



Justin Elicker  
Mayor

**ECONOMIC DEVELOPMENT  
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Michael Piscitelli  
*Economic Development  
Administrator*

April 22, 2020

The Honorable Alder Tyisha Walker-Myers  
President, Board of Alders  
City of New Haven  
165 Church Street  
New Haven, CT 06510

**RE: Request for Renewal and Amendments of Chapter 12 ¼ of the New Haven  
Code of Ordinances, Small Contractor Development (SCD) Program**

Dear Honorable President Walker-Myers:

I respectfully submit to the Board of Alders our request to amend and re-authorize Chapter 12¼ of the New Haven Code of Ordinances entitled, *Small Contractor Development Program*. Included in the proposed amendments is a request to modify Section 17, which will extend the life of the Ordinance for an additional five (5) years.

On November 19, 2001, the Board of Alders approved The Small Business Enterprise Construction Opportunity Initiative with the requirement (in Section 17) to review the provisions of the Chapter by June 30, 2004 to determine if the City should "continue, discontinue, or modify any or all of the provisions". On March 19, 2004, the Board voted to continue the Ordinance with amendments that extended greater opportunities to small contractors for at least two (2) years, until June 30, 2006. On May 8, 2006, the Board again amended the Ordinance to extend the program another four (4) years. On June 7, 2010, the Board voted to extend the program for an additional five (5) years with a penalty clause for noncompliance, and on May 18, 2015, the Board of Alders again amended the Ordinance to continue the contracting goals, the set-aside provision, and a self-performance provision.

Through this Ordinance, the City has made a commitment to small and minority contractors to provide opportunities, where previously very few existed, and to establish parity in New Haven construction contract procurement. This commitment has confirmed that New Haven is open to small and minority businesses, whereby the small contractor has a chance to compete and succeed.

Since this program was implemented, many small and minority contractors have received and performed City construction contracts for the first time in their professional existence. At the start of the program, only 5% of City contracts were awarded to small or minority-owned businesses. Although great strides have been made, the work is not yet complete, and thus our request to extend the program for five (5) more years. We believe this extension of five (5) years will allow the City to continue providing the opportunities for local, small, minority construction businesses, which in turn will expand the diversity of construction businesses that work in New Haven.

12¼ Reauthorization April 22, 2020

Participation in the program represents substantially more than a Contractor's business name appearing on a list. Contractors are notified of bidding opportunities, both public and private, have free access to bid documents, receive information on networking events with prime contractors and assistance in resolving contractor disputes, and can work directly with a more-established contractor in a mentoring relationship. Professional development workshops and certifications are organized on job site safety, lead awareness, insurance requirements, and electronic bidding. Most successfully, this year the City sponsored "Meet the General Contractor", a series which included seminars on networking with the prime contractors, navigating electronic bidding and invoicing, understanding the public procurement process, and construction sustainability.

At the end of 2019, there were 131 small and minority-owned contractors registered to participate in the Program. These companies employ more than 1,500 people. In 2019, 60% of the City's construction and construction-related expenditures went to New Haven businesses, 19% was contracted with minority and women owned business, and 20% was awarded to small contractors registered in the SCD Program.

Some of the key proposals contained with this amendment are intended to provide more access and opportunity for small contractors. Namely, these are lowering the informal bid limit from \$50,000 to \$10,000; providing more clarity on the definition of joint venture; informal bid clarifications / allowances subcontracting and, very importantly, accelerating the process to enter the program. With this amendment, small contractors can enter the program after six (6) months as opposed to the current one (1) year standard.

As the construction industry recovers from the current slowdown and loss in revenue due to the COVID-19 virus and public and private construction increases, New Haven-based small and minority contractors need to be primed to compete. We look forward to supporting the construction industry through this program and related efforts to elevate contractor quality through programs like health care setting certification.

Thank you again for your consideration. If you have questions or concerns, do not hesitate to call me at (203) 946-2366, or Program Coordinator Lilia Snyder at (203) 946-6550.

Very truly yours,



Michael Piscitelli, AICP  
Economic Development Administrator

enclosures

cc:

Justin Elicker, Mayor, City of New Haven

Taijah Anderson, Legislative Liaison

Michael Fumiatti, Purchasing Director

Steve Fontana, Deputy Director

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