

Tyrae Woodson-Samuels**Legislator, 13th District**

Chair, Committee on Budget & Appropriations

**Committee Assignments:**

Infrastructure & Housing
Public Safety & Veterans
Intergovernmental Affairs
Small Business

To: Honorable Members of the Westchester County Board of Legislators**From:** Hon. Tyrae Woodson-Samuels, County Legislator, District 13**Date:** TBD**Re:** Memo of Legislation — MWBE and Local Small Business Prompt Payment Act**PURPOSE AND OVERVIEW**

The purpose of this legislation is to promote fairness, transparency, and timely payment for minority-owned, women-owned, local, small, and emerging businesses performing work on County contracts.

For many small businesses, the issue is not only whether they can win work. It is whether they can survive the payment cycle after the work is done. Delayed payments can make it harder for small firms to cover payroll, buy materials, pay insurance, maintain bonding, or bid on future projects.

This legislation is intended to make County contracting more accessible, more accountable, and more supportive of local economic growth.

KEY PROVISIONS

This legislation would require prime contractors on covered County contracts to timely pay subcontractors after receiving payment from the County for approved work.

Prime contractors would be required to submit subcontractor payment certifications as part of their contract compliance documentation. Covered contracts would include clear payment timeline expectations, and subcontractors would have access to a complaint and review process if they experience repeated or unjustified payment delays.

The County would be authorized to track payment performance and consider repeated late-payment history in future responsibility determinations, contract compliance reviews, or procurement evaluations, to the extent permitted by law.

The County would also submit an annual report to the Board of Legislators regarding subcontractor payment performance, MWBE participation, small business participation, local business access, complaints received, and recommendations for improving procurement fairness.

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FINDINGS AND RATIONALE

Small businesses and MWBEs are essential to Westchester County's economy. They create jobs, build local wealth, support competition, and help ensure that public dollars circulate in the communities they are meant to serve.

However, small businesses often operate with thinner margins than larger firms. When payment is delayed, the impact can be immediate and severe. A firm that performs approved work on a County project should not be forced into financial hardship because payment is held up without justification.

This legislation does not create a new spending program. It improves the way existing County contracts are administered and helps make public contracting more fair, transparent, and accessible.

COORDINATION, EXISTING LAW, AND IMPLEMENTATION

The County shall coordinate with the Department of Public Works and Transportation, Department of Finance, Department of Law, Department of Consumer Protection and any County office or staff responsible for MWBE compliance or vendor management.

The County may also consult with small business organizations, chambers of commerce, contractor associations, organized labor, MWBE organizations, and municipal partners.

This legislation is intended to complement existing County procurement rules, state prompt payment principles, MWBE participation efforts, and contract compliance procedures. It shall be implemented in a manner consistent with state law, County procurement requirements, and advice from the Law Department.

FISCAL AND COMMUNITY IMPACT

The fiscal impact is expected to be limited and primarily administrative. Implementation may require staff time for compliance review, reporting, and complaint intake, but it does not require a broad new spending program.

No property tax increase is required by this legislation. Any additional staffing, technology, or compliance resources would be subject to appropriation.

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The economic development impact may be positive by improving cash flow for small businesses, expanding access to County contracts, increasing competition, and supporting local job creation. The housing impact is indirect, though improved contractor participation may benefit County-supported housing and infrastructure projects. There is no direct adverse environmental impact.

REVIEW AND EFFECTIVE DATE

The Board of Legislators shall review the effectiveness of this legislation three years after enactment.

This Local Law shall take effect one hundred eighty days after filing with the Secretary of State.

Respectfully,

A handwritten signature in black ink, appearing to read "Tyrae Woodson-Samuels".

Tyrae Woodson-Samuels

Westchester County Legislator, District 13