

Building Partnerships with the Region's MWSDBEs

2011 – A Year In Review

THE PORT AUTHORITY
OF NY & NJ

Overview

For the five years ending in 2011, awards to The Port Authority of New York & New Jersey's minority-owned, women-owned, small, and disadvantaged business enterprises (MWSDBEs) have generated almost \$2.2 billion in contracts, created over \$2.7 billion in regional economic activity, supported 10,540 jobs, and provided \$780 million in wages. Through the Office of Business Diversity and Civil Rights, the agency provides dedicated services and programs to attract, certify, and support MWSDBE firms. In 2011, we continued to expand our commitment to the MWSDBE community by strengthening capacity building efforts for our firms and recruiting new and qualified companies, including for the World Trade Center redevelopment projects – the largest rebuilding effort in the region.

Update on MWSDBE Awards

In 2011, despite a climate of economic uncertainty, the Port Authority continued to finance and build projects that stimulated the regional economy and created jobs for many private sector firms including MWSDBEs. MWSDBE firms garnered contracts with the Port Authority in goods and services, architectural and engineering, and construction procurement categories amounting to over \$450 million. Of that total, \$225 million in contracts were generated by World Trade Center projects.

With these contract awards, World Trade Center projects hit a significant milestone for MWBE awards in 2011 – a total of \$1 billion in contracts were awarded to MWBEs over the past five years, generating over 2,400 jobs and more than \$1.3 billion in economic activity. The cumulative \$1 billion total was comprised of close to 500 contracts awarded to nearly 200 MWBEs for work primarily in construction and related services. The MWBE total represented nearly 17 percent of all World Trade Center related awards.

Activity Highlights

The Port Authority of New York and New Jersey has long held a deep commitment to MWSDBE firms, and maintains one of the most comprehensive MWSDBE programs in the region.

Assisted and collaborated with our airport tenants including Delta Air Lines in providing opportunities to MWBEs. MWBEs have landed some \$88 million in contracts related to airport tenant projects in 2011. A large portion of these contracts were awarded for work on the Delta Air Lines expansion of the International Arrivals Terminal at John F. Kennedy International Airport.

Continued to offer business services for MWBEs at the World Trade Center Business Resource Center by providing valuable workshops and seminars at no cost, in addition to direct contract development consultation. We orchestrated meetings with construction managers of WTC redevelopment projects and qualified MWBEs, so that the firms would be better positioned to obtain critical information and act on upcoming contract opportunities.

Partnered with Tishman Construction, Inc. to hold a series of three prequalification workshops for MWBEs for work associated with the Vehicular Security Center and the WTC streets infrastructure. Tishman Construction, Inc., the construction manager for the two high security WTC projects, led interested principals through Security Information Management training, thus enabling participants in fulfilling one of four prequalification requisites for bidders.

Implemented an outreach plan targeting janitorial firms from the region and held two Janitorial Maintenance Small Business Enterprise Program (JMSBE) mini fairs. Eleven new janitorial companies submitted their prequalification information to participate in the 2012-2014 JMSBE set aside program. The program sets aside 17 cleaning contracts ranging from \$35,000 to \$5.5 million annually for the exclusive bidding of certified and qualified SBEs.

Promoted and hosted a Business Credit Fair for MWSDBEs. Recognizing that financing has become increasingly challenging for MWSDBE firms, we organized our first such event, which was designed to provide additional access to credit and capital. We identified and selected 12 lending sources ranging from large banks to non-profit organizations offering micro loans and advisory services to exhibit at the fair. Over 110 MWSDBE representatives attended the fair and met with exhibitors.

Contracted with the Regional Alliance for Small Contractors to provide MWSDBE firms with the tools and skills needed to reach their highest potential. As part of the assistance to these firms, our partnership provided over 20 software, construction management and OSHA safety courses. Approximately 440 MWSDBE representatives attended the courses.

Collaborated with Goldman Sachs and their local training provider, LaGuardia Community College, to host an informational workshop on their 10,000 Small Businesses program and invited our active MWSDBE firms to learn more about participating in the program.

Implemented innovative initiatives to help MWBEs grow such as the recently designed special training segment that targets smaller firms grossing under \$500,000 annually, to augment the core Mentor-Protégé Program. The Mentor-Protégé Program pairs MWBEs with the region's most successful construction companies and in 2011, there were 26 participants in the core program.

Supported three construction pre-apprenticeship training programs offered by: Edward J. Malloy Initiative for Construction Skills in New York, and Newark/Essex Construction Careers Consortium and New Jersey Pathways in New Jersey. Close to 500 young men and women participated in these programs, which help graduates gain acceptance into union apprenticeship programs in New York and New Jersey, thus ensuring a pipeline of skilled workers.

Our LinkedIn group, "Supplier Diversity Programs at The Port Authority of NY & NJ" continued to promote discussions on our programs and events with MWSDBE contractors and vendors. Membership has grown to over 350 participants.

Advanced the Port Authority's third comprehensive disparity study. The study, when finalized in 2012, will determine whether a disparity continues to exist between the number of businesses owned by various ethnic/racial/gender groups and their utilization in business opportunities with the agency.

Reviewed and processed approximately 900 MWSDBE certification applications. Certified firms can then compete for business opportunities with the Port Authority, WTC construction managers and tenants.

Investing in the Region's Future

While the Port Authority's economic condition remains fundamentally sound, the recent global and national economic downturn has made a significant impact on our agency. The Port Authority's \$7 billion preliminary 2012 budget calls for controlled spending by providing zero growth for operating expenses for the third year in a row. In the near term, we continue to concentrate on state-of-good-repair projects. The new budget allocates \$3.66 billion for capital spending to keep our priority projects moving forward, and defers certain discretionary capital expenditures in response to recent economic conditions. The capital projects identified in the preliminary budget will provide for significant and focused improvements to the agency's network of transportation facilities. These upgrades would provide road, rail, and air travelers with continued modernizations at bridges, tunnels, airports and PATH, and investments in the seaport would further strengthen the region's position as a leading shipping port on the U.S. East Coast. The preliminary budget also directs funding to continue progress at the World Trade Center site.

About the Port Authority

The Port Authority of New York and New Jersey, which does not receive tax dollars from either state, operates many of the busiest and most important transportation links in the region. They include John F. Kennedy International, Newark Liberty International, LaGuardia, Stewart International and Teterboro airports; AirTrain JFK and AirTrain Newark; the George Washington Bridge and Bus Station; the Lincoln and Holland tunnels; the three bridges between Staten Island and New Jersey; the PATH (Port Authority Trans-Hudson) rapid-transit system; Port Newark; the Elizabeth-Port Authority Marine Terminal; the Howland Hook Marine Terminal on Staten Island; the Brooklyn Piers/Red Hook Container Terminal; the Port Authority-Port Jersey Marine Terminal and the Port Authority Bus Terminal in midtown Manhattan. The agency also owns the 16-acre World Trade Center site in Lower Manhattan.

We're proud that, for more than 30 years, the Port Authority of New York and New Jersey has been building partnerships with MWSDBEs and creating new business connections for them with other public and private organizations in the region. ■