

# STATE OF NEW YORK

6418--A

2019-2020 Regular Sessions

## IN SENATE

June 10, 2019

Introduced by Sen. PARKER -- (at request of the NYC Small Business Services) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the New York city charter, the education law and the public authorities law, in relation to opportunities for small businesses and businesses owned by women and minorities

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

1 Section 1. Legislative findings. The legislature finds that disparity  
2 studies conducted by the state and the city of New York demonstrate the  
3 continuing effects of discrimination on businesses owned by minorities  
4 and women in the market where the city conducts its procurements.  
5 Therefore, it continues to be appropriate for the city of New York to  
6 establish and implement reasonable procedures to secure the meaningful  
7 participation of minority and women-owned businesses, as well as emerg-  
8 ing business enterprises, in its procurement process, including but not  
9 limited to measures already authorized by state and local legislation  
10 and rules and the measures authorized in this act.

11 § 2. Paragraph 1 of subdivision i of section 311 of the New York city  
12 charter, as amended by chapter 19 of the laws of 2018, is amended to  
13 read as follows:

14 1. agencies may make procurements of goods [~~and~~], services and  
15 construction for amounts not exceeding [~~one~~] five hundred [~~fifty~~] thou-  
16 sand dollars from businesses certified as minority or women-owned busi-  
17 ness enterprises pursuant to section thirteen hundred four of the char-  
18 ter without a formal competitive process.

19 § 3. Subdivision a of section 324 of the New York city charter, as  
20 amended by local law number 17 for the year 2004, is amended to read as  
21 follows:

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

LBD11067-08-9

1 a. Agencies may maintain lists of prequalified vendors and entry into  
2 a prequalified group shall be continuously available. Prospective  
3 vendors may be prequalified as contractors for the provision of partic-  
4 ular types of goods, services and construction, in accordance with  
5 general criteria established by rule of the procurement policy board  
6 which may include, but shall not be limited to, the experience, past  
7 performance, ability to undertake work, financial capability, responsi-  
8 bility, and reliability of prospective bidders, and their status as a  
9 certified minority and women owned business enterprise pursuant to  
10 section thirteen hundred four of the charter, and which may be supple-  
11 mented by criteria established by rule of the agency for the prequali-  
12 fication of vendors for particular types of goods, services or  
13 construction or by criteria published in the City Record by the agency  
14 prior to the prequalification of vendors for a particular procurement.  
15 Such prequalification may be by categories designated by size and other  
16 factors.

17 § 4. The New York city charter is amended by adding a new section 1206  
18 to read as follows:

19 § 1206. Mentoring program. 1. The department of design and  
20 construction may establish a mentoring program for small businesses and  
21 minority and women owned business enterprises that have been certified  
22 pursuant to section thirteen hundred four of the charter in the  
23 construction trades. The department of design and construction may  
24 determine the criteria pursuant to which a business shall be eligible  
25 for and selected as a mentee business participating in the components of  
26 such a program under paragraph c of subdivision five of this section,  
27 the number of mentee businesses to participate in each such component of  
28 such a program, the criteria for the competitive selection of the firms  
29 that will provide mentoring services, and the assignment of a mentor to  
30 a specific mentee business.

31 2. The department of design and construction shall be authorized,  
32 notwithstanding any other provision of law:

33 a. to designate which eligible contracts shall be mentoring program  
34 contracts under subparagraphs one and two of paragraph c of subdivision  
35 five of this section, respectively;

36 b. to establish standards for qualifying mentee businesses to compete  
37 for a mentoring program contract, provided that no less than two quali-  
38 fied mentee businesses in the program must submit responsive offers to  
39 perform the contract;

40 c. to determine when bids or proposals for a mentoring program  
41 contract should be restricted to mentee businesses that, prior to the  
42 receipt of bids or proposals, have been qualified for such competition;

43 d. to competitively select, designate and contract with one or more  
44 experienced firms that, under the general supervision of the department  
45 of design and construction, will provide mentoring services to the  
46 mentee businesses, and to assign such mentors one or more designated  
47 mentee businesses;

48 e. to assist mentee businesses that have been awarded mentoring  
49 program contracts to obtain any surety bond or contract of insurance  
50 required of them in connection with such contract only, notwithstanding  
51 any provision of section two thousand five hundred four of the insurance  
52 law to the contrary; and

53 f. in addition to the benefits of such program and notwithstanding any  
54 other provision of law, to provide mentee businesses technical assist-  
55 ance in obtaining bid, payment and performance bonding for contracts

1 that are not mentoring program contracts, for which the businesses are  
2 otherwise qualified.

3 3. If the total number of qualified mentee businesses that respond to  
4 a competition and are considered capable of meeting the specifications  
5 and terms of the invitation to compete is less than two, or if the  
6 department of design and construction determines that acceptance of the  
7 best offer will result in the payment of an unreasonable price, the  
8 department of design and construction shall reject all offers and with-  
9 draw the designation of the contract as a mentoring program contract. If  
10 the department of design and construction withdraws the designation of  
11 the contract as a mentoring program contract, the mentee businesses, if  
12 any, that made offers shall be notified.

13 4. A mentor shall provide services and assistance to a mentee business  
14 as designated by the department of design and construction, which may  
15 include the following:

16 a. provide business training in the skills necessary to operate a  
17 successful business and to compete for and perform a contract;

18 b. provide technical assistance to the mentee business to assess the  
19 outcome if the mentee business competes for but is not awarded a  
20 contract;

21 c. if the mentoring program contract is awarded to the mentee busi-  
22 ness, provide guidance, advice and technical assistance to the mentee  
23 business in the performance of the contract; and

24 d. provide other technical assistance to the mentee business to facil-  
25 itate learning, training and other issues which may arise.

26 5. As used in this section:

27 a. "Small business" means a business which (1) is independently owned  
28 and operated; and (2) has annual revenues not exceeding a fiscal limita-  
29 tion of five million dollars or such lesser amount as established by the  
30 department of design and construction pursuant to this section.

31 b. "Mentoring program contract" means a contract designated by the  
32 department of design and construction, in an estimated amount of not  
33 more than one million five hundred thousand dollars for contracts under  
34 subparagraph one of paragraph c of this subdivision and three million  
35 dollars for contracts under subparagraph two of such paragraph, for  
36 which bids or proposals are to be invited and accepted only from busi-  
37 nesses that are enrolled in a mentoring program and have been selected  
38 by the department of design and construction to compete for the  
39 contract.

40 c. "Mentoring program" is a program established pursuant to this  
41 section to provide mentee businesses with the opportunity:

42 (1) for up to four years, to compete for and, where awarded, to  
43 perform certain contracts designated for inclusion in the mentoring  
44 program, with the assistance of a competitively selected mentor firm  
45 that has extensive management and mentoring experience, with the mentor  
46 providing the mentee business with advice and assistance in competing  
47 for and managing contracts; and

48 (2) for a mentee business that the department of design and  
49 construction has determined has successfully completed the program under  
50 subparagraph one of this paragraph, for up to four additional years, (A)  
51 additional opportunities to compete with other designated mentee busi-  
52 nesses in the program for certain contracts to be designated for inclu-  
53 sion under this subparagraph and, where awarded, to perform such  
54 contracts, with the further assistance of a competitively selected  
55 mentor firm that has extensive management and mentoring experience, with  
56 the mentor providing the mentee with advice and technical assistance in

1 competing for and managing contracts, and (B) assistance, as determined  
2 by the department of design and construction, for such a mentee business  
3 to obtain bonding for contracts that are competitively awarded pursuant  
4 to any other provision of law.

5 6. Commencing on October first, two thousand twenty, the department of  
6 design and construction shall submit an annual report to the governor  
7 and the legislature that contains the following information for the  
8 preceding city fiscal year:

9 a. the total number and total dollar value of mentoring program  
10 contracts; and

11 b. mentoring program participation rates.

12 § 5. Paragraph (a) of subdivision 36 of section 2590-h of the educa-  
13 tion law, as amended by chapter 345 of the laws of 2009, is amended to  
14 read as follows:

15 (a) Such policy shall specifically include:

16 (i) a competitive sealed bidding process for the awarding of contracts  
17 in which sealed bids are publicly solicited and opened and that a  
18 contract is awarded to the lowest responsive, responsible bidder;

19 (ii) processes for awarding contracts using alternatives to competi-  
20 tive sealed bidding where competitive sealed bidding is not practicable  
21 or not advantageous, in which case the most competitive alternative  
22 method of procurement, which is appropriate under the circumstances,  
23 shall be used consistent with the requirements of subparagraph (vii) of  
24 this paragraph;

25 (iii) measures to enhance the ability of minority and women owned  
26 business enterprises pursuant to section thirteen hundred four of the  
27 New York city charter and a certified business as defined in section  
28 three hundred ten of the executive law, including firms certified pursu-  
29 ant to article fifteen-A of the executive law and firms certified as  
30 minority and women owned business enterprises pursuant to section thir-  
31 teen hundred four of the New York city charter, to compete for contracts  
32 and to ensure their meaningful participation in the procurement process.  
33 The school district shall have the authority to use the same measures,  
34 to enhance minority and women owned business enterprise participation as  
35 are available to the city of New York pursuant to article five-A of the  
36 general municipal law, section thirteen hundred four of the New York  
37 city charter, paragraphs one and two of subdivision i of section three  
38 hundred eleven of the New York city charter, and section 6-129 of the  
39 administrative code of the city of New York;

40 (iv) the manner for administering contracts and overseeing the  
41 performance of contracts and contractors;

42 (v) standards and procedures to be used in determining whether bidders  
43 are responsible;

44 (vi) circumstances under which procurement may be used for the  
45 provision of technical, consultant or personal services;

46 (vii) requiring written justification for the basis, including the  
47 efficiency, benefit, and necessity, for awarding a contract using  
48 procurement methods other than competitive sealed bidding including  
49 competitive sealed proposals and sole source contracts, and for awarding  
50 technical, consultant, or personal services contracts, franchises, revo-  
51 cable consents, or concessions. Such written justification shall be  
52 filed with the comptroller of the city of New York along with the corre-  
53 sponding contract, franchise, revocable consent, or concession;

54 (viii) maintaining a file for every contract franchise, revocable  
55 consent, and concession containing information pertaining to the solic-  
56 itation, award and management of every such contract or agreement. Such

1 file shall contain copies of each determination, writing or filing  
2 required by this subdivision and shall be open to public inspection with  
3 adequate protection for information which is confidential;

4 (ix) a process for the filing of all contracts, franchises, revocable  
5 consents, and concessions with the comptroller of the city of New York;

6 (x) a process for emergency procurement in the case of an unforeseen  
7 danger to life, safety, property or a necessary service provided that  
8 such procurement shall be made with such competition as is practicable  
9 under the circumstances and that a written determination of the basis  
10 for the emergency procurement shall be required and filed with the comp-  
11 troller of the city of New York when such emergency contract is filed  
12 with such comptroller; and

13 (xi) procedures for the fair and equitable resolution of contract  
14 disputes.

15 § 6. Paragraph b of subdivision 2 of section 1743 of the public  
16 authorities law, as added by chapter 562 of the laws of 1990, is amended  
17 to read as follows:

18 b. The authority shall establish and implement reasonable procedures  
19 to secure the meaningful participation of minority and women owned busi-  
20 ness enterprises in its procurement process. In addition to procedures  
21 it has already adopted for such purpose, the authority may use the same  
22 measures, to enhance minority and women owned business enterprise  
23 participation, as are available to the city of New York pursuant to  
24 article five-A of the general municipal law, section thirteen hundred  
25 four of the New York city charter, paragraphs one and two of subdivision  
26 i of section three hundred eleven of the New York city charter, and  
27 section 6-129 of the administrative code of the city of New York.

28 § 7. This act shall take effect immediately and shall apply to any  
29 contract entered into, renewed, modified or amended on or after such  
30 date; provided that the amendments to paragraph (a) of subdivision 36 of  
31 section 2590-h of the education law made by section five of this act  
32 shall not affect the expiration and reversion of such subdivision pursu-  
33 ant to section 34 of chapter 91 of the laws of 2002, as amended and  
34 shall be deemed to expire therewith.