

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY
BEFORE THE CITY COUNCIL COMMITTEES ON LAND USE AND TECHNOLOGY
OVERSIGHT: DoITT's CONTRACT HIRING OF MINORITY AND WOMEN OWNED BUSINESS
ENTERPRISES**

DATE: MONDAY, OCTOBER 28, 2013

Good afternoon, Chairman Cabrera and members of the City Council Committee on Technology. My name is Annette Heintz and I am Deputy Commissioner for Financial Management and Administration at the Department of Information Technology and Telecommunications (DoITT). Thank you for the opportunity to testify today about DoITT's contract hiring of Minority and Women-Owned Business Enterprises. With me are Barbara Lederman, Agency Chief Contracting Officer; Claudia Castro, Deputy Chief Contracting Officer; and Jennie Torres, Director of Procurement.

DoITT is the City's IT and telecommunications services agency and provides New York City's residents, businesses, visitors, and City agencies with innovative and accessible technology and telecommunications solutions. To develop and maintain these essential systems, including designing and building applications and maintaining infrastructure, DoITT procures IT and telecommunications goods and services for internal use and on behalf of agencies citywide.

DoITT has worked to meet our M/WBE goals under Local Law 129 and is committed to continuing and expanding these efforts under Local Law 1 of 2013. Changes that took effect in July 2013, such as eliminating the \$1 million cap on services contracts and removing the distinction between prime contracts and subcontracts, will qualify more of DoITT's procurements to fall within the M/WBE program.

As evidence of DoITT's commitment to advancing M/WBEs within its contracting, in 2012 the Department of Small Business Services (SBS) recognized DoITT as one of the top agencies for M/WBE use in the small purchase category. DoITT's M/WBE utilization for Fiscal Year 2013 was higher than the City average in both the micro purchase and small purchase categories, at 25% and 36% respectively.

DoITT's M/WBE target subcontracting percentage is low in comparison to its overall prime total for Fiscal Year 2013 due to a number of factors. As the City's technology and telecommunications provider, the vast majority of DoITT's procurements are for large infrastructure projects that fall outside of the \$1 million limit previously set by Local Law 129 for M/WBE goals. DoITT has traditionally purchased these types of large IT goods and services through the New York State Office of General Services (OGS) or US General Services Administration (GSA) contracts, which provide both pricing and contractual benefits. In addition, many of DoITT's contracts are subscriptions or sole source renewals because they require a specific technology. DoITT's telecommunications vendors are typically large publically held corporations.

Recently, DoITT launched a transformative contracting initiative that will facilitate the entry of M/WBE vendors to City technology projects. DoITT's System Integration (SI) & Quality

Control (QC) contracts can promote M/WBE vendor participation by providing a new procurement opportunity. The SI and QC contracts are broken down into two classes, one of which is under \$5 million, opening the door to smaller firms. DoITT will award these contracts via Request for Proposals that are subject to M/WBE goals under Local Law 1 of 2013. These citywide contracts will be available to all agencies needing services for the design, build, and implementation of applications, networks, systems, or IT infrastructure. It is expected that this initiative will help to increase participation for M/WBEs in IT technology procurement across the city. Once these new SI and QC vendors are registered, DoITT will work with SBS to plan and host SI vendor workshops to encourage subcontracting with M/WBEs.

DoITT is committed at the highest levels to increasing M/WBE contracting. DoITT's contracting team participates in targeted outreach and networking sessions, such as the Citywide Procurement Fair, the NYC Teaming Business Matching Event, and Steps for Growth, a nine-month mini-MBA style program designed to assist M/WBEs in growing their businesses. DoITT also works to increase solicitation of M/WBEs, using the City's Online Directory of Certified Firms. Through these events and communication efforts, DoITT continues to encourage eligible firms to get certified as M/WBEs.

DoITT also considers applicant development to be a key component of growing M/WBE utilization. The agency has hosted Pre-Proposal Conferences and Kick-Off Meetings where information on the M/WBE program and utilization goals is provided. Through expanded post-bidding contact with M/WBEs, DoITT offers debriefings for losing bidders to identify issues in bid documents that will help them to improve their proposals for future contracts.

Internally, the Contracting team has conducted M/WBE presentations for executive staff to raise awareness of the agency's M/WBE goals and attended Procurement Training Institute sessions with SBS and the Mayor's Office of Contract Services. Jennie Torres, DoITT's Director of Procurement, exemplifies our commitment to M/WBEs. Jennie received the Fiscal Year 2013 "Agency M/WBE Champion" award during the 7th Annual Citywide Procurement Fair for her work increasing the agency's M/WBE participation in Purchase Order contracting.

As the City's lead IT procurement agency, DoITT realizes the critical role it plays in promoting M/WBEs. DoITT is committed to achieving our goals and continuing to work with SBS to develop M/WBE events and expand opportunities.

Thank you. We would now be pleased to answer any questions that you may have.