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**MAYOR DE BLASIO ANNOUNCES CHANGES TO PROCUREMENT POLICY BOARD RULES TO
HELP INCREASE CITY CONTRACT AWARDS TO M/WBES**

Changes increase micro-purchase limit for construction services procurement, allow M/WBE certification to factor into best value bids

NEW YORK—Mayor Bill de Blasio today announced changes to Procurement Policy Board Rules to help increase City contract awards to M/WBE firms as part of a push towards Mayor de Blasio's OneNYC pledge to award a minimum of \$16 billion to City-certified M/WBES over the next ten years. The rule changes, supported by a City Council Resolution, will become effective on March 1, 2016.

"We must ensure that minority and women-owned firms have a fair shot at receiving City contracts, and we are leveraging every resource to create more opportunities for M/WBES," said **Mayor Bill de Blasio**.

"I applaud the City's commitment to supporting minority and women-owned businesses in New York City," said **Council Speaker Melissa Mark-Viverito**. "By pledging to award \$16 billion dollars over the next ten years, the Administration is ensuring that women and minorities will receive a fair chance at doing business with the City. I thank the de Blasio Administration for their shared commitment to making New York City a prosperous place for all residents."

"M/WBES create jobs for New Yorkers and help to build our economy. These changes in the Procurement Policy Board Rule are just another way that we are aggressively working to widen the doors for M/WBES willing and able to work with the City to meet the needs of our residents," said **Counsel to the Mayor and M/WBE Director Maya Wiley**.

Changes to the Procurement Policy Board Rules include a raise in the micro-purchase limit for construction service contracts, and preferences for M/WBES in best value procurements.

Raising the micro-purchase limit from \$20,000 to \$35,000 for construction service contracts:

- The rule changes raise the micro-purchase limit from \$20,000 to \$35,000 for construction service contracts. The micro-purchase is a frequently used procurement method. Under the micro-purchase limit, no competition is required, and the agency must ensure that the price is reasonable, the vendor is responsible and that purchases are distributed appropriately, including to M/WBE vendors. By increasing this limit, agencies can award more contracts to certified M/WBES.

Allowing preferences for M/WBES in best value procurements:

- The Procurement Policy Board also adopted rule changes allowing preferences for M/WBES in best value procurements – a basis for awarding a contract for goods or standard services, optimizing quality, cost and efficiency among responsive and responsible bidders or offerors. This change gives the City

more opportunities to do business with M/WBE firms. Under the new rules, City-certified M/WBEs will be eligible for a price preference on best value bids, and either a price preference or technical score preference on proposals.

The announcement comes on the heels of the launch of several key programs aimed to increase City awards to M/WBEs, including the Mayor's M/WBE Advisory Council composed of key stakeholders in the M/WBE community. The Advisory Council will be tasked with providing a direct line to the M/WBE community and help shape City policy regarding procurement and development projects. The City has also announced Project Labor Agreements that will meaningfully increase the share of City-certified M/WBEs working on construction projects while saving the City over \$347 million; establish a new \$10 million predevelopment loan fund to help emerging firms secure financing to purchase land and get projects underway; and a new \$10 million fund also will be established to help those firms secure the bonds they need in order to qualify for City business.

In Fiscal Year 2015, the de Blasio Administration awarded over \$1.6 billion in contracts to City-certified M/WBE firms while reaching a record-breaking number of certified M/WBEs – over 4,100. More than one third of those firms have been certified or recertified since the start of the de Blasio Administration. To help increase certification, the Administration lowered barriers to entry by launching an online certification portal and introducing one-on-one certification application review sessions.

“These are impressive steps and commitments demonstrated by Mayor de Blasio and Counsel Maya Wiley to substantively address the long standing challenges of minority and women-owned businesses that regularly don’t get the fair opportunities they deserve,” said **Assembly Member Michael Blake**. “M/WBEs definitely need more funding, but we acknowledge the critical step of best value procurements. This effort is absolutely critical to provide greater opportunities for M/WBEs to be fairly considered as opposed to only having a low bid process. Moreover, increased funding for bonding and the online access certification portal will dramatically help businesses get support on the front end of the process to improve chances to get bids. There’s more to be done, yet we acknowledge progress when it’s happening. These are tangible and positive steps to help M/WBEs in New York City.”

"I am excited to hear of the announcement that Mayor de Blasio is making today to strengthen the City's ability to work with minority and women-owned businesses that will help the City get closer to its goals of addressing income inequality to expand opportunities for M/WBEs. These changes have the potential to have a ripple effect by increasing and promoting a more diverse workforce," said **Assembly Member Rodneyse Bichotte, Chair of the Subcommittee on the Oversight of Minority and Women-Owned Business Enterprises**.

“By raising the micro-purchase limit to \$35,000 for construction services contracts, the City is cutting red tape so its agencies can do business with M/WBEs more quickly and efficiently. When the micro-purchase limit rose in 2013, it increased the amount of money awarded to M/WBEs by over \$3.8 million. Today's announcement, as a result of our collective efforts, will further support the growth of our city’s women and minority-owned businesses," said **Council Member Helen Rosenthal**.

"I applaud the Procurement Policy Board's expansion of the micro-purchase limit because it shows that, as a city, we can be responsible stewards of public funds, while simultaneously expanding opportunities to M/WBEs and all New Yorkers," said **Council Member Robert Cornegy, Chair of the Committee on Small Business**. "I believe that this change will lead to increased efficiency in agency contracting, leading to more efficient service delivery and vendor payments. This is an excellent move."

"The Brooklyn Kings County Hispanic Chamber of Commerce applauds the Mayor's Office on their announcement on increasing the M/WBE micro-purchases cap from \$20,000 to \$35,000. This will create larger opportunities in contracting for certified minority and women-owned businesses in the City of New York. As a chamber that helps prepare M/WBEs, raising this cap presents new possibilities for our newly certified M/WBEs. The Chamber also commends the Mayor's Office in regards to the best value procurement which is

another opportunity for M/WBEs to compete more fairly," said **Rick Miranda, President and CEO of Brooklyn (Kings County) Hispanic Chamber of Commerce.**

"These changes are a signal that the Administration takes its commitment to M/WBEs seriously. Nearly doubling the micro-purchase level will provide a tremendous benefit to smaller firms and incorporate a wider array of businesses into the City's procurement process. Implementing best value preferences for M/WBEs is recognition that these firms provide a major benefit to our city's economy. I applaud the work being done to increase business opportunities for women and minorities throughout our city," said **Bonnie Wong, Founder and President of Asian Women in Business (AWIB).**

"This is a clear example of why progressive leadership is important for our city. Access to government contracts for diverse communities throughout the city ensures equitable distribution of wealth creation. The Administration is pursuing important measures that are correcting historical injustices of the past," said **Peter Fontanes, Chair of the New York Association of Hispanics in Real Estate and Construction (HREC).**

"We are very excited about the City's efforts to do more business with certified M/WBEs. The changes for M/WBEs being made by the City in awarding contracts, such as raising the threshold for micro-purchase contracts, and using M/WBE status when awarding contracts on the basis of best value, will be extremely beneficial for certified minority and women-owned businesses," said **Loretta Cauldwell, Executive Director of the Staten Island Business Outreach Center.**

"I am personally and professionally excited to see this rule change put in place for our city. This law enables minority and women-owned businesses to compete more effectively for New York City business. This wider competitive field benefits New York City agencies, enabling them to enjoy the high quality and deep specialization minority and women-owned business firms have to offer in their products and services. Overall, this effort clearly demonstrates Mayor De Blasio's commitment to both the minority and women-owned business community, as well as to the continued success of our great city," said **Colleen Molter, President of QED National.**

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