

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONTRACTS

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October 4, 2012
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HELD AT: Council Chambers
City Hall

B E F O R E:
DARLENE MEALY
Chairperson

COUNCIL MEMBERS:

Letitia James
Jumaane D. Williams
Robert Jackson
Michael C. Nelson
Leroy G. Comrie, Jr.
Melissa Mark-Viverito
Inez E. Dickens
Christine C. Quinn
Julissa Ferreras
Ruben Wills
James Sanders, Jr.

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

Cas Holloway
Deputy Mayor for Operations
Office of the Mayor

Gregorio Mayers
Senior Policy Advisor
Office of the Mayor

Gregg Bishop
Deputy Commissioner
Small Business Services

Ezra Polanski
Mayor's Office of Contract Services

Anne Rascon
Deputy Commissioner
Department of Small Business Services

Reverend Jacques DeGraff
First Vice President
100 Black Men

Sandra Wilkin
Co-chairperson
New Agenda

Timothy Marshall
President and CEO
Jamaica Business Resource Center

Elizabeth Velez
President
Velez Organization

Nayan Parikh
President
Society of Indo-American Engineers and Architects

Walter McCaffrey

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

Joanna Karageorgiou
President
Earth Construction Corp

James Heyliger
President
Association for Minority Enterprise of New York

Len Britton
Executive Director
New York State Minority Contractors Association

Denise Richardson
Managing Director
General Contractors Association of New York

Louis Coletti
President
Building Trades Employers' Association

Lloyd Douglas

Quenia Abreu
President
New York Women's Chamber of Commerce

Frank Garcia
Chairman
New York Statewide Hispanic Chamber of Commerce

Gina Addeo
GMA Electrical Corporation

Lina Gottesman
Altus Metal, Marble, & Wood

Londel Davis
CEO and owner
American Fire Control

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

Peter Fontanes
Chair
New York Hispanics in Real Estate and Construction
Association

Sharon Sinaswee
President and CEO
Armada Building Services

Lenore Janis
President
Professional Women in Construction

Florence Chilton
Owner and CEO
Florence Construction Corporation

Reginald Swiney
CEO
R & S Painting

Steve Margarella
President
Margarella Industrial Construction

Kristine DeNapoli
President
KND Electric

Doug Frazier
Co-founder
Urban Communications Transport
Digital Divide Partnership

William S. Parrish, Jr.
President and CEO of NobleStrategy
NobleStrategy New York, Inc

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2 CHAIRPERSON MEALY: I'm Council
3 Member Darlene Mealy, I serve as the chair of the
4 New York City Council Committee on Contract. It
5 is my pleasure to welcome you all here today to
6 discuss proposed legislation to improve the City's
7 M/WBE program. Thank you all for attending.

8 Before we proceed, we will like to
9 thank my legislators over here, Sharon Manigault
10 and Tym Matusov. And our members who are present
11 here today is Council Member Tish James, Jumaane
12 Williams, Robert Jackson, Michael Nelson, and
13 Leroy Comrie. I would like to thank everyone.

14 We are here today because minority
15 and women-owned businesses have not and do not
16 receive their fair share of City contracts. That
17 was true in 2005 when this Council set M/WBE goals
18 based on measured disparities, and it is true
19 today that as we consider a bill that will update
20 those goals based on current disparities, Local
21 Law 129 was supposed to remove barriers so that
22 M/WBEs could fairly participate in City
23 procurements. However, despite the fact that the
24 programs was limited to relatively small
25 contracts, agency performance under the program

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has considerably fallen short of the goal.

Today we will hear legislation that seeks to store up the City's M/WBE programs so that it lives up to its promise and creates a level playing field that minority and women-owned businesses deserve.

I will like now to turn it over to our Speaker for today, our deputy, I will turn it over to you.

CAS HOLLOWAY: Hello? Is that on?

CHAIRPERSON MEALY: Yes, it's on.

CAS HOLLOWAY: Great. Thank you, Chairwoman Mealy, and thanks to everybody. If I didn't get to greet all of the members personally, thank you for attending today. I also have seen a number of people in the audience who have a great stake in this legislation who we have worked with and met with and will continue to do so on this and the programs that are part of the administration's comprehensive approach to M/WBE development, capacity development, ultimately to get and win contracts.

I'm the Deputy Mayor for Operations under Mayor Michael Bloomberg, Cas Holloway, and

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2 I'm joined here today by Gregorio Mayers, Senior
3 Advisor to me and a member of my team who works
4 most closely with me on these issues. Also
5 present are representatives of the Mayor's Office
6 of Contract Services and the Department of Small
7 Business Services, and I just want to acknowledge
8 right up, I see Anne Rascon here and Gregg Bishop
9 and members of MOCS, Lisette Camilo, and others
10 who have done a tremendous amount of work on this.
11 I want to mention it up front because this is
12 definitely not something that I have worked on on
13 my own.

14 Thank you for the opportunity to
15 testify in support of Intro 911, an important
16 piece of legislation that will significantly
17 expand opportunity for minority and women-owned
18 businesses in the five boroughs and the
19 surrounding area to do business with the City of
20 New York. Equally important, this bill and the
21 programs that Greg will describe in his testimony
22 that we have designed to strengthen the capacity
23 of M/WBE firms will increase the number of firms
24 that bid on and win City work. And that means
25 better services at lower prices, and that's good

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2 for the city's taxpayers.

3 Intro 911 sets goals for
4 participation by minority, women, and emerging
5 businesses in the City's procurement of goods and
6 services, and there is a lot of potential business
7 for M/WBE firms to bid on and win. Each year, the
8 City of New York purchases approximately \$10 1/2
9 billion of supplies, services, and construction
10 through more than 46,000 contracts. As the
11 Council knows, the City's first responsibility
12 when it comes to procurement is to acquire these
13 goods and services at the best value for the
14 city's taxpayers from businesses--or vendors, in
15 procurement speak--that have the capacity and
16 integrity to deliver on time and at the right
17 price. While there are exceptions, in the
18 overwhelming majority of cases, we meet these
19 responsibilities through a competitive process
20 that is governed by detailed rules to ensure that
21 it is fair, open, and transparent. Now, the
22 exceptions are also governed by details, rules to
23 ensure that the procurement is fair and
24 transparent, but there are some cases in which you
25 have a different level of competition, and, in

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very rare cases, you don't have competition.

The range of goods and services the City of New York creates--that the City of New York buys creates opportunities for businesses large and small, from international construction companies with the experience to manage multi-billion dollar projects--for example, the ultra-violet disinfection facility that our water supply will soon put into service--to small quantities of office supplies. As a former DEP commissioner with a large construction portfolio, I can tell you that even the largest contracts present opportunities for small minority and women-owned businesses. And in fact, DEP was recognized for the work that women contractors in particular were able to do on that \$1 1/2 billion project.

The reason we have detailed rules governing the way the City buys goods and services is not only to ensure that the process is fair but competitive, because robust competition delivers the best services at the best price. The City has an obligation to foster that competition by making sure that as many companies as possible know about and have the opportunity to compete for the City's

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2 business. And that's what Intro 911, and the law
3 that it updates, Local Law 129 of 2005, is
4 principally about.

5 First, some background. You will
6 likely hear a lot of testimony today about
7 numbers, percentages, statistical calculations,
8 and the concept of disparity. All of this data is
9 critically important because there is a detailed
10 legal framework that mandates how participation
11 goals, like the ones in Intro 911, are to be
12 established. In fact, the disparity analysis that
13 is--will be submitted along with my testimony goes
14 through that framework and process and the City--
15 the process the City went through to ensure that
16 it was met; and an independent expert in this
17 area, Miller Consulting, has validated our
18 approach. In fact, I just want to note for the
19 members that there is one adjustment that I will
20 note in my testimony that is going to require an
21 update to that analysis, so the analysis that you
22 have attached to my testimony is certainly
23 accurate, but there's an additional change, so
24 when I submit that, you'll also get the validation
25 of the independent expert. I'm sorry I don't have

1 that today but that was just finished last night.
2 So I am not going to go through the details of the
3 analysis now, but I'll be happy to take questions
4 on that after Greg's testimony.
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6 But I do want to explain what all
7 of that analysis is designed to achieve. As many
8 of the people who will testify today here will
9 tell you, there are thousands of minority and
10 women-owned businesses in the city of New York and
11 the surrounding area in every line of work--
12 professional services, construction, supplies, you
13 name it. But what we learned leading up to Local
14 Law 129, and what is still the case today with
15 some changes in the marketplace, is that far fewer
16 of them than one would expect, given how many
17 M/WBE companies there are, are successfully
18 bidding on and winning City work. This is the
19 essence of what disparity means in this context.
20 That's bad for the companies themselves because
21 they miss out on the work, but more importantly,
22 it's bad for New York City and for city taxpayers
23 because when more viable companies compete for the
24 City's business, we get a better service at a
25 lower price.

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2 The City has done a lot to reach
3 out to M/WBE firms, strengthen their capacity, and
4 make it easier for small businesses in particular
5 to meet the many requirements that have to be
6 satisfied to get City work. And Greg will testify
7 about the recent set of initiatives that we call
8 Compete to Win that will do even more. But the
9 City can't do it alone. The participation goals
10 established in Intro 911, and backed by extensive
11 data collection and rigorous analysis, will help
12 ensure that the companies that do get City
13 business have an incentive to help us widen and
14 deepen the competitive pool and to increase the
15 number and diversity of M/WBE firms actually doing
16 City work.

17 In the six years since Local Law
18 129 went into effect, we have made significant
19 progress toward that goal, which shows that
20 setting goals works. Since it was enacted, City
21 agencies have awarded more than 3 billion of work
22 to certified M/WBE firms. In fiscal year '12,
23 almost 1.6 billion worth of City's prime contracts
24 were covered by M/WBE participation goals,
25 including more than 389 million covered by prime

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2 contract goals and 1.2 billion covered by
3 subcontracting goals. In the same fiscal year,
4 M/WBEs won more than 529 million worth of City
5 prime contracts and subcontracts.

6 In fiscal year '12, M/WBEs won 29%
7 of the City's small purchases, which range from
8 5,000 to \$100,000, up from 25% in fiscal '11.
9 Minority and women-owned business enterprises
10 certifications rose 9%, thanks to the efforts of
11 SBS, thanks to more than--and now we have more
12 than 3,526 certified firms as of the end of fiscal
13 '11.

14 Agencies awarded 220 fiscal year
15 '12 prime contracts that are subject to the
16 subcontracting goals and these contracts will
17 generate 150 million in construction and
18 professional services subcontracts, with about 56
19 million slated for M/WBEs, which is about 38%.
20 State and federal goals will increase these
21 amounts.

22 Although we have made significant
23 progress, it is time to update and improve Local
24 Law 129. The most important reason is that
25 because the marketplace has changed significantly

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2 since 2005, the disparity analysis submitted with
3 my testimony--and that is the basis for much of
4 the substance of Intro 911--explains the changes
5 in detail.

6 Generally speaking, there is bad
7 news and there is good news. The bad news is that
8 minority and women businesses still aren't doing
9 enough City work. That means we still need Local
10 Law 129. The good news is that, based in part on
11 the progress minority and women firms have made,
12 many more firms have the capacity to take on
13 bigger projects, and that means that we can
14 eliminate the million dollar cap on contracts to
15 which the law's participation goals apply in its
16 current incarnation.

17 This change alone will mean that,
18 based on fiscal year 2011 numbers, overall
19 contract value, subject to participation goals,
20 will increase from \$430 million in fiscal year '11
21 to what would have been \$2.2 billion. That
22 translates to up to half a billion dollars of work
23 for M/WBE firms. As you likely know, goals for
24 specific groups in the specific contract types
25 will also be adjusted under the bill to reflect

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2 the new market realities discussed in the
3 disparity analysis. Some targets go up, some go
4 down, and new targets are established--for
5 example, for women construction firms--that were
6 not covered under Local Law 129.

7 Despite the fact that some
8 participation goals decrease--for example, the new
9 goal for Hispanic-owned construction firms is 4%,
10 rather than the current 9%--because of the
11 elimination of the million dollar cap, the amount
12 of work subject to the goals in Intro 911 will
13 actually increase up from 10 to \$20 million.

14 And let me just say because I've
15 worked with a number of the advocates and
16 stakeholders in this room, the City is committed
17 to working with you, these goals are the framework
18 and the backstop for what we're going to try to
19 achieve, assuming this becomes law in this basic
20 form, in terms of participation. But we want to
21 do that and do better and that's why we are going
22 to continue to engage to make sure that the
23 opportunities that are available from the City are
24 known about and that as many companies as possible
25 are in a position to compete for and win that

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work.

Now Intro 911 also streamlines the administration of programs and increases transparency and accountability for City agencies to demonstrate that they have done everything possible to meet the participation goals. Under the proposed bill, agencies will be able to apply a single goal to the total business value of each contract type, counting both prime and lower level subcontractor participation towards reaching the goal. This will provide more work for M/WBEs on larger projects and incentivize M/WBE firms to create joint ventures. We anticipate that this change will especially benefit service companies outside of the construction arena.

And with respect to accountability, Intro 911 also contains enhanced reporting requirements to track agency performance in meeting their goals and to increase transparency through the publication of an annual agency procurement plan. These plans will establish each agency's procurement schedules for contracts subject to M/WBE requirements, both to help agencies plan in advance how they will meet the

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2 goals and to notify vendors about upcoming
3 opportunities. Agencies that do not meet their
4 goals will prepare performance improvement plans
5 that describe in detail how they will increase
6 M/WBE participation; quarterly meetings to discuss
7 best practices will assist in this effort. And
8 Intro 911 creates a new position to oversee agency
9 compliance with M/WBE requirements. This position
10 will be appointed by the Mayor--and I can assure
11 you it will be a high-level official in the
12 Mayor's office, I may continue to be involved in
13 this myself--that will ensure that agencies are
14 doing everything that they can to meet these
15 goals.

16 For vendors, Intro 911 requires
17 additional information to be published in the
18 City's online M/WBE directory that more fully
19 captures a certified firm's capacity to perform
20 work, including bonding capacity and union
21 affiliation. This directory is a valuable
22 resource for prime contractors looking for
23 qualified subcontractors and for M/WBE leaders to
24 find potential partners to joint bid.

25 Another issue addressed in this

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2 legislation is how we categorize firms owned by
3 women of color. Currently, these firms are
4 counted by their ethnic group rather than as
5 women-owned businesses, which means that our goals
6 for women-owned businesses are significantly less
7 than their share of the marketplace. To make our
8 goals more reflective of actual capacity in the
9 marketplace, we've reviewed the data and one of
10 the changes that we're going to suggest, and
11 hopefully work with the Council on, is that
12 agencies be able to designate businesses owned by
13 women of color towards meeting either the minority
14 goals or the women goals. So we're working on
15 that, we think we can achieve that goal.

16 And before I conclude and turn it
17 over to Greg to go into some of the additional
18 programs, I just want to explain the--I have spent
19 a lot of time personally on this issue and met
20 with a lot of the stakeholders here and both
21 what's in this bill and what is in the programs
22 you're going to hear about really reflect what the
23 administration has heard and tried to work on.
24 It's not enough just to set a goal, you have to
25 have accountability, you have to have, on the

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2 agency side and all the way up to the Mayor's
3 office to ensure that you're actually making an
4 effort to meet the goals. You know, as a former
5 commissioner, I know it is true that agencies can
6 fall into a rut and they can try to work with
7 particular contractors and that can create a
8 pattern where it becomes impossible to break that
9 cycle and to have new firms of any type come in
10 and get City work. I was part of the effort to
11 reform that at DEP and I can tell you that this is
12 a major part of making this scheme work.

13 So we're pretty excited about these
14 changes, I think it's going to make a big
15 difference, it's going to increase competition for
16 City work, deliver high-quality goods and services
17 to New Yorkers at a lower cost, and expand
18 economic opportunity to businesses of all types
19 throughout the five boroughs.

20 Thank you. I'll turn it over to
21 Greg now to testify about some more of the
22 programs that are part of our comprehensive
23 approach to this effort.

24 CHAIRPERSON MEALY: I want to thank
25 you, Deputy. But before we have Mr. Greg Mayers,

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2 we have, just let you know that Mark-Viverito have
3 joined us, Inez Dickens have joined us, and our
4 Madam Speaker, and I'm going to turn it over to
5 our Madam Speaker.

6 SPEAKER QUINN: Thank you very
7 much, Chair Mealy, and thank you all members of
8 the Committee who are here, and, Darlene, thank
9 you for helping shepherd this legislation through
10 your Committee. And, Cas and Greg, thank you both
11 very, very much.

12 I also want to take a moment to
13 thank our legislative director Rob Newman and
14 Deputy Legislative Director Alix Pustilnik, and
15 Shannon, the great counsel to this committee, and
16 Tym, our policy analyst on this Committee. And
17 Rob and Alix deserve a round of applause, but
18 Shannon and Tym really do, so if I can get a round
19 of applause for them for their work on this.

20 [Applause]

21 SPEAKER QUINN: And, Cas and Greg,
22 Cas, when you say you've worked a lot on this,
23 that is an understatement, so this is really--

24 CAS HOLLOWAY: Thank you.

25 SPEAKER QUINN: --a team effort and

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2 I want to thank everyone on both sides of the
3 building who--

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CAS HOLLOWAY: Thank you.

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SPEAKER QUINN: --are working, who
6 have worked, and will work on making things even
7 better as we hear further input today. So--

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CAS HOLLOWAY: Thank you.

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SPEAKER QUINN: --thank you very
10 much. But if there--whoo, I can't put my glasses
11 on--if there are team leaders in this, it isn't
12 anybody at this dais, I have to say, it's Rev.
13 Jacques DeGraff and Sandra Wilkin, so I want to
14 thank you both very, very much before I go on--

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[Applause]

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SPEAKER QUINN: --any further. You
17 started us very much on this journey, so thank
18 you. And I'm fairly sure I speak for Cas, if we
19 lose our way at any point, particularly Rev.
20 DeGraff will get us back--

21

CAS HOLLOWAY: Yes.

22

SPEAKER QUINN: --on the path to
23 the right place.

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CAS HOLLOWAY: Oh, yes.

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SPEAKER QUINN: But let me say and

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2 some of what I say might have been said already so
3 I apologize, but in addition to thanking Rev.
4 DeGraff and Sandra, I also want to thank the
5 strong coalition of advocates representing a large
6 and diverse spectrum of women, people of color,
7 minority organizations who have been a part of
8 this entire effort, as is demonstrated by how full
9 the chambers are today, so thank you all very,
10 very much.

11 When the Council passed Local Law
12 129 in 2005, we hoped that the program we
13 established would help minority-owned businesses
14 overcome discrimination in City contracting. We
15 hoped that through the program M/WBEs would grow
16 and prosper. Now the current M/WBE program has
17 helped M/WBEs win over \$3 billion in City
18 contracts since its inception. Certainly, this is
19 no small feat, but as we sit here today, there is
20 also no question that we can and must do more and
21 that we have lost and missed opportunities along
22 the way.

23 We need to do more, not only for
24 the sake of injecting fairness into City
25 contracting, but also as an economic development

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2 engine. When we improve opportunities and we
3 build capacity for M/WBEs, we help create and grow
4 companies that provide good jobs, spur economic
5 growth, and diversify our neighborhood economies.
6 Plus, we get more competition for City contracts,
7 which means lower prices and better quality.

8 So we're here today to improve the
9 law in ways that we've heard needs to happen and
10 ways that will vastly increase opportunities for
11 M/WBEs in the process and help them reach an even
12 higher potential as an economic driver for the
13 city's economy.

14 So how will we do this; how will we
15 achieve these goals? First, the old law capped
16 the contracts in the program at a million dollars,
17 in other words, contracting goals for M/WBEs were
18 only applied to City contracts and subs under a
19 million. This literally left billions of dollars
20 on the tables as agencies contracted outside of
21 the M/WBE program. This, despite the fact that we
22 all know that there are M/WBE firms--many in this
23 room--that have the capacity to do this larger
24 amount of work and, really, in the context of the
25 City's budget, over a million isn't actually even

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2 that large, you know, if you think about it. So
3 this bill eliminates the cap, as the Deputy Mayor
4 has said.

5 Now, the sky will be the limit in
6 the terms of the size and number of contracts that
7 can be included in the M/WBE program. That's no
8 academic issue. We're talking about real dollar
9 improvements to the program.

10 Just by removing the cap, we will
11 more than triple the total value of program
12 contracts. Not only that, but the bill broadens
13 the way that M/WBEs can participate so there'll be
14 far greater opportunities available to receive
15 contracts. I want to again thank the Bloomberg
16 Administration for helping us and working on this
17 issue and finding a way to eliminate the \$1
18 million cap once and for all.

19 But it's not enough just to
20 increase the universe of contracts, a law is only
21 as good as its enforcement. The program cannot
22 work if agencies are not doing what they're
23 supposed to do to meet the goals. And that isn't
24 'cause necessarily they don't want to, but other
25 things happen and you get distracted, so this bill

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2 will create a system to hold agencies focused, to
3 hold their feet to the fire, if you will.

4 A program I proposed a few months
5 ago at an event organized by Rev. DeGraff and
6 Sandra Wilkin, a program that I called M/WBE STAT.
7 As with our very successful COMPSTAT model,
8 apparently now if you have an idea you put stat on
9 the end of it and it sounds good--COMPSTAT model,
10 under M/WBE STAT, agency officers will have to
11 meet every quarter with someone who reports to the
12 Mayor and detail their programs, or lack of it,
13 towards meeting the agency's M/WBE goals. They'll
14 be held accountable for their failures and
15 commended for their successes. These meetings
16 will keep agencies on their toes and will allow
17 the administration to step in early to take
18 corrective action if that's what's needed.

19 I can't overstate the importance of
20 these improvements to accountability and can't
21 thank the administration enough for wanting to put
22 them in place. We believe the additional steps
23 that we're taking will significantly increase the
24 utilization of M/WBEs.

25 In addition to accountability, we

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2 in the Council believe in transparency, we,
3 therefore, made significant changes to progress
4 reporting. So under the bill there will be
5 greatly increased and more detailed public
6 reporting of the agency progress. SBS will be
7 required to set standards for site visits to
8 minimize fraud.

9 Finally, the bill will ease
10 administrative burdens on M/WBES by allowing SBS
11 to recognize other M/WBE certification lists--Port
12 Authority, et cetera--so everybody doesn't have to
13 put themselves over and over onto lists, which
14 takes time and effort, which means money.

15 Before I close, I want to say a few
16 words about a concern that has been raised that I
17 know the Deputy Mayor just mentioned. That's a
18 concern related to the participation goal for
19 minority women. The bill sets a participation
20 goal specifically around Caucasian women. I
21 understand that other women feel that it's
22 possible this may result in fewer contract
23 opportunities for them, which was never the intent
24 or goal. I share that concern. When a woman is
25 denied an opportunity simply because she is a

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2 woman, it makes no difference what her race is, it
3 still hurts and it's still unfair.

4 Therefore, as the Deputy Mayor
5 said--and I thank him for putting it in his
6 opening statement--we're in the process of finding
7 a way to fix this issue, and we will. I can say
8 now that minority women can and will be counted
9 toward the participation goal for women and we
10 will find a way to make sure that when women of
11 color are afforded every possible opportunity to
12 contract with the City under this law.

13 I want to thank all of the
14 advocates who've raised this issue, I particularly
15 want to thank Chair Mealy and Tish James, who've
16 raised this issue, and the administration for
17 working with us to make sure it is resolved.

18 In closing, I can say that I'm
19 certain that with these changes and working with
20 all of you in the advocacy community and the
21 administration, we pave the way for M/WBEs to
22 finally get their rightful share of the City
23 contracting pie and, in the process, will help
24 grow, diversify our economy, and put New Yorkers
25 to work, and I want to thank you all for this

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2 effort and for being here today.

3 [Applause]

4 CHAIRPERSON MEALY: Thank you,
5 Madam Speaker, for your statement. I know we have
6 to go to Mr. Mayers, you can start your statements
7 also, and then we'll have questions.

8 GREGORIO MAYERS: Thank you. Good
9 afternoon, Speaker Quinn, Chairperson Mealy, and
10 to the Members of the Contracts Committee and
11 Council Members. My name is Gregorio Mayers, and
12 I'm a Senior Policy Advisor in the Office of the
13 Mayor under Deputy Mayor Cas Holloway. In my
14 current capacity, I'm responsible for assisting in
15 implementation of the Mayor's Office strategic
16 vision and policy on improving opportunities for
17 M/WBEs, as well as serving as the Mayor's Office
18 chief liaison to the M/WBE companies and advocacy
19 organizations. Thank you for the opportunity to
20 testify this afternoon about Intro 911, 9-11, and
21 the initiatives that the administration has
22 embarked upon to assist small businesses and
23 M/WBEs grow their firms by providing them with the
24 necessary tools to compete successfully in the
25 marketplace.

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2 Small businesses are the backbone
3 of the city's economy and we want them to succeed.
4 In my remarks, I would like to share our success
5 in getting more firms certified to do business
6 with the City, our efforts to help M/WBE and small
7 businesses build capacity and grow their firms,
8 and our outreach and engagement with M/WB firms.
9 All of these efforts will help to ensure that if,
10 and when, Intro 911 becomes law, more firms will
11 have the ability to bid and win City work.

12 The first step for these businesses
13 to successfully win work is to certify with the
14 Department of Small Business Services as an M/WBE.
15 Since 2005, when we passed Local Law 129, the
16 number of firms certified to do business with the
17 City has grown from 700 to more than 3,500 today,
18 and those firms have received more than 3 billion
19 in City contracts and subcontracts. Deputy Mayor
20 Holloway shared some other indicators of our
21 progress.

22 SBS has worked diligently to
23 simplify certification without compromising review
24 standards. In fiscal year 2012, SBS certified 579
25 new M/WBE and recertified 443 M/WBEs, bringing the

1
2 number of City-certified companies to 3,526.

3 One way we have accomplished this
4 is by working closely with the State of New York
5 to make it easier for firms to certify by reducing
6 the paperwork associated with dual submission.
7 Last year, the City launched a one-stop
8 application that allows qualified applicants to
9 submit supporting documents just once to either
10 certifying entity, which will then be forwarded
11 electronically to the State for considerations or,
12 you know, vice-versa. We are working with the
13 School Construction Authority and the Port
14 Authority to establish the same program.

15 We also work through the M/WBE
16 Leadership Association, a network of community-
17 based organization that receive funding from City
18 Council and the SBS Business Solutions Centers to
19 reach M/WBE firms about the benefits of
20 certification. These community partners help
21 support the business growth of M/WBE with
22 marketing workshop, networking events, and
23 business development services. In fiscal year
24 2012, member organizations sponsored 122 events
25 and hosted 1,092 one-on-one technical assistance

1
2 sessions. In fiscal year 2012, SBS also
3 collaborated with local development corporations,
4 trade associations, industry membership
5 organizations, and local chambers of commerce on
6 more than 100 events to spread the word about
7 certification and the range of capacity building
8 services available citywide to help businesses
9 grow.

10 After a firm is certified, it has
11 the opportunity to participate in the competitive
12 procurement process. Our numbers show that,
13 although many M/WBEs are bidding on City work,
14 they simply aren't submitting the winning bids.
15 One reason is because many of these firms lack
16 some essential information in their proposal or
17 the financial capability to properly bid and
18 successfully compete with larger firms.

19 SBS offers a series of programs
20 available to all City vendors, reaching more than
21 370 companies in fiscal year 2012 alone, to help
22 navigate the City's procurement system and provide
23 the tools companies need to compete and perform on
24 contracting opportunities. In fiscal year 2012,
25 two regularly scheduled workshops--Selling to

1
2 Government, and I'm Certified, Now What?--help 162
3 businesses. The first is a monthly workshop open
4 to the public that provides firm with the basic
5 concepts of government contracting. The second is
6 offered quarterly and exclusively to the newly-
7 certified firms covering topics on finding,
8 winning, and managing City contracts. Agency
9 buyers participate in these workshops and offer
10 insight into the contracting process well as the
11 products and service their agencies purchase
12 during sector-specific breakout sessions.

13 This year, to help more small
14 businesses succeed, our administration launched a
15 set of new initiative called Compete to Win,
16 designed to address some of the biggest challenges
17 small businesses face. Leaders from the M/WBE
18 community help us create these programs to meet
19 this community's most critical needs, which is
20 especially important as we continue to expand
21 procurement opportunities for small businesses and
22 M/WBE firms through programs and legislation, such
23 as the proposed revision of Local Law 129. For
24 example, we know that access to capital and
25 bonding are significant challenges that prevent or

1
2 discourage many small businesses and M/WBEs firms
3 from competing for City contracts.

4 We are confident that the
5 initiatives we launched earlier this year will
6 provide businesses and M/WBE firms with the
7 necessary tools to better compete for and win more
8 City contracts if, and when, Intro 911 is passed.
9 I will now describe the individual Compete to Win
10 initiatives.

11 Many small businesses have trouble
12 accessing capital so earlier this year we launched
13 Upfront Capital Loan. The program will provide
14 M/WBE firms with up to 5 million a year in short-
15 term loans at competitive rates to construction
16 businesses from the New York Business Development
17 Corporation and BOC Capital, as well as packaging
18 assistance and pre-approval for funds up to 30% of
19 the contract value up to \$150,000. The loans will
20 fund startup expenses, such as labor, insurance,
21 and equipment for small businesses awarded City
22 contracts.

23 In August 2012, we expanded the
24 program from 5 City agencies to more than 20. To
25 date, seven businesses have been pre-approved for

1
2 nearly \$1 million in mobilization loans, and
3 \$208,800 of that has been disbursed against
4 awarded contracts.

5 The second Compete to Win
6 initiative is New York City, we call it NYC
7 Teaming, in partnership with the American Express
8 OPEN, which launched in February of this year and
9 help firms partner, thereby allowing them to
10 pursue new and larger contracting opportunities.
11 The program includes a series of workshops focused
12 on joint venturing, marketing to partners, and
13 presenting teamed firms to buyers, followed by a
14 business matching event that helps business
15 networks to create successful partnerships. To
16 date, 325 businesses have attended workshops and
17 matchmaking events, and at least 18 participating
18 companies have won contracts as part of a team.
19 NYC Teaming will become even more important if
20 Intro 911 lifts the \$1 million cap on contracts
21 subjects to M/WBE goals.

22 The third Compete to Win initiative
23 is Technical Assistance, launched in spring of
24 2012 for construction, goods, manufacturing,
25 standard services, and professional sectors. Over

1
2 the last year, we have heard from many M/WBE firms
3 that responding to solicitation can be daunting
4 and that many have either bid unsuccessfully or
5 have decided not to respond. Technical Assistance
6 offers workshops and one-on-one assistance that
7 provide an in-depth understanding of specific
8 industry requirements and standards for the
9 submission of bids and proposal. Through this
10 program, SBS also meets with unsuccessful bidders,
11 which is important, to give them guidance and how
12 to improve future submission. To date, SBS has
13 met with 125 businesses as part of the Technical
14 Assistance.

15 The fourth initiative, the Bond
16 Readiness Service, helps small businesses,
17 including M/WBEs, secure surety bonds for City
18 construction projects. Services available through
19 this program include workshops on accounting and
20 financial management, insurance requirements,
21 safety management, and credit repair. One-on-one
22 financing assistance is also available to help
23 with bookkeeping, application packaging, and
24 referral to the appropriate surety companies.
25 Sixty-three certified firms have received one-on-

1
2 one guidance so far and the first group of
3 companies to attend classroom instruction will
4 meet in October.

5 The fifth initiative, NYC
6 Construction Mentorship, provides certified
7 construction firms with greater access to City
8 construction opportunities, a customized growth
9 plan developed with a construction management
10 firm, management classes, and on-the-job training
11 services for contract winners. Businesses can
12 currently pre-qualify for contracts with the
13 Department of Housing Preservation and
14 Development, HPD, and the Department of Parks and
15 Recreation. Fifty-nine businesses have applied
16 for this service, and in October the first group
17 of companies will begin classroom instructions.
18 HPD began awarding contracts through this service
19 in May and 12 M/WBE firms have won contracts to
20 date.

21 We know that the mentorship program
22 will meet the needs of M/WBE firms in the
23 construction industry because we asked the
24 experts. In July of 2012, Deputy Mayor Holloway
25 and Department of Small Business Services

1
2 Commissioner Robert Walsh welcomed members of the
3 newly created NYC Construction Mentorship Advisory
4 Panel to City Hall for a kickoff meeting to guide
5 the program. The Panel's member include private
6 developers, minority and woman-owned businesses,
7 M/WB advocates, and government official who have
8 committed to sharing their expertise and using
9 their extensive networks and connections to help
10 promote contracting opportunities and capacity
11 building programs. Panel members include: Walter
12 Edwards of Full Spectrum, a real estate
13 development company; Rev. Jacques DeGraff of 100
14 Black Men and the Minority Leadership Council;
15 Elizabeth Velez, the Panel Vice-Chair, President
16 and Chief Contracting Administrator of the Velez
17 Organization, a construction firm; Timothy
18 Marshall, President and CEO of Jamaica Business
19 Resource Center; Jeffrey Lam, CEO of Lam
20 Generation, a real estate development company;
21 Gloria Kemper, President of Recon Construction
22 Corporation; and representative from the New York
23 City Council, including Council Members Diana
24 Reyna and Erik Dilan.

25 Beyond Compete to Win, the

1
2 administration has created several other
3 partnerships with the private sector and
4 educational institution to broaden opportunities
5 for small and M/WBE businesses. This first is the
6 Corporate Alliance Program, CAP, which launched in
7 February 2011 in partnership with 12 corporate
8 partners to help minority and woman-owned firms
9 grow by connecting certified M/WBE firms with
10 contracting and capacity-building opportunities in
11 the private sector. Individual programs include
12 the CAP/Columbia University Construction
13 Mentorship Program, a Corporate Coaching Program,
14 and Navigating the Corporate Supply Chain. CAP
15 offers workshops, one-on-one coaching--

16 [END AUDIO 1]

17 [START AUDIO 2]

18 GREGORIO MAYERS: ...ability to small
19 business while increasing revenue. Participating
20 organizations include Accenture, American Express,
21 AXA Equitable, BNY Mellon, Citi, Colgate-
22 Palmolive, Columbia University, Con Edison, Credit
23 Suisse, Goldman Sachs, IBM, and National Grid. To
24 date, 58 graduates have won 60 million--I repeat--
25 60 million in City and Columbia University

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contracts.

Another program is Strategic Steps for Growth, a nine-month executive education program, designed for M/WBEs offered by SBS and NYU Leonard N. Stern School of Business Berkley Center for Entrepreneurship & Innovation. The program provides certified firms with a new professional network, including business expert, university professors, and other business owners, and offers support for every aspect of business operations, as well as a focus on capacity-building for City government contract opportunities. Participants learn the strategic skills needed to run a growing company and create custom three-year growth plans, which is critical. Since the program began in 2010, 41 M/WBE graduates have collectively secured \$1.9 million in new financing, created 240 new jobs, and won more than \$64 million in government contracts awards through December 2011.

The success of these programs hinges on our ability to inform M/WBEs about extensive support available to help them become City vendors. That is why we developed a

1
2 comprehensive multimedia outreach plan targeting
3 various segments of the minority community, and
4 community based-organization, chambers of
5 commerce, and faith-based organization to engage,
6 educate, and to inform key stakeholders. Our
7 efforts have included: More than 100 outreach
8 engagements meetings with community-based
9 organizations and chambers of commerce; the
10 strategic placement of bus shelter ads in
11 neighborhoods where M/WBEs are registered; more
12 than one dozen meeting with members of the City
13 Council and Deputy Mayor Holloway discussing
14 Compete to Win; participation in the Black,
15 Latino, and Asian Annual Legislative Caucus in
16 Albany last February; the placement of ads in the
17 Amsterdam News, El Diario, Korea Times, Our Times
18 Press, Chinese World Journal, and other community
19 and ethnic newspapers over a two-month period;
20 Deputy Mayor Holloway's appearance on WABC Tiempo,
21 a weekly program for Hispanic viewers; an ad on
22 popular WWRL morning radio show to reach a wide
23 African American audience, and we know how popular
24 that show is; a number of stakeholder briefings at
25 City Hall with representatives from union, trade

1
2 organizations, prime construction contractors,
3 M/WB advocacy groups, woman advocacy
4 organizations, and chamber of commerce leaders;
5 and an annual procurement fair organized by SBS
6 and MOCS that connects approximately 500 M/WBEs
7 with 300 buyers from more than 71 City, State
8 agencies, authorities, and private contractors and
9 corporation.

10 Since the implementation of Local
11 Law 129 in 2005, SBS and MOCS have continuously
12 worked to improve the City's M/WBE goals program
13 and the services we offer to strengthen small
14 businesses. We strive to provide the highest
15 standards of customer service to certified firms,
16 prime contractors, as well as agency and corporate
17 buyers, and have increased accountability and
18 transparency by publishing agency progress reports
19 detailing performance and efforts to increase
20 M/WBE utilization.

21 Thank you again for the opportunity
22 to testify, and I hope you will join us in your
23 support of Intro 911. Deputy Mayor and I will be
24 happy to answer questions. Thank you.

25 [Applause]

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CHAIRPERSON MEALY: Thank you.

SERGEANT-AT-ARMS: Ladies and gentlemen, if anybody wants to testify--

[background noise]

SERGEANT-AT-ARMS: --on the list--

[background noise]

CHAIRPERSON MEALY: Thank you, Sergeant-at-Arms. We want to thank you for your testimony. I only have a few questions 'cause we're going to have a long day today, but could you tell me the methodology on why some goal percentages decline in certain areas, such as African Americans, Latino American in construction and the Caucasian--I know the Speaker just said that we were going to work on that, but could you explain how when first before this law in 2005, it was no goal and now that it is a goal, it jumped up to 18% and the African American goal went down, could you kind of explain that?

CAS HOLLOWAY: Sure. So the calculation of disparity--and now we're getting into the methodology of the entire--so the framework requires, when you look at putting these programs in place, kind of a two-step analysis, is

1
2 there a disparity and that is established by
3 saying how many firms are there in a given market
4 to do a certain kind of work, and then to what
5 extent is the City--

6 [Off mic]

7 CAS HOLLOWAY: --to what extent is
8 the City using those firms. And you can see from
9 the disparity analysis that we put in, there's a
10 series of statistical calculations that are done,
11 but I think it's important to just go through a
12 couple things 'cause the most important factors
13 are: How many firms of a particular type are
14 there in the market, or how many do we think there
15 are. And then you basically go and look at the
16 City contract database, one thing--and Andrea
17 Glick, who is now our comparatively new Director
18 of Mayor's Office of Contract Services, we keep
19 very good data on this, so we know this.

20 In terms of the firms that are in
21 the marketplace, we started by going to the some
22 of the things that Greg talked about in terms of
23 our own databases of firms, self-identified M/WBE
24 firms, other government agencies, like the Port
25 Authority and the MTA, but it was clear, based on

1
2 consultation with experts, that that wasn't
3 enough, we had to make some kind of a statistical
4 extrapolation of firms that were missed that will
5 not be picked up.

6 CHAIRPERSON MEALY: So you saying
7 it was because you all missed some of the firms
8 not being picked up?

9 CAS HOLLOWAY: Well a firm may not-

10 -

11 CHAIRPERSON MEALY: [Interposing]
12 And I just asked about construction also.

13 CAS HOLLOWAY: Yeah, well I think
14 it's important to understand the overall
15 methodology 'cause it's the same methodology
16 applied to every category, okay?

17 CHAIRPERSON MEALY: Could it be
18 that maybe a minority company will open up and say
19 all of a sudden now his wife is the minority women
20 contractor? It's no way that could have
21 transpired in this and that's how the numbers went
22 up?

23 CAS HOLLOWAY: Well in 2005, the
24 reason that there was not a separate goal for
25 construction firms for women because the analysis

1 showed that there was not disparity at that time,
2 so based on how that analysis was done, there
3 wasn't a basis to set a goal. Based on this
4 revised analysis of the marketplace, we learned a
5 whole bunch of stuff. Number one, that firms can
6 do--there's much more capacity in the market so
7 that firms can do jobs that are bigger than \$1
8 million, that's huge in and of itself. There was,
9 based on the calculation of the number of women
10 firms, both minority firms and Caucasian women
11 firms, there were plenty of firms in the
12 marketplace and a significant underutilization of
13 those firms by the City. So when you run the
14 statistical calculation, it shows based on the
15 number of firms that there are in the marketplace
16 for this, you would have an expectation that you
17 would hit around a certain number, and so the
18 analysis showed that for certain groups--and so
19 and let's just look at construction contracts,
20 there was still, for example, for Blacks and
21 Hispanic-owned construction firms, for example,
22 the analysis showed that, based on the disparity
23 calculation--so how many firms there are in the
24 marketplace and how much work they have done for
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the City and those calculations are all in the analysis. They've done better comparatively than what that analysis showed in 2005, which means that--now that could be happening for a number of different reasons, and, you know, I've certainly gotten--

CHAIRPERSON MEALY: [Interposing]

The one I mentioned, it could not be one of them?

CAS HOLLOWAY: What's that?

CHAIRPERSON MEALY: The one that I mentioned could not be part of this either?

CAS HOLLOWAY: I'm not sure what you mentioned was--

CHAIRPERSON MEALY: [Interposing]

With construction, saying that it's a woman minority-owned company--

CAS HOLLOWAY: Right.

CHAIRPERSON MEALY: --and now it's really owned by a man but he put his wife as the owner and put in a minority contract for that.

CAS HOLLOWAY: Your suggestion that it could--

CHAIRPERSON MEALY: [Interposing]

Can this be part of why in 2005, it was 12.63%--

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CAS HOLLOWAY: Wait.

CHAIRPERSON MEALY: --and with Caucasian women, it wasn't even a goal, and now that we put your disparity now, it's all of a sudden in Intro Local Law 911, now it's 18% for Caucasian and 8% for African American, so how could that disparity--can that be a part of the reason--

CAS HOLLOWAY: But the--

CHAIRPERSON MEALY: --one of the factors that their goal has went up, the Caucasian women have went up and African American women goal have went down?

CAS HOLLOWAY: Well that--

CHAIRPERSON MEALY: [Interposing] I just ask can that be one of the reason.

CAS HOLLOWAY: --well that would be fraud, so, you know--

CHAIRPERSON MEALY: Can I have some water?

CAS HOLLOWAY: --we have a lot of-- now this is a very important issue, the integrity--
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CHAIRPERSON MEALY: [Interposing]

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Yes, it very is, I just want to just know--

CAS HOLLOWAY: [Interposing] Yeah,
so it is--

CHAIRPERSON MEALY: --just can it--
you can just say yes or no.

CAS HOLLOWAY: --Council Member, it
is possible that there could be cases where that
is the case for any group, whether you're a woman
firm, a minority firm, whatever you're trying to
put yourself out to be, but that's exactly why we
have a certification process. And the way that
the group of firms was determined was to look
first at the firms that are certified where you
have some indicia of integrity in the data because
we've gone through a process with them of trying
to identify and determine what, you know, that
they're saying they are who they say they are. So
I am pretty confident that, based on the way this
analysis was put together--and any extrapolations
were done on the basis of that data so you're
making an extrapolation on the basis of data that
has integrity to it--that this data is pretty
good, not perfect, no data is perfect, but I--

CHAIRPERSON MEALY: [Interposing]

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That's why we here--

CAS HOLLOWAY: --but it's pretty good.

CHAIRPERSON MEALY: --we're trying to get it better.

CAS HOLLOWAY: Yeah, exactly.

CHAIRPERSON MEALY: And I thank you, we looking forward to--

CAS HOLLOWAY: [Interposing] Greg, did you have something to add?

CHAIRPERSON MEALY: I have--

GREGORIO MAYERS: [Interposing] Yeah, I just if--

CHAIRPERSON MEALY: [Interposing] We kind of finished with that one.

GREGORIO MAYERS: Okay. Fine.

CHAIRPERSON MEALY: I just want to ask you another question 'cause all my colleagues have questions. This is to you, Mr. Mayers. With your bond readiness, could you tell me, do a lot of minorities have problems getting insurance because of the bonding situation?

GREGORIO MAYERS: Yeah, absolutely, as you heard in my testimony, it's really one of

1
2 the impediments and the challenges that many small
3 businesses and minority firms face. So--

4 CHAIRPERSON MEALY: [Interposing]

5 Then that's the question--

6 GREGORIO MAYERS: Yes.

7 CHAIRPERSON MEALY: --minority
8 firms face that for both of [off mic]. Have we
9 ever thought about setting up a bank account or
10 getting a bank to set up bonds for small minority
11 corporations? They're doing it in Chicago,
12 Illinois, have we ever considered that?

13 GREGORIO MAYERS: That's a current
14 program that I just outlined which--

15 CHAIRPERSON MEALY: [Interposing]

16 Which bank you using now?

17 GREGORIO MAYERS: We have--

18 CHAIRPERSON MEALY: [Interposing] I
19 didn't see it.

20 GREGORIO MAYERS: --the surety
21 companies that we are working with that's
22 providing the services for the M/WBE firms now,
23 this is part of the whole Compete to Win programs
24 where they go through their credit repair. I know
25 we're working even with the loan programs with BOC

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Capital and BNY--

CHAIRPERSON MEALY: [Interposing]

No specific banks?

GREGORIO MAYERS: Is there a special bank that we're working with that--

CAS HOLLOWAY: [Interposing] Gregg, do you want--

GREGORIO MAYERS: Yeah.

CAS HOLLOWAY: --introduce yourself?

GREGG BISHOP: Good afternoon, my name is Gregg Bishop, I'm Deputy Commissioner with Small Business Services.

We run the bond program through a organization called the Minority Development Institute, MBDI, and we are working to get those companies bondable. The banks that you are asking about is for our upfront loan program, which we help connect M/WBES to upfront capital to help them mobilize on their contracts.

CAS HOLLOWAY: And let me just add, the City has done a couple of things in this area on its own, we've raised the threshold of projects that don't require bonding at all, which is good,

1
2 and then--but to the extent that there is a
3 program or a model that we're not currently doing
4 that you think we should consider, we're totally
5 open to that. You know, we have a lot of partners
6 who are very interested in helping us succeed in
7 this area so we can work on that.

8 [Pause]

9 CHAIRPERSON MEALY: Thank you. My
10 last question, how do you anticipate the quarterly
11 M/WB STAT meetings will work?

12 CAS HOLLOWAY: Well what I'm going
13 to use as my model is--I have two predecessor
14 models for this. It is already the case that we
15 have a contracting opportunity committee that was
16 set up at the same time that the project labor
17 agreement for certain City work was entered into,
18 some of the people who are on the mentorship
19 committee that Greg talked about in his testimony
20 are on that group, and the whole purpose of those
21 meetings, which we've been doing for more than a
22 year now, is to look at the numbers. What are the
23 numbers telling us about how many firms are
24 actually on these jobs; what is the participation
25 rate. So the quarterly meetings are going to work

1
2 much the same way, we're going to start with
3 what's the data, we will collect that in advance,
4 we will independently assess it with the help of
5 our Mayor's Office of Contract Services. We'll
6 identify where utilization isn't what you would
7 expect it to be or below the targets; we'll see
8 whether or not agencies brought that to the
9 attention of MOCS or anybody else in order to get
10 the assistance that they need; we'll look at
11 whether there were special circumstances. So it's
12 going to be, I guess, in short, a numbers driven,
13 solution oriented group that is going to, you
14 know, work hard to identify where we're not
15 hitting the goals and figure out ways to hit them.

16 CHAIRPERSON MEALY: Okay. And to
17 me COMPSTAT, I think about the police department,
18 I believe Commissioner Bratton started that, and
19 with COMPSTAT, when you come in and your numbers
20 are not up to par, it was accountability to those
21 inspectors and captains of that district, they
22 knew if they came in, their numbers were not
23 properly--they were off the record, Staten Island,
24 they knew that or they knew they would get demoted
25 or--it was accountability. So how can we now hold

1
2 these meetings really accountable if they come--if
3 a organization come in or a construction company
4 come in, they then did it now five times without
5 meeting their quota, how--who will hold them
6 accountable? What--

7 CAS HOLLOWAY: Well--

8 CHAIRPERSON MEALY: --goals do we
9 have in place to make sure that this happen?

10 CAS HOLLOWAY: --well I think what
11 we'll do as we--as the group comes together and we
12 will let, kind of, the data determine what the
13 level of--what the mix of between sanction and
14 assistance that we need to establish goals. I do
15 think it's important to point out that I know
16 quite well a number of the chief contracting
17 officers at these agencies and I can tell you that
18 they are deeply committed to making this program
19 work, and, in fact, we've taken a lot of new steps
20 to do so. At DEP, we set up a separate M/WBE
21 advisory panel to--because DEP contracts present a
22 particular challenge, many of those construction
23 contracts, big or small, require a certain level
24 of specialized expertise, you know, to do a pump
25 station or to do underwater work, and so forth.

1
2 That shouldn't be a reason why M/WBE firms never
3 get that work, how are we going to--you know, how
4 do we ensure that we bring them in and assist them
5 to develop the capacity to do so.

6 So I am looking at this more from a
7 how do we solve the problem collectively, but I
8 can assure that there will be accountability for
9 agencies and individuals who don't--you know, if
10 somebody can demonstrate that they made the effort
11 and there is an explanation for why the target's
12 not being hit in a particular case, the approach
13 is going to be, okay, we're going to try another
14 approach, what are we going to do. And so it's
15 not going to be allowed to languish for five, you
16 know, consecutive quarters, for example.

17 CHAIRPERSON MEALY: Okay. Thank
18 you, sounds good. I'm going to let my colleagues
19 ask their questions. We have Robert Jackson.

20 COUNCIL MEMBER JACKSON: Thank you,
21 Chair Mealy, and good afternoon, Deputy Chancellor
22 and Mr. Bishop--

23 [Crosstalk]

24 CAS HOLLOWAY: [Interposing] Is
25 that a promotion?

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2 COUNCIL MEMBER JACKSON: Deputy
3 Mayor. Anyway, and let me just thank everyone for
4 being involved in this lengthy process and,
5 obviously, someone that has been in the City
6 Council for 11 years and as a former chair of the
7 Contracts Committee, I know specifically all of
8 the details and many, many hundreds of hours that
9 many people spend in order to get where we are
10 today, so I'm very appreciative of that. But I
11 have some questions, so you've heard the saying
12 talk is cheap, show me the money. So I want to--
13 I've heard what you had to say, Deputy Chancellor--
14 -Deputy Mayor, sorry, I'm thinking about
15 education, and I've met with you and your staff
16 and, as I said, I appreciate everything, but, as
17 you know, this administration only has about 12,
18 16 months left--

19 CAS HOLLOWAY: [Interposing] I
20 think 438 days.

21 COUNCIL MEMBER JACKSON: Oh, I'm
22 not counting the days.

23 MALE VOICE: Could he be more
24 specific?

25 CAS HOLLOWAY: Well that's

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heartening.

COUNCIL MEMBER JACKSON: But what guarantees are there that minority and women-owned businesses are going to get a bigger piece of this pie? I mean, and that's why I started off by saying talk is cheap, show us the money because, clearly, I've heard many people says I've already gotten certified but nothing's coming my way, and for me to be certified and, you know, go through a process of certification and I don't get any business, it doesn't mean anything to me. So, you know, express to me with some sort of confidence that this pie, as you indicated, is going to be bigger and that M/WBES are going to see a larger piece of this pie. That's what--

CAS HOLLOWAY: Okay. Okay.

COUNCIL MEMBER JACKSON: --my question is, I know that's a huge question, but it's a very serious one.

CAS HOLLOWAY: Well it's probably one of the most important ones. So first, I will start by saying there are no guarantees in life but let me tell you why I am confident that this-- why I have a high degree of confidence that when

1
2 we look at the data, you know, 6 and 12 months
3 after this new updated law is in effect, you're
4 going to see numbers of contracts going to
5 minority and women business firms going up,
6 increasing and increasing in a meaningful way.

7 First and foremost is the lifting,
8 the elimination of the million dollar cap. The
9 elimination of the million dollar cap, you asked
10 how do we ensure that the pie is bigger makes the
11 pie bigger by definition. So that is one thing
12 that is guaranteed, so to speak, but, you know,
13 that--a bigger pie doesn't mean that everybody
14 gets a slice, right? So how do we ensure that?

15 When I went out and talked to a
16 number of the organizations, Sandra Wilkins and
17 Jacques and others in here have, you know, made
18 introductions, Timothy Marshall and I have had a
19 number of meetings and conversations, the Women
20 Builders Congress as well, and here's the kind of
21 scenario I would hear about: A firm, a women firm
22 or a minority firm, goes and bids on a big
23 project, a prime contract that is for some major
24 construction project and it turns out that,
25 because of the way that the goals were set--and

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2 this was, I think, in the case of women contracts
3 where we didn't have a goal, where the prime would
4 say, you know what, I've already met my targets, I
5 don't need you, then they can go to whatever
6 company they've already worked with. And I don't
7 think there's any necessarily malicious intent in
8 that, you know, but unless there is a structure in
9 place where people are required to, you know, go
10 out and diversify their work pool, they're not
11 going to do so. You know, who among us would not,
12 when we're trying to get a job done, you want to
13 go to the--if you have a reliable source to get a
14 job done, you go to them and get it done, unless
15 you can't do that without taking a look at what
16 this rule is going to require. So here you are
17 going to have a bigger pie by definition and you
18 are going to have situations where even the
19 largest projects are going to be subject to these
20 goals.

21 We've also simplified this. You
22 know, it was byzantine, really, in its
23 complication, I would hear from construction
24 firms, both as a commissioner and going through
25 this process, that, you know, it's only up to \$1

1 million, which means it creates weird perverse
2 incentives in terms of how I package the work, it
3 has to be at \$1 million or lower so there's all
4 kinds of--you know, that in itself is a problem,
5 which subcontracts or sub-subcontracts count; if
6 they don't count, do I make an effort there. You
7 know, and there are really a lot of traps for the
8 unwary, I would call them, in the way that the
9 program was set up. We've basically eliminated
10 that, and the way we've done it is to basically
11 say, look, it all counts, so if you're a prime and
12 you're minority or woman-owned business, it will
13 count. If you have a subcontractor who is a
14 minority or woman-owned business, it will count.
15 If the sub has a sub, and on big projects, that
16 chain of subs can go far down, you know, but--and
17 that means is good for two reasons. One, it eases
18 the administration for a prime on a large
19 contract, but, two, it means that it's much more
20 likely that you're going to more easily be able to
21 break up those contracts into smaller pieces.
22 There's lots of work that--and you're going to be
23 more incentivized to do so.

24
25 Now, I also think that it's

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2 important to note that all this is, is a law that
3 establishes participation goals and we just went
4 through all the accountability measures, and
5 anybody who's been in the meetings with me--and
6 many of them are in this room--to go through what
7 a meeting is like, I guess I could say that's
8 exactly what I envision the STAT meetings being
9 like and that is what is the data telling us and,
10 you know, we're going to base this on people
11 getting the work.

12 So I'm not going to go through all
13 of that again, but I would say that I think that
14 the Compete to Win suite of programs and our
15 aggressive work with companies to help develop
16 capacity is really also key to this.

17 GREGORIO MAYERS: Yeah [off mic].

18 COUNCIL MEMBER JACKSON: Well I
19 think that I appreciate your response and I truly
20 believe you, but again, proof is in the pudding,
21 and, quite frankly, I truly believe you and, based
22 on everything that you've communicated even before
23 and all of the other participants that you have in
24 here that's going to give testimony, I truly
25 believe you. But I guess, my brother says I'm

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2 from Missouri, show me and I say those--what do
3 you call those things?

4 [Off mic]

5 COUNCIL MEMBER JACKSON: Clichés
6 because--

7 CAS HOLLOWAY: Wisdom?

8 COUNCIL MEMBER JACKSON: Wisdom,
9 time will tell, time will tell. My final question
10 is that can you explain to me or can you cite, I
11 understand that certain groups are going to be
12 declined in certain areas, such as African
13 American and Hispanic American construction, is
14 that true? And what other groups are going to be
15 declined as far as their participation? Because
16 that's what I heard and--

17 CAS HOLLOWAY: [Interposing] So it
18 is true is that--and the way that this program is
19 structured, there are four categories of contracts
20 that you look at when you start this analysis--
21 construction, goods, professional services,
22 standardized services--

23 GREGORIO MAYERS: Right.

24 CAS HOLLOWAY: --and you start
25 there and then you say, okay, for each of those

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2 categories, I'm going to break it up into--to look
3 at the market in the following way where my, you
4 know, White male owned firms, White female owned
5 firms, Black male, Black female, and we resolved
6 the issue with the female owned firms, I think
7 we're going to be able to, you know, count--if
8 you're a minority, you're going to be counted as a
9 woman firm or a minority firm, so those goals
10 will--I think we've addressed that issue. But you
11 look at how many firms there are of all those
12 different types in the marketplace, which we've
13 done. We not only did that, we extrapolated, made
14 a statistical extrapolation because we knew there
15 would be some who would not self-identify or who
16 may have been doing contracts above \$1 million and
17 may not have registered, there's ten different
18 reasons why, maybe they don't know about the
19 program, that's why we have this capacity-building
20 programs. But then you go through a calculation
21 that shows, okay, now I compare it to the value of
22 the contracts that they've done and what does it
23 show. And, you know, for example, for Hispanic
24 construction firms in fiscal 2011, they did \$105
25 million worth of construction work on City

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2 projects, you know, that's in the analysis so it's
3 attached to my testimony. And there are dollar
4 amounts like that for all these different
5 categories. And once you have that amount and you
6 have the universe of firms, it's a straightforward
7 statistical calculation of what the utilization
8 is, and then that utilization determines what the
9 percentage goals are.

10 Now, you know, in order for the--
11 and this is where I--I didn't want to go through
12 all of the Supreme Court cases and everything but
13 it's in the disparity study and you might hear
14 more about it, but there are legal limitations
15 that are, you know, fairly well established in
16 terms of what you can do to--what you have to go
17 through and show to establish these goals, and,
18 based on the disparity analysis that we've done to
19 update this, there is a--it is the case that when
20 it comes to--and I'll just point out the Hispanic
21 and Black construction owned--Black owned
22 construction firms--based on their availability in
23 the market place, their utilization by the City,
24 the percentages on a comparative basis from 2005
25 to 2011 or 2012, where we are right now, it shows

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2 that the participation goal, it does decline, it
3 goes from 9% to 4%.

4 Now that could be for a number of
5 different reasons. It could be because there's
6 less capacity in the marketplace; it could be
7 because they've gotten a lot of work and they've
8 actually done better and they're being used at a
9 rate--and, in fact, if you look at the utilization
10 calculation for Hispanic construction firms, it's
11 .47. Now that's actually higher than any of the
12 other groups, which is why their--part of why
13 their utilization percentage went down. Now, you
14 know, you may be looking, if you're a stakeholder
15 in one of these areas and saying well it doesn't
16 seem like that, but, you know, the data on which
17 utilization is based is actually in our system,
18 this is not an extrapolation, we know. So it is
19 the case that some of these percentages have gone
20 down.

21 Now, because we're lifting the \$1
22 million cap though, the overall value of contracts
23 for both Hispanic and Black construction firms
24 that would be subject to these goals and that we
25 are projecting in terms of the volume of work they

1
2 will get, is going to go up. So it's a--I think
3 we would--it is there is no question that
4 implementing the changes to the program makes the
5 pie a lot bigger--

6 COUNCIL MEMBER JACKSON:

7 [Interposing] Okay. So in essence--

8 GREGORIO MAYERS: [Interposing] I
9 need to know--

10 COUNCIL MEMBER JACKSON: --you're
11 telling me that percentages--

12 CAS HOLLOWAY: Greg.

13 GREGORIO MAYERS: [Interposing] I
14 need to respond, sorry, sorry, please allow me.
15 Council Member Jackson, one of the things that we
16 found in this study when the study was done, and I
17 think that what the indicator is, is during the
18 crash or during the downturn in the economy in
19 2008 through '10, you know, as the Deputy Mayor
20 talks about the availability of these firms, the
21 study found--we found that a number of these firms
22 just really close. I mean Lehman collapsed and a
23 lot of big firms collapsed, so did a number of
24 African American and Latino firms. So that's why
25 we found one of the reasons, you know, when the

1
2 study was conducted, there was a lower number as
3 well. Just wanted to point that out.

4 CHAIRPERSON MEALY: Thank you.

5 COUNCIL MEMBER JACKSON: Well I
6 know that a lot of thousands of small businesses
7 closed around the city also--

8 GREGORIO MAYERS: Right.

9 COUNCIL MEMBER JACKSON: --but I do
10 say though that--but you're telling me, Deputy
11 Mayor, that the amount of contracts, the amount of
12 money is going to grow as a result of that.

13 CAS HOLLOWAY: Correct.

14 COUNCIL MEMBER JACKSON: Now I just
15 wanted to ask that question, even though it may
16 have been asked before, I wanted to see how you
17 were going to answer it to me versus answer it to
18 the Chair and whether or not you're going to be
19 saying the same thing a different way, and so I
20 can just understand more definitively your
21 response. So I thank you very much.

22 CHAIRPERSON MEALY: Thank you very
23 much. We've been joined by Julissa Ferreras and
24 Ruben Wills, Julissa left though.

25 Our next question's going to be

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from Tish James.

COUNCIL MEMBER JAMES: So first let me thank the Speaker in her absence for making the adjustment with regards to women of color, but until such time as I see the language, I'm not prepared to endorse this bill because I have relevant concerns and because the devil is always in the details and in the language.

But let me just say this, that agencies have struggled to achieve the W/MBE participation goals under this administration from day one and that, as was mentioned by Council Member Jackson, here we are in the 11th hour of this administration and we are seeking to redress the lack of minority participation in the city of New York, and that's a good thing because the W/MBE program seeks to expand governmental contracts by providing opportunities to W/MBEs. And it's important to note that the goals that are set are aspirational, they're not really goals, it's just aspirational, and we are also under the jurisdiction or mandated by state law to always go with the lowest responsible bidder. So though we create aspirational goals, the fact is, is that if

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2 it's a lowest responsible bidder and that lowest
3 responsible bidder happens not to be a member of a
4 minority group, then that contractor bid will go
5 to that individual, yes?

6 CAS HOLLOWAY: Actually, the
7 enforcement tools that we have, I think, make this
8 a bit stronger than a mere aspiration. They are
9 goals because there are ways in which you can
10 demonstrate that the goals cannot be met, but that
11 demonstration has to be made in each individual
12 case. The going in presumption is that the
13 contracts that are subject to the goals--for
14 contracts that are subject to the goals, that the
15 goals will be met. And if you see an individual,
16 say a prime contractor, has to go and say to the
17 ACCO of an agency, I can't meet the goal and then
18 they have to say, well why is that, and then it is
19 up to the agency and the Mayor's Office of
20 Contract Services to grant a waiver. But not only
21 have we not granted that many waivers, I can tell
22 you that this is not going to be something that
23 is--I mean, we're always going to be evaluating
24 what the particular circumstances would be, but if
25 you don't meet the--but if you're not going to

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2 even make an effort, I mean, we know that there
3 are lots of firms, many of the people who own
4 those firms are sitting in this room, who can do
5 work. So people aren't just going to be able to
6 say, oh, well look, I tried as hard as I could.

7 Now, in addition to that, for a
8 number of different subcontracts you can actually
9 make the goals part of the terms of the contract,
10 and so that's a contractual obligation--

11 COUNCIL MEMBER JAMES:

12 [Interposing] My point is that state finance law,
13 basically, we're governed by state finance law and
14 state finance law mandates that the City of New
15 York go with the lowest responsible bidder and
16 responsible bidder is not defined in state statute
17 as W/MBE, that was my point. And surely you would
18 agree that we are governed by state finance law,
19 yes?

20 CAS HOLLOWAY: Certainly we are.

21 COUNCIL MEMBER JAMES: Right, okay.

22 So my point is, is that, that notwithstanding,
23 I'm happy that this bill--excuse me, removes the
24 cap on \$1 million, I'm happy that there will be
25 some in--prior to certification, there will be a

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2 visit, I'm happy that they're posting it online,
3 I'm happy that there's bonding, there's technical
4 assistance, there's loans, there's mentoring, so
5 all of those things are really a step in the right
6 direction. What I am disturbed about is the
7 following: Construction contracts for Black
8 Americans goes from 12.63 to 8%; Asian Americans,
9 it's 8%; Hispanic Americans, it goes from nine to
10 four; and for Caucasian females, it goes to 18%;
11 and emerging businesses, it's 6%, that's for
12 construction.

13 For professional services, Black
14 Americans, from 9% to 12%, that's an increase;
15 Hispanic Americans, five to eight, increase; but
16 for Caucasian females it's 37%; and for emerging
17 businesses, it's 6%. For standard contracts,
18 Black Americans, 9% to 12%; Asian Americans 3%;
19 Hispanics, 5 to 6%; Caucasian females from 10.45
20 to 10%; and for emerging, 6%.

21 And for contracts under--for goods
22 contracts under 100,000, Black Americans, 7%;
23 Asian Americans goes from five to eight; Hispanic
24 four to five; Caucasian Americans--Caucasian
25 females, it goes from 17 to 25%. And so the

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2 question is, I know the reason that was given
3 earlier is that a number of businesses have
4 closed, my question is whether or not the survey
5 that was conducted really represented the number
6 of W/MBEs that exist in the marketplace.

7 CAS HOLLOWAY: We believe that the
8 analysis that has been done to support this, which
9 isn't just a survey of firms that are out there,
10 we started with firms that we know are either in
11 some database, either in the city's database,
12 other government databases. We looked at all
13 available businesses in the marketplace first and
14 then we looked at where, you know, where the self-
15 identified M/WBE firms, what other indicia are
16 there. We did a phone survey of more than 1,000
17 businesses, we used the data collected from that
18 survey then to make a statistical extrapolation of
19 what we thought what we could have missed. So,
20 for example, while the survey data showed that
21 there were 606 Hispanic firms, the--once you add
22 the statistical--you added more than 1,000 firms
23 based on the statistical extrapolation. So, you
24 know, and you can look at the table, I mean,
25 you've read all the numbers. I believe that the

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2 analysis that was done for this--and you'll see
3 I'll submit with the revised analysis that is
4 going to deal with the minority women issue that I
5 think--in a way that I think so that 37%--

6 COUNCIL MEMBER JAMES:

7 [Interposing] And I appreciate that.

8 CAS HOLLOWAY: --goal will be
9 addressed, but there are firms out there who have
10 done this analysis, this firm Miller is--has
11 reviewed the way we did our analysis, they are
12 known across the country, and, yeah, there are
13 those who criticize what they do and those who
14 support it, but there's no question, independent,
15 they have expertise in this area, they validated
16 it, they think the approach is correct. Now and
17 so we have confidence in these numbers.

18 Now one thing I think is critical
19 to happen is they need to be updated more
20 frequently, so we should make these changes, but
21 then on a regularized basis--I think there's some
22 provision for this in the bill--that it is going
23 to be mandated to look at the marketplace and
24 refresh the analysis because there's a number of
25 good things that happened between 2005 and 2012,

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2 but there's still a lot of disparity and we have
3 to carefully monitor that so that the targets do
4 reflect the state of the marketplace. But I think
5 for today we're in a good place.

6 COUNCIL MEMBER JAMES: So what
7 you're suggesting is that the goals may change to
8 reflect the change in the marketplace so that
9 Black Americans, Latinos, as well as Asians, their
10 goals may or may not increase?

11 CAS HOLLOWAY: Well it would--

12 COUNCIL MEMBER JAMES: Or might be
13 adjusted, I should say?

14 CAS HOLLOWAY: --it would
15 ultimately be this body that would change the
16 legislation based on a new analysis, but I think
17 the--number one, the law requires that that
18 analysis be done within a fixed period.

19 Certainly, I think--

20 [Crosstalk]

21 COUNCIL MEMBER JAMES:

22 [Interposing] --2015.

23 CAS HOLLOWAY: Twenty fifteen,
24 which is getting closer and closer, the--

25 GREGORIO MAYERS: Yes.

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2 CAS HOLLOWAY: --I think that the
3 aspiration would be that you would start to see
4 disparity, which in this case is underutilization
5 of minority and women firms, start to diminish,
6 you would hope. But, obviously, if that doesn't
7 happen and the marketplace still reflects whatever
8 the data reflects, yes, you would make the
9 changes.

10 COUNCIL MEMBER JAMES: And what
11 agencies does this law apply to? All agencies?

12 CAS HOLLOWAY: It applies to all of
13 these categories--

14 CHAIRPERSON MEALY: [Interposing]
15 Start wrapping it up.

16 CAS HOLLOWAY: --of contracts. All
17 of these categories of contracts by whatever
18 agency.

19 COUNCIL MEMBER JAMES: Will it
20 apply to IDA?

21 CAS HOLLOWAY: Does it? IDA is
22 within EDC, I don't--

23 [Crosstalk]

24 CHAIRPERSON MEALY: No.

25 GREGORIO MAYERS: --EDC.

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COUNCIL MEMBER JAMES: Does it

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apply to EDC?

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GREGORIO MAYERS: Only the Mayoral

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agencies--

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CAS HOLLOWAY: Mayoral--

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GREGORIO MAYERS: --subject to the-

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[Crosstalk]

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CAS HOLLOWAY: --Mayoral agencies.

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COUNCIL MEMBER JAMES: So EDC is

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out?

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GREGORIO MAYERS: Yes--

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CAS HOLLOWAY: No--

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[Crosstalk]

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COUNCIL MEMBER JAMES: IDA is out.

17

And this new entity that the Mayor is creating for

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technology, is that agency or authority going to

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be included under this law?

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CAS HOLLOWAY: That is an

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independent agency, so, you know, but--

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COUNCIL MEMBER JAMES:

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[Interposing] So the answer is no?

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CAS HOLLOWAY: --but in terms of

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the contract, it's not going to hold that many

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contracts so that's a--so--

CHAIRPERSON MEALY: Thank you.

CAS HOLLOWAY: --it's not a--I
don't think it was really an issue.

COUNCIL MEMBER JAMES: Thank you.

[Pause]

CHAIRPERSON MEALY: Jumaane.

COUNCIL MEMBER WILLIAMS: Thank
you, Madam Chair. Thank you, Deputy Mayor and Mr.
Mayers, for the testimony.

So this is a big issue for me, as
well as a lot--people who have been working on
this even before I got here. I also put a Intro
out to try to designate an officer to oversee MWBE
in coordination with SBS Intro 607, hopefully that
will pick up some steam as well, we have a number
of sponsors.

I do think the bulk of this bill is
good so I want to say thank you. And I think
there was some creative things done to try to get
some more access, particularly the [off mic]
certification, the increasing of the million
dollars, and MWBE STAT. There are some things
that still are troubling to me, so I want to try

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2 to understand this fully and completely. Is there
3 any significant change in the methodology of the
4 2005 disparity study and this disparity study?

5 CAS HOLLOWAY: You know, let me
6 see. Do we have a--we have an extra seat here,
7 why don't you, Ezra, introduce yourself?

8 EZRA POLANSKI: Hi, Ezra Polanski,
9 I work with the Mayor's Office of Contract
10 Services--

11 [Crosstalk]

12 CHAIRPERSON MEALY: [Interposing]
13 Put the mic on, please.

14 EZRA POLANSKI: I could also just
15 speak really loud.

16 CAS HOLLOWAY: There you go.

17 EZRA POLANSKI: Ezra Polanski, I
18 work with the Mayor's Office of Contract Services,
19 thank you. And then I won't speak quite so loud.

20 The methodology that we followed
21 for this refresh of the disparity analysis is more
22 or less the same as what was done in 2005. I
23 can't tell you that it's exactly the same 'cause
24 that was done by consultants who were working--

25 [Crosstalk]

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COUNCIL MEMBER WILLIAMS:

[Interposing] That's fine.

EZRA POLANSKI: --the City Council
at that point, so--

COUNCIL MEMBER WILLIAMS:

[Interposing] So do you still stand by the
disparity study that was done in 2005?

EZRA POLANSKI: The disparity study
from 2005 is still the basis for the law. The
Local Law 129 includes a provision that the
numbers and the study be refreshed periodically,
so the analysis that we've done for this bill is a
refresh of those numbers.

COUNCIL MEMBER WILLIAMS: So if I
understand this correct, some of the change in the
disparity, like for African American, Hispanic, is
because they actually did better, there's less of
a disparity in this current study.

EZRA POLANSKI: No, there's--we
found actually more disparity than the 2005 study
did, which is why we were able to set goals and
more categories than the 2005 bill did.

COUNCIL MEMBER WILLIAMS: If you
found more of a disparity, why is--I thought I had

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it, but now I don't.

EZRA POLANSKI: I'll get you there.

COUNCIL MEMBER WILLIAMS: Okay.

EZRA POLANSKI: What we've found it was the goals numbers are based on what we call availability in the study, that is to say the percentage of firms in the marketplace that are available to do the work for the city. So, you know, we have to ignore firms that may exist but are not capable of doing the work in any way, you know, if they're not relevant to the particular kind of work that we're soliciting for. So the percentage of those firms that are available in the marketplace who fall into one of the various categories that we're studying. Okay? So in order to develop those numbers, as the Deputy Mayor said, we started with those firms that we knew to be certified by--

GREGG BISHOP: [Interposing] Ezra, can I just--

EZRA POLANSKI: Sure.

CAS HOLLOWAY: --jump in because I want to--I mean, we'll talk through the analysis again. Let's just focus on what the Council

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2 Member is asking, which is you had a 12% number
3 that went to 9%, is that the--

4 COUNCIL MEMBER WILLIAMS: Yeah.

5 CAS HOLLOWAY: Okay. So the
6 participation goal went--decreased, right, so it's
7 a lower percentage of the available work. Now,
8 the question is why and is it because--the reason
9 statistically why is because the utilization
10 calculation based on availability within the
11 geographic market based on the actual--and then
12 you create a ratio with the amount of City work
13 that they've actually done generated a lower just
14 number for disparity. Now that could happen for a
15 number of different reasons: It could be that
16 firms that their--have done, you know, better in
17 terms of the amount of work that they do, but
18 there are a number of other elements that could
19 impact it, correct--

20 COUNCIL MEMBER WILLIAMS:

21 [Interposing] So it did generate a lower disparity
22 number is what you're saying.

23 CAS HOLLOWAY: Correct.

24 COUNCIL MEMBER WILLIAMS: Yes,
25 okay. So--

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2 CAS HOLLOWAY: [Interposing] I
3 mean, that's on this--right, Ezra?

4 [Crosstalk]

5 COUNCIL MEMBER WILLIAMS: So but
6 that's different than the answer I just got. So--

7 CAS HOLLOWAY: [Interposing] Well
8 he was--I think you were speaking in the
9 aggregate, that there was--

10 COUNCIL MEMBER WILLIAMS:
11 [Interposing] Okay. So let me just--

12 CAS HOLLOWAY: [Interposing] And
13 let me just make sure. Ezra?

14 [Crosstalk]

15 CAS HOLLOWAY: --me if I'm wrong.

16 [Crosstalk]

17 EZRA POLANSKI: I was trying to
18 answer it with specifically to if you take one of
19 the goals that went down, that number reflects the
20 availability of such firms in the marketplace as
21 was found by--in the 2005 study versus what we
22 found in our refresh of the numbers, and there
23 could be any number of reasons why that number
24 went down--

25 COUNCIL MEMBER WILLIAMS: Okay.

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So--

EZRA POLANSKI: --but the, I think-

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CHAIRPERSON MEALY: [Interposing]

People lost their business.

EZRA POLANSKI: Yeah.

COUNCIL MEMBER WILLIAMS: Well the

reason I was asking that, we also in 2010 did a study with Brad Lander and some of the thing that we found, one city agency met more than half their goals on the Local Law 129, most met less than a quarter of their goals, there was no agency that met the construction numbers. So there was a lot of bad things that happened. Only 11% of the targets were met for African American, only 14% of Latino. The Comptroller, John Liu had a great website that described this.

So what I was trying to figure out is if we had a disparity study that showed great disparity, then we have reports that people didn't meet those goals, how then do we have less disparity come this year?

CAS HOLLOWAY: Well I think that they're--just to maybe break the chain of logic

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2 there, I don't think it follows that the--you had
3 disparity, you failed to meet the goals, now
4 there's less disparity--

5 [Crosstalk]

6 CAS HOLLOWAY: --because I am
7 saying that a lower underutilization, let's not
8 say less disparity, that could be based on any
9 number of factors--and be happy to get together
10 and go through in even more detail--

11 CHAIRPERSON MEALY: [Interposing]

12 That would be great.

13 CAS HOLLOWAY: --with some of the
14 statisticians how those numbers are generated and
15 what the factors are that contribute to them. But
16 I think, though, you know, if the question is
17 could the performance be better, yes, I think this
18 bill does some significant and important things
19 that will get that result--

20 COUNCIL MEMBER WILLIAMS:

21 [Interposing] I have a different question before
22 they nudge me because I know--but I just I think
23 my logic makes sense so that troubles me, and so
24 hopefully we can talk and figure out how that is.

25 But on that same information, I

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have a question about accountability. Now looking at those goals, I don't remember any agency being held accountable for meeting zero of the targets so how will they be held accountable if they don't meet any of the targets in the new bill?

CHAIRPERSON MEALY: He say going to work that out with COMPSTAT.

CAS HOLLOWAY: M/WBE STAT.

[Crosstalk]

COUNCIL MEMBER WILLIAMS: Well they had some kind of STAT because they knew that the goals weren't met before and nobody was held accountable, so I'm trying to figure out how will the new STAT--

CAS HOLLOWAY: [Interposing] Well I think that there are now, look, accountability, it depends on the resources, it's just like enforcement, it depends on the resources that you're able to put into it, and we're setting up structures in this bill that are going to, I think, significantly enhance.

COUNCIL MEMBER WILLIAMS: All right.

CAS HOLLOWAY: You know, the Mayor

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2 is a appointing a--is going to appoint a person to
3 whom agencies are going to be accountable for
4 reporting; we're going to be putting data out
5 every quarter on this. And I can tell you
6 probably one of the most motivating things to an
7 agency is when the prospect of reporting poor
8 data--believe it or not, agencies actually care
9 how they perform, I, having just put out the
10 Mayor's management report and received a number
11 of, you know, somewhat distressed calls from
12 certain high-level personnel about what certain
13 numbers seem to suggest, I can tell you that we
14 are going to--the accountability is going to be
15 every quarter there is going to be reporting on
16 this. I am deeply familiar with these issues.
17 There are going to be--if somebody's not meeting
18 their targets, there's a reason for it. We can go
19 and look at the contracts they've bid out; we can
20 look at the availability of those firms in the
21 market; we can look at how that they were
22 advertised; we can look and see is an agency using
23 the same firms over and over again or figuring out
24 a way to find no thing. I don't think we're going
25 to find that that's the case, but I do think

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there's also a lot of places where we have to do a lot more work that go well beyond meeting the targets--

COUNCIL MEMBER WILLIAMS: All right.

CAS HOLLOWAY: --in this bill.

CHAIRPERSON MEALY: Thank you.

COUNCIL MEMBER WILLIAMS: I got my nudge, so I want to say thank you. I'm waiting to see what's going to happen with the women 'cause I think that's important, and I know there's still some bonding issues that--

CHAIRPERSON MEALY: Yes.

COUNCIL MEMBER WILLIAMS: --some of our M/WBES have that haven't been addressed here, so hopefully we can address that. Thank you.

CHAIRPERSON MEALY: Starting--

CAS HOLLOWAY: Thank you.

CHAIRPERSON MEALY: --Leroy Comrie.

COUNCIL MEMBER COMRIE: Thank you.

Good afternoon, Deputy Mayor; good afternoon, Greg.

GREGORIO MAYERS: Good afternoon.

COUNCIL MEMBER COMRIE: Question,

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2 Commissioner Walsh is okay? I'm just surprised
3 that he's not here, is he--

4 CAS HOLLOWAY: [Interposing] Oh,
5 Commissioner Walsh is doing great and--

6 COUNCIL MEMBER COMRIE: Okay.

7 CAS HOLLOWAY: --let me just say,
8 he asked if I wanted him to be here to sit with me
9 on this and I thought since he is--his agency has
10 done a tremendous job on this, I only thought
11 that, you know, we could all get--I would
12 hopefully be able to handle most of the questions,
13 but it is not because he didn't want to be here,
14 I'm here.

15 COUNCIL MEMBER COMRIE: All right,
16 I just wanted to ask since a lot of it is--
17 probably 90% of it is under his wheelhouse that I
18 thought he would want to be here to celebrate any
19 success that all of you have been working so hard
20 to put together, but since you're taking the
21 responsibility for him not being here, I'll move
22 on and whatnot. I do have a lot--a long working
23 relationship with him and wanted to make sure--
24 just wanted to ask if he was okay, so I wanted to
25 find that out.

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2 I am curious about accountability
3 as well, I'm curious about bonding, but I just
4 want to get a understanding of the disparity
5 study, and when it was done based on what census,
6 and what statistics were used to develop this
7 document. Since we just received it today, I
8 wasn't able to really drill down into it. So was
9 it based on the 2010 census or what was it based
10 on to develop the statistics for the disparity
11 study?

12 CAS HOLLOWAY: Well I want to--I
13 mean, the best thing to explain the methodology of
14 the study is the study itself, but the data
15 generally, I believe, was 2009, 2010 data--

16 GREGORIO MAYERS: Yeah.

17 CAS HOLLOWAY: --for the, you know,
18 the availability and there are certain factors--
19 geography, availability, and then you have the
20 contract utilization, which is based on the City's
21 data, all of those sources.

22 COUNCIL MEMBER COMRIE: So where
23 was that data gathered from, from statistics, from
24 your own polling, from--how was that--what was
25 the--

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2 CAS HOLLOWAY: [Interposing] It
3 started with the identification of businesses in a
4 number of different databases and then the self-
5 identified minority and women-owned businesses,
6 the identified businesses that other governmental
7 agencies that we work with have. And then even
8 beyond that, as I think I've explained, the--a
9 statistical calculation was done after that to
10 account for the undercounting that would be
11 represented there. We certainly did not assume
12 that our list and, in fact, and, you know, in many
13 cases the numbers were more than doubled--

14 COUNCIL MEMBER COMRIE: Right.

15 CAS HOLLOWAY: --based on the
16 statistical analysis.

17 COUNCIL MEMBER COMRIE: So there
18 was an assessment made for businesses that just
19 gave up working on government or working with--

20 CAS HOLLOWAY: [Interposing] Or
21 never did.

22 COUNCIL MEMBER COMRIE: --
23 government--right, who were never involved in... So
24 that was factored in as part of--

25 CAS HOLLOWAY: Correct.

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2 COUNCIL MEMBER COMRIE: Okay. All
3 right, great. So I was also concerned about the
4 open question about enforcement on businesses. As
5 you know, one of the categories that has had the
6 most prolific lack of accountability is the women-
7 owned business, whether or not the women-owned
8 businesses were, in fact, owned by, you know,
9 women. And in fact, it seems to me that that's
10 been the area that's been the most concern to a
11 lot of people, whether or not those businesses
12 were actually women minority-owned businesses, and
13 how are we going to make sure that those people
14 that register in certain categories actually are
15 within the categories that they claim to be. And
16 what's going to be the process to ensure that
17 those people that are registering as businesses
18 actually doing--actually involved in that--or
19 actually working as a women-owned business but not
20 fronting for somebody else?

21 CAS HOLLOWAY: Well that's all
22 about integrity and the certification process and
23 Anne Rascon is here. Anne, do you mind, can you
24 speak to that?

25 ANNE RASCON: Hi, good afternoon,

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2 I'm Anne Rascon, I'm a Deputy Commissioner with
3 the Department of Small Business Services. And we
4 often talk about trying to simplify the
5 certification process, but at the same time we
6 need to keep it as rigorous as possible. That
7 process means that, when a firm wants to certify,
8 enroll in our program, we make sure that we take a
9 look at ownership and control of the company. Our
10 team also does periodic fraud training to detect
11 phonies, fronts. In fact, next week, we are
12 working with the federal inspector general's
13 office and federal prosecutor to update refresh
14 our training. So we take the process very
15 seriously.

16 And we also, if there's any
17 indication that a company is not who they present
18 themselves to be, there is certainly--they can
19 contact us, they can certainly contact the
20 Department of Investigations.

21 COUNCIL MEMBER COMRIE: And there
22 is a number or a contact point for people to make
23 those complaints if they feel that a business that
24 is getting a majority of contracts with the City
25 is not representing themselves in a proper

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2 fashion, is that somewhere on SBS website or on
3 the Department of Investigation website so that
4 people could find it quickly and respond to it or
5 react to it?

6 ANNE RASCON: I think that's a good
7 question. I can't speak to what appears on the
8 DOI website, but on the SBS website, we don't have
9 any instruction to contact the DOI, but we would
10 certainly--we could certainly do that, and take
11 that under consideration.

12 CAS HOLLOWAY: There is contact
13 information on the DOI website, and 311 is,
14 generally speaking, you know, they will also take
15 those complaints. But contractors who are working
16 with the City will also have relationships through
17 their agencies. And it's a good suggestion, we'll
18 make sure we'll take a look and make sure that
19 that contact information is clear.

20 COUNCIL MEMBER COMRIE: And as far
21 as the certification process, I appreciate
22 everything that's being done to try to simplify
23 the process and make it more user friendly, and
24 I'm concerned about the ability of firms who want
25 to engage the process. Is that process going to

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2 be online at some point so that people can
3 actually do it? And has there been an increase in
4 your outreach to other--back to other entities to
5 help with certifying businesses as well, and can
6 you explain--

7 ANNE RASCON: Right.

8 COUNCIL MEMBER COMRIE: --how
9 that's happening?

10 ANNE RASCON: Sure, that's a good
11 question. I'm really happy to report that one of
12 the ways to--that we've simplified the
13 certification process is to put the application
14 online. In fact, one out of every five
15 applications that we're getting right now are
16 coming online so I think that people--

17 COUNCIL MEMBER COMRIE: I have a
18 few--

19 ANNE RASCON: --are really seeing
20 the benefits of being able to apply for
21 certification from the comfort of their office or
22 their home.

23 The second piece of this is doing
24 real good outreach in all the communities that we
25 could possibly touch. We spent a lot of time with

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2 the M/WBE Leadership Association, which is funded
3 by the City Council. These are 10 organizations
4 that reside in each of the five boroughs, and they
5 all have a very similar scope of work, which is to
6 get the word out about certification and also to
7 provide hands-on training--

8 COUNCIL MEMBER COMRIE:

9 [Interposing] I'm sorry, I'm pressed for time and
10 I actually started that program with the Council
11 so--

12 ANNE RASCON: Right.

13 COUNCIL MEMBER COMRIE: --I wanted
14 to hear if you were putting more money into
15 directly those organizations directly, not just
16 the money that we put in, so that they could do
17 more outreach and have more forums and let the
18 public know that it is actually easier to get
19 certified. So I was hoping to hear that the
20 agency or the Mayor side was putting up money, not
21 to hear about the money that the Council puts in
22 for the M/WBE leadership council so--

23 ANNE RASCON: [Interposing] Well a
24 short answer, a short answer for me is that within
25 my own division, I've diverted more internal

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2 resources to recruitment and certification,
3 because one of the strategies to increase
4 participation is to expand our base. So,
5 personally, I've taken great interest in making
6 sure that that area is as resourced as possible.

7 COUNCIL MEMBER COMRIE: Okay.

8 CHAIRPERSON MEALY: Thank you.

9 COUNCIL MEMBER COMRIE: Well I
10 appreciate that. And if a person is--why am I
11 being rushed? All the other members weren't being
12 rushed. Anyhow, I was going to ask about updating
13 certification and how that can be done, especially
14 in the businesses that are contractors that are
15 looking to change their certification 'cause
16 they're trying to bid on a specific job and they
17 feel that they now have--because they were able to
18 do one job successfully, they've been expanded
19 their portfolio and, instead of doing drywall, now
20 they want to try to do the framing or something
21 else and how they could change their
22 certification. And has there been a thought to
23 the process to make that more seamless?

24 ANNE RASCON: When I talk about--
25 when we talk about certification, we mean that a

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2 company has been determined to be owned by a woman
3 or are within a particular--

4 [Crosstalk]

5 COUNCIL MEMBER COMRIE:

6 [Interposing] Right, but when a--

7 ANNE RASCON: --group, but--

8 COUNCIL MEMBER COMRIE: --company
9 is trying to get bonded for a particular job and
10 if they're certified as, say, an electrical
11 contractor or a drywall contractor, but because
12 they've done \$10 million in work, they can hire
13 people that can now do framing and--in order to
14 get the specific bids that are very singularly and
15 pointedly written by the City, they have to have
16 that new certification as part of their package,
17 their bid package that they're putting in, how
18 can--so I think there needs to be a look at making
19 sure that that change in certification is done
20 quickly for them.

21 CAS HOLLOWAY: I agree, let me get
22 back to you on what we're doing there because I
23 think it is something that's important, and we can
24 make sure we're doing everything we can.

25 COUNCIL MEMBER COMRIE: Okay. And

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2 then since they're trying to wrap me up because we
3 have a lot of people that are asking questions, I
4 would just want to ask, the service contract areas
5 and professional contract areas as far as the
6 percentages are concerned, were those based on the
7 same 2009 and 2010 statistics and--

8 CAS HOLLOWAY: [Interposing] Well
9 same.

10 COUNCIL MEMBER COMRIE: And are we
11 going to be doing a general outreach to make sure
12 that there is a new--that there's a new sentiment
13 that's being sent out from the City? Because I
14 can tell you that attending small business
15 meetings of small business people, they're
16 frustrated with their ability to do business with
17 the City. There needs to be a real outreach on
18 many levels, more than what was listed today. And
19 I appreciate everything that's been done so far,
20 but small business in the city feels frustrated
21 with the City. As a person that sat on two panels
22 trying to work on eliminating pressures on small
23 business, we constantly hear from them that they
24 feel that this city is not open to them. So we
25 need to try to figure out--and I'm not saying it's

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2 not to applaud everything that you're doing and
3 all the work that you have been doing, but there's
4 still a lot of frustration out there from
5 businesses that feel that they'd rather go
6 elsewhere than work in New York City. So I hope
7 that this meeting is not the roll out, that there
8 is a major press roll out, that there's
9 opportunities that go out in all of the papers and
10 opportunities that go out in all the trade
11 magazines and all of the local entities that
12 people read to let them know that there's a new
13 effort here to try to get people to be involved in
14 bidding on City services.

15 CAS HOLLOWAY: Well there are two
16 issues there: One is efforts to help small
17 businesses generally, and I could spend 20 minutes
18 talking about--because I spend a lot of time on
19 that issue and the Mayor appointed a chief
20 business operations officer, Tokumbo Sholobaway--
21 Shobowale, pardon me, who I meet with pretty much
22 two times a week on those issues in terms of
23 making it easier for small business to engage and
24 do business with the City. Then there is the
25 M/WBE businesses and specific programs and things

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2 for them. And, Greg, why don't you just spent 20
3 seconds talking about the--we did do--

4 CHAIRPERSON MEALY: [Interposing]
5 Ten seconds.

6 CAS HOLLOWAY: --ten seconds. We
7 did a major though--we've done major and continue
8 to do a major outreach effort on this.

9 CHAIRPERSON MEALY: Ten.

10 GREGORIO MAYERS: Ten seconds,
11 yeah.

12 CHAIRPERSON MEALY: Thank--

13 [Crosstalk]

14 GREGORIO MAYERS: You know, Council
15 Member, we did reach out to a number of the trade
16 journals, just as you said, which we thought was
17 critical, we even had a number of different
18 outreach groups from the clergy, and just really
19 focusing in the number of key designated areas
20 where the M/WBE are located and many of the
21 organizations that they operate within, working
22 with Tim Marshall and working with Nayan Parikh,
23 and each ethnic background group to make sure that
24 the information is there. We've included a
25 magazine and newsletter working with each of the

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2 press in terms of, as you said, rolling out this
3 information. Ethnic press, Diversity magazine,
4 you know, which goes out to 18,000 trade
5 organizations and association, including working
6 with the chambers that they really get this
7 information out to their members as well.

8 COUNCIL MEMBER COMRIE: Okay. And
9 I would just I ask why were there no Asians in the
10 professional contract groups, and what are the
11 emerging groups that are coming up you have in the
12 bottom percentage of the categories?

13 CAS HOLLOWAY: Well let me get back
14 to you on the emerging business category, but on
15 the--where there are goals for Asian companies,
16 that is where disparity has been demonstrated.
17 Now there's a couple of places, and I believe in
18 professional service, maybe the disparity
19 calculation was .88, which actually means that the
20 utilization is kind of right on line with where
21 you would expect it to be, so there isn't a basis
22 for a disparity-based goal in that category. And
23 I think if you look, between four categories in
24 eight groups you have, you know, this is a fairly
25 granular set of, you know, goals that have been

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2 set in different business lines, and I think
3 you're going to hear some testimony about whether
4 or not that, you know, is an accurate reflection
5 of the marketplaces that exist.

6 Let me say that the bill and no
7 analysis or bill is going to be perfect, I think
8 it is very important to move forward based on the
9 analysis that we have, which I've explained the
10 reasons why I believe we have strong confidence in
11 that analysis, but it's also going to be
12 critically important to do--and then the bill sets
13 this up--continue to refresh the data and make
14 changes. You know, in any legislative body it's a
15 challenge, as I'm sure you know, to move things
16 through, but I guess we're going to have to set
17 up, and it'll be incumbent on the administrations
18 in the future and the Council to do so, ways that
19 you can, kind of, establish a process for doing
20 this so that if we all agree on the analysis and
21 how it's going to be done, once that data comes
22 in--

23 CHAIRPERSON MEALY: Council Member
24 Sanders.

25 CAS HOLLOWAY: --you make changes.

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COUNCIL MEMBER COMRIE: Well I hope that we do--

CHAIRPERSON MEALY: Thank--

COUNCIL MEMBER COMRIE: --set up a definitive process to continually look at it. And I want to applaud you, Deputy Mayor and Greg and all of the team, I'm not going to name all the names again since I'm already over--

CHAIRPERSON MEALY: Thank you.

COUNCIL MEMBER COMRIE: --time for everything that--

CHAIRPERSON MEALY: Thank you.

COUNCIL MEMBER COMRIE: --has been done so far, and I appreciate the input and feedback. And I hope that we do have a way to constantly bring this up, you know, on a regular basis and at any time possible. I don't want to do what Council Member James did when she was against the Nets Stadium, bring it up in every conversation, but, you know, at some point we need to keep it in our minds and forward focused because it's critical for our city that all of the members of the city benefit from what the city can do, and part of our role as elected officials is

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2 to ensure that we generate opportunities for
3 income for our residents. But as the chair is
4 shooting me dirty looks now, I have to get off the
5 microphone.

6 CHAIRPERSON MEALY: Never.

7 COUNCIL MEMBER COMRIE: Thank you.
8 Thank you, Madam Chair.

9 CHAIRPERSON MEALY: Never. We've
10 been joined by our senator--I mean, Sanders. We
11 have Inez Dickens.

12 COUNCIL MEMBER DICKENS: Thank you,
13 Madam Chair, and good afternoon. I want to first
14 thank Timothy Marshall, Reverend Jacques DeGraff,
15 James Heyliger, Walter Edwards, Lloyd Douglas, and
16 all of you here today, whether to testify,
17 support, or to fully understand what you expect
18 from your government and what we're doing to
19 support and enhance and increase small business
20 contracts.

21 Couple of questions. And thank you
22 for your testimony, thank you for being here, both
23 of you.

24 CAS HOLLOWAY: Thanks.

25 COUNCIL MEMBER DICKENS: I'm sorry,

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what was your name? Can you come back up, please?

I have a question for you. You indicated a very rigorous investigation on ownership fraud, has there been any prosecutions?

ANNE RASCON: A number of cases have been referred to the Department of Investigations over the--

[Crosstalk]

COUNCIL MEMBER DICKENS:

[Interposing] Referred to, have they been successfully prosecuted?

ANNE RASCON: I--

COUNCIL MEMBER DICKENS:

[Interposing] Or just investigate?

CAS HOLLOWAY: I think what--I can follow up with you and get that information, I will say that having, you know, Commissioner Gil Hearn, who does, I believe, an outstanding job, I am certain have pursued--they vigorously pursue whatever is put in. We're going to have to get back to you on that 'cause they don't always report back to the agency. And so, Anne, I don't believe--

ANNE RASCON: [Interposing] Sure,

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that's true.

CAS HOLLOWAY: --you're going to be able to speak to that.

COUNCIL MEMBER DICKENS: All right, because I'd be very interested in that because that actually does occur. I come from a small business background and I can think of any number of businesses that are Caucasian-owned by men and they put their wives, their girlfriends, their daughters, whatever, up as the owners, and so maybe we should consider a timeframe when there has been a change in ownership, principal ownership. And I don't know what the legalities are, I'm just throwing it out there.

The second thing is, and I don't know, this is a question, Deputy Mayor, I'm asking you because I'm not sure, is there anything in Local Law 129 that says that if a contractor does not meet the M/WBE goals that have been set, that their procurement ability can be suspended? Is there something in that?

CAS HOLLOWAY: No, there is not a--

[Applause]

SERGEANT-AT-ARMS: Keep it down,

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[Crosstalk]

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CHAIRPERSON MEALY: Please, please-

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SERGEANT-AT-ARMS: --it down.

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CHAIRPERSON MEALY: --please.

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CAS HOLLOWAY: Not in the

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legislation. I can assure you that in the

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evaluation of contractors, you know, a number of

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factors go into that evaluation and, while it's

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not in the legislation, it certainly whether a--a

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contractor who is not making a good-faith effort

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to meet the goals and, you know, as I said before,

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it's more than an aspiration, it is presumptively

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possible based on--and somebody who has to make an

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affirmative case on a contract-by-contract basis,

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and that's 46,000 contracts, so that's a lot of

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case-by-case bases--if they're not making a good-

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faith effort and demonstrating how or why they're

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not getting--meeting the goals, they're going to

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have to explain themselves. That is going to

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factor into whether they are, in fact, a

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contractor that the City wants to do business

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with.

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2 COUNCIL MEMBER DICKENS: All right,
3 and the reason I'm really focusing in on that is
4 because, you know, that's an issue that frequently
5 contractors will say and City agencies will say
6 that they do not meet the goals because they
7 cannot find--excuse me--they cannot find M/WBE
8 contractors or subcontractors to be able to
9 contact. And I disagree with that.

10 CAS HOLLOWAY: And so do I.

11 COUNCIL MEMBER DICKENS: In fact,
12 there was a city agency--excuse me--in fact there
13 was a city agency that told a M/WBE contractor
14 that he was unaware that there was any M/WBE
15 companies that were doing that particular type of
16 work and he was speaking to a contractor who is--
17 thank you--who is listed as a M/WBE contractor
18 doing that specific work, and yet this City agency
19 said they didn't even know there was anything that
20 existed. And I know we issue a book on it, but I
21 just want you to be aware.

22 CAS HOLLOWAY: I'm aware and I can
23 say this, the minute that this or whatever version
24 of this is going to go into effect goes into
25 effect, one of the first things we're going to do

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2 is pull together all the chief agency contracting
3 officers, I'll certainly be communicating with
4 commissioners about the requirements, but we are
5 going to--the data is going to tell the tale here.
6 There are reporting requirements that are every
7 quarter and I can tell you when you have reporting
8 requirements every quarter things change. Whether
9 it's looking at the meeting of these goals or, as
10 Commissioner of DEP, I started looking at overtime
11 every quarter and guess what started to happen to
12 overtime as we went from one quarter to two
13 quarter to three quarter, it went down. I think
14 we will see that when you start to pay attention
15 and measure and start to examine why you're not
16 hitting targets, that's how you improve, that's
17 how you manage to get the goal that we want, which
18 is to meet and exceed these goals.

19 COUNCIL MEMBER DICKENS: All right,
20 one other thing, and I know that I will be tarred
21 and feathered by every City agency, but I have to
22 look out for my small businesses. How do you
23 address or focus or target in on what happens in
24 many of our agencies where your procurement
25 officers that a bid could be won by an M/WBE

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2 contractor and because of connections, because of
3 past experience, because of there being a past
4 history with maybe a non-M/WBE, and then the M/WBE
5 firm is--the bid is either put out again for
6 rebidding a first time, a second time, and a third
7 time, or the winning M/WBE contractor is
8 encouraged to subcontract out with the non-M/WBE,
9 how are we going to address this? Because this is
10 a problem, and I know all of the agencies are
11 going to target me, but this is something that is
12 factual and something that we have to begin to
13 look at.

14 CAS HOLLOWAY: Well, you know, I
15 am--I've said this earlier so I'll amplify it, I
16 have extensive interaction with the chief
17 contracting officers of many City agencies, and
18 certainly the agencies that do substantial
19 procurements, and as a general matter, you know,
20 the amazing amount of throughput that they do to
21 get all of the services and goods and things
22 purchased and bought and so forth, is a pretty
23 amazing feat. But I can also tell you that the
24 Mayor's Office of Contract Services, well, I don't
25 like to be on their bad side because I think they

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2 actually do a tremendous job of what they do, but
3 there is going to be--whatever processes and
4 things have happened in the past and, you know,
5 you might have one view of why that is, my view is
6 different, I don't believe there's any intentional
7 intention to prevent a qualified firm who puts in
8 a winning bid from getting a job, but let's let
9 the data tell the tale here. There are--we're
10 putting in new processes, a new appointee, new
11 focus on this at the highest level of City
12 government and, you know, I have explained the
13 track record that I have in doing this in a
14 similar way on a similar scale in a related
15 enterprise, and we'll do it here.

16 COUNCIL MEMBER DICKENS: All right,
17 and I want to thank you for bringing up, and my
18 Speaker agreeing, that we have to look at the
19 disparity amongst women and successfully securing
20 the contracts, I thank you for that. And although
21 I'm a cosponsor on Intro 911 and I strongly
22 support it in its intent, and greatly appreciate
23 Speaker Quinn and this Administration for
24 beginning the process to streamlining our M/WBEs
25 process and increasing our ability to successfully

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2 win bids, I would be remiss if I didn't just state
3 that I have a major concern with the paying
4 process that the City does with our M/WBEs. And
5 that's because frequently they can fulfill a part
6 of their contract and yet it's three to four
7 months before they get a payment because of the
8 way the track that it has--that they have to go
9 down. And it's not fair because these businesses
10 do not get credit lines, they don't have the
11 ability to be able to carry their business, pay
12 payroll, pay rent, pay the taxes that they're
13 required to pay to the City, the State, and the
14 federal government, and they are the ones that
15 hire from within their communities, and yet
16 they're being asked to carry their businesses and
17 not get checks on a timely fashion. Now I'm not
18 talking about not looking to see if they did the
19 work, I'm talking about once that's done, once you
20 even put it in the computer that they are due to
21 get paid, then they still take four months
22 frequently to get paid, and that's unfair, it's
23 unconscionable, and it's a way of killing our
24 small businesses.

25 CAS HOLLOWAY: Well I think the

1
2 last sentiment is where I would start, which is
3 this is not a problem that--this is not an issue
4 that only affects minority and women businesses or
5 small businesses, and the Administration now was,
6 I mentioned Tokumbo earlier, but if you do work
7 for the City of New York and you fulfilled your
8 obligation, you should get paid; when the work is
9 complete, your retainer should be released; you
10 should be able to finish your job. You know, I,
11 as DEP Commissioner, there were cases where we
12 were holding contractors and not making those
13 final payments and returns of--and this could be a
14 lot of money, by the way--you know, because we
15 weren't paying attention to it and it's something
16 that needs to be paid attention to. And so across
17 the board, you know, looking at ways that we can
18 ensure that if you do the work you get paid, it's
19 something that we need to do. If there are
20 individual cases that you know about, I've dealt
21 with them--well individual members, but as a
22 general matter, this is something that we are
23 focused on and, you know, we'll continue to work
24 on. I think that we've actually gotten, whether
25 it's change orders, payments, all of these

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processes, they need to be faster.

COUNCIL MEMBER DICKENS: All right, very good, thank you so much. And have you considered looking at P-cards as a way, not for the City agencies, the heads of City agencies to have the P-cards, but for the contractors to utilize P-cards to pay for the goods that they use in fulfilling their contracts, is that something that you would think about, look at as the Deputy Mayor? Because you did very well under DEP--

CAS HOLLOWAY: Well thank you.

COUNCIL MEMBER DICKENS: --and I'm not just patting you on the back, but you know--

CAS HOLLOWAY: Thank you.

COUNCIL MEMBER DICKENS: --you did pretty good there.

CAS HOLLOWAY: I knew you wouldn't do that.

COUNCIL MEMBER DICKENS: But maybe you could help out your successor a little--

CAS HOLLOWAY: It's a novel idea, I will certainly think about it. One thing though, because it is important, as important as it is to be expeditious in doing payments, to ensure that

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2 you're making the right payment for the right work
3 that's actually been done, you know, engineering
4 audits offices, are often unfairly maligned at
5 capital agencies in particular for the work that
6 they do to ensure the integrity, 'cause I can tell
7 you, I have no doubt that I would be sitting up
8 here trying to explain myself if there was a
9 contract for which payments had been made quickly,
10 but incorrectly. So, you know, there is a balance
11 that has to be struck, it's public money, so
12 there's always going to be some level of process.
13 However, I think it is incumbent on the City to
14 try to streamline and minimize that, not put the
15 burden on small businesses to jump through hoops
16 that can't be jumped through. So we can follow
17 up.

18 COUNCIL MEMBER DICKENS: All right,
19 well thank you, because that would be a way--
20 because in this day of computerization, I know
21 that we can follow through to ensure that if a P-
22 card is used by a vendor, it is done for the work
23 that is deliverable to the contract site. So
24 thank you so much. And thank you, Madam Chair.

25 CHAIRPERSON MEALY: Thank you. We

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have--but before, could Small Business come back up, please?

CAS HOLLOWAY: Gregg.

CHAIRPERSON MEALY: Gregg, oh, I'm sorry. Is there in your contracting, do you all have it until three years if there--if new small businesses are in your program, do you all have a cutoff point or do--

GREGG BISHOP: [Interposing] Are you referring to a certification or you're refer to--

CHAIRPERSON MEALY: [Interposing] Yeah, certifica--

GREGG BISHOP: Okay.

CHAIRPERSON MEALY: --no, after certification, they're in a program, they have their certification--

GREGG BISHOP: Yep.

CHAIRPERSON MEALY: --and they got a City contract, is there anything afterwards? Is there a cutoff time that--

[Off mic]

CHAIRPERSON MEALY: --
recertification?

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GREGG BISHOP: Yeah, so Anne is actually--

CHAIRPERSON MEALY: Thank you, Tish.

GREGG BISHOP: --the Deputy Commissioner in charge of that, but certification is good for five years and then companies can recertify and we simplified the recertification process to make it much easier. We call up businesses 90 days before the certification expire and then 60 days and then 30 days to make sure that we recertify as many companies as possible.

CHAIRPERSON MEALY: So when they recertify--

GREGG BISHOP: [Interposing] It's good for another five years.

CHAIRPERSON MEALY: For another five years.

GREGG BISHOP: Yes.

CHAIRPERSON MEALY: Okay.

GREGG BISHOP: And it continues--

CHAIRPERSON MEALY: [Interposing] Within that five years, have some of the participants did not receive a City contract?

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2 GREGG BISHOP: I mean, we have over
3 3,000 certified firms and, dependent on the
4 different capacity of the firms, they may not--

5 CHAIRPERSON MEALY: [Interposing]
6 So the ones who did receive certification--

7 GREGG BISHOP: Yep.

8 CHAIRPERSON MEALY: --have you all
9 ever thought about putting a time limit if they
10 did get City contracts, at least about four years
11 to cut it off and let another--

12 GREGG BISHOP: [Interposing] You
13 mean to sort of graduate them, is that what--

14 CHAIRPERSON MEALY: Yes.

15 GREGG BISHOP: --you're referring
16 to?

17 CHAIRPERSON MEALY: If they got a
18 City contract.

19 CAS HOLLOWAY: What does that mean?
20 What do you mean exactly?

21 CHAIRPERSON MEALY: If someone get
22 in a program and they got Small Business Service
23 help them get a City contract--

24 CAS HOLLOWAY: Right.

25 CHAIRPERSON MEALY: --for three or

1
2 five consecutive years straight, is there any
3 cutoff where now they should not be in that
4 program for the next five years, let five new
5 small business service, you know, organizations
6 get in?

7 CAS HOLLOWAY: Well let me draw a
8 distinction between--

9 CHAIRPERSON MEALY: [Interposing]
10 Quickly, please.

11 CAS HOLLOWAY: Yeah.

12 CHAIRPERSON MEALY: This is just
13 for my--

14 CAS HOLLOWAY: [Interposing] I
15 don't think there's--once you're certified as a
16 firm, which is a mark of good, you know, of being
17 in a certain category of business, you want that
18 certification. There are programs like the SCA
19 Mentorship program, the new mentorship program
20 that the City is starting and then the programs
21 that are part of the Compete to Win suite that
22 companies will be in for, you know, either as long
23 as the whole program lasts or in the mentorship
24 program that where--that's where you could see
25 companies, if you had repeat players who are over

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and over and then are they taking a spot from somebody else.

CHAIRPERSON MEALY: Yeah, that's all I'm--

CAS HOLLOWAY: [Interposing] Yeah, we certainly look at that, I mean, if--

CHAIRPERSON MEALY: [Interposing] Okay. That's all, thank you. Thank you so much. James Sanders.

COUNCIL MEMBER SANDERS: Thank you very much, Madam Chair. Good to see you, Deputy Mayor Holloway; good to see you, Mr. Mayers, how are you, how are you both?

GREGORIO MAYERS: Good, thank you.

CAS HOLLOWAY: Terrific, good to see you.

COUNCIL MEMBER SANDERS: They haven't grilled you too much, have they?

CHAIRPERSON MEALY: Did he call you Mayor? I mean--

CAS HOLLOWAY: Mayor.

GREGORIO MAYERS: Mayers.

COUNCIL MEMBER SANDERS: Oh, that's all right, my southern accent kicking in. As the

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2 author of Local Law 129 and a prime sponsor of a
3 911, I know this issue fairly well; in fact, I
4 know most of the people in this audience fairly
5 well, some more than others. Even our friend, Mr.
6 Lou Coletti, who is sitting above us all looking
7 down on us, but that's all right, we're watching
8 all of it.

9 To me, this is the beginning of a
10 dialogue--had to say hi, Lou, had to say hi, just
11 saying hi--to me this is the beginning of a
12 dialogue, beginning of a dialogue, and it is a
13 journey that we should take but we should not rush
14 it, it's a beginning of a dialogue. There are
15 many friends out there that have said that these
16 numbers are skewed, that the percentages that
17 we've given are skewed. Some folk had made me
18 aware of this, including in the Latino community
19 and other communities, who have said that these
20 numbers are skewed and that we really need to look
21 at this fresh. So that's one concern that I have
22 one.

23 One that I'm going to address with
24 you right now is a sad fact, I would argue--and I
25 say this as a prime sponsor, mind you--that we

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2 simply don't have the teeth, that we have not
3 figured out or it is not put into this--we don't
4 have the teeth to make this happen. And I'm going
5 to give us an option where I believe that we could
6 go with it, because a crazy paradox is such: If
7 we could not meet the lower goals, what leads us
8 to believe that we're going to meet the higher
9 goals? Just setting the bar higher doesn't mean
10 that we're going to reach it, even though I am
11 among those who believe that a high bar we should
12 go for, but we should do it within the idea of
13 here's how to get there.

14 And here's how I would suggest, one
15 of the ways that we get there: We must
16 incentivize the ACCOs. The ACCOs, as everyone in
17 this room knows, are the people who actually do
18 the purchasing, they're the purchasing people, for
19 all practical purposes, and they really are immune
20 to this process that we're having here, they don't
21 really come to these meetings and they--all they
22 know is they're told to buy 20 chairs, 100 chairs,
23 or whatever, and they've been doing it for years,
24 they know that Joe will give them the chairs at a
25 decent price, they're going to stick with Joe

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2 because that is what they are judged on. Let's
3 incentivize them. Imagine if part of their yearly
4 evaluation was have they helped the City of New
5 York meet its goals of diversity? How successful
6 have they been in ensuring that New York City
7 lived up to its aims of diversity? And if we
8 incentivize them by saying that it will give them,
9 I don't know, two or three more points or
10 whatever--however we evaluate these folk, you may
11 indeed--and that will stay within the law, of
12 course, we have to look at Crosson versus and
13 others, that will stay within the law and ensure
14 that we can incentivize the ACCOs, therefore,
15 maintaining Local Law 911, which I like, Intro
16 911, 9/11, hmm, we do have a crisis with these
17 communities.

18 But if we don't do anything to put
19 teeth in these very worthy goals, we're going to
20 be here two years from now or five years from now
21 and we could raise it to 20 million or 100
22 million. If no one--if the person at the end does
23 not say I want to bring somebody else into the
24 game, it just will not happen. Incentivize the
25 ACCOs. We do need to work on the issue of our

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2 percentages and--but this is a good conversation
3 among everybody in here who I believe wants the
4 same thing, a worthy conversation.

5 The good work that you guys have
6 been doing in working on this for months should
7 not go unstated, a very difficult thing to
8 grapple, and you have got it this far. I commend
9 you and all of the people that you've been working
10 with. Let's go a step further, let's resolve
11 these two issues and let New York have a good day.

12 Thank you very much, Madam Chair.

13 CAS HOLLOWAY: Madam Chair, I do
14 want to respond to a couple of points. I mean,
15 respectfully, I disagree with the underlying
16 premise that the ACCO, agency ACCOs are, you know,
17 primarily or principally responsible for the fact
18 that goals have not been reached in this program,
19 I think that is the wrong place to focus
20 attention. While I think accountability is very
21 important and this bill puts in place some very
22 good accountability measures and I think we're
23 going to see improvement, and I think there are
24 other structural changes that have been made that
25 are going to make it easier to comply and make the

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2 pie bigger, as Council Member Jackson said, so
3 there are things in there.

4 But I think though there are
5 reasons that have been brought to my attention for
6 why firms have not bid for City work. Some have
7 to do with process, we are working on processes;
8 others have to do with capacity; do you have
9 bonding capacity; do you know how to fill out the
10 application; is the City putting too many
11 roadblocks in your way. That is what the Compete
12 to Win program is all about.

13 Not let me say something else.
14 Frankly, the number of firms that have--we have
15 beat the bushes for months and months to get firms
16 into the Compete to Win programs, and we have a
17 good number of firms in there, but it's a lot
18 smaller than I thought it would be. And I have
19 met with a lot of the stakeholders in here and I
20 have met with a lot of Council Members and we have
21 tried to tap into every network that we know, and
22 so I think that where we really ought to be
23 focusing our energies is there are some--as you're
24 right, goals are terrific, but if you're just
25 going to keep raising the bar and not do anything

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2 to address the underlying reasons why certain
3 kinds of--I mean, because there are areas where
4 minority and women businesses are represented at
5 and exceeding what their participation is in the
6 marketplace, this is not an across the board thing
7 in all places. There are certain places that we
8 can identify based on this analysis, whether you
9 like all of it, some of it, all of it, or none of
10 it, that show us where we're doing well and where
11 we need to do better and so forth.

12 So, you know, part of the reason
13 that Compete to Win was put in place, and
14 Commissioner Walsh and myself and Greg and Gregg
15 Bishop and Anne, have been spending months on this
16 and had meetings and set up committees and so
17 forth, is to try to address some of these
18 problems, these concerns and we need to focus even
19 more attention and energy there. I don't think
20 focusing on a, you know, a particular--
21 accountability is really important, but, you know,
22 I do disagree that the ACCOs, who, in my
23 experience, are, you know, really, as a general
24 matter, just trying to churn through an incredible
25 amount of work, we are where we should focus.

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COUNCIL MEMBER SANDERS: Madam
Chair, may I quickly give a humble--

CHAIRPERSON MEALY: Quickly.

COUNCIL MEMBER SANDERS: --a humble rejoinder. I agree with you, sir, that there are many reasons and no too many conversation can point out the differences, I agree that there--it is a question--it's also a question of capacity, it's also a question of many different things that have to be taken into account, some of which, of course, you have and some of which nobody knows yet. It's a process by which we are finding ourselves. However, we are dealing with the galling and incredible fact that in a majority minority city, a city that is more than 60% people of color, that we're having trouble finding businesses. I would argue that it is because New York City has made itself, to some degree, into a place where people know that it's hard to do business here. I'm talking about the communities of color, that this has been a place where their business has not been really given a green light, not even a yellow light, a flickering red, I would argue. However, the main thing is to try.

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2 I would encourage all of us, since
3 I neither have the time, nor will I disrespect our
4 chair, to go into some of the more reasons, I
5 pointed just one thing, the ACCOs, I could point
6 to several others, but we will continue this
7 dialogue. It is a dialogue among people who are
8 committed to see a positive end, and, therefore,
9 there should be disagreements, and I think it's
10 healthy.

11 Thank you very much, Madam Chair,
12 and thank you, Deputy Mayor.

13 CHAIRPERSON MEALY: Thank you.

14 GREGORIO MAYERS: Thank you, Madam
15 Chair, quick ten seconds, Council Member, and I
16 thank you for your leadership since 2005 working
17 on this legislation and to now, the present. I
18 know you missed a lot of the testimony on the
19 Compete to Win, but I wanted to also add I think
20 it's important to note that there are M/WBE firms--
21 --you know, your question about lifting the cap and
22 how do we meet those goals--that are exceedingly
23 doing well over the million dollars and many of
24 them are in here today. So the other side of the
25 coin is helping with bonding issues and the loan

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2 program for those who still need that helping
3 hand.

4 So I just wanted to share that
5 there are a number of M/WBE firms that are not
6 counted 'cause it's not subject to the \$1 million
7 cap under the Local Law 129 that are exceedingly
8 doing well in their business and doing businesses
9 over--receiving contracts over \$1 million.

10 COUNCIL MEMBER SANDERS: A worthy
11 point.

12 GREGORIO MAYERS: Yes, thank you.

13 CHAIRPERSON MEALY: Thank you. No
14 other questions, we want to thank you very much,
15 been attentive, I just hope that we just not
16 taking the cap off and then disparity really show
17 its true ugly head. So we want to thank you for
18 having your testimony.

19 CAS HOLLOWAY: Thank you.

20 GREGORIO MAYERS: Thank you.

21 GREGG BISHOP: Thank you.

22 [Applause]

23 CHAIRPERSON MEALY: Going to have
24 the next panel come up, Rev. DeGraff, Sandra
25 Wilkin, Timothy Marshall, Elizabeth Velez, Parikh.

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2 I also want to state for--to acknowledge that we
3 have the--we have received testimony from Walter
4 Edwards for the record, so his testimony will be
5 in our records.

6 Whoever is--Reverend.

7 [Pause]

8 CHAIRPERSON MEALY: Would you like
9 to go now?

10 REV. JACQUES DEGRAFF: Madam Chair,
11 good afternoon, Madam Chair--

12 CHAIRPERSON MEALY: You got to--

13 [Pause]

14 SERGEANT-AT-ARMS: Thank you.

15 REV. JACQUES DEGRAFF: Good
16 afternoon, Madam Chair, thank you for the
17 privilege of testifying before this Committee
18 today, and to the Members of the City Council. My
19 name is Reverend Jacques DeGraff, I'm a First Vice
20 President of the 100 Black Men, and we began on
21 this journey courtesy of Council Member Inez
22 Dickens a long time ago as we started to
23 participate in discussions on opportunities that
24 could come out of the collective bargaining
25 agreement, also known as the PLA.

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2 The 100 Black Men have founded
3 three high schools in the city of New York for
4 young men in the highest crime districts, men who-
5 -young men who would be considered at-risk in some
6 areas, and their futures are what motivate me
7 personally. But I am here today to speak on
8 behalf of all New Yorkers who love freedom and
9 justice and equality. For too long, minority
10 firms have been denied full access to full
11 participation with the economic engine of this
12 great city.

13 As co-chair of the New Agenda, I
14 come, along with others, to call for a new
15 inclusive course for this city. In June, Mayor
16 Michael Bloomberg and the six mayoral aspirants
17 spoke at a forum we sponsored to endorse our
18 principles. We called for a revision of Local Law
19 129. This is not a social program; no, this
20 legislation that is good for business because more
21 competition brings lower costs to the City for
22 goods and services.

23 Just ask the leaders of the New
24 York City School Construction Authority, where I
25 chaired the Diversity Council, who have witnessed

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2 bids coming in up to 30% below estimates as we
3 pioneer historic new programs of inclusion.

4 Intro 911 contains the critical
5 elements for progress--bold decisive steps
6 intended to change the landscape. In too many
7 parts of our city, hope has vanished. This
8 legislation provides opportunity combined with
9 accountability which will produce utilization.
10 Opportunity combined with accountability which
11 will produce utilization.

12 It is not perfect, no bill is, but
13 the civil rights movement, which transformed
14 America, provides lessons for us. Do something.
15 Do something big, and do something now.

16 We have worked with Deputy Mayor
17 Cas Holloway, the public servant whose promises
18 can be trusted, and the Speaker, whose long,
19 unwavering support has brought about this day.
20 Some, whom I respect, have reservations about this
21 bill. Others inside and outside this room have
22 tried to distort, divide, and delay for their
23 personal and political ambitions.

24 Today, along with me, you will hear
25 from an honor roll of M/WBE leadership from across

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2 our city and beyond. We don't always agree on
3 many things, but we agree on this: More powerful
4 than all the armies is the power of an idea whose
5 time has come. We have already waited too long,
6 and we call on you today to stand with us.
7 History records some moments as--some episodes as
8 defining moments. With this country divided into
9 red and blue states, with too much of Washington,
10 DC, paralyzed by partisan gridlock, we ask you to
11 stand with us today. With unemployment and
12 despair surrounding our neighborhoods and violent
13 crime increasing, we ask you to stand with us. We
14 have come too far, sacrificed too much, worked too
15 hard to be turned back now. Tell the lady in the
16 harbor who called for those yearning to breathe
17 free that New York City still is the City of
18 Dreams, that New York City still believes in full
19 equality and participation, that New York City is
20 open to all for business. Stand with us today and
21 pass Intro 911. Thank you and God bless you
22 today.

23 [Applause]

24 COUNCIL MEMBER JACKSON: Thank you.

25 Next, please?

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2 SANDRA WILKIN: Good afternoon,
3 Madam Chair, my name is Sandra Wilkin, co-
4 chairperson of the New Agenda, President Emeritus,
5 and a founder of the Women Builders Council,
6 President Bradford Construction. Thank you for
7 the opportunity to testify in strong support of
8 Introduction 911.

9 I have been a certified woman
10 business enterprise since 1995. I have a long
11 history of working with the City Council on ways
12 to strengthen Minority and Women Business
13 Enterprises. In 2001, I came to the City Council
14 and sought funding to conduct a disparity study to
15 anchor M/WBE programs in light of the Crosson and
16 Adarand Supreme Court decisions. The Council
17 supported the request and supplied the financing
18 for that first disparity study.

19 And I met with and testified before
20 the Council about the creation of Local Law 129,
21 along with my fellow WBC co-founder, Maureen
22 Fritch, and other members. We pointed out the
23 flaws in that legislation. We sat through meeting
24 after meeting with the Office of Contracts,
25 pressing the point that \$1 million cap was harmful

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to the M/WBEs and the city economy.

A few months ago, Reverend DeGraff and I created the New Agenda, a coalition of minority and women business enterprises. Along with City and State Newspaper, we held the M/WBE conference which united Mayor Bloomberg and Speaker Quinn and other prominent city leaders around the goal of changing Local Law 129 for the better. Mayor Michael Bloomberg, Deputy Cas Holloway, and Speaker Christine Quinn moved forcefully and decisively to propose the major changes embodied in Intro 911.

Speaker Quinn has always been a champion of minority and women business enterprises. Her leadership has been unwavering, and I wish to thank her and the City Council for always being there for our community.

This bill is a vast important over the current law regarding M/WBEs. The current law prohibits economic growth for M/WBEs. Local Law 129 unrealistically limits us to a cap of \$1 million on projects eligible for contracts. This Intro removes the cap totally. As a result, the amount of available project-eligible will go from

1
2 an estimate of \$433 million to 2.2 billion--that
3 is an outstanding, if my math is correct, 500%
4 increase available to M/WBEs.

5 The Intro established a tough
6 program of accountability by creating the COMPSTAT
7 type of approach to monitoring city agency
8 performance, along with better reporting
9 protocols. For all of us concerned about rooting
10 out firms who falsely claim to be M's or W's, new
11 measures are proposed to address this issue. We
12 need this passed into law.

13 At the same time, we must continue,
14 we must continue to seek out ways to make Intro
15 911 even better. Rev. DeGraff and I have asked
16 the Administration and the Council to address
17 concerns which we and others have raised. We are
18 pleased to see the continued efforts to do that.

19 At the same time, we must never
20 allow a path to be taken which will cripple or
21 even possibly destroy programs for M/WBEs. The
22 Minority and Women Business Enterprise community
23 is a key to the economic success of New York City.
24 As we grow, the city grows. The passage of Intro
25 911 will make our community even stronger.

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I ask you to vote for Intro 911.

Thank you.

[Applause]

TIMOTHY MARSHALL: Good afternoon, Madam Speaker and Chairwoman Mealy, honorable Members of the New York City Council, and distinguished guests and leaders of the M/WBE community. My name is Timothy Marshall and I am here wearing two hats today. First as president and CEO of the Jamaica Business Resource Center, which was established by former President Clinton to be a national model for small business development. Since its inception in 1995, JBRC has assisted over 7,500 entrepreneurs and secured over \$650 million in financing, surety bonding, and contract procurement opportunities for small, minority, and women-owned businesses.

I'm also here as one of the founders and as an executive board member of the Minority Business Leadership Council, a coalition of 15 leading minority Business Trade Associations, Chambers of Commerce, and other advocacy organizations in downstate New York which represent literally thousands of minority and

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2 women-owned businesses. You will also hear from
3 our co-chair here today.

4 Both of these organizations have
5 been leading advocates on behalf of the M/WBE
6 community and leading consultants to this
7 Administration and City Council on every major
8 legislative, policy, and programmatic initiative
9 launched over the past 11 years and for many years
10 prior. From the beginning, our position was that
11 legislation was needed to codify M/WBE
12 participation in New York City procurement
13 opportunities.

14 Eventually, through all of our
15 collective efforts, Local Law 129 was passed in
16 2005. Now, while we applauded this development,
17 we believed that our community was effectively
18 bantustanized with a \$1 million legislative
19 ceiling on our access to business opportunities
20 which represented a little over \$400 million in
21 procurement opportunities. Given the demographics
22 of New York City, this was clearly unacceptable.
23 After several years of innumerable meetings and
24 other advocacy initiatives, we believe that our
25 being here today represents an important step

1
2 forward in the long struggle towards economic
3 justice in New York and throughout this nation.

4 At a time when joblessness is at an
5 all-time high and economic disparity prevails, we
6 believe the most important provision of this new
7 legislation is the elimination of the \$1 million
8 cap. This new measure represents a five-fold
9 increase to \$2.2 billion in new contract
10 opportunities. This is critically important,
11 given that M/WBE firms are a major gateway to jobs
12 in our community, therefore, the residual economic
13 benefit has the potential to be substantial.

14 We also believe that Compete to
15 Win, the important new suite of capacity building
16 initiatives which have been introduced by the
17 City, will help to translate the intent of this
18 legislation into stronger M/WBE capacity and
19 actual contracts, utilizing the mentoring, access
20 to capital and bonding, joint venture, and
21 technical assistance programs.

22 However, with all of these
23 wonderful developments, we wish to call to your
24 attention key concerns that have been raised
25 throughout the M/WBE community relative to content

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2 and implementation. The first is an issue we've
3 been discussing here today, the question of
4 methodology and goal setting for all ethnicities
5 and women in all industry sectors, given that the
6 economic recession and some discriminatory
7 practices did impact availability and utilization
8 of M/WBEs. We applaud the news today regarding
9 the inclusion of minority women. We also call
10 attention to the issue of the exclusion of Asian
11 professional services and the 2011 disparity
12 findings and the declining African American and
13 Hispanic goals. We wish to have further
14 discussions with you in these areas.

15 Second, the issue of needing to
16 significantly increase the dollar volume and
17 number of contracts being offered through the new
18 suite of M/WBE programs by the City, we believe,
19 given the declining M/WBE goals, that this is an
20 excellent opportunity for us to achieve more
21 procurement opportunities. There have been
22 enormous discussions within our community and we
23 believe that the \$2 billion goal that now is going
24 to be achieved through the lifting of the \$1
25 million cap is exciting and important news, but we

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2 also wish to note that this represents one-eighth
3 of the formal purchasing of the City's procurement
4 activities, so it is really important that we do
5 everything that's possible to make sure that these
6 goals are met.

7 Third, the elimination of the goals
8 for contracts over \$100,000 in the areas of goods
9 and services. We believe that this has the effect
10 of being unfair and unmerited based on the
11 rationale that New York City is both a national
12 and global market. We believe that having a goal
13 for contracts over \$100,000 is merited precisely
14 for these reasons, given that many leading
15 national and global companies have a physical
16 presence in the New York metropolitan area, they
17 would not prohibited from competing. But local
18 businesses that pay taxes and employ people right
19 here in New York should not lose out on important
20 business opportunities for these reasons, nor
21 should they lose their nominal competitive
22 advantage as local business enterprises.

23 Finally, this has been an issue
24 that's also been raised today but we want to raise
25 this banner high. We wish to reiterate the

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2 critical importance of transparency and
3 accountability in meeting contracting goals. We
4 have called for a chief diversity officer and for
5 COMPSTAT or other reporting measures, along with
6 rewards and punitive measures for good performance
7 or lack thereof, and that they should be
8 emphasized in the implementation.

9 In closing, we wish to thank the
10 Mayor's office, the Speaker, all sponsors of this
11 legislation, and their very hard working staffs in
12 advancing us to this very important point. We
13 believe we have come a long way and, with a
14 concerted and unified effort, we can produce a
15 final legislation in which all corridors of our
16 community can take pride.

17 With that, I thank you for this
18 opportunity to speak and urge you to pass Intro
19 911.

20 [Applause]

21 ELIZABETH VELEZ: Good afternoon,
22 good afternoon, distinguished Members of the City
23 Council. In the spirit of Hispanic Heritage Month
24 and reflective of the Hispanic--the Latino
25 Builders Council testimony today, it is my

1
2 privilege to share this quote with you from the
3 great civil rights leader, Cesar Chavez: We
4 cannot seek achievement for ourselves and forget
5 about the progress and prosperity for our
6 community. Our ambitions must be broad enough to
7 include the aspirations and needs of others for
8 their sakes and for our own.

9 My name is Elizabeth Velez and I am
10 president of the Velez Organization, a
11 construction services firm established by my
12 father in New York City over 40 years ago. More
13 importantly, I am speaking to you today as
14 Chairperson of the Latino Builders Council,
15 represented here today by several of our founding
16 members, including Kirk Ortega and Sam Padilla.
17 We appreciate the opportunity to offer our support
18 for the proposed revisions to Local Law 129.

19 The Latino Builders Council is a
20 coalition serving the Latino design, construction,
21 and real estate industry, has a combined over 100
22 years of experience in our members, and over 1
23 billion in completed work here in New York. Many
24 of our members serve our community on diversity
25 advisory boards for a myriad of New York State,

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2 New York City, and private entities.

3 We believe that Intro 911 will
4 significantly change New York City agency
5 procurement in several meaningful ways. One, by
6 removing the cap that had restricted procurement
7 opportunities over 1 million, it has essentially
8 increased the pie by over five-fold, and for
9 Latino construction firms has the potential to
10 double the current program goals.

11 Number two, by encouraging the
12 creation of joint ventures in New York City
13 procurement, it increases the capacity of the
14 Latino construction and business community. And
15 number three, the proposed revisions increase the
16 accountability for those agencies that are not
17 goal compliant.

18 We do appreciate the Deputy Mayor
19 and Speaker Quinn's comments that minority women
20 will now be counted towards the women's goal, that
21 was very important, we were happy to hear that
22 today.

23 New York City's leaders must lead
24 the way in correcting far too many years of
25 unbalanced procurement in New York City. Looking

1
2 toward to the future, the Latino Builders Council,
3 in unified leadership with many others in the
4 minority community, will look to continued,
5 ongoing progress and change in New York City
6 procurement that is more reflective of the actual
7 demographic composition of the communities of New
8 York City. However, we must take this first step
9 now to begin to open the doors of opportunity for
10 so many that have been effectively shut out.

11 The Latino Builders Council urges
12 the City Council to act now on Intro 911 and to
13 please continue our dialogue for meaningful
14 participation for the Latino business community.

15 Thank you very much.

16 [Pause]

17 NAYAN PARIKH: Honorable Chair,
18 distinguished Council Members, my name is Nayan
19 Parikh, I am a president for the Society of Indo-
20 American Engineers and Architects, a nonprofit
21 organization that has stood in New York
22 representing engineers and architects of Indian
23 origin. I thank you for this opportunity to
24 present our concern and respectfully request your
25 consideration.

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2 Society has close to 1,500 members,
3 many of whom are owners of minority and woman-
4 based business operating in New York City. [Off
5 mic] many of our members are employed by this
6 business and depends on them and their livelihood.

7 The Local Law 129 of 2005 and the
8 proposed revision exclude Asian American
9 businesses for the professional service contracts.
10 There is no goal for Asian American woman's-owned
11 business in any of the categories--construction
12 contracts, professional services, and construction
13 subcontracts.

14 All these firms are very well
15 qualified and depends upon New York City
16 contracting [off mic] and goals for their business
17 to survive and for their and their employee's
18 livelihood. Since 2005, all these firms has
19 completely turned away from any opportunities of
20 working for the Citys and that is a huge burden of
21 these firms.

22 The state [off mic] and federal
23 guideline consider Asian American businesses as
24 minorities and provide [off mic] and goals for
25 their contracts, we, therefore, respectfully

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2 request the Council consider favorably in
3 including Asian American minority business and
4 woman-owned businesses in this proposed revision
5 for Local Law 129.

6 I do support Intro 911 and I'd like
7 to see Asian womans and Asian contractors to be
8 included. Thank you very much.

9 [Applause]

10 CHAIRPERSON MEALY: Thank you all.
11 We have some questions for the panel, could you
12 not leave right now? James Sanders?

13 COUNCIL MEMBER SANDERS: Yes, thank
14 you very much, Madam Chair, I will be brief. My
15 first question is to the--first, this is a panel
16 just like this audience of people, I have grown to
17 love and respect. All of you have done such good
18 work over the years, even when we argue, it just
19 doesn't have that viciousness that we sometimes
20 see around here, so I commend all of you for even
21 sitting there with the differences of opinion that
22 we have.

23 A question for the panel, has
24 anyone seen a copy of the study that this--

25 MALE VOICE: Analysis.

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COUNCIL MEMBER SANDERS: --that
this analysis has been based on?

REV. JACQUES DEGRAFF: No.

COUNCIL MEMBER SANDERS: Okay.
That's fine, no, that's not a--

REV. JACQUES DEGRAFF:
[Interposing] It's my understanding--

[Crosstalk]

COUNCIL MEMBER SANDERS: --not a
trick question, just--

REV. JACQUES DEGRAFF: --
distributed it to the panel.

COUNCIL MEMBER SANDERS: I'm sorry,
if you speak into--you can yield or speak into the
mic.

CHAIRPERSON MEALY: Not the
audience, please, the panel.

COUNCIL MEMBER SANDERS: Okay.
Madam Chair, has anyone in the--to your knowledge,
anyone in the Council seen a copy of this study
that this analysis has been based on? Do we have
one?

CHAIRPERSON MEALY: We have one in
the Committee report.

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2 COUNCIL MEMBER SANDERS: No, no,
3 the exact study itself. The entire study that
4 this disparity study that has been done?

5 CHAIRPERSON MEALY: In this report?

6 [Crosstalk]

7 COUNCIL MEMBER SANDERS: And I
8 encourage us as a Committee, just for due
9 diligence, that we can ask for this document.
10 We're making decisions--no, no, no, I want the
11 entire document, including all, everything. You
12 see, I did a disparity study before and that
13 disparity study that I did was over 500 pages and
14 it stood up to the scrutiny of anyone who wanted
15 to scrutinize it. These are synopsis that we are
16 given, and I appreciate that, it's good to, you
17 know, synopsis are very good because it helps you
18 abbreviate things, however, I'm from an old
19 school, I kind of like to read the whole thing. I
20 want to know that if I add up one plus one, it's
21 going to give me the same two that my friend
22 Robert Jackson does, because, you know, his math
23 is better than mine. So I kind of want to see the
24 whole study and I think that it's due diligence
25 that we see the disparity study that this is based

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2 on. I'm not saying it's not good, I'm not saying
3 that every single thing in it is not, I'm just
4 saying that it's hard to pass a law if you don't
5 have the homework.

6 Now I have asked for this disparity
7 study, incidentally, I have asked for it. And I
8 will stop there, I think I done what I need to do,
9 I just want to see what we're getting ourselves
10 into. Thank you very much, Madam Chair.

11 CHAIRPERSON MEALY: Thank you,
12 thank you. Tish James?

13 COUNCIL MEMBER JAMES: Thank you,
14 Madam Chair. So under the Supreme Court decision,
15 Crosson, which it's commonly referred to, one has
16 to do a disparity study before anyone can
17 establish, for lack of a better term, an
18 affirmative action bill to remedy past
19 discrimination. So my question is, does anyone on
20 the panel know whether or not Asian Americans or
21 specifically Indo-Americans were covered in the
22 disparity study?

23 NAYAN PARIKH: Well I never get to
24 see the disparity study.

25 COUNCIL MEMBER JAMES: So you

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2 didn't see the study so you don't know whether or
3 not you were covered.

4 NAYAN PARIKH: No, we never see,
5 all we hear from everyone that, oh, the disparity
6 study show that you guys don't need any help, so--

7 [Pause]

8 COUNCIL MEMBER JAMES: Okay. So
9 the fact that under professional services, the
10 fact that the Asian community is not included,
11 that would also include the professional services
12 of being an architect and/or an engineer?

13 NAYAN PARIKH: Engineers, yes, and
14 construction management.

15 COUNCIL MEMBER JAMES: Okay. Okay.
16 And I don't know if anyone from the administration
17 is still left--oh, okay, the question is whether
18 or not we can--the chair and/or members of this
19 Committee can have a physical copy of the study,
20 is that possible?

21 [Off mic]

22 COUNCIL MEMBER JAMES: Yes? You
23 can provide us with a copy?

24 [Off mic]

25 COUNCIL MEMBER JAMES: Okay. Thank

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you.

[Off mic]

COUNCIL MEMBER JAMES: Thank you, I would appreciate that.

Two, the issue with respect to women, which is an issue, as the Speaker mentioned, I've been working on behind the scenes for the last couple week or so since I knew this bill was going forward. Will the compromise that was offered--or I should say, not the compromise, but the statement that we're going to correct the situation so that all women will be included in one category, will that include Asian women? Do we know? Does anyone on this panel?

FEMALE VOICE: Yes.

COUNCIL MEMBER JAMES: Yes, the answer is yes. So that will include Asian women and that will include--and Asian women will cover Indo-Americans, yes?

FEMALE VOICE: Yes.

COUNCIL MEMBER JAMES: Yes? Okay. And will that number be the goal of under construction, will it be 18%? Yes?

FEMALE VOICE: Yes.

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2 COUNCIL MEMBER JAMES: Okay. And
3 for professional services, will it be 16%? Or 3%,
4 I should say. Excuse me, 37%.

5 FEMALE VOICE: Thirty-seven.

6 COUNCIL MEMBER JAMES: Okay. And
7 in regards to the Latino Business Council,
8 notwithstanding the fact that the Latino
9 community, particularly for construction, goes
10 from 9.6 to 4%, you still supporting this
11 legislation?

12 ELIZABETH VELEZ: We're still
13 supporting this, we think this is the right
14 direction that we're going. By increasing the
15 cap, we're increasing the pie, as was--

16 COUNCIL MEMBER JAMES: True.

17 ELIZABETH VELEZ: --given that
18 testimony before. So, yes, we absolutely believe
19 that it'll speak volumes, and we want to continue
20 the dialogue to continue to look at the
21 demographic analysis that was done in the
22 disparity study to ensure that it's more
23 reflective of our community.

24 COUNCIL MEMBER JAMES: Okay. And
25 as we go forward, I believe the Deputy

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2 Commissioner indicated that we will adjust the
3 numbers so you have confidence that we'll continue
4 the adjust the numbers?

5 ELIZABETH VELEZ: I have confidence
6 that the City Council in the spirit of today will
7 continue to look at--and with our community to
8 continue to look at this and make sure that those
9 numbers are correct.

10 COUNCIL MEMBER JAMES: Okay.

11 REV. JACQUES DEGRAFF: Council
12 Member James--

13 COUNCIL MEMBER JAMES: Yes, yes.

14 REV. JACQUES DEGRAFF: --we just
15 want to emphasize that this is a solidarity, that
16 we didn't just come together for this testimony,
17 so we are concerned about the methodology and the
18 drops in percentage all across in all communities--
19 -

20 COUNCIL MEMBER JAMES: I see.

21 REV. JACQUES DEGRAFF: --and so
22 that is a premise, not only for these discussions,
23 but for the legislation itself because the reality
24 is, as the Deputy Mayor stated, this
25 administration goes out in 438 days, the City

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2 Council goes out many--as it's presently
3 constituted, goes out in the same time and so we
4 want legislation that goes beyond personalities
5 but institutionalizes the concerns. So that is
6 the dialogue and the basis of dialogue.

7 COUNCIL MEMBER JAMES: Well this
8 piece of legislation, obviously, is a step in the
9 right direction, and I too share the concerns with
10 regards to transparency and enforcement because
11 there has been none. The answer to the question
12 that Council Member Dickens asked as to whether or
13 not anyone was prosecuted, the answer is no, no
14 one has ever been prosecuted, no one has lost a
15 contract, no one has ever been penalized, that's
16 the answer to the question. And the agencies, as
17 you know, and as I know, based upon attending all
18 of these hearings and when I was chair of this
19 Committee had several hearings and the number is
20 abysmal and embarrassing, and embarrassing to us
21 as a city and to this administration.

22 But that notwithstanding, you are
23 right, this administration has 14 months left and
24 there is nothing precluding the next Mayor from
25 doing a disparity study on day one, yes?

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MALE VOICE: Correct.

ELIZABETH VELEZ: That's correct.

[Crosstalk]

COUNCIL MEMBER JAMES: There's
nothing--

[Crosstalk]

SANDRA WILKIN: --correct.

COUNCIL MEMBER JAMES: --correct?

SANDRA WILKIN: Yes.

NAYAN PARIKH: Correct.

COUNCIL MEMBER JAMES: So we just
have to pick a winner.

ELIZABETH VELEZ: That's right.

COUNCIL MEMBER JAMES: There you
go. And so hopefully we could correct all of the
oversights, including Indo-American, African
American, women, as something that was very strong
on this past week and I'm glad that the
administration and the staff was able to correct
the injustice. And, obviously, the Latino
community, we need to make sure that the numbers
remain whole and that all of us share in the
opportunities in the city of New York. So I look
forward to working with each and every one of you,

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2 but your recommendation from this panel is that we
3 should vote aye, yes.

4 MALE VOICE: Yes.

5 TIMOTHY MARSHALL: Yes.

6 COUNCIL MEMBER JAMES: Okay. Thank
7 you.

8 TIMOTHY MARSHALL: Thank you.

9 [Applause]

10 REV. JACQUES DEGRAFF: With all of
11 the qualifying--

12 CHAIRPERSON MEALY: Wait, we still
13 have another--

14 REV. JACQUES DEGRAFF: --issues
15 that we did raise.

16 ELIZABETH VELEZ: There are
17 additional questions.

18 CHAIRPERSON MEALY: You all ready
19 to go? Okay.

20 ELIZABETH VELEZ: No, no.

21 CHAIRPERSON MEALY: But we have one
22 more question. Jackson, Robert Jackson.

23 COUNCIL MEMBER JACKSON: First, let
24 me thank all of you for spending all of the time
25 and effort in order to increase diversity in our

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2 great city with respects to M/WBE. And I think
3 the response was to one of my colleague's
4 questions when my colleague asked have any of you
5 seen the entire disparity study, I only heard one
6 response of no, I make the assumption that the
7 remainder of you have not seen the entire
8 disparity study.

9 REV. JACQUES DEGRAFF: Correct.

10 COUNCIL MEMBER JACKSON: So then
11 there's certain assumptions that have been put
12 forward based on the document, the analysis that
13 was given to us, which is it's about maybe, let's
14 say, 30 pages or something like that, and based on
15 all of the information and meetings and
16 discussions that you have had with the
17 administration and others concerning this
18 particular matter which has led you to truly
19 believe in all honesty and sincerity that this is
20 the right step to take and deserves the support of
21 all of those involved.

22 REV. JACQUES DEGRAFF: In a word,
23 yes.

24 COUNCIL MEMBER JACKSON: Okay. And
25 you heard what my questions were and some of the--

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REV. JACQUES DEGRAFF: Yes.

COUNCIL MEMBER JACKSON: --stuffs that I said earlier. You know, I truly believe the honesty, integrity of everyone here, and I truly want to believe that this is in the best interests of all parties, but how do you address some of your colleagues that are not sitting up there, that over here and elsewhere, about that they're being shortchanged as far as the representation on people that they represent--

REV. JACQUES DEGRAFF:

[Interposing] We--

COUNCIL MEMBER JACKSON: Let me just finish, if you don't mind. How do you address that? And I raise that only because, I give you another example, I'm involved right now in the West Harlem rezoning and the West Harlem rezoning is up for a vote and it's been in--being discussed for five years and it was approved by the City Planning and by the borough president, but the Community Board and other groups disagree--agree with 98% of it, but a 2% they disagree with because the fear that it's going to negatively impact the working folks that live in our

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2 community as far as displacement, and I'm trying
3 to deal with that overall, because there's fears
4 and beliefs. And so how did you deal with those
5 situations where people are saying that this is
6 not a good deal for Hispanic or Latino
7 construction people, Black construction people,
8 and some M/WBEs that are Black, Latino, and Asian
9 women?

10 REV. JACQUES DEGRAFF: Well first
11 of all, our community is a diverse community of
12 many responsible leadership voices, we operate by
13 oftentimes, consensus, but not unanimity, so we
14 haven't been unanimous on any issue, I believe,
15 other than recognizing that Christmas is on
16 December 25th, other than that, we don't come to
17 common agreement in that fashion.

18 What we have been doing, we didn't
19 just come forward on this issue. We have been
20 dealing with this--with these parties back at the
21 collective bargaining agreement, we have been
22 working through issue by issue and agency by
23 agency, as Liz Velez has stated, but people here
24 sit on advisory boards, it's the City agencies,
25 they sit in--on as organizations, they attend

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2 hearings just like this over the years, not just
3 today, over the years. Are there people in our
4 community who have a different understanding or
5 disagree? I'm sure that there are and, as you've
6 indicated, you've probably heard from them. But
7 we're dealing with the greater good.

8 The reality is, if we don't pass
9 this legislation now, we have to wait and when we
10 have to wait, that means that we have to stand on
11 the same inadequate law and hundreds of millions
12 of dollars will go out the door. In a community
13 that beset by recession and unemployment, we're
14 not willing to do that because we're not willing
15 to go back to the people in our community and
16 explain that we came down here, fought for over
17 three years to get legislation that would uncap
18 contract opportunity that would provide real jobs,
19 that we wouldn't do that because some people a
20 week before the hearing decided that they didn't
21 like the methodology. We don't like the
22 methodology, we wished that the numbers were
23 different, but this is what they are at this time
24 and we live in the real world where people are
25 starving and are despairing in our communities.

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That's why we came down here.

Understand this, that this is a moment in other communities people fight over this pie, they fight one another. This panel is not in happenstance; we purposely came to be a visual rainbow coalition because we work together on these goals. When it's not easy, when there are tensions, when there are conflicts, and when there are different understandings, and we work through it. We get the incremental steps forward, but we keep on moving forward and we keep together. We believe that New York is a place where people are all we as one, that we are in this together. And so that's why we came down here and that's why we're testifying.

Yes, we have concerns; we've been working through the concerns with the staff, the staff that has been working with us, your staff and City Council, the Mayor's staff, staff at agencies, and then we've been working with other administrate--people who have held government positions in the past, like some of the people at this table.

CHAIRPERSON MEALY: Thank you.

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Thank you, thank you. You want?

SANDRA WILKIN: I just want to, I'm a woman-owned business for over 20 years in the city of New York, I had read disparity study after disparity study after disparity study from various cities and states around the country. You don't have to go to a disparity study to know of the inaquacies--

CHAIRPERSON MEALY: Yes.

SANDRA WILKIN: --of the culture that many of the men and women, minority, women, and businesses have here in New York.

CHAIRPERSON MEALY: That's for sure.

SANDRA WILKIN: And as a result of that, we know that we have to press forward, nothing's perfect, but we know in this legislation, we know that we have at least a opportunity to continue of having a level playing field and we'll continue pushing for that. But it's not in a disparity study, it happens to be with the City Council making that determination. Thank you.

CHAIRPERSON MEALY: Thank you. We

1
2 want to thank the whole panel. Keep up the work,
3 we need--

4 TIMOTHY MARSHALL: Okay. Yeah,
5 yeah.

6 CHAIRPERSON MEALY: --to, we got to
7 keep going. Thank you. We're going to have the
8 next panel come up.

9 [Long pause]

10 CHAIRPERSON MEALY: Yeah, go ahead,
11 go ahead.

12 [Pause]

13 CHAIRPERSON MEALY: Honorable
14 Walter McCaffrey--

15 FEMALE VOICE: Right.

16 CHAIRPERSON MEALY: --our former
17 Council Member of New York City Council Lloyd
18 Douglas, Joanna--

19 FEMALE VOICE: Karageorgiou.

20 CHAIRPERSON MEALY: --Karageorgiou,
21 Louis Coletti, Denise Richardson, James--

22 MALE VOICE: Heyliger.

23 CHAIRPERSON MEALY: --Hylare.

24 MALE VOICE: Heyliger.

25 CHAIRPERSON MEALY: Heyliler?

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MALE VOICE: Heyliger.

FEMALE VOICE: Heyliger.

MALE VOICE: Heyliger.

FEMALE VOICE: Right.

CHAIRPERSON MEALY: Heyliger.

FEMALE VOICE: Yes.

CHAIRPERSON MEALY: Oh, that's a G,
oh.

FEMALE VOICE: Yes.

[Pause]

FEMALE VOICE: All right, I'm
sorry, you have to sit--

[Pause]

CHAIRPERSON MEALY: Mr. Limberg
[phonetic], you could get on the panel with your--

[Off mic]

CHAIRPERSON MEALY: Just know in
the interests of time, we may have to do time
three minutes--

[Pause]

CHAIRPERSON MEALY: Mr. Limberg,
you want to go first? Or no, I guess--no, I'm
sorry, the Honorable--

WALTER MCCAFFREY: [Interposing]

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Thank you very much, Madam Chair, for giving me the courtesy--

CHAIRPERSON MEALY: [Interposing]

Quiet, please, in the chambers.

WALTER MCCAFFREY: Thank you, Madam Chairperson and Committee Members. Having served as a member of this body for 16 years, I have a particular perspective regarding Intro 911.

CHAIRPERSON MEALY: [Interposing]

Could you put the mic closer to you?

WALTER MCCAFFREY: By all means.

The United States Supreme Court--

CHAIRPERSON MEALY: [Interposing]

Did you introduce yourself?

WALTER MCCAFFREY: I am Walter McCaffrey, former member of the New York City Council.

The United States Supreme Court dealt crippling blows to programs to assist minority and women business enterprises in the Crosson and Adarand decisions in the 1990s. The then-City administration sought to dismantle the City's M/WBE program. That Administration claimed there was no legal basis for continued action.

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2 The Council sought ways to continue M/WBE programs
3 that could be sustained in a legal challenge. It
4 was clear that an empirical study needed to be
5 conducted that would prove the existence of
6 inequity. My then-Council colleague Una Clarke
7 and I focused on the importance of M/WBEs during
8 this time.

9 A fierce and determined woman
10 active in the women and minority business
11 enterprise community came to me and to Council
12 Member Clarke for help to provide city funding for
13 such a disparity study. That woman was Sandra
14 Wilkin. She went on to become the co-founder of
15 the Women Builders Council. She pleaded, prodded,
16 cajoled, and advocated for us to convince our
17 Council colleagues of this funding need. And
18 Council Member Nelson, who was then a member of
19 the Council at the same time as me, Speaker Quinn
20 as a Council Member, we all ended up coming up
21 with that funding. Unfortunately, the study that
22 was then sent off was severely flawed.

23 Following term limits, I served as
24 the first policy advisor for the Women Builders
25 Council and served its co-founders Maureen Fritch

1
2 and Sandra Wilkin. I was there for the first
3 disparity study and the subsequent passage of
4 Local Law 129.

5 The disparity study then was
6 flawed, which you now see resulting in the
7 questions about the difference between African
8 American women and Caucasian women. The initial
9 study found that there was zero discrimination
10 against Caucasian women, which anyone knew was
11 absolutely ridiculous who had any familiarity with
12 the construction industry. We pointed it out, the
13 chairman at that time, who unfortunately has left,
14 remembers the arguments that we ended up making.

15 We ended up finding that there was
16 an administration at least that was now friendly
17 in the Bloomberg Administration and it listened to
18 the concerns. But there were fights that went on,
19 I mean, Marla Simpson, who was upstairs for much
20 of today's testimony, we ended up having fights as
21 to the inaccuracy and the flaws of that study.

22 But as we now move forward, this
23 Council, always the proactive entity for M/WBEs,
24 ends up having a piece of legislation that is
25 going to be beneficial to all. It's going to

1
2 remove that cap of \$1 million. This was
3 unrealistic and growth-restrictive. For a long
4 time, M/WBE community fought for a better program,
5 and with Intro 911, they have that superior
6 product.

7 It is now going from a cap
8 situation to a 500% increase. A 500% increase.
9 And what any--which any responsible M/WBE advocate
10 would not cheer such a success. I am personally
11 happy to see the COMPSTAT program in place.

12 And let me answer the question, any
13 Council Member would not like to get press
14 bringing in to this Committee or any other
15 opportunity a commissioner who was a failure in
16 terms of coming up with meeting the goals? The
17 Council has a role, as does the administration, in
18 highlighting it. The Council has not been as good
19 as it should be in its yearly update in terms of
20 the reports that it receives. Now you're going to
21 have quarterly reports, that's a dramatic
22 difference.

23 Let me express a very deep concern,
24 however, and it's good to see that the
25 administration is trying to move forward to be

1
2 able to be very inclusive of everybody. These
3 tremendous gains should not be jeopardized by
4 those who ignore outside pressures to undo W/MBE
5 programs. We see that fight going around the
6 nation. I watch it particularly close, we see
7 that there are folks who are eager to be able to
8 destroy on technicalities these type of programs.
9 There are some who mask themselves as the
10 advocates for economic justice while pursuing
11 their own agenda. Strict legal measures must be
12 used for our protection in this issue and they
13 can't be ignored and they can't be dismissed.
14 Those who choose to disregard this reality act in
15 a reckless, risky, cavalier, and inappropriate
16 manner.

17 No legislation can meet all of our
18 aspirational goals, although that were the case.
19 We know that time and time again--

20 CHAIRPERSON MEALY: [Interposing]
21 Start wrapping it up.

22 WALTER MCCAFFREY: --as
23 legislators. I want to thank you very much, I
24 want to thank the advocacy of the Speaker, Madam
25 Chair, and I want to thank the Council Members.

1
2 You know, times have been difficult for this
3 community, but the one thing that has been
4 constant is you, the City Council, have always
5 been there on behalf of this community and I thank
6 you very, very much.

7 [Applause]

8 CHAIRPERSON MEALY: Thank you.

9 JOANNA KARAGEORGIU: Thank you,
10 good afternoon, distinguished members of the
11 Committee of Contracts. I am Joanna Karageorgiou,
12 and I'm the--

13 CHAIRPERSON MEALY: [Interposing]

14 Push it closer to you?

15 JOANNA KARAGEORGIU: Oh, yes. I
16 am the President of Earth Construction Corp of
17 Queens Village, New York.

18 Earth Construction was founded in
19 1994 as a general contractor. We're specializing
20 in carpentry, masonry, and painting. I'm
21 belonging to 13 unions through the BCA. The
22 painters, District Council of Painters Union,
23 Local 79, Local 1. I am a member of the Women
24 Builders Council, Building Construction
25 Association, and the National Association of Women

1
2 in Construction and Professional Woman in
3 Construction. I've been involved with any
4 legislation that we're trying to pass as a M/WBE
5 and I'm an active member in all of them.

6 I support this legislation and its
7 passage because it helps to level the playing
8 field of minority and woman-owned business
9 enterprise by provide the same certification for
10 multiple agencies. I work with the Metropolitan
11 MTA, New York City School Construction Authority,
12 and the Department of Design and Construction.
13 Each agency requires its own certification. This
14 is it's time consuming, to say the least, it's
15 repeating the same information over and over
16 again. They have different inspection that they
17 come, each agency has its own inspection when they
18 come and they certify you for.

19 The elimination of the 1 million
20 cap that they have on the program and eligible
21 contracts is extremely beneficial. As a union
22 contractor, I can tell you that carpentry and
23 masonry contracts, it's more than \$1 million. The
24 proposed onsite pre-certification visit will also
25 help the City weed out non-compliant contractors

1
2 and ensure that City agencies are getting the best
3 bang for their buck.

4 This legislation will also allow
5 certified M/WBEs more time to pursue contracts,
6 provide standardization forms for all City
7 agencies, and will provide contractors, such as
8 myself, a greater opportunity to grow their
9 business.

10 I'd like to express my gratitude to
11 Speaker Quinn, the City Council, and Mayor
12 Bloomberg for their support of M/WBEs. I urge--

13 CHAIRPERSON MEALY: Thank you.

14 JOANNA KARAGEORGIU: --you to
15 support and pass this legislation.

16 CHAIRPERSON MEALY: Thank you.

17 [Applause]

18 JAMES HEYLIGER: Good afternoon.
19 I'm going to do a little take-off of my critique
20 since some of the issues I was about to go to war
21 on have been resolved to some degree.

22 CHAIRPERSON MEALY: Thank you.

23 JAMES HEYLIGER: 'Cause I was not
24 going to be able to go back home and tell my lady
25 that you all was discriminating against her.

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Okay. So okay, thank you.

So let me take this from a
different point of view because--my name is--

CHAIRPERSON MEALY: [Interposing]

Yes, your name.

JAMES HEYLIGER: --James Heyliger,
I wear three hats: I'm the president of the
Association for Minority Enterprise of New York; I
am the co-chair of New York City Minority Business
Leadership Council; but most important, I'm a
leaderships, what you call a stakeholder, within
my community. So my decisions are not based
simply on the entrepreneurship of my constituents,
but on the livelihood and the culture and
education of my respective community people, so
they expect me to make my decisions in that realm,
not just for my sole purpose. So that adds
another flavor.

And that's why I need to say this:
I think somewhere along the line we've forgotten
how this thing came about. MBEs came about
because of racism and discrimination, that was the
whole purpose, it wasn't about percentages, it was
about we were being denied. Then we moved into

1
2 the issue of M/WBEs including women and people
3 from Alaska. What I'm saying to you here is
4 somewhere along the line you've lost the concept
5 of our participation in helping you getting things
6 done. You have to consider our expertise.
7 There's not a bureaucrat in this city of any
8 agency that has as much experience and credibility
9 in the marketplace of your advocates here and as
10 the last panel and as a brother sitting over
11 there.

12 But when it comes to decision-
13 making, decisions come out of a way--and I love
14 the way Jackson and Sanders put it--you can't make
15 a decision based on something that you think
16 should be. If that was the case, we 400 years
17 behind getting our fair share. So I'm saying that
18 we must have a chief diversity officer that is
19 either a director, a commissioner, or a deputy
20 mayor that reports only to the Mayor. In the
21 absence of that, it's not going to work.

22 The governor has a 20%. What does
23 that mean? One group gets 19% and I get 1%? No,
24 this is what we have to have.

25 Number two, you can't make a

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2 decision based on--I'm going to hurt somebody's
3 feeling--Republican mathematics because the study
4 doesn't exist that will come up with this formula.
5 As the man said, it's not arithmetic and if you're
6 going to take into consider--if you're going to
7 keep a community together, your decisions have to
8 be based, not simply on numbers, but on the merit
9 and the culture of the people that you're dealing
10 with. We were about to become the laughingstock
11 of this country if some of the things that went
12 through is about to go through. Now that we have
13 in place what we've been asking for--and I have to
14 admit this, Cas Holloway has delivered on what
15 he's asked of us, what we've asked of him. The 1
16 million--we took the million dollar cap to the
17 City. Why? Because the construction industry
18 told us that they were going to have a difficult
19 time in making their goals because the way the
20 system presently was.

21 In 2006 we came to the City Council
22 with a \$5 million program for you to fund to fund
23 Hispanic Chambers of Commerce, M/WBE trade
24 associations, the implement of capacity-building
25 procurement program. SBS changed it to

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2 certification. Why we came with that? Because we
3 have a daily representation with the industry, not
4 like other agencies who go by paperwork, not by I
5 know who the project director is at Delta, I know
6 who the manager is at the airport over even at the
7 casino. We know who some of the fronts are so you
8 couldn't tell us that they don't exist.

9 We needed to be involved in how you
10 come to these decisions. You need a task force
11 from the minority business community with SBS and
12 the Mayor's office to work on how these
13 percentages have to come about--

14 [Crosstalk]

15 CHAIRPERSON MEALY: [Interposing]
16 Start wrapping it up.

17 JAMES HEYLIGER: --for there to be
18 some real fairness.

19 CHAIRPERSON MEALY: Thank you.

20 JAMES HEYLIGER: Our involvement is
21 critical.

22 CHAIRPERSON MEALY: Thank you,
23 could you switch seats with him? Someone may have
24 a question for you, could you stay on the panel?

25 LEN BRITTON: Thank you, Madam

1
2 Chair and distinguished Council Members, for
3 giving me the opportunity to speak. First of all,
4 I wish to commend the Council and the SBS for its
5 efforts in trying to improve opportunities for
6 M/WBEs. My name is Lennox Britton, everybody
7 calls me Len Britton. I am--

8 CHAIRPERSON MEALY: [Interposing]
9 Could you push the mic closer? I can't really--

10 [background noise]

11 LEN BRITTON: And I am the
12 executive director of the New York State Minority
13 Contractors Association, a chapter of a national
14 organization based in Washington, DC. We are
15 based in the Brooklyn Navy Yard, we are in
16 existence since 1989, and we have had registered
17 over 800 minority and women businesses.
18 Unfortunately, over the past five years, that
19 number has dropped considerably because many of
20 those businesses are no longer able to upkeep
21 their business, they're not getting any work.

22 We commend, once again, the Council
23 for this Intro 911. However, Madam Chair, in
24 light of the [off mic] pressure of minority
25 communities of New York, as well as the massive

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2 resources required for the reconstruction of the
3 city, it is our view that a decisive action must
4 be taken in an [off mic] fashion to address the
5 ever full intractable problems of exclusion of
6 minority labor and contractors from policy [off
7 mic] meaningfully in New York state construction
8 industry.

9 Madam Chair, because of the
10 systematic exclusion of minority contractors and
11 labor, with our Council Member Jackson pointed
12 out, the proposed exclusion of Blacks and Hispanic
13 goals, Madam Chair, the exclusion of minorities
14 contractors and labor from the population from the
15 [off mic] New York construction industry, we must
16 establish a meaningful affirmative action program
17 for Blacks, Latinos, Asian American contractors
18 and workers in New York state.

19 Although Intro 911 is a step in the
20 right direction, I wish to make the following
21 comments: One, we are happy to hear that a 27%
22 for White women are no longer considered. I would
23 like to work with the Council, Madam Chair, to set
24 a new set of goals for minorities. You've heard
25 from the previous panel with their eloquent

1
2 discussion there and quite capable members, this
3 panel also brings that to you, and we would like
4 to be included whenever you are looking at setting
5 goals for minorities to be included.

6 Secondly, we do support the removal
7 of \$1 million cap for M/WBEs. As a matter of
8 fact, Madam Chair, we don't want any cap, we have
9 contract--minority contractors who are capable of
10 doing millions of dollars of work, members of my
11 association are bonded 70 million, \$50 million and
12 they still can't get paying contracting work.
13 It's ridiculous, Madam Chair.

14 We would like to see the
15 appointment of my colleague, Jim Heyliger, said,
16 the appointment of a chief diversity officer or a
17 deputy mayor to oversee the [off mic]
18 implementation of the program. Without that, we
19 aren't going to get anyplace.

20 Madam Chair, we are also--we are
21 calling--what you are calling for is nothing less
22 than a significant new approach to finding a means
23 by which you can gain a fair share of the
24 construction market.

25 In view of this situation, the

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2 government at all levels has an obligation to
3 create and support the program that has the
4 capacity to produce real change in this
5 unacceptable status quo. I urge you to pass Intro
6 911.

7 CHAIRPERSON MEALY: Thank you so
8 much. We have Ms. Denise Richardson.

9 DENISE RICHARDSON: Thank you.
10 Thank you for the opportunity to testify today.
11 My name is Denise Richardson, I am the Managing
12 Director of the General Contractors Association of
13 New York. The GCA represents New York City's
14 unionized heavy civil and public works general
15 contractors.

16 We offer the following
17 recommendations to broaden and strengthen the
18 M/WBE program. Number one, certification. The
19 certification process is key to growing and
20 expanding the pool of available firms, it must be
21 rigorous and robust, but also flexible and timely.
22 The site visit must ensure that the firm has the
23 background, skills, and facilities to support its
24 certification. The legislation envisions
25 accepting certification from other entities. We

1
2 strongly recommend that SBS maintain strict
3 standards of review. This is critical so that
4 only bona fide businesses are certified to work in
5 New York City.

6 Number two, goal setting. Goals
7 for individual procurements must be based on the
8 availability of the certified firms in the SBS
9 directory. It will be incumbent upon the
10 contracting agencies to carefully evaluate their
11 procurements and balance proprietary
12 specifications, project schedules, contractor
13 risk, and guarantee requirements with how those
14 issues may impact subcontracting opportunities.
15 Criteria and standards on how to set contract
16 specific goals should be included in the
17 legislation. Contractors must bid as per the
18 specifications and do not have the ability to
19 alter project schedules, deliverables, or
20 qualification requirements in order to meet
21 subcontracting goals. Therefore, the key to the
22 success of the M/WBE program starts with the goal
23 setting done by the contracting agency.

24 Number three, information to
25 bidders. To help firms identify opportunities,

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2 each city agency should be required to provide
3 with the bid documents information on how the
4 M/WBE goals were determined and the potential
5 opportunities for subcontracting. The state of
6 Florida uses this model with great success. With
7 most small businesses having limited staff
8 available for business development and estimating,
9 if the City identifies possible subcontracting
10 opportunities upfront, it will help the M/WBE
11 firms target their resources to the projects in
12 their core business areas. It will also assist
13 the prime contractors in providing substantive
14 targeted outreach to business for business
15 opportunities for the M/WBE community.

16 Finally, I'd also like to talk
17 about a couple of the things that the Deputy Mayor
18 referenced in his testimony. It is critical that
19 this legislation go not beyond goal setting, but
20 also look at the real contract barriers that
21 prevent new and emerging firms from bidding on
22 City work. The City contracts are difficult,
23 notice provisions are quite strict, change order
24 payment, regular contract payments are all
25 barriers to entry and I urge the Council to

1
2 continue to work with the City to remedy the
3 contracting terms that make it very difficult for
4 new entrants into the market.

5 Thank you.

6 CHAIRPERSON MEALY: Thank you.

7 [Applause]

8 SERGEANT-AT-ARMS: Keep it down,
9 please, keep it down.

10 CHAIRPERSON MEALY: Mr. Louis
11 Coletti?

12 LOUIS COLETTI: Okay. Thank you,
13 Madam Chair, good afternoon and good afternoon to
14 the Members of the Committee. Thank you for the
15 opportunity to address you regarding Intro 911
16 today. My name is Louis Coletti, I'm president of
17 the Building Trades Employers' Association, an
18 organization representing some 1,800 union
19 construction managers, general contractors, and
20 specialty trade contractors building in New York
21 City.

22 The BTA is supportive of the
23 legislation but recommends several amendments in
24 order to even further strengthen the bill. The
25 BTA has historically been supportive of growing

1
2 the capacity of M/WBE contractors. Over eight
3 years ago, we issued a report with specific steps
4 we believed were essential to growing M/WBE
5 construction firms and that commitment remains
6 just as strong today.

7 The recommendations I will outline
8 are absolutely essential if we are to achieve our
9 mutual the goal of providing contract
10 opportunities to M/WDBEs providing a commercially
11 useful function. Before outlining the specific
12 proposals, let me share with you why we believe
13 these amendments are so important.

14 Over the past two days, the BTA
15 sponsored a conference on compliance and integrity
16 in the construction industry. At that conference,
17 we heard from the U.S. Attorney from the Eastern
18 District, the Manhattan District Attorney, and the
19 City's Commissioner from the Department of
20 Investigation on a number of industry compliance
21 issues, including minimum standards for prime
22 contractors in the awarding of contracts to M/WBE
23 companies. Their message to us was crystal clear:
24 Awarding contracts to M/WDBE firms who do not
25 provide a commercially useful function could lead

1
2 to possible criminal and/or civil investigations
3 of the prime contractor. We believe government
4 and the contracting community have a shared
5 responsibility in this program. It is the
6 responsibility of government to establish and
7 maintain a database of M/WBE contractors who
8 provide a commercially useful function as the
9 source for prime contractors to use since it is
10 only certified contractors which can be counted
11 toward achieving the project goal. We believe
12 it's the responsibility of the private sector to
13 provide those certified M/WBE contractors with the
14 contract opportunities to grow their business.

15 The certification process is the
16 lifeblood for prime contractors in identifying
17 M/WBE companies that provide a commercially useful
18 function. It accomplishes two goals: It fosters
19 and facilitates participation for those certified
20 M/WBE contractors and it preserves the integrity
21 of the program as a first line of defense against
22 fraud and abuse.

23 Our first two recommendations
24 relate to the certification process. We would
25 urge you to amend page three by including language

1
2 that would require the City's Small Business
3 Services commissioner to include M/WBEs on the
4 City's certified list from other public agencies
5 only if they conduct a certification process with
6 the same due diligence as the legislation before
7 you, including the recommendations we submit for
8 your consideration today.

9 The second recommendation is to
10 expand the language which requires a site visit by
11 establishing a baseline of what information should
12 be reviewed in granting certification, such as
13 being done in the federal DBE program, that
14 includes interviewing the principals of the firm,
15 its key employees, a review of the firm's articles
16 of incorporation, bank signature cards, payroll
17 records, and other financial information.

18 Our third and final recommendation
19 states that if a prime contractor at the time of
20 bid certifies it has met the best effort
21 requirements outlined in the legislation and
22 cannot identify firms providing a commercially
23 useful function to meet the program goal, either
24 the project goal be modified or a waiver
25 automatically granted.

1
2 There's one other provision I'd
3 like to suggest on a personal note. The bill
4 talks about including in it the U.S. small
5 business limitations on revenue. I'd strongly
6 suggest you take it out. Fifteen million dollars
7 is not a lot of money in the construction industry
8 for a firm. In fact, there are two firms--one
9 African American and one Latino--who appeared on
10 the Crane's Top 25 Minority list a couple months
11 ago whose revenues exceeded--

12 [Crosstalk]

13 LOUIS COLETTI: --\$15 million, that
14 would mean that they would not be certified and
15 could not participate in the City's program. The
16 idea is to grow a company. If they're 20 to 25 to
17 30 million, isn't the objective?

18 CHAIRPERSON MEALY: Thank you,
19 that's one of my questions I had already tried to--
20 -let others get a piece of the pie.

21 Mr. Lloyd--

22 MALE VOICE: Douglas.

23 CHAIRPERSON MEALY: --Douglas.

24 LLOYD DOUGLAS: Thank you, Madam
25 Chair. Good afternoon, Madam Chair, and good

1
2 afternoon to my Council Member, Inez Dickens, how
3 are you, ma'am? All right, good to see you.

4 My name is Lloyd Douglas, I'm a
5 minority business consultant, I'm the owner of a
6 small consulting firm. I have New York City, New
7 York State, and Port Authority certified and have
8 been doing business for over 30 years in this town
9 to address some of these issues.

10 In the interest of time, I'm going
11 to abbreviate my comments, but my written
12 statement is with you all.

13 CHAIRPERSON MEALY: Thank you.

14 LLOYD DOUGLAS: Like most of you
15 all, like, I love New York, but doing business
16 here can be very challenging. In my humble
17 opinion, two elements are not insignificant
18 amount. One, there's not enough of a mechanism
19 and a process to create opportunities. In
20 addition, there's not enough effective, highly
21 motivated, committed, dedicated leadership for
22 over a sufficient period of time to make a
23 significant difference. So thanks to the Council
24 for the leadership role that you all are playing,
25 we appreciate it again. We were here in 2005,

1
2 we'll come back, we're here now, we'll come back
3 when you need us.

4 We also must change attitudes in
5 this town. It's okay for people of color to do
6 business in this town. We have got to make that
7 part of the mantra, and I would like to see that
8 from top down.

9 In terms of the goal setting, yes,
10 we need specific numerical goals because you have
11 to have a defined measuring mechanism of some
12 sort, but we need to focus our remedy on the
13 extent to which discrimination continues to impact
14 on the ability of minorities to compete for and
15 secure City contracts. The projected achievement
16 goals that have been set by the current
17 administration need to provise [phonetic] in many
18 different ways, as you've heard from before.

19 I'm also proposing a special pilot
20 program, one that would focus on Black-owned
21 businesses. Part of what Blacks never did get was
22 their reparations and that has been going on for
23 now for more than 150 years, maybe New York could
24 begin to address that. So I'd like to recommend
25 that the percentages go up.

1
2 The issue of the training of the
3 ACCOs, I think that that was addressed before but
4 it needs to be addressed again by the Council in
5 its legislation, streamlining the process.

6 The administration and the
7 enforcement of the inclusion rule. The City needs
8 an M/WBE ombudsman, as you'd heard before. I am
9 proposing a deputy level position in the current
10 and future administration that would do the
11 managing, monitoring, investigating, enforcement
12 of this program.

13 One thing that I've not heard
14 before that I'd like to put forward for the City
15 Council to remind you that in the previously the
16 City Council had its own M/WBE advisory board.
17 I'd love to have it if you could reactivate that
18 and from this part. I think that the board would
19 serve as a mechanism for communication, dialogue,
20 and feedback to the Council so we keep you all
21 abreast. We heard the administration talk about
22 how they're going to have their regular meetings,
23 and that's great, but I'm proposing that the
24 Council take a look at having its own.

25 So last in closing, the program

1
2 should be viewed as a constructive method for
3 growing the people and the economy of New York
4 City. An effective minority and women-owned
5 business inclusion program in New York is good for
6 the city and good for the industry.

7 Thank you for allowing me to share
8 some of my thoughts with you. Thank you.

9 LOUIS COLETTI: Madam Chairperson,
10 I would be remiss, just to 30 seconds, I just want
11 to say thank you to the staff of the Council,
12 Shannon Manigault, Rob Newman, other members of
13 the staff, the Deputy Mayor Cas Holloway, his
14 staff, the Mayor's Office of Contract Services and
15 SBS, for working so hard with us and trying to
16 make this program better. Thank you, Shannon.

17 CHAIRPERSON MEALY: Thank you, that
18 went--you all could clap.

19 [Applause]

20 CHAIRPERSON MEALY: Thank you so
21 much. I just have one question. Ms. Richardson,
22 you was talking about the site visit with SBS--

23 DENISE RICHARDSON: Yes.

24 CHAIRPERSON MEALY: --do you feel
25 it would really be--it would really work if they

1
2 do the site visits to make sure that corporations
3 say who they are--that they really are who they
4 say they are with the site visits? And after
5 that, do you think it'd be any kind of--even if
6 they do get caught that they're not--it's no
7 repercussion, so do you think we'll be just
8 spinning our wheels?

9 DENISE RICHARDSON: I think the
10 site visit is critical for a long-lasting program.
11 I think one of the issues that the programs have
12 encountered in the past is a number of firms where
13 the certification process was really based on
14 financial records and not really what was
15 happening in the business and I think the site
16 visit, if you are a supplier, then you should have
17 a warehouse; if you are a general contractor, then
18 perhaps you have a yard if you own equipment; or
19 if you are a general contractor doing building
20 work, then at your facility, there should be
21 building materials there at the site. So I think
22 the site visit--

23 CHAIRPERSON MEALY: [Interposing]

24 That's--

25 [Crosstalk]

1
2 DENISE RICHARDSON: --is critical
3 to a robust certification process.

4 CHAIRPERSON MEALY: That really is-
5 -no, that's really happening out there probably.

6 LOUIS COLETTI: Madam Chair, can I
7 add to that?

8 CHAIRPERSON MEALY: [Interposing]
9 No, we can't--

10 LOUIS COLETTI: No?

11 CHAIRPERSON MEALY: --right now.
12 Mr. Sanders? I'm in trouble right--

13 [background noise]

14 COUNCIL MEMBER SANDERS: Thank you,
15 Madam Chair, this will be my last statement.

16 FEMALE VOICE: No.

17 COUNCIL MEMBER SANDERS: I was just
18 sitting here reminiscing, if you close your eyes,
19 you would think that you were here several years
20 ago. All of us were in this very room, we changed
21 places, I think I even had on the same suit
22 probably.

23 WALTER MCCAFFREY: I got a new tie.

24 COUNCIL MEMBER SANDERS: It fit a
25 little bit better then, but that's a different

1
2 story for a different day. I'm leaving the
3 Council soon before I can see--

4 FEMALE VOICE: No.

5 COUNCIL MEMBER SANDERS: --this
6 through, but I want to make sure that this is a
7 going away present that have taken a long time but
8 we should take a little longer to do it right, to
9 make sure that the concerns that people have
10 brought up, whether it be the Latinos or the
11 Indians or whoever, that we figure out how to do
12 it right. And there's, you know, the law of
13 unanticipated consequences always comes up and we
14 have to start thinking those things through.

15 Here's one that's interesting that
16 we may be hurting ourselves. We've used a
17 standard definition for a graduate MBE, M/WBE, I
18 stand corrected, this is based on the federal
19 definition from SBA. Now the downside of the
20 federal definition is that it doesn't take into
21 account the cost of New York City, that the costs
22 here, that they're doing, of course, for the
23 entire nation, so we need to see if we can
24 increase that, otherwise, we may be putting a
25 quiet cap on ourselves anyway.

1
2 And, you know, we're New York City,
3 we don't have to simply be beholding to the
4 federal government on this issue as long as we
5 obey Crosson.

6 There are so many other things but
7 I have faith in my colleagues, my colleagues that
8 we will see this thing through. I also have faith
9 in everybody in here who needs to stay involved,
10 and everybody who is on TV land, if you wish, that
11 this is a critical issue for the health of New
12 York City, for our nation, indeed, and I encourage
13 everybody to be passionate about it. We're
14 talking about can New York City be New York City
15 for everybody and that is the essence of what
16 we're saying. We say that New York can be New
17 York for everybody, but it means that we need an
18 even playing field--no more, and certainly no
19 less. An even playing field where everybody can
20 compete.

21 So I encourage everybody to be
22 passionate here, to weigh in to make sure that
23 your legislators know your position, that we do it
24 right, that we don't trample upon the rights of
25 White men or White women or Latinos or Blacks or

1
2 whoever else, that we take the time and do it
3 right. We've done much of that in the past and
4 many of you were kind enough in the past to aid me
5 as I was doing this slow, painful process, but we
6 were able to talk with one another. Please
7 continue that.

8 I know the chair, I know that this
9 chair means well and wants to see a lot of
10 positive things happen. I have faith in this
11 chair, and I have faith that if you work with her
12 and educate her as you educated me. I was a slow
13 student, but you were good teachers and you
14 brought me to a place where I can actually speak
15 almost intelligent on this matter. So if you work
16 with our chair, we can get to a place where we can
17 do good things.

18 And so I just wanted to throw that
19 in about the federal definition and make sure that
20 we don't tie ourselves, stymie ourselves while
21 we're trying to move forward. And I want to thank
22 people, including Tish James, who--Council Member
23 James, who was very--who alerted me to certain
24 shortcomings, and I'm one of the prime sponsors
25 and she had to alert me, and I thank you for that.

1
2 Having said that, Madam Chair, I'm
3 going to go to another Committee, another very
4 worthy appointment--well I'll leave that alone.
5 But I look forward to struggling with you in the
6 days to come over this bill over our vision of New
7 York, over a vision that everybody in here, I
8 argue, has the same position. How we get there,
9 we can argue, but the same position and this is
10 necessary and, therefore, good what we are doing.
11 Thank you very much.

12 CHAIRPERSON MEALY: Thank you.

13 Tish James.

14 COUNCIL MEMBER JAMES: Let me thank
15 Council Member Sanders for those kind words.
16 We're going to miss you here in this body.

17 Council Member McCaffrey, as you
18 know, the previous disparity study, some have
19 alleged that it was flawed, I recognize that it
20 was flawed because it failed to take into
21 consideration women, and specifically Caucasian
22 women, and some have argued that this current
23 study is flawed because it does not take into
24 consideration Indo-American as well as Latino and
25 African American women, particularly. So, you

1
2 know, though I recognize that we made some
3 amendments--we don't have the language yet, but
4 some promises were made today, I'm really happy
5 about that--I recognize that as we move forward,
6 individuals will be asking for another disparity
7 study and I suspect that it will be--it will
8 probably happen sooner rather than later,
9 recognizing that the proposed legislation says
10 that we should review this bill in two years. Do
11 you anticipate that that will be a problem with
12 any of your clients?

13 WALTER MCCAFFREY: No, certainly
14 not, but what I would ask is that at the forward
15 point, similar to on land use, been the chair of
16 the Zoning Subcommittee on the Council, that you
17 look at the disparity study in its earlier stage
18 in terms of its composition. The study that was
19 done initially, the first one, and its major flaw
20 is that the Council did not see that, it just was
21 popped out, they put it out into the field, and
22 that is why there was so many significant flaws.
23 Mason Tillman [phonetic] did a terrible job on it,
24 be quite candid. And so I think it's important
25 that at that stage, that be looked at. And it

1
2 should be done on a more frequent and schedulized
3 basis to be able to reflect the economic
4 realities.

5 We had the study done then, now
6 it's 2012 for this study to come around, there was
7 nothing that really was done. Oh, there were
8 studies that they were going to come out with, I
9 mean, they played around with that for a long
10 period of time.

11 COUNCIL MEMBER JAMES: No, as the
12 former chair of this committee, I recognize--and
13 as someone who really cares deeply about this
14 issue, as I consistently had asked for oversight
15 hearings with regards to where the compliance
16 issue with respect to M/WBE and was told that
17 studies were coming and so we--

18 WALTER MCCAFFREY: Right.

19 COUNCIL MEMBER JAMES: --had to be
20 put off. My next question is to Ms. Richardson,
21 Ms. Richardson--

22 WALTER MCCAFFREY: [Interposing]
23 Could I just--

24 COUNCIL MEMBER JAMES: Yes, sure.

25 WALTER MCCAFFREY: --follow up on

1
2 just one small point? Everyone has a concern
3 about the legitimacy of certain--

4 COUNCIL MEMBER JAMES: Right.

5 WALTER MCCAFFREY: --M/WBE
6 entities, what I would suggest if someone is found
7 to be phony, that the principals, those
8 individuals, not the corporation 'cause they'll do
9 away with that shell, that they end up being
10 barred from activity in the city of New York and
11 someone refer to a district attorney? And that is
12 something that is not being done anywhere--

13 COUNCIL MEMBER JAMES: No.

14 WALTER MCCAFFREY: --along the
15 line, and I'm hoping that the prosecutors who Lou
16 talked about will start to take that up because
17 that is one of the things that will put a little
18 fear of God in and start to cut back on the
19 potential desire to run out and to have a phony--

20 COUNCIL MEMBER JAMES: Thank you.

21 WALTER MCCAFFREY: --in the
22 business interest and in the interest of the
23 community, they're one and the same in this
24 regard.

25 COUNCIL MEMBER JAMES: I think--I

1
2 don't know who made the recommendation, but an
3 advisory board in the City Council I think is an
4 excellent idea. So, Mr. Douglas, you get the
5 credit.

6 Ms. Richardson, I like the idea
7 about the information to bidders, point number
8 three, I think that's an excellent idea and that's
9 something that I would like to focus on and work
10 with you on. With regards to goal setting, could
11 you just explain, 'cause I don't really
12 understand, this--it's point two, it's entitled
13 goal setting, it says requirements that all
14 contractors, primes, as well as subs maintain
15 experience modification ratings, what does that
16 mean?

17 DENISE RICHARDSON: That is the way
18 in which workers comp insurance is assessed and so
19 every contractor by their insurance agent is given
20 a rating based on their safety record. Many of
21 the City agencies require an experience
22 modification rating of no greater than 1.0. It's
23 analogous, actually, to if you want to think about
24 it in a common term, kind of like a blood alcohol
25 level, so if you're over 1.0, you would be

1
2 considered an unsafe contractor. So a firm that
3 has a history of safety violations, accidents, and
4 has a modification rating of 1.2, when they are
5 presented to the agency to work on the project,
6 the agency will say that they're not qualified to
7 work on--

8 COUNCIL MEMBER JAMES:

9 [Interposing] Got it.

10 DENISE RICHARDSON: --the project.

11 So it's a very, very important initial threshold
12 to determine whether a firm is able to work on
13 that project or not.

14 COUNCIL MEMBER JAMES: And how does
15 that relate to the compliance with M/WBE?

16 DENISE RICHARDSON: It's a
17 requirement for any contractor working on any
18 project to have, A, number one, possess workers'
19 compensation insurance, and, B, on many of the
20 safety sensitive City projects, to have an
21 experience modification rating of less than one.

22 COUNCIL MEMBER JAMES: Thank you.

23 Mr. Coletti, the--you were recently visited by--
24 you had a meeting with the U.S. Attorney and the
25 Manhattan District Attorney and I'm sort of

1 shocked because, as far as I know, no contractor
2 has ever been disciplined for failing to adhere to
3 the provisions of Local Law 129.
4

5 LOUIS COLETTI: No, the visits were
6 because of how they achieved their goal or sought
7 to achieve their goal. In one case, there was a
8 criminal trial--

9 COUNCIL MEMBER JAMES:

10 [Interposing] There was?

11 LOUIS COLETTI: Yes, and the
12 principal of that firm committed suicide.

13 COUNCIL MEMBER JAMES: Recently?

14 LOUIS COLETTI: Within the last
15 year and a half, two years ago. There are also
16 civil fines. Just recently, a major firm was
17 fined almost \$60 million because they were
18 assisting the M/WBE company in a way that the
19 government thought was inappropriate, and that's
20 where the term I mentioned before, commercially
21 useful function, has been sort of defined as the
22 standard that they're telling prime contractors
23 must be provided and why your question was so
24 critical about the site visit, that's the essence
25 of it. The SBS must ensure a certification

1
2 process has to do things: Ensure ownership is 51%
3 M/WBE, but ensure that's a real company. Okay?
4 Because what's going to happen is, if we don't
5 take that second step and that--

6 COUNCIL MEMBER JAMES: Right.

7 LOUIS COLETTI: --list does not
8 include real companies, then our prime
9 contractors, when they're going to identify MWs
10 for contract opportunities are going to fail to
11 rely on that list. That's all we have, that's the
12 single most important thing to opening the door of
13 opportunity because taking firms off that list
14 doesn't allow us to apply it to the goal.

15 COUNCIL MEMBER JAMES: Right. So,
16 Mr. Coletti, would you oppose a law which
17 specifically says that the filing of a false
18 instrument related to the local opportunities for
19 W/MBE would constitute a misdemeanor, would you
20 oppose specific language related to that?

21 LOUIS COLETTI: I'd like to think
22 about it, but initially, I like it.

23 COUNCIL MEMBER JAMES: Okay. And
24 then lastly, you talked about the public agencies
25 including language that will require the City

1
2 Small Business Commissioner to include W/MBEs on
3 the City-certified list from public agencies only
4 if they conduct a certification process with the
5 same due diligence. Isn't there reciprocity with
6 all the agencies?

7 LOUIS COLETTI: Well there is
8 reciprocity, but not reciprocity and due
9 diligence.

10 COUNCIL MEMBER JAMES: Oh, I see,
11 so one agency could be--could lag and there's not
12 one uniform system.

13 LOUIS COLETTI: That's correct. If
14 you go back to the report we issued eight years
15 ago, we specifically said you need to have one
16 system, you're killing the M/WBE contractors with
17 paperwork--

18 COUNCIL MEMBER JAMES:
19 [Interposing] We still don't have one system? I
20 thought it was one system.

21 LOUIS COLETTI: Well reciprocity,
22 but there are different levels. The School
23 Construction Authority does a very good background
24 to make sure the companies are real; the Port
25 Authority does a really good background; candidly,

1
2 the Empire State Development Corporation could use
3 some help, but those companies are included
4 because of the reciprocity agreement on the City's
5 list. So what we're saying is that those agencies
6 don't want to make those changes, then don't
7 include them on the City list so that when prime
8 contractors go to look to people they may not have
9 a personal relationship with, they've never done
10 business with before, that information exists and
11 they can say, okay, that's a real company, I'm
12 going to call them up, get in here, take a look at
13 the bid documents because when we put a bid
14 together, you really don't have a lot of time.

15 And that's why your question about
16 the site--two things, I hate to be repetitious,
17 then I'll be quiet: Certify the ownership, make
18 sure they're a real company, make sure there's a
19 penalty if you're filing false affidavits--

20 COUNCIL MEMBER JAMES: Right.

21 LOUIS COLETTI: --because there are
22 sure as heck penalties on the other end for the
23 prime contractor for activities we may do to
24 assist the M/WBE, which law enforcement considers
25 as inappropriate.

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CHAIRPERSON MEALY: Thank you.

COUNCIL MEMBER JAMES: Mr. Coletti,
just to give you notice, I think I'm going to
draft some language and submit it into the City
Council for consideration.

LOUIS COLETTI: [Interposing] I'll
be glad to work with you.

COUNCIL MEMBER JAMES: Thank you.

WALTER MCCAFFREY: Excellent.

CHAIRPERSON MEALY: Thank you.

WALTER MCCAFFREY: Excellent

CHAIRPERSON MEALY: Inez?

COUNCIL MEMBER DICKENS: Thank you,
Madam Chair, and thank you for all of you for your
testimony and the hard work that you do. Mr.
Coletti, let me ask you, as a prime contractors,
when they have to submit their documents, do they
submit bank signature cards?

LOUIS COLETTI: Well we're not
certifying.

COUNCIL MEMBER DICKENS: No, but I
mean, the reason I'm asking is because in your
testimony you give a second recommendation, some
of which I agree with you, but I do question about

1
2 the bank signature cards because as prime
3 contractors when I've been a prime contractor, not
4 as a M/WBE, I didn't have to provide a bank
5 signature card but yet you're recommending that
6 for the M/WBEs that a bank signature card be part
7 of the documents submitted and I was wondering--

8 [Off mic]

9 SERGEANT-AT-ARMS: Keep it down,
10 please.

11 LOUIS COLETTI: I only took the
12 exact same language out of the Federal Register
13 that was just published in terms of what DBE
14 certification documentation is required. You're
15 right, as a prime contractor, your bonding
16 company--

17 [Crosstalk]

18 LOUIS COLETTI: --will look at a
19 lot--

20 COUNCIL MEMBER DICKENS: Exactly.

21 LOUIS COLETTI: --of that
22 information.

23 COUNCIL MEMBER DICKENS: Exactly,
24 the bonding--

25 LOUIS COLETTI: [Interposing]

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That's correct.

COUNCIL MEMBER DICKENS: --company does. The other thing is on bonding for M/WBE's, right now, what is it, Consumer Affairs has a pool that allows for those who can't get bonds can put into the pool and be covered. Is that something that you would consider that we would do? Because something has to be done for our small businesses to be able to qualify for bonds. They don't get regular bonds, it's very difficult for us to get them. And the \$15 million business that you're talking about, they'll get it, but those that don't gross that amount that still should be entitled to qualify to get so they can become a \$15 million. So you're talking about growing the \$15 million, I'm talking about growing the \$500,000 one.

LOUIS COLETTI: Yeah.

COUNCIL MEMBER DICKENS: So they can't get a bond. What about something like that, the pool being created that would allow those small--I'm talking about maybe micro-small I'm talking, that can qualify to get covered with a bonding, that's point one.

1
2 Point two, well first, let me ask
3 you, what about that, is that something that--

4 LOUIS COLETTI: [Interposing] I
5 believe that the City has created such a program--

6 FEMALE VOICE: Yeah.

7 LOUIS COLETTI: --with the State of
8 New York, there's a \$30 million--

9 COUNCIL MEMBER DICKENS:

10 [Interposing] The State did.

11 LOUIS COLETTI: --fund where M/WBEs
12 can apply for bonding assistance, I don't know the
13 particulars on it, but that fund existed. When we
14 did our report eight years ago we also recommended
15 that the City create a targeted capital growth
16 fund and put money into a fund so that M/WBE firms
17 could get what we call mobilization money off a
18 project because we know it costs a lot of money to
19 get a project off the ground. If banks are not
20 going to provide loans and M/WBE really has their
21 back against the wall even if they're awarded a
22 contract. So to utilize that fund as sort of a
23 prepayment, they'll get their money back as soon
24 as they're paid from the City.

25 COUNCIL MEMBER DICKENS: The other

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thing is on when abuse is found and companies are investigated and they have to pay fines, what about the creation of a pool that would assist our small businesses putting in a percentage of those fines into a pool that would assist our small businesses?

LOUIS COLETTI: I think it's a terrific idea.

COUNCIL MEMBER DICKENS: That hasn't been done yet and--

LOUIS COLETTI: [Interposing] I think it's a terrific idea that you should talk to the U.S. Attorney in the Eastern District about 'cause that's where the fine money--

COUNCIL MEMBER DICKENS: [Interposing] James Heyliger, you've got a-- there's something you've started thinking about and I want you to start working with on getting that done.

JAMES HEYLIGER: Yes, yes.

COUNCIL MEMBER DICKENS: Please, because that's very important and that's something that--

CHAIRPERSON MEALY: Thank--

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COUNCIL MEMBER DICKENS: --that is
feasible.

LOUIS COLETTI: Yeah.

COUNCIL MEMBER DICKENS: All right,
thank you so much.

LOUIS COLETTI: Yeah.

CHAIRPERSON MEALY: Thank you.
Thank you so much--

WALTER MCCAFFREY: Thank you,
Madam--

[Crosstalk]

LOUIS COLETTI: Thank you very
much.

CHAIRPERSON MEALY: --we really
appreciate your time. The next panel will come
up: Frank Garcia, Quenia Abreu--

[Off mic]

SERGEANT-AT-ARMS: Keep it down,
please, take--

[Off mic]

SERGEANT-AT-ARMS: Take any
conversations outside.

CHAIRPERSON MEALY: You can come
up. Brian--

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[Crosstalk]

FEMALE VOICE: Yes.

CHAIRPERSON MEALY: Yes. Quenia.

Brian Figueroa.

MALE VOICE: He left.

MALE VOICE 2: He left.

CHAIRPERSON MEALY: Peter Fontanes.

FEMALE VOICE: Cold, so cold.

CHAIRPERSON MEALY: Linda

Gottesman. Gina Addit, Addeo.

[Long pause]

FEMALE VOICE: I appreciate it.

[Long pause]

CHAIRPERSON MEALY: Londel Davis.

[Pause]

CHAIRPERSON MEALY: Me too.

[Long pause]

CHAIRPERSON MEALY: Contes

[phonetic], you ready? Start, Ms. Abreu.

QUENIA ABREU: Thank you, thank you
so much for allowing me to testify. I started
with in here with good morning, but it's good
afternoon. So my name Quenia Abreu, I'm the
president of the New York Women's Chamber of

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Commerce. And--

CHAIRPERSON MEALY: [Interposing]

Your last name?

QUENIA ABREU: Quenia Abreu, Abreu

is--

CHAIRPERSON MEALY: [Interposing]

Abreu, okay.

QUENIA ABREU: --my last name, yes.

And I'm here representing the New York Women's Chamber of Commerce. As always, I come here today to give voice to women entrepreneurs and to other disadvantaged business groups.

I am very pleased to see all the proposed positive changes to Local Law 129 and that you have included many of the suggestions made by the New York Women's Chamber of Commerce as well as other organizations that work and advocate for the M/WBE community.

The members, however, have several concerns that I will be sharing with you today. We are pleased that we finally have goals for women; however, it will be discriminatory to support legislation that has goals for only one group of women. In this bill, the goals are only

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2 for Caucasian women and do not include Latino,
3 Black, or Asian women. We ask for that to be
4 changed, so I'm very happy to hear the suggestion
5 from the Speaker.

6 And to expand on the subject of
7 women, we also ask that the certification process
8 identify not just Caucasian women as women, but
9 also Latino, Black, and Asian women. It is
10 important for the City to track them by both
11 gender and ethnicity so we can have a better
12 picture of how all women, not just Caucasian
13 women, are doing when it comes to the procurement
14 process, the procurement opportunities. As it is
15 right now, they don't track--SBS doesn't track
16 that.

17 The bill proposes lower goals for
18 Latinos in almost every category. We see a
19 drastic decrease in contracting goals for Latino
20 businesses in the construction industry from 9.06
21 to 4%, which is a tremendous concern for our
22 Latino community. We don't understand how this is
23 possible when Latino-owned businesses are not only
24 the fastest growing but also the largest business
25 group in the city. We will like to know and

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examine the rationale behind all those numbers.

The amendment includes Emerging Business Enterprises in the legislation. Some of our questions are: Was there a disparity study conducted to determine the 6% goals shown in every category? What was the methodology used? Is that methodology different than the one used for the M/WBE goals? And if it is, can the same methodology be used to determine the goals of Latinos in construction?

There is no provision in the bill for disciplinary actions to be taken against those agencies that do not meet their goals. The bill calls for explanations and plans to increase the goals, but not sanctions and punishments are mentioned. This leaves it open for the agencies to give excuses for not meeting their goals. We ask for this to be re-evaluated.

This legislation was not perfect six years ago and it is not perfect today, even with the proposed changes, and as we work to improve it, we must make sure there is transparency in the process and integrity in the methodologies used before we amend this law. In

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2 the case of the new disparity study conducted to
3 amend Local Law 129, we are left concerned and
4 puzzled as to why that disparity study was never
5 released to the public.

6 Again, thank you for this
7 opportunity. As always, I am available to work
8 with you for the benefit our small business
9 community.

10 CHAIRPERSON MEALY: Thank you.

11 Next?

12 FRANK GARCIA: My name is Frank
13 Garcia, I'm chairman--newly elected chairman of
14 the New York Statewide Hispanic Chamber of
15 Commerce, I was the former head of the Bronx
16 Hispanic Chamber of Commerce, and I also am owner
17 and CEO of Millennium Recycle Toner in the South
18 Bronx.

19 So I'm not a construction guy, but
20 I represent 25 Chambers in the state of New York
21 that, to me, are very upset with some of the
22 language of the bill and it's been kind of hard
23 for us because we're part of the U.S. Hispanic
24 Chamber of Commerce. I know that we have had
25 people speak here and say they represent Hispanic

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2 interests, but people that are here, like Peter
3 Fontanes was here in the original bill and Kenya
4 working very hard on this bill, and we were part
5 with Letitia James and Robert Jackson and Sanders
6 to make sure that Hispanics were there. Did I
7 always disagree--always agreed with Tish? No, she
8 knows, but she always respect our comments, she
9 always was inclusive. I feel and my members feel
10 that we was not at this moment put in the holding
11 of--the Deputy Mayor sat down with us, but the
12 City Council did not 'til I requested a meeting
13 yesterday because we got the legislation on
14 Tuesday.

15 I know that some of our members
16 wanted to do a big press conference, we decided
17 not to do that 'cause we did not want to interrupt
18 with this hearing, we wanted to hear all the
19 changes, we wasn't going to go out there and
20 emotional and say women--Hispanic women are not
21 going to get a percentage, when they are, so we
22 wanted to hear the whole story 'til we react.
23 Because someone told us that Hispanics like to
24 react here, we want to change that way of doing
25 things here at this hearing.

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2 My testimony is really the
3 testimony of our 25 Chambers. I'm not going to
4 get--because of time, I'm not going to get into
5 all of it. We do feel that the process of
6 certification has got better thanks to the Deputy
7 Mayor, that's a big complaint. Tish knows that.

8 We had a--one of the reasons why I
9 think the disparity study is not correct and it
10 could be challenged and will be challenged by the
11 U.S. Hispanic Chamber because we've had a issue
12 through our Chambers locally when it comes to
13 being certified and having a affidavit, some
14 Hispanic businesses could not get certified, very
15 large Hispanic construction companies that was not
16 included in this study--in this disparity study.

17 So we have issues with this because
18 we just eliminated, thanks to Univision doing a
19 national story and the Hispanic Caucus getting
20 involved in Washington, DC, and questioning this,
21 and the federal government questioning this, we
22 were able to eliminate the affidavits, so there's
23 no affidavits only for Hispanics. The other
24 minorities didn't have a affidavits, you had to
25 say that you were Hispanic and you had a put a

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2 letter or a letter from your mother like I had to
3 as a Hispanic business.

4 So this is some of the challenges
5 that we've been through when it comes to
6 certification. We feel that John Liu did a study
7 and Hispanics are getting lower now. They're
8 saying now, I know Carmen Arroyo said, oh, you
9 should be happy, why you complaining, Frank,
10 you're going to get more business. We're not
11 getting business now so how can we get more
12 business and have the cap when we're not even
13 getting any nothing now? Right now, the City is
14 against the law that you guys put the first time.
15 You're not making the goals, so how, if we're
16 going to lift the cap, we're going to have more
17 goals, when we're not even doing the goals right
18 now?

19 So I think that we've asked--

20 [Crosstalk]

21 FRANK GARCIA: --the legal counsel,
22 our legal counsel who had to leave, he apologize
23 for not being here from the New American Chamber,
24 Brian Figueroa--

25 CHAIRPERSON MEALY: Okay.

1
2 FRANK GARCIA: --who was here ready
3 to testify, he is looking forward to have better
4 hear--another hearing, that way we could have all
5 our presidents here, we did not have a time to
6 prepare. We got a lot of this documentation on
7 Tuesday when a lot of the other groups got three
8 weeks ago.

9 CHAIRPERSON MEALY: Okay. Thank
10 you.

11 FRANK GARCIA: Thank you.

12 CHAIRPERSON MEALY: We'll be
13 talking. Next.

14 GINA ADDEO: Hi, good afternoon,
15 can you hear me? All right.

16 CHAIRPERSON MEALY: We hear you
17 now.

18 GINA ADDEO: All right, thank you.
19 Good afternoon, Chairperson Mealy and Members of
20 the Committee on Contracts, my name is Gina Addeo,
21 and I have been operating my business, GMA
22 Electrical Corporation, for almost 20 years.
23 Throughout that time, I have been a dedicated
24 supporter and a certified participant of the
25 minority and women-owned business enterprise

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2 programs at both the New York City and state
3 levels.

4 I generally support the changes to
5 Local Law 129, however, there is one issue that I
6 want to repeat that was brought up by Lou Coletti
7 and Councilman Sanders, and that is the definition
8 of a graduate M/WBE. I am interpreting Section 20
9 of page eight of the new proposed Local Law, the
10 new definition of graduate M/WBE in there seems to
11 me to mean that if a firm's size does exceed the
12 standards established for its industry by the U.S.
13 Small Business Association, that that firm will no
14 longer be certified.

15 And I just want to make sure that
16 I'm interpreting that correctly first, and then,
17 you know, if that is the case, I would like to,
18 you know, make my opposition known. And that is,
19 you know, in 1993, I was the first woman in New
20 York City to ever get an electrical license. To
21 have a masters electrician's license is the
22 credential that is needed to own an electrical
23 contracting firm in the city of New York. I was
24 certified as a WBE 18 years ago, and I still am
25 one of the only--there is a handful of us, okay,

1
2 but after being in business for 19 years, I am
3 somewhat successful and I'm really very upset at
4 the fact that this U.S. Small Business list for
5 New York City--I attached it--for the federal
6 government, you know, is--I attached the list to
7 my testimony because I want everybody to be able
8 to see that for a specialty subcontractor, you
9 know, the limit is 14 million, and I know that
10 must sound high to some people, but it really is
11 not a high number.

12 And so I'm just saying that I just,
13 you know, I have more testimony here, but I, you
14 know, I just want to say that I really think, like
15 Councilman Sanders said, we may be giving
16 ourselves an unintended consequence because the
17 firms that are doing this work now that can
18 actually do it--listen, I couldn't get bonding, it
19 took me five years to build my business to the
20 point where I could get bonding and then it takes
21 another five years before you're actually somebody
22 that maybe some of the general contractors
23 actually take seriously. So it takes ten years to
24 get there and then we're going to say, oh, you
25 don't need to be certified.

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2 And this is off the record and not
3 in my testimony, but I will tell you that the
4 larger a company gets, the harder it is to compete
5 in the old boys network because when you're small
6 and you're certified and they say, oh, okay, we
7 can deal with you, we'll give you a little bit of
8 work, but when you start to threaten their--you
9 know, when you come up to their level is I think
10 when they really start to discriminate a little
11 bit more, and that's my own opinion.

12 So thank you for listening.

13 CHAIRPERSON MEALY: Thank you.

14 [Pause]

15 LINA GOTTESMAN: Can almost say
16 good evening. Thank you very much, Madam Chair
17 and the Council Members, for having us here today.
18 My name is Lina Gottesman, I have been a certified
19 woman-owned business, my company is Altus Metal,
20 Marble & Wood, the Gottesman Organization. Since
21 Mayor Dinkins initiated the program, I've been in
22 the program.

23 I would like to say that I am happy
24 to see that there is progress, but I think it's
25 important that you understand 'cause I don't think

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2 a lot of people mentioned this today that for the
3 last seven years Caucasian women have been totally
4 cut out of all the projects. I've walked into
5 projects, the police academy, all types of
6 projects where they said, sorry, there's nothing
7 here for you. And, honestly, they're working so
8 hard at getting the goals met that if you're not
9 in that mix, you weren't getting anything.

10 I realize everyone has said this
11 program, the 911 is not perfect. I am concerned
12 about the disparity study in 2005 'cause I think
13 we all know that was really something that went
14 wrong there. I just would love to know the
15 verification of this study. But I think that if
16 we don't move forward with this now, that it will
17 only hurt everybody, not only the Caucasian women,
18 it will hurt everyone else. Because I think that
19 the old program just didn't cut it for everyone.

20 And on Gina's point regarding the
21 graduation from the program, I think it's very
22 important to realize that the Fortune 500
23 companies of America recognize women-owned
24 businesses, whether you're \$1 million or 500
25 million, okay? The Women's Presidents

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2 Organization, which is a national and
3 international organization, which is supported--
4 which the Fortune 500 companies look to for the
5 certification, I think it's important to realize
6 that if you're a woman, you're a woman no matter
7 what, and if you're a \$50 million woman-owned
8 company, I assure you, there is a \$50 million
9 male-owned firm that is going to get the job.

10 Thank you.

11 LONDEL DAVIS: Good afternoon,
12 Madam Chair and Committee Members, my name is
13 Londel Davis, I am the CEO and owner of American
14 Fire Control, a fire extinguishing maintenance
15 servicing sales company.

16 I have had some success with the
17 M/WBE program for New York City, we've been
18 certified since 2008. I have also have won
19 several contracts and I've lost many contracts,
20 and I've also been robbed of several contract
21 bids. I'd say robbed because we've bid on
22 contracts and we're the lowest bidder and still
23 did not receive the bid, we've been disqualified
24 because of bogus loopholes that they said the bid
25 was too low or not enough experience and several

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other reasons that they just make up as they go along.

I have grown my business from just two owners to 15 employees. We are continuously being met with several obstacles in the bid process that continues to show the discrimination that the New York City procurement process has. There must be a strong penalty for not showing Local Law 911--or not following Local Law 911.

The New York City procurement process mirrors the FDNY process that they had for recruiting trainees. The same way the FDNY was sued by the Vulcans Association should be the same way we should address and attack this discrimination through the New York City procurement process.

New York City has the highest Black business ownership in the United States--this is from the census 2007. M/WBEs get 3% of the New York City contracts and out of that 3%, Blacks only get 6.58%, it's disgusting. And I feel that we need to address this as soon as possible. And I know that Local Law 911 should have a lot more teeth in it than it has now.

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Thank you.

CHAIRPERSON MEALY: Thank you, I agree. Mr. Fontanes, Peter?

PETER FONTANES: Good afternoon. My name is Peter Fontanes, I am the chair of the New York Hispanics in Real Estate and Construction Association, also known by its acronym as HREC. I am also the past chair of the National Hispanic Construction Association and vice president of Legislative Affairs and Ethics for the New York State Coalition of Hispanic Chambers of Commerce, some of our members are here at this table and were here earlier. Our organization, HRECs, is the premier advocacy organization for Hispanic American and migrant construction workers, having been in existence for 15 years and have over 500 members all throughout the state.

I'm here today to accomplish two things. My first task is easy, simply put, I have to congratulate the chairwoman and her fellow City Council Members and her staff under stewardship and the Committee on Contract and, of course, the Deputy Mayor and his staff on their stewardship in the drafting of a bill that provides much needed

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2 changes to Local Law 129. This is the minority
3 woman-owned business enterprise law that mandates
4 City agencies set aside a percentage of contracts
5 for womans and minority groups. So let me repeat
6 myself so we're all clear on this: Our
7 organization applaud most of the changes being
8 contemplated by this Committee.

9 Unfortunately, it is my second task
10 that I have to make sure I can convince you to
11 ponder changing a key provision of this
12 legislation because all else lies on our
13 willingness to accept this bill as it is being
14 contemplated for approval by this Committee. It is
15 our contention that the Latino construction
16 business owner is being thrown under the bus with
17 this bill.

18 The New York Hispanics in Real
19 Estate and Construction Association, the National
20 Hispanic Construction Association, and the members
21 of the New York State Coalition for Hispanic
22 Chambers of Commerce do protest and oppose the
23 provision of this bill granting a mere 4%
24 participation goal to Hispanic Americans and
25 migrant construction business workers. We

1
2 strongly urge the sponsors of this bill to
3 increase the percentage participation for Hispanic
4 Americans and migrants to reflect the true numbers
5 that they should be. We are certain that this
6 bill will greatly cripple Hispanic American and
7 migrant construction business owners and workers
8 as it seeks to lower the participation of
9 municipal construction projects that to a level
10 that flies in the face of reality and common
11 sense.

12 This was the bill designed out of
13 thin air because the reality for the Latin
14 construction community of business owners totally
15 obliterate the conclusion of the disparity study
16 that have yet to be produced. The so-called
17 finding of the study will result in taking away
18 much needed contract procurement opportunity.
19 Under no circumstances can this law stand as it is
20 being proposed. How can we talk about 4% economic
21 opportunity in a city where Hispanic Americans and
22 migrants represent nearly 20% of the population?
23 It flies even in the face of both national and
24 regional studies that have been recently completed
25 by Caterpillar and other organization.

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2 We just had a conference in
3 Washington where they presented this studies and
4 they demonstrated that, in fact, there's a
5 national trend where the establishment of Hispanic
6 construction firms are up to--has been risen by
7 200%. And I would like to remind this Committee
8 that we have been witnessing a recent trend--

9 [Crosstalk]

10 CHAIRPERSON MEALY: --start
11 wrapping up.

12 PETER FONTANES: --in national
13 political discourse that's rearing its ugly head.
14 We heard about the affidavit that we were the only
15 group that had to so-call swear that we were
16 Hispanic. We've also seen the slow pace of
17 certification. I mean, it's no wonder you don't
18 have the type of activity. We've even seen
19 funding to our only--

20 MALE VOICE: Yes.

21 PETER FONTANES: --Latino-based
22 not-for-profit for help assisting certification
23 was decreased. To me, I had to say it's almost
24 like a conspiracy.

25 And I have to point out one thing I

1
2 just learned this morning, this same disparity
3 study has been introduced in Chicago and Atlanta
4 and it was done by the same firm and they're
5 facing--they're looking at us to see what we're
6 doing. I got calls from these cities, they are
7 looking at what's going to happen because we're
8 the first in the trend that is really getting to
9 trying to stop, again, the need for us to move
10 forward.

11 CHAIRPERSON MEALY: Thank you,
12 'cause then maybe we'll do that advisory board.

13 MALE VOICE: Yes.

14 PETER FONTANES: Thank you.

15 CHAIRPERSON MEALY: We really need
16 that Committee. Thank you so much, panel. We did
17 have a question, but they reclined. But one thing
18 I must say, just like you said, if we're not
19 getting the jobs now, imagine now with this cap
20 over, I pray that at least--

21 PETER FONTANES: Yeah.

22 CHAIRPERSON MEALY: --it really
23 open up and we get some jobs. So we can't.

24 LINA GOTTESMAN: Can I just say one
25 thing that would really help the workers of the

1
2 city? Close jobs to everybody out of New York
3 state.

4 CHAIRPERSON MEALY: Wow. Okay.

5 LINA GOTTESMAN: Okay?

6 CHAIRPERSON MEALY: Thank you so
7 much.

8 LINA GOTTESMAN: That's the biggest
9 problem we have because we compete against non-
10 union, against out of staters. Sorry.

11 COUNCIL MEMBER JAMES: You know
12 what's interesting about this disparity study is
13 that the fact they looked at 13 counties, it was
14 in the five boroughs and the surrounding counties,
15 that's one interesting fact.

16 Number two, others have suggested
17 that we just do business in the city of New York,
18 I suggested it a long time ago when I worked in
19 the state legislature and then when I became a
20 City Council and it's illegal to do that because
21 other jurisdictions would do the same--

22 CHAIRPERSON MEALY: Yes.

23 COUNCIL MEMBER JAMES: --and so--

24 CHAIRPERSON MEALY: We--

25 [Pause]

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CHAIRPERSON MEALY: --be locked out
everywhere.

COUNCIL MEMBER JAMES: Exactly,
thank you.

CHAIRPERSON MEALY: Thank you.

LINA GOTTESMAN: [Interposing] It's
just tough when you lose a job--

[Crosstalk]

LINA GOTTESMAN: --to someone from
Oshkosh, you know?

CHAIRPERSON MEALY: Yes. Thank you
so much, panel--

LINA GOTTESMAN: Thank you.

CHAIRPERSON MEALY: --looking
forward to getting that advisory board together.
Ms. Carol Kleinberg?

FEMALE VOICE: She left.

CHAIRPERSON MEALY: Lenore Janis,
yes. Florence Chilton, Reginald, I'm sorry,
Swiney.

[Off mic]

CHAIRPERSON MEALY: Uh-ohs. Steve
Margarella--

[Pause]

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CHAIRPERSON MEALY: Sharon
Sinaweew?

[Long pause]

CHAIRPERSON MEALY: Let's try to
stay, 'cause I'm getting calls from the head.

[Pause]

CHAIRPERSON MEALY: These three
minutes.

[Pause]

[Off mic]

CHAIRPERSON MEALY: Two people on
the next one.

FEMALE VOICE: No.

CHAIRPERSON MEALY: Ma'am, you
could start.

[Pause]

SHARON SINASWEE: Good afternoon,
everyone, Chairperson Mealy, Members of the
Committee, Council Members, my name is Sharon
Sinaweew and I am the president and CEO of Armada
Building Services, a janitorial and interior
finishes company, and I'm here to share my
personal testimony.

The M/WBE program has assisted in

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2 growing my firm. I migrated 21 years ago from
3 Trinidad and six years ago I started my business.
4 In the first two years of my business, as with
5 many first-time small businesses, you try to make
6 it on your own, you try to find solutions to
7 challenges on your own, to get financing, get
8 clients, you do all of this on your own, but,
9 really, it's just a matter of survival and not
10 growth.

11 In 2008, that was the first time I
12 found out about the--becoming an M--the benefits
13 of becoming an M/WBE and I think I will pinpoint
14 that as a change in the vision from my business
15 and it sort of started me down the road to a
16 little bit of growth. I learned that I am
17 qualified to be a contractor with the City and
18 State of New York as a minority and woman-owned
19 business and it was a very thorough process of
20 becoming an M/WBE but it really does not end
21 there.

22 Since being certified I have had a
23 lot of helping hands associated with the Small
24 Business Services who have guided me and I've won
25 three contracts with the City since 2008, I've

1

2 lost many, many more, and there were a number of
3 reasons, some of which were spoken about today,
4 you know, capacity, bonding being one of the key
5 issues and so on.

6

7 But I can state that using the
8 services of the SBS and as an M/WBE, one of the
9 major benefits is being made aware of the
10 contracts that are out there and being--having the
11 ability to be involved in the bidding process. I
12 have used some of the other services as well for
13 hiring and some of the other programs that are
14 involved. And I'm currently one step away from
15 becoming a qualified vendor with the HPD under the
16 Tenant Interim Lease M/WBE program. So there are
17 definitely some benefits for us to hold on to this
18 program and, of course, to improve on it.

18

19 I have read the disparity analysis
20 in the current proposed bill and overall I urge
21 the Council to pass the bill, primarily because it
22 would allow for more W/MBEs the opportunities to
23 participate in the bidding process to grow their
24 businesses and hire from the community at the
25 prevailing wages, which I think is important.

25

I support removing the cap and

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2 increasing the goals and, as I said before, due to
3 the awareness and support of the utilization of
4 the SBS services, I think more minority and woman-
5 owned firms should have the opportunities to do
6 business with the City of New York. But,
7 Chairperson Mealy, while I do support the current
8 proposed bill, I anticipate and I understand that,
9 due to the conversations that we've had today,
10 that the goal for Caucasian woman in construction
11 will be amended to some extent to include all
12 minority woman. Thank you.

13 CHAIRPERSON MEALY: Thank you.

14 Next?

15 LENORE JANIS: Hi, my name is
16 Lenore Janis, I'm president of the Professional
17 Women in Construction, a non-profit organization
18 established in 1980 to assist and advance business
19 and professional women in construction and allied
20 industries. Of the dozen women who originally
21 founded PWC 33 years ago, many of us were treading
22 on ground that never saw a woman's footstep.
23 Believe me, we needed a lot of help in the
24 beginning in an industry that discouraged women.
25 Today, PWC has over 1,000 members, we have six

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2 chapters in New York, New Jersey, Connecticut,
3 Pennsylvania, South Florida. We have close to 600
4 of those members right here in New York City.

5 Our thanks to President Jimmy
6 Carter, who started the ball rolling with his
7 Executive Order to assist minorities to get into
8 and stay in business. At that time, women, the
9 largest of the minority populations, were excluded
10 from the world of business, finance, and, of
11 course, the construction industry. To compound
12 the injury, certain schools specializing in
13 architecture and engineering had a quota system or
14 were closed to women. By 1983, Governor Mario
15 Cuomo of New York State hit on a 5% goal to make
16 sure that women-owned businesses would be able to
17 participate on public projects.

18 Nineteen-eighty, at that time, I
19 was the sole owner of a steel erection firm known
20 as Era Steel--remember ERA?--and I was one busy
21 woman, building bridges for the DOT, train and
22 subway stations for the MTA. Thanks to Locals 40
23 and 361, I had the very best ironworkers.
24 Fortunately, the unions did not see me as a woman
25 but simply as a person who could bring in

1
2 contracts and keep their men busy during a
3 downturn in the industry. Era Steel had a
4 reputation for bringing the jobs in on time and
5 within budget.

6 But strange things happened. One
7 happy contractor wanted to make me his house
8 woman, another one suggested I sign the contracts,
9 but stay far away from the actual job, others
10 tried stiffing me on my payments--what else is
11 new. To grow the business, I went to the bank for
12 a business loan, they refused to give me anything
13 over \$10,000 unless a man would sign for the loan--
14 perhaps a father--dead; a brother--in California;
15 a husband--non-existent. I discovered that loans
16 were being made by the U.S. Small Business
17 Administration. A male minority loan was up to
18 \$150,000 and the woman's mini-loan, up to 25,000.
19 Of course, as a female person, I was eligible only
20 for the woman's mini-loan, I took it, I asked no
21 questions, I paid them 12% interest, and I paid it
22 all back. I wonder if the SBA loan service still
23 continues its discriminatory loans.

24 So I can speak to you not only as a
25 PWC official engaged in making this a better place

1
2 for women to seek careers and grow in an industry
3 owned and dominated by men, but as someone who was
4 in the life, so to speak. I have also seen it
5 all--from the phoney baloneys to the industrious,
6 hard working women, to the men in the industry who
7 value our brains and brawn and the moms and pops
8 who want their daughters to become professionals
9 and business owners.

10 Right now is a critical time for
11 the City of New York. You must hasten to include
12 all women in the goals system. No, this is not a
13 perfect law but it must pass. Revisions to the
14 law can always be made, but the need to correct
15 the terrible damage inflicted by the City on
16 women-owned businesses since 2005 is paramount.
17 Hey, my tax money is involved in all this. May I
18 suggest to you take a good look at the City's
19 M/WBE certification process, therein lies the
20 problem.

21 Thank you.

22 CHAIRPERSON MEALY: Thank you.

23 FLORENCE CHILTON: Good afternoon,
24 my name is Florence Chilton; I'm the owner and CEO
25 of Florence Construction Corporation. I've been

1 working in the construction industry since 1998.

2 I would like to thank the Committee for inviting
3 me to speak--testify here today at this historic
4 event; and praise them for correcting a wrong, for
5 implementing this law, standing up for the rights
6 of all, regardless of gender, race, or ethnicity.

7
8 I started my career in 1988 as an
9 apprentice operating engineer working in the
10 field, making the most of the opportunity before
11 me. I endured against discrimination then, I was
12 considered the token female; I was harassed by my
13 co-workers and supervisors; I was told I should be
14 home cooking and that I'm taking a man's job. I
15 was forced to carry a screwdriver in my pocket
16 just to protect myself to be ready when the verbal
17 attacks would turn to aggressions. I did not
18 allow those abusive attacks to sway me from
19 achieving my goals.

20 Others did, I know women who have
21 since given up, they couldn't take the abuse, and
22 they have suffered from it. I thank God that I
23 was able to withstand the abuse. I can operate
24 any piece of heavy equipment out there, I have my
25 New York State crane license. I am thankful for

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the women before me.

Nothing comes easy. Starting my business as a WBE was not a golden egg and it did not produce a golden goose. Contractors do not want you there, they are tolerating you; you are a piece of the project or a fine, a good faith effort, or a waiver. Not a entrepreneur willing to work as hard as it takes to get the job done, not treating you in the spirit of the M/WBE program to assist that we succeed. They go for the cheaper subcontractor regardless of M/WBE or not; whether they are complying with local ordinances, prevailing wage labor laws or not. Regardless that they have submitted you as the M/WBE or as the WBE and then they retract the \$4 million contract. Who vets the subcontractor that replaces you?

M/WBEs can't afford to fight, they rely on the agency to stand up for them, and still they lose the \$4 million contract. How does that happen? Who vets them?

I'm here today to continue to stand up for the future generations so that they too will not be discriminated against. That they too

1
2 will have the opportunity to have a fair playing
3 field. Being treated the same, equally, fairly,
4 without discrimination, to have an opportunity as
5 a contractor or a subcontractor to bid on any
6 project without discrimination.

7 Please do not misunderstand me.

8 The M/WEB program is not a golden egg, it's an
9 opportunity to get your foot in the door. There
10 are still a lot of holes in the program, such as
11 the good faith effort or waivers.

12 Dishonesty, sources of scandalous
13 behavior, cheats and cheating, they exist. When a
14 contractor is allowed to hire a cheaper firm,
15 M/WBE or not, any project that the agency doesn't
16 vet three bids from subcontractors as they do with
17 primes who are bidding, it hurts, it damages
18 honest M/WBEs. It puts us out of business. We
19 are entrepreneurs, socially and economically
20 disadvantaged. We work long hours, as many hours
21 as it takes. We need assistance--financially,
22 educationally, but most of all, an advocate, with
23 honesty, transparency, and integrity.

24 I have met wonderful honest and
25 goodhearted people, companies, and individuals

1
2 along the way. I have also met mean, dishonest,
3 disgraceful companies and individuals. Please
4 continue to do the right thing, such as you are
5 here doing here today.

6 In closing, I just want to thank
7 the board for doing everything they've done here
8 today and with everything. Thank you.

9 CHAIRPERSON MEALY: Thank you so
10 much.

11 FLORENCE CHILTON: Thank you.

12 CHAIRPERSON MEALY: Thank you.

13 REGINALD SWINEY: Good day
14 everyone, good evening. My name is Reginald
15 Swiney, I'm the CEO of R & S Painting and we're a
16 minority firm. Been certified since 1993 with
17 every single agency.

18 Just have to just clear the record
19 and help the Council understand that the last few
20 testimonies were kind of like pulling my hair out.
21 For one, EMR ratings have nothing to do with
22 getting certified, have nothing to do with goals
23 being met, that's a lockout mechanism when you
24 start to bid jobs because now the way they get
25 minority companies or small businesses, whether

1
2 they be Black, women, or White, is your EMR
3 rating. That's a workmen compensation issue for
4 accidents so if we're not getting contracts, then
5 we're not getting any accidents.

6 Clear the record on another thing
7 really quickly, it's not part of my testimony, but
8 I'm going to help you. Most of the companies that
9 are being indicted that the federal government has
10 leaned on, which I added up to be \$200 million
11 worth of fine with no jail times, are not minority
12 companies, those are big boys wheeling and dealing
13 and getting by with the M/WBE falsifying records.

14 MTA, let me clear another thing for
15 you guys, the walkthrough mechanism, if they want
16 to come out and they want to do a walkthrough on
17 an--a minority company or small White female
18 company, well while they're doing the walkthrough,
19 let's pull their financial records. You know,
20 walkthroughs are to see if you state that you are
21 a supplier or if you're a contractor, you have
22 equipment. Some companies are startups, in order
23 for them to get these equipments and these
24 suppliers, they got to start working and start to
25 build towards that.

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2 So when they want to come out and
3 do walkthroughs, there was a question about the
4 bank signature cards, SBS, I got a little annoyed,
5 I just got recertified for another five years,
6 they were asking for my stock documents. I said,
7 what do you need my stock documents, well what I
8 went home and I thought about this, well if on
9 your stock portfolio of the shares, you got to be
10 listed as owning the shares. So instead of
11 arguing with everybody over, I came the next day
12 and said I apologize, here it is, 200 par in my
13 name. So we're going to cut out all those putting
14 the company in your wife name and hiding your
15 assets and all that. So that's one thing you guys
16 got to think about.

17 Here's another thing, if I'm
18 grossing \$15 million, I will say to the program,
19 thank you, you have gotten me on my way. That cap
20 will open up the door for other folks just like
21 the people that are sitting here to get in the
22 game. People that are sitting here and
23 complaining about a cap and they're talking about
24 a \$15 million cap and then I'm graduated out of
25 the program, I think they're being greedy.

1
2 That's the next thing. So then the
3 first panel that sat here, everybody's praising
4 those guys, I just found out about this two days
5 ago, somebody shot this to me, they said, Reggie,
6 you got to be here 'cause you got the brains and
7 power and you understand it. So when they come
8 and they speak on behalf of the minority
9 community--

10 [Off mic]

11 REGINALD SWINEY: I beg your
12 pardon, I know, but I'm watching the clock. So
13 that's something you guys got to be careful with.

14 The SBA needs some more teeth,
15 they're doing what they're doing. I'm a recipient
16 of the BOC lending program through their program,
17 unfortunately, the contractor won't sign the
18 letter of assignment so we can't get the money.

19 Another quick thing, you're ACCOs,
20 put them on the chopping block. They pick and
21 choose who wants to--who gets to work. There
22 should be accountability. If you have a minority
23 company that has gotten certified and did not live
24 up to the civil right legislation, that's where it
25 came from, they should be banned. If they're

1
2 wheeling and dealing, if they're working out of
3 their trade classification, they should be
4 eliminated out of the program, you have to do
5 this.

6 Another thing, single--when you
7 say, I heard in this legislation that you want to
8 allow the M/WBE contractor that won the contract
9 to be a part of the goal package, then he's never
10 going to sub no work out. You got to be careful
11 with that. You know, it's very important that
12 whoever wins a bid and there's goals placed, they
13 must exercise these goals, that's going to sprew
14 [phonetic] business, people are going to get jobs.

15 My last point--

16 CHAIRPERSON MEALY: Quickly.

17 REGINALD SWINEY: --quickly, DEP
18 has been really good, they had a strong person
19 over there named Alan Wasserman, he mold me,
20 because I've been into some compliances hearing
21 where contractors were pulling the wool over that
22 agency head, they called me in, they--you need to
23 go back in to the audit process. SBS was doing a
24 audit, the young lady checked behind the
25 contractors that was putting people down, saying

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2 they're going to use them, next, you know, they
3 called me, they had a third-party agency call up
4 the next guy, before you know it, the contractor's
5 calling me the next day giving me a contract.

6 We went union on 9/27/2012 because
7 the project labor agreements and everything have
8 killed my business. This administration, I came
9 in through the Giuliani Administration, bids were
10 open, we were bidding, we were doing what we need
11 to do, and you got to not get bamboozled with this
12 legislation. When you drop our goals and you
13 increase others, you're not playing fair.

14 And the gentleman said something
15 that is on the--that we're thinking about, you may
16 be challenged when you start to do this. So
17 hopefully next year I'll be sitting on the City
18 Council with you guys 'cause I'm running and I'm
19 one of the smartest cats out here 'cause after 18
20 years of this, this was--

21 [Crosstalk]

22 CHAIRPERSON MEALY: [Interposing]

23 Thank you.

24 REGINALD SWINEY: --stop.

25 CHAIRPERSON MEALY: Thank you.

1
2 STEVE MARGARELLA: So soon? I'm
3 sorry.

4 CHAIRPERSON MEALY: Next?

5 STEVE MARGARELLA: I'm Steve
6 Margarella, I'm the president of Margarella
7 Industrial Construction. I'd like to thank the
8 Chairwoman and it's nice to see you again,
9 Councilperson James.

10 I am an EBE contractor. EBE,
11 right, right. It's on the title page of the
12 document that you read, it's actually number one
13 next to WNM, and it was in this meeting in 97
14 minutes before Councilperson James brought it up
15 and it was brought up briefly by Councilperson
16 Sanders after that. Briefly, in mention. And the
17 point I'm trying to make is the some way that it
18 wasn't discussed in this meeting at all today is
19 the same way it isn't discussed at all in the
20 construction industry.

21 And, in fact, when I address it to
22 the SBS, several times over the last two years, my
23 being the first EBE contractor, I'm told that the
24 Mayor's office just wants W's. So there is in
25 fact no work for an EBE, zero. So I spent all

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2 that time, all that money, jumped through all of
3 those hoops to get that certification when in fact
4 I can get on the phone with any one of a dozen
5 City agencies right now, talk to chiefs of
6 construction, project officers, and procurement,
7 ask them about a EBE and they say, what? When I
8 call SBS, their answer to me is, the Mayor just
9 wants W's. I'm making that call once a month for
10 the last 18 months to 2 years.

11 And so my point is, the same way as
12 it happened here today, it's not discussed, it's
13 not brought up, and when I ask the SBS, well why
14 not just put out an informational letter so that
15 they know what this is so that at least I have the
16 opportunity, they say well we're working on it.
17 So I'm here today to ask you to help them to work
18 on it. I'm speaking today so that no one from SBS
19 is here because I would have loved to address them
20 personally, including the Mayor's person. I'm not
21 going to get into the modalities of the study,
22 common sense and logic defy how percentages can go
23 down, I'm not going to have that conversation.

24 But the truth for me is that,
25 without support from this body, that myself and

1
2 other EBEs will never get to where you want us to
3 be. I don't see it as a right, I see it as a
4 privilege. I would ask you in your deliberations
5 to use two things as your guiding principles: One
6 is transparency and the other one is
7 accountability, and the SBS demonstrates neither.

8 Sorry. Because had there been
9 accountability, I wouldn't be having this
10 conversation with you today and you could freely
11 ask them to show you what they're doing with the
12 EBEs and they could freely answer you, when in
13 case they can't. And so--oh, is my time up?
14 Okay. And so, you know, my request from you--and
15 the other thing too is very important and I don't
16 want this to sound--I am for this legislation, I
17 think it's good, flawed as it may be, I think it's
18 the best of what we got.

19 Additionally, opinions differ on
20 the PLA, but I will tell you for sure we had the
21 GCA here and the BCA here, I cannot go to work on
22 a GCA site because I am not signatory with some of
23 the unions that they use. Whereas, if this body
24 in this legislation decided that when we went on
25 GCA or union sites, we were able to go in through

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2 PLA agreements, we would then be given the
3 opportunity--we would be given a much larger
4 opportunity to work on more sites. The way it
5 works now is any construction that's coming out of
6 the ground is GCA, it's straight union which
7 precludes myself because I don't--I am not
8 signatory with some of the unions that I have to
9 use.

10 Let's see, what else? The other
11 thing is there's a very, very generous waiver for
12 general contractors in this document. It's way
13 too generous. And in fact, if you looked at this
14 and if what we're talking about and we're talking
15 about bringing--if we're talking about getting M's
16 and WE's and having those companies generate
17 employment, on a whole, you know, something as
18 simple as if you can't find a W to do the work you
19 have to use an M; and if you can't find an M, you
20 have to use an E, you don't let them off the hook
21 because then what you do--what you just did was
22 you expanded their contractor pool many--
23 multiplied geometrically. So that money has to go
24 into this community, it has to.

25 Compliance, there is nothing more

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2 important than, you know, the Consumer Affairs
3 has--it's gotten cut down, but it used to have an
4 enforcement arm and they would go around and they
5 would try to find home improvement contractors
6 that weren't licensed, it's the same thing. You
7 know, we're talking about construction companies,
8 let's face it, we're not working out of a closet,
9 you know, we have to have offices, we have to, you
10 know, even if you're doing startup, you still have
11 some space where you are working from. It's
12 easily documentable, it has to be done. It has to
13 be done for you and it has to be done for us
14 because we need to keep the real contractors in
15 the game and get the skells out of the game. We
16 can't do that without your help. That's your
17 responsibility--not yours yours, but you know what
18 I mean.

19 In closing, I'd like to say thank
20 you very much and, like Reggie, if there's
21 anything that I could do to offer my assistance to
22 you, I have a long background in this, and I for
23 sure would like someone--for you to have someone
24 from Small Business answer my request on why we
25 are not able to bid any of that work. Thank you.

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CHAIRPERSON MEALY: Thank you.

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Thank you. That is--

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[Off mic]

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REGINALD SWINEY: I participated

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and was questioned in all of the disparity

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studies, giving my opinion on what was, you know,

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they questioned you and everything like that and

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one of them was posted, but the other wasn't so,

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you know, that's something to look at and find out

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what the--

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CHAIRPERSON MEALY: [Interposing]

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You the first.

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REGINALD SWINEY: --feedback,

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that's what it was. Thank you.

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CHAIRPERSON MEALY: Thank you.

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REGINALD SWINEY: Have a good night

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everyone.

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CHAIRPERSON MEALY: Thank you,

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thank you. Thank you for your patience also. We

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have Kristine DeNapoli, Douglas Frazier, Frazier,

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Regina Smith, William Parrish. This is our last

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panel.

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[Off mic]

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CHAIRPERSON MEALY: Yes.

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MALE VOICE: Hey, wow.

CHAIRPERSON MEALY: I thought we had four, there's only three?

[Crosstalk]

CHAIRPERSON MEALY: Oh, okay.

FEMALE VOICE: --testify.

CHAIRPERSON MEALY: Okay. Just start. Like, today.

KRISTINE DENAPOLI: Me?

CHAIRPERSON MEALY: Yes.

KRISTINE DENAPOLI: Good afternoon, good evening, Chairperson Mealy and Members of the Committee on Contracts, my name is Kristine DeNapoli and I have been operating my business as president of KND Electric for almost 15 years. Like the other contractors here today, I have also been a dedicated supporter and certified participant of the minority and women-owned business enterprise programs at both the New York State and City levels.

I additionally take the position of generally supporting the proposed changes to Local Law 129 with the exception of the new definition of a graduate M/WBE as described in the previous

1
2 testimony by Gina Addeo of GMA Electric, Lou
3 Coletti of the BTA, and Lina Gottesman of Altus
4 Metal and Marble. As James Sanders pointed out
5 before, we do not need to be beholden to the
6 federal opinion on limits on revenues and, in my
7 opinion, a limit at all.

8 I am pleased to be able to say that
9 I was not the first woman to obtain a master
10 electrician's license, however, unfortunately, I
11 am still only one of a few women to have this
12 professional credential necessary to be a
13 certified participant in many of the M/WBE
14 programs. My company is, therefore, also only one
15 of a few certified women-owned electrical
16 contracting companies available to meet the
17 demands of the participation goals.

18 With that being said, in addition
19 to the high cost of construction in New York City,
20 that would prematurely cause a graduation of many
21 qualified and capable M/WBE companies. The
22 adoption of the new definition of a graduate M/WBE
23 will also make it more difficult for the general
24 contractors to meet their M/WBE goals, as well as
25 diminish their pool of competitively priced bids

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2 for these goals. I respectfully ask, is it the
3 standard of the City to adopt this definition that
4 ultimately limits the competitive bids for the
5 participation goals and is it in the best interest
6 of the taxpayers' money?

7 The goals of the M/WBE programs are
8 to work towards the day that disparities will no
9 longer exist for minorities and women. Imposing
10 limits at all is highly subjective, will only
11 impede the progress, and contradicts the purpose
12 of what these program are intended to do.
13 Discrimination does not cease to exist at a
14 revenue limit.

15 And I offer my assistance in any
16 way and I thank you for your time.

17 CHAIRPERSON MEALY: Thank you.

18 [Pause]

19 CHAIRPERSON MEALY: Frazier?

20 DOUG FRAZIER: Hi, my name is Doug
21 Frazier, I am a co-founder of Urban Communications
22 Transport and I'm a co-founder of the Digital
23 Divide Partnership. I am an engineer by trade. I
24 was born and raised in Harlem and I went to the
25 same elementary school that my mother and father

1
2 went to, so I'm a lifelong New Yorker. I'm here
3 to talk about equity.

4 Equity, if you look up equity, it
5 means the relationship and perception of fairness
6 in distribution of resources within a social and a
7 proposed group, and what we have in this city is a
8 lack of equity. My company has been around and
9 we've seen nine DoITT commissioners, six NYCHA
10 chairs, and I saw Walter McArthur here earlier and
11 we received the franchise from the City of New
12 York in 1992, which is the largest franchise in
13 the history of this country ever granted to a
14 African American company. I spent ten years as a
15 entrepreneur residents for a Black private equity
16 firm run by some Harvard MBAs, I've been all over
17 the country and they funded BET, Radio One, every
18 Black-owned cable company in this country, they
19 funded. I was the entrepreneur in residence with
20 those particular guys. I raised \$7 million from
21 them, we paid the City \$5 million in franchise
22 fees, and we've gotten no business from the City
23 of New York--none, not a penny, no equity.

24 And I've listened very carefully to
25 all the things that was said here today about

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2 these things, about these percentages and all of
3 these other things and I can tell you right now
4 that they don't mean anything because the system
5 is set up for White guys to win every time.

6 Now, the Department of Information
7 and Telecommunications, whenever they have an RFP,
8 guess what, we've never been able to bid on any of
9 their projects because, guess what, they'll figure
10 out all kinds of dirty tricks. Every trick you
11 name, every trick that I heard up here, they've
12 already tried on me. From bonding, we couldn't
13 get a bond so we went and put up \$400,000 as a
14 letter of credit so that you didn't need a bond,
15 so I'm authorized to dig up the city, I do this
16 stuff all the time, I work with the NYCHA housing,
17 NYCHA tenants, we put in cameras. I've asked
18 Letitia James, we wrote to her and she very nicely
19 wrote us back, and you ask Carol Post for copies
20 of contracts for minorities, and I know you didn't
21 get it because there are none. Cas Callaway was
22 here earlier today and I don't think anybody
23 picked up on this, he said in 2005 they spent--
24 they gave \$3 billion to minority companies, what
25 he didn't tell you was that when he said it,

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2 nobody called him on it, that the City spent \$10.7
3 billion every year, so they spent \$90 billion in
4 ten years giving it to White guys and those White
5 guys--the select group that they call prime--and
6 I'm sorry I'm going over, but this is important--
7 the select group that they call primes, those guys
8 are not being asked to be certified. So they ask
9 everybody else--White women, Asians, Blacks,
10 Hispanics--to be certified and White men are not
11 being asked to be certified and they win every
12 bid. So if we have a system that continues to
13 have some sort of entitlement for these White
14 guys--whoever they are, and I don't mean any
15 disrespect to anybody who is a M/WBE, don't get me
16 wrong, or to White--

17 [Crosstalk]

18 DOUG FRAZIER: --or to them in
19 general, but you have a system here where there's
20 no equity, and when you don't have any equity, you
21 have to learn to connect the dots.

22 The reason why the kids that we
23 have are doing what they're doing because there's
24 no winners, there's no one that can give them a
25 job, no one's going to give the baggy pants kid a

1
2 job, why should they? You've seen these guys get
3 up here and talk about how they have been having
4 difficulty getting contracts and making these
5 contracts happen, but no one's talked about the
6 disparity and the lack of equity and we have a
7 system where we're taking tax dollars and giving
8 it to one group of people and favoring them over
9 everybody else. And I want to know why aren't you
10 doing something about that, why are we sitting
11 around here allowing the people to get up and talk
12 about percentages and why--and thank God for the
13 White women because look how they treat the
14 mothers of their children, the mothers of their
15 children, their sisters--

16 CHAIRPERSON MEALY: [Interposing]
17 Sir, you're getting off topic now.

18 DOUG FRAZIER: No, I'm not, I'm not
19 getting off topic, I'm saying that those people
20 are being treated as minorities and that's not
21 right, that's not right. And they shouldn't have
22 taxpayers' money to their benefit and that's
23 what's going on here, and that's--we're sitting
24 here arguing and complaining over crumbs,
25 meanwhile, there's one group of people who are

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getting everything. I--

CHAIRPERSON MEALY: Thank you.

DOUG FRAZIER: --want to see something done about it.

CHAIRPERSON MEALY: Well we working on that right now, we have--

DOUG FRAZIER: [Interposing] You're not doing enough.

CHAIRPERSON MEALY: --at least we trying.

DOUG FRAZIER: Well we got to do more than try.

CHAIRPERSON MEALY: This legislation will at least lift the cap and we're start putting stronger, stronger legislation, it's only the beginning.

DOUG FRAZIER: You know--

CHAIRPERSON MEALY: We came a long way--

[Crosstalk]

DOUG FRAZIER: --they spending, they spending \$1.7 million every hour. Since we've been here, they've already--the City's already spent 9, \$9 million, \$9.8 million since

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we've been sitting here.

CHAIRPERSON MEALY: Thank you.

DOUG FRAZIER: I'm just saying,
it's the math.

CHAIRPERSON MEALY: Yes, sir, thank
you. Next panel.

WILLIAM PARRISH JR.: Thank you.
Good afternoon, this was prepared earlier.

CHAIRPERSON MEALY: Evening.

WILLIAM PARRISH JR.: Good evening,
Speaker Quinn, Chairperson Mealy, Member of the
Contracts Committee, and Council Members, my name
is William S. Parrish, Jr., I'm president and CEO
of NobleStrategy and NobleStrategy New York, Inc.,
and I am here to share my personal testimony on
how the City's M/WBE program has been an asset in
growing my firm. And let me just state that I'm
certainly here as an advocate and look forward to
continuing to be committed, as I'm one of the last
speakers here, they told me 1 o'clock, but I am
very much committed to work with--

CHAIRPERSON MEALY: Thank you.

WILLIAM PARRISH JR.: --with you,
to continue on this path and this progress that we

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so sorely need.

I have been in front of members of the City Council earlier this year in support of various opportunities to increase minority and women-owned business utilization and participation on City contracts and have offered a few white papers on strategies that could be considered, in addition to the strengthened legislation in Local Law 129, and I'm very pleased to support that new legislation. And that was primarily on professional services, not particularly lawyers, accountants, and investment bankers, but architects, engineers, and construction managers. A lot of the discussion has been around contractors and I don't want you to leave out the construction managers, who sometimes fall into the professional services category and get skipped.

Being a New York City construction industry veteran of over 25 years, a LEED accredited professional since 2004, and an adjunct professor at New York University since 2007, I have had the pleasure of seeing firsthand how City contracts and local legislation can support growth in business sectors. I have long advocated for

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2 the awareness and enforcement of current
3 legislation and am very pleased to see this body
4 supporting even greater changes with this bill
5 that will increase competition and create new
6 opportunities for M/WBEs across the city.

7 NobleStrategy, is a certified
8 minority MBE, SBE, and DBE professional
9 construction resource focused on delivering
10 professional construction management services
11 consisting of estimating, safety analysis,
12 scheduling, sustainable design and building
13 practices, and project management to public and
14 private clients entities in the commercial,
15 education, K 12 and higher education, and
16 government sectors. The company serves the
17 metropolitan New York, New Jersey area and is
18 currently located at 2601 Frederick Douglass
19 Blvd., in Harlem, New York.

20 NobleStrategy, through its
21 construction management and consulting operations,
22 employs licensed professionals in construction
23 safety and in project management, as well as
24 trained business managers in strategy and
25 solutions required in the delivery of large-scale

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2 construction projects. The firm consists of
3 roughly of 21 employees and seasonally employs
4 consultants for specialty projects. Based on
5 existing contracts, the firm is expected to
6 achieve gross sales of approximately \$3 million
7 for fiscal year '12, which is not nearly our fair
8 share based on equity parity or our competencies.
9 Originally conceived in 1999 as an independent
10 consulting firm, our limited liability company was
11 formed in 2002 and incorporated in 2010, and seeks
12 to further develop business opportunities
13 throughout the tri-state area. Over the last
14 seven years, we have worked extensively with
15 various city agencies and have supported the
16 development and growth of several other minority
17 and women-owned business firms through our
18 technical solutions and mentoring.

19 Services we have received--and I
20 just want to indicate that we have benefited from
21 the program--being a city-certified firm has
22 assisted our firms' growth in numerous ways and we
23 have benefited tremendously as part of the
24 legislation that creates, supports, and enforces
25 opportunities for M/WBEs. We have gained access

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2 to key city agencies and further understood the
3 procurement process; we have won contracts with
4 several city agencies where we were not doing
5 business before. We have increased our profile
6 and built the solid brand with the assistance of
7 the Mayor's Office of Small Business Services.
8 We've also received relocation assistance when we
9 moved our business from New Jersey to New York in
10 the form of a energy efficient heating grant on
11 our lease upon the time we moved in.

12 Challenges we've overcome. Our
13 firm has had the challenge of getting started
14 during the worst recession since 1931, but we
15 struggled past several issues that affect firms
16 growth by making bold moves. We are still faced
17 each day with shrinking financing options, higher
18 required credit profiles, and increased
19 competition at all contracting levels. At one
20 point, large firms only competed against large
21 firms, but during this recession we have had to
22 adjust to the challenge of large firms competing
23 for work in small to midsize categories just
24 because it was the only work available.

25 We have also had to overcome the

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2 various contract rules that sometimes prevent
3 firms from competing on an equal level with other
4 firms larger and having more time in the
5 marketplace than emerging and local M/WBE
6 businesses that include prequalification, bonding
7 thresholds, financial limit filters, subjective
8 scoring criteria on selection committees on RFPs.
9 So on professional services, it's not low
10 responsible bid, it's a selection criteria.
11 Oftentimes, it's very subjective, it's not
12 objective at all and people can score any way they
13 want. And agencies not using common data or
14 bidding rules across agencies.

15 Local Law 129 amendment will assist
16 our growth, increased opportunities over \$1
17 million, highlighting exposure for new provisions
18 to gain agency compliance. Recognition of M/WBE
19 emerging firms in consideration of opportunities
20 where discretion is utilized. Opportunities for
21 new firms to break the circle of familiarity that
22 often exists in procurement, and inclusion in the
23 diversity discussion when project opportunities
24 arise, in the beginning, on the professional
25 services side, not all the way down when it's

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subcontracting time, but in the beginning.

Times are especially tough for M/WBEs seeking to do business with the city agencies as the achievement of participation goals has been woeful. However, as bad as the current economy is for business, the issue of building capacity for M/WBEs is being significantly hampered by some institutional practices of municipal governments and public construction agencies. The new proposed bill to amend Local Law 129 directly addresses some of those challenges and provides a substantial base for others to view best practices, as DASNY has done with increasing their number of professional services in investment banking and book running.

So we ask--we support the amendments which provide a substantial base for others to view best practice put in place by the City of New York and that's the reason why we support the amendments. Thank you. Thank you for allowing me to finish.

CHAIRPERSON MEALY: Thank you so much. We have one comment, Tish--

[Crosstalk]

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COUNCIL MEMBER JAMES: Just, Mr. Parrish, I just want to congratulate you under the proposed bill, professional services for African Americans, the participation goal increases from 9% to 12%--

WILLIAM PARRISH JR.: Thank you.

COUNCIL MEMBER JAMES: --of total annual agency--

[background noise]

COUNCIL MEMBER JAMES: --on such contracts, so hopefully you'll make more and you'll one day get to that \$15 million mark that was mentioned earlier.

WILLIAM PARRISH JR.: Yes.

COUNCIL MEMBER JAMES: And--

[Pause]

COUNCIL MEMBER JAMES: --
congratulate you and--

[Pause]

COUNCIL MEMBER JAMES: --all of the panelists who came to testify here today. And thank you, Madam Chair.

CHAIRPERSON MEALY: Thank you.

WILLIAM PARRISH JR.: Thank you.

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2 CHAIRPERSON MEALY: Thank you so
3 much. Well that was our last panel. In closing,
4 I would like to thank everyone who testified here
5 today, it has been a long day, and we have heard a
6 lot of good recommendations on how the M/WBE
7 program can be improved. You can be assured that
8 everything that was said today will be thoroughly
9 considered as we move to strengthen the program to
10 ensure that it's a level playing field for all New
11 Yorkers. And I thank you, and good evening. This
12 meeting is now adjourned.

13 [Gavel]

C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature Tammy Wittman

Date October 25, 2012