

Contact: Eric Sumberg, 212-669-3535, [esumberg@comptroller.nyc.gov](mailto:esumberg@comptroller.nyc.gov)

## **COMPTROLLER STRINGER GIVES NEW YORK CITY A GRADE OF “D” ON M/WBE PROCUREMENT**

### ***UNVEILS NEW LETTER GRADING OF CITY AGENCY SPENDING WITH MINORITY & WOMEN-OWNED BUSINESS ENTERPRISES***

NEW YORK, NY – More than two-thirds of City agencies earned “D”s or “F”s on Comptroller Scott M. Stringer’s inaugural letter grades assessing how well New York City government is procuring goods and services through minority and women-owned business enterprises (M/WBEs). The letter grades, outlined in the “Making the Grade” report released today, are intended as a diagnostic tool for agencies to improve performance and transparency in M/WBE spending, increase competition in City procurement and save taxpayer dollars.

“New York City spends more than \$17 billion on goods and services each year, but less than four percent goes toward Minority and Women-Owned Business Enterprises,” Comptroller Stringer said. “When the City gets a ‘D’ for how well it is meeting its own goals, it’s clearly unacceptable. Growing the pie for M/WBE firms will be a key weapon in our battle against income inequality while increasing competition in procurement, driving down costs for taxpayers and creating jobs across all five boroughs.”

Local Law 1 of 2013 – which updated citywide goals for M/WBE procurement, broken down along ethnic and industry lines – provided the framework for the grading system. Thirty-one Mayoral Agencies and the Comptroller’s Office received grades, which are based on actual spending by City agencies. The following criteria were used to ascertain each Agency’s achievement against Local Law 1 goals:

1. Determining the total Local Law 1-eligible spending by each City agency.
2. Determining each agency’s actual spending across M/WBE categories and industries.
3. Weighting results based on how agencies spend their budgets. For example, if an agency spends 50 percent of its budget on construction, 50 percent of its grade is based on M/WBE utilization in construction.
4. Assigning a letter grade to the weighted score.

The citywide average for M/WBE spending as measured against Local Law 1 in FY14 was a grade of “D”. Just two agencies in the Comptroller’s report received a “B” grade: the Department of Cultural Affairs and the Landmarks Preservation Commission. Nine agencies received a “C”, including the Comptroller’s Office. Seventeen agencies received a grade of “D”, and four Mayoral Agencies received a failing grade. To see a full list of letter grades, please [click here](#).

New York City has over 400,000 minority-owned firms and 300,000 women-owned firms, yet the M/WBE share of City procurement has dropped from a recent high of 5 percent in FY12 to only 3.9 percent in FY14. The Comptroller’s letter grades examine agency spending, not contracting, and excludes spending not subject to Local Law 1, such as human services.

“Improving our spending on M/WBEs is an economic and a social justice issue. It is unacceptable when not a single City agency can meet the standard set forth by our own laws. We need to take concrete steps to make sure that every company has an equal opportunity to compete to do business with the City. All agencies, and my office, must redouble efforts to help ensure our City’s economic future,” Stringer said.

Comptroller Stringer offered the following recommendations to improve Agency performance:

- **Expanding the Promise of Local Law 1:** The “next generation” of the program should boost the number of agencies required to prepare utilization plans, offer enhanced training to M/WBE officers, and hold agencies accountable for spending further down their supply chain.
- **Increasing Transparency:** Many City agencies have no specific information for or about M/WBEs on their websites. City agencies should have robust information available to help guide business owners through the procurement process.
- **Improving Data Entry:** Agencies must redouble efforts to appropriately identify M/WBE contracts so existing spending can be tracked more effectively, thereby increasing the level of transparency and accountability.

To read the full report, please click [here](#).

Comptroller Stringer would like to thank the members of his Advisory Council on Economic Growth through Diversity and Inclusion for their guidance in shaping the report released today.

Those members are:

Mr. Robert Abreu	Vice-President, Goldman Sachs
Mr. Vincent Alvarez	President, New York City Central Labor Council
Ms. Pilar Avila	New America Alliance
Ms. Deborah Axt and Mr. Javier Valdes	Co-Executive Directors, Make the Road New York
Ms. Neeta Bhasin	President and Chief Executive Officer, ASB Communications
Mr. Derrick Brown	Executive Director, National Gay and Lesbian Chamber of Commerce New York
Mr. José Calderón	President, Hispanic Federation
Ms. Alejandra Y. Castillo, Esq.	National Director, Minority Business Development Agency
Mr. Louis J. Coletti	President and Chief Executive Officer, Building Trades Employers’ Association
The Reverend Jacques DeGraff	Minority Business Council, Executive Committee
Mr. Lloyd Douglas	Consultant, Lloyd Douglas Consulting Company
Dr. Hazel N. Dukes	President, NAACP New York State Conference
Dr. Marsha Firestone	President and Founder, Women Presidents’ Educational Organization – NY
Mr. José García	Program Officer, Strong Local Economies, Surdna Foundation
Mr. Michael Garner	Chief Diversity Officer, Metropolitan Transportation Authority
Mr. Robert Greene	Special Advisor, National Association of Investment Companies
Mr. Jay Hershenson	Senior Vice Chancellor, City University of New York

Ms. Jill Houghton	Executive Director, U.S. Business Leadership Network
Mr. Gary LaBarbera	President, Building and Construction Trades Council of Greater New York
Mr. Hong Shing Lee	Executive Director, Chinese Manpower Project
Ms. Annie Minguez	Director of Community Relations, Good Shepherd Services
Mr. Marc Morial	President and Chief Executive Officer, National Urban League
Ms. Ana Oliveira	President and Chief Executive Officer, New York Women's Foundation
Mr. Quentin Roach	Chief Procurement Officer, Merck & Co., Inc.
Ms. Lillian Rodriguez Lopez	Director, Latin Affairs, The Coca-Cola Company
Ms. Bazah Roohi	President and Founder, American Council of Minority Women
The Reverend Al Sharpton	National Action Network
Mr. Ruben Taborda	Chief Procurement Officer, Medical Devices, Johnson & Johnson
Ms. Elizabeth Velez	President, Velez Organization
Ms. Bonnie Wong	President, Asian Women in Business
Ms. Joset B. Wright-Lacy	President, National Minority Supplier Development Council
Mr. Charles Yoon	Partner, Yoon & Kim LLP

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