, whichever is lesser. In addition to the funds, SBS also works to educate under-represented businesses, who are interested in selling to government. The SBS Procurement Technical Assistance Program provides, one-on-one technical assistance and training services to all small business owners who are interested in government contracting opportunities at the City, State and Federal levels. The PTAC Team offers workshops on topics ranging from how to sell to government to successfully responding to request for proposals. Currently, SBS PTAC Program has over 5,000 registered clients, and by educating and building capacity, these programs are essential for under-represented businesses to be successful in City contracting. Through our Introduction to Government Contracting Course, we provide a general overview of how the government buys goods and services. We not only guide them through the process of procuring with the City, but also provide guidance on what products the city generally purchases. For businesses that

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2 are interested in working with the federal
3 government, we offer doing business with the General
4 Services Administration. With trillions of dollars
5 spent annually by the federal government, this course
6 offers an introduction to GSA schedules and
7 requirements. We also teach businesses how to use
8 the GSA system for award management, which is
9 required for federal contracting. A critical aspect
10 of government contracting for business is have a
11 robust and reliable accounting system. Our contract
12 accounting course is designed to acquaint businesses
13 with the Accounting System Standards that are used by
14 most municipalities. Another essential course to
15 understanding the procurement process is response to
16 RFPs Proposal Writing. This course teaches the
17 structure of an RFP, how to understand every section
18 and its requirements; how to identify required
19 sources; and how to plan, develop, write, review and
20 deliver a complete compliant and compelling proposal.
21 These services are available to all small businesses,
22 and we are increasing outreach to ensure under-
23 represented businesses are aware and have access.
24 Additionally, through our seven NYC Business Solution
25 Centers across the five boroughs, SBS provides free

accessible services to local businesses including how to secure financing and access city benefits. To ensure that under-represented businesses are aware of the many services available to them, we have made outreach a major priority of the agency. With support from Council, SBS has two new ways of engaging with business owners directly in their communities. Through Chamber on the Go, we are deploying trained business specialists to connect with small business owners in neighborhoods across the five boroughs, and SBS also has recently launched a mobile outreach unit boosting our support by bringing our services directly to business owners, community-based organizations and job seekers in their own neighborhoods. We are always looking for opportunities to work with Council, advocates and community organizations to bring all these services directly under-represented businesses. Our mission at SBS is to ensure all New Yorkers have access to economic opportunities, and as such, we will continue to develop programs to address gaps we see. We hope to work with Council to better understand the needs of under-represented businesses, and we are always looking for opportunities to work with advocates and

community organizations to ensure they have access to our services. Thank you, and I'm happy to take any questions that you may have.

CHAIRPERSON ROSENTHAL: Well, can we start with, you know, can someone explain the, you know, the point of this hearing, which is, you know, the MWBE, whether or not these groups should be included in the MWBE Disparity Study. MWBE Disparity Study.

COMMISSIONER BISHOP: So, I—I think the, again, the understanding that we have is that we want to increase the population of contractors that are contracting with the city, and if the goal is to further help those businesses and under-represented communities to become prime contractors, I think we have more than enough services that we'll be able to help them. Again, we are really focused on increasing opportunities, and building a capacity of firms that are contracting with the City of New York. So, if—if the, you know, the answer to the question on whether or not it should—those communities should be included in the Disparity Study, the MWBE Program because it's race and gender based, requires a disparity study, but if the goal is increase under-

represented entrepreneurs with city contracting, that may not be the best solution. We have other services that we have available and especially the ones that I outline in the—in my testimony to really help build the capacity of those firms to become prime contractors.

CHAIRPERSON ROSENTHAL: So, let's say that a business with, you know, owned by people with disabilities, or owned by a veteran or owned by a LGBTQ individual, and it does not fall into the MWBE category. So, what are the benefits of being MWBE certified

COMMISSIONER BISHOP: In terms of the MWBE Program, as you know, with—the—the program has a subcontractor requirement that those businesses will not be eligible for.

CHAIRPERSON ROSENTHAL: Uh-hm.

COMMISSIONER BISHOP: However, our goal is really to increase prime contracting with all contractors including MWBEs. So, the rest of our services, and I talked about a number of things including, you know, how to sell to government, including responding to an RFP, including our financing will be accessible to under-represented

communities—to under-represented business owners.

So, certainly if awareness is the issue, and we have worked with advocates. We've actually talked to advocates in the past, and we continue to talk to advocates to figure out how we can actually get under-represented communities connected to these services. That is something we can certainly work on, and happy to work with Council on that because I think that those services are essential in order to be successful as a prime contractor with the City of New York.

CHAIRPERSON ROSENTHAL: Totally agree, and great. I mean I—I know this Administration does that. I know—I've worked with you now for four years and, you know, and Michael, I have no doubt that you are committed to that. You know, but there's still a disconnect in my mind because along with you I'm very proud of this Administration's hard work and efforts to contract, open up opportunities and contract with more MWBEs, and when you look at your results, they're spectacular. They're very, very good. Right, it may not be where we want them to be, but your trajectory, at least you have a trajectory that's going up unlike prior administrations. So,

you're--you're achieving much for the MWBE community. Why not for the layperson who looks at that, you know, why not include other groups that perhaps are just, you know, don't have the same--could use the extra special push. For example, right, we know that we've worked very hard together on making sure that more contracts would, you know, higher and higher dollar values of contracts would be weighted in a way that MWBEs could do well, right. Why not include LGBT businesses in that group?

COMMISSIONER BISHOP: I think we--you know, I think we share the same goal in terms of increasing the diversity of our contracting base. Certainly, and, you know, Michael Owh can actually sort of verify this with me is that they agree with me on this is that the more companies that are bidding for contracts with the city, the better it is for the city because--

CHAIRPERSON ROSENTHAL: [interposing]
Sure.

COMMISSIONER BISHOP: --you get a better price. What I'm saying is that, you know, our services that are available for all small businesses can certainly be tailored and--and focus on under-

represented communities who want to actually become a vendor for New York City. I think we sort of— I guess the—the analogy I would use is that if the only tool in your toolbox is a hammer, then you're always going to go to this hammer to actually solve a problem, and if the problem is really to increase opportunities for under time contracting opportunities for under-represented communities, we have multiple tools in our toolbox that can actually accomplish that goal. What and—and certainly we have worked together for many years. I've been with the agency now for nine years, and the challenge that I see, and it doesn't really matter whether you're MWBE or an under-represented community, when we look at businesses, we look at businesses in different stages. You know, pre-start-ups have certain challenges, and government contracting is probably not for them either pre-startup or startup. If you're in the operating stage, there are certain challenges and one of the things that we pointed out was access to capital. But the other thing is actually how to do business development effectively because remember you do not need to be a certified company to actually bid on any of our opportunities,

and there's a lot of companies that don't know that, and a lot of companies that just need the—the information through some of our programs that we have on how to actually effectively not only respond to an RFP, but make sure that our fee is compliant. And then if you remember, for some of our—our—especially our BIDs we go with the lowest price. So, we want to make sure we build the capacity that they actually have and can submit a BID that's competitive. For those that respond to RFP, they know the structure of the RFP. So, again, we certainly believe that we have the tools. You know, I will be the first to admit that we can do a much better job of connecting those tools to the different communities, and that's why we continue to have conversations with the advocates in terms of how we can do that better, and happy to also have those conversations with Council to figure out the best way to do that.

CHAIRPERSON ROSENTHAL: Okay, so I respect you and I respect the Administration tremendously, but it feels a little too cute by half. So, that with a grain of salt, but let's—so, let's try a different angle. Okay, tell me about the veterans report and what you learned from that, and

how maybe you changed what you did at SBS to help veterans' businesses from that report, and then maybe did you track outcomes? Where are you with that?

COMMISSIONER BISHOP: So, the Veterans Report had several recommendations, and some of that is actually coloring my testimony in terms, you know, one of the first recommendations was increased outreach to the veteran business community because we saw that they did not even know that we had these services. So, that is still ongoing. We've actually partnered with over 200 organizations out there. We've participated in a number of veterans events, and we continue to work with the Department of Veteran Services to reach our veteran business owners. Even some of our partners here from the Small Business Development Center is here with us, and they have been a great partner of ours. We have also because one of the things the report saw was that there was a low number of veteran businesses, and remember when we talk about government procurement, not every—every entrepreneur actually wants to sell to government. They have to be ready, willing and able to do that. So, what we were—what we also did was create an opportunity for individuals

to self-identify as veteran businesses, those who are actually contracting with the city. Out of, you know, our—our pool of 120,000 registered businesses, now these are not all actively contracting, but these are businesses that have said I think I actually want to work with the city. Only about 246 of them self-identified as veteran business owners. So, it's a very small amount, but what we also realize is that we need to build up the skills and capacity of veteran business owners. So, out of that space we have actually added additional workshops from Ten Steps to Starting a Business for veteran business owners. We've had customized training. Again, through leveraging the resources from the SBDCs and our Procurement Technical Assistance Center, Which I talked about. So, we have courses specifically tailored for veteran business owners on how to sell to business, and we also look at the self-identified as a source to figure out if we can actually get them connected to our other certification program. So, we've learned a lot from the report, but again, like I said, not every—if the goal is to actually increase procurement opportunities, and when I talk about procurement opportunities, you know subcontracting is

great, and it's a great way to start as a-as a-as a vendor working on city work. But our goal is really to get companies, and build the capacity of those companies to become prime contractors because prime contracting is where I think every small business wants to actually ultimately become because that is obviously, you know, a way to actually build the-your capacity. So, if the goal of Council of the advocates is really to connect those businesses to prime contraction opportunities, we have several tools that we can leverage right now that does not require a disparity study or a report or anything that actually can be successful in getting businesses to actually contract with the city. And I-I outlined-I talked about those in my testimony and certainly we have proven the effectiveness of those services. Over two-thirds of businesses that have actually utilized SBS services have won contracts. So, certainly we know they're effective because, you know, a lot of business owners they don't know what they don't know, and the minute we actually explain to them how we buy, where we buy and we make those connections, they become much more effective in terms

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2 of their business development opportunities with the
3 city.

4 CHAIRPERSON ROSENTHAL: [pause] I want
5 to welcome Council Member Costa Constantinides from
6 Queens who is a member of this committee. How many—
7 when was the Veterans Report issued again? I think
8 you said it in your testimony, and I have it as well.

9 COMMISSIONER BISHOP: I believe it was
10 like 2013.

11 CHAIRPERSON ROSENTHAL: 2013.

12 COMMISSIONER BISHOP: Yes.

13 CHAIRPERSON ROSENTHAL: In 2013, how
14 many—were—in 2013, did you even have a category?

15 COMMISSIONER BISHOP: [interposing] No.
16 No, maybe it wasn't in 2013.

17 CHAIRPERSON ROSENTHAL: It was in 20
18 something, something.

19 COMMISSIONER BISHOP: [interposing] It
20 was a couple years ago. Yeah.

21 CHAIRPERSON ROSENTHAL: Okay.

22 COMMISSIONER BISHOP: I believe it was
23 about 2014. Yeah.

24 CHAIRPERSON ROSENTHAL: I'm not going to—
25 for the record, it doesn't really matter. [laughter]

So, it's okay. I'm not going to hold you to any year. So, let's say it was whatever year it was, Year X. In the Year prior to X, did you include veterans as a self-identifiable category, and was one of the results of the report that now you had a category for veterans to self-identify or was that always there?

COMMISSIONER BISHOP: No, we—we did not--

CHAIRPERSON ROSENTHAL: [interposing]
December '14, by the way. You were right.

COMMISSIONER BISHOP: December?

CHAIRPERSON ROSENTHAL: I was wrong.

COMMISSIONER BISHOP: Okay. So, we did not include a category. I think one of the--

CHAIRPERSON ROSENTHAL: [interposing]
Okay. So, it really started in January 2015 that you had a category called Veterans where people could self-identify?

COMMISSIONER BISHOP: Correct.

CHAIRPERSON ROSENTHAL: Okay, and over time, now it's called December 2017. Has the number changed over time? Do we have a start number and where we are now?

COMMISSIONER BISHOP: Well, I mean the start number was zero--

CHAIRPERSON ROSENTHAL: Uh-hm.

COMMISSIONER BISHOP: --and we're at 246. So, again--

CHAIRPERSON ROSENTHAL: [interposing] It wasn't zero as in zero we're there. They didn't have a category to identify it?

COMMISSIONER BISHOP: That is correct.

CHAIRPERSON ROSENTHAL: Right.

COMMISSIONER BISHOP: Correct.

CHAIRPERSON ROSENTHAL: So, let's be clear.

COMMISSIONER BISHOP: Correct.

CHAIRPERSON ROSENTHAL: So, in other words we don't know whether--what the impact is of all the good things that you've done. I'm trying to quantify it because I love the idea that you've reached out to all these groups. I love that you now have the Mayor's Office of Veterans Affairs to work with, a Department of Veterans Affairs and, you know, that is very exciting and could really increase yield, but I would urge you to track that like the outcomes of your work. I don't know. Maybe there is

and I—I don't know what I don't know. [laughter]

So, what are the other ways that you track the success of what you've done with—in the veterans business community?

COMMISSIONER BISHOP: So, again we—we focus on in terms of the recommendations and—and what we have done in terms of, you know, the--

CHAIRPERSON ROSENTHAL: I got you.

COMMISSIONER BISHOP: Yeah, so--

CHAIRPERSON ROSENTHAL: [interposing] Let me ask you do you know how many veteran owned business have gotten contracts now with the city?

MICHAEL OWH: So, we track since 2015 I want to say, fiscal, the beginning of the Fiscal Year.

CHAIRPERSON ROSENTHAL: [interposing] Hang on one second, Michael. For the purposes of the transcript, can you just identify yourself?

MICHAEL OWH: My name is Michael Owh. I'm the Director of the Mayor's Office of Contract Services. For the—so, the self-identification category was available in the Payee Information Portal I believe sometime in Fiscal Year 2015, and so we've been tracking the self-identified businesses at

that point. I do want to manage some expectation. I know Greg, I think the 200 plus businesses have self-identified since that point in time. I do want to manage your expectations around that because any time you have self-identified information that is not validated, the--the data can be noisy, and we're also talking about a very small number of businesses in the universe of--of total businesses that have either registered to do business with the city or may have gotten contracts. That's that \$100,000--\$100,000 vendor range, and so we're--we're really talking about a big pool, small number in the last three fiscal years.

CHAIRPERSON ROSENTHAL: I won't hold you to the events. It doesn't matter. (sic)

MICHAEL OWH: So, out of that, just to get back to your questions, out of that 200 plus, I believe about 20% of those businesses, the self-identified businesses--

CHAIRPERSON ROSENTHAL: [interposing]
Were actually 50. (sic)

COMMISSIONER BISHOP: --have received contracts with the city. Exactly.

CHAIRPERSON ROSENTHAL: Okay, that's helpful to know. Would--what--what do you think about the idea of having or do--what are other--some of the--what are some of the other self-identifying groups that you have. Do have LGBTQ? Do you have people with disabilities as groups?

COMMISSIONER BISHOP: In the Payee Information Portal no we do not, but again we--and I think we--it's worth a conversation in terms of, you know, what's the best source or touch point to actually gather that data. The only thing I would caution because I know we, you know, we want to work with the advocates--the advocate groups to really, you know, penetrate those communities and let them be aware of our services. We want to figure out a way to track that, but with every single info--with every single sort of box that we had, it adds to the length of the application, and I have constantly been-- You know, when I talk to business owners, their biggest complaint about government is our bureaucracy, and the number of forms that I have to fill out. So, I--I--I want to balance the need for data with also the need--the--the concerns I hear from the business community in terms of, you know, procuring with the

city, and what's the best way to collect that information? Certainly, you know, if you look at what we do with veterans, I think, you know, again, a lot of what the report showed was just connecting veteran-owned businesses to our existing services and helping them become more aware was actually helpful. So, a lot of and even with, you know, when you talk about how many business-veteran-owned businesses who have won contracts, remember the reason--the--the work that we do at SBS is really to help businesses become more sort of--to actually become more aware of contracting opportunities, and I think we can accomplish that with existent set of services.

CHAIRPERSON ROSENTHAL: Okay, I would urge you to think about including those two categories for all the reasons we can imagine: Validation, you know, less changeable but very, very important goals of validation, and the importance of these business-businesses perhaps having some other challenges--

COMMISSIONER BISHOP: Right.

CHAIRPERSON ROSENTHAL: --and, you know, for the city to recognize that and appreciate it, and especially since we're going to--we're--we're on--full

on digital. Given that unless I'm missing something once you check one of those boxes, it doesn't necessarily automatically pull up an additional screen unless it does. You know, I'd urge you to-to think about adding those two boxes. I want to welcome I. Daneek Miller from--Council Member I. Daneek Miller from Queens who was already here before and, of course, Council Member Deutsch. So, Brooklyn is in the house.

COMMISSIONER BISHOP: So--so, I'm sorry.

CHAIRPERSON ROSENTHAL: Please go ahead.

COMMISSIONER BISHOP: No, I would say that it--it--it just to be clear when we talk about under-represented communities, it's not just two boxes. So, that's why I said we just have to be, you know--

CHAIRPERSON ROSENTHAL: [interposing] Of course, if you already have 50, now you have 52. It's--it's different than adding another form that you have to fill out. It just means there's another box you can check, and as the Director mentioned, it's not even verified, right. This is just self-identified, and I'm not asking you to go out and verify it. It's a self-identification. If we

started to know that information over time, and we could---if and I'm certainly not suggesting this at all, but if the Administration wanted to be able to boast about, you know, the work, the hard work you're doing, and being able to boast that it hits this wide variety of 52 different categories now, and being able to boast to say and we know that we did even captured more and more of these groups every year, and provided services to them and, you know, of these groups this many are getting contracts, and that number is going up. You know, that's a--that's a more confidence inducing statement than where we are right now because and--and I say that with confidence because at our last hearing that was similar to this, we heard from these groups, and as I've met with them and my colleagues have met with the advocates, you know, it's--their--their positions are very powerful. The challenges they have are very powerful. So, I--I guess what I'm trying to lay out is that there are--well, it's very challenging to get certified and--and the disparity study is a lot. You know, I'm still not convinced by what you're saying that these groups should not be included in the Disparity Study. I mean, you know, and I even have some knowledge about

this, but was—if I were a veteran-owned business, I wouldn't be convinced. I don't understand what's the holdup in including these groups in the Disparity Study. I mean is it that it's hard? Is it that there aren't enough companies? You know, I just—that's still a disconnect for me because I do know that there are benefits to being certified. We brag about those benefits, rightly so, and we know that we're getting an increasing number of MWBEs every year, and we're right to be proud of that. Why not, you know, bring these other groups into the mix? I'm not quite hearing that yet. That was a question believe it or not.

COMMISSIONER BISHOP: [laughs] Okay, I was sort of--

CHAIRPERSON ROSENTHAL: [interposing] And I think you knew that.

COMMISSIONER BISHOP: I was hoping it was a statement. I—I—I—so, I--

CHAIRPERSON ROSENTHAL: [interposing] Do you disagree?

COMMISSIONER BISHOP: So, I—I think, you know, if the shared goal is to increase opportunities for under-represented communities, then certainly I

agree. I think we need to have a conversation about what's the best route for that. I-I'm certainly of, you know, I-I think that the services that are laid out in my testimony gets us to that point much faster, and-and closer than, you know, sort of the other tools that you're-you're-you're talking about, but certainly we should have a conversation and figure out the best way to do that.

CHAIRPERSON ROSENTHAL: Let's say I agree with you 100%, right. So, let's assume that walking away from this hearing, and probably even before, that you're using those tools for all under-represented groups--

COMMISSIONER BISHOP: Yep.

CHAIRPERSON ROSENTHAL: --and confident in saying all of that. However, I-I don't know-I'm-- it still doesn't answer--if we did that, it still doesn't answer the question why not join into the MWBE Disparity Study given that we know that there are additional benefits from being certified.

COMMISSIONER BISHOP: But those additional benefits what I talked about whether you're an MWBE or under-served, you have a business in an underserved community, you're going to have

issues with access of capital. You're going to have issues with finding the right agency that procures your good or service.

CHAIRPERSON ROSENTHAL: I'm not doubting or questioning how good SBS is. That's a given for me. I think this is great. I think under your leadership, under the Mayor's direction, you know, you guys are all over it. So, I don't—I don't—you don't need to persuade me. You're preaching to the choir there, but let's think about one of the things you just mentioned, look at subcontracting. If you're in the construction business--

COMMISSIONER BISHOP: Uh-hm.

CHAIRPERSON ROSENTHAL: --subcontracting is a great place to start. You know, when we talk about MWBEs and we're impressed with what DDD-DDC does with MWBEs, they intentionally make the contracts smaller so that MWBEs could have a greater chance of--of winning those contracts.

COMMISSIONER BISHOP: Uh-hm.

CHAIRPERSON ROSENTHAL: Why not add additional groups to, you know, those certified to have better access.

COMMISSIONER BISHOP: So, if-if the goal is for access, I-I think, you know, remember the, you know, a prime contractor even though the city for the MWBE program will say that you have to certify-you have to use a certain percentage of your subcontracting with certified firms. A prime contractor for the rest of their subcontracting can go with any firm, and certainly again, you know, figuring out ways that we could connect prime contractors with companies from under-served communities should be one of the goals that we come out of this hearing, and say well how can we do a better job with connecting those opportunities with prime contracting. We do not need a goals program to actually, you know, have that-that conversation or even create that opportunity. Again, you know, the-the businesses from under-served communities I think the first question is, you know, helping them understand how we as a city, how we procure, where there are opportunities because, you know, when I talk to-to business owners, you know, yes, subcontracting is a great way to, you know, sort of enter into this-this space, but every business owner I you talk to wants to become a prime contractor.

They don't want to be, you know, a sub for all the other reasons of subcontracting some of these--

CHAIRPERSON ROSENTHAL: [interposing] Of, course, except for the fact that it's a great start. Agreed--

COMMISSIONER BISHOP: [interposing] It's-- it's--

CHAIRPERSON ROSENTHAL: --but it's a great start. I mean you can't walk away from that.

COMMISSIONER BISHOP: Right, but there are other ways you could actually start as a contractor with the city. I mean, you know, finding the right agency that has--that's procuring your good of service, agencies have full discretion, as you know, for any contract up to \$20,000, and if you are in the--one of the under-served communities, and you're a business owner providing that good of service, it would be helpful for you to know not only that this agency is looking for that service, but making a connection to that agency is something that we do, and something that, you know, if that agency wants to try to contract that, because they have full discretion, agencies certainly can do that.

2 CHAIRPERSON ROSENTHAL: Maybe, let's try
3 it this way--

4 MICHAEL OWH: So, I'm sorry, Council
5 Member.

6 COMMISSIONER BISHOP: Yes.

7 MICHAEL OWH: Can I just add one point I
8 would like to make?

9 CHAIRPERSON ROSENTHAL: [interposing]
10 Yes, because you could be the next person up for
11 question today.

12 MICHAEL OWH: Oh, okay, right. I beat
13 you to it. The DEC Contracts, I--I think first of all
14 that we all--it's--it's great that we're having this
15 conversation because I think we all agree that the
16 opportunity, the access, the lowering of the barriers
17 to entry I think those are all things that we all
18 agree on, and I believe that SBS and the city have--
19 have done amazing work to do that. And that's one of
20 our goals as well around the procurement system is to
21 lower that barrier of entry so that a small business
22 and MWBE and under-represented business can also have
23 the same amount of--same sort of footing in--in the
24 competition as the bigger businesses have. So, I
25 want to start there, but with regard to the DEC

contracts, those are actually not specific to MWBEs because they are prime contracts. What—that that allows us to do when we unbundle—when we implement a policy like this where we unbundle these bigger contracts into smaller categories, that allows us obviously to reach business like MWBEs, but also other under-represented business and smaller businesses, and I think that's how we get around some of the legal restrictions we have that prevent us from going directly to MWBEs or other businesses. And so, I did—I did want to just put that clarification out there.

CHAIRPERSON ROSENTHAL: Could you help me remember—I'm sorry to be distracted, and I appreciate that. Recently, we passed—I forget. I think it was a PB. Hang on one second. Actually, Council Member Miller, did you want to ask some questions? Are you ready?

COUNCIL MEMBER MILLERS: Yes, actually, I am.

CHAIRPERSON ROSENTHAL: Okay. I'm going to let Council Member Miller ask some question.

COUNCIL MEMBER MILLER: Thank you so much. It's so kind of you, Madam Chair, and we do

have two-two votes going on across the street as well. So, with all due respect, I-I kind of want to address something this-this kind of misnomer that the MWBEs are doing willingly well here in the City of New York particularly as we speak on the DDC project, right? I think we had this conversation about some of the work that, in fact, we-we met on some of the work that was going on in the infrastructure projects in Southeast Queens at \$1.8 billion. Thus far, I think 300--\$1.8 billion, about \$300 million of which have already been allocated contracts. Not a single MWBE, right, and that DDC. So, you know, how do we get there? We're still trying to figure that one out, right, and I-and I do appreciate the fact that--that most of the folks in this room on all sides have--have really come together to try to solve that puzzle, and that we continue to do that. So, I-I just want to kind of put that out there that--that we're putting the cart before the horse in this assessment about where we are with this program. There's a lot of work yet to be done--

COMMISSIONER BISHOP: Okay.

COUNCIL MEMBER MILLER: --and-and let's not lose sight of that, okay, and I know that some o

the work that we've done last session, the legislation that was passed in the State House--

COMMISSIONER BISHOP: [interposing] But not signed.

COUNCIL MEMBER MILLER: --has not been signed, and--and I want to remind everybody that's here in this room and really believes in this movement and this opportunity to make those phone calls, and do whatever has to be done to ensure that that bill gets passed, and that MWBE opportunities really manifest themselves in a way that we all set out to see. So, that's my--

COMMISSIONER BISHOP: [interposing] I mean--

COUNCIL MEMBER MILLER: --two cents.

COMMISSIONER BISHOP: Okay.

COUNCIL MEMBER MILLER: I would love to hear you respond to that.

COMMISSIONER BISHOP: Well, I--I would just say that I don't think anyone is resting on their laurels and saying that we have arrived. I think the Administration, you know, everyone from the Mayor down says we need to do more, and we continue to push on. I will say that, you know, looking at

where we've come from in terms of full accountability at the different agencies, the fact that this past fiscal year we've awarded over a billion dollars to MWBEs. We have definitely come a long way. You know, when we started this program a couple of administrations ago, we only had 700 firms that were even certified. Now, we're up to over 5,000. We have companies that now we're talking about actually segmenting and looking at companies that actually--can actually benefit from additional services. So, we continue to focus on how we can do more, and certainly, you know, as you had mentioned, you know, in certain areas, we want to actually increase more certified firms. I mean you raise a good point in terms of these heavy civil type of contracts, and--and my focus and my goal is really how do we find more Minority and Women Owned Businesses in engineering, and we could have a full conversations of why we don't have enough minorities graduating as engineers. But we also should figure out how we can get those MWBE engineering companies that are operating nationwide into our program, and I've had conversations with our federal counterparts, our Congressmen and Congress delegations to figure out

what we can do, and what we as a city either what we're doing or what we're not doing to actually get those companies into our programs. So, certainly, we have a lot more work to do in those areas and, you know, but I think we have, you know, we've made progress, and that's the only thing I would say is that we have made progress. We're not—we will, you know success for this program—for the MW program is when we eliminate disparity, right? So, clearly we're not there yet, but we have made great strides.

COUNCIL MEMBER MILLER: So, I—I do—I do, I do appreciate that we've extended our scope of outreach, and I know that we've met on that, with national firms that I know have the capacity to provide these services, and—and that those national MWBEs are still more likely to hire and support local communities than what we're seeing. Again, of the \$1.8 billion through that industry, they just got \$356 million have already been allocated and not a single MWBE, and—and that's great when you come from a community where it has been overburdened with—with flooding and—and bad infrastructure for decades. This is kind of euphoria has worn off and added the fact that you're not flooding, but now you see that

you've created \$2 billion in work for communities outside of your own, we need to figure out how we fix that.

Just to that, Council Member, one-one of the things that I'm-I'm serving personally doing in--

COMMISSIONER BISHOP: [interposing] [off mic] You have your office and your name.

COUNCIL MEMBER MILLER: Jonnel Doris, Director of the Mayor's Office of MWBEs. Sorry. That we've been doing a sort of diversified outreach, and-and approach. I mean there is this work that's being done with recruiting actual MWBEs and engaging them, but there's another component to our work, and just this week, and last week and so forth, and I'll continue to do it, where we have to engage the existing prime contracting community to be a bit more innovative in how they engage MWBEs, and-and so we've been going directly to their offices, their spaces to some of the large contractors that participate with the city to talk about innovation, and one of the innovative ways that they can go about working with MWBEs is joint venturing, and so we've been targeting these large firms, multi-billion international firms that do work with the city, and

in sitting with their executives talking to them about just change of culture at their institutions, and so we're bringing that to them not only outreach to the MWs that exist in New York and maybe other parts of the country, but as of right now, if we need something done at this moment, that can be done. And so I think what you see over the last year or so since our office has been created is sort of a diversified approach to our work, and certainly SBS is doing a tremendous job doing outreach to MWBEs and who are disenfranchised and feel that they weren't even a part of the discussion. And so, we're sort of engaging them again to become part of the discussion, and we are open to business—for business. But I think the immediate—another immediate need that we've been targeting is actually going directly to those prime contractors, and speaking to them about joint venture, and innovative ways that they can actually engage MWBEs that we know exist, but may not have the capacity to do a \$200 million project off hand. But, they can do \$30, \$40 million, a dollar component of that project, and can go in as a—as a joint venture. And so, just to let you know, that's one of the strategies that we are working on as well.

2 COUNCIL MEMBER MILLER: And-and I think
3 you, and I appreciate that, and I-and I was just-I
4 was merely trying to highlight that if we can't
5 leverage \$2 billion, then we ain't worth our salt,
6 and that goes for all of us around here--

7 COMMISSIONER BISHOP: This is correct.

8 COUNCIL MEMBER MILLER: --and-and-and-and
9 I know that there are legal hurdles here, buy \$2
10 billion is \$2 billion. So, they are not going to
11 walk away from that contract, right, and we just have
12 to commit to it, and-and kind of make it happen and
13 so I know that the chair and this committee has-has
14 certainly been committed to it, which is why I
15 mentioned in legislation that was passed before, it
16 we can do this, it's great--

17 COMMISSIONER BISHOP: Yeah.

18 COUNCIL MEMBER MILLER: --but they have
19 to sign off on it. We can't have legislation we're
20 passing and-and folks in this room really lobbying
21 around it, and a year later it just falls by the
22 wayside. In fact, we had about two weeks, right, and
23 if it sits on his desk after that, it just goes away,
24 and--

25 JONNEL DORIS: Yeah, we- I'm sorry.

COUNCIL MEMBER MILLER: Uh-hm. Yeah.

JONNEL DORIS: Uh, we echo that, and certainly we want to encourage Council Members and-- and the community advocates and everyone that we--that was a hard fought fight to get a unanimous vote in the State Senate, and an overwhelming majority in the State Assembly to get necessary tools that the state actually has that we can use here in our program, and--and gain the same benefits. So, we appreciate that very much, and your advocacy there as well, the Councilwoman, and whatever you could do to help us get the message out that we need that signature in order to move the program forward. We are ready and able. We have been preparing for when it actually gets passed. So, the lag time is actually not that much here at the city level. Been working with--with MOCS and everyone and we're preparing for it and--but we need that signature. So, we appreciate your--your assistance there as well.

COUNCIL MEMBER MILLER: [off mic]

CHAIRPERSON ROSENTHAL: In a heartbeat.

I mean let's coordinate with the Speaker's Office.

My guess is that letter has gone out, but I'm--I'm

down for doing another one from the two of us, and we

can get three colleagues to sign on. Great. Thank you. I just want to talk about as we've been brainstorming about how to help veterans groups, could you--would you consider without the Council asking for a report, would you consider adding businesses run by people with disabilities or businesses that are run by people in the LGBTQ community to your, you know, list of groups that you would purpose-intentionally reach out maybe working with our own MOPD to reach out to groups. Do you have any thoughts about that?

COMMISSIONER BISHOP: So, if-- you're-if you're asking, so certain I'm very open to not only working with, you know, our sister agencies that are focused on some of the under-represented groups that we're talking about, and we actually have relationships with MOPD. We have relationships with the Department of Veterans Services, but I'm also open to working with the advocates. Certainly the advocates we've been successful working with different organizations for example that penetrate immigrant communities, and we will just use the same model in terms of working with the advocates. They know those businesses that are interested in

1 actually, you know, contracting with the city. We
2 certainly can work with the advocates to provide
3 tailored services. We've had conversations and we
4 continue. We actually have conversations coming up
5 in the next two weeks or so with different
6 stakeholders to actually figure out how we can work
7 closer together. I think, you know, if-if you're-
8 we're also open to discussing, you know, what pieces
9 of data would be meaningful and-and where the-the
10 right touch point should be. So, yeah, we're-we're-
11 again, you know, I-I think the-the overall message is
12 that we want diversity in contractors as a city
13 because it's-it's in our selfish benefit that, you
14 know, the more companies that are-are bidding on our
15 contracts, the better pricing that we're going to
16 get, and certainly as I mentioned in my testimony,
17 New York City is a rich diverse city and our
18 procurement should reflect that diversity. So, I
19 think we share the same goal, and we just have to
20 figure out the best way to do that.

22 CHAIRPERSON ROSENTHAL: Great. Can you
23 call that a commitment.

24 COMMISSIONER BISHOP: It's commitment to
25 continue working with-I'm just a representative-

CHAIRPERSON ROSENTHAL: [interposing]

Yeah.

COMMISSIONER BISHOP: --from these.

CHAIRPERSON ROSENTHAL: I'm feeling you
now left coming on. [laughter]

COMMISSIONER BISHOP: And I just wanted
to--

CHAIRPERSON ROSENTHAL: No seriously,
can--can we, you know, set up a next meeting? It
doesn't have to be a hearing.

COMMISSIONER BISHOP: Absolutely.

CHAIRPERSON ROSENTHAL: We can work
offline, but--

COMMISSIONER BISHOP: Yep, absolutely.

CHAIRPERSON ROSENTHAL: --I take this
very seriously, and--and, you know, I want to see some
concrete steps--

COMMISSIONER BISHOP: Sure, absolutely.

CHAIRPERSON ROSENTHAL: --both in terms of
reporting on your successes with the veterans groups,
and starting a path for the other two.

COMMISSIONER BISHOP: Absolutely.

CHAIRPERSON ROSENTHAL: Okay, great.

Thank you very much. Thank you.

COMMISSIONER BISHOP: Thank you. I next want to call up a panel, and if I don't pronounce your name correctly, I apologize in advance. Robert Piechota. Close? [laughter] Manuel Rodriguez, Corey Orteza-Ortega, Jonathan Levitz, and Brent Overhulser. If you could each-exactly-give your testimony the sergeant-at-arms, and actually I forgot to thank the Commissioner. Sorry, if-thank you to the Commissioner to-thank you so much for coming today and testifying, and to Jonnel and to Michael Owah as well. I really appreciate all the work you guys have done. Thank you, but I see a few members of the Administration who are sitting here to hear what we're talking about next, and I really do appreciate that because it's the advocates who help point us in the right direction. If we could start with your right, and move left, that would be great. Just introduce yourself and we're hoping you can keep your testimony to two to three minutes. Thank you.

ROB PIECHOTA: Good afternoon. My name is Rob Piechota. I'm the Director of the Small Business Development Center in Brooklyn. I appreciate the opportunity to speak, Madam Chairwoman. I'm very enthusiastic about what I heard

so far today especially your line of questioning was very encouraging in a lot of ways, which I'll get into, but-but there are eight different New York City Small Business Development Centers through all of New York City. There's 23 in the state, but that's not really important. Previous to my current assignment I served both as the Veteran Assistance and Services Program Coordinator across all five boroughs. I've also served as the Veteran Business Outreach Coordinator. This is acronym city. I apologize, but a lot of-a lot of letters here. The bottom line I work with veterans now in the City area for about the past eight years. I am myself a veteran as well, a West Point graduate in 1979. The mission of Small Business Development Center Network focuses heavily upon advocacy for the many groups being discussed here today not just veterans. Central to our mission is face-to-face counseling and helping our clients obtain key certification, and instructions on how to leverage that certification that the phone doesn't ring automatically just because you've been certified. You've got to figure out what to do with it once you get it, and that's a big part of what we do with folks. Our close partnership with other

agencies such as the Brooklyn Chamber of Commerce, NSBS has resulted in a quantum increase of certifications such as 8A, Minority, Women and Veterans City, State and Federal Programs. So, it's all real what we do. I'm here specifically today to appeal to this committee to consider moving forward with a particularly known group of entrepreneurs. You've already set the stage for this so I'm not going to cover too much of the same ground, but our—our network counsels well over 300 New York City veterans each year. I'm going to point out here talking to points made earlier 300 a year is only those that are self-identifying. We have probably many more, but yada-yada-yada. You know where I'm going with this. I respectfully request that veteran small business owners should be considered for their own set-aside program when competing for city contracts. They're very—and I think you would go in this direction, but I don't want to mischaracterize what you said. The very rationale for having any set-aside for—at all for any particular group is largely to rectify issues that may have made the playing field uneven and attempted to gain access to the procurement space. Mentioned is a group that

vacated the small business space while they pursued service to their country. Whatever their respective reason for joining the military, the fact remains that they have risked life and limb in doing so. Upon their return productive civilian life, it only makes sense that the greatest city in the world show the show patriotic zeal displayed in symbolic events such as Navy Week and the Veterans Day Parade, and grant, you know, 6% set-aside for qualifying veteran owned businesses competing for city contracts. I'm putting 6% up there just as a-a dart on a board. So, granted, there are fewer or greater public relations events than both these--the veterans--Veterans Day Parade as well as the Navy Week. Those are great programs. I'm not besmirching them whatsoever. However, our more long lasting, self-sustaining economy growing initiatives such as a veterans certified set-aside dedicated to these same heroic men and women would be so much more far reaching for veterans of business, veterans that are hired by these businesses [bell] and the community at large. Is that my--

CHAIRPERSON ROSENTHAL: You can finish up.

ROB PIECHOTA: Okay, in essence, my-my recommendation is there's no reason why you cannot do a pilot program. To your point why can't every group represented here have some kind of MWBEV program where there's some program where we actually measure on a pilot basis. You could actually limit your pilot based on a certain type of Mace Code or perhaps a certain threshold number where we put them in--in three months you could put a thousand people, a thousand contractors in the system, and actually evaluate how well it's working. There's no reason that the study that you were talking about earlier and Greg is a great commissioner. He's fantastic, he has to do so many things, though, and that--that study was largely flawed. I don't think anybody would sort of go against that interpretation. So, the point being rather than use a study from some consultant, why not try a real--real time objective type of program. Put it on board. Test it for year. See what you got. Thank you.

CHAIRPERSON ROSENTHAL: [off mic] Okay.

COREY ORTEGA: Thank you. I think Rob made most of my points. Before I start, I just want to say--

ROB PIECHOTA: You know Rob.

COREY ORTEGA: I know Rob. My testimony is basically going to go in favor of the—the Disparity Study highlighting what Rob just said, the need for set-aside contracts for veterans. So, let me begin. [pause] My name is Corey Ortega. I’m the Director of Civic and Government Affairs for the New York City Veterans Alliance, a member driven grassroots policy advocacy and community building organization that advances veterans and families as civic leaders in New York City and beyond. (coughs) I’m presenting testimony today on behalf of our members regarding existing supports, and needs of under-represented veteran business owners and city procurement. New York City government currently has contracting goals with MWBE, and those programs have made important strides in both improving the viability of these businesses and increasing the number of MWBEs that the New York City agencies contract with. Today, we urge this committee to take a similar approach for veteran owned businesses creating a focused program for these businesses and city contracting. In 2014, the former Mayor’s Office of Veteran Affairs and Small Business Services and

our—our acronym that's SBS down the road, produced a report that led them to conclude that there should be no program for veteran businesses. We previously pointed out—the limits of that report and many advocates noted that the numbers, including Rob, producing that report were stunningly low, contradicting the number of veteran entrepreneurs in New York City reported in the 2007 U.S. Census. We recommend that as a first step a new survey should be done, a report filed to this committee so this committee can have a clear picture of the state of Veteran owned businesses in New York City. Following that, we recommend:

1. New York City government set a goal of 3%--3% for contracts with service disabled veterans. The mandated minimum for federal contracting, and work toward reaching that goal as it currently does with MWBEs. If service disabled veterans do not-- Sorry, if service disabled veterans do not currently own businesses or their businesses is not viable to contact with the city, then reach out to—then reach out—outreach can and should be made by SBS to increase the number of viable businesses owned by service disabled veterans.

It should not be assumed that service disabled veterans do not wish to own viable businesses that benefit from city purchases.

2. New York City Government should commit to working toward and overall goal of 6% for contracts with all veteran-owned business to encompass the goal of 3% for service disabled veterans. I'm wrapping up. Veteran owned businesses have proven to have higher rates—higher success rates and are worthy investments for New York City government to establish and work toward contracting goals. Finally, the New York City SBS website and other outreach materials must include information specific to businesses owned by service disabled veterans, and veterans in general. To close up, to better understand how to make this program possible, we ask that the number of veteran-veteran business enterprises would be con—would be considered enough for the city to create a set-aside similar to the MWBE program. [bell] I'm wrapping up. There—May I? Thank you. There is a lack of clarity on what the population should be for the city to consider this a viable program. What is that threshold, and I—I want to have follow-up conversations. I know I spoke to

your legislative director Sean Fitzpatrick. I confuse it with Overhulser (sic), and I also spoke to Warren Gardner from SBS, and these questions I bring it to the hearing, but to have follow-up conversations with said agency and your office for the next one. The 2014 Study also meant that there were 6,200 veteran-owned businesses in New York City that—that could meet the requirements for contracting with the city. Very important. That survey only included businesses based in New York. A new survey that included veteran-owned businesses in New York State would we believe see a dramatic increase in the number of veteran owned and service disabled veteran-owned businesses that would meet those requirements. Finally, we urge this committee to address the ongoing challenges facing veteran entrepreneurs and bring city resources to bear, creating programs specific to veterans and—and their needs. On behalf of NYC Veterans Alliance, I thank you for the opportunity to testify today, and pending your questions, this concludes my testimony.

Good morning. My name is Manuel Rodriguez, and I am a Get Ready to Run Fellow with New York City Veterans Alliance. As Mr. Ortega

mentioned and said, New York City Veterans Alliance is a member driven grassroots policy advocacy and community building organization that advances veterans and families as civic leaders in New York City and beyond. I'm presenting testimony today on my personal experience as a new formed veteran business owner and the steps that New York City could take to become more friendly to veteran-owned businesses like my own. I'm a veteran of the United States Air Force, and I have a new business. It's called Special Forces LLC, and as--this was as a culmination of the struggle that most veterans go through during their transitioning back into society. During my transitioning, there were no welcoming signs. There were--there were--nor there were any easy accessible resources or programs to put veterans like myself on the road to continuing with the training and the career success that I had during my time in service. I clearly remember when I spoke to an interviewer at an airline and he said to me I was overqualified. Surprise tome. I also remember--clearly remember the housing director that gave me the runaround about a one--a one-bedroom apartment until a fellow veteran at the HUD saw that I was a

veteran, and assisted me with the process. Most civilians won't know that we served unless they saw us in uniform. The idea that veterans, our country's great resource—renewable resource has not yet permeated society, and that has not impacted on the quality of employment and opportunities that veterans are afforded. All of the different jobs I've had have led me to start this company, and increase my better chances of success. There's a sea of information for veterans start-up companies, but it isn't easy to navigate web-based resources just for free to other websites. So, I built a team of friends that helped me research. I had no money, no accountant to help me. So I filed the LLC paperwork myself. Banks and lenders wouldn't consider lending to a start-up like mine, newly formed with no funding to back up the loan. Despite that, with no bank account, no website, and no business card, we put a couple of proposals to do political training and we had some success, but a dedicated city run [bell] incubator for veteran—I will wrap up quickly. I'm at the end. But a dedicated city run incubator for veteran entrepreneurs is kind of like a central hub for veterans to go, and have all the resources in one

place. It ran by veterans and assisted by the service of the Department of Veterans Services that would have smoothed my journey, and it's something that can be piloted right here in the greatest city in the world. So, imagine the financial and the social impact that this would have to the millions of families in this Empire State. So, I thank you for this opportunity to testify today, and pending any questions, this concludes my testimony. Thank you.

MALE SPEAKER: Good afternoon, Councilwoman, it's good to see you again. Thank you and since the last time you invited me to—to come and testify, we've had quite a few advancements, and that ties in directly to with conversation that Commissioner Bishop began with by saying this is worth a conversation. I'll tell you what this conversation itself is worth in the LGBT community, \$1.7 trillion. That's what LGBT business owners put into the U.S. economy every year. If we were our own country, we'd be the tenth wealthiest in the world. I'd like to live there, but here's the problem: We are not actively a part of this municipal government's MWBE current contracting code. The good news is we have a path to get there. I wouldn't be

coming to complain without any recommendations or goals, and the good news is we got precedent on our side. Right now the MWBE program through the SBS currently lists several small business partner organizations that allow you to fast track into their existing MWBE program. One of those is the New York-New Jersey Minority Supply and Development Council and, MSDC. That's what we based our certification on. We are the sole LGBT certifying body in the world recognized by other a third of the Fortune 500, the State of California, Massachusetts, Pennsylvania, a bill in front of the New York and New Jersey Legislatures right now. Unfortunately, and I hate to say this in New York, but we're getting our pants beat by places like Boston, and we don't want to do that, do we? So, in the back of the testimony that I brought you, is precedent iron clad legally sound precedent that shows you how the city of Boston utilizes a pass-through coming to us for certification, allowing us to turn a Boston based LGBT business enterprise over to them using the exact same MWBE paperwork. They fill out an additional application that's attached here. They call our office to verify and boom you're in the MWBE program,

and the whole reason, you know, I think I also thank Commissioner Bishop for giving me the best talking points. He said we need more primes. I wish he were still here so I could talk to him about the Platinum Circle. These are NGLCC certified LGBT business enterprises doing \$5 million a year or more in prime contracts. They're here. They're ready to work, and they're already providing the goods and services that that we need including two, one of which just won a \$14 million San Francisco Municipal Contract because they include LGBTEs to repair their electrical grid. Another is right now—I want him to come to testify, but he's repairing the road of the—the roads in and out of JFK. So, remember that as you are flying out that a LG-LGBT business enterprise without access to city contracts made your life easier. So, in summation, I ask you to—to take a look at the—the information we provided in my testimony. You've heard much of this from us before, but of other cities and states who are already doing this, how can New York, the home of the 2019 Global Pride and home of Stonewall [bell] and home of inclusive programs that bring colleagues like this together, not be doing this now? Thank you. [coughs]

CHAIRPERSON ROSENTHAL: Bless you.

[background comments, pause]

DR. OVERHULSER: I don't know if I can keep up with that enthusiasm, but I'm going to try my best, Ms. Councilwoman. I'm Dr. Overhulser, founder of Orgology. I'm a disabled Orgology business owner in New York City. Orgology is certified with New York State and the Department of Veterans Affairs. So, we've gone through all the extensive processes, which—which is great, but I want to talk to you today really about the—the procurement process that we have struggled with for three years with the City of New York, and some of the hurdles that we've—some of the hurdles that we've come across. I also want to tell you about the value that veteran-owned businesses offer the city if given a clear path to engage in city contracts in a fair and equitable level with other vendors. We spent the last three years bidding on contracts with the City of New York in attempting to communicate the value added by service disabled veteran-owned businesses to the city on so many levels. There are a lot of veteran-owned businesses in New York City that I know of that (1) are struggling. They don't—they're not certified so

I tout that as much as I can that they need to go through the state. They need to go through VA. They need to get with SBC. The resources are there, but not everybody understands them. I think you know that this is a challenge. The data also there's been multiple research studies through the Department of Veterans Affairs and the SBA saying that veterans are more likely to hire other veterans than non-veteran companies, and we employ seven veterans. When we say we employ them, we don't just give them a job, we also give them training and development because we are a very unique and specific type of company that does some very high level work, which we'll possibly get into if my three minutes doesn't run out. As you—as you know about Governor Cuomo signed into act the Article 17 being, you know, all of these things are in the testimony, but I'm going to repeat them because I think everybody knows that one of the challenges that we see with the MWBE program is that it is missing that link to so many other minorities. We may not—I may not look like a minority. I, as a disabled veteran, I am a minority, but I am not identified as a minority by the City of New York. That is left off. So, maybe expanding the—the

definition of what MWBE does include or does not include would be something that this committee could definitely look at. We come to New York City. We left Washington D.C. We were there for seven years. We've done multiple federal contracts with the FAA, Homeland Security, Department of Treasury, just about everybody. So we know the contracting process, and we know how to get a contract, and we'll apply to RFPs. Why did we move to New York? We wanted to get away from D.C. before anything happened when we go there. We're here. We had hoped that the Statewide SDVOB Certification or Designation would help distinguish us in the city of New York, and interestingly [bell] and I'll-I'll finish up. So, interestingly, I was told that one of the agencies were-we had submitted a bid, and they called us in and they said, there's no requirement for us to really look at service disabled veteran-owned businesses so thank you for your time. They-so I-I said to them, to the committee I said, Well, forget I'm a disabled veteran, and talk to me as a business owner. They said well, we don't have a requirement for disabled veteran businesses. So, we don't really need to talk to you. I'm like okay, that-that hurt.

And I will close up quickly. We are doing currently a lot of work in New York City with large corporations. One of them is a very small premier beauty parlor company called Este Lauder. We have found contracts in New York City with the commercial sector entirely easy and open to disabled veterans and to other people, but the city is not as open as the commercial sector, and that is a challenge for us. Our passion is working with government. I just spent—recently spent a year working with the Iraq Government and Prime Minister Abadi because I love—like working with governments. That's what the organization was built on. We want to do that, but we keep being pushed away because there's no requirement or no openness to disabled veteran businesses. Any questions and thank you for your time.

CHAIRPERSON ROSENTHAL: Thank you all. I mean it is striking, and I'm appreciate the Administration's, you know, keeping representatives here. In terms of veteran-owned businesses, you know, I heard a lot from the Administration about outreach and opening doors, and I'm not hearing the same thing from you all, which is frustrating. You

know, we are constrained by state law, and in many ways, you know, I—I would love for you guys to be making the same pitch at the New York State Assembly and Senate because, of course, they would have to pass the law that would include additional groups to the MWBE Certification program. I think you should also take the Adminis—you know, the SBS, their offer. You should take them up on that, and aggressively seek out help, and see whether or not they do, you know—I would love to hear from you if you think their program that they've designed specifically for veterans is meaningful. I'd love to hear back from you on that, and I'd love to hear back from you about, you know, what they're doing for the LGBTQ community and—and what they could do. You know, take them up on their offer. Give them a proposal saying, you know, we don't need to change, you know, you guys as in terms of how you allocate your resources. Here's a proposal for how you could allocate your resources to benefit us. I think that there is legislation, proposed legislation on this, and that is definitely the next step is to have a discussion of the proposed legislation. We had hoped not to have to go that route, but instead to give the

Administration opportunity to talk about the programs they are doing to advance these businesses. I didn't hear a lot today, you know, so I—you have my commitment to continue to pay attention to this and, you know, if you do have suggestions for how SBS could target specific groups, and what they need to do and what they're not doing now. You know, I urge you to let the Commissioner know, and to copy me on that letter so I can follow up.

MANUEL RODRIGUEZ: Chair Rosenthal, can I ask you—

CHAIRPERSON ROSENTHAL: [interposing]
Yes.

MALE SPEAKER: --a quick question, if you don't mind. Something that really—I'm—I'm shocked none of us brought up because it pertains to every constituency here. Are you familiar with the Billion Dollar Round Table? Do you know this?

CHAIRPERSON ROSENTHAL: Yep.

MALE SPEAKER: It is the corporate, it's the private sector conglomerate of 20—I think there are close to 30 corporations now that also are in the billion or more minority contracting, and this conversation it seems particularly timely because

just three months ago, they voted unanimously to include LGBT, Disability and Veterans. So the private sector--

CHAIRPERSON ROSENTHAL: [interposing]
Hence to the definition.

MALE SPEAKER: Yes, the private sector has moved on this, and you better believe that we're calling in the Calvary to come back itself on local and state legislation on this. So, it just seems surprising when you've got so many of these corporate entities who are based here in New York who are already engaged in this. You know, they are so far ahead of this curve.

CHAIRPERSON ROSENTHAL: So, in state law, the city it is written that the city must go with the lowest responsible bidder.

MALE SPEAKER: Uh-hm.

CHAIRPERSON ROSENTHAL: So, let's assume that there is a will on the part of the City. We need the State to change the law.

MALE SPEAKER: We're working on it.

CHAIRPERSON ROSENTHAL: Okay. I'm with you. I'm happy to work with you.

MALE SPEAKER: Thank you.

2 CHAIRPERSON ROSENTHAL: Thank you all.

3 Are we up. [mic squawks]

4 DR. OVERHULSER: One more, one more.

5 [mic squawks] Whoops, sorry. One of the things that
6 the Federal government has done with their
7 procurement professionals is they have an actual
8 requirement of continuing education so that the
9 procurement professionals that are doing it for the
10 agencies stay abreast of what's the best practices
11 and the newest practices in procurement, and that's
12 one of the challenges that we've had is talking to
13 procurement people is they don't particularly
14 understand completely what the procurement process is
15 or what is best for them and their agency. So, that
16 may be something that the committee may want to look
17 at is, is there a way to—and actually in the federal
18 government they hold—you cannot get promoted unless
19 you've done certain training, and then you can move
20 to the next level, and that helps the procurement
21 process not just from the agency side, but also from
22 the person that's presenting and trying to get
23 contracts because the rules are understood by
24 everybody, and it's a level playing field, and when
25 something changes, everybody knows it changes.

CHAIRPERSON ROSENTHAL: It's a great suggestion. I'm glad that it's been put into the record. I want to welcome Council Member Dromm from Queens and he and I are going to do a little swap. He has a few questions for you. So, if you could--

COUNCIL MEMBER DROMM: [off mic] No, I don't.

CHAIRPERSON ROSENTHAL: No?

COUNCIL MEMBER DROMM: No. I just need to explain, I guess.

CHAIRPERSON ROSENTHAL: Hang on one second. [pause] So, I'm going to ask my colleague, Council Member Dromm to close out this committee. If I don't go back in time, and he's very graciously given me the opportunity to vote in the Education Committee. So, I'm turning it over to him. Thank you.

COUNCIL MEMBER DROMM: Thank you. Thank you very much, Chair Rosenthal.

CHAIRPERSON ROSENTHAL: [off mic] They're having a meeting upstairs.

COUNCIL MEMBER DROMM: Right, so I'm upstairs. We're having an Education Committee hearing going on, and then I have to chair the Human

Rights Committee. So, we're in between. [laughter]

But I did hear from my staff member earlier today that they Administration's response to the inclusion of LGBT demographic data was not what we would have liked or expected to have heard, and that concerns me. So, I'm going to look at that a little bit further on, and go back and review the tape of this, but I did have staff here that did hear the Administration's response, but maybe you just want to—does somebody want to quickly fill me a little bit on what was actually said or—or just since I wasn't able to be here, just give me a quick synopsis.

MALE SPEAKER: Sure. Thank you, Council Member. It's good to see you again.

COUNCIL MEMBER DROMM: Good to see you.

MALE SPEAKER: In the—the testimony I did provide I have a little bit of information about specifically data and lack thereof. Disparity studies don't work in the LGBT community. You can't ask people to self-identify and tell you where and when they've been discriminated against as it goes in the record if they have zero protections. We also know that particularly intersexually diverse. So someone who is both a trans woman of color, for

example, has been told to their face: We love that you're a woman and we love that you're an African-American. Just coming out of those guises to which that individual, that business owner says, that's not all of me, and my city who's will to accept 100% of my taxes says only a third of you really matters in contracting let alone in this survey. So, until we fully vet and include every element of every person's ability and personality, we're going to have that problem. [bell] It's also just in the language of disparity studies. So, we flip that script, you know, that last page of--of the testimony I provided, you see our America's LGBT Economy Report. We used something you're not going to see in certain houses, IRS records. We--we got tax returns. We have something--we have reported economic data for business owners who say: We send X, we create Y jobs. We have done this by virtue of our certification. So we know that it works. We know that it creates economic opportunity. More importantly, as I think my colleagues have said, survey data has shown that minority-owned enterprises are double if not triple more likely to hire diversity down the chain. And more importantly, [bell] I mentioned earlier before

you were here the Platinum Circle, our—our prime ready and prime engaged LGBT business enterprises over 50% of them have their own internal supplier diversity program. So, these companies that are eager to win a city prime contract are already they in themselves in line to create more opportunities through Tier 2, but they won't answer surveys that say, or that you—they have told us anecdotally, we won't answer surveys because what's the point? We are still not at the table, and even to the point with SBS, as your—the Commissioner alluded, yes there are economic opportunities available. There's training [bell] there's workshops. These businesses have been around for years. The average American small business fails in five years. The average LGBT owned business is at 12 years or more. So, they don't need how to start my company. They need access to a contract, and they're not going to do additional levels of certification when they've already—already gone through a nationally recognized certification that the city just won't seem to honor yet.

COUNCIL MEMBER DROMM: Well, it's been an issue of concern for me in other areas--

MALE SPEAKER: [interposing] Yes.

COUNCIL MEMBER DROMM: --of data collection and demographic collection as well, and I've written legislation in terms--in terms of how it impacts our social service--

MALE SPEAKER: [interposing] Thank you.

COUNCIL MEMBER DROMM: --delivery also. So, we're very interested in continuing discussion, and seeing how we can move forward, and obviously you know that it--it has been an issue for me for quite a while now. So, and I want to thank the Chair for giving us an opportunity to address this issue at this hearing as well.

CHAIRPERSON ROSENTHAL: Thank you. I appreciate that. You missed this part, but I said on the record that this--the point of this hearing was really to give the Administration a layup, right, where they could have said here's what we're going to do, and I'm not sure--I mean while the committed to some things, I'm not, you know, I, you know, I do think it would be worth in the next Council term going to the legislation because, you know, we've put them on notice now. And, you know, they now can either come back with what they're--they've set up, you know, or not. Thank you.

MALE SPEAKER: Madam Chair, just to add to that, you know, you said a couple of important things that—in your—just before we spoke, and with SBS, you know, addressing those disconnects. One of the things that I noticed Commissioner Bishop had said is we want to take concrete steps, and I know I'm going to be working with Doc here and Jonathan. You know, I'm learning a few things here with Jonathan in terms of our organization. What we could to better our veteran members is to have real follow-up conversation. So, we have—you said, you know, the purpose of this hearing for the layup. Okay, we're going to continue to as advocates, right, from our respective organizations, have those real passionate hearty conversations say well, how we address this issue, and in our case with veterans, how can we—the whole point of this is to have set-aside contracts. That's really what we're saying. Set-aside, you know, it's under-represented group and how do we get there. The Commissioner said it would be helpful to know, right. I want to—I don't want to be helpful to know. I want to have a system in place whether piloted like Doc said but something more concrete in terms of veterans—the veteran community.

CHAIRPERSON ROSENTHAL: Right. So, I mean just—I'm with you 1000%, but just to be clear, in state law we're not—New York City is not allowed to have set-asides for any group, for any group, you know, not—not Minority and Women Owned Business either. So, what you're talking about would require a serious change in state law. We are currently governed by the, you know, municipal law that says we really have to go with the lowest responsible bidder. The MWBE goals are aspirational. So, you know, just to be clear about what the constraints that New York City has. Alright, thank you all so much.

MALE SPEAKER: Thank you.

CHAIRPERSON ROSENTHAL: Thank you, Chair Dromm. I really appreciate your coming here. This hearing is closed. [gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 15, 2017