

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS JOINTLY WITH  
COMMITTEE ON SMALL BUSINESS AND THE  
COMMITTEE ON WOMEN'S ISSUES

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December 14, 2015

Start: 1:15 p.m.

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HELD AT: Council Chambers - City Hall

B E F O R E: HELEN K. ROSENTHAL  
Chairperson

ROBERT E. CORNEGY, JR.  
Chairperson

LAURIE A. CUMBO  
Chairperson

COUNCIL MEMBERS: Peter A. Koo  
Ruben Wills  
Costa G. Constantinides  
Chaim M. Deutsch  
Corey D. Johnson  
I. Daneek Miller  
Inez E. Dickens  
Mathieu Eugene  
Peter A. Koo  
Karen Koslowitz  
Carlos Menchaca  
Paul A. Vallone  
Eric A. Ulrich  
Darlene Mealy  
Elizabeth S. Crowley  
Ben Kallos

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

Maya Wiley, General Counsel  
MWBE Program Director  
NYC Mayor's Office

Lisette Camilo, Director  
Mayor's Office of Contract Services, MOCS  
City Chief Procurement Officer

Greg Bishop, Commissioner  
NYC Department of Small Business Services

Kerri Jew, Deputy Commissioner  
Department of Small Business Services

Rodneyse Bichotte  
New York State Assembly Member

James Sanders, Jr.  
New York State Senator

Carra Wallace, Chief Diversity Officer  
New York City Comptroller Scott Stringer

Wendy Garcia, Deputy Chief Diversity Officer  
New York City Comptroller Scott Stringer

Bertha Lewis, President  
Black Institute

Reginald Sweeney  
Small Business Owner

Quenia Abreu, President  
New York Women's Chamber of Commerce

Veronica Harris, Director of Community Affairs  
Brooklyn Chamber of Commerce  
Staff Liaison, MWBE Committee and Services  
Appearing for Carlo A. Scissura, President & CEO  
Brooklyn Chamber of Commerce

Alma Nugent Reiner  
Owner and Operator, SMR Floors

Frank Garcia, Chairman  
New York Statewide Coalition of Hispanic Chambers

Luiz Arroyo, Engineer

Sir James L. Robinson, Engineer

Eric McFadden, Melvient (sp?)

Simone Surrell Peele, CEO  
New World Contracting Company

Thomas Lopez Pierre  
Affordable Housing Professional, Upper Manhattan



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[sound check, pause, background comments]

SERGEANT-AT-ARMS: Quiet, please.

CHAIRPERSON ROSENTHAL: [gavel] Really.

Good afternoon. I'm Helen Rosenthal, Chair of the Committee on Contracts, and I'm delighted to be joined today by my colleagues, Robert Cornegy, Chair of the Committee on Small Business and Laurie Cumbo, Chair of the Committee on Women's issues for this joint hearing today. I'd like to introduce the other members of the Council who have joined us this afternoon, Co-Chair of the Women's Committee, yeah, Elizabeth Crowley, Council Member Koo, Council Member Ulrich and Council Member Mealy, the second Co-Chair of the Women's Committee and, of course, City Councilwoman Karen Koslowitz. It's a pleasure to see you here. Thank you for joining us. We're here today to discuss the city's progress in achieving its aspirational procurement goals for Minority and Women-Owned Business Enterprises, MWBEs. We'll hear testimony from the Administration, from members of the business community, MWBE advocates and workers on how we can work collaboratively to achieve these goals. Increasing the amount of city contracts awarded to MWBEs, is a key component MWBE to ensuring

economic equality and strength for New York City.

This is why it has always been, and will continue to  
be a priority for this Council and the Committee on

Contracts. In 2005, the City conducted a Disparity  
Study. It's a very confusing title--and I think in

the next one we should come up with a better name,

but a Disparity Study nonetheless--to examine the

availability of MWBEs that were in a position to bid

on and win city contracts. Using the number of

identified available bidders, they established

aspirational goals set in Local Law 129 for the

percent of contracts that could be awarded to MWBEs.

Prior to that point, only 700 businesses were

certified as MWBE by the city, but by 2012 the

Department of Small Businesses certified more than

3,500 MWBEs. With the hope of strengthening the MWBE

program, the City conducted a second disparity study

to refresh the availability of MWBEs, and the results

of that study were codified in Local Law 1 of 2013.

Local Law 1 made a number of significant changes

based on MWBE availability most importantly by

applying MWBE program goal to all construction and

professional services city contracts where previously

it was limited to contracts that were under a million

1  
2 dollars. So we went from contracts that were under a  
3 million dollars to all contracts. And by lowering  
4 the dollar value of goods and standardized services  
5 city contracts to those under \$100,000, previously it  
6 has included contracts under million. So you see  
7 where the disparities--the power of the disparity  
8 study, which is able to identify the businesses that  
9 are out there that have the capacity to bid on the  
10 contracts. To measure the success of expanding the  
11 pool in which MWBEs could apply, Local Law 1 also  
12 required the Mayor's Office of Contract Services,  
13 MOCS, to report MWBE progress on a quarterly basis  
14 and improved and increased both education and  
15 accountability of the businesses and agencies subject  
16 to the City's MWBE program. Local Law 1 was  
17 implemented on July 1, 2013, and we here today to  
18 hearing from the Administration about whether  
19 broadening and refining the opportunities for MWBEs  
20 helped increase the number and percent of MWBEs  
21 winning contracts with the city. According to the  
22 most recent Procurement Indicator Report issued by  
23 MOCS, there's been some progress. In addition, the  
24 small--the Department of Small Business Services now  
25 registered more than 4,100 MWBEs in Fiscal Year 15 up

1 15% from 2013. The overall percent of city contracts  
2 awarded to MWBEs is up to 7%. I don't think that's  
3 enough. We all know that there are MWBEs out there  
4 who could benefit from certification, and we will  
5 learn more in 2006--later in 2016 when the results of  
6 this City's Third Disparity Study is completed. I  
7 have heard numerous concerns regarding the city's  
8 challenges in meeting its participation goals, as  
9 well as barrier's MWBEs face when they try to compete  
10 in the city contracting process. We're here today to  
11 discuss those concerns, and to explore suggestions  
12 for ensuring that businesses owned by minorities and  
13 women have equal opportunities to compete for city  
14 contracts. Additionally, we will discussing the  
15 Administration's progress and initiatives announced  
16 recently regarding MWBE procurement. I'd like to  
17 thank the advocates and the thousands of Minority and  
18 Women-Owned Business owners who provide essential  
19 services and goods to the city and bring money back  
20 into the local economy. I look forward to hearing  
21 your testimony today. We'll also discuss a package  
22 of MWBE related bills. My colleagues will highlight  
23 the bills they sponsored.  
24  
25



I would like to briefly describe the bills I've sponsored that will be discussed today. Intro Nos. 109 and 1--1019 and 1020 will make technical updates to the MOCS reporting requirements related to MWBE participation. Proposed Intro No. 1021-A would require prime contractors who are awarded contracts in excess of \$10 million to pay for an independent MWBE consultant to oversee their efforts. And finally, Resolution 923 would adopt the Procurement Policy Board's rule to raise the micro purchase limit for procurement and award construction contracts up to \$35,000.

Next, Council Member Cornegy, Chair of the Committee on Small Businesses and Council Member Cumbo, Chair of the Committee on Women's Issues will give their opening statements followed by statements from Public Advocate James, the prime sponsor of Intro 976 and Council Member Crowley, the prime sponsor of Intro 1005. Thank you all for being here today. I look forward to a meaningful hearing.

CHAIRPERSON CORNEGY: Thank you, Madam Chair. Good afternoon, everyone. Thank you Council Member Rosenthal for convening this joint hearing and Council Member Cumbo for the participation of the

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1 Committee on Women's issues. My name is Robert  
2 Cornegy, and I'm the Chair of the Committee on Small  
3 Business. Today, we--we meet testimony on the City's  
4 Minority and Women-Owned Business Minority and Women-  
5 Owned Business Enterprise Certification and  
6 Procurement Programs, and a package of related  
7 legislation designed to improve the effectiveness of  
8 this program. The City's MWBE program is designed to  
9 ensure that all businesses have an equal opportunity  
10 to compete for the billions of dollars in goods and  
11 services procured by the city every year with the  
12 goal of increasing the share of procurement going to  
13 MWBEs. In recent years, there have been many attacks  
14 on the program and claims that it is not as effective  
15 as it should be. The Manhattan DA's Office has  
16 alleged that the program is rife with construction  
17 business fraud--construction businesses fraudulently  
18 claiming to work with minority and business-owned  
19 subcontractors to obtain tens of millions, if not  
20 hundreds of millions of dollars in city contracts.  
21 Comptroller Stringer's Making the Grade Report found  
22 that in the fiscal year 2015 Black and Latino  
23 business owners received only .43% of the City's  
24 \$13.8 billion worth of contracts. Even though more  
25

1 than half of the city's population identifies as  
2 people of color. The Black Institute has criticized  
3 the Administration for tallying awards of \$1.6  
4 billion and MWBE contracts during Fiscal Year 2015  
5 when only \$750 million has been spent on those  
6 contracts calling into question whether the metrics  
7 used to measure programs should be based on contracts  
8 awarded or the amount paid to contractors. It is  
9 clear that there needs to be more transparency in  
10 this program and that we need to do better. Our MWBE  
11 law requires that the Administration annually report  
12 to the Council on the progress of the program, and it  
13 is our obligation to conduct oversight to make sure  
14 that the reported progress is consistent with the  
15 objectives of the program.  
16

17           Unfortunately, we have been remiss in our  
18 oversight obligations conducting no oversight on the  
19 program since 2012. But we're here today to not only  
20 hear from the administration and advocates about the  
21 status of the program, but to hear about a package of  
22 bills to improve it. I'm proud to co-sponsor  
23 Introduction 923, which will require the Department  
24 of Small Business Services to provide us with an  
25 annual report regarding the satisfaction of MWBE

1 requirements by recipients of the economic  
2 development benefits who contract with EDC, the  
3 Economic Development Corporation. Among the  
4 criticisms of the program as it stands is that it  
5 lacks adequate transparency for any third party to  
6 assess its effectiveness. Information about  
7 recipients of EDC assistance has been out of reach in  
8 most reports even though that entity leads the  
9 commercial and construction development efforts.  
10 Information about recipients of EDC assistance has  
11 been out of reach in most reports even though that  
12 entity leads the city's commercial construction and  
13 development efforts. This bill will enable us to  
14 review the extent to which EDC is enforcing MWBE  
15 goals. We're hearing a lot of legislation today,  
16 much of which has already been described. So I will  
17 limit my remarks to this: I want to thank everyone  
18 to come--everyone for coming, especially the members  
19 of the Small Business Committee who are present.  
20 Finally, I want to thank my Legislative Director  
21 Dynishal Gross and the Committee's Legislative  
22 Counsel Jeff Campagna.

24 CHAIRPERSON ROSENTHAL: Thank you very  
25 much, Chair Cornegy. I want to acknowledge--

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1  
2 CHAIRPERSON CORNEGY: [interposing] Wait  
3 a minute.

4 CHAIRPERSON ROSENTHAL: Oh, sorry.

5 CHAIRPERSON CORNEGY: I'm sorry.

6 CHAIRPERSON ROSENTHAL: You're still  
7 going?

8 CHAIRPERSON CORNEGY: Yes. [laughter]

9 CHAIRPERSON ROSENTHAL: Okay.

10 CHAIRPERSON CORNEGY: Actually, I wasn't  
11 but I just realized that I wanted to congratulate at  
12 this time the new Commission or SBS, Greg Bishop, on  
13 his appointment. [applause]

14 CHAIRPERSON ROSENTHAL: Yeah, I--I was  
15 just going to say that.

16 CHAIRPERSON CORNEGY: Thank you.

17 CHAIRPERSON ROSENTHAL: I want to  
18 recognize Council Members Vallone and Wills. Thank  
19 them for joining us today. Council Member Cumbo.

20 CHAIRPERSON CUMBO: [coughs] Good  
21 afternoon. I am Council Member Laurie Cumbo, Chair  
22 of the Committee on Women's Issues. I'd like to  
23 thank all of you for coming today, and taking time  
24 out of your busy schedule to share your experiences  
25 with us today at this hearing. I'd also acknowledge-

1  
2 -like to acknowledge State representation that we  
3 have from the New York State Assembly Radeneyse  
4 Bichotte as well as State Senator James Sanders, Jr.  
5 and I appreciate you all coming all the way from  
6 Albany to be with us at this hearing. I'd also like  
7 to thank my co-chairs Council Member Rosenthal and  
8 Council Member Cornegy for their hard work and  
9 leadership on this issues, and making sure that this  
10 hearing happened, particularly after a long wait.  
11 And, of course, thanks to the staffs of the  
12 committees for their work on this hearing. I'd also  
13 like to thank Aminta Kilawan, who is here with me  
14 today.

15           Women and minority-owned businesses play  
16 an important and vital role in the communities of New  
17 York City and in the lives of those participating in  
18 this program. MWBEs boost our economic engine and  
19 they are good for New York City's business. They  
20 serve to reduce unemployment and promote  
21 entrepreneurship among communities of color, and  
22 among women. What is so dynamic about New York City  
23 is our diversity, and the opportunity to bring all  
24 voices to the table. As Chair of the Women's Issue  
25 Committee I'm very committed to promoting and

1  
2 improving women's roles in all sectors of the city's  
3 economy so that they may not only participate, but  
4 also flourish. With that in mind, I have sponsored  
5 two bills being heard today, Proposed Intro No. 981-A  
6 would create an advisory board to enhance city  
7 procurement opportunities for minority and women-  
8 owned businesses. It would also require the Mayor to  
9 appoint a director whose sole responsibility is to  
10 focus on MWBE procurement. This is a massive task  
11 that certainly needs a laser focus on it. Intro No.  
12 923 would require the Economic Development  
13 Corporation, EDC, to assess and evaluate whether  
14 contractors receiving Economic Development  
15 Corporation benefits have fully complied with MWBE  
16 requirements, and require the Department of Small  
17 Business Services to submit a report on EDC's  
18 assessment. We're giving our responsibilities  
19 already.

20           As mentioned, in 2005, the Council  
21 enacted Local Law 129 in order to address the under-  
22 utilization and administration of the city's Minority  
23 and Women-Owned Business Enterprise Program.  
24 Agencies struggled to achieve the modest  
25 participation goals established by the law following

1  
2 its passage. Local Law 1 of 2013 sought to improve  
3 the original program, updated the participation goals  
4 and expanded the scope of those contracts eligible.  
5 But yet, we have the same challenges. The Black  
6 Institute and the Comptroller's Office have both  
7 issued reports highlighting issues concerning the  
8 city's MWBE program. I was very proud to participate  
9 in the Black Institute's Five Borough Town Hall  
10 series where they met with so many of the MWBEs and  
11 heard directly from them about the issues that they  
12 are facing. Some of these issues include lack of  
13 information and transparency in the contract bidding  
14 process, barriers to access to start-up capital, and  
15 the lack of a central address like a chief diversity  
16 office in the New York City government that has  
17 exclusive responsibility for MWBEs. I understand  
18 that the Administration is trying to address some of  
19 these issues, but more needs to be done. We also  
20 need to make sure that there are laws in place to  
21 protect and promote the MWBE Program like Intro 981-A  
22 and Intro 923. Considering the vast number of women  
23 and minorities and the communities in this city,  
24 which are predominantly the majority of the City of  
25 New York, the figures relating to MWBE contracts are



1  
2 abysmal, and are an insult to all of humanity. The  
3 attention being given to the MWBE Program in the  
4 city, and the proposed ways to address all of its  
5 deficits is not even a step in the right direction.  
6 It is merely turning towards the right direction.  
7 When New Yorkers pay their taxes, and let's say 67%  
8 of those taxpayers are minorities, they put their  
9 hope forth and trust that we as elected officials  
10 will ensure that their resources, our resources are  
11 distributed equitably and fairly. That has not  
12 happened. With almost 95% of the city's contracts  
13 going to white male owned companies, it is a cat--  
14 catastrophic misuse of our taxpaying dollars that has  
15 a--that has had a devastating impact on communities  
16 of color. Today, we hope to hear testimony about any  
17 progress made or challenges since the passage of  
18 Local Law 1, and ideas on ways to further improve  
19 MWBE procurement in the city. Thank you again and I  
20 want to thank again all of you for coming, and those  
21 of you who will testify today. We look forward to  
22 your honest and transparent testimony because we want  
23 to get to the heart of this matter, and put forward  
24 real solutions. Thank you so much, Chair Rosenthal.

1  
2 CHAIRPERSON ROSENTHAL: Thank you,  
3 Council Member Cumbo. I'd like to turn it over to  
4 Public Advocate James Tish. She's going to talk  
5 about the--the legislation that--

6 PUBLIC ADVOCATE JAMES: [laughs] You  
7 called me James Tish.

8 CHAIRPERSON ROSENTHAL: Oh, yeah, James  
9 Tish.

10 PUBLIC ADVOCATE JAMES: I wish I was  
11 James Tish. [laughs]

12 CHAIRPERSON ROSENTHAL: Yeah.

13 PUBLIC ADVOCATE JAMES: He's like owns  
14 Lowe's Theaters. I wish I was related to him,  
15 married to him. [laughs] So if you could will that,  
16 and put that in the universe, I'm okay.

17 CHAIRPERSON ROSENTHAL: Yeah. I'll see  
18 what I can do. This is what happened with  
19 undiagnosed dyslexia.

20 PUBLIC ADVOCATE JAMES: That's okay but I  
21 like the idea. So I like it anyway. Christmas is  
22 coming. First--first, thank you, Madam Chair  
23 Rosenthal, and all of the chairs and all of my  
24 colleagues in government. I, too, want to  
25 congratulate Greg Bishop. Yes, it's overdue. So

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2 congratulations on all you do. And, of course, it's  
3 an honor and a privilege to be before my former  
4 Counsel to the Contracts Committee, the Director of  
5 the Mayor's Office of Contract Services, Ms. Lisette  
6 Camilo. You do a wonderful job, and I'm so proud of  
7 you, and it's an honor and a privilege to call you a  
8 friend. And, of course, to Maya Wiley. Thank you,  
9 Ms. Wiley. We love you. We respect you. This is  
10 not personal. You know that. We would love for you  
11 to be appointed the Chief Diversity Officer. I see  
12 how hard you work in the City of New York. You have  
13 so much on your portfolio. [applause] This is not  
14 about Ms. Wiley. This is really about a policy where  
15 Ms. Wiley has had--she's had to have ten eyes to  
16 focus on all that that is part of her portfolio, and  
17 I just want her to focus on WMBE, minority businesses  
18 improving businesses of color in this city and  
19 expanding them. That's it. Nothing else because New  
20 York is the most diverse city in this country, but if  
21 you look at how this city spends money on goods and  
22 services, you wouldn't know it. In 2015, only 5% of  
23 the city's procurement budget was spent on minority  
24 and women businesses, a sad but slight increase. And  
25 some would--some argue that people of color should

1 not even bother to apply. And this is not because  
2 there's not a lack of--there's a--because there's a  
3 lack of MWBEs in the city. In fact, there are  
4 700,000 businesses of color and women-owned  
5 businesses in New York City, and some would argue  
6 even more. In the past, the argument has been well,  
7 if you want to be in it to win it, you've got to get  
8 certified. We in a previous City Council in which I  
9 had the honor and privilege of serving, we focused on  
10 certification, and we did a good job. But now we  
11 need to move on, and now these certified businesses  
12 need to make a--need to get businesses, and  
13 unfortunately, they're not getting any contracts.  
14 And today, this hearing will focus on this very  
15 important issue, and the bill that I'm sponsoring  
16 today seeks to require the Department of Small  
17 Business Services to conduct mandatory training for  
18 agency chief procurement officers also commonly  
19 referred to as ACCO officers, and so some of these  
20 certified MWB--MWBEs will be awarded the contracts  
21 they deserve. But today I'm happy to report that the  
22 Administration will be testifying in support of this  
23 bill, and I thank them. I thank the Mayor for his  
24 support of this bill, and I look forward to working  
25

1 with him, the Speaker, and the Chair Rosenthal and  
2 others to make this bill a law. And we have seven  
3 other bills on this issue being heard today, but we  
4 still need so much more. We, again as I mentioned  
5 earlier, we need a Chief Diversity Officer to ensure  
6 that there is diversity at the highest levels of  
7 government to help enforce and promote procurement  
8 amongst MWBEs. We need to revamp the public bidding  
9 process to increase openness and transparency about  
10 available contracts from the beginning. And as a  
11 young gentlemen mentioned to me as I was entering  
12 into City Hall, we must address the abuse of  
13 subcontracting in this city including-- [applause]  
14 Yeah.

16 SERGEANT-AT-ARMS: Quiet, please.

17 PUBLIC ADVOCATE JAMES: So we have a  
18 practice in City Hall. We-- Yeah, thank you. We  
19 must address the abuse including late and non-payment  
20 and individuals who are using subcontracts--  
21 subcontractors to get contractors and then not  
22 putting them to work and/or paying them promptly. We  
23 also need to provide capital and technical assistance  
24 to these companies, and we need more inspectors t  
25 weed out and permanently ban and/or bar fraudulent

1 businesses who hold themselves out as women-owned  
2 and/or minority businesses. [background comments]  
3 Because all business owners no matter their race or  
4 gender deserve to have a bidding process, and we all-  
5 -all that we are asking for is equality. No more  
6 handouts. No more public assistance. We just want  
7 to work. We need to build equity, end poverty, raise  
8 wages and ultimately lift families and communities.  
9 I thank you for this--allowing me to say a few words.

10  
11 CHAIRPERSON ROSENTHAL: Thank you so  
12 much, Ms. [pause] [laughter] James. Council Member  
13 Crowley.

14 COUNCIL MEMBER CROWLEY: Good afternoon.  
15 I'm Council Member Elizabeth Crowley, Co-Chair of the  
16 Women's Caucus along with Council Member Darlene  
17 Mealy. I'd like to thank Chairs Rosenthal, Cornegy  
18 and Cumbo for holding this hearing today to discuss  
19 how we can strengthen the Minority and Women-Owned  
20 Businesses Program. Despite New York City boasting  
21 the largest and most diverse population of businesses  
22 in the country as approximately 37% of firms in the  
23 city are MWBE, sadly in Fiscal Year 2015 only 5% of  
24 the contracts were awarded to MWBEs. In an effort to  
25 better understand the difficulties facing MWBEs, the

1  
2 Women's Caucus together with the Black Institute held  
3 meetings in each borough. Hundreds of MWBEs shared  
4 stories detailing struggles such as a difficult  
5 certification process, a lack of sufficient  
6 information and resources to compete for government  
7 contracts. And perhaps the most difficult hurdle in  
8 the delays--was the delay in payments from  
9 contracting agencies, which hampers businesses from  
10 growing, and has forced many to close their doors.  
11 My bill introduced and heard today is at its core a  
12 transparency and accountability bill. It would  
13 require city agency utilization plans to be posted on  
14 the Department of Small Business Services' website.  
15 It would disclose city agencies' participation goals--  
16 -goals for MWBEs and list the names and titles of  
17 agency personnel responsible for implementation of  
18 the plan, as well as a description of the proposed  
19 methods and activities to achieve the participation  
20 goals. If enacted--if enacted, the package of  
21 legislation we are hearing today will ensure the  
22 Administration prioritizes the growth of MWBEs. It's  
23 time to give these businesses the well-deserved  
24 opportunities they deserve, and I want to thank the  
25 chairs for having this hearing today.





1  
2                   MAYA WILEY: Thank you so much, Chair  
3 Rosenthal. I--I have testimony that I submitted and  
4 I hope that you all have it, and I'm actually just  
5 going to speak from the heart rather than review my  
6 testimony. One, I just want to thank you for your  
7 leadership both Chairs Rosenthal, Cornegy and Cumbo,  
8 but also all three committees, and the Public  
9 Advocate because you've been both tremendously  
10 committed to this critically important issue in your  
11 own rights, and you've been incredible partners also  
12 to the Administration and to the community. Because  
13 at the end of the day, we all have a shared purpose.  
14 We all have a shared purpose. I don't think any of  
15 us are sitting in this room with any disagreement  
16 about the long hole we're digging out of because of a  
17 long history of discrimination and bias against our  
18 communities, and against the businesses. They're a  
19 critical part of building the prosperity of this  
20 city. There simply is no disagreement, and we are  
21 also extremely clear that there is nothing personal.  
22 So I really appreciate that statement from you,  
23 Public Advocate James because I don't take it  
24 personally in any way. In fact, I think my children  
25 would welcome me being home more. Although, I

1 suspect that I wouldn't actually be home more, but I  
2 think the--the thing that is so important to remember  
3 here is that we're all looking at a history that has  
4 been well documented including in the Disparity Study  
5 of 2006 that the city underwent, the last full  
6 Disparity Study, and then the State's Disparity Study  
7 released in 2010 that our Minority and Women-Owned  
8 Businesses have experienced bias like the Black-owned  
9 firm on the construction site with slashed tires,  
10 sugar in the gas tank, and slit hydraulics. Like the  
11 woman architect sitting in a pre-bid proposal being  
12 asked to get coffee for the male architects in the  
13 room. Like the company that was both a Minority and  
14 Women-Owned Business, but also had White principals  
15 who were engaged in contract negotiations over email  
16 and telephone that were progressing quite nicely at a  
17 nice clip, and when they show up in person, Black and  
18 White, suddenly the negotiations stop. We are quite  
19 clear--we are quite clear the history that we are  
20 confronting in this city. And I'm very proud both of  
21 having A-Team as the MWBE team for--for the city. We  
22 are ourselves both--Lisette and I were talking  
23 because my mother was a WBE that kept food on our  
24 table and was able to take care of me because she had  
25

1 government contracts instituting affirmative action  
2 programs for police departments amongst others. And  
3 was Lisette's father who actually had a taxi company.  
4 So we know what it's like to have family members who  
5 have small businesses and what they produce for their  
6 families, and for themselves. And we also represent  
7 the City of New York, not just as public servants  
8 because we are the face of the city. So I say that  
9 because I think what we all believe is we're only  
10 getting there together. We've got hundreds of years  
11 of history that we have to dig out of. We have a  
12 Mayor--Mayor Dinkins who instituted the first MWBE  
13 program in the early '90s, the first. We didn't even  
14 have an MWBE program in the city until the early  
15 '90s, and then Mayor Giuliani promptly unraveled it  
16 upon taking office after Mayor Dinkins lost re-  
17 election. And we've only recently, before this  
18 Administration took office, started to put some of  
19 the programs and investments and legal steps like  
20 Local Law 1 into place in order to overcome that  
21 history. In other words, that long road that we have  
22 all been struggling for to be on together, we're just  
23 at the beginning of that path. And I think we need  
24 to acknowledge that, and I think we also need to  
25

1 acknowledge that it is then simply unprecedented the  
2 amount of time, attention and commitment that Mayor  
3 de Blasio has placed on MWBE procurement and the  
4 reason that he has, and the reason that he's insisted  
5 on a senior cabinet member being his MWBE director is  
6 he wanted to ensure the full weight of City Hall with  
7 agencies on accountability, attention and commitment  
8 on increasing utilization.  
9

10           The second thing I want to point out,  
11 which is critically important, and I know my  
12 colleagues will speak to it in more detail, is that  
13 we've spent an incredible amount of time, energy and  
14 resources on trying to right this battle ship. So,  
15 for example, and I'll just lay out a few because  
16 they're in my testimony, we've doubled the budget for  
17 MWBE support in SBS just between Fiscal Year 2015 and  
18 2016, doubled it and that's a 156% increase from I  
19 think 2006. So greatly investing in one of the  
20 critical steps to increasing utilization, which is  
21 the capacity and the programs to support MWBEs. And  
22 as Public Advocate James noted because we partnered  
23 with her in this, recognizing that MWBEs all too  
24 often don't have a level playing field because they  
25 do not have sufficient access to capital in order to

1  
2 compete. So for the first--just a historic  
3 investment for the city with the Public Advocate to  
4 announce \$20 million in bonding and pre-development  
5 loan funds in order to support MWBE and small  
6 business participation in competing effectively for  
7 government contracts. We also in a historic project  
8 labor agreement we literally, and I as a--because I'm  
9 the Senior Cabinet sitting at the table in those  
10 negotiations as MWBE Director with Commissioner  
11 Camilo actually increased by double the contracting  
12 opportunities for MWBEs up to \$250,000 by excluding  
13 them from the project labor agreement in order to  
14 increase those contract opportunities so that  
15 agencies could get more construction work to MWBEs.  
16 The other thing we were able to do was to drastically  
17 increase apprenticeship programs for NYCHA residents  
18 and for public high school students and we were able  
19 to create a program that we have never had before,  
20 which is a mentorship program to allow prequalified  
21 lists for that renovation and rehabilitation, PLA,  
22 for MWBEs. And to stop the double dipping for  
23 pension payments into union pension funds if they had  
24 pension funds that were actually, and health funds  
25 that actually qualified under Local Law 220. So I

1 say that because it just simply has never been done  
2 before, and the fact that this Mayor has insisted not  
3 just on accountability of agencies, setting an  
4 aggressive goal of a minimum of \$16 billion in awards  
5 to MWBEs. Another thing no mayor before him has  
6 actually ever done. And one thing I have heard and I  
7 think we all agree that we want to perform on that  
8 number. But one thing I've heard is people say but  
9 why isn't the number higher and I want to point out  
10 just how big that number is. That number is  
11 actually--if you look at from 2007 to 2015, \$4.8  
12 billion in awards. So this is an \$11 billion  
13 increase commitment from the Mayor that he is holding  
14 agencies accountable to make, and he hasn't stopped  
15 at mayoral agencies. For the first time he's  
16 expanded that accountability and that transparency to  
17 non-mayoral agencies like the Department of  
18 Education, like the EDC. So this is something that  
19 we have heard transparency and accountability. We  
20 have heard investment, and the opportunities for more  
21 opportunity and competitiveness. Relationship is the  
22 third one, right? That all too often it's about who  
23 you know, not what you know, and we've actually made  
24 dramatic moves to insist on making more transparent  
25

1 the process, and what contracts are available.

2 Giving MWBEs more information about what a successful  
3 bid looks like versus an unsuccessful bid. Sometimes  
4 it's just basic information such as that. So we are  
5 not done. We are not satisfied and we are in  
6 partnership with you and with the MWBE community.

7 Thank you.

8  
9 CHAIRPERSON ROSENTHAL: Thank you very  
10 much. Director Camilo.

11 LISETTE CAMILO: Good afternoon everyone.  
12 I am not as talented as Dr. Wiley. So I will have to  
13 read my testimony. Thank you for this opportunity,  
14 Chairs Rosenthal, Cornegy and Cumbo, and members of  
15 the City Council Committees on Contracts, Small  
16 Business and Women's Issues, and Public Advocate  
17 James. My name is Lisette Camilo, and I am the  
18 Director of the Mayor's Office of Contract Services  
19 and the City Chief Procurement Officer. Thank you  
20 for the opportunity to testify today regarding New  
21 York City's progress toward a unified goal of  
22 promoting contracting opportunities to MWBEs. As you  
23 know, MOCS is responsible for overseeing, supporting  
24 and promoting the city's procurement system by  
25 executing the Mayor's contracting responsibilities

1 under the City Charter, Procurement Policy Board  
2 Rules and applicable state and local laws.  
3 Increasing the value of business the city issues to  
4 MWBEs is a central aspect of Mayor de Blasio's  
5 agenda. As counsel to the Mayor and MWBE Director  
6 Wiley mentioned, the Mayor's approach toward MWBE  
7 utilization is far broader and more expansive than  
8 previous administrations. And we have all been  
9 tasked with fulfilling his vision of a more equitable  
10 distribution of city business. While we have seen  
11 some progress and increases to award do MWBE firms  
12 during this administration's tenure, we are not  
13 satisfied. We can and must do more, and to that end,  
14 the Mayor established an ambitious goal of \$16  
15 billion in city business to be awarded to certified  
16 MWBEs by 2025. We are on our way to meeting that  
17 goal. In Fiscal 2015, the city agencies both mayoral  
18 and non-mayoral award \$1.6 billion in contracts to  
19 MWBEs. The One NYC Initiative Report summarizing  
20 agency progress toward the goal, the One NYC MWBE  
21 Bulletin includes information regarding awards for  
22 agencies that have never published their MWBE  
23 utilization in an effort to more completely  
24 illustrates--illustrate the city's performance on  
25



awards to MWBEs. Specific to mayoral agencies, while Fiscal 2015 saw a decrease in overall procurement value from \$13.6 billion in Fiscal 2015 from \$17.8 billion Fiscal 2014, the city reached its highest dollar value in awards to MWBEs in the entire history of the program, \$725 million. The Department of Design and Construction and the Department of Environmental Protection are the agencies with the largest dollar value contributions to the total with \$242.5 million and \$118.7 million in awards respectively. While we are pleased with achieving historic highs, we are not satisfied because this represented only 5.3% of the overall city's procurement volume. We are working aggressively to see increase in coming years.

I'd like to take a moment to discuss contract awards and contract award information for Local Law 1 as it represents a subset of our One New York Initiative. Local Law 1 enacted in 2013 amended the city's MWBE program initially created by Local Law 129 of 2005. That program was limited. It established goals only for prime contracts valued under a million dollars, and subcontracts in construction and professional services valued at

1 under a million dollars. The Disparity Study upon  
2 which the program was based, which was commissioned  
3 by the City Council at the time, found that MWBEs  
4 only had the capacity to perform on contracts of that  
5 size. However, in 2010, MOCS reviewed both the  
6 contract award data and vendor data, and found that  
7 indeed MWBEs had capacity to perform on larger  
8 contracts. The result of that data review supported  
9 the changes ushered in by Local Law 1, namely the  
10 removal of the million dollar cap for most  
11 industries, and expanded the number and size of  
12 contracts subject to the city's program. For  
13 contracts subject to Local Law 1 in Fiscal 2015, only  
14 the second full year under the new and expanded  
15 program the city awarded approximately \$396.6 million  
16 in prime contracts to MWBEs representing 7% of the  
17 applicable prime contracting universe, a slight  
18 increase from 2014. Several agencies have  
19 distinguished themselves in MWBE prime contracting  
20 awards. For example, DDC awarded \$64.7 million to  
21 MWBE primes last year, and that figure is up from  
22 \$127.9 million the year before. It is notable that  
23 the city saw an increase in the percentage of prime  
24 contract awards in spite of the significant  
25

challenges related to state procurement law.

Pursuant to state law, the City must generally award contracts to the lowest bidder or the proposal that represents the best combination of quality, cost and efficiency. The City may not award contracts based on the status--of the MWBE status of a bidder or proposer. Subcontract awards are a good way for MWBEs to gain experience working on city projects.

In order to meet the narrow tailoring required by federal case law for race-based programs, Local Law 1 authorizes agencies to apply MWBE participation goals on contracts where there is availability of MWBE firms to perform specific portions of construction professional and standard services on primes. (sic) One--once an agency determines that there are, they set an MWBE participation goal, which can be met by the certified status of an MWBE prime contractor, subcontractors or a qualified joint venture. This is why it's imperative for MWBE firms to maintain current and accurate information in the MWBE directory as agencies and prime contractors rely on that tool to determine availability for goal setting purposes. The City showed an increase in MWBE awards under Local Law 1. In Fiscal 2015, \$75.2 million

1 were awarded to MWBEs and subcontracts representing  
2 44 of the applicable subcontracting universe, an  
3 increase from the previous year. DDC, DEP and  
4 Department of Parks and Recreation were the top  
5 contributors to the overall amount of MWBE  
6 subcontracts awarded, collectively awarding \$62.3  
7 million. Local Law 1 authorizes the city to grant  
8 waivers for the elimination or reduction of MWBE  
9 participation goals. Waivers are required--are  
10 requested and granted during the solicitation stage  
11 pre-award for contracts that have MWBE participation  
12 goals. If a vendor is able to demonstrate that he or  
13 she can fully self-perform the work being solicited  
14 or subcontracted at a lower rate than the MWBE  
15 utilizations goal that is set, then he or she is  
16 eligible to receive the waiver. MOCS thoroughly  
17 reviews each waiver to ensure compliance with the  
18 law. In Fiscal 2015, only 22 vendors with--with  
19 waivers submitting winning bids or proposals and were  
20 ultimately awarded contracts. Vendors filed a total  
21 of 179 requests for waivers, and of those, 27 were  
22 denied, 74 were approved as full, and 79 were  
23 approved as waivers.  
24  
25

1  
2           Local Law 1 established additional  
3 oversight and reporting requirements. The City  
4 issues quarter utilization reports that include a  
5 number of indicia related to contract awards subject  
6 to the law. MOCS and SBS complied with this  
7 requirement on a timely basis and these are sent to  
8 the Speaker's Office as required by law, and posted  
9 on our respective websites. The Administration had  
10 historically presented contract data in terms of the  
11 total value of registered awards as opposed to  
12 payments. Presenting the data this way most  
13 accurately reflects agency performance. As most  
14 contracts are multi-year, some even taking more than  
15 five or ten years to close reporting on payment data  
16 incorporates current payments on contracts that may  
17 have been awarded several years prior, some of which  
18 may have been awarded under the much smaller program  
19 under Local Law 129 or before there was even a  
20 program at all. Additionally, the functionality to  
21 collect payment data for subcontractors was only  
22 rolled out in March of 2013, we have a Payee  
23 Information Portal, and which wholly relies on  
24 vendors both primes and subcontractors to manually  
25 enter data themselves. Vendors are still learning

1 how to use PIP, and agencies have been working with  
2 vendors to do so. But currently, only a small subset  
3 of subcontractor payments issued on open contracts  
4 are reported through PIP. Using incomplete and  
5 inapplicable payment data to gauge agency performance  
6 on MWBE utilization leads to inaccurate reporting.  
7 Local Law 1 mandates performance improvement plans as  
8 remedial measures for agencies that are  
9 underperforming and perspective contracting plans  
10 encompassing future procurements subject to Local Law  
11 1, we are making full use of all of the compliance  
12 and reporting tools at our disposal, and we send  
13 these to the City Council as required. Another  
14 change, which demonstrates the de Blasio  
15 Administration's commitment to MWBEs itself--MWBE  
16 involves MOCS itself. In order to assist with agency  
17 accountability and to provide agencies with support  
18 and technical assistance to increase awards to MWBEs,  
19 we created a new unit at MOCS, the Division of  
20 Economic Opportunity and Advancement. Within MOCS we  
21 hired an Executive Director to lead the new team, and  
22 added four--five full-time lines. The team will be  
23 solely dedicated to agency oversight of MWBE program.  
24 Our increased capacity will help us to better monitor  
25

1 agency progress, expand our technical assistance  
2 coverage, and enhance our ability to address vendor  
3 needs. The Administration supports the intent and  
4 shares the goal of all of the bills and the  
5 resolution that are being considered at today's  
6 hearing. While we are generally supportive of the  
7 bills, many of the practices that are being proposed  
8 in some of the bills are already being performed, and  
9 others may pose operational, fiscal and legal  
10 challenges to implement. For all of the measures  
11 that we support, we would like to continue  
12 discussions on the details to fine-tune the specifics  
13 so we can best meet the intended purpose of each  
14 piece of legislation.

16 Intro 976 in relation to requiring  
17 training for agency chief contractor officers and  
18 agency MWBE officers and posting related information  
19 on the city's website. The Administration shares the  
20 goals of this bill, and has been implementing most of  
21 those requirements. MOCS and SBS jointly conduct  
22 monthly MWBE trainings that are well attended and who  
23 participants include not only agency contracting  
24 officers, but other contracting personnel as well.  
25 Additionally, MOCS holds monthly ACO (sic) meetings

where MWBE topics are discussed at every meeting.

Intro 981-A in relation to the creation of an  
advisory board to enhance procurement opportunities

for Minority and Women-Owned Businesses. The

Administration agrees that an MWBE advisory board

should be created, which is why we created one. The

advisory board members consist of members of the City

Council, MWBE advocates and key city personnel

including the MWBE Director Wiley, SBS Commissioner

Bishop and me in my role as MOCS' Director.

Together, this cross-section of city leaders, elected

officials and key MWBE advocacy organizations will be

tasked with developing effective policies for greater

inclusion of vendors. The distinguished panel will

be tasked with helping the Administration strengthen

the MWBE program, and to make recommendations for

policy and legal changes. One aspect of the bill

that the Administration does not support is the

requirement that the MWBE Director's sole function be

limited to MWBE oversight. Mayor de Blasio's

commitment to MWBEs is broader than procurement. To

ensure that the policies are implemented across all

realms of city government, he appointed his counsel

who meets with him directly on a daily basis and who



1 can incorporate MWBE policy directly and more  
2 broadly. The Mayor created a multi-pronged structure  
3 to ensure agency compliance and a team, Director  
4 Wiley, SBS Commissioner Bishop and myself whose focus  
5 is to make the structural changes necessary to  
6 increase awards to MWBEs. Frankly, the more people  
7 in leadership positions working together to drive the  
8 changes that will increase MWBE utilization the more  
9 impactful we can be in achieving significant change.  
10 Under Director Wiley's watch, the city has reached a  
11 historic high in annual MWBE awards among mayoral  
12 agencies. Director Wiley has instituted a culture of  
13 agency accountability and open discussion with the  
14 MWBE community at large. She's done all of this  
15 while for the first time working to expand the  
16 principals of the program to non-mayoral agencies and  
17 city development projects. Simply put, Director  
18 Wiley's leadership has brought about changes that go  
19 beyond those of any other administration.  
20

21 Finally, legislatively requiring that the  
22 MWBE Director's sole function be limited to MWBE  
23 oversight, raises curtailment issues. This  
24 requirement limits the mayor's ability to determine  
25 how best to organize his office and administration.

Intro 1005 in relation to requiring agency MWBE utilization plans to be published online. Increased transparency is a goal that this Administration supports across policy areas for all agencies. The city agencies have been complying with the requirement to submit agency utilization plans. Requiring the posting of such plans online is a natural progression, and is in line with other citywide efforts. Intros 1019 and 1020 in relation to amending the MWBE reporting requirements, the proposed changes to the reporting requirements would present the information in a more useful manner to the public and agencies. We would love to work with you on making drafting changes to better reach that aim. Intro 1021-A in relation to requiring an MWBE consultant for city projects with budgets in excess of \$10 million. Intro 1021 seeks to mandate that for contracts over \$10 million city agencies hire an independent consultant to assist with recruiting MWBE for procurement opportunities and to monitor and report on prime contractor compliance with MWBE goals. We understand that the City Council's desire to ensure that MWBEs be given an opportunity to participate on large-scale city contracts. We share

1 that same desire. Contract monitoring to determine  
2 whether primes are meeting MWBE goals, however, is  
3 currently performed by city agency employees.  
4

5 Agencies monitor our prime vendors' MWBE utilization  
6 on a quarterly basis, and work with vendors to ensure  
7 that they are on track to meet them. The bill would  
8 outsource city agency functions currently performed  
9 by agency personnel. The Administration is very  
10 concerned with establishing such a precedent. In  
11 addition, such a requirement would increase costs to  
12 complete projects. In Fiscal 2015, the vast majority  
13 of the City's overall procurement volume was made up  
14 of contracts valued over \$10 million. Approximately  
15 \$8.7 million. Adding consultant costs for even a  
16 subset of these contracts means that the city would  
17 increase the cost of these contracts by possibly  
18 millions of dollars. Finally, Resolution 923, a  
19 resolution adopting the Rule Amendment of the  
20 Procurement Policy Board to raise the micropurchase  
21 limit for the procurement and award of construction  
22 contracts to \$35,000. We thank you for your  
23 partnership in submitting this resolution supporting  
24 the PPB's Rule Amendment, which would increase the  
25 City's micropurchase limit to \$35,000. Once this

1 change is adopted, city agencies have full discretion  
2 to award construction contracts to firms they select.  
3 This rule will provide additional opportunities for  
4 MWBE utilization. While this Administration is not  
5 satisfied with the way the city is with its current  
6 MWBE utilization, the City's MWBE team is pushing  
7 through many barriers to increase MWBE utilization.  
8 We are working diligently to undo decades of laws,  
9 policies and practices that have prevented MWBEs from  
10 obtaining their fair share of city business. We are  
11 confident that with all of the changes we are  
12 effecting, which will be on multiple fronts, and all  
13 of the accountability measures we are putting into  
14 place, we will meet if not exceed the \$16 billion  
15 goal. I turn now to SBS Commission Greg Bishop.

17 COMMISSIONER BISHOP: Thank you. Good  
18 afternoon. Good afternoon Chair Rosenthal, Chair  
19 Cornegy, Chair Cumbo and Public Advocate James. I  
20 just want to personally thank everyone for the warm  
21 reception. My name is Greg Bishop. I'm the  
22 Commissioner of New York City Department of Small  
23 Business Services, and I'm pleased to testify today  
24 with my colleagues Maya Wiley, Counsel to the Mayor  
25 and MWBE Program Director and Lisette Camilo, Direct

1 of the Mayor's Office of Contract Services. I also  
2 want to deviate a little bit because I really want to  
3 get into the meat of my testimony, which is really  
4 talking about the work that SBS--we are tasked to do  
5 to increase the number of certified firms. Public  
6 Advocate James talked about that our focus has been  
7 an increase in the amount of certified firms, but I  
8 also want to talk about capacity building because  
9 that, too, is important to really help strengthen  
10 MWBEs to build their capacity to compete for city  
11 contacts.  
12

13 Over the last year, SBS has made great  
14 strides in implementing Local Law 1, which eliminates  
15 the million-dollar cap on contracts and strengthens  
16 certification standards, improves the online  
17 directory of certified firms and establishes a  
18 detailed accountability system for agencies. In  
19 February 2015, SBS launched the NYC Online  
20 Certification Portal, which streamlines how  
21 businesses apply for certification and enables MWBE  
22 firms to check the status of their applications and  
23 update their business profiles to better promote  
24 themselves to buyers. To date, more than 400 MWBE  
25 applications have been submitted via the online

1 portal. In addition to the regular certification  
2 workshops, SBS introduced One-on-One Certification  
3 Application review sessions to help ensure firms  
4 submit complete application packages reducing back  
5 and forth communications and delays. And we've heard  
6 this a lot from MWBEs in terms of--I'm sure it was  
7 said earlier that the process is just difficult and  
8 recognize that, but we also recognize that we have to  
9 maintain the integrity of the program. So this is  
10 why we've added more resources to make the process  
11 faster, providing more one-on-one assistances so we  
12 literally walk the business owner through every  
13 single question that we're asking. And through NYC  
14 Business Solutions, we actually review the  
15 documentation and where necessary help the business  
16 actually create the documentation to make that  
17 process faster. In FY--and those efforts are paying  
18 off. In FY15, SBS certified and recertified over a  
19 thousand MWBEs bringing the number of city certified  
20 companies to 4,115 as of June 30th, 2015, a 9%  
21 increase from the previous year.

22  
23 In March 2015, changes to the Payee  
24 Information Portal we've heard about this, PIP, were  
25 made to allow for self-identifications of MWBEs in

1  
2 order to identify non-certified MWBEs for targeted  
3 outreach. This is important because it helps us with  
4 our outreach. It helps us find those companies that  
5 are--that identify themselves as MWBEs, but are not  
6 certified by us. So it's helpful for our  
7 certification outreach. During FY15, a total of 100-  
8 -176 site visits were performed for businesses with  
9 applications and/or supporting documentation raised  
10 eligibility questions. And that's part of when we  
11 talk about certification, and the fact that we need  
12 to maintain the integrity of the program with added  
13 additional resources not only to add more analysts to  
14 make the process faster, but also in cases where  
15 there's questions about the company being certified,  
16 we now have auditors that can actually go out and  
17 visit the company.

18           To build a capacity of businesses  
19 interested in selling to government, SBS conducts a  
20 range of workshops, courses and one-on-one assistance  
21 to help small businesses navigate the city, state and  
22 federal procurement systems. In FY16, SBS added 10  
23 new staff dedicated to MWBE capacity building to  
24 support the following programs. SBS offers a monthly  
25 workshop, and I've talked about this a lot when in my

1 time when I was working in MWBE (sic) called Selling  
2 to Government. This is important to MWBEs to  
3 understand how--to actually how the city purchased  
4 and how to actually market themselves to the correct  
5 agencies. We provide foundational basics on  
6 government contracting not only on the city--not only  
7 with city agencies, but state and federal level.  
8 Nearly 380 companies have attended these workshops in  
9 FY15. We also provide a technical assistance  
10 program, and this term is very difficult for people  
11 to understand what's technical assistance. But,  
12 basically, we sit down with an MWBE that's thinking  
13 about bidding on city work, and we actually review  
14 their bid package before it's submitted. A lot of  
15 times MWBEs are not considered because there's a  
16 technicality in terms of their response. They may  
17 not have filed out an addendum properly, and we have  
18 resources where MWBE even if they've had experience  
19 with bidding on city work, we can review their  
20 package before submission.

21  
22 In FY15, SBS helped more than 450  
23 businesses connect to this service. We also offer  
24 contract financing services to address the challenges  
25 that you've heard earlier in terms of the financial



1 capacity of MWBEs. Short-term working capital loans  
2 are available to firms that are awarded--awarded city  
3 contracts. Through a partnership that we have with  
4 New Yorkers Business Development Corporation and the  
5 Business Outreach Center capital. In FY15, SBS  
6 facilitated 20 loans totaling \$1.2 million to 60  
7 firms. You can look at these loans as mobilization  
8 loans. Once an MWBE actually wins a contract, they  
9 can borrow up to \$150,000 to help them with  
10 materials, to help them with labor costs to get them  
11 started on the job. SBS also offers--another barrier  
12 we've heard from MWBEs is just the--the requirements  
13 in terms of bond readiness. We have a bond readiness  
14 program that we provide to MWBE certified  
15 construction and trade companies. It provides them  
16 the financial management skills to help them secure  
17 and increase the surety bonds necessary to compete on  
18 city contracts. The program provides eight months of  
19 classroom training, and one-on-one assistance as well  
20 as introductions to a network of surety agents. In  
21 May 2015, 22 MWBEs graduated from the latest cohort  
22 of the Bond Readiness Program. A total of 101 firms  
23 have graduated over the life of the program, and  
24 this--this actual curriculum has been sponsored and  
25

1 endorsed by the Surety Association. And a lot of  
2 these firms are now in a better position to actually  
3 get a surety bond. SBS offers the NYC Construction  
4 Mentorship Program. This is another program that we  
5 should be pretty proud of where we provide certified  
6 construction firms eight months of classroom  
7 instruction and one-on-one mentorship. A business  
8 assessment and custom growth plan for their business  
9 is also provided. Eighteen MWBEs have graduated from  
10 this program. In May 2015, a total of 91 firms have  
11 graduated over the life of the program. Through NY  
12 Teaming, MWBEs and other small businesses learn how  
13 to partner with other firms in order to bid on large-  
14 -larger or new types of contract opportunities. In  
15 partnership with American Express Open, SBS offers a  
16 series of workshops and webinars that review  
17 different types of teaming arrangements, financial  
18 and legal considerations, responding to RFPs and bids  
19 as a team and marketing to potential partners. The  
20 series culminates in a business match making event  
21 that facilitates industry specific networking.  
22 Brings firms together with city agency procurement  
23 representatives and prime contractors, and provides  
24  
25

open RFPs to participate to review with potential partners.

In FY 15, SBS helped more than 150 participants through NYC Teaming. SBS also offers the Corporate Alliance Program to help connect firms with contracting opportunities in the private sector in collaboration with 13 corporate partners. We understand that our role is--role is not only to help build the capacity of MWBEs to bid on government contracting, but also private sector contracting. SBS offers a workshop series that addresses key issues small businesses face when trying to break into the corporate supply chain. One of the things that I'm pretty happy about this program is that we also--if you're competing in the private sector, we also want to know who you are so we can get you certified to compete in the public sector. SBS also offers a program through NYU Stern School of Business called Strategic Steps for Growth. It's offered in partnership with the Berkeley Center for entrepreneurship. The program provides participants with a new professional network including business experts, university professors and other business owners an office guidance for every aspect of

1 business operations as well as a focus on capacity  
2 building for city and government contract  
3 opportunities for the enrolled MWBEs. Participants  
4 learned the strategic skills needed to run a growing  
5 company, and create a custom three-year growth plan  
6 for their businesses. In FY15, 13 MWBEs graduated  
7 from the 2014-2015 cohort. A total of 82 firms have  
8 graduated over the life of the program. SBS in  
9 partnership with the Department of Housing and--  
10 Preservation and Development also offers the HPD  
11 Building Opportunity Program, which aims to help MWBE  
12 developers refine their skills, gather the  
13 information needed to navigate the complex arena of  
14 real estate development, connect them to HPD and SBS  
15 resources, and ultimately compete for and execute HPD  
16 and other affordable housing real estate development  
17 projects.  
18

19 In April 2015, 28 firms graduated from  
20 the 2014-2015 cohort of the HPD Building Opportunity  
21 Program. To better reach and provide support to  
22 MWBEs across the city, SBS is pleased to partner with  
23 the City Council to manage the MWBE Leadership  
24 Association. The MWBE Leadership Association is  
25 currently comprised of nine community-based

1 organizations that are funded by the City Council--by  
2 the Council to provide guidance on government  
3 contracting for potential or city certified MWBEs;  
4 connect entrepreneurs to potential customers; aid in  
5 the development of bids and proposals; assistance in  
6 securing project financing and bonding, and the  
7 promotion and marketing of the City's MWBE program.  
8 In FY15, the MWBE Leadership Association sponsored  
9 nearly 90 events, and provided more than 1,150 one-  
10 on-one assistance sessions. SBS is committed to a  
11 robust community engagement strategy across the five  
12 boroughs to ensure that New York City business  
13 understand the benefits of certification and the  
14 wide--wide range of capacity building services  
15 available. In FY15, we held two procurement fair  
16 events to help to connect more 600 MWBEs at each  
17 event to resources to grow their business. These  
18 events are--are held for MWBEs to actually market  
19 themselves not only to all of the city agencies, but  
20 we also invite our state partners as well.  
21 Additionally, SBS participates in more than 100  
22 events per year in partnership with development  
23 associations, trade associations, chambers of  
24 commerce and industry member associ--organizations to  
25

1  
2 make sure that MWBEs know about the programs and  
3 services we offer. To echo the words you heard  
4 earlier from Maya Wiley and Lisette Camilo, SBS  
5 supports the intent and objectives of the legislation  
6 proposed by the Council. For Intro 923 involving the  
7 New York City Economic Development Corporation, we  
8 share the Council's objective to increase the  
9 transparency and reporting MWBE utilization.  
10 However, we think that creating requirements for NYC  
11 EDC to report specifically on MWBE's to SBS is not an  
12 ideal mechanism. We look forward to discussing with  
13 the Council how to create efficient reporting  
14 mechanisms that would serve the objective of the  
15 bill. At SBS, we are fully committed to fulfilling  
16 Mayor de Blasio's vision for a progressive, diverse  
17 economically thriving New York City. I started at  
18 SBS in the MWBE program. So it--this program is  
19 important to me as well. SO, you definitely have my  
20 commitment. Under the leadership of Maya Wiley and  
21 in partnership with our colleagues at MOCS, we will  
22 continue to do everything we can to help MWBEs across  
23 the five boroughs grow and thrive. We are proud of  
24 the accomplishments under this Administration, but  
25 know that we can and must do more, and we look

1 forward to working with the Council to not only  
2 create strong and durable businesses, but a strong  
3 and strong and durable economy. Thank you for  
4 inviting us to speak today, and now we are happy to  
5 take your questions.  
6

7 CHAIRPERSON ROSENTHAL: Thank you much  
8 for the heartfelt and very detailed testimony. I  
9 appreciate everyone going through that, and with that  
10 in mind, I'm going to actually dive into details.  
11 I'm only going to take a minute, and then I'm going  
12 to turn it over to my colleagues. I have a  
13 fundamental confusion about the number of MWBEs  
14 awarded contracts. And I'm looking in the  
15 Procurement Report, and I'm seeing the total as \$396  
16 million, and then on this chart could you go back,  
17 Commissioner--go forward? Next, next, right there,  
18 back. This chart appears to say it's \$725 million  
19 and it must be that some agencies are included in  
20 that, or can you explain to me the discrepancy?

21 MAYA WILEY: Sure, there is--as I  
22 mentioned in my testimony, the contracts, the  
23 procurement contracts that are subject to the  
24 program, the Local Law 1 program, are a subset of the  
25 overall contract awards that are awarded by the City

1 agencies. So under the law, there are certain  
2 exclusions and exceptions. Some of the ones that are  
3 outlined in the--in the law, for example, Human  
4 Services contracts are not required to have  
5 subcontracting goals. Anything--anything with a  
6 state or federal funding stream that has and  
7 establishes its own participation program like the  
8 state's MWBE program or federal DBE program. Those  
9 are not counted under Local Law 1 because they track  
10 and follow other requirements.

12 CHAIRPERSON ROSENTHAL: [off mic] That  
13 explains that--[on mic] That explains it. I  
14 appreciate that, and then there was a third number  
15 happening around that I just wanted to make sure I  
16 understood. That explains it, and then your \$1.6  
17 million per year getting us to \$6 billion getting us  
18 to \$16 billion over a ten-year period that would now  
19 include what--which would that--what would be the  
20 component parts of that number?

21 LISETTE CAMILO: So we for the--this is  
22 our first year releasing what we're calling the MWBE  
23 Bulletin that demonstrates progress towards the \$16  
24 billion goal. We included a number of non-mayoral  
25 agencies that had never published their MWBE



1  
2 utilization in--in the same way. So that includes  
3 the Department of Education, NYCHA, SCA and a number  
4 of other offices, and that's located in our website--  
5 on our website line-by-line. And so, it presents  
6 additional MWBE utilization for additional agencies.

7 CHAIRPERSON ROSENTHAL: Got you, and  
8 what's our baseline? So in other words, how much--  
9 when you include all of those, in '15, how much was  
10 awarded in dollar value?

11 LISETTE CAMILO: \$1.6 billion was--or is  
12 the baseline. So that was--this is--this is our  
13 first year publishing that report--

14 CHAIRPERSON ROSENTHAL: [interposing] Got  
15 it.

16 LISETTE CAMILO: --you know.

17 CHAIRPERSON ROSENTHAL: Yeah, got it.  
18 And so, your goal of \$16 billion is ten-year number?

19 LISETTE CAMILO: Yes.

20 CHAIRPERSON ROSENTHAL: Okay. I got it,  
21 and then lastly, I just want to ask on page 9 was  
22 that of your--Director Camilo on your testimony, you  
23 mentioned Resolution 923. Would it be the--could you  
24 explain to me--I know like it took you one--it goes--

1 it gets approved by a lot of--it's bureaucracy at its  
2 most syrupy--

3  
4 LISETTE CAMILO: [interposing] Yes.

5 CHAIRPERSON ROSENTHAL: --the faster we  
6 pass it into law, then what? What happens after we  
7 pass it?

8 LISETTE CAMILO: So the--the--this is a  
9 change of the rules, which--

10 CHAIRPERSON ROSENTHAL: [interposing]  
11 Yes.

12 LISETTE CAMILO: --has to go through the  
13 capital process--

14 CHAIRPERSON ROSENTHAL: [interposing]  
15 Yes.

16 LISETTE CAMILO: --which is very long,  
17 and in the middle of the capital process, the  
18 Procurement Policy Board Rule has to--the PPB has to  
19 vote adopt it.

20 CHAIRPERSON ROSENTHAL: Yes.

21 LISETTE CAMILO: So once it goes through  
22 CAPA, (sic) the PPB votes to adopt, we post the  
23 notice. Around the time that we post the notice,  
24 that rule cannot be effectuated until there's  
25 concurrent action, but the City Council in passing

1 this resolution, and that's the only way that it  
2 becomes adoptable. So once we post the notice,  
3 technically it would--ordinarily, it would take 30  
4 days post-notice, but we can't effectuate it until  
5 the Council votes to adopt the resolution.  
6

7 CHAIRPERSON ROSENTHAL: So if we adopt  
8 it, and I'm speaking actually to the General Counsel  
9 here at the Stated, at the upcoming Stated within 30  
10 days, that many more businesses could be getting  
11 micropurchases

12 MAYA WILEY: It would be 30 days after we  
13 give notice, after we post.

14 CHAIRPERSON ROSENTHAL: And how quickly  
15 will you post after we pass?

16 MAYA WILEY: I think we can work that  
17 out. We can post it pretty quickly right after--

18 CHAIRPERSON ROSENTHAL: [interposing] It  
19 just strikes me that that's something we would all--  
20 it's some--

21 MAYA WILEY: [interposing] Yes.

22 CHAIRPERSON ROSENTHAL: --low hanging  
23 fruit.

24 MAYA WILEY: Absolutely.  
25

CHAIRPERSON ROSENTHAL: Thank you very much. I'm going to turn it over now to Chair Cornegy.

CHAIRPERSON CORNEGY: Thank you, Madam Chair. So, I have been acutely aware of the work done by SBS on increasing certification, and I think you should be commended on what has been done. What I'm finding, though, is that businesses have gotten into this pool, and we're excited about the certification process, and are now finding themselves stuck because they're not being awarded contracts. So now actually the level of frustration has increased tremendously. So I'm taking this opportunity to ask questions right now on behalf of some of the small businesses that I deal with. It's great to have a panel, and my co-chairs are so skilled at the technical questions. Not that I can't ask technical questions, but I did two things. One is that I--on a daily basis as the Chair of the Small Business, I speak to small businesses. And secondly, I took the liberty during this hearing to reach out through social media to some of my small businesses to ask their questions if they weren't here. And one of the questions was that while they were excited about

1 participating in the certification process, they were  
2 excited about the streamlining of the process and  
3 it's actually increased obviously the amount of small  
4 businesses who are now MWBE certified. But now it's  
5 created a second level of frustration by the fact  
6 that they're--they're not being awarded contracts.  
7 So the number looks even larger that are not being  
8 awarded contracts because more people are now  
9 participating in the process. What is--what is--what  
10 is SBS' opinion on that, and how can we get these new  
11 MWBE certificates into actual contracts?  
12

13 COMMISSIONER BISHOP: Right. So the one  
14 thing I want to be clear that once you're certified  
15 it does not guarantee a contract lid. However,  
16 certification actually buys you access to a lot of  
17 the services that we provide. So one of the things  
18 that we have to do a better job of obviously is in  
19 messaging. To really clearly define what the  
20 benefits of certification is. So, when you are  
21 certified, you actually--and there are parts of the  
22 program where we have a lot of teeth. We talked  
23 about subcontracting where the City is able to direct  
24 a prime contractor to sub out a certain amount of  
25 work to a certified firm. So there's benefits of

1  
2 being certified in that area. We were just talking  
3 about the micropurchases where agencies have full  
4 discretion. Right now, it's at \$20,000. We're  
5 talking about raising. We have worked diligently  
6 with City agencies to look at certified companies  
7 first because they have full discretion. So  
8 certified companies have a benefit there, and in  
9 small purchasing, certified companies compete in a  
10 smaller pool. So, when there's a purchase that's  
11 over \$100,000, the city has to publicly advertise.  
12 We have to go to the city record. It's open to the  
13 entire world in terms of bidding--in terms of  
14 response. But when it's a small purchase so this is  
15 a purchase between \$20,000 and \$100,000 we poled five  
16 companies from the bidder's list. Those are  
17 companies that are not certified. They're just  
18 registered to do business with the city, but then we  
19 also poled five companies from the certified list.  
20 So it builds and we actually--we actually encourage  
21 agencies to add more certified companies to that  
22 pool, and only that pool can actually bid on--on that  
23 particular opportunity. So certification definitely  
24 has its benefits, and then I also talk about all the  
25 number of other programs that we offer. We have a

1 help line specifically for certified firms if they're  
2 having problems with agencies. We've dealt with a  
3 number of issues, but they--we have resources  
4 available to help certified firms. So I understand  
5 firms who will get certified, they're disappointed  
6 because, you know, a contract isn't immediately at  
7 hand, but we are doing everything possible to  
8 position them. So that way they have every single  
9 possibility to at least compete for that contract.  
10

11           MAYA WILEY: This--this is something  
12 we're hearing as well, Chair Cornegy. This is a  
13 critically important issue. One of the things, and I  
14 just want to acknowledge Assembly Member Bichotte for  
15 her leadership in the State Assembly because we can  
16 actually break through some of this problem. The  
17 procurement process in the city is a lengthy one. So  
18 once a firm is certified, yes, absolutely we must do  
19 more to elevate the programs and services available  
20 to help them compete for contracts. Still a long  
21 procurement process. One of the things we need to do  
22 is increase the opportunity for agencies to make  
23 discretionary awards because that's something that  
24 can happen then quickly, and without this long  
25 process where we can also create more relationships

1 between MWBEs and agencies. Assembly Member Bichotte  
2 has a very important piece of state legislation that  
3 would actually increase discretionary purchases from  
4 \$20,000 to \$200,000. That's a game changer both in  
5 terms of certified firms being able to get access to  
6 those kinds of discretionary opportunities, but to  
7 increase the awards, which is also critically  
8 important for them supporting their--their  
9 businesses. It's not the only reform that's in that  
10 legislation. The Assembly Member is also leading the  
11 ability for us to created more points for MWBE status  
12 in our--in our proposals that we receive on best  
13 value. But I--I just want to lift that up because  
14 it's one of the reasons that we as an Administration  
15 have spent so much time looking at laws change at  
16 state levels. So that we have the same opportunities  
17 in the city to do what the state can currently do,  
18 and that's all that we're asking for in that  
19 legislation.  
20

21 CHAIRPERSON CORNEGY: Thank you. So, I--  
22 I--I just have two more questions. One is that  
23 anecdotally in dealing with agency heads personally I  
24 found that there's a culture in procurement that is--  
25 I don't know how to say this nicely. It is kind of a



1 network that relies on existing relationships as  
2 opposed to beginning relationships, right. So if  
3 there was an ease of entry with procurements, they  
4 just continue that because it's easier. They can't  
5 get in any trouble. There won't be any problems, and  
6 unfortunately MWBEs are included in that--that old  
7 network. What are we doing as a city to change the  
8 culture from agency heads and procurement?  
9

10 MAYA WILEY: This is also a really  
11 important question. We know far too often it's  
12 about--it's about who you know, not what you can do.  
13 So, we have done several things. One, the Mayor has  
14 met personally with his commissioners to make clear  
15 that he is going to be paying attention to what is  
16 happening with MWBE procurement. Number two, we have  
17 actually in addition to my--with this team we convene  
18 actually quarterly agencies, procurement officers.  
19 Commissioners are required to attend two of those  
20 four meetings quarterly. WE go through the data. We  
21 actually talk about and request that they report back  
22 to us on their relationship building. So we've  
23 actually made it a metric that I'm looking at as a  
24 director that they have to report back to me on. I--  
25 I will say that we've also thought it incredibly

1 important to make sure as City Hall we're actually  
2 convening both the agencies and MWBEs by industry  
3 because it's--procuring IT goods is very different  
4 from, you know, procuring professional services,  
5 right. I mean there--we have--and construction. So  
6 actually bringing agencies for instance that do a lot  
7 of construction procurement together with the  
8 construction MWBEs to actually both create those  
9 relationships, but in City Hall. So that it's on  
10 neutral ground where we can follow up on what's  
11 happening with the opportunities that are created  
12 around those introductions. And that's in addition  
13 to all the things that are in Commissioner Bishop's  
14 testimony about SBS does on a daily basis, and the  
15 oversight that MOCS has on the contracting process to  
16 make sure that those opportunities are being  
17 maximized. But you're absolutely right, and there's  
18 more than we want to do. I--I will also say that the  
19 Mayor in issuing a July directive to the agencies  
20 actually made it clear that he was going to expect  
21 that somebody was directly responsible to the  
22 Commissioner from a senior team level in each agency  
23 on MWBE. That's something that is incredibly  
24 important for each agency to have not just City Hall.  
25

1 So more to be done, critically important. I think  
2 we're starting to just see some of the fruits of  
3 those efforts that we've been taking over the past  
4 two years, and I've had almost an open door policy  
5 with MWBE so that where we're hearing any patterns,  
6 we're able to identify and address it directly with  
7 the agencies.  
8

9 CHAIRPERSON CORNEGY: Well, I would be  
10 remiss if I didn't say thank you for allowing me to  
11 be a part of the task force and be at the table to  
12 actually deal directly with some of these issues that  
13 I'm seeing as the Chair of Small Business. I  
14 appreciate that opportunity.

15 MAYA WILEY: And we're thrilled to have  
16 you as well as many of the other people in this room  
17 because it's going to be an invaluable resource to us  
18 both in identifying things we may have missed.  
19 Seeing opportunities, like giving you all  
20 opportunities to share out with the MWBE community,  
21 and also to make sure that we're working together  
22 effectively. So thank you.

23 CHAIRPERSON CORNEGY: And just on behalf  
24 of a small business who did Tweet in, I just want to  
25 ask that question or they won't do it any more. so

1 this is verbatim what was said: "I am no longer  
2 happy with receiving the crumbs from the table. I'm  
3 no longer happy just being at the table. I'm no  
4 longer happy just being in the kitchen. I want to be  
5 involved in the planning--the planning of the menu,  
6 the cooking, et cetera. Are people of color and  
7 women in on the planning? Are people from the  
8 community helping making decisions for this  
9 community? Are people in the community part of the  
10 overall decision-making in terms of bidding,  
11 contracting, funds allocation, et cetera." Now, I  
12 know the answer to that, but I thought I'd give you  
13 an opportunity as the Administration to answer  
14 directly to a small business who--who use social  
15 media to--to field that question.

17           MAYA WILEY: Well, I think it's  
18 incredibly again--look, we think it's incredibly  
19 important that we have a clear channel of  
20 communication with the folks that are actually  
21 impacted by how the city is spending money. So  
22 that's one of the things that we have done is tried  
23 to open up those channels both directly at the agency  
24 level as well as at the City Hall level. So we're  
25 doing more of that. We're in agreement that we need

1 to be--it's part of why we formed this advisory  
2 council. It was one of the recommendations that we  
3 heard from the community that we thought made a lot  
4 of sense so that we would continue to have the  
5 ability to shape that. We have more we have to do.  
6 It's just that simple. We have done a lot of work  
7 over the past two years, and there's more that we  
8 have to do, and that we will do.

10 CHAIRPERSON CORNEGY: So--so the simple  
11 answer is through the advisory council they can  
12 participate in all of the process that some  
13 businesses feel that they have been excluded from in  
14 the past?

15 MAYA WILEY: So the advisory Council is  
16 just one mechanism. I would say it's not the only  
17 one. So for example, one of the things that we asked  
18 agencies to do was sit down and have--all agencies  
19 have to have pre-proposal conferences before they  
20 have a bid. So that's another opportunity. We have  
21 had instances in which the bids have been, you know,  
22 frankly tweaked before the RFP went out as a result  
23 of feedback we received from those conferences. So I  
24 think one of the things that we need to do a better  
25 job of is making sure that MWBEs know where those

1  
2 opportunities are to influence. I think that's where  
3 we have a lot more work to do effectively because  
4 it's not simply--it's just simply not always  
5 transparent enough. One of the things we just  
6 started, thanks to the leadership of borough  
7 president Adams, was to have a Town Hall in Brooklyn  
8 to both share how the government does it, where the  
9 opportunities are for them to interact with us, and  
10 where and how we were going to make sure they more  
11 information about when those contracts were coming  
12 up. Where there would be pre-bid proposal sessions,  
13 all of those are opportunities. There are many and I  
14 think--so I think the advisory council is the only  
15 one that would actually limit the voice and  
16 opportunity for MWBEs to shape the very things that  
17 that particular business owner is raising.

18 CHAIRPERSON CORNEGY: So thank you for  
19 that, and I'll reserve the rest of my questions for a  
20 second round, if there is one. Thank you.

21 CHAIRPERSON ROSENTHAL: Thank you and  
22 before I turn it over to Chair--to Council Member  
23 Crowley, I just want to acknowledge the presence of  
24 Council Member Johnson who came and left, Council  
25 Member Miller who is here, and Council Member

1 Deutsch. And, I just want to make sure that I--I  
2 heard what you said because maybe--I'm hoping I heard  
3 it wrong. This year when you count up all mayoral or  
4 non-mayoral, but not including ones--the ones that  
5 were on your chart, Commissioner, but all the ones  
6 that would--the MWBE goals would apply to. You get  
7 to \$1.6 billion correct?

9 LISETTE CAMILO: Yes, those are all of  
10 the awards to MWBEs in the fiscal year.

11 CHAIRPERSON ROSENTHAL: So is that  
12 including the \$700 thousand--the \$700 million?

13 LISETTE CAMILO: \$725 are from mayoral  
14 agencies. So that's the subset of the \$1.6.

15 CHAIRPERSON ROSENTHAL: Okay. So, if I  
16 understand what you're saying, the current number  
17 when you add in all these things all of which is  
18 legitimate, I love that you include--include everyone  
19 because you have to keep everyone's feet to the fire.  
20 So your goal is to have that same number every year  
21 for the next ten years and that's how we get to \$16  
22 billion?

23 LISETTE CAMILO: We hope to get to \$16  
24 billion. We don't--we hope for more than \$1.6 every  
25

1 year. Procurement varies by year. There is no way  
2 to--  
3

4 CHAIRPERSON ROSENTHAL: [interposing]

5 Sure.

6 LISETTE CAMILO: --predict how much the  
7 city is going to buy with the--with any given year.

8 So we have to remain cognizant that there are  
9 fluctuations that we will not be able to anticipate.

10 CHAIRPERSON ROSENTHAL: [interposing]

11 Sure.

12 LISETTE CAMILO: But again--

13 CHAIRPERSON ROSENTHAL: [interposing] And  
14 so the--

15 LISETTE CAMILO: --our hope is to always  
16 do more and more and more.

17 CHAIRPERSON ROSENTHAL: And so the--when-  
18 -when we talk about the value of the contract is that  
19 the full value of the contract or the spending that  
20 year?

21 LISETTE CAMILO: Yeah, the total award,  
22 the value of the award that is registered. So total

23 CHAIRPERSON ROSENTHAL: And, um--

24 LISETTE CAMILO: [interposing] Not  
25 payments.



CHAIRPERSON ROSENTHAL: So--and--and  
therein lies the problem with the Comptroller's  
Report right is that it's the spending that year--

LISETTE CAMILO: [interposing] Any  
report that relies on payments.

CHAIRPERSON ROSENTHAL: Right. So now  
we're talking about the full value of the contract  
and in one year you could do a--the Hudson Water  
Tunnel that's worth \$10 billion, and the next year  
you're not doing that. So in one year's value you  
have \$10 billion, and the next year's value is--  
doesn't include such a big number, right?

LISETTE CAMILO: Right.

CHAIRPERSON ROSENTHAL: And that's why  
you're looking at it over a ten-year span?

LISETTE CAMILO: Right.

CHAIRPERSON ROSENTHAL: Okay, and--huh.  
Do you think that this year had any particularly  
large contracts or do you think it was an average  
year?

LISETTE CAMILO: I can only speak to the  
mayoral because, as I mentioned, the non-mayoral  
agencies, I--we have--we haven't collected or  
reported on. Every year there are big procurements

1 So I--yes, this year there have been large  
2 procurements as have been--have other years

3  
4 CHAIRPERSON ROSENTHAL: And the only  
5 reason I ask is because I think--of course, I can't  
6 find my piece of paper. But according to the '14  
7 Procure--the 2015 Procurement Report, I think the  
8 total was around \$700,000 something and this year  
9 it's around \$400--a million. Sorry, Around \$700  
10 million. This year it's around \$400 million.

11 LISETTE CAMILO: FY14 was \$690 million.

12 CHAIRPERSON ROSENTHAL: It was how much?

13 LISETTE CAMILO: \$690.

14 CHAIRPERSON ROSENTHAL: \$690 and we're  
15 down to \$400, but it could be because of those funny  
16 big contracts?

17 LISETTE CAMILO: \$690 million in FY14,  
18 \$725 in FY15.

19 CHAIRPERSON ROSENTHAL: Oh, I see. So  
20 that included the--I'm--so it includes all the ones  
21 that are not supposed to be included in Local Law 1,  
22 which is fine.

23 LISETTE CAMILO: Right.

24 CHAIRPERSON ROSENTHAL: But I just--

25 LISETTE CAMILO: Right.

1  
2 CHAIRPERSON ROSENTHAL: I'm so confused.  
3 So I'm going to--I'm getting there, though. I'm--I'm  
4 going to get there. [laughter] Council Member  
5 Crowley.

6 CHAIRPERSON CUMBO: Cumbo.

7 CHAIRPERSON ROSENTHAL: Cumbo. I'm just  
8 going to be confused today.

9 CHAIRPERSON CUMBO: [laughs] Thank you  
10 so much.

11 PUBLIC ADVOCATE JAMES: See, you're  
12 confusing.

13 CHAIRPERSON CUMBO: Thank you so much for  
14 your testimonies, and I just have a few questions. I  
15 have a lot of questions. So I apologize, but it you  
16 could answer them as condensely as possible because I  
17 know so many people have so many questions that they  
18 would like to ask today. So I wanted to focus on  
19 the \$16 billion. That seems to be the focus of  
20 everyone, but by the time we're able to assess that  
21 ten years out, we'll all be out of office. We'll  
22 have a brand new administration. People will have  
23 gone. Everyone will have left. Why would we utilize  
24 a ten-year timeframe versus a six-year time frame,  
25 and perhaps an even better five-year time frame. So

1 that we could assess how successful we've been here.  
2 Because if we do it in five years, you can kind of  
3 more so hold people's feet to the fire because every  
4 one is going to want to run off and become the next  
5 whatever. But if we allow it to go out for ten  
6 years, after ten years we're left holding the bag.  
7 The generation of whippersnappers will be out on City  
8 Hall talking about they did us wrong in the past.  
9 We're here to make it right. We're just going to  
10 continue the cycle. So how do we get to that \$16  
11 billion? How do we break that cycle? How do we make  
12 that happen?  
13

14 SERGEANT-AT-ARMS: Keep it down please.  
15 Quiet in the Chambers.

16 MAYA WILEY: Thank you. So as you know,  
17 the reason that it's a ten-year is also because it  
18 was in the One NYC Plan in which every program and  
19 every commitment the Mayor made was on a ten-year  
20 timeframe, including MWBE, including affordable  
21 housing, and broadband. Simply everything the Mayor  
22 was looking at he was looking at in a ten-year time  
23 frame. In part because we're trying to  
24 institutionalize the--the number and the goal. So, I  
25 mean obviously it's something we hope that exists as a

1 culture shift in government whether or not this  
2 Administration is here. The short answer is you're  
3 going to be getting a number every year. So, every  
4 single year MOCS will be producing in their bulletin  
5 an updated number. So it's simply not the case that  
6 we won't know how we're doing until ten years out.  
7 You will know how we're doing every single year both  
8 in that year, but also looking back from the  
9 beginning of the count.  
10

11 CHAIRPERSON CUMBO: I asked that question  
12 also because I have the Armory (sic) Project across  
13 the street from Medgar Evers College, a multi-million  
14 dollar project. Perhaps even a billion dollar  
15 project. The estimate isn't in yet at this time.  
16 They are utilizing in some ways penalties to reach  
17 their goals as far as EDC as far as the developer's  
18 commitment to community facilities and how often the  
19 community can utilize them at discounted prices. But  
20 we don't have that same level of penalty assessments  
21 as it pertains to MWBE requirements. Are we going to  
22 set these goals, and then when we don't reach them  
23 just simply have press conferences, or are we going  
24 to put penalties in place that are going to assure  
25 that these MWBE goals are finally met?

1  
2           LISETTE CAMILO: I'd like to speak to the  
3 individual contract goals that are establishes.

4           CHAIRPERSON CUMBO: Uh-huh.

5           LISETTE CAMILO: Local Law 1 actually  
6 does outline a number of enforcement actions that  
7 city agencies can take and have taken against prime  
8 vendors who have failed to meet their MWBE  
9 subcontract goals on individual contracts. So the  
10 ability for agencies to hold prime contractors  
11 accountable is actually baked into the terms of the--  
12 of the contract itself.

13           CHAIRPERSON CUMBO: I wish we had more  
14 time because it seems like the subcontracting game is  
15 like a three-card Monte game, and it seems like  
16 however the subcontractors are not getting paid.  
17 They're not getting paid on time, and they're often  
18 used as window dressing as some sort of bait and  
19 switch where they're not protected in the way that  
20 they need to be. So I feel like we need to do more  
21 on that, and I wish we had more time because the  
22 subcontracting is really a hearing onto itself. But I  
23 want to get into another issue as well. One of the  
24 things that I'm really disappointed about in your  
25 testimony was in Intro--it says one aspect of the

1 bill that the Administration does not support is the  
2 requirement that the MWBE director's sole function is  
3 limited to MWBE oversight. Now, I've gone to so many  
4 hearings as it pertains to MWBE, and everyone's main  
5 assessment has been that there be a requirement that  
6 we have an MWBE director whose sole function is MWBE  
7 oversight. But here you reject it, and it would seem  
8 to me that you need an army of people whose sole  
9 function is MWBE. And to simply ask that there be  
10 one person whose--whose total function is that, that  
11 we turn down and say that we don't support, is really  
12 to me saying that we're not very--we're as serious--  
13 we're not serious at all about this MWBE. We don't  
14 even want to appoint one person whose sole goal is  
15 that, and I really can't understand that. I mean I--  
16 I understand what Public Advocate Letitia James  
17 states about this not being personal. But I feel  
18 like--I feel like that is an issue because one of the  
19 things that you say is that this requirement limits  
20 the Mayor's ability to determine how to bet organize  
21 his office. And I don't understand why that would be.  
22 Why is it okay for someone to have a part-time role,  
23 and that doesn't disrupt the MWBE goals, but having a  
24 full-time would disrupt someone's goal and take away  
25

1 from someone's responsibility or the Mayor's Office  
2 to do this work.

3  
4           MAYA WILEY: So we are in agreement that  
5 we need an Army, and an Army is what we're building.  
6 I think that we're not disagreeing. I think what the  
7 Mayor has said, and it was the Mayor's decision to--  
8 to be clear. I was simply happy to fulfill that  
9 decision--is that he wanted the--it clear throughout  
10 the administration the centrality and importance of  
11 the commitment to him by ensuring was a senior  
12 cabinet member. There is not any person in the  
13 senior cabinet that has one set of responsibilities.  
14 And that the way that all of the work of the senior  
15 cabinet member in this administration is through  
16 multiple people whom have--who have those particular  
17 issue areas as a huge percentage, and in many  
18 instance a 100% of their time. So I actually have  
19 someone on my staff who spend 100% of his time as  
20 well as three other staff members who spend a  
21 substantial portion of their time, and that's just  
22 within City Hall. That doesn't account for the  
23 increased capacity at SBS that's exclusive to MWBE,  
24 the increased capacity at MOCS that is exclusive to  
25 MWBE. And the conversations and directions that he's



1 giving to agencies to create exclusive capacity in  
2 those agencies. So I think simply put, it's  
3 absolutely the commitment by drastically increasing  
4 the capacity rather than limiting it or narrowing it  
5 to one position. So it's a structure of senior  
6 cabinet not about whether or not it's about building  
7 an army including a huge number of people who have it  
8 as their sole function.  
9

10 CHAIRPERSON CUMBO: I think it doesn't  
11 have to necessarily be an either/or. I think all of  
12 that can be happening, which you described, but we  
13 can also have a person who exclusively focuses on  
14 that. It seems challenging that in the testimony it  
15 says legislative requiring that the MWBE Director's  
16 sole function be limited to MWBE oversight raise  
17 curtailment issues. But yet, having that person be  
18 part-time doesn't raise curtailment issues. At one  
19 point or percentage of a person's time does it raise  
20 those curtailment issues? And we just passed in the  
21 City Council a Mayor's Office for Veterans Affairs.  
22 We passed a decade ago the Mayor's Office to Combat  
23 Domestic Violence. When we in the city recognize  
24 that there is a serious issue, we create dynamics  
25 where an exclusive body of people just work

1  
2 specifically on one particular thing. And I think  
3 when we look at those percentage numbers, they are  
4 abysmal. They are really a disgrace to the City of  
5 New York because we are not tapping into the full  
6 potential of the diversity that live here. And if we  
7 want to make a real dent in that, I would beg that we  
8 would change that dynamic moving forward. I'm going  
9 to pass it onto my other colleagues because I know  
10 that they, too, have questions, and I want their  
11 questions to be answered as well. Thank you.

12 CHAIRPERSON ROSENTHAL: Thank you and I'm  
13 going to turn it over now to Public Advocate James,  
14 and just to be clear, we've had the administration  
15 here for an hour and 45 minutes, and I know everyone  
16 is eager to ask questions.

17 PUBLIC ADVOCATE JAMES: Thank you.  
18 First, let me ask a question with regard to the--to  
19 the legislation. What is the position of the  
20 administration on 923? Do you support it? Yes or  
21 no? Yes?

22 LISETTE CAMILO: I would say yes.

23 PUBLIC ADVOCATE JAMES: 923. How about  
24 976?

25

1  
2                   LISETTE CAMILO: [pause] Yes, we support  
3 it.

4                   PUBLIC ADVOCATE JAMES: 981?

5                   LISETTE CAMILO: We--we support the  
6 creation because we've created on of the advisory  
7 board. We do not support the--the definition of the  
8 functions of the director.

9                   PUBLIC ADVOCATE JAMES: Okay, but you're  
10 willing to negotiate that, right? You're willing to  
11 sit down and talk?

12                   LISETTE CAMILO: We're all--we're happy  
13 to talk about anything.

14                   PUBLIC ADVOCATE JAMES: 1005? 10-05?

15                   LISETTE CAMILO: Yes, we support.

16                   PUBLIC ADVOCATE JAMES: 1019?

17                   LISETTE CAMILO: 1019 and 1020 we  
18 support.

19                   PUBLIC ADVOCATE JAMES: Okay, and 1021-A  
20 and 923-A?

21                   LISETTE CAMILO: 1021-A we do not  
22 support.

23                   PUBLIC ADVOCATE JAMES: And then the last  
24 one, 923?

1  
2                   LISETTE CAMILO: [pause, background  
3 comments] Oh, 923, yes.

4                   PUBLIC ADVOCATE JAMES: Okay. So, you  
5 oppose two pieces of legislation, and the rest you  
6 support?

7                   LISETTE CAMILO: Yes.

8                   PUBLIC ADVOCATE JAMES: Okay. So  
9 hopefully--so I think that's a step forward.  
10 Obviously, we need to talk about the other two that  
11 you oppose. Of the 32 agencies, 13 received a C, 14  
12 received a D, and three agencies received a F.  
13 Let's--and I think HPD received an A, which is  
14 interesting. So, can we talk about the--the agencies  
15 the 13 that received a C. Have they improved?

16                   LISETTE CAMILO: [background comments,  
17 pause] They are letter grades from the Office of the  
18 Controller's Report?

19                   PUBLIC ADVOCATE JAMES: Yeah.

20                   LISETTE CAMILO: I'm not--

21                   PUBLIC ADVOCATE JAMES: [interposing]  
22 Well, this was yes, the Controller, basically issued  
23 a report entitled *Making the Grade* and of the 32  
24 agencies, as I mentioned, 30--13 received a C. Have  
25 those 13 city agencies improved?

1  
2           LISETTE CAMILO: We don't measure  
3 improvement in the same manner in which they measure  
4 utilization or performance. It's difficult for us to  
5 pass or make--have an opinion on the Controller's  
6 Report. We can only speak to our--

7           PUBLIC ADVOCATE JAMES: Okay, so let's  
8 speak to your report. How many agencies received a  
9 C?

10          LISETTE CAMILO: We do not grade them  
11 using letter grades.

12          PUBLIC ADVOCATE JAMES: How many agencies  
13 are--have made the--the goals, the aspirational goals  
14 that you've set?

15          LISETTE CAMILO: Citywide none of them  
16 have met the citywide goals.

17          PUBLIC ADVOCATE JAMES: None of them have  
18 made the goals that you--

19          LISETTE CAMILO [interposing] The  
20 citywide goals.

21          PUBLIC ADVOCATE JAMES: The citywide.

22          LISETTE CAMILO: The citywide goals.  
23 Every agency is required to set their own utilization  
24 plan. That sets their goals. We have I believe two  
25

1 agencies that have met the majority of their  
2 utilization goals.

3  
4 PUBLIC ADVOCATE JAMES: What were those  
5 two goals, those two agencies, HPD and the other?

6 LISETTE CAMILO: HPD. Give me one  
7 second. Sorry. I'm believe Parks. Parks.

8 PUBLIC ADVOCATE JAMES: And Parks. What  
9 is HPD doing and parks doing that the other--the  
10 other agencies are not?

11 LISETTE CAMILO: They have particular  
12 procurement actions that are especially--that the  
13 environment is especially good for--under the MWBEs.  
14 For example, Parks has an MWBE pre-qualified list for  
15 a substantial portion of their portfolio, which means  
16 that the only vendors that they can solicit to are--  
17 either have to be part of the pre-qualified list, and  
18 in order to get on that pre-qualified list, you have  
19 to be a certified MWBE firm. If you're not an MWBE  
20 firm you have to agree to subcontract 50% of the work  
21 to MWBE first or you agree to joint venture with an  
22 MWBE.

23 PUBLIC ADVOCATE JAMES: So if HPD and  
24 Parks has procedures in place, which have allowed  
25 them to meet their goals, why not take those

1 procedures and apply them--apply them to the other  
2 agencies?  
3

4           LISETTE CAMILO: And they are. We have a  
5 number of agencies that are currently developing  
6 similar prequalified lists with the same--with the  
7 very intention. It takes a while to set one of those  
8 up, but we have some coming up.

9           PUBLIC ADVOCATE JAMES: And when will  
10 they meeting? When will they establish those  
11 systems?

12           LISETTE CAMILO: There--some are further  
13 along than others. I think that one agency will be  
14 establishing or publishing the notice for interest--

15           PUBLIC ADVOCATE JAMES: [interposing]  
16 Right.

17           LISETTE CAMILO: --but within the next  
18 few weeks.

19           PUBLIC ADVOCATE JAMES: And why is it  
20 your office will be the City Administration say  
21 you've got to meet these--you've got to put these  
22 systems in place by years end or by--within 30 days.

23           LISETTE CAMILO: Well, I think--

24           PUBLIC ADVOCATE JAMES: [interposing]  
25 It's stringent time tables.

1  
2           LISETTE CAMILO: We have 40 agencies and  
3 imposing something blanketly without considering all  
4 of the particular types of procurements that they  
5 make will not be fruitful. We have certain agencies  
6 that their procurement--the types of procurements  
7 are--are--it is in an area that there aren't very  
8 many MWBEs with the capacity to perform on such a  
9 function. For example, a lot of the standardized  
10 services industry--remember, there wasn't--there were  
11 never goals established on standard services  
12 contracts prior to Local Law 1. So we have an entire  
13 area of--or an industry of vendors who are only  
14 slowly starting to become aware of subcontracting  
15 opportunities, and they're starting to certify in  
16 order to get benefits. So it really does take--it's  
17 very important to look at every agency, and look at  
18 every agency procurement types. And the construct  
19 structures to support as many MWBE businesses--

20           PUBLIC ADVOCATE JAMES: [interposing]  
21 And how often do you meet with the agency heads or  
22 whoever is responsible for procurement, or how often  
23 do you meet with them, monthly?

24           LISETTE CAMILO: Monthly ACCO meetings.  
25 We hold quarterly MWBE meetings where both ACCOs



1 routinely and MWBE officers and commissioners attend.

2 In addition to ad hoc meetings with the Mayor to  
3 discuss these issues.

4  
5 PUBLIC ADVOCATE JAMES: I want to talk a  
6 little bit about Local Law limits W/MBEs to bid on  
7 contracts for a million dollars or less. I want to  
8 talk about those contracts for a million dollars or  
9 more.

10 LISETTE CAMILO: The law does not limit  
11 any of the procurements to a million dollars. That  
12 was the--under the old Local Law 129 program. So  
13 under the new program, there are no limits.

14 PUBLIC ADVOCATE JAMES: So when--so now  
15 with the new law and you're absolutely right, did we  
16 put into place certain requirements in order to bid  
17 for \$1 million? For example, that you've got to have  
18 X amount of money in your bank account? That you've  
19 got to have X--you have to have--you have to be  
20 insured up to a certain amount. Did we establish any  
21 artificial standards that would perhaps serve as a  
22 bar for W/MBEs to compete for these contracts of a  
23 million dollars or more?

24 LISETTE CAMILO: So, under state law  
25 agencies are required to award contracts to the

1 lowest bidder, the best proposer. That's also  
2 submitting the most--that is a responsible bid,  
3 right? And the responsibility is to find a requisite  
4 business integrity to justify the use of public tax  
5 dollars, but also the capacity to perform on the--

6  
7 PUBLIC ADVOCATE JAMES: [interposing] And  
8 the capacity is what knocks them out of the box?

9 LISETTE CAMILO: Perhaps but not always.  
10 We have examples of prime vendors winning MW--prime  
11 MWBE vendors winning, but there are depending on the  
12 size of the job and the type of jobs that are out  
13 there, there are requirements both legally mandated  
14 by state law like a bonding requirement that is a  
15 barrier. And we're trying to address that barrier by  
16 establishing a bond fund.

17 PUBLIC ADVOCATE JAMES: The last two--the  
18 last two questions. As you know, in Manhattan a  
19 grand jury returned an indictment charging a scheme  
20 to defraud the City of New York or a particular  
21 company. What are we doing to address the issue of  
22 individuals who file false instruments, particularly  
23 individuals who hold themselves out as WMBEs and, in  
24 fact, they are not? What are we doing to make sure

1 that the prime contractor is, in fact, a person of  
2 color and/or a woman?

3  
4 COMMISSIONER BISHOP: So, this--

5 PUBLIC ADVOCATE JAMES: [interposing] Or  
6 the woman is not just his wife or--

7 COMMISSIONER BISHOP: [interposing]  
8 Correct. Correct. So--so this is the--the sort of  
9 delicate balance that we at SBS--we--we are--the  
10 balancing act that we have to sort of operate under  
11 in terms of ensuring the integrity of the program--

12 PUBLIC ADVOCATE JAMES: [interposing]  
13 Right.

14 COMMISSIONER BISHOP: --but making it  
15 streamlined and fast enough that we are not asking  
16 businesses to submit an inordinate number of  
17 documents. So at SBS if we do have a company that is  
18 questionable through the additional resources that  
19 we've gotten from the administration, not only do we  
20 conduct the desk audit where we ask the principal--  
21 for example, in your example of it's a woman we'll  
22 ask the woman to actually come in and answer  
23 questions about the operation of their business. But  
24 we still have additional questions, and we'll do a  
25 site audit. We typically do that when we see a 51%,

1  
2 49% split in terms of ownership, and we have declined  
3 a number of companies where, you know, the full-time  
4 person actually has a full-time job, and we don't  
5 think that person has sort of the expertise to run a  
6 business. So we are--we are sensitive to that, and  
7 certainly we have worked with the Department of  
8 Investigation for some of the cases as well.

9 PUBLIC ADVOCATE JAMES: What can we do to  
10 address the abuse of subcontracting, and lastly, most  
11 of the money--most of the contracts or major  
12 contracts are an EDC. When will EDC ever award a  
13 prime contract to a business of color in the city.

14 [cheers]

15 SERGEANT-AT-ARMS: You all, quiet down.

16 PUBLIC ADVOCATE JAMES: [interposing]  
17 [shushing for quiet]

18 MAYA WILEY: I--I'll speak to some of  
19 what I can answer on that 'cause I think the  
20 subcontracting has been such an important one as well  
21 as increasing prime contracts to MWBEs. From the EDC  
22 standpoint, we were very thrilled to see a  
23 development project go to an MWBE at Flatbush Caton  
24 Market, which happens to be in my neighborhood. So  
25 that was exciting to see.

1  
2 PUBLIC ADVOCATE JAMES: Compared to  
3 Hudson Yards. I don't know if you can compare the  
4 two.

5 MAYA WILEY: I know. EDC is actually  
6 working actively on this, Maria Torres-Springer our  
7 new Commissioner who actually was one of our MWBE  
8 team members has already brought tremendous  
9 leadership to EDC in terms of creating these  
10 opportunities within EDC including having  
11 conversations with the MWBE community about how to  
12 make the bid process more efficient and effective.  
13 So one of the things we've heard is it is so costly  
14 to be did that that in and of itself has been a  
15 barrier to MWBEs. So they are actually piloting now  
16 breaking up the bid process as well as the--the  
17 predevelopment fund is also the way to try to support  
18 MWBEs being much more competitive in that process.  
19 And they have actually established MWBE goals for  
20 themselves as well, which I think was 25%, but I'd  
21 want to go back and double check that number. So,  
22 there already have been a number of important steps  
23 taken at EDC thanks to Maria Torres-Springer's  
24 leadership, and we're actually talking to them a lot

1 more aggressively thanks to the Mayor actually saying  
2 that non-mayorals will be included--

3 PUBLIC ADVOCATE JAMES: [interposing]

4 Yes.

5 MAYA WILEY: --in this oversight  
6 accountability and being held accountable to his  
7 goals.

8 PUBLIC ADVOCATE JAMES: And  
9 subcontractors not being paid on time, in a timely  
10 fashion--

11 MAYA WILEY: [interposing] Yeah.

12 PUBLIC ADVOCATE JAMES: --and being  
13 ignored.

14 MAYA WILEY: I'll take the--I'll take the  
15 payment first. We are working many decades of  
16 practices and policies sort of trying to undo them.  
17 So some agencies are actually piloting creative  
18 solutions to see if they work in order to, you know,  
19 institute those types of practices citywide. It's  
20 not something that we can undo quickly. With regards  
21 to particular subcontractors that have been baited  
22 and switched, we need to hear about that, and we need  
23 to know who those folks are. We have a very powerful  
24 ability to lean on prime vendors, and to make sure  
25

1 that they're--that they're fulfilling their  
2 requirements. The issue that we'll fag is that as  
3 long as the prime contractor is meeting their goals--

4 PUBLIC ADVOCATE JAMES: [interposing]

5 Yes.

6 MAYA WILEY: --utilizing MWBE

7 subcontractors, it might be a business decision to go  
8 with another MWBE sub, but we would want to make sure  
9 that if and when that ever happens, and another MWBE  
10 believes that they were used just to get by--

11 PUBLIC ADVOCATE JAMES: [interposing]

12 Right.

13 MAYA WILEY: -- we need to know about

14 those.

15 PUBLIC ADVOCATE JAMES: So may I suggest

16 that we require that they certify that, in fact,  
17 they've paid their subcontractors in a timely  
18 fashion--

19 MAYA WILEY: [interposing] We do.

20 PUBLIC ADVOCATE JAMES: --and that they,

21 in fact, are treating them as subcontractors under  
22 the penalties of the law.  
23

24

25

1  
2           MAYA WILEY: Actually, all of the payment  
3 voucher requests have that language attached, and  
4 they submit that on a monthly basis for payments.

5           PUBLIC ADVOCATE JAMES: [off mic] Thank  
6 you.

7           CHAIRPERSON ROSENTHAL: Thank you.  
8 Council Member Crowley.

9           COUNCIL MEMBER CROWLEY: Now, I'm looking  
10 at your Year 1 and Year 10 Plan. Is that 10%. You  
11 imagine that there will be 10% utilization for MWBEs  
12 out of all the contracts?

13           MAYA WILEY: Yeah, that 10%--Sorry, that  
14 10% number is against the \$16 billion goal so that's--  
15 --that's not a 10% for--

16           COUNCIL MEMBER CROWLEY: [interposing]  
17 So is that \$1.6 billion each year, but in the--or in  
18 the tenth year a total \$16 billion will be given in  
19 that particular year?

20           MAYA WILEY: In the--in the 10-year  
21 period a total of a minimum of \$16 billion in award  
22 that one--as--as Commissioner Camilo said earlier,  
23 we--because procurement dollar figures fluctuate each  
24 year--



1  
2 COUNCIL MEMBER CROWLEY: [interposing]  
3 Right.

4 MAYA WILEY: --you know, we can't say  
5 what next year would be versus the third year out  
6 versus the fifth year out. But obviously looking at  
7 how we're--we're tracking that goal--

8 COUNCIL MEMBER CROWLEY: [interposing]  
9 It looks like--

10 MAYA WILEY: --it's probably that. (sic)

11 COUNCIL MEMBER CROWLEY: --it would  
12 probably be about 10% because if you're at \$750  
13 million now, and you're at 5%, you're--you're looking  
14 to double what you're doing in the past fiscal year  
15 for each year going forward.

16 MAYA WILEY: Well, we're looking at  
17 significant increases. We hope to do much more than  
18 that--

19 COUNCIL MEMBER CROWLEY: [interposing]  
20 Right.

21 MAYA WILEY: --as we've said, but it's  
22 also--it's not going to be a straight lineal  
23 progression because procurement amounts never are.  
24 If you look over the history of the program--  
25

1  
2 COUNCIL MEMBER CROWLEY: [interposing]  
3 No, I understand that, but give or take you are going  
4 to want to have a percentage that you're meeting or  
5 you're trying to meet. I just think that's a low  
6 goal compared to what the state is doing. Why is it  
7 that the state is able to do over 20% and setting  
8 goals for 30% when we have so many MWBEs registered  
9 to do business in the city?

10 MAYA WILEY: [off mic] Do you want to  
11 take that? (sic) Yeah, so one of the reasons that  
12 we are thrilled to be in partnership with Assembly  
13 Member Bichotte is actually the state has the ability  
14 to do procurements at the--and certain types of  
15 programs the city cannot lawfully do, which is one of  
16 the reasons we're so excited about her legislation  
17 because it will actually give the city some of the  
18 same tools the state has available to it right now.  
19 That's one of the reasons why we hope this is  
20 something we can surpass because with those tools  
21 both what we're doing at the PPB level, but also and  
22 importantly what we're asking in the form of State  
23 law we're hoping we can really increase even what we  
24 have here as a result of that.

25

1  
2 COUNCIL MEMBER CROWLEY: Before you  
3 mentioned that--that the Mayor was building an army  
4 to help meet goals, and increase the amount of MWBE  
5 contracting. But, but it still falls under your  
6 purview, and just your--when you have a lot of other  
7 things that you're supposed to take care of as  
8 Counsel to the Mayor.

9 MAYA WILEY: It--it falls under all of  
10 our purviews. So this is part of why--what I was  
11 saying is yes it falls under--it is ultimately my  
12 responsibility and a responsibility I embrace for a  
13 whole host of reasons including personal ones. I  
14 would say that when you look again at any of the  
15 members of the senior cabinet who will charge whether  
16 it's affordable housing, whether it's turning around  
17 schools, whether it's any of the vast number of  
18 issues that are critically important to New Yorkers,  
19 not one of them has only that thing. What--the way  
20 we structure it in government is he makes sure he has  
21 a senior cabinet member who's ultimately responsible  
22 to him on the issues that are priorities for his  
23 administration on ending income inequality. And then  
24 we have a team that's both--they're both built out  
25 under that person within City Hall, but also in terms

1 of the other people in senior positions across the  
2 Administration that are responsible for it. So one  
3 of the things that happens is the three of us sitting  
4 before you as well as our teams including

5 Commissioner Bishop has someone who spends 800% of  
6 that person's time on MWBE as a deputy commissioner--

7  
8 COUNCIL MEMBER CROWLEY: [interposing]

9 Right. I just think so I'm going to add my name to  
10 the growing cause of people who are saying that there  
11 should be a senior management position. Almost at a  
12 commissioner level where that sole responsibility of  
13 that person would be overseeing MWBEs expansion and  
14 goals. You know, earlier Council Member Cumbo asked  
15 a question about what happens--what are the  
16 consequences if an agency doesn't meet its goals, but  
17 it doesn't seem like anything is happening. Can you  
18 speak more to what type of punishment an agency will  
19 get if they're not prioritizing these types of goals.

20 LISETTE CAMILO: I mean I think, you  
21 know, we--we are all working together to--to move the  
22 ball down the court here. You know, we increased  
23 scrutiny and attention, and frankly very frank and  
24 difficult conversations with agency heads, with the  
25 Mayor, with Deputy Mayors with Maya. That type of

1 work is happening now. We publish all of our  
2 utilization reports again for increased public  
3 scrutiny. Those are the--those are the--the actions  
4 that really do move city agencies to--to act  
5 accordingly.  
6

7           MAYA WILEY: And I'll just add one point  
8 that I think is important because I don't want to  
9 create the impression because I think it would be  
10 unfair, we have so many commissioners who actually  
11 are deeply committed to this that it's not--it's  
12 actually quite a partnership. I--I won't say all  
13 commissioners are created equal in terms of their  
14 depth of experience, knowledge about MWBE programs  
15 or--but I--I have been extremely impressed with both  
16 the creativity and commitment. We have commissioners  
17 whether it's Ann Roest at DOITT or Commissioner Pena-  
18 Mora at DDC who have actually been innovating without  
19 us asking them to. They've been coming to us saying  
20 we figured out the following things we should be  
21 trying to do. Actually bringing them in, in a peer-  
22 to-peer relationship with their fellow commissioners  
23 to share out their innovations. So this is--this is  
24 Team de Blasio frankly working aggressively. I--I  
25 just don't want to create the impression because of

1  
2 this long history that's been so bad. It's because  
3 we have commissioners who don't care. I think that  
4 would be unfair.

5           LISETTE CAMILO: I would--I would concur  
6 with that wholeheartedly. I would also point out  
7 that the majority of all contract awards have to be  
8 awarded competitively. So, that has to be  
9 solicitation, a process. To punish an agency for  
10 essentially follow procurement rules I think is a--a  
11 framing of the issue that I don't think is as  
12 productive as can be.

13           COUNCIL MEMBER CROWLEY: The 5% is that  
14 coming more from subcontracts or--so it's mostly  
15 subcontracted from a general contract?

16           LISETTE CAMILO: No, it's a mix of both.  
17 Mostly primes.

18           COUNCIL MEMBER CROWLEY: Mostly primes.  
19 I--I, you know, it would be better--it would be good  
20 if you broke that down, and--and knew.

21           LISETTE CAMILO: Happy to.

22           COUNCIL MEMBER CROWLEY: Right, because  
23 when you have a general contractor that is given the  
24 responsibility of subcontracting and they don't meet  
25 diversity goals, that contractor you could rate them

1  
2 as not being responsible to the contract that you  
3 have with the contractor.

4           LISETTE CAMILO: We actually have had  
5 instances where prime contractors who have  
6 subcontracting goals and have failed to meet those  
7 goals have that be a caution in Vendex, which  
8 essentially flags for other agencies hey this  
9 happened. Be ware.

10           COUNCIL MEMBER CROWLEY: Be ware, but  
11 what? But does that give them--

12           LISETTE CAMILO: They can be found not  
13 responsible.

14           COUNCIL MEMBER CROWLEY: So, is it--  
15 that's basically what they're--the state is doing.  
16 It seems that the state is doing that, and how the  
17 state is being much more successful with their  
18 percentage goals.

19           LISETTE CAMILO: Like I said, we--we have  
20 that--those tools available to us.

21           COUNCIL MEMBER CROWLEY: Right, it just  
22 doesn't--I just don't--it doesn't seem like you're  
23 using them if you have such a low percentage rate.

24           MAYA WILEY: Well, again, I think the--  
25 it's--it's one of the things that we're trying to

1 break though is that the state actually has the  
2 lawful ability to do certain things that we cannot.

3  
4 COUNCIL MEMBER CROWLEY: Which is  
5 basically?

6 MAYA WILEY: Which is the amount of  
7 discretionary awards that they can make that's a huge  
8 difference. We can make a discretionary award  
9 currently up to \$20,000 or \$100 depending on the  
10 category. They can go up to \$200,000. That's a  
11 significant difference if you're a small business you  
12 can get--and if you're an agency actually trying to  
13 build your relationship with MWBE. But the other is  
14 actually points, attributing points for MWBE status  
15 in a--in a competitive process. So those are things  
16 that actually are not insubstantial with giving those  
17 commissioners and their ACCOs more opportunity to do  
18 more spend more easily and more creatively. And  
19 again, some of the other things that we're seeing  
20 are--

21 COUNCIL MEMBER CROWLEY: [interposing] So  
22 how many of these are contracts are really under  
23 \$200,000?

24 LISETTE CAMILO: They're a lot. Yeah,  
25 thousands.



1  
2 COUNCIL MEMBER CROWLEY: I don't--we  
3 don't find any--

4 LISETTE CAMILO: [interposing] We could  
5 provide--

6 COUNCIL MEMBER CROWLEY: --we don't find  
7 out about any capital projects in the city.

8 LISETTE CAMILO: We can provide that  
9 information.

10 COUNCIL MEMBER CROWLEY: Yeah, and that  
11 would better to understand that, and then lastly,  
12 what the State is able to do they have some programs  
13 where they lend the subcontractor money if the  
14 contractor doesn't pay them. Do we have anything  
15 like that because when we went around to boroughs and  
16 met with minority-owned businesses with the Black  
17 Institute we found that a lot of these companies are  
18 shutting their doors because they're not getting paid  
19 timely from the general contractor or from the city.  
20 So what--what can we do to help those companies while  
21 they're struggling to make their payroll or to buy  
22 the material needed to do the project?

23 COMMISSIONER BISHOP: So I think one of  
24 the--one of the things that we just need to do a  
25 better job of is raise awareness of the services that

1  
2 SBS has to offer for MWBEs one of which is contract  
3 financing. We've worked with--we started off the  
4 program with city agencies to set up a program where  
5 once an agency awards a contract, the MWBE can  
6 actually borrow up to \$150,000. We have expanded  
7 that program to now prime contractors. We just need  
8 to know the prime contractors and we will set--we  
9 will sit down with the prime contractor, and explain  
10 to them the mechanism of actually making--making that  
11 program available to the MWBE subcontractors. I will  
12 say, though, in the past we've had, and it's a very--  
13 it's a very interesting scenario where MWBEs are  
14 actually afraid to actually use this program because  
15 it demonstrates a capacity--a financial capacity  
16 weakness, and the prime--to the prime contractor. So  
17 we're trying to figure out hat sort of unintended  
18 consequences of the service. But certainly there is  
19 a mechanism available for us to do that.

20 COUNCIL MEMBER CROWLEY: I'm not going to  
21 ask any more questions because of time constraints,  
22 but I do believe that we need to set higher goals,  
23 and we should really look at what the state is doing  
24 in addition to raising the amount of contracts to  
25 \$200,000, which you could give out in discretion. I

1 think you really need to look at the broader programs  
2 of when--when a contractor is responsible versus not  
3 responsible at meeting utilization goals, and each  
4 agency as well. Holding them more accountable.

5 Thank you.

6  
7 CHAIRPERSON ROSENTHAL: Thank you so much  
8 Council Member Crowley. I know Council Member  
9 Cornegy has another question, and then I'm going to  
10 go on with my colleagues. We're going to set the  
11 clock for three minutes. I apologize. It's such a  
12 short amount of time. We'll see if we can get  
13 through it. The first question is from Council  
14 Member Wills.

15 COUNCIL MEMBER WILLS: Thank you, Madam  
16 Chair. I've been sitting here just to churn on my  
17 inner charms bearing (sic) and quietly seething on  
18 the fact that we're having--we're having a  
19 conversation with the panel on minority and women-  
20 owned businesses, and as your first job as  
21 commissioner under the shadow of a former slave  
22 owner, that's really, really bothering me. I don't  
23 know we haven't corrected that yet. But the irony is  
24 not lost on me at all. Some of the questions that I  
25 have I mean I think that that just goes to the

1 intentional, you know, conscious racism of the soft  
2 bigotry we've been dealing with. I think it's more  
3 like intentional suppression at this point. But I  
4 wanted to get into the--the meat of the city's  
5 Disparity Study. I wanted to ask you a couple  
6 questions on that. What were the specific  
7 qualifications sought in the vendors that were  
8 invited to apply for the RFP for the city's Disparity  
9 Study?  
10

11 [pause]

12 MAYA WILEY: So it's Commissioner Bishop  
13 who just became Commissioner Bishop--

14 COUNCIL MEMBER WILLS: [interposing]  
15 Right, right.

16 MAYA WILEY: --and actually Deputy  
17 Commissioner Jew who led that process that you were  
18 asking about.

19 COUNCIL MEMBER WILLS: Well, I only have  
20 three minutes--

21 MAYA WILEY: [interposing] Yeah.

22 COUNCIL MEMBER WILLS: --so I wanted to  
23 go by my time. (sic) Do you want to come up and  
24 answer, but you have to speak to the Chair on how  
25 she's allowing people on the panel. Could I have my

1  
2 time frozen while they're doing that. It's like 30  
3 seconds I just lost.

4 CHAIRPERSON ROSENTHAL: [off mic] Yeah,  
5 I will do that.

6 COUNCIL MEMBER WILLS: Thank you very  
7 much, Chair. [laughs]

8 KERRY JEW: Hi, I'm Kerri Jew. I'm  
9 Deputy Commissioner at the Department of Small  
10 Business Services. So the Disparity Study Contact is  
11 an RFP that was run under SBS, although we again as--  
12 as Maya has pointed out repeatedly, and we have  
13 worked together as a team on this effort. We look at  
14 a consultant who had the experience to do disparity  
15 studies, and that was really one of the--the main  
16 criteria that we had. With somebody who was  
17 experienced in statistical analyses, particularly  
18 with respect to disparity studies.

19 COUNCIL MEMBER WILLS: So were there any  
20 representatives of minority and women-owned research  
21 institutions consulted for this disparity study RFP  
22 itself?

23 KERRI JEW: I believe that there were.  
24 We had I believe a total of seven proposals  
25 originally, and we--

1  
2 COUNCIL MEMBER WILLS: [interposing] No.  
3 I'm not asking about the proposals. I'm asking about  
4 who was involved in creating the RFP, the proposal  
5 for the RFP? Were there any minority-owned or women  
6 research firms at the table to say this is what  
7 should go into an RFP?

8 KERRI JEW: Well, an RFP is created by  
9 the City agency who is running the procurement in  
10 general, and so because we were running this  
11 procurement as an MWBE team, we did it in  
12 consultation with MOCS and with representatives from  
13 Maya's office as well as the Law Department.

14 COUNCIL MEMBER WILLS: Did the City  
15 consider MGT or America's history of producing  
16 questionable MWBE disparity studies, and being  
17 subject to several gender discrimination suits prior  
18 to the firm being awarded the Disparity Study  
19 contract?

20 KERRI JEW: When we looked at the  
21 proposals we judge the proposals based on evaluation  
22 criteria that were set before we opened any of the  
23 proposals as part of the--the ordinary procurement  
24 process. So we evaluated all of the proposals on a  
25 substantive basis in terms of how they all answered

1 the questions, and then after we reviewed the written  
2 proposals as a team, we interviewed five of the  
3 proposals, and had them come in person to--to present  
4 their methodology in answering our questions.  
5

6 COUNCIL MEMBER WILLS: So my question was  
7 did the City look into that while they were thinking  
8 about awarding this contract to this particular firm?

9 KERRI JEW: We looked--we discussed with  
10 each of the proposals including MGT the history of  
11 their studies and the different outcomes of each of  
12 their studies understanding that when a--when a  
13 disparity study consultant comes out with an analysis  
14 that perhaps does not show disparity in a particular  
15 geographic market or particular municipality, it  
16 doesn't necessarily mean that it's a bad disparity  
17 study consultant. Also, understand in--

18 COUNCIL MEMBER WILLS: [interposing]  
19 Wait, wait, wait. I'm sorry. Say that again. Say  
20 that line again. It doesn't what?

21 KERRI JEW: When a disparity study  
22 consultant is doing an analysis it does not  
23 necessarily show disparity in ever-single category.  
24 It doesn't necessarily mean that it is a bad  
25 disparity study consultant. I don't remember off the

1 top of my head, but I do believe that every proposer  
2 that we met with had instances where in a particular  
3 category they perhaps found lower or no goals than in  
4 previous instances.  
5

6 COUNCIL MEMBER WILLS: But they--did they  
7 all have discrimination suits filed against them?

8 KERRI JEW: Most disparity study  
9 consultants who have done studies of a decent scale  
10 have had suits filed against them.

11 COUNCIL MEMBER WILLS: So all of the five  
12 that you looked at had suits against them?

13 KERRI JEW: I can't say that off the top  
14 of my head, but I--I do believe that many of them  
15 had--had--have had suits filed against them.

16 COUNCIL MEMBER WILLS: Okay. Counsel  
17 Wiley, I just wanted to make sure that we--make sure  
18 that we dealt with the narrative that seems to be  
19 here now. It is not your job as counsel to dictate  
20 the structure to the Mayor. The Mayor's job is to  
21 dictate that to you. So I--I know that that is not  
22 lost on any of my fellow colleagues, but it can come  
23 out inadvertently. So I wanted to make sure that--  
24 that you understood that that's not where we're going  
25 with this. We understand that it's top down all



1 right. Because I know that you're here and you're  
2 saying it's a team effort.  
3

4 CHAIRPERSON ROSENTHAL: Council member.

5 COUNCIL MEMBER WILLS: I know my time is  
6 up, right?

7 CHAIRPERSON ROSENTHAL: Yeah.

8 COUNCIL MEMBER WILLS: Okay.

9 CHAIRPERSON ROSENTHAL: And I gave you an  
10 extra minute or so.

11 COUNCIL MEMBER WILLS: [interposing] And  
12 don't check-- No more shuffling with all the papers  
13 over here. Get the people up to the stand.

14 CHAIRPERSON ROSENTHAL: I know. I know.

15 COUNCIL MEMBER WILLS: All right, thank  
16 you.

17 CHAIRPERSON ROSENTHAL: Council Member  
18 Miller. Are you still here? Okay. Council Member  
19 Menchaca.

20 COUNCIL MEMBER MENCHACA: Thank you and I  
21 know we have a short time here, and this is going to  
22 be an ongoing conversation. Thank you for your  
23 testimony. I--I guess what I keep on thinking about  
24 are all the multiple ways we can attack this problem.  
25 Our laws are tricky. I get it. We're trying to

1  
2 carve out space that is difficult and constitutional  
3 and there's a lot of issues. One of the things I  
4 remember working really well is when I was working at  
5 the Brooklyn Borough President's Office was something  
6 call the Downtown Brooklyn Advisory Oversight  
7 Committee. Are you--anybody aware of that? This is--  
8 -this is almost ten years ago, and I don't know if  
9 anybody else here knows about this, but let's sit  
10 down and talk about that. That's organizing at its  
11 best at the community level with the community board  
12 and local elected officials keeping people  
13 accountable at the local--the most local level where  
14 companies, developers will come directly to the  
15 community and report on a monthly basis where they  
16 were with their contracts. In this committee we had  
17 local businesses. that were working with the  
18 companies to help them bet capacity. What I'm saying  
19 here is that there's multiple ways that we can do  
20 that both on the law and the organizing. Can you  
21 speak to the organizing work that you can fund at the  
22 local level? Not at the agency level, but at the  
23 local community neighborhood level. We are seeing an  
24 unprecedented amount of development that's happening  
25 in our community with the major initiative around

1 affordable housing that the Mayor has been pushing,  
2 and we're all trying to get there. We're going to  
3 see this kind of development, and I want to hear from  
4 you where--not--not withstanding the pieces of  
5 legislation we're working today. But, where you're  
6 actually building capacity for communities to  
7 organize and demand this at the local level,  
8 community person to developer.

10 MAYA WILEY: I--we really welcome the  
11 opportunity to sit down and talk through that  
12 experience with you, and learn more from it. I can't  
13 answer that question today, but it's certainly one  
14 we'll go back and--and look at because there may be  
15 things for instance the Community Affairs unit is  
16 doing that I'm not aware of. But, I--we also want to  
17 learn from those past experiences, and we absolutely  
18 agree that we should be thinking and working more  
19 collectively on what some solutions are that we may  
20 not be thinking about.

21 COUNCIL MEMBER MENCHACA: I just, and  
22 I'll end by saying so much of this is about  
23 relationships, business--and I'm not a business  
24 person, but when I talk to business people, business  
25 people make relationships or make business

1 relationships with people that they know. And what  
2 we're trying to do is really legislate around  
3 relationships, and that needs to happen at the  
4 community level for accountability one, and for us to  
5 measure that at the local level for every community  
6 to understand that there are people there that are  
7 working toward a goal. And to make sure that people  
8 can actually walk into a community, and report and  
9 create transparency. And so--and all of this was  
10 without--without law. This is--this about an  
11 invitation from one person to another, and--and I  
12 think in a lot of ways we can rely on business and  
13 the professionalism that we demand out of businesses  
14 to be able to do that. [sic] So I work--I look  
15 forward to working with you on that. Thank you.

17 CHAIRPERSON ROSENTHAL: Council Member  
18 Cornegy, you had another question?

19 COUNCIL MEMBER CORNEGY: Yes, it's  
20 another detailed question, and I'm trying to wrap my  
21 mind around it. So please bear with me. I'm trying  
22 to figure out if the--if the subcon--if the  
23 subcontractor is not getting paid, right, and what we  
24 found in some of these cases--in a great deal of the  
25 cases the subcontractor doesn't get paid. Why is the

1 overall number or the over--why--why is that included  
2 in the overall number of--of--of the contract if the  
3 subcontractor ultimately is not getting paid? How--  
4 how--how are we--how are we calculating that?  
5

6           LISETTE CAMILO: I think that there are--  
7 I think there are two separate issues. There are  
8 problems with payment with delays, which we hear  
9 about a lot. Vendors that do the work and it takes a  
10 long time for them to be paid by the prime because  
11 ultimately the city has the relationship with the  
12 prime vendor, not the sub. And that's the same--  
13 that's the case for--across the board. I think  
14 you're asking then how do we--how do--

15           CHAIRPERSON CORNEGY: [interposing]  
16 Well, I'm asking what's the best measure of the  
17 award?

18           LISETTE CAMILO: So the way--all of our  
19 awards--all of our numbers are based on either  
20 awarded contracts that are registered. So the prime--  
21 the total value of the prime contract, and any--and  
22 the total value of the subcontract that is awarded by  
23 the prime. So we track all of those. So it's the  
24 total value of the subcontract.  
25

1  
2 CHAIRPERSON CORNEGY: Right, so the  
3 Controller--so the Controller's report is counting on  
4 what's been paid?

5 LISETTE CAMILO: Correct.

6 MAYA WILEY: And--and unfortunately, not  
7 all of what's been paid because I think what's really  
8 important to highlight about the payment information  
9 is it's voluntary. Our best estimate is what? It's  
10 about 20% of what's actually been paid. So  
11 unfortunately through--for no fault of the  
12 Comptroller's that database is not actually an  
13 accurate picture of payments.

14 CHAIRPERSON CORNEGY: So how--what is--  
15 how do we remedy that?

16 LISETTE CAMILO: We are actually--have  
17 been engaged in a very aggressive training for agency  
18 staff just to push the--the PIP usage from the--the  
19 prime contractors and the subcontractors. We've--  
20 we've educ--we've trained over 400 agency employees  
21 to make sure that that message is getting sent out  
22 and pushed out to increase compliance, and we've seen  
23 an increased compliance.

24 CHAIRPERSON CORNEGY: Can we mandate them  
25 to report?

1  
2           LISETTE CAMILO: And that's part of the  
3 contract, and we're starting to roll out more  
4 aggressive action--

5           CHAIRPERSON CORNEGY: [interposing] I'm  
6 sorry. I didn't hear the first part of your answer.

7           LISETTE CAMILO: It's part of the  
8 standard construction contract that vendors are  
9 required to use PIP, which is the Pay Information  
10 Portal. So, the next step besides pushing that out  
11 is to start triggering the liquidated damages that  
12 are a possibility and we'll start seeing that soon.

13          CHAIRPERSON CORNEGY: Thank you.

14          CHAIRPERSON ROSENTHAL: My last nitpicky  
15 question and then I'm going to free you, and you've  
16 been so patient. Thank you. In--in the Procurement  
17 Indicator Report does reporting on MWBE contracts and  
18 total contracts--does it--is there. No, the interest  
19 no. Okay. Never mind. It--there's no way to  
20 capture cost overruns of contracts. In other words,  
21 when a contractor is awarded a bid because they're  
22 the lowest responsible bidder, and then next year the  
23 year after or something within the length of the  
24 contract, the contract doubles in size. How do you  
25 go back and say well, the MWBE that didn't win

1 because they weren't the lowest responsible bidder.  
2 Perhaps they would have not, you know, perhaps the  
3 winner was savvy enough to underbid.  
4

5 LISETTE CAMILO: We don't link MWBE  
6 utilization to things like that. It becomes real  
7 tricky to--to make those--

8 CHAIRPERSON ROSENTHAL: [interposing]  
9 Yeah.

10 LISETTE CAMILO: --those assessments or  
11 conclusions.

12 CHAIRPERSON ROSENTHAL: It would be  
13 interesting to think about the--if we could figure  
14 out a way to correlate that, and try to root that  
15 out.

16 LISETTE CAMILO: The difficult angle in  
17 trying to address that is that we don't have the  
18 ability to actually collect bidding information. So  
19 we only have contracts that are--that are awarded to  
20 the--to the--to the winner on that--

21 CHAIRPERSON ROSENTHAL: [interposing]  
22 When you said we, you mean MOCS?

23 LISETTE CAMILO: That's right.

24 CHAIRPERSON ROSENTHAL: You don't mean  
25 the agencies?



1  
2                   LISETTE CAMILO: [interposing] I didn't  
3 say that--

4                   CHAIRPERSON ROSENTHAL: The agencies look  
5 at all of the bids.

6                   LISETTE CAMILO: They look at all the  
7 bids, but they--there's not a central place to  
8 collect--

9                   CHAIRPERSON ROSENTHAL: [interposing]  
10 Right. True

11                   LISETTE CAMILO: --like the--

12                   CHAIRPERSON ROSENTHAL: There could be.

13                   LISETTE CAMILO: There could be.

14                   CHAIRPERSON ROSENTHAL: Yeah. All right.  
15 Thank you very, very much. Thank you for your time,  
16 and I really appreciate it, and Laurie Cumbo has one  
17 closing question.

18                   COUNCIL MEMBER CUMBO: Just one question  
19 because I--I just want to make sure that we are all  
20 holding ourselves accountable. Would you say because  
21 we have a ten-year \$16 billion goal that we are  
22 committed to understanding what those numbers are at  
23 each year? So that way we can track in terms of our  
24 goal. So are we saying at the five-year mark  
25 potentially that our goal is to say we have raised it

1  
2 to \$8 billion? Because my fear is that what often  
3 happens is that we can say the first six years we  
4 were just laying the foundation and putting in the  
5 groundwork. The success can't be measured until the  
6 tenth year when we're all gone. So I want to make  
7 sure that there's a benchmark in the middle that we  
8 can look at and--and hold our administration, hold us  
9 accountable to make sure that we've done the work  
10 that we should.

11 MAYA WILEY: We're--we're happy to talk  
12 to you further about a benchmark.

13 CHAIRPERSON ROSENTHAL: Thank you so  
14 much. I'm going to call up the next panel. We have  
15 a representative from the City Controller's Office.  
16 I'm not quite sure if it's Carra Wallace or Wendy  
17 Garcia. If just one of you could come to the table.  
18 Assemblywoman Rodneyse Bichotte. Did I say it right?

19 RODNEYSE BICHOTTE: Bichotte.

20 CHAIRPERSON ROSENTHAL: Bichotte. State  
21 Senator James Sanders and Bertha Lewis from the Black  
22 Institute. Thank you very much, and if we could  
23 actually--if we could--who should we start with?

24 COUNCIL MEMBER CUMBO: We should start  
25 with the elected officials.

COMMITTEE ON CONTRACTS JOINTLY WITH THE  
COMMITTEE ON SMALL BUSINESS AND THE  
COMMITTEE ON WOMEN'S ISSUES

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1

2

CHAIRPERSON ROSENTHAL: Yeah, yeah.

3

COUNCIL MEMBER CUMBO: Start with

4

Assemblywoman Bichotte.

5

CHAIRPERSON ROSENTHAL: Okay. Let's

6

start with Assembly Member Bichotte followed by State

7

Senator Sanders followed by the representative from

8

the Controller's office. [background comments] And

9

then, of course, by Southern Bell Bertha Lewis.

10

Assemblywoman, whenever you're ready. [pause]

11

ASSEMBLY MEMBER BICHOTTE: My stuff

12

together. Hold on for one second. Okay. Good

13

afternoon. My name is Assembly Member Rodneyse

14

Bichotte.

15

CHAIRPERSON ROSENTHAL: One second. Are

16

you guys going to behave or should I time you at two

17

minutes? [background comments, laughter]

18

ASSEMBLY MEMBER BICHOTTE: The time is a

19

little over two minutes.

20

CHAIRPERSON ROSENTHAL: All right, which?

21

For three?

22

ASSEMBLY MEMBER BICHOTTE: Okay, okay,

23

that. (sic)

24

CHAIRPERSON ROSENTHAL: Thank you.

25

1  
2 ASSEMBLY MEMBER BICHOTTE: Okay. Good  
3 afternoon. My name is Assembly Member Rodneyse  
4 Bichotte. I represent the 42nd Assembly District,  
5 which is in Flatbush, and I am also the Chair of the  
6 Assembly's Oversight of the Minority and Women-Owned  
7 Business Enterprise Subcommittee--

8 CHAIRPERSON CORNEGY: [interposing] I'm  
9 sorry, Assemblywoman. I can't hear you.

10 ASSEMBLY MEMBER BICHOTTE: You cannot  
11 hear me? Is it the--is it the volume.

12 CHAIRPERSON CORNEGY: And usually there's  
13 never an occasion that I can't hear you, [laughter]  
14 But I can't hear you.

15 ASSEMBLY MEMBER BICHOTTE: Okay. Can you  
16 hear me now? Okay, great. Thank you so much for  
17 having me here. I--I certainly want to thank the  
18 leadership, Council Member Rosenthal, Cumbo and  
19 Cornegy for putting this hearing together. It's  
20 definitely much needed. I definitely want to thank  
21 Maya Wiley from the Mayor's Office, Lisette Camilo  
22 from MOCS and Commissioner Bishop from SBS for doing  
23 their testimony. And I'm certainly excited to have  
24 here with us Senator Sanders from the State  
25 Legislature and Carra Wallace from the Controller's

1 Office and Bertha Lewis, our advocate from the Black  
2 Institute. I am--jut want to let you know that I'm  
3 very passionate about the issue around economic  
4 development, and as the Chair I'm committed to  
5 working with all stakeholders including my colleagues  
6 in the City and the State level. MWBEs themselves to  
7 strengthen the existing MWBE programs so that more  
8 people can take advantage of what the city and state  
9 has to offer in the form of contracts and  
10 procurement. Now, I understand that this may take  
11 some time for, you know, the years and years of  
12 exclusion around institutional racism and sexism.  
13 And I'm happy that our voices are finally being heard  
14 in many ways and that we have--we're finally--our  
15 wheels are finally sweeping. This past legislative  
16 session my colleagues and I introduced over 50  
17 legislation around MWBE and small businesses, 10 of  
18 which were passed in both the Senate and the Assembly  
19 House. I also have been a part--I've been doing my  
20 part on the state level to partner with city to  
21 introduce several meaningful pieces of legislation  
22 that we talked about earlier when Maya Wiley had  
23 talked about the best value. Pieces of legislation  
24 that was a collective effort from City Council and  
25

1 the Mayor's Administration and Small Business  
2 Services. This bill A--8044-A along with a Same As  
3 bill by Senator James Sanders, Jr. who is sitting  
4 next to me right here, which is S5924-A amends and  
5 expands the State general municipal law, and thus  
6 creates additional procurement opportunities for MWBE  
7 by addressing the following: It increases the city's  
8 MWBE discretionary spending of all small purchases  
9 threshold from \$100,000 to \$200,000. It allows MWBE  
10 status to be a factor in best value awards. It also  
11 establishes capacity-building programs for the  
12 benefit of the state or local MWBE certified firms  
13 doing business in New York City. And lastly, it  
14 permits the pre-qualified list for purchase contracts  
15 in addition to the public works. This bill will  
16 amend the New York City Charter to authorize the City  
17 Procurement Policy Board to abide by the rules of the  
18 above enhancements. There are a number of other  
19 legislation that we passed. Currently, we are  
20 proposing that the tax abatement, which encourages  
21 new construction of affordable housing in New York  
22 City to include MWBE. At the end of the last  
23 legislation session, the proposed enhanced program  
24 that includes more affordable housing was extended  
25

1 for four years under the condition that a prevailing  
2 wage--wage requirement for construction workers be  
3 negotiated within six months. The agreement reached  
4 at the end of the session was that if no  
5 understanding between developers and laborers could  
6 be reached within the six-month period, which in this  
7 month the program would be suspended until an  
8 agreement is reached. As part of the discussion, my  
9 colleagues and I called for a 30% MWBE participation  
10 goal to be included in the final memorandum of  
11 understanding. We are looking for our City Council  
12 members to participate.  
13

14           Lastly, I just want to say that I'm here  
15 to show support to the vital legislation being  
16 introduced by members of the New York City Council.  
17 This legislation once it is passed will not only  
18 provide and ensure proper oversight, but it will  
19 provide greater transparency for the process. Annual  
20 report to show that the MWBE requirements have been  
21 met, training for contract and MWBE's officers,  
22 publishing of utilization plans on line,  
23 strengthening of report and requirements. We are  
24 diligently trying to put legislation in the state to  
25 mimic many of what you have presented today. We are

1  
2 also looking at project labor agreements as the  
3 City's project labor agreements are a little bit  
4 better than the state. We are looking to enhance  
5 that. We're looking to get more resources for  
6 outreach program in underrepresented communities, and  
7 immigrant communities. We are looking to expand our  
8 program so that it's not only revolving around  
9 construction, but it is also revolving around  
10 professional services, goods and purchases, standards  
11 services. And we're looking for a better way that  
12 subcontractors are being paid on time [coughs] and  
13 maybe if there's a way to--for the agencies to  
14 directly pay the subcontractors. With that, in the  
15 end this is a part and parcel of a larger economic  
16 development strategy that will help address economic  
17 disparities that currently exist in our city and  
18 state.

19 CHAIRPERSON ROSENTHAL: [interposing]  
20 Assembly Member--

21 ASSEMBLY MEMBER BICHOTTE: Thank you for  
22 your time today for allowing me to advocate on behalf  
23 of MWBEs and the many others who will positively  
24 impact--be impacted by the passage of this  
25 legislation. Thank you.



1  
2 CHAIRPERSON ROSENTHAL: See, now you're  
3 going to get me in trouble with my colleagues.

4 ASSEMBLY MEMBER BICHOTTE: [laughs] Oh,  
5 sorry.

6 CHAIRPERSON ROSENTHAL: I would really  
7 ask that you please try to limit it to three minutes.

8 ASSEMBLY MEMBER BICHOTTE: Sorry.

9 CHAIRPERSON ROSENTHAL: Thank you.

10 Good afternoon. [laughs] I understand.

11 It's very interesting to sit on this side of the.

12 I'm usually on the other side of the table with my

13 colleagues. It's more fun being on the other side,

14 but be there as it may. As the father of MWBE in New

15 York City, Local Law 129, my Local Law 1 as the

16 father of--

17 CHAIRPERSON ROSENTHAL: [off mic]

18 SENATOR JAMES SANDERS: I like it, I'll

19 tell you. As the father of these laws, I--I--it's

20 always interesting to see that what we dreamed of, we

21 and our Council colleagues dreamed of, your

22 predecessors dreamed of has never come to--come to

23 bat. We--what we--what we intended has been, and

24 once since still born my friends, and you have a

25 great responsibility sitting right there to--to

1 change things. I'm going to respect the time because  
2 I may need the two minutes on another day, but I'm  
3 going to just focus on one area. If there was ever  
4 an area that I think would make the difference,  
5 you've got to deal with the issue of the ACCOs. This  
6 is the essence I would argue of what is happening.  
7 There is no punishment for ACCOs. Why don't we do  
8 something different. If I were in those seats, I  
9 would propose that we include this in their job  
10 description. That way you would give a chance to  
11 grade them. Are they upholding the--the views of the  
12 city, the positions of the city? If they are, then  
13 they should get some extra points, if you wish, in  
14 their job performance. You have to find a way to  
15 aid. Aiding is better than punishing in that sense.  
16 The crossing decision is going to give you not a lot  
17 of room to move, but you certainly can include it in  
18 their job performance. By doing this, you may change  
19 the culture. The city has said that they've had many  
20 conversations. They do a monthly meeting where--where  
21 we sing Kumbaya, and why can't we get along? And  
22 it's not working. Remember that behind these figures  
23 are misery on the streets, an incredible misery.  
24 People who should have worked not working, and you  
25

1 have a--a way of doing it. You're also going to have  
2 to deal with the issue of prime contracts, prime  
3 contracts. These are contracts of a million dollars  
4 or more. The City is always going to--and the state  
5 for that matter--let's not put them--I'm not saying  
6 that they aren't living up to what they're supposed  
7 to either. The--however, the transparency  
8 regulations that we did at the City Council is what  
9 is making the city look this way. The same  
10 transparency is not at the state in allowing the  
11 state to look in a different way, my friends. We're  
12 working on that. I'm with my colleague here and  
13 we're hard at work at the state. Otherwise, you're  
14 dealing with the chicken and the egg. You can't get  
15 the contract because you don't have the capacity.  
16 You'll never get the capacity because you won't get  
17 the contract. We have to deal more. You have to  
18 deal with real money that you can lend to these  
19 corporations, the MWBEs. There's a bunch of stuff  
20 that we can do. I'm going to respect your time. I,  
21 too, have spent--this has been my life. I had no  
22 idea I would spend this much time on it. On another  
23 day I look forward to speaking with you of ways that  
24 I think concretely we can help change this, and I  
25

1  
2 look forward to any questions. But be careful. If  
3 you ask me a question, I'm going to give you the  
4 answer. [laughs]

5 CHAIRPERSON CORNEGY: I--I was just  
6 wondering.

7 CHAIRPERSON ROSENTHAL: [interposing]  
8 Senator--

9 CHAIRPERSON CORNEGY: Wait. If in lieu  
10 of a lot of dialogue if there are some written  
11 recommendations from the state that both you and the  
12 Assemblywoman Bichotte have, I'd be interested in  
13 seeing them.

14 SENATOR JAMES SANDERS: Absolutely. She  
15 is always filled with good information, and I'm just  
16 her sidekick.

17 CHAIRPERSON CORNEGY: Since she never  
18 lacks the opportunity to fill my ear with it when  
19 we're out. I was just wondering if I could get those  
20 written recommendations. I would really appreciate  
21 that. That would be good for me.

22 SENATOR JAMES SANDERS: Okay.

23 CHAIRPERSON ROSENTHAL: I'm going to have  
24 to excuse myself for a--a meeting that's very  
25

1 important to my district. I'll be right back and I'm  
2 turning over the chair to Council Member Cumbo.

3  
4 CARRA WALLACE: Okay. You ready?

5 COUNCIL MEMBER CUMBO: Yes.

6 CARRA WALLACE: Hi, I'm Carra Wallace,  
7 Chief Diversity Officer for New York City Comptroller  
8 Scott Stringer. My colleague Wendy Garcia, the  
9 Deputy Chief Diversity Officer is here with me today,  
10 and I'm here to read the testimony of Comptroller  
11 Scott Stringer. Before I do, I just want to say a  
12 personal thank you. Having been at the table five  
13 years ago under the leadership of Governor Patterson,  
14 when I worked for DASNY. I worked very closely with  
15 the MWBE team and the passage of the 2010  
16 Diversification Act. And so it's just wonderful to  
17 see the City Council now focused on this, and I'm  
18 sure we can have some of the same great outcomes that  
19 we had at the State. So in reading the Comptroller's  
20 testimony, thank you to Council Members Cornegy,  
21 Cumbo and Rosenthal for their leadership in convening  
22 this critical hearing, and to the Public Advocate  
23 James and Council Member Crowley for their continued  
24 commitment to diversity and city contracting. I  
25 strongly support your efforts to improve transparency

1 and accountability in the City's Minority and  
2 Business Enterprise Programs, which are critical to  
3 the long-term health of our economy. New York City  
4 is home to the largest and most diverse cluster of  
5 businesses in the United States. However, for years  
6 we have struggled to get city contracts into the  
7 hands of MWBEs. In 1992, New York published its  
8 first Disparity Study. Its conclusion surprised no  
9 one. MWBEs face discrimination in the marketplace,  
10 and received a disproportionately small share of city  
11 procurement. In the decades that followed, the city  
12 took a variety of steps to level that playing field  
13 including creating a series of aspirational goals  
14 under Local Law 129. The program, which was updated  
15 in 2013 has led to an increase in the number of  
16 certified MWBE firms. However, the program has  
17 fallen far short of its goal of actually getting  
18 contracts into their hands. As stated in--in the  
19 Fiscal Year 2015 Procurement Indicators Report  
20 released in October by the Mayor's Office of Contract  
21 Services, only 5.3% of the \$13.6 billion procurement  
22 government was--was spent with MWBEs. While this is  
23 a higher share in recent years, it is still  
24 unacceptably low in a city where nearly 80% of the  
25

1 residents are women or people of color. In New York  
2 diversity isn't some buzzword. It's a fundamental  
3 economic development principle. Going to apply for  
4 MWBE firms is not just the right thing to do, but it  
5 will also increase competition in procurement, drive  
6 down cost payer tax, and act as central tool in our  
7 battle against income inequality. That's why as  
8 Comptroller, diversity has been a top priority for my  
9 office since day one. Last year, we hired the  
10 Comptroller's first ever Chief Diversity and Deputy  
11 Chief Diversity Officers who are charged with  
12 spearheading efforts to boost procurement for MWBE  
13 firms [bell] and enhancing economic opportunity for  
14 communities throughout the five boroughs. We have  
15 also used the power of the pension system to press  
16 for reforms in corporate America where boards of  
17 directors all too often lack the independence and  
18 diversity that are needed to maximize share owner  
19 value in a 21st century marketplace. And finally,  
20 we've launched the new--the annual report *Making the*  
21 *Grade*, and in an effort to boost transparency and  
22 accountability for MWBE spending. And I reinforce  
23 spending is where the focus needs to be. The report  
24 issues a letter grade to dozens of city agencies  
25

1 based on their successes or failures with MWBEs.  
2  
3 These grades are based on actual spending rather than  
4 merely contracted awards that may or may not  
5 materialize. The results of our first assess--  
6 assessment weren't pretty. The City received an  
7 overall grade of D with 21 of 32 agencies reviewed  
8 [coughing] receiving a D or F grade. In this year's  
9 report we saw some progress with nearly half of the  
10 32 agencies reviewed receiving grades between A and  
11 C. However, the citywide grade for Fiscal Year 15  
12 was a very disappointing D+. One of the major  
13 challenges the city faces is an expanding MWBE  
14 procurement is that we still struggle to collect the  
15 data it needed to fully understand the scope of the  
16 problem. Our office has taken steps to improve  
17 transparency including data displaying MWBE  
18 subcontractor data on our Financial Transparency  
19 website, Check--Checkbook NYC, for the first time  
20 ever. However, Checkbook can only display the data.  
21 It can't create it out of thin air. We need agencies  
22 to do their part in holding prime vendors accountable  
23 for disclosing contractor information. And right now  
24 it isn't happening. 19 of the 32 agencies we graded  
25 failed to upload any subcontractor data into PIP.



1 The failure of these agencies to hold prime vendors  
2 accountable for subcontractor spending is  
3 particularly concerning because subcontracting often  
4 offers the best opportunities for small businesses  
5 including many MWBEs. The bottom line is that for  
6 all the positives of the current New York City  
7 economic story, many minority and women-owned  
8 businesses lack the opportunities in the marketplace.  
9 The cities must do much more to foster growth, and  
10 opportunity for these entrepreneurs many of whom  
11 support job growth in distressed neighborhoods  
12 throughout the five boroughs.

14 CHAIRPERSON CUMBO: You're going to have  
15 to wrap it up.

16 CARRA WALLACE: Okay.

17 CHAIRPERSON CUMBO: Uh-huh.

18 CARRA WALLACE: I think we can. Let me  
19 basically commend you for all of the bills that are  
20 on the table.

21 CHAIRPERSON CUMBO: Thank you so much,  
22 and I'm sorry because the information that you're  
23 providing is so critical, but I do thank you for your  
24 testimony. Thank you.

25 CARRA WALLACE: Uh-huh.

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[pause]

BERTHA LEWIS: Thank you.

CHAIRPERSON CUMBO: Thank you Mrs. Lewis

BERTHA LEWIS: Can you hear me?

CHAIRPERSON CUMBO: Yes, I can.

BERTHA LEWIS: Okay. Let me just say up  
front no I will not abide by the three-minute rule.  
I think it is appalling that every time that I come  
to testify at a City Council hearing the  
administration that is two years overdue--

CHAIRPERSON CUMBO: [interposing] Uh-huh.

BERTHA LEWIS: --gets to go on for two  
and a half hours. You represent the people. You  
should listen to the people first.

SERGEANT-AT-ARMS: Quiet.

BERTHA LEWIS: And here we are 14 of the  
MWBES that were to testify here today could not stay  
here because they actually had to run their business.  
I just had to say that to begin with.

CHAIRPERSON CUMBO: Point well taken.

BERTHA LEWIS: But good afternoon.

CHAIRPERSON CUMBO: Good afternoon.

BERTHA LEWIS: And thank you to the  
Contracts Chair Helen Rosenthal and members of the

1 Committee who are here today and supporters of the  
2 legislation. My name is Bertha Lewis, and I am the  
3 President of the Black Institute. We are an action  
4 tank whose mission is shape intellectual discourse,  
5 dialogue and impact public policy uniquely from the  
6 Black perspective. Unlike most of you and the Public  
7 Advocate, this is personal.  
8

9 CHAIRPERSON CUMBO: Uh-huh.

10 BERTHA LEWIS: My people are dying, and  
11 going out of business every day, and yes it is  
12 personal. That's how serious this is. It is  
13 extraordinary and inspiring to see that while City  
14 Hall continues to fail us on reforming New York  
15 City's broken Minority and Women-Owned Business laws,  
16 that New York City Council is leading the charge to  
17 spotlight this issue with energy and independence.  
18 Minority and Women-Owned Businesses are struggling in  
19 New York City. And while other local governments are  
20 increasing the percentages of government contracts  
21 awarded to MWBE, the progressive capital of America's  
22 cities, numbers remain at 4%. Let me be clear.  
23 These bills do not go nearly far enough. They do not  
24 address the systemic inequality that has blocked  
25 minority businesses from succeeding, creating new

1 jobs in communities of color or even making payroll.  
2 They deal with our fringe problems that can be fixed  
3 without wading into the unequal distribution of  
4 contracts and money to firms owned by white men who  
5 have not kept their promises, failed to report and in  
6 many instances lied about hiring minority  
7 subcontracts and workers. And, oh, by the way, there  
8 are 75 agencies, not 32. Every agency should be  
9 reporting, but these reforms would be no small  
10 victory.  
11

12 CHAIRPERSON CUMBO: [interposing] You  
13 just go ahead and ignore that.

14 BERTHA LEWIS: The bills--that's right.  
15 The bills under review by this committee would have a  
16 powerful economic impact on the status quo by  
17 addressing the lack of transparency in the  
18 contracting process, and the lack of accountability  
19 for incompetence and flawed. Adopting these common  
20 sense proposals like creating a top position within  
21 the executive branch to have to make sure that there  
22 are--this blame can't be diffused, crating an agency  
23 utilization plan. So that the City's outreach has  
24 focus and opportunities for public comment, and  
25 making prime contract vendors' records meeting or

1 failing MWBE goals publicly reviewable will give us  
2 at least some new tools in this fight. And we are  
3 going to need it because the lobbyists are coming,  
4 and the administration has already told you how they  
5 are going to lobby you to not pass your bills. As  
6 many of you know, the city was required to begin its  
7 first biannual disparity study in 2015 to assess MWBE  
8 utilization rates and diversity goals. And Mayor de  
9 Blasio's Administration has apparently hired a  
10 Florida company called MGT of America to run it for a  
11 million dollars. A non-MWBE company, I might add, a  
12 troubled company with a record of undercutting MWBE  
13 programs and working against the interest of  
14 communities of color. You want to know the details?  
15 Then you can read all about it my Op Ed in city and  
16 state on why this company is so bad, and such a bad  
17 choice. And, oh, don't just believe the Black  
18 Institute. The NWAACP as well as the Urban League  
19 put out a study about this company, and yet a million  
20 dollars just went out the door. This hearing today  
21 addresses two issues: Legislation and finally,  
22 finally this Administration reporting to the Council.  
23 The report, ladies and gentlemen, is over two years  
24 overdue. That alone tells us what this  
25

1 Administration thinks about MWBEs of this city. This  
2 Administration is long on rhetoric, short on action.  
3 We are in a crisis here, and this Administration is  
4 always a date and billions of dollars short. Local  
5 Law 1, which we are attempting to amend today is  
6 totally ignored by this Administration, and their  
7 talk about income and equality does not apply to  
8 Minority and Women-Owned Businesses. This  
9 Administration talks about giving minorities \$16  
10 billion over ten years. This Administration does not  
11 have ten years. This Administration may not have  
12 four years. If you want the background and the  
13 research on why the \$16 billion is a lie, the Black  
14 Institute will be happy to supply it to you, or just  
15 read the New York Post story about it dated October 7  
16 of this year. Even Stevie Wonder can see what is  
17 going on there. [laughs] This Administration's  
18 record and approach to this issue is directly to  
19 perpetuate sale--a tale of two cities. Enough.  
20 Only, only the City Council can do the right thing  
21 with passing at least some of this legislation  
22 because there's more that needs to be introduced.  
23 This administration is incompetent and incapable of  
24 solving this glaring problem. MWBE reform is a  
25

1  
2 complex and challenging issue, and one that takes  
3 real effort to see real results. Perhaps that's why  
4 City Hall has attempted to sweep it's record under  
5 the rug, and put more effort in the illusion of  
6 progress as they did for two and a half hours today.  
7 But, if we can make these bills into law, then your  
8 contributions will not be forgotten. But real change  
9 can be made if this Council has the will. The Black  
10 Institute and the entire minority business community  
11 appreciates you all's hard work in addressing the  
12 real foundation of inequality in this city. Thank  
13 you. [applause]

14 SERGEANT-AT-ARMS: Quiet please. You  
15 don't need to clap. Thank you.

16 BERTHA LEWIS: And with that, I will take  
17 questions.

18 CHAIRPERSON CUMBO: I'm pretty  
19 speechless. I asked my colleagues also if they had  
20 additional questions. I just have one follow-up  
21 question if you all could speak to. Can you talk a  
22 bit about the \$20 million that has been committed by  
23 the City, and what you believe the impact of that \$20  
24 million will do, and the terms of bonding as well as  
25

1  
2 capital, and how that will impact us moving the  
3 needle as far as the MWBE process.

4           BERTHA LEWIS: I would like to speak to  
5 that.

6           CHAIRPERSON CUMBO: Uh-huh.

7           BERTHA LEWIS: Number one, there are two  
8 pots of money.

9           CHAIRPERSON CUMBO: Uh-huh.

10           BERTHA LEWIS: Number two, both pots of  
11 money are an insult to the MWBE community. We  
12 believe there's at least between half a million to  
13 700,000 MWBE businesses. When this Administration  
14 was asked about their loan program \$10, million,  
15 about the bonding program \$10 million, how many MWBEs  
16 will this actually help? The Administration had no  
17 answer because they hadn't figured it out. They  
18 really didn't know. Well, we figured it out, and  
19 guess what? \$10 million in one pot and \$10 million  
20 in the other will help a grand total of maybe 23  
21 companies. \$10 million, \$20 million out of a \$78  
22 billion budget, really? That is the most insulting  
23 and immoral thing that they could possibly have said  
24 and ask them. They don't have any outlines of the  
25 program, any details. They don't know. They just



1 spit out \$20 million and hungry MWBEs and people of  
2 color is supposed to say, "Oh, thank you, masser. We  
3 so grateful." [background comments]

4 CHAIRPERSON CUMBO: Thank you. Senator  
5 Sanders.

6 SENATOR JAMES SANDERS: I yield. I'll  
7 speak last.

8 CARRA WALLACE: The only thing I would  
9 say is that we have to look beyond some of the same  
10 programs, and begin to look at technology as an  
11 enabler. As you look at what the State did with its  
12 compliance system, when you look at the end-to-end  
13 electronic bid to--bid system, there are things like  
14 that that we have to move in the direction of. The  
15 City is so far behind. Their technology is just,  
16 too--it's here. It's available. The feds have done  
17 it. States--other states have done it. We have to  
18 do it here, and that's why I look to see increased  
19 budget in those areas to really get some things done  
20 to facilitate this whole procurement process.

21 CHAIRPERSON CUMBO: And while you're  
22 thinking about that, the other question I have in  
23 closing is also what do you think of the Mayor's  
24 Executive Order in terms of creating an advisory  
25

1 council? What role do you think that that will also  
2 play in this process?

3  
4 BERTHA LEWIS: Number one, that ain't  
5 slick. Local Law 1 requires the Mayor to have been--  
6 had an executive council on MWBE for two years.  
7 Don't fall for the B-S. This Administration is  
8 behind. They are defiant. They are so disrespectful  
9 as to put out today that they are finally doing this  
10 when they are required to have done it from day one  
11 according to Local Law 1. So for two years--for two  
12 years this Administration was guilty of breaking the  
13 law.

14 CHAIRPERSON CUMBO: Thank you. Assembly  
15 Member Rodneyse Bichotte.

16 ASSEMBLY MEMBER BICHOTTE: I just wanted  
17 to comment on the \$20 million.

18 CHAIRPERSON CUMBO: Uh-huh.

19 ASSEMBLY MEMBER BICHOTTE: I agree with  
20 Bertha. I think \$20 million is just a dime in the  
21 bucket. We have over hundreds and hundreds or  
22 thousands of Minority and Women Business Enterprise  
23 that needs assistance. And that's why we are trying  
24 to put legislation on statewide I guess to overshadow  
25 the municipal laws to enforce funding allocated for

1 more outreach, for our capacity programs. You know,  
2 SCA has a great model that we should mimic throughout  
3 all agencies whether it's on construction,  
4 professional--

6 CHAIRPERSON CUMBO: [interposing] Uh-huh.

7 ASSEMBLY MEMBER BICHOTTE: --services,  
8 goods and purchases. Also, I believe--I believe SBS  
9 is doing a great job. I--I used to work in SBS, and  
10 I understand some of the very detailed things that  
11 they're going through in terms of how they report and  
12 so forth. But quite honestly, our agencies like SBS  
13 and ESD, they do not have enough resources. We need  
14 to put resources around outreach. We're outreaching  
15 to the same old, same old organizations and MWBEs.  
16 We need to come out to the communities to outreach to  
17 under-represented like the immigrant communities.  
18 So, I'm--I'm aligned with--with Bertha Lewis. I mean  
19 it's a step, and hopefully that step will take us to  
20 a bigger step and more funding. (sic)

21 CHAIRPERSON CUMBO: Thank you. Senator  
22 Sanders, do you want to--?

23 SENATOR JAMES SANDERS: Absolutely.  
24 Council Member, the real question is are we in a  
25 crisis or not? If we were not in a crisis then this

1 would be a sufficient amount of money. If we are in  
2 a crisis, then we're going to have to look for much  
3 larger sums. Those sums are available. I believe  
4 that it's the Controller's Office that says that  
5 we're going to end with a budget surplus this year.  
6 That allows monies to be made. One of the things I  
7 would do if I were a City Council person is require  
8 that the City have a plan of how long will it take to  
9 reach equality. the City should set goals and say  
10 okay it would take 10 years, it would take 20 years,  
11 it will take 40 years or whatever it is, but there  
12 should be some planning. That's the plan that you  
13 can hold the city--not just his administration, all  
14 administrations and have checkpoints for when are we  
15 going on these things? You're going to--if you're  
16 trying to achieve real parity, you're going to have  
17 to increase that budget dramatically in terms of  
18 this. You're going to have to come up with even more  
19 interesting things. You're going to have to have to--  
20 -and these things are possible thanks to the Council  
21 (sic) decision. These things don't fall apart.  
22 You're going to have to speak of funding and you're--  
23 the price of capital. How much is money being linked  
24 for. You have to look at that also. So, when you're  
25

1 speaking of \$156,000 or whatever the--the number is,  
2 you're not going to be a prime at that point.

3  
4 CHAIRPERSON CUMBO: [interposing] Uh-huh.

5 SENATOR JAMES SANDERS: --and then I mean  
6 a real prime. I don't mean going for contracts of  
7 \$200,000 or less dollars. I'm talking about the  
8 giant contracts that are--that are given out in this  
9 city. We're going to have to have money to allow  
10 people to compete for that. These things are  
11 allowable under the Cronson (sic) decision, and would  
12 have very little to do with the--with the State in  
13 the sense that these probably can be handled at the  
14 Mayor's Office by putting it into the budget, and  
15 keeping it a regulation and not so much a law.  
16 Regulations are putting the money at the--at the  
17 different offices where these things can be borrowed  
18 against. So yes, there's a world of stuff that we  
19 can do had we the will, and it's not simply the  
20 Mayor's Office. It's the Governor's, too. It's the--  
21 -it's the whole area had we the will and the vision.

22 CHAIRPERSON CUMBO: That's right. Well,  
23 I want to thank you all for your testimony--Yes, uh-  
24 huh, Council Member Cornegy.

1  
2           CHAIRPERSON CORNEGY: So I don't have a  
3 question, but I do have a statement. I want to say  
4 that--I want to say thank you to our partners in  
5 government from the State because obviously we can't  
6 do this alone, and--and I have to use my head, but  
7 city, state and federal is going to take that much of  
8 a collaboration to move this needle forward. I want  
9 to especially thank Bertha for her report because  
10 that helped us move the needle, and it gave us some  
11 context. So those of us who are new Council Members  
12 benefitted tremendously from that level of context.  
13 And specifically, Senator Sanders, to have been so  
14 intimately involved in some of this legislation, and  
15 not to walk away from it and to come back, a lot of  
16 times we lose momentum when administrations change  
17 and when Council Members change.

18           CHAIRPERSON CUMBO: Uh-huh.

19           CHAIRPERSON CORNEGY: So your commitment  
20 to this is evidenced by you coming back even after,  
21 you know, moving on to higher office to come back and  
22 to undergird us with what's necessary and give us  
23 context I think is extremely important. So all of  
24 you I'd like to thank tremendously for the work that  
25 you're continuing to do. And obviously, you know, at

1 Scott Stringer's Office has done a tremendous amount  
2 with detailing agency by agency give us an  
3 opportunity to look at that. So I'm just proud to be  
4 with my colleagues and get to call on my prior  
5 colleagues in government to make this work. Thank  
6 you.

8 CHAIRPERSON CUMBO: Thank you very much.  
9 Thank you for your testimony, and we are now going to  
10 call the next panel forward. Veronica Harris from  
11 the Brooklyn Chamber of Commerce. We have Quenia  
12 Abreu (sp?)

13 QUENIA ABREA: [off mic] Quenia Abrea.

14 CHAIRPERSON CUMBO: Okay, Quenia Abrea.  
15 Alfred Casseras (sp?) and I can't quite read it, but  
16 I'll say Mr. Carter.

17 SERGEANT-AT-ARMS: [off mic] He left.

18 CHAIRPERSON CUMBO: Okay, Mr. Carter left  
19 so we'll take another one from another panel.  
20 Reginald Sweeney. [background comments] I just want  
21 to say that I want to acknowledge Bertha Lewis'  
22 comment in terms of the fact that we apologize that  
23 we have limited time as a result of the  
24 administration's longer testimony. Perhaps we will  
25 structure our testimony in a different way, but

1  
2 unfortunately, at this time, we are limited in our  
3 time in the room. So I will just simply begin with  
4 Reginald Sweeney, and we will then--

5 REGINALD SWEENEY: [off mic] I can wait.  
6 Let the ladies go first.

7 CHAIRPERSON CUMBO: And then we will try--  
8 I'm sorry.

9 FEMALE SPEAKER: [off mic] I want to  
10 know if you called my name. [sic]

11 CHAIRPERSON CUMBO: What was your--what  
12 is your name?

13 FEMALE SPEAKER: [off mic]

14 CHAIRPERSON CUMBO: No, we didn't call  
15 your name, but I'm sure you'll be up quite soon.  
16 [background comments] Okay. Alma Nugent Rena, do  
17 you want to come on up? Okay. So we'll start with  
18 Reginald and we'll have to begin the clock. I  
19 apologize, but we're going to--we're going to work as  
20 best as we can.

21 REGINALD SWEENEY: Okay, good evening  
22 everyone. I mean good day. Hi. My name is Reginald  
23 Sweeney. I'm a small business owner, and I will just  
24 run through a couple of things really quickly that is  
25 really--I'm very concerned, and one of the things is



1 Intro Bill 1005, Utilization, agency utilizations and  
2 their directors and those individuals that should  
3 monitor these contracts. One thing about utilization  
4 especially with EDC, they really don't set goals.  
5 When there's a--when there's a contract out for bid,  
6 they show--they'll show you a utilization  
7 documentation---

9 CHAIRPERSON CUMBO: Uh-huh.

10 REGINALD SWEENEY: --as far as the bid  
11 package, but they don't add--they don't put the  
12 percentage of the goals there. I think the City  
13 needs to come up with a one-page form that helps out  
14 with utilizations called the letter of intent, which  
15 the MTA uses where that if a contractor is looking to  
16 use a subcontractor for every single time that my  
17 company received a letter of intent we were awarded a  
18 contract. I think you guys need to embark on  
19 creating your own form that pins down these  
20 contractors when they play the game prior to award.  
21 So like if they win your contract, they're the lowest  
22 bidder then here we go with the MWBE game where they  
23 fill out the utilization package and people have  
24 purchase orders. You need to have a form similar to  
25 this that will pin these guys down so whoever wins

1 these contracts, they are required to send this form  
2 to the subcontractor. The subcontractor fills out  
3 this documentation, signs on the back. And it seems  
4 to be like an affidavit, and that means you will be  
5 awarded that contract, and that's part of this  
6 utilization package. If the agencies themselves  
7 don't have any type of utilization form, how are you  
8 asking the agency heads to create a yearly  
9 utilization goal when you don't even have the  
10 fundamental first part of the business making sure  
11 the subs get their meaning. They set up a  
12 utilization goal. If they're not successful in  
13 meeting that goal as I read, then they have to come  
14 back to the Council and tell them how--come back to  
15 you guys and say well, this is how we want to try to  
16 meet the goals without, you know, with their attempts  
17 of trying to meet the goals. [coughs] Excuse me.  
18 On your micropurchasing, I have a big problem: Five  
19 plus five. Five vendors that are not the minority,  
20 five vendors that get selected as minorities. Say  
21 like you're a company. You're trying to participate  
22 in this micro lending program, this small 30--you're  
23 going to raise the goal to \$35,000. I can wait 20  
24 years before I'm selected. I think it's  
25

1 unconstitutional. A lot of the stuff that's going on  
2 with the city and how you guys are meeting the goals  
3 is --and especially with the PLAs. It  
4 unconstitutional restrictive of trade, and it locks  
5 people out. Now, with this micro lending program  
6 here, it--they--I read no competition, no bid meaning  
7 that ACCO can select whoever they want. That's a big  
8 problem. [bell] It's almost unconstitutional. One  
9 last point. You keep--I keep hearing this thing  
10 about advisory boards, advisory boards. When you  
11 select an advisory board--[coughs] excuse me--I  
12 didn't even know that the city had their own advisory  
13 board. Under the advisory of Freedom of Information  
14 Act and the Open Meeting Law, these advisory boards  
15 have to fulfill--follow these guidelines. They've  
16 got to have some bylaws.

18 CHAIRPERSON CUMBO: Uh-huh.

19 REGINALD SWEENEY: This--I call every  
20 single advisory board a special interest board where  
21 they wheel and deal and select who they want. Some  
22 of the minority organizations they give them a  
23 little--a little pat and pub somebody on the board.  
24 They shape policy, which is not--it's special  
25 interest policy. So, hopefully, you guys can get a

1 hold of that, but PLAs and MOCS I'm very disappointed  
2 with the young lady from MCOS. I see her here at  
3 this major, you know, union events, and I almost  
4 think she works for them. And I go on the record by  
5 saying this: We are dealing with a civil right bill  
6 that was mandated by the federal government that was  
7 trickled down to the state and hopefully the city  
8 follows it. We are in the worst predicament, worse  
9 off than the Black farmers. The last administration  
10 and even the last Council I'll take a shot at them.  
11 They have left you with a mess. It is a serious,  
12 serious problem where--

14 CHAIRPERSON CUMBO: [interposing] Will  
15 you say this and I so apologize. I do want to give  
16 the other panelists opportunity--

17 REGINALD SWEENEY: [interposing] Okay.

18 CHAIRPERSON CUMBO: --before we have to  
19 exit the room--

20 REGINALD SWEENEY: [interposing] Okay

21 CHAIRPERSON CUMBO: --to speak. I  
22 apologize for how we've conducted--

23 REGINALD SWEENEY: [interposing] Okay.

24 CHAIRPERSON CUMBO: --the time of today,  
25 but at this point I do want to be sensitive to the

1  
2 people that are remaining that have submitted a  
3 request form to testify.

4 REGINALD SWEENEY: Well, take that PLA  
5 off the table. You'll watch your growth of your MWBE  
6 program explode because before the PLA was  
7 implemented, people had contracts, and under the  
8 Giuliani administration I kept per year for contracts  
9 every year. So I hear a lot of rhetoric about that  
10 administration--

11 CHAIRPERSON CUMBO: Uh-huh.

12 REGINALD SWEENEY: --but if you look at  
13 the administration and track how--what administration  
14 did what--

15 CHAIRPERSON CUMBO: [interposing] That's  
16 where you were successful.

17 REGINALD SWEENEY: --you'll say who did  
18 right. Thank you.

19 CHAIRPERSON CUMBO: Thank you. We will  
20 have our next panelist in the middle.

21 REGINALD SWEENEY: [off mic] You didn't  
22 take my statement.

23 QUENIA ABREU: Good afternoon. My name  
24 is Quenia Abreu. I'm the President of New York  
25

1  
2 Women's Chamber of Commerce, and I want to say thank  
3 you for allowing me--

4 CHAIRPERSON CUMBO: [interposing] Thank  
5 you.

6 QUENIA ABREU: --to testify today. I  
7 just want to show you a couple of years ago I had a  
8 group of women from South Africa that met with me.  
9 They wanted to know about the MWBE program, the  
10 effectiveness of it. And when I started talking  
11 about Local Law, which at that time was Local Law  
12 129, they said no we're not interested in the law,  
13 and I said how come? And they said well because our  
14 constitution reads that all--the constitution was  
15 written by President of Mandella at that time--it  
16 reads that all women--all men and all women or all  
17 women are created equal, and whoever violates the law  
18 will be punished by the law, and with even jail time.  
19 So I said this because one of the problems that I--  
20 and I've been working for a long time as an advocate  
21 of the MWBE community and I worked on Local Law 129  
22 and then Local Law 1. And one of the problems that  
23 we continue to see is the lack of enforcement, the  
24 lack of oversight, and the lack of not only  
25 enforcement but punishment of the agencies when it

1 comes to violating the law because it is the law. So  
2 that's one of the problems that we seen. Even though  
3 a lot of the agencies today are blessed with many  
4 issues of oversight, what I still fail to see is what  
5 happened to these agencies when they don't comply  
6 with the law--  
7

8 CHAIRPERSON CUMBO: [interposing] Right.

9 QUENIA ABREU: --and I think it's time  
10 that we address that seriously. When we created--  
11 when we pushed to create Office of Decision and  
12 placed that under the Controller, it was meant to do  
13 more than just grade the agencies, really. What we  
14 were looking for was not only for them to grade the  
15 agencies, but also to be almost like an ombudsman for  
16 the MWBE community. Because our MWBE communities,  
17 the businesses face a lot of challenges and issues  
18 like not being paid on time. Reggie here mentioned  
19 some of the things like where do they go when they  
20 have an issue? They still don't have a place to go  
21 really, and that was supposed to be part of that goal  
22 of the Chief Diversity Office, and we want to see  
23 that. We want that to be revisited where our MWBE  
24 firms have a place to go if they have issues--  
25

1  
2 CHAIRPERSON CUMBO: [interposing] That's  
3 right.

4 QUENIA ABREU: --of they are being  
5 discriminated, if they--if they have a problem. Now,  
6 in terms of the micropurchases, we--we have  
7 constantly advocated for that to be increased, but  
8 also to be listed. To be listed so that or MWBEs  
9 have a place to go especially the small ones, and see  
10 what those purchases are. And be able to then submit  
11 a quote or whatever is needed for them to apply for  
12 those--to be able to buy, to be able to sell those  
13 products and services. There's no way--there's no  
14 place right now where those purchases are listed, and  
15 we really need to fix that because a lot of our MWBEs  
16 are very small companies, and that is the only way  
17 that they are going to get their foot in the door.  
18 So that's--that's one of the things that--that we  
19 constantly ask [bell]. And in terms of the--the  
20 training for--for the offices of every agency, I  
21 think it should be more than that. The ACCOs need to  
22 be visible. Okay. They need to come out. They need  
23 for the MWBEs to know who they are--

24 CHAIRPERSON CUMBO: Uh-huh.  
25



1  
2 QUENIA ABREU: --because what happens  
3 with a lot of the--the agencies is when there is a  
4 procurement event, it is the promotional. You know,  
5 whoever does the promoting of the agency is the  
6 government--what--what do they call the Community  
7 Affairs Liaison. It's never the ACCO and that needs  
8 to be changed. They need to be visible. They need  
9 to know. The MWBE community has the right to know  
10 who they are. They need to be able to talk to them  
11 and to communicate with them. That's very important.  
12 And I do have my --

13 CHAIRPERSON CUMBO: [interposing] Thank  
14 you.

15 QUENIA ABREU: --testimony in here. I  
16 don't want to take more of your time. So thank you  
17 very much.

18 CHAIRPERSON CUMBO: No, I appreciate your  
19 comments and I appreciate your suggestions very much.  
20 We will have our next panelist to present.

21 VERONICA HARRIS: Yes, good afternoon.

22 CHAIRPERSON CUMBO: Good afternoon. If  
23 you could state your name.

24 VERONICA HARRIS: [off mic] Can I get  
25 this out of the way?

COMMITTEE ON CONTRACTS JOINTLY WITH THE  
COMMITTEE ON SMALL BUSINESS AND THE  
COMMITTEE ON WOMEN'S ISSUES

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CHAIRPERSON CUMBO: Yes.

VERONICA HARRIS: Thank you. Good

afternoon to the Chairs. Ms. Rosenthal is gone but

Laurie Cumbo and Mr. Cornegy, all the committee

members and guests. My name is Veronica Harris. I'm

the Director of Community Affairs at the Brooklyn

Chamber of Commerce. I'm also the Staff Liaison for

the MWBE Committee, and services at the Chamber.

This testimony is being delivered on behalf of Carlo

A. Scissura or President and CEO at the Chamber in

support of the MWBE bills being heard today. The

Chamber is a membership based business assistance

organization that represents the interests of over

2,100 business owners as well as businesses across

the Borough of Brooklyn. The Alliance, which is our

non-profit arm--excuse me--works directly to address

the needs of businesses throughout the borough.

Since the re-launch of the BCC's MWBE Committee in

2012, we have been working extensively with this

group of business owners to help them become

certified and to connect them with government and

private sector procurement opportunities.

Additionally, our committee addresses the unique

challenges of MWBEs and advocates on their behalf in

1 an effort to eliminate the disparities in the  
2 procurement process. To this end, we launched  
3 Brooklyn Connects in 2014 to provide comprehensive  
4 procurement assistance to Brooklyn businesses.  
5 Brooklyn Connects enables new as well as established  
6 Brooklyn business owners to learn about bidding  
7 opportunities for government contracting and  
8 purchasing at the federal, state and local levels as  
9 well as in the private sector. A special emphasis is  
10 placed on providing specific technical assistance to  
11 Women and Minority-Owned Businesses and veterans. We,  
12 therefore, support the bills being heard before you  
13 today, and look forward to opportunities to  
14 collaborate with you, and your colleagues to improve  
15 the transparency and efficiency of procurement  
16 opportunities in New York City. In particular, we  
17 strong--in particular, we strongly support Intro 976,  
18 981-A and 976 require--which requires training for  
19 agency chief contract officers and agency MWBE  
20 offices as well as posting related information on the  
21 city's websites. Ongoing training of agency officers  
22 will enhance the ability of the city agencies to be  
23 in compliance with MWBE proposals being reviewed  
24 today. Intro 981-A proposed the creation of an  
25

1  
2 advisory board to enhance procurement opportunities  
3 for Minority and Women-Owned Businesses. This should  
4 be an important component of the city's MWBE program  
5 as it offers the opportunity for continuous review  
6 and public feedback as it relates to the current  
7 procurement system. Ultimately, these measures will  
8 help improve the experience and outcome for MWBEs  
9 [bell] and I thank you for the opportunity to speak  
10 today.

11 CHAIRPERSON CUMBO: Thank you, and we'll  
12 hear from our final panelist on this panel.

13 ALMA NUGENT REINER: My name is Alma  
14 Nugent Reiner and I own SMR Floors. Thank you for  
15 holding this hearing--

16 CHAIRPERSON CUMBO: [interposing] Thank  
17 you.

18 ALMA NUGENT REINER: --and asking us to  
19 provide questions. I've been around a long time and  
20 I could write a book about the issues. Anyway, Sole  
21 Source that the City hands out it goes to one person-  
22 -one company and that cuts our everybody else.  
23 Staples is the sole source for paper. Some--I do  
24 floor covering. One company received all the  
25 contracts for the entire city, for the entire year

1 for five years, and an option for another five years.  
2 Those companies--there are a few companies who every  
3 few years they just run them over. One year you get  
4 it, five years you get it. The other one three years  
5 you get it. The same companies over and over. That  
6 knocks all of us. I've gotten two contracts this  
7 year, one for \$3,000. I just got another one  
8 recently. You know, I pay my taxes and I expect the  
9 government to provide me with work, too.  
10 Discretionary procurement its five and five or three  
11 and three. I got a recent request. I was the only  
12 small company on that list. Okay. I had Staples  
13 bidding for carpet. I had Carver that's been around  
14 forever and ever and ever. There are several  
15 companies on that list, and I was supposed to bid  
16 against them. I couldn't get pricing because the  
17 manufacturers and their reps control who they give  
18 the prices to, and I don't do another business with  
19 them. So I could not get pricing on one of the  
20 projects. I feel that they should have buckets for  
21 large companies. Let them bid on large projects,  
22 buckets for smaller to medium companies. Let them  
23 bid on projects against each other, and buckets on  
24 other companies and smaller like myself so that we  
25

1 can bid, and that way if we get contracts we can move  
2 up the ladder. We subsidize the government by paying  
3 for the project to completion before we submit our  
4 bid, and then it takes 30 days. That should be  
5 changed. I have--there's no way of budget. I wonder  
6 if there is a way of graduating companies that have  
7 been there a long time [bell] getting a lot of  
8 contracts out of the system.

9  
10 CHAIRPERSON CUMBO: Uh-huh.

11 ALMA NUGENT REINER: They need to do  
12 something about it because the names are there over  
13 and over and over, and I compete against them and I  
14 can't get jobs because they've been there. Other  
15 projects they want you to have five years, five  
16 projects at that same level in order for you to do--  
17 to win a bid. I have to compete against  
18 manufacturer's reps who I have to go to for pricing.  
19 [bell] They bid on the projects that I am--I get  
20 pricing from them. They bid on those same projects.  
21 It doesn't matter how large. It doesn't matter if  
22 it's 10 boxes of tiles. I went to them. They didn't  
23 know about the project. I have to give them the PIN  
24 number, the rep whoever I got it from, who is going  
25 to--all of that, and then they give me a price, and

1 then I find out that they bid on the same project and  
2 won it.

3  
4 CHAIRPERSON CUMBO: Okay.

5 ALMA NUGENT REINER: Ten boxes of tiles  
6 they won the project. I was number two and the only  
7 reason I lost it is because apparently they hand  
8 delivered it or I would have had to pay for delivery.  
9 Okay. Just by that, they won it.

10 CHAIRPERSON CUMBO: We're going to have  
11 to have you--

12 ALMA NUGENT REINER: Bonding is a  
13 problem.

14 CHAIRPERSON CUMBO: We're going to have  
15 to have you back up.

16 ALMA NUGENT REINER: Yes.

17 CHAIRPERSON CUMBO: Uh-huh.

18 ALMA NUGENT REINER: Yes, yes.

19 CHAIRPERSON CUMBO: I just want to thank  
20 you, and I--I just--I've heard you loud and clear the  
21 issue that you bring up in terms of small, medium and  
22 large size companies is one that I've been working on  
23 myself. I know that the Commissioner of Design and  
24 Construction has heard my--

2 ALMA NUGENT REINER: [interposing]

3 They're the worst.

4 CHAIRPERSON CUMBO: This is an issue that  
5 I've brought up with them, but specifically just the-  
6 -you know, just starting the process was on their  
7 architectural procurement. So I wanted them to  
8 create the same dynamic that you're talking about,  
9 about small, medium and large firms being a part of  
10 it in order to diversify the type of architects and  
11 predominantly architects of color being a part of the  
12 process. And so they're heard us, but this model  
13 that you're speaking of is one that has to be  
14 implemented throughout. So that all companies of all  
15 sizes have an opportunity to compete and not with one  
16 another outside of their scale, right?

17 QUENIA ABREU: [off mic] And they have to  
18 be different tiers--

19 ALMA NUGENT REINER: [interposing] Yes.

20 CHAIRPERSON CUMBO: --which some agencies  
21 have, and especially in the for profit side.

22 ALMA NUGENT REINER: Uh-huh.

23 CHAIRPERSON CUMBO: That's how they come  
24 in just small and the middle size and the larger  
25 size.



1

ALMA NUGENT REINER: Not any more.

3

CHAIRPERSON CUMBO: I'm sorry. We're  
going to have to call up the next panel, but thank  
you so very much. Thank you to all that are here.  
I'm going to call the next panel if they are all  
here. Is Fran Garcia here? We have Giovanni Taveras  
(sp?).

9

SERGEANT-AT-ARMS: [off mic] He left.

10

CHAIRPERSON CUMBO: He left. Okay. So  
James L. Robinson. [background comments] Let me  
just get my bearings together. Eric McFadden, Larry  
English.

14

SERGEANT-AT-ARMS: [off mic] Folks,  
please. When you hear your name called, please go to  
the bench. (sic)

17

CHAIRPERSON CUMBO: Do you have another  
one? And Louis Aguerro (sp?)

19

LOUIS AGUERRO: That's here.

20

SERGEANT-AT-ARMS: Does anybody have some  
copies of statements? I can take them now.

22

MALE SPEAKER: I do have a copy, but I'm  
--can I read it first and then I'll give it to you.  
Okay. All right.

25

1  
2 MALE SPEAKER: Okay, they got me. So I  
3 got something from them. Okay. I've got this--

4 MALE SPEAKER: [interposing] I'm going to  
5 give you my copy.

6 SERGEANT-AT-ARMS: Give it to her and she  
7 can pass it on, okay?

8 CHAIRPERSON CUMBO: We will start from  
9 left to right, and we'll go down, and again we each  
10 have three minutes, and if you could just state your  
11 name that would be great. Thank you.

12 FRANK GARCIA: My name is Frank Garcia  
13 and I'm the Chairman of the New York Statewide  
14 Coalition of Hispanic Chambers. We are one of the  
15 largest Hispanic organizations here in New York  
16 State. We represent 23 Hispanic Chambers of  
17 Commerce. I just want to thank the City Council for  
18 the--this hearing today.

19 CHAIRPERSON CUMBO: [interposing] Thank  
20 you.

21 FRANK GARCIA: This is a--everybody knows  
22 I haven't testified here for almost three years since  
23 I put the lawsuit against the City. Damion Carter  
24 our attorney was going to be testifying about the  
25 issue, but we still haven't been able to be in front

1 of the judge to be able to deal with the issues, but  
2 today I heard a lot of stuff that is very troubling.  
3 One thing I do want to recommend to the City Council  
4 with all due respect, when you have advocates that  
5 work very hard like Byrd (sic) and myself and others  
6 that were there allow us to speak today in the press  
7 conference. We didn't--I know time was--but we  
8 should have been able to speak. We had our lawyer  
9 here who had to leave for another place that wanted  
10 to speak. But the issues that we're having like this  
11 young man that's here when agencies are saying he's  
12 done 600 schools for him to say oh, you can't do  
13 business with us is disrespect, and to take him out  
14 and when you have the School Construction Authority I  
15 support my Asian brothers. I support the Indian  
16 engineers, but we do have Indian--Indian engineers  
17 doing the contracts. Not even one African-American  
18 or White woman or Hispanic engineering firm. That's  
19 an issue. And right now Hispanics are only giving 1%  
20 of the contracts. I'm against what's going on with  
21 the Disparity Study by Florida. We will be  
22 submitting in federal court in a couple of week to  
23 stop that disparity study. We're asking the federal  
24 government to get involved since the state government  
25

1 when we went in court still hasn't sent anything.  
2  
3 When it comes to Maya, I believe there should be a  
4 Chief Diversity Officer. Maya does a good job. We  
5 were working with Ian that worked for her. He's not  
6 there no more. So our negotiation that took us  
7 almost eight months went--Now she's telling me today  
8 in January because I'm hiring somebody else. My  
9 members can't wait. They're going out of business.  
10 When I have Joe Cochallo (sp?) who lost \$2 million  
11 worth of business because CUNY didn't pay him because  
12 of Scansca (sp?) that's a problem. What do I tell my  
13 members? And feel that the Latino elected officials  
14 have not done what they need to do to be--they should  
15 be here on the panel and hearing this out. I want to  
16 thank all of you for being here today to hear us. To  
17 me when I go and my community asks me who should we  
18 vote for, we know those Latino elected officials are  
19 going to have to answer to us. And this is a big  
20 issue in our community. And I want to thank Bertha  
21 Lewis for supporting us and being the voice for the  
22 Hispanic community, not just the African-American  
23 community because she got Joe Cochallo paid, and so I  
24 don't see none of the City or State agencies helping  
25 our members when they're going out of business. Now,

1 they're call Berta. So we're working with DC9, the  
2 union to be able to help our members get paid. So I  
3 ask the City Council to please allow the advocates to  
4 have a voice. I feel I don't have a voice. As head  
5 of the Chamber and the largest Hispanic organization  
6 in New York State. So if you give us some respect  
7 and not give the same time to the city  
8 representatives that to me were all lies.

9  
10 CHAIRPERSON CUMBO: Uh-huh.

11 FRANK GARCIA: You know, she was a  
12 Hispanic there and she was lying out her teeth, and I  
13 don't want to say people's names, but that's a  
14 disgrace to me as an advocate to say that there's  
15 been an advisory board meeting to have, and there  
16 hasn't been one since Bloomberg. So you're telling  
17 me there's been one. Where is that meeting? I  
18 didn't know about it. I represent the--Quenia didn't  
19 know about it--

20 CHAIRPERSON CUMBO: Uh-huh.

21 FRANK GARCIA: --and the last thing was  
22 when we have Quenia Abreu from the Women's Chamber,  
23 it's one of the largest Chambers in New York City, in  
24 New York State now allowing to have Hispanic  
25 businesses. She had like ten businesses that trusts

1 the SBS to do the fast track. They still haven't  
2 sent it to the State. So our members can't get  
3 certified by the State because they trust the City.  
4 So it has to be better when it comes to  
5 certification. We just had a technology event. The  
6 Police Department was there. SBS didn't show up. We  
7 had 200 Hispanic businesses that couldn't get  
8 certified. They should be out there to help us with  
9 certification. Thank you. [applause]

11 CHAIRPERSON CUMBO: Thank you. I want to  
12 thank you. Your points are well heard, and the next  
13 committee hearing that we do, these comments will be  
14 implemented in how we conduct the next hearing. So I  
15 thank you for that. We did hear you loud and clear.  
16 Sir, yes, thank you.

17 [coughs] I want to confirm what he said.  
18 Where is the problem? I lost a job--

19 CHAIRPERSON CUMBO: [interposing] Can you  
20 please state your name for the record. Apologies.

21 LUIZ ARROYO: Luiz Arroyo. I represent  
22 an engineering firm. I've been in business 36 years.

23 CHAIRPERSON CUMBO: Thank you, Mr.  
24 Arroyo.

25 LUIZ ARROYO: It's getting worse.

1  
2                   CHAIRPERSON CUMBO: Thank you.

3                   LUIZ ARROYO: I lost a job to a firm  
4 whose employees are in India. How did he get  
5 certified as an MWBE firm? Yes, I compete with firms  
6 that do the work overseas. It's cheaper. It's  
7 unfair. The money doesn't stay here.

8                   CHAIRPERSON CUMBO: Uh-huh.

9                   LUIZ ARROYO: So certification has to be  
10 addressed. Get them out of the program and the Black  
11 firms and the Hispanic firms should get a fair share  
12 of the work. There is a disproportionate amount of  
13 awards to Indian and other Pakistani, whatever, owned  
14 businesses, because they control, and let me speak to  
15 you clearly because I have--I'm too old. I have gray  
16 hair. I can speak my mind. The SCA is controlled--a  
17 lot of Indians in the SCA, Indian engineers. A lot  
18 at the DDC. Those two agencies are a disgrace when  
19 it comes to professional firms. The people around  
20 those agencies ought to be accountable. I've sent  
21 emails to Ms. Grillo (sp?). I have even talked to  
22 the Department of Investigations. I'm not afraid to  
23 talk to them, and they investigated them. Okay,  
24 because I'm fed up. We are fed up. I'm an engineer  
25 for 36 years.

1

2

CHAIRPERSON CUMBO: Uh-huh.

3

LUIZ ARROYO: Eight years ago I did more than 300 task orders for that particular agency, and they were saying that they had a problem with my work, and I challenged them, and they couldn't come out. They're hiding behind their lawyers. So the problem here we can talk about the law and this and that, but the reality is when you get all the people who is in control? Who is making the decisions, and who's affecting our lives? Look, there are bad people on the outside, but you've got rotten apples within the government.

13

14

FRANK GARCIA: [off mic] Yes.

15

LUIZ ARROYO: And if you read the DOI Standards for city employees it's very--they're very strict as far as the ethical conduct. Where are they? How can those people get away with it? How can a guy who comes here, and two years later be certified as an MWBE? He's not a sensing (sic) Where does he get the financing? So certification has to be addressed. So the communities of this city and this country, Black and Hispanic get a fair share of the work. That's the problem. You can go around and talk and talk and talk--

25



1  
2 CHAIRPERSON CUMBO: Uh-huh.

3 LUIZ ARROYO: --but if the work goes  
4 elsewhere, we're not going to see any of it.

5 CHAIRPERSON CUMBO: Wow. Thank you.  
6 Thank you for your testimony. Thank you for your  
7 honesty and your transparency. Thank you.

8 LUIZ ARROYO: I need you to promise that  
9 the certification issue is not going to be forgotten.

10 CHAIRPERSON CUMBO: It's not that--we're  
11 not going to forget these issues that are brought up  
12 in this hearings. This is a very--

13 LUIZ ARROYO: [interposing] All right,  
14 that's why we brought it to your attention.

15 CHAIRPERSON CUMBO: This is a very  
16 important hearing and the testimony that you all  
17 applied--

18 LUIZ ARROYO: [interposing] That's why I  
19 thought about a phrase over the weekend. I said  
20 economic appetite. Economic segregation.

21 CHAIRPERSON CUMBO: Uh-huh.

22 LUIZ ARROYO: By others. Not by  
23 Americans.

24 CHAIRPERSON CUMBO: Uh-huh.

25 LUIZ ARROYO: That's the sad part of it.

CHAIRPERSON CUMBO: You are heard loud  
and clear.

SIR JAMES L. ROBINSON: I am Sir James L.  
Robinson.

CHAIRPERSON CUMBO: All right.

SIR JAMES L. ROBINSON: I'm an architect.  
I've been in business in New York City for 45 years.  
I was here for the Jean--for Dinkins hearings many  
years ago, and today I heard the same words. I heard  
the same things. There still are people who believe  
that architects should be certified, an architect  
should be able to work. That's not even allowed by  
the State Education Department. We're not allowed to  
compete on the basis of price. You have to be--you--  
you compete on the basis of substance of who you are.  
Now, the State of Alabama understand that because  
they have construction people. See, we're not all  
construction workers. We don't all need training.  
I'm a college professor for years. I'm on the  
American Arbitration Association Commercial Panel. I  
don't need to be trained. I don't even need to be  
certified. My mother and father certified me on July  
12, 1940, [background comment] and I have a license  
to practice architecture not only in New York but in

1 Texas, Louisiana, Florida, Ohio, Virginia,  
2 Pennsylvania, New Jersey, Connecticut. I have those  
3 licenses on my wall. I practice in all of those  
4 places, and I can tell you New York City is the city  
5 that I love because I grew up in the southern south.  
6 I grew up in Texas, graduated from Longview Negro  
7 High School.

8  
9 FEMALE SPEAKER: [interposing] In  
10 Shreveport, Louisiana. [laughs]

11 SIR JAMES L. ROBINSON: Thank you. I  
12 went to Southern University, one of the slowest  
13 schools according to our Supreme Court Justice. I  
14 want you to know that we're not as slow as we appear,  
15 and that something has got to change especially for  
16 professionals. SCA--I've been practicing all these  
17 years, and have completed almost a billion and a half  
18 dollars worth of work. Never had a job under any--  
19 under any program. Never--haven't made a nickel. I  
20 couldn't get home tonight on the money I've made on  
21 being whatever color I am. And so things need to  
22 change, and they need to change soon. We've got to  
23 understand we don't--you don't certify an architect.  
24 He has a license. You give him a job. I don't need  
25 training. Give me the job. Open the door, I'll get

1 it myself. I don't wanting anybody to give me--I'm  
2 not here asking for anything. [background comments]  
3 Just be a human being. Just be who you were created  
4 to be, and give me the work that I qualify for. I  
5 don't--a million dollar limit, that's a tiny little  
6 job. That's a Chinese restaurant. [laughter] Where  
7 is the fairness? Where is the fairness. All of us  
8 know that the--that the playing field is not level,  
9 but not only--this city I love. This is--I love it.  
10 I've been here 52 years, but you know what, the City  
11 that I'm in love with doesn't love me back. This  
12 city has been unkind to all people like me, and yet  
13 every person here would turn around and say, You  
14 know, go to college, Black boy. You go to college  
15 and you graduate a professional, if you're not a  
16 contractor, you're--you're in trouble. In my case, I  
17 stay by the Chinese community. That's where my life  
18 and my work comes from. If it wasn't for them, I'd  
19 be plowing in Longview, Texas hear Shreveport.

21 MALE SPEAKER: Near Shreveport.

22 [laughter]

23 SIR JAMES L. ROBINSON: But, it's about  
24 time that we really start to think the real plumbs in  
25 this business are at the top. Architect's fees.

1 Engineer's fees. It's not in subcontracting. It's  
2 in the--it's in the prime work. If you give--if I  
3 get a job as an architect, I'm going to make sure the  
4 subs are Black.

6 CHAIRPERSON CUMBO: That's right.

7 SIR JAMES L. ROBINSON: I'm going to make  
8 sure the workers are Black. In my office, you don't  
9 think I have a house full of white people do you? Of  
10 course not--

11 CHAIRPERSON CUMBO: [interposing] Uh-huh.

12 SIR JAMES L. ROBINSON: --of course not,  
13 and you should look at this the same way. If you--if  
14 you work at the top, it'll trickle down. Reagan was  
15 wrong, but in some instances here we go again.

16 [laughs]

17 CHAIRPERSON CUMBO: I want to thank you  
18 also for your testimony, and I want to clarify my  
19 statement. In my prior life to becoming a Council  
20 Member, I was the founder of an art museum, and I  
21 wanted to very much build and African-American art  
22 museum. And, when I went to the Department of Design  
23 and Construction I said I want to utilize this  
24 particular architect who was Haitian-American to  
25 create this institution. And they explained to me if

1 he was not on this list of 26 architects then the  
2 city would not pay for those architectural  
3 renderings. I'd have to raise the money privately.  
4 So I said at that time well I will forego the  
5 architect I wanted to utilize if you can select for  
6 me on this list an African-American architect that I  
7 can use. And it was explained to me that there were  
8 no African-American architects on that list.  
9 [background comments] So, I've been working with DDC  
10 over the last two years, and they are changing that  
11 policy, and you will hear from them in February what  
12 the new policy will be. And there will be architects  
13 of color on that list, and not just one or two.  
14 There is going to be a major change in that way. So  
15 it's something that I'm working on. It's something  
16 that I came in with that I wanted to do, and I--and I  
17 apologize. I'll just hear from you and I'll come  
18 back to you.

20 LARRY ENGLISH: So I want to adopt all of  
21 the statements that this distinguished panel has  
22 made, and I--and I want to just--what's your name  
23 again?

24 SIR JAMES L. ROBINSON: Sir James.

25

1  
2           LARRY ENGLISH:  Sir James.  What I'll  
3 say, Sir James is Tulane charged me \$100,0000, and  
4 when I left there they told me I wasn't going to be a  
5 Black lawyer, an MBE lawyer or anything.  They just  
6 told me I was--

7           CHAIRPERSON CORNEGY:  [interposing] I'm  
8 sorry.  Can you just identify yourself for the  
9 record?

10           LARRY ENGLISH:  I'm sorry Larry English.  
11 My name is Larry English.  I'm an attorney.  I am the  
12 CEO of the English Consulting Group.  I am the former  
13 chairman of Community Board No. 1 in West Harlem.  So  
14 I have dealt with these issues.  I would like to  
15 thank--before I go back to my comments, I would like  
16 to thank the Council members who have stayed here all  
17 day, and listened to--listened to us.  We really  
18 appreciate that from you.  [applause]  And I want to  
19 also thank the--thank you for taking up this issue,  
20 and seeing it through.  I want to offer a quick  
21 solution--

22           CHAIRPERSON CUMBO:  [interposing] Uh-  
23 huh.

24           LARRY ENGLISH:  --but I want to tell you  
25 something quickly about my background so you can

1 understand because I've been in a couple of meetings  
2 with the Mayor, and every time I raised issues with  
3 him, he tells him I'm offering something illegal. I'm  
4 an active member of the State Bar so I'm--I'm  
5 prevented from offering anything illegal. I would be  
6 disbarred. A simple solution. Every contract that  
7 in every RFP and every contract that leaves the City  
8 of New York--what--I don't even understand this  
9 mayoral or non-mayoral. It's all city money, and I  
10 think a lot of this stuff is just done to confuse  
11 people. It has no basis in law. Every contract,  
12 every RFP ought to have a goal in it. The city  
13 undertook two disparity studies. Those two disparity  
14 studies came back and said that there was  
15 institutional discrimination within the contracting  
16 process in the City of New York. You therefore have  
17 an obligation to remedy that process, okay. With all  
18 due respect to what I've heard from the Mayor and  
19 what I've heard from one of the Council people up  
20 here, you then don't get to go into a federal court  
21 and say there reason why we're still discriminating  
22 is because state law doesn't allow us to do it.

24 CHAIRPERSON CUMBO: [interposing] Uh-huh.

25



1  
2           LARRY ENGLISH: I've heard a lot of stuff  
3 about the lowest responsible bid and that language is  
4 in every statute, in every municipality across the  
5 country under New York State Law. So the way the  
6 system works of it is you require that diversity is a  
7 part of the RFP. So that when that--when that  
8 contractor comes back and they don't have an MBE  
9 partner or an MWBE partner with them, they are not a  
10 responsible bidder. Now, don't listen to me. that's  
11 the New York State law. New York State law gives,  
12 and I want to quote the system. I'm going to quote  
13 the case, and I'm going to put this into the record.  
14 New York State law in the case of a long processing  
15 system versus New York City Housing Authority it  
16 specifically said that the agency has broad  
17 interpretation of what responsibility means. And the  
18 court specifically states, and by the way, we will  
19 not substitute ourselves for that agency. So there's  
20 an agency and there's 100 reasons--am I right my  
21 brother--as to why you're responsible, [bell] What  
22 your track record is. Do you have financing. If you  
23 have been found that you have discriminated certainly  
24 you have a right to say, and by the way, we hold  
25 diversity as being a part of whether or not you are

1 responsible for this bid. So that no one--it's not  
2 enough for you to just sign on a utilization plan.  
3 Here's your MWBE partner. If you don't have your  
4 MWBE partner, the contract is rejected. If the city  
5 did that, it would be the game over night because let me  
6 tell you what's been offensive about this whole  
7 conversation, you're blaming us. You're acting as if  
8 we did something wrong. It's--it's, you know, I'm an  
9 old criminal defense lawyer. It's like saying to a  
10 young girl well, you were walking down the street in  
11 hot pants. That's why you got molested. We didn't do  
12 anything but go to school, and show and ask for the  
13 opportunity to work. It is offensive to keep talking  
14 about training. We don't need no training. It's  
15 offensive. Listen, for a lot of us in the city let  
16 me just shock the world. We don't need no bonding.  
17 We don't need no financial help. We don't need  
18 nobody lending us no money. We don't need nothing.  
19 All we need is access to the work, and it is  
20 offensive to continually and primitive and 1970  
21 southern may I say brother to continue to have this  
22 conversation about minority firms in this city as if  
23 we just graduated from high school, and we just  
24 showed up here yesterday, and we want to do work.  
25

1  
2 What is the process with the--the whole process  
3 that's coming from the Mayor is that patronizing  
4 liberalism that we need help. We don't need no help.  
5 We're not asking for no help. We're asking for an  
6 opportunity. Just listen. Let me play by the same  
7 rules Relater (sic) play by, everybody has played by.  
8 We will beat them at their rules, but to--but to hide  
9 behind laws and statutes about this, and what they  
10 won't let us do is a complete red herring. And I'm  
11 going to close by saying as--as someone who's has  
12 lived in this city for 15 years, that I love--this is  
13 my new home. But this is some primitive, racist,  
14 backwater stuff that's going on in this city when it  
15 comes to contracting. And everybody in this city  
16 ought to be morally offended by, and to ask us--some  
17 of us are old men upon this panel. And to ask us to  
18 wait another year or another day while you figure out  
19 what' the right thing to do is like telling Martin  
20 Luther King in 1963, if you hadn't have came to  
21 Birmingham and started picketing, we would have  
22 worked it out. [cheers] Martin Luther King didn't  
23 accept it, and we're not going to accept it. And, I  
24 want to thank you all again for your passion and for  
25 holding these hearings and taking this issue up.

1  
2 CHAIRPERSON CUMBO: Thank you. I mean  
3 it's certainly an education. Although we're on  
4 opposite sides of the tables, that's just our  
5 physical experience right now, but we certainly hear  
6 what you're saying and--and your testimony, and your  
7 years of experience certainly provide us with a  
8 strong education. You wanted to add one thing before  
9 we closed?

10 SIR JAMES L. ROBINSON: I just wanted to  
11 indicate that there are 209 Black architects in New  
12 York State. We're not hard to find--

13 CHAIRPERSON CUMBO: [interposing] thank  
14 you.

15 SIR JAMES L. ROBINSON: --and there's a--  
16 there's a thing called Google, I believe.

17 CHAIRPERSON CUMBO: Uh-huh. [background  
18 comments]

19 SIR JAMES L. ROBINSON: Okay. I just  
20 want to make sure it was here.

21 CHAIRPERSON CUMBO: Thank you. We got  
22 you loud and clear.

23 I want to give my testimony.

24 CHAIRPERSON CUMBO: Oh, I'm sorry. Yes,  
25 sir.

2                   ERIC MCFADDEN: Thank you. My name is  
3 Eric McFadden (sp?) I work for Melvient (sp?) and  
4 I'm here today to speak to a slightly different set  
5 of issues. First of all, I want to thank the  
6 Chairman of the Committee, who I guess is returning  
7 now as well as the other committee chairs. I have  
8 submitted written testimony so I won't read that. I  
9 also in that written testimony want to thank Bertha  
10 Lewis and Frank Garcia and a number of the community  
11 advocates here today who vociferously argued on our  
12 behalf for so many years. Specifically because I  
13 only have two minutes and 23 seconds, let's talk  
14 about Amendments 105, 119 and 120. The specific  
15 question that I think has to be dealt with here is  
16 the question of how does New York City help MBEs,  
17 MWBEs and EBEs increase their businesses' capacities?  
18 Okay, in 105 there is specific reference to the  
19 availability of WBEs, EBEs and WMBEs with capacity  
20 performed specific types of work and scale of work.  
21 In 120 it is also talked about as shall specifically  
22 consider potential for such purchases to provide  
23 opportunities for MBEs, WEs and EBEs to develop  
24 greater capacity. This question of capacity is huge,  
25 okay, because anybody who follows the city record of

1 a New York State contractor reporter will see that  
2 there have been numerous public procurements where  
3 the requirements for small and medium sized MWBEs  
4 includes such things as experienced with comparable  
5 police and fire departments in size to the NYPD, FDNY  
6 or experience in the top 100 school districts in  
7 American just to name two of the frequently used  
8 exclusionary requirements. In addition to the  
9 difficulty getting access to New York State LGS and  
10 OEM contracts, which by the way is where hundreds of  
11 millions of dollars of intergovernmental purchases  
12 occur every year. We don't have access to those OEM  
13 contracts. Therefore, we're excluded from those  
14 intergovernmental transfer purchases. One good  
15 example is most recently the city let a \$77 million  
16 contract to a former small business certified, which  
17 was bought by a large corporation, Presidio Networks.  
18 So there went \$77 million from the small business  
19 category, which could have been fulfilled by minority  
20 businesses directly to a majority business at the  
21 city's hand. So when we talk about capacity, we have  
22 to understand what's the city going to do in the  
23 information technology arena to build capacity?  
24 There are a handful of black firms, a handful of  
25

1  
2 Hispanic [bell] firms that are large enough with  
3 capacity to do work to do it, and the other  
4 contracted agencies and information technology. Our  
5 community cannot afford to be cut out of information  
6 technology procurement over the next five to ten  
7 years. The State of New York, which publishes a  
8 Frequently Purchased Commodities list shows that last  
9 year \$1.8 billion was spent on information technology  
10 procurement. If apply the government standard, 30%  
11 of that went to minority businesses. That would be  
12 \$540 million that flowed through minority companies  
13 into minority neighborhoods. Obviously, that didn't  
14 happen or else you would see some very huge  
15 businesses here today that were minority owned. They  
16 don't exist, and part of it is this issue of  
17 capacity. So, before we go any further talking about  
18 what the upside opportunity whether it be La Guardia  
19 Airport or any of a number of multi-billion dollar  
20 projects that are out there, you need to understand  
21 that without addressing the MWBE capacity issue,  
22 you're not going to get there. \$35,000 contracts  
23 don't add up to a \$77 million contract quickly.  
24 Okay. Simply moving the dollar threshold from  
25 \$20,000 to \$35,000 over the course of the City's IT

1 spend is a joke. Okay. If you're going to talk  
2 about IT spend, example, body worn cameras. Okay.  
3 Do you know how hard it is to negotiate a joint  
4 venture as a minority business with a company the  
5 size of IBM? You can't do it in the time that a pre-  
6 bidder meeting occurs. We can't do that after the  
7 bid is let. It's got to be done ahead of time, and  
8 how do we know that something is coming ahead of time  
9 if we aren't--if there isn't some transparency in  
10 what's being project for the spend? There's too much  
11 conversation about the business starts at the pre-  
12 bidders meeting. That is incorrect. The bidder  
13 starts when the OEM companies are invited into the  
14 ACCO's Office to talk about what procurements are  
15 going to take place for the next 12 months. Okay,  
16 and if those OEMs, and they are currently pro--  
17 empowered, make the choice about who they allow on  
18 their state contract or who's allowed to use their  
19 local requirements contract then they control what  
20 the effectiveness of your MWBE program is.

22 CHAIRPERSON CUMBO: I want to thank you  
23 because you are a wealth of information and I thank  
24 you so much for that. I believe Council Member--



1 Council Member Rosenthal has a question, and then we  
2 will call up the next panel.

3  
4 CHAIRPERSON ROSENTHAL: Thank you, Mr.  
5 McFadden?

6 ERIC MCFADDEN: Yes.

7 CHAIRPERSON ROSENTHAL: I want to thank  
8 you for your testimony. I wanted to ask you do you  
9 think the Administration talked about pre-qualifying  
10 companies to allow them to be in a better situation  
11 to put in bids? Do you think that would help in the  
12 situation that you're describing?

13 ERIC MCFADDEN: No, not at all. The  
14 problem is in technology the--most likely the people  
15 in the city who would be making that list don't  
16 understand what the technical qualifications are  
17 required for a company to be a partner to an IBM or  
18 Cisco or HP or Dell products to deliver services and  
19 products. It take a number of certifications not  
20 quite at the level of an architect or a lawyer. But  
21 we have a huge investment we making in training  
22 engineers on various product lines and various types  
23 of software and various types of technologies. We  
24 have to do that in order to be qualified to be an IBM  
25 partner. The sad part is IBM has had a program since

2011 that allows its minority partners to do primes  
and deliver IBM equipment to the city. And yet, we  
have yet to see a single IBM contract.

CHAIRPERSON ROSENTHAL: Mr. McFadden,  
we're going to have to move on. I'm being told that  
we have lots of people who want to testify still, but  
could you leave your card with me?

ERIC MCFADDEN: [interposing] Sure.

CHAIRPERSON ROSENTHAL: I like to follow  
up with you. Thank you. I'm going to call the next  
panel. We have Regina Smith, Vanessa Best, Tyran  
Eastman, Alfred Plasirus (sp?), Esquire, Simone Peale,  
Giovanni Tavares, and Thomas Lopez Pierre. So  
forever--whoever is still here I thank you for your  
patience, and would ask that you--great. All right,  
and could I just ask you to state your name and your  
place of business, and--and then we're going to limit  
testimony to three minutes.

CHAIRPERSON CUMBO: Uh-huh.

CHAIRPERSON ROSENTHAL: Okay. So if  
someone can help us with that timer. Thank you.  
Sorry you're doing all those things there. Thank  
you. Ma'am, do you want to start?

1  
2                   SIMONE SURRELL PEELE: Yes. Hello. My  
3 name--my name Simone Surrell Peele. I'm a CEO of the  
4 New World Contracting Company, and I was one of the  
5 first female contractors to ever be certified with  
6 the city, if not the first one. My experience has  
7 been pretty horrific with the City and their  
8 discretionary funding, their discretionary funding,  
9 and lack of having someone in the agencies to help  
10 when the prime doesn't pay you. If we can get that  
11 straight, if we can work on getting that fixed, I  
12 think we could make a lot more subcontractors prime  
13 contractors.

14                   CHAIRPERSON ROSENTHAL: Yep.

15                   SIMONE SURRELL PEELE: When you get paid  
16 you can do more. When you don't get paid, you can't  
17 do anything, and I'm--I'm a woman who believes that  
18 the arc of justice has to turn another way, and this  
19 is--this is a time when we are the--the hope that we  
20 have been waiting for and looking for. And I think  
21 that this City Council is brave and courageous, and  
22 I'm willing you--I'll be praying that you press some  
23 of these articles that you presented, and that you  
24 work with the State, and ask--ask them what they've  
25 done in order to make their programs work. In order

1 to bring up the percentage of Minority and Women-  
2 Owned Businesses to 32%. And they're--they're  
3 working very hard to do that, and I know that  
4 Governor Cuomo just elected to--to put that into  
5 being, but other states have done it, Alabama, Ohio,  
6 Atlanta. Look at their programs. Look at their--the  
7 way that they do things. Because we're New York and  
8 we don't want to be the last, you know, place to--to  
9 do these--to do this for the Minority and Women-Owned  
10 Business community. I've suffered sexism, racism,  
11 [bell] all the isms you could think, but I'm still  
12 here, and I'm going to be here, and I'm going  
13 anywhere because this is my life. I was born into  
14 this type of work. My mother Joyce Newman (sic) was  
15 a property manager in Harlem and the Bronx. So in--  
16 in closing I'll say that I'm proud to have--to know  
17 that the City Council is finally taking us seriously.  
18 And Laurie Cumbo, Helen Rosenthal, I'd be happy to  
19 sit down and talk with you and tell you some of my  
20 ideas and bring--bring forward some--some real change  
21 to this--to this dismal problem that we're facing in  
22 the city. Thank you.

24 THOMAS LOPEZ PIERRE: Thank you. Good  
25 evening. My name is Thomas Lopez Pierre, and I'm an

1 affordable housing professional in Upper Manhattan  
2 focusing on low-income and working class  
3 professionals looking for a place to live. I--I came  
4 here because it's no secret that I would like to be  
5 a member of this Council in 2017, and through my  
6 travels and working towards that goal, I have seen  
7 some really alarming--alarming issues. As we know,  
8 affordable housing and the displacement going on in  
9 Upper Manhattan and parts of Brooklyn is real, and we  
10 see that the Mayor's answer is affordable housing.  
11 But we see that the African-American and Latino  
12 community can't afford the affordable housing. And  
13 then we have a case where billions of dollars is  
14 being spent by this city basically as a jobs program  
15 for White males, 95% of this money, and our political  
16 leaderships--and I've always been one saying that we  
17 need to, you know, elect more Black and Latino  
18 people, and I realized that that was a mistake. What  
19 we need to do is elect the White, Black and Latino  
20 people to our--to our government. And we can see the  
21 two that are on the panel right now are an example of  
22 that. And we need to have alliances with those White  
23 liberals that share our values, and Ms. Rosenthal is  
24 a great example of that. And so, when I look at my  
25

1 community for example Douglas Houses. I was walking  
2 down the block, and there was a company doing the  
3 paving street--repaving and it said Denville And I  
4 was like why does that name sound familiar? And I  
5 was like oh, yeah, Denville, New Jersey, and there  
6 was like eight White males in their late 20s and  
7 early 30s paving the street watching about 10 or 15  
8 Black males just hanging on the corner. And on that  
9 same housing project, less than six months ago, one  
10 Black male was paralyzed from gunshots and another  
11 Black male was killed. And we have crime, but it's  
12 not a function of bad values. It's a function of  
13 poverty. And so we will never been serious about  
14 solving the issues into the African-American  
15 community until we deal with the issues of equity.  
16 Until we can hire our people to work. And they are  
17 so tired they don't have time to go get into  
18 nonsense. And they are--and our families will be  
19 able to stay together when they can afford to take  
20 care of their children. And so, we're talking about  
21 the survival of--of the African-American and Latino  
22 community. The other thing I will say is that we  
23 have something called the American dream: Go to  
24 college, we become a professional, and it's just  
25

1  
2 disgusting that today we hear Black professionals,  
3 lawyers, doctors, accountants and architects can't  
4 get business with the City because of institutional  
5 White supremacy within our procurement system. And  
6 so I--I came here more to learn, more to listen and  
7 to let my future colleagues know that I will be  
8 joining them aggressively, God willing, to resolve  
9 this issue and empower the Black and Latino community  
10 so that we could have equity, and so we can fix the  
11 problems in our community. Thank you.

12 CHAIRPERSON ROSENTHAL: Ms. Peele, can I  
13 just ask you real quickly, what were you doing--  
14 what's your subcon--it sounds like you were a  
15 subcontractor to a prime.

16 SIMONE SURRELL PEELE: Yeah, I was,  
17 right--I'm--I'm--well, I'm a prime on some jobs.

18 CHAIRPERSON ROSENTHAL: Yeah.

19 SIMONE SURRELL PEELE: I'm--I'm a sub.  
20 Wherever I can get in, I fit in.

21 CHAIRPERSON ROSENTHAL: Yeah.

22 SIMONE SURRELL PEELE: And people have  
23 used my Women-Owned Minority status for their--for  
24 their own personal gain, companies have.

25 CHAIRPERSON ROSENTHAL: Right.

1  
2                   SIMONE SURRELL PEELE: Like hiring me for  
3 two weeks and then telling me okay we don't, you  
4 know, we're going to let you go because whatever,  
5 whatever.

6                   CHAIRPERSON ROSENTHAL: Because they've  
7 submitted their paperwork and--

8                   SIMONE SURRELL PEELE: [interposing]  
9 Well, actually some of them didn't submit their  
10 paperwork. They just--I don't know what they did  
11 with it, but I was on one job in State Island with a  
12 company by the name of Petrolcom, and they were known  
13 to not pay their subcontractors. And I was  
14 introduced to them by someone from the DDC.

15                   CHAIRPERSON ROSENTHAL: From EDC?

16                   SIMONE SURRELL PEELE: DDC.

17                   CHAIRPERSON ROSENTHAL: Oh, DDC.

18                   SIMONE SURRELL PEELE: The Department of  
19 Design and Construction.

20                   CHAIRPERSON ROSENTHAL: Yep.

21                   SIMONE SURRELL PEELE: Who's one of the  
22 worst places you can work with the city. They're  
23 like the worst, and when the prime, Petrolcom didn't--  
24 --failed to pay me, I went to them--



1  
2 CHAIRPERSON ROSENTHAL: [interposing]  
3 Okay.

4 SIMONE SURRELL PEELE: --and I asked  
5 them, you know, I said to them, you know, look--look  
6 at this, you know, he's not paying me. He's not--and  
7 when he found out about it, he then told me not to  
8 come back, pack up my tools, you know, leave the job  
9 without me getting paid. Without him even making any  
10 attempt to pay me, and it was just devastating.

11 CHAIRPERSON ROSENTHAL: And there's no  
12 recourse through the City.

13 SIMONE SURRELL PEELE: There--there was  
14 no--well, the City says that they don't have any  
15 jurisdiction because they have a contract with the  
16 Prime. That's one of the things that I think should  
17 be looked into also. The City has to be responsible  
18 for the whole contract, not just part of the  
19 contract, not just getting the work done. Because if  
20 you do the work, you should be getting paid from  
21 somewhere from somebody. Everybody who I went to in  
22 the City at that time, Get a lawyer. Get a lawyer.  
23 Get a lawyer. I didn't have the money to get a  
24 lawyer, and that's what the primes know. That's what  
25 the city knows.

1  
2 CHAIRPERSON ROSENTHAL: Is there any  
3 recourse through SBS? Do they provide any  
4 opportunity for bringing that information?

5 SIMONE SURRELL PEELE: They--no. They  
6 don't. They won't. They're not. No, there's no one  
7 who's going to help you get money from a contractor  
8 prime unless the law, which is 200 years old, is  
9 changed. It's--it's got to be changed. It's got to  
10 be--the city has to be 1% responsible, 2%, 3%.  
11 Something has to be done in order to like change that  
12 arc of justice.

13 CHAIRPERSON ROSENTHAL: Thank you so much  
14 for your testimony. I want to thank everyone who  
15 stayed here throughout the whole thing, and this--

16 SIMONE SURRELL PEELE: [interposing] And  
17 thank you all.

18 CHAIRPERSON ROSENTHAL: --was a great  
19 first hearing. I--I think we have a lot of work to  
20 do, and we've heard a lot of good ideas today, and  
21 I'm excited about our legislation.

22 SIMONE SURRELL PEELE: Just don't forget  
23 about us.

24 CHAIRPERSON ROSENTHAL: All right. Thank  
25 you very much.

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CHAIRPERSON CUMBO: Thank you.

[applause] We should take a group picture with me  
and Bobby.

CHAIRPERSON ROSENTHAL: Oh, Ms. Peele,  
can I have your card--

SIMONE SURRELL PEELE: Yes.

CHAIRPERSON ROSENTHAL: --or your  
information?

SIMONE SURRELL PEELE: Yes.

CHAIRPERSON ROSENTHAL: Okay.

CHAIRPERSON CUMBO: Bobby. We can take a  
group picture of you me and Holly.

COMMITTEE ON CONTRACTS JOINTLY WITH THE  
COMMITTEE ON SMALL BUSINESS AND THE  
COMMITTEE ON WOMEN'S ISSUES

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C E R T I F I C A T E

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



Date December 27, 2015