

STATE OF NEW YORK

6111

2021-2022 Regular Sessions

IN ASSEMBLY

March 10, 2021

Introduced by M. of A. BARCLAY, WALSH, J. M. GIGLIO -- Multi-Sponsored
by -- M. of A. BROWN, HAWLEY -- read once and referred to the Committee
on Governmental Operations

AN ACT to amend the executive law, in relation to a statewide disparity
study regarding the participation of minority and women-owned business
enterprises in state contracts

The People of the State of New York, represented in Senate and Assembly,
do enact as follows:

1 Section 1. Section 312-a of the executive law is amended by adding a
2 new subdivision 3 to read as follows:

3 3. The director shall develop a procedure to obtain direct feedback
4 from applicants on any problems and burdens they encountered during the
5 application process or throughout the program and examine how the issues
6 can be addressed to eliminate future program limitations.

7 § 2. Subdivision 6 of section 313 of the executive law, as amended by
8 chapter 96 of the laws of 2019, is amended to read as follows:

9 6. (a) Where it appears that a contractor cannot, after a good faith
10 effort, comply with the minority and women-owned business enterprise
11 participation requirements set forth in a particular state contract, a
12 contractor may file a written application with the contracting agency
13 requesting a partial or total waiver of such requirements setting forth
14 the reasons for such contractor's inability to meet any or all of the
15 participation requirements together with an explanation of the efforts
16 undertaken by the contractor to obtain the required minority and women-
17 owned business enterprise participation. In implementing the provisions
18 of this section, the contracting agency shall consider the number and
19 types of minority and women-owned business enterprises available to
20 provide goods or services required under the contract in the region in
21 which the state contract is to be performed, the total dollar value of
22 the state contract, the scope of work to be performed and the project
23 size and term. If, based on such considerations, the contracting agency

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD02552-01-1

1 determines there is not a reasonable availability of contractors on the
2 list of certified [~~business~~] businesses to furnish services for the
3 project, it shall issue a waiver of compliance to the contractor. In
4 making such determination, the contracting agency shall first consider
5 the availability of other business enterprises located in the region and
6 shall thereafter consider the financial ability of minority and women-
7 owned businesses located outside the region in which the contract is to
8 be performed to perform the state contract.

9 (b) Upon the issuance of all waivers of compliance as provided in
10 paragraph (a) of this subdivision, the contracting agency shall: (i)
11 report the issuance of the waiver to the director; and (ii) publish on
12 the contracting agency's website on a monthly basis, if practicable, but
13 no less than on a quarterly basis: (1) information identifying the
14 contract, including the value of the contract; (2) the name of the
15 contractor receiving the waiver; (3) the date of the waiver; and (4) the
16 specific contract provisions to which the waiver applies.

17 (c) The commissioner is authorized to grant a partial or total waiver
18 of such good faith efforts to contracts within such a county, upon
19 request of the presiding officer of such county and upon a finding that
20 there is such a scarcity of minority and women-owned business enter-
21 prises within that county as to effectively preclude participation of
22 such enterprises in such contracts, and where no reasonable means of
23 accomplishing the provisions of this section exist. The commissioner
24 shall promulgate rules and regulations necessary to implement these
25 provisions.

26 § 3. Subdivisions 1 and 3 of section 314 of the executive law, as
27 amended by chapter 96 of the laws of 2019, are amended and a new subdi-
28 vision 1-a is added to read as follows:

29 1. The director shall promulgate rules and regulations providing for
30 the establishment of a statewide certification program including rules
31 and regulations governing the approval, denial or revocation of any such
32 certification including revocations for convictions for fraudulently
33 misrepresenting the status of minority or women-owned business enter-
34 prises. Such rules shall set forth the maximum personal net worth of a
35 minority group member or woman who may be relied upon to certify a busi-
36 ness as a minority-owned business enterprise or women-owned business
37 enterprise with a minimum personal net worth threshold of fifteen
38 million dollars, and may thereafter establish different maximum levels
39 of personal net worth for minority group members and women on an indus-
40 try-by-industry basis for such industries as the director shall deter-
41 mine. Such regulations relating to the classification of the industry-
42 by-industry personal net worth thresholds above the fifteen million
43 dollar threshold shall consider the personal net worth of the owners of
44 both certified and non-certified businesses, including but not limited
45 to, prime contractors and subcontractors, as well as any such other
46 factors needed to establish such thresholds. Such rules and regulations
47 shall include, but not be limited to, such matters as may be required to
48 ensure that the established procedures thereunder shall at least be in
49 compliance with the code of fair procedure set forth in section seven-
50 ty-three of the civil rights law. Applications shall be made available
51 online and in print and specifically list out all information and docu-
52 ments required by an applicant to apply for the program in clear
53 language.

54 1-a. The director shall promulgate rules and regulations to establish
55 an online help source. This source shall provide real time business
56 support for new and existing certified businesses.

1 3. Following application for certification pursuant to this section,
2 the director shall provide the applicant with verbal notice of the
3 status of the application, including notice of any outstanding deficien-
4 cies, within twenty-four hours and written notice of the status of the
5 application, including notice of any outstanding deficiencies, within
6 [~~twenty-one~~] seven days. Within [~~forty-five~~] thirty days of submission
7 of a final completed application, [~~the director shall provide the appli-~~
8 ~~cant with written notice of a determination by the office approving or~~
9 ~~denying such certification~~] the application shall be deemed approved
10 unless the director shall deny such certification and, in the event of a
11 denial a statement setting forth the reasons for such denial. Upon a
12 determination denying or revoking certification, the business enterprise
13 for which certification has been so denied or revoked shall, upon writ-
14 ten request made within thirty days from receipt of notice of such
15 determination, be entitled to a hearing before an independent hearing
16 officer designated for such purpose by the director. In the event that a
17 request for a hearing is not made within such thirty day period, such
18 determination shall be deemed to be final. The independent hearing offi-
19 cer shall conduct a hearing and upon the conclusion of such hearing,
20 issue a written recommendation to the director to affirm, reverse or
21 modify such determination of the director. Such written recommendation
22 shall be issued to the parties. The director, within thirty days, by
23 order, must accept, reject or modify such recommendation of the hearing
24 officer and set forth in writing the reasons therefor. The director
25 shall serve a copy of such order and reasons therefor upon the business
26 enterprise by personal service or by certified mail return receipt
27 requested. The order of the director shall be subject to review pursuant
28 to article seventy-eight of the civil practice law and rules.

29 § 4. This act shall take effect immediately; provided however, that
30 the amendments to article 15-A of the executive law made by this act
31 shall not affect the repeal of such article and shall be deemed repealed
32 therewith.