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Governor Cuomo Announces First Statewide Surety Bond Assistance Program for MWBE'S

Initiatives will Increase Participation of Minority— and Women—Owned Business Enterprises in State Contracting

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Albany, NY (February 21, 2012)

Governor Andrew M. Cuomo today launched the first statewide surety bond assistance program for Minority –and Women –Owned Businesses. This program will provide financial assistance to help MWBEs secure surety bonds and state contracts.

"New York's strength is in the diversity, innovation, and entrepreneurship of all its residents," Governor Cuomo said. "By breaking down barriers to growth for MWBEs, we are putting that strength to work for all New Yorkers, building a more diverse and competitive business climate. These steps will level the playing field and open up doors for greater economic opportunity and job growth in communities that need it most."

As Governor Cuomo outlined in his 2012 State of the State Address, one of the biggest challenges facing small and MWBE contractors is securing credit, which limits their ability to obtain state contracts. To eliminate this barrier to growth, New York State has launched a new statewide bond assistance program that will provide financial assistance in the form of credit support to help small and minority— and women —owned businesses secure surety bonds and state contracts. The revolving loan fund provides irrevocable letters of credit, up to 30 percent of the base contract amount on a project specific basis, and is expected to facilitate \$200 million in new bonding activity over five years. The state is also collaborating with intermediary lenders to help facilitate working capital loans to New York State contractors. To learn more about the New York State Surety Bond Assistance Program please visit <http://esd.ny.gov/BusinessPrograms/BondingAssistance.html> [2].

In the span of a few years, it is estimated that a total of 2,200 direct and indirect jobs would be created in New York State. It would also bring in \$137 million of personal income to the State and \$328 million in revenue from goods and services purchased as a result of the construction activity. Two surety bond companies, Travelers and ACE, both of whom are highly regarded with A-plus ratings, have agreed to participate in the program.

The Governor also today announced that the MWBE Team has implemented other initiatives aimed at increasing the participation of MWBEs in state contracting.

Implementing a State of the Art Electronic Monitoring and Reporting System

In the past, there was no standard method of reporting MWBE participation within New York's statewide procurement process. To streamline the MWBE certification process and create efficiency through technology, the State issued a contract to create an electronic monitoring and compliance system. The system will make the MWBE certification process more user friendly, enabling businesses to easily interact with the State contracting process, obtain information about requests for proposals, and market their services to agencies and authorities through one web portal. The system will also allow the State, for the very first time through a state-wide electronic database, to closely and effectively monitor how and whether state agencies are spending state dollars with minority and women owned businesses and utilizing their best efforts to achieve the Governor's goals.

Increasing Pool of Certified MWBE Firms

New York State's ability to certify MWBE firms across local municipalities and the federal government was subject to a slow and complex process that hindered business growth. To remove this barrier the State has developed a fast track option for certifying MWBE firms.

The State entered into agreements with New York City, and the Port Authority of New York and New Jersey and is engaged with the U.S Department of Transportation and the U.S. Department of Veterans Affairs to fast track MWBE applications. As a result of these agreements, firms will be able to quickly become state MWBE certified and will be able to bid on state contracts.

To increase outreach and technical support to MWBEs, the State has signed an agreement with the National Community Reinvestment Coalition to facilitate the operation of the NY-Manhattan Minority Business Development Center. This new collaboration opens the door for policymakers to work with financial institutions to help provide critical resources for MWBEs, including increased small business lending for entrepreneurial initiatives in low and moderate-income communities.

Building Opportunities for MWBE Participation and Economic Growth

The State is building opportunities to enhance MWBE economic growth by developing a consistent and comprehensive network of opportunities for MWBEs to exchange information, ideas and available resources for business support. The State hosted and participated in 124 outreach events since February 2011 and hosted the first quarterly MWBE Certification Open House. The open house provided firms with the opportunity to become certified during one-on-one interviews with staff from the Division of Minority and Business Development.

The State held a unique event featuring minority and women-owned businesses as exhibitors. This event connected prime contractors and decision makers with minority and women-owned business enterprises vying for \$82 million in contracts at the CUNY/City College Advanced Science Research Center. Like the first annual New York State MWBE Forum held in October, this event creates invaluable networking opportunities allowing business owners to showcase their skills and allows prime contractors and state decision makers to visit a wide variety of MWBE exhibits.

In his 2012-2013 Executive Budget, the Governor also allocated an additional \$1.6 million for MWBE operating funds.

William Thompson, Chair of the Governor's MWBE Team said, "Governor Andrew Cuomo has pledged his commitment to increase the participation of minority and women owned businesses in state contracting. He followed through by issuing an executive order creating a team and tasking us to find solutions. And for the past eleven months, the team has done just that. We have laid the foundation to meet our goals of creating equal opportunity for all in state contracting."

The MWBE team is tasked with identifying ways to overcome barriers and enhance existing programs to spur greater participation. In meeting its stated goals, the MWBE team made great strides to reduce difficulty in acquiring state contracts through greater access to credit and bonding; improve monitoring for enhanced compliance and accountability; and strengthen and create new city and federal collaborations for business growth.

The Governor's MWBE Team includes the following elected officials, business and academic leaders, and members of the Governor's cabinet and administration:

- William Thompson, former Comptroller of New York City
- Senator Martin Dilan, District 28
- Senator Adriano Espaillat, District 31
- Senator Ruth Hassell-Thompson, District 36
- Senator Betty Little, District 45
- Senator Bill Perkins, District 30
- Senator Patty Ritchie, District 48
- Assembly member Earlene Hooper, District 18
- Assembly member Grace Meng, District 22
- Assembly member Nick Perry, District 58

- Assembly member Crystal Peoples-Stokes, District 141
- Assembly member Peter Rivera, District 76
- Assembly member Keith Wright, District 70
- Assembly member Robert Rodriguez, District 68
- Sandra Wilkin, President, Women Builders Council, Inc.
- Jacqueline Williams, Coordinator, MWBE Coalition
- James Francis, Board Chair, Council of Urban Professionals (CUP)
- Walter Broadnax, Distinguished Professor of Public Administration, the Campbell Public Affairs Institute, Maxwell School of Syracuse University
- Nancy Zimpher, Chancellor of the State University of New York
- Mylan Denerstein, Counsel to the Governor
- Yrthya Dinzey-Flores, Chief Diversity Officer, Governor's Office
- Alphonso B. David, Deputy Secretary for Civil Rights, Governor's Office
- Leecia Eve, Deputy Secretary for Economic Development, Governor's Office
- Robert L. Megna, Budget Director, Department of Budget
- Joan McDonald, Commissioner, Department of Transportation
- RoAnn Destito, Commissioner, Office of General Services
- Darryl Towns, Commissioner, Housing and Community Renewal
- Michael Garner, Chief Diversity Officer, Metropolitan Transit Authority
- Valerie Grey, Chief Operating Officer, State Education Department
- Paul Williams, President and CEO, Dormitory Authority of New York

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Links:

[1] <https://www.governor.ny.gov/>

[2] <http://esd.ny.gov/BusinessPrograms/BondingAssistance.html>