

New York State's Technology Sector
MWBE Infielder
Leveling the Playing Field in the Tech Sector



Governor Paterson Signs Four MWBE Bills into Law

On July 15, Governor David A. Paterson signed four ground-breaking bills into law, including legislation that will establish a level playing field for Minority and Women-Owned Business Enterprises (MWBEs) in New York State. Three of bills were Governor's Program Bills.

"With these pieces of legislation, our State is building on its proud history of opening the door to success for any New Yorker who has the talent, drive and passion for their business to succeed," Governor Paterson said. *"But there is still*

much work to be done to correct disparities in government contracting. By improving equity in the State procurement process and facilitating greater access for Minority and Women-Owned Business Enterprises, we help businesses thrive, and we will help our State recover from recession."

In June 2008, Governor Paterson issued Executive Order No. 10, which established the Task Force on Minority and Women Business Enterprises. As a result of the Executive Order and the work of the Task Force, MWBE participation quadrupled. The firms that are involved with investment banking and the issuance of debt went from 4.2 percent MWBE in 2007 to 23.9 percent now. Under Governor Paterson's leadership, minority and women firms have yielded an increase of \$162 million in revenue from prior year levels. With regard to transportation, thirteen percent of stimulus transportation projects have gone to Disadvantaged Business Enterprises – for a total of \$146 million dollars and an estimated 3,500 jobs created or saved.

The following MWBE bills were signed into law:

- **Governor's Program Bill No. 297 (S.8312/ A.11525):** Raises the cap on discretionary purchases that a State agency can award to MWBEs or small businesses from \$100,000 to \$200,000, subject to the agency's internal controls, but not based on full-blown competitive procurement procedures.
- **Governor's Program Bill No. 298 (S.8313/ A.11526):** Expands contracting practices of public authorities granting increased opportunities for MWBE participation. Additionally, requires that the procurement guidelines for each State public



authority include the designation of one or more senior staff to oversee the authority's MWBE program and requires that procurements be conducted to achieve the authority's MWBE goals to the maximum feasible extent.

- **Governor's Program Bill No. 299 (S.8314/A.11527):** Expands and strengthens the State's program for MWBE contracting, and authorizes a new and more thorough disparity study before the provisions relating to the MWBE program expires in 2014, including in-depth review of contractors'

hiring and promotional practices. This legislation will also create the position of Chief Diversity Officer to oversee the MWBE program and diversity issues in the workforce from within the Executive Chamber.

- **Emerging Investment Managers Bill (S.6888/ A.9976):** Addresses entities that are not executive agencies, and that control large pools of money for investment: the Comptroller, the State Insurance Fund and the Deferred Compensation Board. This legislation will provide emerging investment managers the ability to invest with MWBE financial institutions and to adopt a strategy that motivates investments in underserved regions of the State.

These measures address MWBE disparities in government contracting that were outlined in a comprehensive multi-year study and report commissioned by the New York State Department of Economic Development and released in April 2010 – "The State of Minority and Woman Owned Business Enterprise: Evidence from NY." In March 2010, following a thorough examination of State procurement processes, the Task Force delivered a series of recommendations designed to provide MWBEs with an

opportunity to compete for contracts. The Governor incorporated those recommendations into his Program Bills, which were submitted to the Legislature on April 14, 2010.

The Task Force includes representatives from DASNY, ESD, EFC, the Housing Finance Agency (HFA), the Thruway Authority and members appointed by the Governor including a representative of the Office of State Comptroller and the Governor's Office. Paul T. Williams Jr., the Executive Director of the Dormitory Authority, has served as the Task Force Chairman.

What Does This Mean for MWBEs?

By signing the four bills and creating new laws designed to enhance opportunities for certified Minority and Women Owned Businesses to participate in public contracting with New York State agencies and public authorities, Governor Paterson ensured several actions are taken. These actions follow findings of the disparity study published earlier this year and include several changes to the law.



A couple changes include the creation of a new position, of the Chief Diversity Officer, and the establishment of agency-specific MWBE participation goals along with a road map for agency efforts to meet those goals. Additionally, the law requires annual reporting requirements for agencies and authorities.

MWBE Certification will now be limited to small businesses, with a net worth cap on the ownership of certified MWBEs. This means if a company is worth more than a specific amount, they can no longer be certified. The law also creates a new process for resolution of disputes and imposes new sanctions for contractor bad faith.

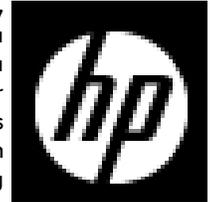
Based on the law, a new disparity study will be conducted in 5 years. The sunset date for the law is December 2016, if the law is not renewed by that date some or all portions of the law may be terminated or repealed.

Questions regarding the law should be directed to the New York State Division of Minority and Women Owned Business Development at 1-800-782-8369.

Spotlight on Success

Hewlett Packard Partnership with Affinity Leads to Successful Switch Solution

Since participating in the first MWBE Jumpstart event in Albany in June 2008, HP committed to utilizing certified MWBEs in their work with New York State. Recently, HP partnered with Affinity Enterprises, LLC (a New York State certified MWBE) to provide a switch connection solution to the Office for People With Developmental Disabilities (OPWDD). The solution was purchased in December 2009 and has been up and running for over 4 months.



Upcoming Events

Business Start Up Session

August 12, (contact for times)

Location: Syracuse, NY

Contact: SBDC@SUNYOCC.EDU or (315)498-6070

Regional Forum on Government Contracting

August 25, 8:00 am – 12:00 pm

Location: Horseheads, NY

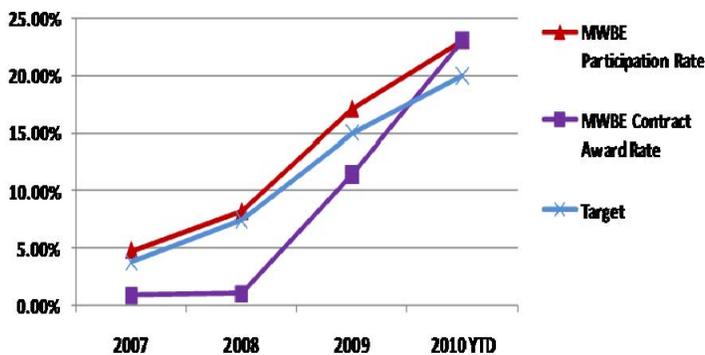
sbdc@corning-cc.edu or (607)937-6861

For additional information about these and other events, please visit:

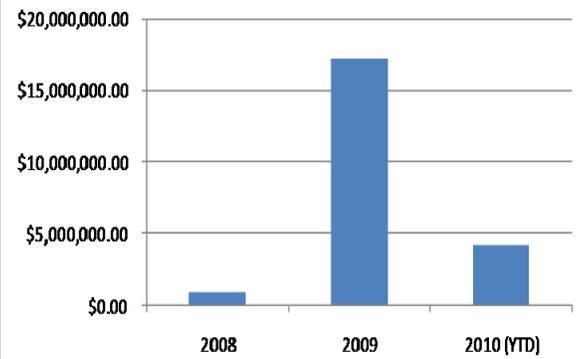
<http://www.nyssbdc.org/training/listtraining.aspx>

CIO/OFT MWBE Performance Dashboard: (As Of May 31, 2010)

MWBE Contract Award and Participation Rates



MWBE IT Contract Award Value



YTD = Year to Date

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Empire State Plaza
P.O. Box 2062
Albany, NY 12220
Customer.relations@cio.ny.gov



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