

Re: NYC Charter Revision Procurement Proposals
Testimony of the National Association of Women Business Owners-
New York City Chapter
Wednesday, October 8, 2003

Good Afternoon members of the Select Committee on Charter Revision, members of the Council's Committee on Contracts and other distinguished attendees. My name is Colleen Molter and I am the President and Owner of QED National, a NYC Certified Woman Business Enterprise specializing in Information Technology Consulting for the Government and Financial Services.

I am here today in my capacity as the Chair of Public Policy of the New York City chapter of the National Association of Women Business Owners, often referred to NAWBO-NYC. I have with me two distinguished members of the association: Lynn San Andres and Arlette Beauchamps. Lynn is the president and owner of the Mason Alexander Group, a commercial real estate brokerage firm in New York City. She is also the President of NAWBO-NYC. Arlette is CEO and Owner of Booksweepers Inc., a New York City firm providing outsourced bookkeeping services. Arlette holds the position at NAWBO-NYC of Chair of Diversity.

NAWBO is the largest collective voice of women business owners in the United States, with over 85 chapters nationwide. NAWBO is not a trade-oriented association. The New York City Chapter, NAWBO-NYC represents the interests of all New York City women business owners regardless of industry, size or owner's ethnicity. Classically our membership was Manhattan-based, but through outreach programs our membership now geographically spans all five boroughs.

I am honored to be invited to this session and to have the opportunity to provide testimony on the "Procurement" experience of NAWBO-NYC's membership. NAWBO-NYC is delighted that Mayor Bloomberg has issued an Executive Order detailing a plan for strengthening the City's MWBE program. **NAWBO-NYC strongly supports Procurement Reform.** We support the establishment of the Commission on Charter Revision and are very pleased that Procurement is one of the key focus areas under review.

There are over 230,000 privately held women owned businesses in the New York City metropolitan area. These are businesses owned 51% or more by women. These 230,000 represent 27 percent of all privately held firms in the area. Collectively, women-owned businesses in this metropolitan area generate close to \$35 billion in annual sales.



Women-Owned businesses are the fastest growing sector of privately-held companies in this area. Over the five year period of 1997 to 2002, the number of privately held majority or 50% women-owned businesses grew by 11%, which is more than 1.5 times the sector growth rate of all privately held firms.

The NYC Women Business Enterprises, known as WBEs, rank third among the top 50 Metropolitan areas nationwide in number, employment and sales. The WBEs in New York City represent more than one-half the total WBE count throughout the entire State of New York. The vast majority of the WBEs in the New York Metropolitan area are small businesses.

These statistics, and more, visibly indicate the strength of this economic sector and its importance to The City of New York and its residents. Clearly, the question then becomes, how much money is The City of New York spending with this important segment of the City's economic infrastructure. At the present time, we cannot answer this question as there is no public data available on which to formulate a response. **NAWBO-NYC supports mandatory reporting and tracking of NYC contracts awarded to MWBEs, both as primary contractors and also as subcontractors.**

As most NYC WBEs are small business and our numbers maintain that small business is big business is New York City, The City must continue to establish procurement programs that target this segment. **NAWBO-NYC supports set-aside programs targeted for small businesses, and we strongly urge expanding the existing programs to reach beyond the boundaries of construction-related projects. A very small percentage of NYC WBEs are in construction.**

Diversity is one of NAWBO-NYC's focus areas. The City of New York should continue to work with firms that meet or exceed employment guidelines in this area. Therefore, we feel reporting should be mandatory. Allowing an agency to set rules, without public awareness, without the opportunity and means for public evaluation seems to undermine the very intent and spirit of MWBE programs.

NAWBO-NYC believes that MWBE Certification is profoundly important for both tracking purposes and surety that these programs are not abused. **NAWBO-NYC supports the streamlining of this certification process.**

Above all, NAWBO-NYC supports streamlining the City's Procurement process, both for new contracting opportunities as well as for renewals. The time it takes from a Request for Quote or Proposal to the generation of a Purchase Order has been known to take anywhere from 30 days to 9 months. In some cases, The City is purchasing last year's product at last year's prices and with the sustained trend of lower priced technology, NYC is paying too much for too little. Vendors cannot issue invoices to the



City until a Purchase Order is cut. Small Businesses cannot easily afford to manage this time-consuming process nor can they house their product for these long periods of time.

NAWBO-NYC believes that there is a GAP between where MWBE contracts should be and where they are today. We believe that the efforts outlined above and the efforts of this group will begin to close this gap from the NYC side. Much of this has been initiated by Mayor Bloomberg's Executive Order last June calling for attention, accounting and strengthening of The City's MWBE program.

We are convinced that the Department of Small Business Services is actively working to improve the MWBE outreach programs in response to this Executive Order. NAWBO-NYC strongly supports DSBS sponsored training and assistance programs for MWBEs. NAWBO-NYC has begun to work closely with DSBS to maximize the effectiveness of their MWBE programs. We will be co-hosting a pilot workshop on November 6th for NAWBO-NYC members, providing certification guidance and insights into the procurement process. In addition, at this workshop we will match procurement opportunities with suppliers. I am actively working with DSBS Deputy Commissioner Jean Hamerman and Assistant Commissioner Reginald Grayson in the development and delivery of this workshop.

NAWBO-NYC understands that the most effective way to close a gap is to push from both sides. The work of this distinguished group here before me today influences very strongly one side of this gap. NAWBO-NYC is committed to closing this MWBE Procurement Gap from both sides through monitoring public policy and influencing change as required, as well as through the development and delivery of educational programs for its members.

As we continue to work toward common goals, NAWBO-NYC will continue to monitor the overall progress being made. We would be glad to report back our observations and recommendations at a later time to both elected and appointed officials of The City of New York.

In closing, I would like to express my sincere appreciation for the opportunity to present this afternoon. On behalf of the members of NAWBO-NYC, I would like to thank you for all of your dedication and hard work. Your work is very important and I wish you much success.

