



REVIEW AT A GLANCE

City Agencies' Awarding of M/WBE Contracts

What questions did the review look at?

- ▶ Did New York City agencies comply with the terms and conditions of Award Method 72 (AM 72) when awarding contracts to Minority- and Women-owned Business Enterprises (M/WBE)?

Why does it matter for New Yorkers?

AM 72 allows agencies to award small purchase contracts (up to \$1.5 million) to certified M/WBE vendors without going through a competitive bidding process. To do this, agencies must follow strict terms: they must register contracts in the City's Financial Management System within 30 days and submit documentation proving that vendors are certified M/WBEs and in compliance with Procurement Policy Board Rules.

The Mayor's Office of Contract Services (MOCS) is responsible for ensuring that City agencies comply with AM 72 provisions.

The auditors sampled almost 200 AM 72 contracts self-registered by a wide variety of agencies during Calendar Year 2023. Although all contracts were found to be issued to certified vendors, agencies did not submit complete contract packages to the Comptroller's Office. Every sampled contract was missing at least one required document, and 16% of sampled parent contracts and 3% of modified contracts were submitted without any supporting documentation.

AM 72 was created to level the playing field and expand economic opportunities for historically marginalized business owners. Noncompliance with the terms and conditions of the award method may threaten the fairness and effectiveness of the program.

What changes did the agency commit to make following the review?

- ▶ MOCS agreed to remind City agencies of the AM 72 terms and conditions and provide refresher training sessions to agencies.
- ▶ MOCS agreed to remedy the issues identified in the review and check and verify future uses of AM 72 by the Board of Elections (BOE) and the Department of Small Business Services (SBS).

REVIEW FINDINGS



All sampled contracts were awarded to certified M/WBEs



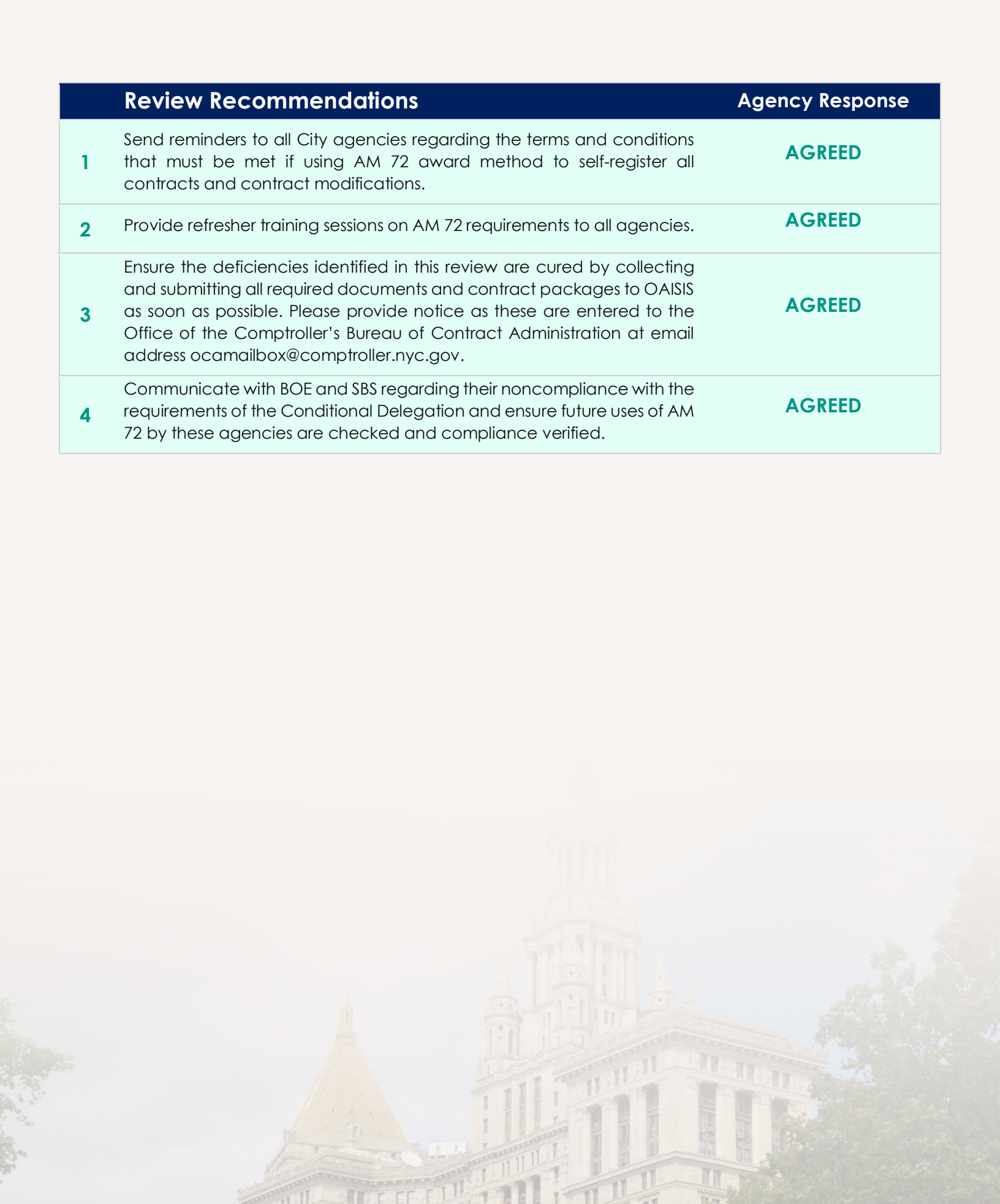
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Review Recommendations		Agency Response
1	Send reminders to all City agencies regarding the terms and conditions that must be met if using AM 72 award method to self-register all contracts and contract modifications.	AGREED
2	Provide refresher training sessions on AM 72 requirements to all agencies.	AGREED
3	Ensure the deficiencies identified in this review are cured by collecting and submitting all required documents and contract packages to OASIS as soon as possible. Please provide notice as these are entered to the Office of the Comptroller's Bureau of Contract Administration at email address ocamailbox@comptroller.nyc.gov.	AGREED
4	Communicate with BOE and SBS regarding their noncompliance with the requirements of the Conditional Delegation and ensure future uses of AM 72 by these agencies are checked and compliance verified.	AGREED



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