

SPRINGFIELD CITY COUNCIL

Councilor Justin Hurst

36 COURT STREET SPRINGFIELD, MA 01103 (413)787-6170 FAX (413)787-6833

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Yung No
Director of Internal Audit
City of Springfield
36 Court Street, Room 411
Springfield, MA 01103

Dear Mr. No,

As Chairman of the Audit Committee, I am requesting that you conduct a formal audit on all public contracts for purchase, supplies and services procured by the City of Springfield over the last 5 years. I am interested in knowing the following: How much money has the city spent in procurement contracts each year and what percentage of those contracts are going to businesses that reside in the City of Springfield? Similarly, I would like to know what percentage of contracts have gone to women, veterans, Black, and Latino owned business during each of the 5 years. To ensure an accurate picture of how Springfield is issuing its contracts to these sub-groups, we must analyze each sub-group independently of one another.

It is also important to know how this information is being tracked and whether we are meeting our target goals as a city. To that end, I am hopeful that you will be able to find out what procurement goals the city has set for contracting with local businesses as well as those owned by women, veterans, Blacks and Latinos and whether we have attained those goals each year. Knowing both the percentages and the amount of money spent in procurement contracts with these sub-groups can prove vitally important as the city focuses on recovering from the pandemic.

In addition, I would like for you to conduct a similar audit on all new Covid-19 related contracts that the City of Springfield has procured since the pandemic began roughly a year ago. Many businesses in the city have already closed their doors for good, while others are on the brink of failure. If we can provide these businesses with a lifeline through a city contract moving forward, then it is incumbent upon us to do so. According to a study by [The U.S. Chamber of Commerce](#), women owned businesses have been hit extremely hard by the pandemic in comparison to their male counterparts and are less likely to experience a strong recovery in years to come. Even worse off are businesses owned by Blacks and Latinos, who have been disproportionately impacted by the virus as highlighted in [The Federal Reserve Bank of New York's](#) report on Covid-19 that focused on the Health and Wealth Effects in Black Communities titled *Double Jeopardy* and the [Stanford Latino Entrepreneurship Initiative's](#) report titled *The ongoing Impact of Covid-19 on Latino owned Businesses*.

Finally, I would like to call your attention to a recent [Boston Globe](#) article that came out on Thursday that speaks to why this audit is so critical. Three Black and Latino organizations filed a federal civil rights complaint against the City of Boston with the Department of Justice alleging that its public contracting system engages in a pattern of discrimination against Black and Latino owned businesses. You will also glean from the article that Mayor Walsh is set to issue his 3rd

executive order that would require at least 11 percent of city contracts to go to businesses owned by white women and 6 percent to those owned by people of color. Despite the Mayor's last-ditch efforts, the lawsuit demanding higher percentages of city contracts in Boston going to businesses of color moved forward.

I would argue that the City of Springfield is even more susceptible to losing a discrimination lawsuit than the City of Boston and the last thing the City needs is for the Department of Justice to open another investigation. It is difficult for the city to create a more equitable procurement system with the objective of increasing procurement contracts to Black, Latino and Women owned businesses, if we have no idea what percentage of contracts are currently being allocated to these sub-groups. As a result, even if Mayor Sarno is interested in issuing an executive order like Mayor Walsh, which has not been the case during his tenure, he would have a difficult time doing so.

Although I hope I am wrong, I have no doubt that this audit will reveal that the City of Springfield issues less than 1% of its city contracts to Black and Latino business yet Blacks and Latinos make up over half of the population in the city. I also believe that you will find that the city is nowhere near where it needs to be when it comes to procurement contracts going to women owned business. And lastly, I think you will discover that a large percentage of city contracts are going to businesses outside of the City of Springfield.

Thank you for your attention to this matter and I look forward to discussing potential timelines at our Audit Committee meeting this week.

Sincerely,
Chairman of the Audit Sub-Committee
City Councilor Justin Hurst