



Legislation Text

File #: Res 0003-2002, **Version:** *

Res. No. 3

Resolution calling upon the appropriate committee of the Council of the City of New York to conduct an oversight hearing regarding the need for a Minority- and Women-Owned Business Enterprise ("M/WBE") Program, including the disparity study being conducted by Baruch College.

By the Speaker (Council Member Miller), the Public Advocate (Ms. Gotbaum) and Council Members Sanders Jr., Clarke, Perkins, Fidler, Foster, Gennaro, Jennings, Katz, Liu, McMahon, Monserrate, Reyna, Rivera, Stewart, Brewer and Barron; also Council Members Addabbo, Boyland, Dilan, Jackson, Lopez, Quinn and Seabrook

Whereas, Section 1304 of the New York City Charter obligates the Division of Economic and Financial Opportunity within the Department of Business Services ("DBS") to enhance the ability of minority- and women-owned business enterprises to compete for city contracts, to enhance city agencies' awareness of such business enterprises, and to ensure their meaningful participation in the city procurement process; and

Whereas, The Commissioner of Business Services ("Commissioner") is authorized to promulgate rules necessary to expand opportunities for minority- and women-owned firms; and

Whereas, In 1992 DBS commissioned National Economic Research Associates, Inc. ("NERA") to conduct a study on whether discrimination against minority- and women-owned business enterprises had reduced their participation in the several billion dollars that the City spends each year for goods and services; and

Whereas, This study "The Utilization of Minority- and Women-Owned Business Enterprises by the City of New York", found that minority- and women-owned business enterprises received a significantly smaller share of the billions of dollars that New York City spent on construction, services and commodities; and

Whereas, Having established that a pattern of racial and gender discrimination had existed, DBS promulgated rules establishing the Minority- and Women-Owned Business Enterprise ("M/WBE") Program that went into effect in September 1992; and

Whereas, The M/WBE Program established a certification procedure for minority- and women-owned businesses, created citywide agency goals for goods, services and construction contracting, a 10 percent price preference for qualified firms and developed outreach and assistance programs; and

Whereas, The M/WBE rules were effective for six years and required DBS to conduct an additional disparity study prior to any extension of the rules to determine if the program was still necessary; and

Whereas, In 1994 the Mayor signed an executive order eliminating the 10 percent price preference that was available to M/WBE firms; and

Whereas, In June 1998 the rules establishing the M/WBE program expired and DBS made no attempt to conduct an additional study to determine whether a disparity in the awarding of city contracts to minority- and women-owned enterprises still existed; and

Whereas, Despite appropriations by the Council to fund a study in FY 2000 and FY 2001, DBS has resolutely failed to use the appropriated funds; and

Whereas, It is becoming increasingly difficult to monitor the number of city contracts being awarded to M/WBE's because DBS no longer produces an annual report on the activities and efforts made to enhance the ability of minority- and women-owned business enterprises to compete for city contracts; and

Whereas, It is believed that since the expiration of the Program there is a substantial decrease in the amount of citywide contract dollars being awarded to M/WBE's; and

Whereas, The Council in FY 2002 has shifted appropriations from DBS to CUNY and as a result in December 2001, the Council selected Baruch College to conduct a disparity study; now, therefore, be it

Resolved, That the appropriate committee of the Council of the City of New York conduct an oversight hearing regarding the need for a Minority - and Women-Owned Business Enterprise ("M/WBE") Program, including the disparity study being conducted by Baruch College.