

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONTRACTS

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January 27, 2009
Start: 10:34 am
Recess: 10:45 am

HELD AT: Council Chambers
City Hall

B E F O R E:
LETITIA JAMES
Chairperson

COUNCIL MEMBERS:
Michael C. Nelson
Robert Jackson
John C. Liu
Kendall Stewart
David I. Weprin
Melissa Mark-Viverito
Larry B. Seabrook
Simcha Felder
Charles Barron

CHAIRPERSON JAMES: Thank you.

Good morning. My name is Letitia James and I'm the Chair of New York City Council Committee on Contracts. Thank you for coming today for this very important hearing to consider Resolution Number 1773 of 2008, sponsored by my colleague, Council Member Larry Seabrook of the Bronx. It calls upon the New York State Legislature to reintroduce and pass, and ask the governor to sign Senate Bill 8575 and Assembly Bill 11672 of 2008, which authorizes political subdivision to award public procurement contracts to participants of the Minority and Women Owned Business Enterprise Program at a cost premium not to exceed 10% of the lowest bid. I'd like to thank the rest of the council members who are here today: Council Member Jon Liu, Council Member Robert Jackson, and of course, Council Member Larry Seabrook and Council Member Charles Barron. Finally, I'd like to thank the staff of the committee for their hard work in preparing this hearing today and all other hearings. The main goal of Local Law 129 was to increase participation in city contracting for companies owned by minorities and women because

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2 these groups had been systematically and
3 historically kept from accessing such
4 opportunities. The council created the WMBE
5 program in order to address those disparities.
6 The law was passed in 2005. Though the numbers of
7 WMBE businesses who certify with the city has
8 increased since that time, the numbers of WMBE
9 firms to win contracts remains very, very, very
10 abysmally low. There are many contributing
11 factors as to why the numbers of contract awards
12 are so low. The most significant factor
13 preventing a great number of WMBE awards is that
14 we are bound by a very restrictive state law that
15 requires all city contracts to be awarded only to
16 the lowest responsible bidder. This means that
17 though our WMBEs are submitting bids for
18 qualifying contracts, they are not the lowest bid
19 submitted and therefore by law we cannot award
20 these contracts to them. The City Council is
21 working to change this. We have been working with
22 our partners in the State Legislature to change
23 this very restrictive law so that the city and
24 other municipalities in the state with similar
25 WMBE programs would be authorized to give a small

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2 piece to all of you who are coming. Let me also
3 say we are very happy now that the Democrats have
4 taken control of the State Senate. I'm confident
5 that we will be able to move forward in increasing
6 the number of opportunities for WMBEs, not only in
7 the City of New York, but across the state. At
8 this time, we'll hear from the sponsor, Council
9 Member Larry Seabrook.

10 COUNCIL MEMBER SEABROOK: Good
11 morning and thank you Madame Chairman for this
12 opportunity to talk about this important
13 resolution that we have put forth in urging the
14 New York State Legislature to reintroduce and pass
15 and for the governor to sign the Senate Bill 8575
16 and Assembly Bill 11672 of 2008. As you know,
17 minority and women owned businesses in this state
18 is very crucial and very important to our
19 community because it provides opportunities for
20 small business, but it also provides opportunities
21 for jobs and job creation. When 50% of African
22 American males and 50% of Latino males in this
23 city are unemployed, what better way to deal with
24 that than by awarding these contracts. As you
25 know, the state and the city will be recipients of

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2 tremendous amounts of dollars to do a lot of work
3 on the basis of the stimulus packages that the
4 federal government is putting into place. It is
5 important for us to change the law and to actually
6 have this law implemented for our level of
7 participation. As you know, on the federal level,
8 it is already in statute and a set aside provision
9 is there. It is up to us to move into the 21st
10 Century and for the state to move into the 21st
11 Century by allowing minority and women owned
12 businesses the 10% that will be there. It is our
13 hope that the goodwill and the understanding of
14 the need for employment in small business will
15 allow us to exceed even beyond the 10%. I am
16 grateful of you to allow this resolution to come
17 before this committee. I would urge my colleagues
18 to vote in the affirmative.

19 CHAIRPERSON JAMES: Thank you,
20 Council Member Seabrook, once again for your great
21 leadership on this issue. We've been joined by
22 Council Member David Weprin. Now we will hear
23 from Council Member Robert Jackson.

24 COUNCIL MEMBER JACKSON: Thank you,
25 Madame Chair. I rise in order to support

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2 Resolution 1773 that will give minority business
3 owners the opportunity to achieve the goal that
4 everyone is trying to achieve. That goal is to
5 get some of the contracts that are out there,
6 which we have not had the opportunity to receive
7 like we are supposed to. You may ask what I mean
8 by that. Look at the number of contracts that are
9 being bid out by the City of New York and by the
10 State of New York and look at the number of people
11 that they're going to, and the numbers reflect
12 right here in the documents which we received.
13 Look at the percentage of the population,
14 especially in New York City. Then you really know
15 that minorities are not receiving the type of
16 contracts they're supposed to receive based on the
17 percentage of population that they represent. As
18 the former chair of the Contracts Committee, I
19 know about this and all of you know about it too.
20 We were the ones that pushed forward Local Law 129
21 and other laws that would increase the number of
22 participants in the contracting process that are
23 people of color and women. Also, as a co-chair of
24 the New York City Council's Black, Latino and
25 Asian Caucus, I say that I support this

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2 legislation because it will provide us the
3 opportunity to at least get some of these
4 contracts with a little flexibility so that, as
5 Larry said, the prime sponsor, employment will
6 happen in the communities that we represent,
7 especially in these hard economic times. I
8 support Resolution 1773 and I hope and pray that
9 the City Council will pass this unanimously.

10 CHAIRPERSON JAMES: Thank you.

11 Council Member Charles Barron?

12 COUNCIL MEMBER BARRON: Thank you
13 very much, Madame Chair. I want to thank you for
14 having this timely hearing on this resolution.
15 I'm glad to say that I'm a co-sponsor with the
16 prime sponsor, Larry Seabrook. It is timely in
17 that we are now talking about a stimulus package
18 coming from the federal government and billions of
19 dollars will be coming into New York City. And
20 yet they are trying to fast track it in a sense so
21 that it won't be having the built-in assurances
22 for minority contractors and women owned
23 businesses. This can go on a fast track. This
24 resolution and the accompanying legislation in the
25 state could stop that. We had recently done a

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2 disparity study and we looked at those areas of
3 contracting of less than a million dollars in New
4 York City. In construction alone we found that
5 minority and women contractors who met all of the
6 requirements of the city made up 16% of those
7 companies and yet we got less than 1% of the
8 actual contracts. White males were 42% of that
9 same lot and they got over 70% of the contracts
10 doled out by the combination of the Giuliani and
11 Bloomberg administrations. We know that there's a
12 disparity. We know that there's racism in
13 contracting. I think this heads in the right
14 direction to correct that. Thank you very much,
15 Madame Chair.

16 CHAIRPERSON JAMES: Thank you,
17 Council Member Barron. We've been joined by
18 Council Member Melissa Mark-Viverito. We still
19 have a long way to go. The numbers in the City of
20 New York as very, very, very low and it's
21 unfortunate that it is not a priority for this
22 administration. In fact, it is a complete
23 indictment of this administration that our numbers
24 in some agencies are still at zero. So we've got
25 a lot of work to do. I want to thank the sponsor

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2 for this legislation. Unfortunately we do not
3 have any witnesses, but we will keep this hearing
4 open until at least 11 o'clock to see if anyone
5 shows up. I thank all of my colleagues and all of
6 those who have attended. Council Member David
7 Weprin would like to say a few words.

8 COUNCIL MEMBER WEPRIN: Thank you,
9 Chair James. I also fully support this
10 resolution. I don't want to be repetitive of my
11 colleagues, but I would like to ask to be added as
12 a co-sponsor of the resolution.

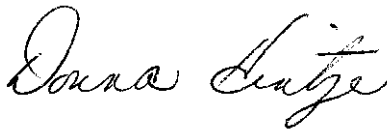
13 CHAIRPERSON JAMES: So ordered.

14 COUNCIL MEMBER WEPRIN: Thank you.

15 CHAIRPERSON JAMES: Again, I thank
16 you all for coming. We will keep this hearing
17 open until 11 o'clock. For the record, Council
18 Member Stewart and Council Member Nelson are
19 present. This hearing is now adjourned.

C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature_____

Date February 2, 2009_____