

# **CITY OF NEW YORK**

## **MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (M/WBE) PROGRAM**

### **Annual Report for Fiscal Year 2024**

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**Compliance Report covering July 1, 2023 – June 30, 2024**

**Lisa Flores  
City Chief Procurement Officer  
Mayor's Office of Contract Services  
255 Greenwich St., 9th Floor  
New York, New York 10007**

**Dynishal Gross  
Commissioner  
NYC Department of Small Business Services  
1 Liberty Plaza, 11th Floor  
New York, New York 10006**

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## Introduction

Mayor Adams continues to highlight and build on his mission to move New York City forward stronger than ever before, ensuring that every small business can succeed when the work we do is centered on equity. In particular, the city is aggressively pursuing an increase in M/WBE utilization in public procurement – now totaling over \$40 billion<sup>1</sup> annually – helping M/WBEs increase their capacity to win larger contracts and taking the challenge head-on of remedying the ‘disparity within the disparity’ in city contracting.<sup>2</sup>

This report, along with the M/WBE Program section of the 2024 Citywide Indicators Report published by MOCS<sup>3</sup>, summarizes program activity, prime contract, and subcontract utilization data for city-certified Minority and Women-Owned Business Enterprises (M/WBEs), Emerging Business Enterprises (EBEs), and Locally-based Enterprises (LBEs), as well as additional data specified in Section 6-129(l) of the New York City Administrative Code. The reporting period covers activity during Fiscal Year 2024 (July 1, 2023 – June 30, 2024) and is jointly submitted by the Director of the Mayor’s Office of Contract Services (MOCS), as City Chief Procurement Officer, and by the Commissioner of the Department of Small Business Services (SBS). The city’s M/WBE program is led by Sheena Wright, First Deputy Mayor and Citywide M/WBE Director, and is administered in partnership with the Chief Business Diversity Officer, Michael Garner, the Mayor’s Office of M/WBEs (OM/WBE), SBS, and MOCS.

The city achieved record M/WBE utilization this fiscal year. As further expanded upon in the report, During FY 2024 (July 1, 2023 – June 30, 2024), M/WBEs were awarded nearly \$1.2 billion in prime contracts subject to the M/WBE program and over \$424 million in eligible subcontracts. This brings the total amount awarded to M/WBEs in FY24 to nearly \$1.6 billion, the highest total contract amount awarded to M/WBEs in a single fiscal year in the program’s history. This record also translated into the city achieving a combined prime and subcontract utilization of 31.2%, surpassing Mayor Adam’s 30% M/WBE utilization target.

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<sup>1</sup> “2023 Citywide Indicators Report”. Released October 2023. [Citywide Indicators Report | MOCS \(nyc.gov\)](#)

<sup>2</sup> “Rebuild, Renew, Reinvent: A Blueprint for New York City’s Economic Recovery”. Released March 10, 2022. <https://www1.nyc.gov/assets/home/downloads/pdf/office-of-the-mayor/2022/Mayor-Adams-Economic-Recovery-Blueprint.pdf>

<sup>3</sup> Annual Citywide Indicator reports can be found on the MOCS website: [Citywide Indicators Report | MOCS \(nyc.gov\)](#)

## **Expanding the Base of Certified Firms**

SBS continues to increase the participation of M/WBE firms in city contracting by expanding the base of certified businesses. During the certification process, a company's ownership and management structure is thoroughly reviewed to ensure the applicant performs the key functions of the business. The NYC Online Certification Portal (<https://sbsconnect.nyc.gov/>) allows M/WBE firms to certify and recertify online, check the status of applications, and update their business profiles to better promote themselves to buyers. During the reporting period, SBS conducted 54 certification workshops attended by 1,071 businesses. Between July 2023 and June 2024, SBS certified 1,190 new M/WBEs and recertified 1,511 M/WBEs, bringing the total number of active city-certified companies in the reporting period, as of June 30, 2024, to a year end record of 11,115.

Partners help extend the reach of SBS certification outreach efforts. In addition to SBS's own Certification Team, businesses can receive assistance in applying for certification from the community-based groups that comprise the New York City Council-funded M/WBE Leadership Associations and the SBS network of Business Solutions Centers located throughout the five boroughs. This helps to ensure higher quality applications, making the submission and the certification review process easier and simpler.

Partners also help support the business growth of M/WBEs with marketing workshops, networking events, and business development services. During the reporting period, SBS collaborated with local development corporations, trade associations, industry membership organizations, and local chambers of commerce on 54 events to spread the word about the benefits of certification and the range of capacity-building services available citywide to help businesses grow.

## **Emerging Business Enterprise Program**

Local Law 12 of 2006 created the Emerging Business Enterprise (EBE) program, directed at expanding procurement opportunities to disadvantaged businesses. Although similar outreach approaches and capacity-building initiatives were, and continue to be, undertaken by SBS to successfully implement the M/WBE and EBE programs (SBS often targets potential M/WBE and EBE groups simultaneously), the outcomes of such measures are quite different. Like the federal Disadvantaged Business Enterprise (DBE) program, eligibility for EBE certification under the city's program requires that applicants satisfy a two-prong test of economic and social disadvantage.

Where social disadvantage is presumed for M/WBEs and further evaluation of social or economic disadvantage criteria is not required for those individuals, the city's program criteria rely on individual and specific determinations of an applicant's disadvantage. As of June 30, 2024, there were 34 certified EBE companies. Unlike the M/WBE program, limited participation in the EBE program has made it difficult for city agencies to set goals on contracts. During the reporting period, 5 EBEs were awarded subcontracts in the amount of \$1,314,579.00. SBS continues to strive towards increasing participation in the EBE program through a wide range of outreach efforts regularly conducted with businesses and community partners. Once increased participation in the EBE program is achieved, city agencies will have sufficient availability of certified EBE firms needed to set feasible contract goals.

### **Locally-based Enterprise Program**

Although the Locally-based Enterprises (LBE) program is not referenced in Administrative Code §6-129, LBE is a certification category administered by SBS, and the applicability of the LBE program in city procurement is impacted by the M/WBE program. As set forth in Administrative Code §6-108.1, the LBE program is designed to promote the growth of small construction firms through greater access to contracting opportunities with the city. Generally, the program requires agencies to utilize LBEs as a prime or subcontractor on specific construction contracts. However, the number of contracts subject to the LBE program has substantially decreased in recent years due to other goal-setting programs established by the city, state, and federal governments. Under the LBE program rules, contracts are excluded from the program if they are federally, or state-funded and subject to their requisite goal programs. Federally funded construction projects are generally subject to the DBE program, and state-funded contracts are subject to other goals and requirements as well, including Article 15-A of the New York State Executive Law. As many city construction contracts are federally and state-funded and subject to subcontracting goals under those programs, they are not covered by the LBE program. With the creation of the city's M/WBE program, M/WBE subcontracting goals are applied to city-funded construction contracts in lieu of LBE goals. Accordingly, this further limits the applicability of the LBE requirements.

As of June 30, 2024, there were a total of 21 LBE certified firms. Many of our LBEs are also certified as M/WBEs and can be considered for subcontracting opportunities on city construction projects with M/WBE goals. During the reporting period, 3 LBE were awarded subcontracts in the amount of \$690,000.00.

## **Selling to Government**

SBS offers selling to government services that help M/WBEs navigate the city's procurement system. Services are provided through a combination of workshops and one-on-one assistance. To be an effective bidder on city contracts, M/WBEs must understand the city's procurement rules and how to respond to solicitations. M/WBEs must also maintain the most up-to-date information on their profile in the SBS Online Directory of Certified Businesses ([www.nyc.gov/buycertified](http://www.nyc.gov/buycertified)) and other city procurement systems.

In FY24, SBS held 110 workshops with a total of 4,568 registrants for these events to help M/WBEs build knowledge and understanding of the city's procurement rules, procurement portals, how to effectively respond to solicitations, and best practices in contract management. Also, during the reporting period, 1,238 firms were supported through 1,999 instances of one-on-one technical assistance for submitting the most competitive bids and proposals, navigating government procurement, and successfully performing on contracts with the city.

On October 2nd, SBS hosted the 2023 Citywide M/WBE Procurement Fair at the Barclays Center, convening a record number of M/WBEs under one roof. The Adams administration announced over \$6 billion in contracts awarded by city agencies and affiliated entities to M/WBEs in the first full fiscal year of the administration. Deputy Mayor Sheena Wright, Deputy Mayor Maria Torres-Springer, former SBS Commissioner Kevin D. Kim, Director Lisa Flores, Chief Business Diversity Officer Michael Garner and Greg Bishop of the Brooklyn Social Justice Fund delivered remarks about continued plans to help M/WBEs succeed. In addition to the well over 1,200 M/WBEs in attendance, a record number, 89 exhibitors including city and state agencies, financial lenders, and other public and private partners also participated. The fair offered 10 opportunity rooms featuring panels and workshops to connect M/WBEs with various opportunities and resources from city agencies including NYC Public Schools, NYC Office of Technology and Innovation, NYC Department of Citywide Administrative Services, NYC Department of Transportation, NYC Department of Design & Construction, NYC Housing Preservation & Development, and the Mayor's Office of Contract Services.

As previously reported, in partnership with The Black Institute and the Office of City Council Speaker Adrienne Adams, SBS' BE NYC hosted the Melanin Summit on August 8, 2023, which focused on connecting M/WBEs with financing through Community Development Financial Institutions (CDFIs).

Over 200 attendees participated (in person and virtually) along with 12 CDFIs who participated in panel discussions and tabling. Additionally, BE NYC hosted 6 other M/WBE-related events within the reporting period, including 4 Lunch & Learn webinars, attended by 146 participants, and 2 other events, BE NYC Access: Powering City Government Innovation through IT Contracting, and SBS-NYC Construction Ramp-Up Program Info Session, with over 120 people in attendance.

During the reporting period, SBS, in partnership with OM/WBE, MOCS and the Bronx Borough President's office, hosted its first M/WBE Borough Forum of the year in the Bronx at Hostos Community College on February 6, 2024. There were over 150 minority and women entrepreneurs and business owners in attendance, and 20 city agencies and partners sharing current and upcoming contracting opportunities and the range of resources available to minority and women-owned businesses.

On April 4, 2024, SBS, in partnership with OM/WBE, MOCS, the Queens Borough President's office and the Queens Chamber of Commerce, held its M/WBE Forum at Queens Borough Hall. The event was attended by 175 participants and representatives from 32 city agencies and partners. The forum featured a joint workshop, with 52 participants attending, where SBS's M/WBE Certification team covered the certification process technical assistance and capacity building services, while MOCS focused on PASSPort and vendor profile updates.

The SBS Small Business Month Expo, took place at Pier 36 on May 29, 2024, and included the Manhattan M/WBE Forum. The event attracted significant interest, with over 100 registered agencies and partners, more than 10,000 participants registered for the Expo, and over 3,000 in attendance. Of those, nearly two-thirds attended the M/WBE Forum, highlighting the strong focus on providing valuable resources and networking opportunities to minority and women-owned businesses.

SBS also works with the New York City Council through the M/WBE Leadership Associations to provide certified firms with more capacity-building services, such as help applying for loans and surety bonds, preparing bids and proposals, and marketing to both the public and private sectors. In the reporting period, member organizations sponsored 74 events, provided 2,547 one-on-one assistance sessions, assisted with 105 loan applications, and awarded 70 loans to M/WBEs.

## Capacity Building

In addition to the requirement that the city finds vendors responsible, state law also requires that most contracts be awarded to the lowest responsive bidder or the best proposer. SBS has worked aggressively to expand opportunities for minority and women-owned firms by connecting them to a comprehensive range of programs that provide procurement technical assistance and capacity building support, as well as other resources to help them navigate and compete in the public procurement marketplace.

SBS administers a set of capacity-building programs and services for M/WBEs and small businesses that are designed to help firms better bid on, win, and perform on city contracts.

[Bond Readiness](#) provides certified construction and trade companies with financial and project management skills to help them secure or increase surety bonds necessary to compete on city contracts. The program offers a 12-session cohort conducted over 24 weeks that provides classroom instruction, agency participation, training, and one-on-one assistance, as well as introductions to a network of surety agents. Firms are encouraged to bid on city contract opportunities where appropriate, while applying for pre-approval for bonding during the program. During the reporting period, a total of 32 participants and 24 unique firms graduated from the 14<sup>th</sup> cohort of the program.

[Bonding Services](#) provides certified construction and trade companies with access to six-hour QuickBooks for Construction clinics, webinars, and one-hour one-on-one bonding assistance sessions to assist firms with organizing their bookkeeping and accounting practices, preparing applications for bonding, and understanding surety bond application preparation concepts, respectively, to compete for larger city contract opportunities. During the reporting period, there were 8 QuickBooks for Construction clinics with 158 participants, and 144 firms participated in 294 bonding technical assistance counseling sessions.

[M/WBE Contract Legal Services](#), launched in March 2022, is designed to provide certified firms with education and legal consultation clinics so that they become informed consumers of legal services; enter into commercial contracts with an understanding of terms, conditions, obligations, and rights; equip them with the tools and strategies to negotiate, or re-negotiate, commercial contracts that reflect their best interests and minimize their risk; and understand their obligations, rights, and recourse under existing commercial contracts.



During the reporting period, 319 participants attended 10 webinars, and 144 attendees participated in 9 legal consultation clinics.

[M/WBE Mentors Program](#), launched in January 2021, is designed to create spaces for peer mentorship and networking amongst NYC-certified M/WBEs. Through curated, industry-focused events, owners representing a variety of industries and backgrounds serve as mentors to less experienced M/WBEs. By mining their own experiences for advice, these mentors provide the insight their peers need to chart their own path of growth through government contracting. During the reporting period, the Program hosted 12 events with 845 participants.

[NYC Construction Ramp-Up Program](#) launched its first cohort in June 2023. This intensive educational, training, and mentorship program helps M/WBE construction firms understand the requirements of the city's pedestrian ramp rehabilitation projects to successfully compete and qualify for the work and any related M/WBE Pre-Qualified List (PQL). In the first two quarters of FY 2024, 52 participants representing 49 unique firms graduated from Cohorts 1 and 2. In FY 2024 Q4 40 unique firms were accepted into Cohort 3.

[Contract Financing Loan Fund](#) was launched in FY 2017 by the New York City Economic Development Corporation and SBS. The Loan Fund enhances the ability of business owners to access the capital they need to win, take on and perform successfully on NYC contracts, and reduce the cost of capital to a 3% annual interest rate. During the reporting period, 30 loans totaling \$ 10,139,362 were awarded through the Loan Fund to certified M/WBEs.

## **Program Compliance**

To ensure that all agency staff responsible for purchasing activities are knowledgeable about the M/WBE program and their agency's goals, SBS, MOCS, and OM/WBE conduct agency training sessions. During FY 2024, 1,033 procurement professionals from 63 agencies attended 19 training sessions. Among others, the topics included implementation of M/WBE policy of the New York City Administrative Code, strategies and best practices used to identify M/WBEs for contract opportunities, M/WBE goal setting, and enhancing M/WBE procedures in all contract areas.

During FY24, SBS completed the FY 2020 LL1 Compliance Audit of 5% of all open City contracts for which subcontractor utilization plans were established and 5% of all open City contracts awarded to M/WBEs. Overall, 752 contracts were selected and covered under the audit out of 14,911 contracts awarded under the Program in FY 2020.

Compliance meetings with agency commissioners and M/WBE officers are held to discuss utilization and agency initiatives to increase M/WBE performance. Since April 2023, the Chief Business Diversity Officer continues to hold monthly all-agency accountability meetings accompanied with weekly agency focus groups, which have continued through the duration of this reporting period. In addition to these, during the reporting period, the First Deputy Mayor Sheena Wright, the Citywide M/WBE Director, in partnership with the Chief Business Diversity Officer, Michael Garner, held three in person compliance meetings, reporting on FY 2023 - FY 2024 data. The first meeting was held on October 20, 2023, and was attended by 63 attendees representing 36 agencies. The second meeting was held on February 21, 2024, with 74 attendees representing 37 agencies. The third was held on April 19, 2024, with 104 attendees representing 46 agencies.

### Qualified Joint Venture Agreements

During the reporting period, 6 M/WBEs were awarded \$62 million in qualified joint ventures.

Industry	Total Value of Contracts Awarded to JVs with MWBEs	# of JV Contracts with M/WBEs	Ethnicity	Total Contract Value Awarded to MWBEs	% of Contract Awarded to MWBEs
Architecture/Engineering	\$34,014,315	2	Male Owned MBE - Asian	\$34,014,315	100%
Construction Services	\$33,932,738	2	WBE - Caucasian Woman	\$17,467,356	52%
Professional Services	\$20,000,000	1	WBE - Caucasian Woman	\$10,204,000	51%

## **Efforts to Reduce or Eliminate Barriers to Competition**

The city continues to undertake efforts to reduce barriers for M/WBEs and small businesses that are competing for contracts and looking to do business with the city. In addition to the variety of technical assistance, capacity building programs and educational supports identified above, SBS has improved the SBS Online Directory of Certified Businesses by enhancing the user interface and functionality by supporting predictive searches and adding a direct link to Checkbook NYC on the M/WBE vendor profile pages. Mayor Adams also sought and won a host of legislative improvements geared at making it easier for M/WBEs to do business with the city, including increasing the threshold for contracts awarded through a discretionary method to \$1.5 million, and supporting greater M/WBE participation on Capital Projects.<sup>4</sup> SBS also continues to assist M/WBEs with expediting their payment requests from prime contractors and city agencies, connecting them to low interest financing and, where applicable, helping to reduce the bureaucracy of engaging with city government.

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<sup>4</sup> [Mayor Adams' Statement After Governor Hochul Signs Bills to Increase Inclusivity | City of New York \(nyc.gov\)](#)