**2018 Contractors’ Clearinghouse**

This year’s Contractors’ Clearinghouse returned to its newly renovated venue at host Con Edison’s headquarters building in Manhattan. Early networkers were greeted by a record number of exhibitors and sponsors from leading public agencies and major construction firms, eager to share their contracting opportunities. The day’s program began shortly thereafter, with a cordial welcome from Regional Alliance Director, Earle J. Walker. Michael Jones-Bey, Con Edison Director, Supplier Diversity & Sustainability, followed and related to warm applause, “All of the entrepreneurs in attendance together with Con Edison, the Regional Alliance, and participating agencies and corporations, are fulfilling Martin Luther King’s commitment to the formation of a vibrant M/WBE community, conveyed in his famous I Have a Dream speech.”

*Left: Jonnel Doris, Senior Adviser and Director, NYC Mayor’s Office of Minority and Women Owned Businesses*

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**Delta Air Lines New Terminal C Project at LaGuardia Airport Continues**

On June 13, 2017, Delta Air Lines launched their first M/WBE outreach event for the construction of the new Terminal C at LaGuardia Airport. The kick-off meeting was a resounding success, with a multitude of M/WBEs on hand to hear Delta’s senior project team provide a project overview and highlight contract opportunities. Cassandra Hill, Regional Alliance for Small Contractors General Manager M/WBE Program/Outreach, followed and underscored RASC’s role to connect, direct, and match potential M/WBEs with contracting opportunities throughout the life of the project.

As we fast forward to April, 2018, the promising 2017 start has materialized into significant gains for M/WBEs during Phase 1 of the Terminal C project. Combined M/WBE contract awards to date are 40.1% (approximately $189.9 million) of total contracts awarded, exceeding New York Governor Cuomo’s goal of 30%. Tallied separately, MBEs had 17.9% and WBEs 22.2%. Minority skilled workers and minority laborers are 29.5% and 59.3% of the labor force, respectively. Female laborers are at 8.9% labor force participation and female skilled workers are at 3.2%.

*Delta Air Lines Managing Director of Design and Construction for the New York airports, Ryan Marzullo, Cassandra Hill & Terrence Benthall, RASC Project Team*
Executive Director’s Note

Last year the Regional Alliance for Small Contractors (RASC) celebrated our 25th anniversary. We are grateful to the public sector organizations, especially the Port Authority of New York and New Jersey and New Jersey Transit, who have sponsored our training programs which enable us to help expand the capacity of small, minority and women-owned businesses and improve their performance.

We are also very grateful to the private sector organizations that have contracted RASC to provide contract compliance and EEO services to assist them to maximize S/M/W/LBE and diverse workforce participation on their multi-billion dollar capital projects. These clients have included Delta Air Lines, JetBlue Airways, Continental Airlines (now United) and SL Green. We also want to express our sincere appreciation to our Chairman and President & COO, Cassandra Hill and Terence Benthall, who have been instrumental in helping to forge ties and access to the private sector.

The general outlook for the minority and women business community access to contract opportunities is extremely positive. New York Governor Cuomo has set a 30% aspirational MWBE goal for applicable New York State and affiliated public agencies projects. NYC Mayor DeBlasio’s administration has launched several new initiatives in its revitalized MWBE procurement program. They include an ambitious goal to award at least 30% of City contracts to MWBEs by 2021, a City agencies MWBE discretionary spending increase from $20,000 to $150,000, and a Contractor Financing Loan Program for MWBEs with City contracts which provides an opportunity to receive loans up to $500,000 at 3% interest. Also, the regional construction industry continues to boom with a Dodge Analytics report there will be $113 billion in new projects in 2018.

RASC training programs continue to enjoy strong demand. Our extensive OSHA safety training is particularly relevant with the new NYC Council Local Law 196 which mandates construction safety plans for a multitude of projects. In response, the NYC Department of Buildings has launched an enforceable OSHA training program for workers to be fully phased in by 2019. Meanwhile, our Construction Management Certificate Program continues to enjoy heavy demand by firm owners and their staff in New York and New Jersey.

Best Regards, Earle J. Walker

Delta Air Lines New Terminal C Project

“We credit MWBEs for stepping up to plate and working closely with RASC to take advantage of the many opportunities Delta has made available to them,” says RASC Executive Director, Earle J. Walker.

In addition to the initial kick-off meeting, the RASC project team, Cassandra Hill and Terence Benthall, have attended a host of regional outreach events to draw a growing pool of MWBEs to the new Terminal C project. Prominent amongst them was the NYS MWBE Forum Transformation 2017, the largest statewide annual event for minority and women owned businesses, held at the Empire State Plaza Convention Center in Albany. Delta Air Lines Managing Director of Design and Construction for the New York airports, Ryan Marzullo, was also on hand as a featured panelist and later consulted with MWBEs concerning architectural, engineering, and contracting opportunities with Delta.

Further events included the NY Small Business Development Center at York College, featuring Assemblyman Clyde Vanel, Queens district 33.; MWBE Procurement Fair hosted by NYS Senator James Sanders Jr.; the NYS Association of Minority Contractors (NYSAMC) 20th Anniversary Awards Dinner; the Association of Minority Enterprises of New York, Inc. (AMENY) 42nd Annual Legislative Business Conference; and the RASC Annual Membership Luncheon.

The Delta Construction Management Team also hosted an MWBE electrical pre-bid meeting where RASC provided the project scope with lead and subcontract opportunities coming up for bid within a four month span. Additionally, Delta partnered with the Association of Women Construction Workers of America (AWCWA) community based pre-apprentice training program which helps disadvantaged, unemployed/unemployed women, men, youth, and veterans throughout New York City enter the construction industry. Students were introduced to subjects such as OSHA construction safety methods, Building Information Modeling (BIM), and the various roles architecture, engineering, and construction management, play in a construction project.

“We are pleased to work closely with Delta Air Lines once again to assist their proactive approach to provide plentiful contract opportunities for the MWBE and local small business community, as well as employment prospects for minorities and women,” states Ms. Hill.
A ccess to financial capital is a pervasive barrier to the growth and advancement of M/WBEs. Although lower owner net worth, credit ratings, firm age, size and other risk factors account for some difficulties in access to credit, studies consistently show that MBEs with identical firm and owner traits and credit histories, gain less access to bank credit than majority-owned firms. WBEs face many of the same contracting barriers as MBEs as well as gender-based ones. Women usually start up their business with less capital than men. They may have less industry experience, less of a track record for financing, and lack sufficient assets for collateral. And some bankers tend to view women as less entrepreneurial than men.

In response to these impediments some city and state public agencies in the region, have launched loan programs, to increase M/WBE access to financial capital. These programs in many cases reduce the cost of borrowing. A recent study (Bates and Robb) show the benefits of this intervention are manifold:

- lower barriers to entry and expansion faced by M/WBEs, which are very costly to U.S. productivity
- enable M/WBE employers to strengthen their balance sheets, improve their credit ratings and lessen their reliance on more expensive forms of consumer credit like credit-card balances
- equip cash-strapped M/WBEs to pay their bills in a timely manner, enhancing their credit ratings and, in turn, increasing their access both to bank loans and trade credit extended by suppliers
- force fewer firms out of business due to illiquidity
- allow firms to capitalize on opportunities to expand and better compete for new clients

Minority-Owned Businesses Come Up Short in Access to Capital: It’s Time to Change the Equation for MBEs

Timothy Bates and Alicia Robb, Forbes.

Public Loan and Business Assistance Programs Address Pervasive Barrier to M/WBEs: Access to Capital

NYC M/WBE Loan Programs

As of February 18, 2018, Amalgamated Bank, Bank of America and TD Bank will provide $40 million to two New York City programs: the Contract Financing Loan Fund (CFLF) and Emerging Developer Fund (EDLF) that help M/WBEs get affordable loans. The new money builds on the City’s initial investment of $20 million for a total of $60 million.

The Contract Financing Loan Fund

Loans reduce interest rates for borrowers to a low 3% annual rate and allow these small businesses to borrow up to $500,000. Repayment schedules are flexible and timed to align with City contract payment schedules, helping businesses improve their cash flow. Access to this funding has let companies work on over $38.5 million worth of City contracting business. The Department of Small Business Services administers the CFLF. See www. NYC Department of Small Business Services - NYC.gov for Contract Financing Inquiry Form

Emerging Developer Loan Fund

New York City Economic Development Corporation (NYCEDC) found that there is a substantial financing gap for emerging developers that want to work on projects below $30 million. The fund provides low-interest loans to New York City-based real estate projects including mixed-income housing, mixed-use, industrial and commercial projects, and other projects with development costs under $30 million.

Eligible recipients: NYC based emerging developers who demonstrate proper experience completing projects in the City or similar urban areas and have been in operation for at least three years, and/or who are lead or co-developer with site control on either an acquisition or ground lease project in NYC.

Since 2016, the Fund has provided low-interest loans that range from $100,000 to $2.5 million to emerging developers and M/WBEs. With the additional funding, the EDLF is able to assist emerging developers with 40 new loans that will create $150 million in potential development opportunities, creating an estimated 6,000 jobs over a five-year period. Since 2016, the New York City Economic Development Corporation has approved $6.65 million in loans, allowing businesses to take on over $51.35 million worth of projects. The increase in funding will also provide the EDLF with an opportunity to provide funding to projects on its current $42 million pipeline of 40 projects. NYCEDC manages and administers the EDLF. Interested emerging developers can find more information call EDLF Program Administrator, Basis Investment Group, LLC at 212-642-5712.

The Kick-Start Loan Program

This program provides minority-owned and women-owned businesses (M/WBEs) with loans of up to $250,000. The aim of this program is to increase access to capital and put larger projects within reach of M/WBEs who often encounter difficulty accessing the credit they need to grow. These loans can be used to cover payroll/labor costs, purchase equipment, cover material costs, and provide working capital. The Kick-Start Loan Program goes toward mobilization efforts at the start of a project or can be used to manage cash flow later in the project life, whichever best meets the needs of the contractor or consultant. Loan terms are flexible and applying is very simple. Contact – 212-619-5000

NYC School Construction Authority—Mentor Program

This four-year program pairs M/W/LBE contractors with large, well-known Construction Managers who provide individualized on-the-job training and guidance. In exchange for a multi-year commitment, prequalified and certified firms have the opportunity to bid against other Mentor firms for projects with an estimated value of up to $750,000, allowing them to establish a long-term business relationship with the SCA. The program also offers the following additional support for Mentor firm growth.

- Mentor Loan Program – The SCA provides access to capital for small contractors. Firms that participate in the Mentor Program are eligible to apply for loans of up to $150,000.
- Construction and Information Technology Training – The SCA provides an innovative and effective classroom program that offers training in a variety of disciplines.
- Surety Bond Program – Firms receive assistance applying for and obtaining surety bonding — a requirement for performing that offers training in a variety of disciplines.

Contact NYCSeca Business Development Division – 718-472-5018

Continued on Page 6
The event’s feature speaker Jonnel Doris, Senior Advisor and Director, NYC Mayor’s Office of Minority and Women Owned Businesses, touted a number of features of the City’s newly invigorated program to dramatically increase M/WBE procurement. “Due to the Mayor’s leadership and direction, an ambitious goal has been set to award at least 30% of city contracts to M/WBEs by 2021, $1 billion was awarded to M/WBEs in 2017, public agency M/WBE discretionary spending has increased from $20,000 to $150,000, and a Contracting Financing Loan program for M/WBEs with City contracts provides an opportunity to receive loans up to $500,000 at 3% interest,” he said.

Patrick Wehle, Assistant Commissioner for External Affairs, NYC Department of Building outlined the City’s new construction safety program in response to new Local Law 196. Mr. Wehle stated, “Workers on most major construction sites must complete OSHA 10-hour safety training by March 1st, 2018. When fully phased in by 2019, workers at job sites that require a Site Safety Plan, which includes sites that must designate a Construction Superintendent, Site Safety Coordinator or Site Safety Manager, must receive a minimum of 40 hours of training.” Twelve construction workers died in 2017, according to statistics from the city’s Department of Buildings. Twelve workers died each year in 2016 and 2015, compared with eight in 2014. The number of deaths had not been so high since the previous construction boom, when 12 workers died in 2007 and 19 in 2008.

Con Edison’s Construction Manager, Michael Lombardi, also emphasized the importance of safety and efficiency when working on their projects. “Con Edison contractors and employees alike, must adhere to our environmental, health, and safety policy.
Personal Protective Equipment (PPE) protocols are strictly enforced. In addition, Level 3 scheduling which shows detail and individual work tasks and clearly defined works by discipline or responsibility is strongly encouraged,” Mr. Lombardi declared.

At program’s end, networking recommenced and continued the tradition of contract forecasting at the RASC Contractors’ Clearinghouse.

### 2018 Contractors’ Clearinghouse

#### Sponsors
- Con Edison
- Delta Air Lines, Inc.
- New Jersey Transit
- Port Authority of NY & NJ
- Tishman Construction Corp. (an AECOM Company)

#### Co-Sponsors
- Dormitory Authority of the State of NY
- Hugh L. Carey Battery Park City Authority
- Lend Lease (US) Construction LMB, Inc.
- NY Power Authority
- NYC School Construction Authority
- STV

#### Networking
- William E. November & Rafik Diab - SCORE
- Patrick Wehle, Assistant Commissioner for External Affairs, NYC Department of Buildings
- Michael White & Patricia Morrissey - DKM Risk Advisors
- Networking
- Andrew Graham, Nayada Lugji & Julia Nunez - Lend Lease (US) Construction LMB, Inc.
- Networking
- Jackeline Cotto & Christine Busey - Tutor Perini
Public Loan and Business Assistance Programs

**New York State “Bridge to Success” Loan Program for Minority and Women Contractors**

Empire State Development (ESD) expands access to short-term loans for New York State Certified Minority and Women-Owned firms doing business with New York State. The “Bridge To Success” loan program invests at least $20 million to expand access to short-term bridge loans for Minority and Women owned Business Enterprises (M/WBEs).

**Terms:** ESD provides up to $2.73 million in loan loss reserves to support the $20 million in short-term loans provided by participating lenders. Loans will typically be under $200,000 with terms under two years and would support $100 million in state contracts. Participating lenders make credit decisions and determine interest rates and applicable fees.

Bridge to Success lenders receive ESD incentive funds to stimulate lending and take on any additional loan risk.

For more information call NYS M/WBE Resource Line – 855-373-4692

**MTA Mentor Program – Empire State Development Corp.**

MTA partners with Empire State Development (ESD) and Carver Federal Savings Bank to help improve access to capital. ESD’s contribution enables Carver Bank to increase both lending opportunities and the size of loans, which can now be as much as $900,000. Previously, the loans had been capped at $150,000.

Contact – Small Business Mentor Program 212-878-4723.

**Empire State Development Corp. Revolving Loan Trust Program**

Minority and Women Revolving Loan Trust Fund Program makes low-cost loans of up to $35,000 and fixed asset loans of up to $50,000 to M/WBEs that cannot find traditional sources of capital. Loan applicants must be small and high-risk for-profit businesses. Loans are $100,000 in annual gross revenues.

Ineligible uses of program funds include refinancing debt, residential construction or renovation (unrelated to a government-sponsored project), payment of tax or employee benefit arrearages, projects of newspapers, broadcasting, new media, medical facilities, libraries, community centers, or public infrastructure.

Contact: Bronx Overall Development Corporation 718-590-8310
Local Development Corporation of East New York 718-385-6700 Ext. 11
Greater Jamaica Development Corp. 718-291-0282
Washington Heights and Inwood Development Corp. 212-795-1600

**Port Authority of NY & NJ**

**Linked Deposit Program**

This program makes up to $10 million available to support loans to certified New York M/WBE awarded contracts. Firms may be eligible for up to $500,000 within a two-year period.

**Bonding**

The Port Authority does not require a bid, performance, or payment bond, on construction contracts valued at $500,000 or less. Bonds for contracts valued over $1 million may be waived for M/W/SBEs.

**Wrap-up Insurance**

The Port Authority provides and pays the premiums on policies of public liability insurance, workers’ compensation, and employer’s liability insurance, and a policy of builder’s risk insurance.

**Quick Payment Plan**

Contracts prepared under the M/W/SBE Set-Aside Program may contain provisions for the contractor to be paid semi-monthly to further assist smaller firms in meeting their payroll.

Contact – Office of Business Diversity & Civil Rights 201-395-3937

**New Jersey Economic Development Authority (NJEDA) Loan Programs**

**Small Business Fund**

Creditworthy small, minority-owned or women-owned businesses in New Jersey that have been in operation for at least one full year and may not have the ability to get bank financing, or not-for-profit corporations that have been operating for at least three full years, may be eligible for assistance under the Small Business Fund.

**Program Details:**

Loans up to $500,000 An expedited approval process provides financial assistance to qualified businesses through direct loans, participations or guarantees with a fixed interest rate.

**Fees:**

Application fee: $300

- Commitment fee: 0.5% of the loan amount
- Closing fee: 0.5% of the loan amount
- Guarantee fee: Up to 0.5% sized to percentage guarantee required, not to exceed 0.5%. (For example, 25% guarantee will require a 0.25% fee, 50% guarantee will require a 0.5% fee.)

For further information call: 609-858-6767

**NJEDA Direct Loan Program**

New Jersey businesses in need of financing and committed to job creation/retention may be eligible for direct loans through the EDA when conventional financing is not available.

**Terms:**

- Up to $2 million fixed assets
- Up to $750,000 for working capital
- Lower interest rates
- Longer terms
- Businesses must commit to the creation or retention of one full-time job for every $65,000 of EDA exposure within two years
- Based on the 5-year US Treasury or floor of 2%, whichever is higher, with basis point additions for credit risk.

For more information: 609-858-6767

**NJEDA Loans to Lenders Program**

The Loans to Lenders Program makes capital available to financial intermediary organizations who can effectively reach small businesses in local markets including: micro lenders, Community Development Financial Institutions (CDFIs), and Urban Enterprise Zones (UEZs).

**Terms:** Up to $750,000 for existing program borrowers seeking to recapitalize their existing revolving loan program

Up to $500,000 for new program borrowers with demonstrated lending capacity

Maximum exposure of $750,000 to any one entity

Applicants can use financing to provide term loans and lines of credit to micro-enterprises and small businesses not qualified for traditional bank financing

Flexible financing to support urban community economic development, revitalize local economies, and provide employment for urban residents

**Eligible Organizations:** Micro-lenders and other Financial Intermediary Organizations, including Community Development Financial Institutions (CDFIs), and Urban Enterprise Zones (UEZs).

For more information call: 609-858-6767
Delta Air Lines commitment to a 30% MWBE participation goal for the LaGuardia Airport (LGA) Terminal C construction project, got off to a fast start with the move of the Delta project team, construction management team, and sub-consultants into the historic Art Deco Bulova Office Building in East Elmhurst, Queens. The office lease area of approximately 24,000 square feet required a renovation. MWBEs for this project included:

**RCGA Architects**

RCGA performed the design and implementation of a new corporate field office space which entailed selective demolitions, the installation of new partition walls, doors and modifications and upgrades to the existing HVAC, plumbing, sprinkler, electrical and fire alarm systems as well as introduction of new carpeting, acoustical and drywall ceilings and paint job. A new mainframe computer system was also introduced. “We at RCGA Architects are most thankful to Delta Air Lines for affording us the opportunity to assist in the design and build-out of such a wonderful and unique office space,” states Robert Gaskin, Principal.

RCGA participates in the field of aviation, but has also branched out to include houses of worship, residential buildings and educational and medical facilities, industrial and commercial projects. The firm’s high-profile projects include several Air Train stops at John F. Kennedy International Airport, Crossings Tower with 586 apartments and 45,000 sq. ft. of retail lease space in Jamaica, Queens, the facade of the administrative building at Medgar Evers College in Brooklyn and Restoration Church of Christ Church.

**Derive Technologies**

Derive provided onsite technical resources to work with the construction management team (CMT), delivering desktop and other related support. They were also a key player in the infrastructure design, development, coordination and implementation of the entire project team. The work included, but was not limited to, procurement of hardware (servers, cable management, audio/visual equipment) set up, implementation, copy machine set up and coordination, phone integration and coordination. Derive is working with the STV/S&P joint venture construction management and general contractor team overseeing landside and airside projects during multiple phases.

The principal vertical markets that Derive serves are healthcare, financial services, government and the public sector (state, local and national), and professional services.

**J & M Corporate Painter**

J&M was the painting subcontractor for TBL on the Bulova project. J&M was responsible for all labor and material for wall/ceiling painting and touchup. J & M provides a full range of services that include Deck Staining and Sealing, Deck Waterproofing, Drywall Texturing, Exterior Painting, Exterior Whole Home Painting, Interior Feature Painting, Interior Painting, Interior Spaces Painting, Paint Removal, Painting Preparation, Painting and Sealing, Popcorn Ceiling Removal and Wallpaper removal.
26th Annual Awards Luncheon

Please join us on

Friday, September 28, 2018

Location: The Lighthouse
Pier Sixty @ Chelsea Piers
New York City

Business Attire

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Please contact: 212-268-2991 for more information or visit our website: www.regional-alliance.org