



NEW YORK STATE SENATOR

Antoine M. Thompson

Senator Thompson Passes Significant Minority and Women - Owned Business Enterprise (MWBE) Legislation

ANTOINE M THOMPSON July 21, 2009

For Immediate Release

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Albany, NY- Last week, New York State Senator Antoine M. Thompson (D- Parts of Erie & Niagara Counties) and the Co-chair of the Senate MWBE Democratic Taskforce, worked with the majority of the State Senate to pass two extremely important bills regarding Minority and Women Owned Businesses.

"I am extremely happy that two of my bills regarding Minority and Women Owned Businesses were passed last week," said Senator Thompson. "These bills will allow MWBE's to become more efficient and more effective."

The first piece of legislation regarding MWBE, (S1590) addresses a significant concern related to surety bonding requirements and financial services for small minority and women owned businesses. Surety bonds are a form of insurance that protect the State in the event that a contractor defaults on their contractual agreement. Businesses are required to obtain these bonds as part of the contracting process. For many smaller businesses, their lack of understanding of the processes and requirements related to bonding inhibits them from achieving desired access to State contracting opportunities. This legislation mandates that

economic development entities provide the requisite education and assistance.

In addition, this legislation increases representation on both the Minority and Women Owned Business Enterprise Advisory Board and the Small Business Advisory Board to include two additional members on each board representing banking, community development financial, insurance or surety bonding institutions.

The second MWBE bill, (S1591) states that every state agency, department and authority, which has had more than ten million dollars in service and construction contracts in the prior fiscal year to institute a mentor-protégé program. The Chief Executive Officer of each agency, in consultation with the Department of Economic Development's Division of Minority and Women's Business Development and Division for Small Business, would establish requirements for approval of contractors acting as mentor firms, requirements for protégé firms, and requirements for a process for establishing mentor-protégé agreements. Two public authorities, the New York City School Construction Authority and the Port Authority of New York and New Jersey, have established mentor-protégé programs which have been highly successful in enhancing the capabilities of small and minority and women-owned business concerns. Also, they create a source of reliable contractors and subcontractors for public projects. The federal government has had an active mentor-protégé program since 1991, and numerous states including Ohio, Texas, Delaware and Minnesota have these programs as well. The bill would extend this successful and proven program to all large New York state agencies and public authorities.