



Danya Labban
Auditor General

MEMORANDUM

TO: Charlette Hamamgian, Deputy Comptroller, Contracts and Procurement
CC: Karine Apollon, Kebrina Carter, Elisheba Lewi, Jodi Sammons Chan, Frank Walston, Matthew Coffey
FROM: Office of Auditor General
DATE: August 15, 2024
RE: Minority and Women-owned Business Enterprises Noncompetitive Small Purchase Method: Procedural Compliance Review

Overview

In January 2020, the City of New York adopted the Minority and Women-Owned Business Enterprises (M/WBE) Noncompetitive Small Purchase Method that enables City agencies to award contracts of up to \$500,000 for goods, professional services, and standard services directly to M/WBEs, which has now been increased to \$1,500,000. In March 2024, to encourage further utilization of M/WBEs in the City’s procurement processes, the Comptroller has issued a Conditional Delegation and Approval increasing the maximum value to no more than \$1,500,000 for the “self-registration” (in FMS) of these contracts awarded by the Department of Education (DOE), pursuant to NYC Charter § 328, as established in the DOE’s Procurement Policy and Procedures § 1-07(b), and pursuant to the internal procedures by the DOE regarding such contracts. This delegation and approval are contingent on terms in the conditional delegation, including a compliance review of at least 10% of all M/WBE Noncompetitive Small Purchase contracts awarded each quarter.

At the behest of the Office of Supplier Diversity (OSD), the Office of Auditor General (OAG) completed the review of the M/WBE Noncompetitive small purchase method of one contract for the period of April 1, 2024 through June 30, 2024.

Selection and Scope

OAG was provided with all M/WBE contracts self-registered by DOE’s Division of Contract and Purchasing (DCP) for the period of April 1, 2024 through June 30, 2024 (nine total). The Rat-Stat 2019 software was utilized to randomly select 10% of those contracts for review, with a minimum of one per quarter. The selected contract included:

	JMS Consulting Inc.
Registration Date	05/28/2024
Contract Amount	\$444,080.00
Document ID	20249457360

Approach and Methodology

OAG reviewed the documents included in the package collected prior to registration and maintained by DCP for the contracts to determine compliance with 12 attributes denoted below. The attributes were agreed upon by OSD and the Mayor's Office of Contract Services (MOCS). OAG reviewed the package of documents for compliance with the attributes described below:

Attributes

- 1) Solicitation documents including outreach to all vendors
- 2) Vendor Quotes/responses from all interested vendors
- 3) Signed and dated Determination of Award form
- 4) Final signed contract
- 5) Invoices and receiving documentation that were created within 30 days of self-registration, if available
- 6) DOE's Law Department approval
- 7) MOCS approval of subcontracting exceeding 40%, if applicable
- 8) PEP Agenda containing the self-registered contract
- 9) PASSPort Responsibility Determination, if applicable
- 10) Responsibility Statement
- 11) Evidence of the Comptroller's Courtesy Copy of Contract on file
- 12) Amendments to the contract, if available

Review Findings

Attributes	JSM Consulting Inc. \$444,080.00
Solicitation Document	Valid
Vendor Quotes/Response	Valid
Completed Determination of Award Form	Valid
Final Signed contract	Valid
Invoice and receiving documentation (If Available at time of submission)	Not Applicable
Law Department Approval	Valid
MOCS Approval if subcontracting exceeds 40%	Not Applicable
PEP Agenda	Valid
PASSPort RD for any procurement initiated in PASSPort	Not Applicable
Responsibility Statement	Valid
Evidence of the Comptroller's Courtesy Copy of Contract on File	Valid
Amendments	Not Applicable

Findings Key

Valid = The document contained all critical components

Not Applicable = The attribute was not applicable to the contract

Review Summary

Based on OAG's review, there were four attributes that were not applicable to the contract; Invoices and Receiving Documentation, PASSPort RD, MOCS Approval if Subcontracting Exceeds 40%, and Amendments. All eight attributes were in compliance ("Valid") for the contract.