

Local Law 169 of 2023 Report

MAYOR'S OFFICE OF CONTRACT SERVICES
OCTOBER 1, 2024

Section 1: Introduction

Each year, New York City contracts with nonprofit human service providers to provide billions of dollars' worth of services to New Yorkers. These human service providers play essential roles in the City by delivering critical social services, including homeless shelters, childcare centers, afterschool programs, food pantries, and more. However, despite the important role that human service providers play, the City's slow procurement process has created registration delays that hinder providers' ability to get paid on time.

Mayor Adams launched the [Joint Task Force to Get Nonprofits Paid On Time](#) with Comptroller Lander prior to the beginning of the Adams Administration to address this challenge. The City has made progress towards delivering on key recommendations, including adding an allowance clause to human service contracts and reforming the City Council discretionary contract process, since the Joint Task Force report was issued in February 2022.

One of the key recommendations from the Joint Task Force report was to create timelines for the procurement process to help hold agencies accountable and give human service providers more predictability during the contracting process. To support this recommendation, the City Council issued [Local Law 169 of 2023](#) (LL169), which requires the Mayor's Office of Contract Services (MOCS) to complete a study and issue a report with recommended time frames for each step of the procurement process for human service contracts. The report that follows meets the obligations of LL169 and endeavors to provide best practices to support the timely registration of human service contracts.

Section 2: Definitions

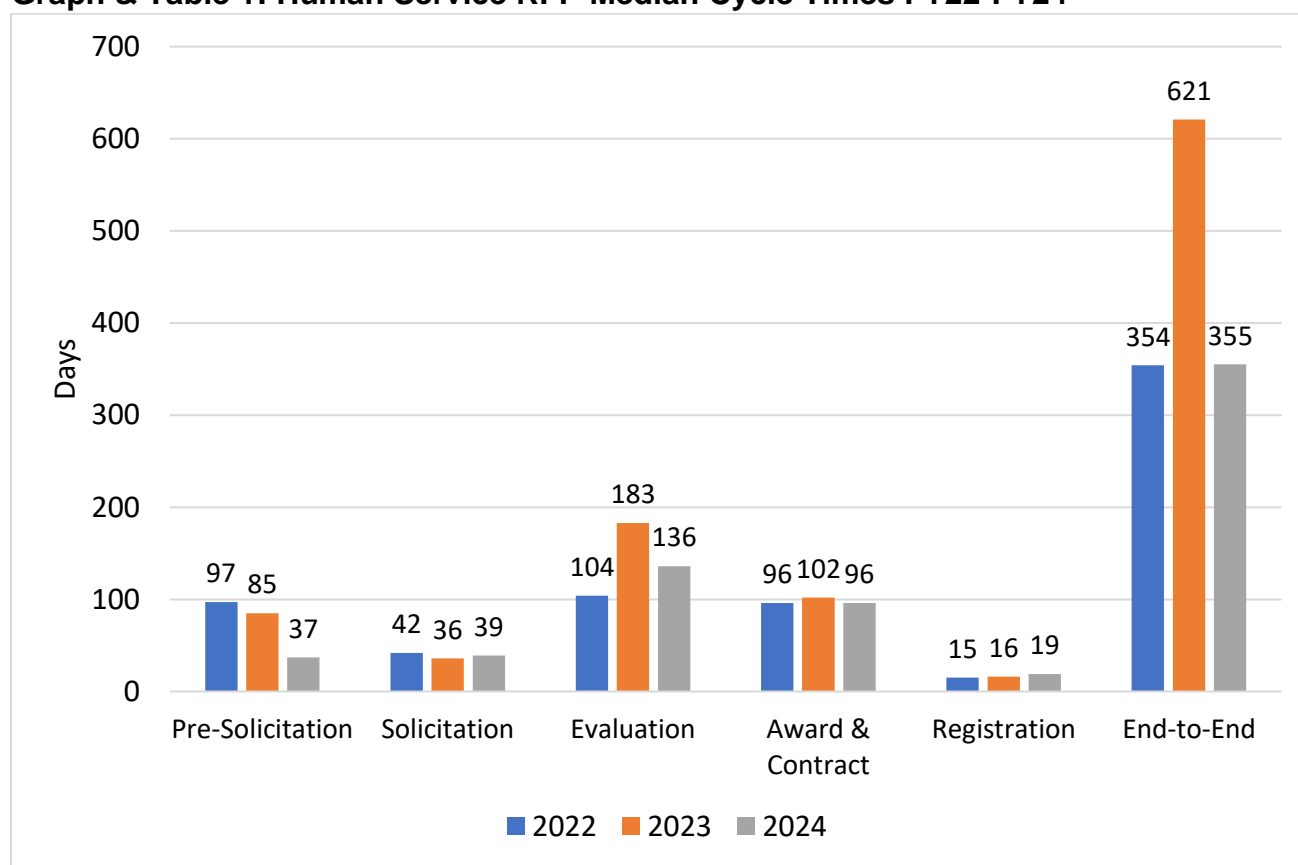
As required by LL169, this report focuses on human service contracts, which are defined by MOCS as contracts where the agency has selected "human/client services" as the industry in PASSPort, the City's digital procurement system. As noted in the legislation, human services are "social services contracted for by an agency on behalf of third-party clients including but not limited to day care, foster care, home care, health or medical services, housing and shelter assistance, preventive services, youth services, the operation of senior centers, employment training and assistance, vocational and educational programs, legal services and recreation programs."

This report focuses on the "Request for Proposal (RFP)" procurement method, also known as a Competitive Sealed Proposal (CSP), which is the procurement method most commonly used for human services. This method of procurement is used when an agency must balance the need for a fair price with the consideration of other factors and allows agencies to evaluate provider proposals on these factors, which can include cost, quality, capacity, and more.

Section 3: Approach

As required by Local Law 169, MOCS conducted a study on human service contract cycle times to help inform the procurement process timeline recommendations. The chart below shows the RFP cycle times for human service contracts for Mayoral agencies in Fiscal Years 2022-2024; more details on the City’s overall cycle time and agency-specific performance can be found in the annual Indicators Report. As shown in the chart below, RFP median cycle times vary across fiscal years based on the volume of contracts, the complexity of procurements, and outside factors, such as the COVID-19 Pandemic, fiscal climate, and asylum seeker crisis.

Graph & Table 1: Human Service RFP Median Cycle Times FY22-FY24



FY	Contract Count	Pre-Solicitation	Solicitation	Evaluation	Award & Contract	Registration	End-to-End
2022	164	97	42	104	96	15	354
2023	197	85	36	183	102	16	621
2024	115	37	39	136	96	19	355

*PASSPort only, human service contracts, DOE excluded

FY2022 and FY2023 cycle times include contracts that began during the COVID-19 pandemic, which contributed to cycle time delays.

In addition to historical cycle time data, MOCS also reviewed the retroactivity rates by human service agency to inform our recommendations. Retroactivity is defined as when the contract registration date is after the contract start date. It is an important indicator of whether providers get paid on-time, as providers cannot begin invoicing on their contracts until their contract is registered. MOCS reports on retroactivity in the annual Indicators Report, and used that data, in addition to agency performance during the annual HHS Timely Registration Initiative, to investigate how long it takes agencies that register the majority of their contracts on time to complete each phase of the cycle. This additional layer of analysis helps balance the need for more efficient cycle times with the reality that even the fastest agencies still require months to register competitive procurements.

The recommendations in the section below take into account the performance of agencies with low retroactivity rates as well as procurement best practices. Agencies should use these time frames to begin planning their procurements in advance to align with the expected cycle time, to ensure that they are able to register their contracts by the contract start date.

Section 4: Procurement Process Steps and Recommended Time Frames

There are five main steps to the RFP procurement process: pre-solicitation, solicitation, evaluation, award, and registration. Within each step, there are multiple tasks that must be completed and often involve multiple responsible stakeholders, which are outlined below.

Please see Table 2 below for a summary of how each procurement step is defined based on the steps in PASSPort.

Table 2: Procurement Steps in PASSPort

Step	Pre-Solicitation	Solicitation	Evaluation	Award & Contract	Registration
Start Date	Draft Creation Date	RFP Publication Begin Date (First Round)	Latest Proposal Due Date	Select Award Date	OAISIS Contract Submission Date
End Date	RFP Publication Begin Date (First Round)	Latest Proposal Due Date	Select Award Date	OAISIS Contract Submission Date	FMS Contract Registration Date

Table 3 below outlines the recommend time frames for each procurement step in days. The end-to-end cycle time represents how long the RFP process should take from the pre-solicitation step to contract registration.

Table 3: Recommend RFP Procurement Step Time Frames (Days)

Pre-Solicitation	Solicitation	Evaluation	Award & Contract	Registration	End-to-End
60 - 180	45 - 60	100 - 120	90 - 120	30	325 - 510

Step 1: Pre-solicitation

Responsible Stakeholders: Contracting Agency, Oversight Agencies

The RFP process begins with the Pre-Solicitation step, which starts when the agency creates a “pre-solicitation review (PSR)” draft in PASSPort and ends once the RFP has been published.

During this period, the agency will draft the solicitation that details the expertise, experience, and programmatic approach that it needs from a vendor who will deliver services. Since this solicitation is the basis for the rest of the contract and determines the quality of responses an agency receives, it is critical that agencies take the time to properly research the problem they are trying to solve and to collaborate with human service providers and experts to ensure that the requested proposal truly addresses the community’s needs.

Additionally, before the solicitation is released, the PSR is reviewed by oversight agencies, including the Office of Management and Budget (OMB) and MOCS. Once the agency has finalized their RFP and received oversight approval, they can release the solicitation to public.

The recommended time frame for this **pre-solicitation step is 60-180 days**. For routine procurements, this step could be as fast as one month, but based on human service sector feedback, we are providing agencies with sufficient time to encourage future planning and engagement with the nonprofit sector as they develop RFPs.

Step 2: Solicitation

Responsible Stakeholders: Contracting Agency, Providers

The solicitation step lasts from when the RFP has been published to when the proposals are due back to the agency. For agencies, the main tasks include releasing the RFP and issuing addenda to the RFPs if questions come in from providers during this step.

For providers, this is the step where they review the RFP, request clarifications, and prepare and submit their proposals. Because this stage represents the time providers have to draft and respond to the agency's RFP, it is important that there is sufficient time allowed during this step for smaller organizations or nonprofits that are not as familiar with the procurement process to submit. As the City begins to leverage the new Challenge Based Procurement method to more effectively test out solutions and scale up successful pilots, it will become increasingly critical that this stage allows for adequate time for prospective providers to thoughtfully propose solutions to complex issues.

The Procurement Policy Board ("PPB"), which promulgates rules for procurement, states that public notice of a standard, non-accelerated RFP solicitation must last at least 20 days. However, to accommodate smaller nonprofits and complex procurements that may come from Challenge Based Procurement, the recommended time frame for the **solicitation step is 45-60 days.**

Step 3: Evaluation

Responsible Stakeholders: Contracting Agency

The evaluation step is when agencies review and evaluate the proposals received during the solicitation step and lasts from the final solicitation deadline until the purchasing agency selects its top proposal. Before agencies can begin evaluating submitted proposals, they must do a responsiveness check, in which they go through every response to make sure each question was answered by the provider and meets minimum requirements. If they find that a provider failed to answer a question or meet minimum requirements, the agency can send it back to the provider to address the issue, which can take weeks of back and forth to fully resolve.

Once the responsiveness check has been completed, the agency can move on to evaluating the proposals. Agencies must assemble an evaluation committee, consisting of at least three approved experts in the area of the contract, to evaluate each RFP. The experts can be internal or external to the agency, and they are often members of programmatic teams who may lack familiarity with the procurement process and the PASSPort system.

As outlined in the PPB rules, the evaluation committee must record its evaluations of each proposal based on the set of criteria outlined in the RFP. If a member of the evaluation committee is unable to continue with the evaluations and the committee drops below three people, the evaluation process must begin again with a new, at least three-person committee. If it is deemed that additional discussion and solicitations are needed, the agency can solicit a "best and final offer" from vendors during the evaluation stage. Once all responses have been judged on both their technical and

financial proposals, the Agency Chief Contracting Officer (“ACCO”) will submit a Recommendation for Award based on the judgment of the evaluation committee.

Due to the responsiveness checks, the need for programmatic expert evaluators, the possibility of multiple rounds of evaluation committees, and the potential volume of responses, the evaluation phase is often the longest phase of the procurement cycle. To account for these challenges, the recommended timeline for the **evaluation step is 100-120 days**.

Step 4: Award and Contract

Responsible Stakeholders: Contracting Agency, Providers, Oversight Agencies

Once the agency has recommended a proposer for award, the agency, vendor, and oversight agencies work together to approve the final contract. In PASSPort, the award and contract stage begins once an agency selects a vendor for a contract and ends when the contract is submitted to the Comptroller through the Omnibus Automated Image Storage and Information System (“OAISIS”).

During this step, the agency and vendor negotiate the terms and conditions of the contract, and the vendor must submit documentation, such as general liability insurance, workers compensation insurance, and tax affirmation documents. During this time, the agency will also be working to hold public hearings, if required, and to complete responsibility determinations, in which they review the vendor’s documentation to confirm that they are responsible vendors that are capable of performing the contracted work. The contract and contract budget will also go to OMB, MOCS, the Law Department, and the Deputy Mayor for final approval. Once the contract is signed by all relevant parties and the budget has been approved by OMB, the agency will compile a registration packet that is submitted to the Comptroller’s Office for registration.

This last step for agencies requires extensive engagement with all key stakeholders, from the providers to oversight agencies, in order to complete the final tasks. The recommended time frame for **the award and contract stage is 90 to 120 days**, to account for these review processes and for variations in staffing levels that can impact the speed at which these reviews can be completed.

Step 5: Registration

Responsible Stakeholders: Comptroller’s Office

The registration stage begins upon a contract’s submission to OAISIS and ends when the contract is registered with the City’s Financial Management System (FMS). During this stage, the Comptroller’s Office reviews the contract and works with the contract agency if there are issues preventing contract registration. Once registered, the

procurement process is complete and human service providers can receive a 25% advance on their contracts and begin invoicing.

By law, the Comptroller's Office has **up to 30 days** to ensure that appropriate funds exist for the City to pay the vendors, confirm that the City agency followed the procurement rules, and to verify that there was no corruption in the decision-making process.

Section 5: Conclusion

The Administration is deeply committed to the human service sector, which provides critical services to New Yorkers each and every day. The goal of the timelines in this report are to help both agencies and human service organizations understand how long to expect each step of the procurement process to take – and to hold agencies accountable for efficiently moving contracts through the registration steps.

As outlined by the local law, this report is just one step towards achieving the goal of faster, more efficient cycle times. By October 1, 2025, the PPB will review the report and promulgate rules setting forth time schedules for completing the steps outlined in this report. By October 1, 2026, MOCS will begin to annually submit a report to the Mayor, Speaker of the Council, and PPB on agency performance towards these goals.

LL169 is just one of the many approaches that MOCS is taking to improve the experience for human service providers doing business with the City. As noted above, MOCS partners with human services agencies on the annual HHS Timely Registration Initiative, in which the City works to ensure that the contracts that were submitted as part of the agencies' required Human Service Plans are registered by the start of the upcoming fiscal year. In addition to this period of intensive performance management, MOCS reports retroactivity rates as part of its annual procurement Indicators. The lessons learned and data insights gained from these initiatives help the City identify areas for improvement and existing best practices.

Additionally, the Administration worked with City Council and the Comptroller's office to reform City Council discretionary contracts, which are inherently retroactive based on when City Council designates the funds. [This recent reform](#) allows organizations to enter one three-year contract per City agency, eliminating the need for registration in outyears, should the organization receive awards within the calculated contract amount. After its first year (FY24), organizations will be able save around nine months by eliminating the need to go through the contracting process in years 2 and 3 (FY25-FY26), allowing them to immediately begin budgeting and invoicing at the start of the fiscal year.

In partnership with the Fund for the City of New York (FCNY), MOCS offers human service providers interest-free loans through the Returnable Grant Fund (RGF) to help

bridge the gap in funding while awaiting contract processing and registration. In January 2024, MOCS implemented RGF reform to expand access to smaller providers and streamline the application.

In addition to these initiatives and reforms, MOCS released multiple updates to PASSPort this year, which further consolidates the procurement process into one system through the migration of contracts from the legacy HHS Accelerator system and by moving subcontractor functionality from FMS/PIP into PASSPort. Additionally, we have delivered on a Joint Nonprofit Task Force recommendation by creating the PASSPort Vault, which provides secure document storage and management, enables seamless sharing with other PASSPort users, and eliminates the need for redundant uploads.

In partnership with the City Council, Comptroller's Office, PPB, and human services community, MOCS looks forward to expanding on these existing efforts as well as exploring new reforms to help create a more streamlined and accessible procurement process that supports the human service providers that support the entire City.