ID # (assigned by CSG): 10-E-13NY

Please provide the following information, adding space as necessary:

State: New York

Assign Program Category (applicant):
Infrastructure and Economic Development

1. Program Name:
New York State Information Technology Supplier Diversity Program

2. Administering Agency:
NYS Chief Information Office/Office for Technology (CIO/OFT)

3. Contact Person:
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9. Please provide a two-sentence description of the program.

The New York State Chief Information Officer and the state Office for Technology (CIO/OFT) has set a strategic goal to raise the level of supplier diversity and Minority and Women Business Enterprise (MWBE) participation to 20% for all state technology contracts by the end of 2010. Encouraging supplier diversity and fostering partnerships between MWBE firms and leading global IT companies has helped level the playing field and opened doors for many small and medium size technology firms to collaborate on the state’s technology initiatives.

10. How long has this program been operational?

The CIO/OFT program has been operational for approximately two years.

In February 2007, New York State Governor Eliot Spitzer signed Executive Order No. 8 establishing the MWBE Executive Leadership Council and the MWBE Corporate Roundtable to ensure state agencies and public authorities increase participation of qualified MWBE businesses in all state contracts. ([www.state.ny.us/governor/executive_orders/exeorders/8.html](http://www.state.ny.us/governor/executive_orders/exeorders/8.html))

In April 2008, the New York State CIO/OFT published “Going From Good To Great” Plan 2010 CIO/OFT Strategic Roadmap which first announced the strategic goal to raise MWBE participation in state technology contracts to 20% by 2010 and 25% by 2017. The Strategic Roadmap kicked off the program and initiative. ([www.cio.ny.gov/News/FinalNYS2008GoalsandStrategies.pdf](http://www.cio.ny.gov/News/FinalNYS2008GoalsandStrategies.pdf))

11. Why was the program created? What problem[s] or issue[s] was it designed to address.

CIO/OFT made increasing MWBE participation in state IT contracts a strategic priority as a result of Executive Order No. 8, and after our own business analysis revealed less than 1% of MWBE firms participated in state technology contracts. This was an abysmal participation rate and needed to be addressed immediately. CIO/OFT was not alone though in poor participation rates. Statewide approximately 23% of New York’s small businesses are owned by minorities and 26% of New York’s small businesses are owned by women, but only 3% of the state’s contracts were awarded to minority and women-owned businesses in the 2005-06 fiscal year. CIO/OFT created its supplier diversity program to correct this disparity in state technology contracts to ensure New York’s economy was open for all to participate.

Increasing information technology (IT) supplier diversity faced special challenges:

- Many state IT contracts are large in scope, which makes it difficult for smaller companies to provide the needed products and services at competitive prices;
- IT contracts often require national or industry standard products that are “best in class” and rely on acquisition from large prime vendors;
- State procurement laws do not provide any ‘extra points’ for MWBEs in awarding contracts.
12. Describe the specific activities and operations of the program in chronological order:

**February 2007**  
NYS Executive Order No. 8 raised the bar for state agencies to increase MWBE Participation and formalized governance over MWBE efforts.

**June 2007**  
CIO/OFT began tracking and monitoring MWBE participation and MWBE contract spending across all CIO/OFT procurements on a quarterly basis.

**March 2008**  
CIO/OFT developed an online certification application tool for the state’s Division of Minority and Women Owned Business Development to accelerate the certification process, build a stronger database of potential providers to match with prime contractors, and to enhance monitoring and reporting.

**April 2008**  
CIO/OFT published the ambitious and vital strategic goal of achieving 20% MWBE participation in all state technology contracts by 2010.

**April 2008**  
Conducted mandatory supplier diversity training for all CIO/OFT managers to instill an understanding and appreciation of the agency’s MWBE goal and importance of expanding supplier diversity.

**May 2008**  
CIO/OFT began using new supplier diversity language and providing forms in all requests for proposals and contracts to assist vendors in demonstrating compliance with established MWBE participation guidelines.

**June 2008**  
Created an Equal Opportunity and Diversity Development operating unit within CIO/OFT Contracts and Procurement Office to monitor participation and facilitate increased supplier diversity.

**June 2008**  
First New York State Technology Sector MWBE JumpStart Event was held in Albany attracting 400 high-tech companies and 13 of the state’s largest agencies to meet with representatives from more than 140 MWBE firms. More than 400 people attended. The goal was to introduce and connect state-certified MWBE companies with the largest IT companies currently doing business with the state, and help them build relationships and form strategic partnerships. The event was an overwhelming success.

**June 2008**  
Governor David Paterson launched the “NY Loves MWBE” website where visitors find information related to the certification process, resources for technical assistance, access to capital, contract opportunities, MWBE Events, and an improved vendor registry search tool to help you find New York State certified MWBEs. ([www.nylovesmwbe.ny.gov](http://www.nylovesmwbe.ny.gov))

**June 2008**  
CIO/OFT created a technology sector MWBE distribution list to increase communications and outreach efforts between the state, prime technology vendors, and MWBE firms.

**June 2008**  
CIO/OFT asked the world’s top global IT companies who do business with New York State government agencies to sign a voluntary participation agreement stating that they will work towards helping achieve CIO/OFT’s
20% MWBE participation rate.

October 2008  CIO/OFT supported IBM’s Minority and Woman Owned Business Enterprise (MWBE) Technology Day. With nearly 100 representatives from MWBE firms in attendance, the IBM MWBE Technology Day promoted interaction between IBM executives and MWBE firms, and it educated MWBEs on the processes to become an approved supplier for IBM’s different lines of business.

November 2008  CIO/OFT, together with the state’s Division of Minority and Women Owned Business Development, NYC Mayor’s Office of Contract Services, NYC Department of Information Technology and Telecommunications and NYC Department of Small Business Services hosted the Technology Sector MWBE JumpStart event in New York City. The event provided opportunities for more than 400 minority and women-owned technology solution providers to network with 41 of the world’s leading global technology companies serving New York State and New York City, who represent more than $800 billion in global sales, and 17 state and city agencies.

January 2009  CIO/OFT, in collaboration with the state’s Division of Minority and Women Owned Business Development (DMWBD), hosted a roundtable discussion with major IT vendors of New York State and state agency CIOs to share successes, strategies, future opportunities and challenges to meet MWBE goals for the technology sector. To increase the use of MWBE firms for technology procurements, CIO/OFT and DMWBD continue to work with the corporate technology sector, state agencies, and MWBE firms to build capacity and improve opportunities for New York’s MWBE firms.

May 2009  Governor David Paterson, CIO/OFT, and the state’s Division of Minority and Women Business Development hosted the third Technology Sector MWBE JumpStart Event in Buffalo. The event was co-sponsored by Assemblywoman Crystal D. Peoples, Senator Antoine M. Thompson, the University at Buffalo, Upstate NY Minority Supplier Development Council, Canisius College Woman’s Business Center, and the U.S. Department of Commerce. More than 500 people attended to meet with 50 prime technology vendors and 17 state agencies.

New to the event was a “speed-matching” opportunity developed to provide 15 minute one-on-one meetings between MWBEs and major technology vendors who had services and capabilities that complement each other.

September 2009  CIO/OFT received the 2008-2009 New York State Forum “Best Practices Award for Policy” for its efforts to increase technology supplier diversity for minority and women-owned business enterprises (MWBEs) within New York State.

September 2009  CIO/OFT hosted a mandatory Pre-Bid Conference for vendors to participate and gain information on the Enterprise IT Staff Augmentation
More than 100 firms were represented at the meeting, along with staff from NYS Agencies and members of the NYS Legislature. The Successful Bidder will be required to maintain an open, diverse subcontractor network capable of fulfilling at least 85% of all resource engagements.

November 2009  
CIO/OFT, in partnership with Empire State Development Corporation's Division of Minority and Women Business Development launched a monthly newsletter to reflect the many successes being achieved to advance supplier diversity throughout our state. The newsletter, sent to nearly 1,000 stakeholders, provides information on resources and upcoming events, and highlights success stories from our corporate champions who share our commitment to support New York's small business entrepreneurs and MWBE firms. [www.cio.ny.gov/OFT/MWBE_infielder.htm](http://www.cio.ny.gov/OFT/MWBE_infielder.htm)

January 2010  
CIO/OFT announced a tentative contract award to Tapfin Process Solutions (TAPFIN), a wholly owned subsidiary of COMSYS, to manage a network of subcontractor staff augmentation providers to deliver IT consulting services for staff augmentation to New York State Agencies. To meet the requirements of the RFP's MWBE goals, TAPFIN has committed to utilizing at least 24% of New York certified minority and women owned businesses as subcontractors. TAPFIN's RFP proposal contained a subcontractor network listing 29 certified MWBE firms. In addition, TAPFIN continues to provide MWBE firms, as well as any other interested companies, with the opportunity to register with Tapfin to participate in the subcontractor network.

13. **Why is the program a new and creative approach or method?**

With the challenge to make significant impacts in supplier diversity quickly, CIO/OFT began an aggressive communication and outreach program in June 2008, but an innovative approach to increasing technology supplier diversity was needed.

CIO/OFT undertook a three step approach to engage all key stakeholders. Some of the steps taken with each group are listed below.

**Help for State Agencies**
- Established a goal of 20% MWBE participation in State technology procurements by 2010
- Developed an online certification application tool to help the State accelerate the MWBE certification process and enhance monitoring
- Improved awareness and communication between State Agencies and MWBEs by creating a central database of more than 1,000 tech-oriented MWBEs where there was none before
- Developed model language to include in technology RFPs and contracts which explicitly defines what constitutes a “good faith effort” to identify and include MWBEs as subcontractors on technology procurements

**Help for MWBEs in the Technology Sector**
- Created a handbook for MWBE tech sector companies that briefly details the key actions required when doing business with New York State. The guidebook provides
clear 'at a glance' instruction and addresses the most commonly asked questions

- Educated tech sector MWBEs on the availability of the Contract Reporter system that announces bid opportunities with NYS, and other sources of procurement opportunities such as the state Office of General Services backdrop contracts
- Provided opportunities for MWBE firms in the technology sector to meet and connect with prime vendors

Help for National Prime Vendors in the Technology Sector

- Provided multiple opportunities for prime vendors to find NYS MWBEs who possess the skill sets to be partners in large technology initiatives
- Held meetings to educate prime vendors on MWBE requirements and provided resources and tools to help them comply
- Provided ongoing one-on-one support to vendors who are working to comply with MWBE requirements and expand the MWBE collaboration

14. What were the program’s start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

The initial Jumpstart Event cost approximately $6,000. Costs associated with the event included facility rental, signage and printed material, refreshments, and staff time. The costs were underwritten by CIO/OFT general fund. Additionally, corporate sponsors hosted a networking reception at the end of the event.

15. What are the program’s annual operational costs?

Annual operating costs are approximately $150,000 which includes one dedicated staff member and office equipment, etc. Additional support to the program is absorbed through existing staff resources from various units within CIO/OFT such as Contracts and Procurements, Legal, and Customer Relations/Marketing.

16. How is the program funded?

The program is funded by the New York State General Fund, which is supported by taxpayer dollars.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number?

The CIO/OFT Supplier Diversity Initiative did not require any new legislation, executive orders or regulations. However, in 1988 New York State enacted a law establishing a comprehensive, statewide MWBE program, but as of 2007 less than 1% of state contracts were awarded to minority and women owned business. Therefore, Executive Order 8 was enacted in February, 2007 establishing the MWBE Executive Leadership Council and the MWBE Corporate Roundtable to improve the participation of MWBE businesses in the state’s procurement process.
18. What equipment, technology and software are used to operate and administer this program?

The beauty of this initiative is that no special equipment or technology is required to make a positive impact and improve supplier diversity. The only thing required is ongoing communication, business-to-business and government-to-business networking, and commitment.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator’s name, present address, telephone number and e-mail address.

Melodie Mayberry-Stewart, Ph.D., New York State Chief Information Officer and Director of the state Office for Technology is the head (i.e. commissioner) of CIO/OFT and the executive leader who brought this strategic initiative to the forefront in the technology sector for state procurements and who this strategic priority.

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20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

Many states have supplier diversity programs. We are not aware of any other program specifically focused on state procurements within the technology sector, with equally ambitious goals.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

This is an ongoing initiative that will continue to improve with increased communication among all IT stakeholders, public and private, large and small. The CIO/OFT Supplier Diversity initiative is constantly evolving in response to feedback and experience. While initial compliance and an upward progression in participation have occurred, the need for continuous reinforcement and expansion is evident.

22. Briefly evaluate (pro and con) the program’s effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

The CIO/OFT Supplier Diversity Program has highlighted the importance of becoming New York State MWBE certified as a business strategy for small firms which comprise a large percentage of the state’s economy. It has raised awareness among prime vendors and encouraged them to evaluate the need and value of partnering with MWBE firms, providing a win-win proposition.
CIO/OFT’s Supplier Diversity Program focuses on efforts to help MWBEs create stronger relationships that reach beyond the CIO/OFT program. Committed MWBE Champions are helping CIO/OFT reach the aggressive participation goals. In January 2009, CIO/OFT celebrated the voluntary commitment of 27 top global IT vendors. MWBE participation reached an all-time high of 16.04% in 2009, surpassing CIO/OFT’s 15% goal for 2009.

CIO/OFT’s effectiveness is evidenced through these accomplishments:

- Conducted three MWBE Jumpstart events (Albany, NYC, Buffalo) representing global companies with approximately $800 billion in global sales (1300 attendees, 425 MWBE firms, 46 global companies, 15 NY state agencies who procure 80% of IT spend)
- Received twenty-seven (27) global companies voluntarily pledging to help achieve the 20% MWBE participation goal by 2010. These companies include: Accenture, AVAYA, CGI, Cisco, Computer Aid, Dell, Deloitte, Dun and Bradstreet, BearingPoint, EDS, EMC, HP, IBM, Intel, Johnson Controls, Microsoft, Motorola, nfrastructure, Oracle, Qwest, SAIC, Siemens, Sun Microsystems, Tandberg, Unisys, CMA and Xerox.

CIO/OFT’s successes as evidenced by some of its corporate partners:

- IBM MWBE firms has increased from 5% in 2007 to 15% in 2009.
- Dell signed on 8 MWBE resellers.
- Motorola increased MWBE companies from 0 to 7 in one year to reach 11% of total NYS sales.
- Microsoft did $47 million in business with New York MWBEs during the past fiscal year.
- CGI’s MWBE participation is up 10% over the previous year.
- Tandberg increased MWBE participation 15% in 4 months.
- Dun and Bradstreet spent approximately $2.5M with MWBEs and increased participation levels by 67% to the current level of 25%.
- Cisco, a new supporter, reported approximately $11 million in MWBE contracts since January 2009.
- Siemens announced two distributorships with three companies (Island Computer Products, Logistic Solutions and UTC Associates).
- nfrastructure achieved approximately 24% MWBE participation in NYS as of April 2009.
- Xerox signed an MWBE reseller from the Albany Jumpstart Event.
- Avaya has doubled MWBE participation from 8% to 16%.
- HP secured two subcontracting opportunities for an MWBE firm (Affinity).
- Unisys added 5 MWBE suppliers in the past year resulting in an increase of over $2 million in contract value over the previous year.
- Sun Microsystems, Inc. engaged MWBE firms to achieve a 15% participation level in 2009.
- CAI added 5 new MWBE partners and significantly increased their spending with MWBEs from 1.8% in 2007, 8.5% in 2008 and a projected 20% in 2009.
23. How has the program grown and/or changed since its inception?

The initiative is constantly growing by adding new corporate IT companies who are willing to increase their MWBE participation levels by attracting new certified MWBE firms to the talent bank and by state agencies ensuring a fair and level playing field is represented in state technology procurements. Communication and networking opportunities will continue to increase. The state will also leverage online social networking tools to help connect MWBE firms with corporate partners and sustain communication.

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<td>M/WBE Participation</td>
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<tr>
<td>(Value of M/WBE Payments as % of Total Payments)</td>
<td>20%</td>
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<td>0.86%</td>
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<tr>
<td>M/WBE Participation</td>
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<tr>
<td>(Total # of M/WBE Firms Paid as % of Total Firms Paid)</td>
<td>20%</td>
<td>3.47%</td>
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[1] These numbers do not include Telecommunications or SWN contracts.

[2] Effective 9/30/08, OFT began to exclude vendors exempt from M/WBE requirements per ESD (e.g., leases, proprietary software, sole source contracts).

[3] These numbers include Telecommunications and SWN contracts.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

States may have to examine and adapt procurement laws to ensure a level playing field exists for MWBE firms in their state. To make it a priority initiative, states may have to assign dedicated staff and resources to ensure continuous communication and track compliance.

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