

A photograph of construction workers at night. Two workers in the foreground are on a metal scaffolding, working on a large, curved metal structure. One worker is wearing a yellow safety vest and a hard hat, while the other is wearing a green long-sleeved shirt and a blue hard hat. In the background, another worker in a yellow safety vest is visible. The scene is illuminated by artificial lights, and the overall atmosphere is industrial and busy.

# AGENCY PROCUREMENT INDICATORS

**Fiscal Year 2013**

**City of New York**  
**Mayor's Office of Contract Services**

**Michael R. Bloomberg, Mayor**  
**Caswell Holloway**  
**Deputy Mayor for Operations**  
**Andrea Glick**  
**Director, Office of Contract Services**

**Cover Image:** Installation at Beach 32nd Street of Prefabricated Modular Building, Rockaway Beach, Queens. Photograph by Kevin Quinn of NYC Department of Parks & Recreation.

In the wake of Hurricane Sandy, the city's beaches lay devastated with boardwalks and piers stripped of decking, flooded service and concession buildings, scattered debris, and erosion. Over the course of seven months, eight beaches underwent a \$270 million-plus restoration to ensure that they would be open to millions of New Yorkers and visitors this summer, creating new access, while making the beaches and communities more resilient and better protected.

Working with the Mayor's Office of Contract Services and the Office of Management and Budget, the NYC Department of Parks and Recreation (DPR) and the NYC Department of Design and Construction (DDC) procured prefabricated modular buildings designed by Garrison Architects to serve as comfort stations, lifeguard stations, and DPR maintenance and operations offices. DDC used a public competitive sealed bid process to select Triton Structural Concrete, Inc. from a prequalified list of vendors established for this purpose. The \$105 million contract for fabrication and installation of modular units was one of the 25 largest issued by the City this year. The plans for the units were overseen by McLaren Engineering Group, which was engaged by DPR to provide design services related to the beach openings.

The units shown in this image were delivered by barge to a dock at Beach 108th Street in the Rockaways. A crane lifted them off a barge onto flatbed trucks, which then made a slow, careful trip through the streets of Rockaway to their final destination at Beach 32nd Street. Finally, in the early hours of May 18, construction personnel moved the units onto pilings previously set in place.

On May 24, 2013, Mayor Michael R. Bloomberg and Parks Commissioner Veronica M. White reopened all of New York City's 14 miles of public beaches in time for the summer season. In addition to the modular restrooms and lifeguard stations elevated above the 500-year floodplain, there were restored boardwalk oases replete with shade structures and brightly colored supergraphics, native beach plantings designed by Sage & Coombe Architects and Mathews Nielsen, and a cheerful way-finding signage program created by Pentagram.

DPR, in collaboration with other City, State, and Federal agencies and partners, is continuing to advance work to fully restore and enhance the city's beaches, including boardwalk reconstruction and additional protection and resiliency measures. For more information, call 311 or visit [www.nyc.gov/parks](http://www.nyc.gov/parks).

## INTRODUCTORY MESSAGE FROM THE DIRECTOR

Welcome to the Agency Procurement Indicators Report for Fiscal 2013. It has been quite a busy and exciting year for procurement. Hurricane Sandy kept our procurement professionals busy supporting the many resiliency and recovery efforts that took place both before and after the storm, and we made a number of process, policy and legislative changes that are already improving procurement processing.

Our overall procurement value was higher than last year in Fiscal 2013, attributable to the vast array of goods and services required to address the City's needs as a result of Hurricane Sandy – the most devastating storm ever to hit New York City. City procurement staff was at the ready leading up to and following the storm, and have worked tirelessly to purchase \$807 million worth of goods and services used to help the City address the storm's impact and restore essential services. I am proud of the work we did to accomplish this.

We've also been busy working with the Council, the Procurement Policy Board and City agencies to pass legislative changes, promulgate rules and implement new procurement programs. Some of the highlights of these recent changes include:

- This year, we enacted Local Law 1, a law which will greatly expand opportunities for our M/WBE community. It is expected to more than triple contracting dollars on which goals are set and that are slated to go to M/WBEs.
- We expanded the Payee Information Portal (PIP). The website, [www.nyc.gov/PIP](http://www.nyc.gov/PIP), now allows prospective and current contractors to enroll to do business with the City on-line. The website enables them to identify the specific goods and services they offer so that they can receive notices of upcoming procurements. Vendors can also use the website to manage their contact information and track payments owed to them. PIP also increases transparency through a new automated subcontractor tracking tool.
- We continue to streamline our VENDEX processing by prioritizing submissions associated with an upcoming contract award. We now require vendors to respond to requests for missing information within five business days to ensure that the process is appropriately prioritized.
- Small purchases are now conducted online, shortening processing times.
- The Procurement Policy Board has codified two new rules:
  - The first increases the micropurchasing threshold from \$5,000 to \$20,000. The limit had not been raised since 2003. This change will expedite purchases of low dollar items while offering M/WBE vendors additional opportunities to receive awards.
  - The second rule change gives the City the option to enter into contracts based on best value to the City, thereby optimizing quality, cost and efficiency in our bid contract awards.
- Here at MOCS, we have expanded our customer service focus as well. Our customer service representatives are ready to provide guidance on enrolling as a vendor, becoming certified as an M/WBE vendor, and completing VENDEX forms.



Andrea Glick, Director of the Mayor's Office of Contract Services  
Credit: Marcello Rios/MOCS

Aside from the past year, we must not forget Mayor Michael R. Bloomberg's commitment to reform procurement during his tenure. From the beginning, as outlined in Procurement Reform A Blueprint for Change, the administration has been committed to procurement reform and it has made good on its promise. Our annual procurement indicators report is just one of the administration's innovations and this year we've devoted a section of the book to procurement changes promulgated during the past 12 years. This report shows how far we have come.

I would like to thank all of our procurement professionals, particularly my team at MOCS, for all of their hard work and our accomplishments over the past 12 years.

A handwritten signature in black ink that reads "Andrea Glick". The signature is written in a cursive style with a prominent initial "A" and a long, sweeping underline.

Andrea Glick

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## EXECUTIVE SUMMARY

In Fiscal 2013, New York City procured more than \$16.5 billion worth of supplies, services and construction, through more than 40,500 transactions. Procurement is used as a tool to serve the public and to accomplish critical governmental functions. Agencies procure contracts that reflect the breadth and variety of City services themselves.

New York City remains one of the largest contracting jurisdictions in the nation. In Fiscal 2013 the City made significant investments in economic development, infrastructure, and waste management. The biggest change this year from years past is the importance of emergency response. The devastation wrought by Hurricane Sandy was unprecedented in scale and required a quick, robust response from the City. This response involved not just many contracts and much spending but also a tremendous effort by procurement staff, often displaced from their offices by flooding and power outages, and much creative thinking about how to use procurement to get New Yorkers safe, secure and back in their homes as quickly as possible. The importance of this effort is reflected in a new section on the City's response to Hurricane Sandy.

The City also continued its commitment to providing service to New Yorkers in need through client service programs, and providing City workers with the goods and services necessary to do their jobs. Significant procurements this year included major investments in the Early Intervention and EarlyLearn programs to support the next generation of New Yorkers.

Under the leadership of Mayor Michael R. Bloomberg, the City has committed to continuous improvement in the procurement process. A detailed timeline of procurement reform is provided on page 105. And throughout this year's report, there are highlights of the many procurement reform initiatives undertaken by this administration. One extremely significant initiative is the Minority and Women Owned Business Enterprise (M/WBE) Program. During this year, the City renewed its commitment to the program by updating the authorizing statute, replacing Local Law 129 of 2005 (LL 129) with Local Law 1 of 2013 (LL 1). While the updated program will not take effect until Fiscal 2014, many hours of work went into the process of crafting the new program during Fiscal 2013. This report presents information on the successes of LL 129 and provides a preview of how the program will continue to expand and grow under LL 1.

This report tells the story of what New York City agencies bought during Fiscal 2013 and how those purchases were made.<sup>1</sup> Indeed, how we buy is just as important as what we buy. The procurement system is designed to achieve three main goals:

- achieve the best value for the taxpayers' dollar, with high quality goods and services and timely delivery at fair and reasonable prices;

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<sup>1</sup> Fiscal 2013 runs from July 1, 2012 through June 30, 2013. Except where specifically noted, this report presents information on procurements by only the Mayoral operating agencies that are governed by Chapter 13 of the New York City Charter and the rules and regulations of the Procurement Policy Board (PPB). Agencies covered by this report are listed following the Glossary.

- seek responsible business partners, i.e., vendors whose records of integrity, financial capacity and successful performance justify the use of tax dollars;
- ensure that our contracting process delivers fair treatment to all vendors.

To measure our success in achieving these goals, the Mayor’s Office of Contract Services (MOCS) tracks key indicators of the performance of the City’s procurement system. In addition to the basic goals of contracting, the City's need for goods and services is an economic opportunity for thousands of businesses. Moreover, because robust competition lowers prices and increases quality, it is in the City's interest to expand opportunity to as many companies as possible. Procurement of goods and services also has environmental impacts. As a significant procuring entity, the City has an opportunity to help set standards and lead the way to a more sustainable or “green” future. In addition, the City is also a leader in the use of technology to further the goals of an efficient and transparent procurement system.

Throughout this report, the symbols below identify particular procurements or initiatives that illustrate the commitment to these goals. We hope that these visuals provide an easy reference to a thorough reader or a quick browser seeking the areas where New York City procurement operated at its best.

**Expanding Opportunity** helps make New York City one of the most attractive among the world to new businesses and residents. When the City can be a better partner to the thousands of firms and nonprofit organizations with which we do business, we create jobs for New Yorkers and expand the economy. When more businesses want to become vendors to the City, all New Yorkers receive the benefits of increased service at a lower cost. Initiatives that helped expand opportunities in Fiscal 2013 include nonprofit capacity building and the M/WBE program.

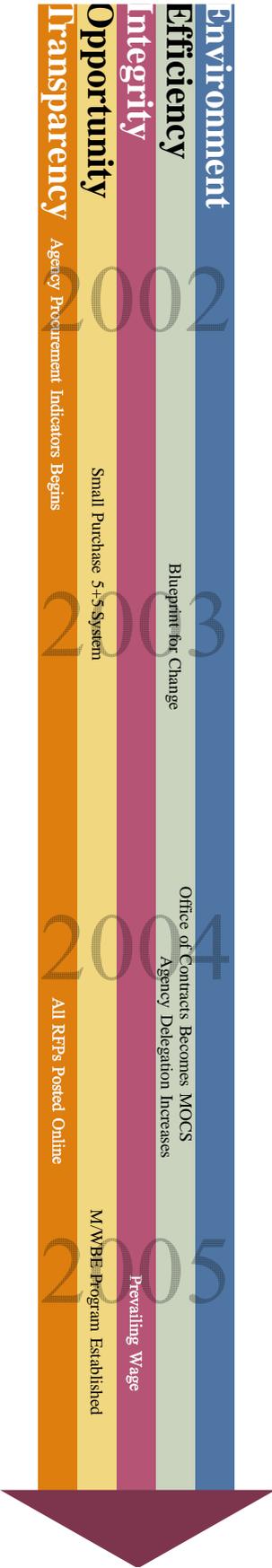


**Going Green.** The importance of the environment cannot be overstated. Clean air, water, and soil are critical to both the physical and economic health of the City. Because the decisions we make now will affect the future of the City for generations to come, it is necessary to make sure that all procurement decisions are made with the environment in mind. Particular initiatives that furthered this goal in Fiscal 2013 include purchasing food from local sources and encouraging construction vendors to use environmentally preferable materials.



**Leveraging Technology** is critical to the continued success and improvement of the procurement process. By making use of the latest technologies, the City can continue to enhance the efficiency of procurement while not sacrificing quality. Particular technology initiatives in Fiscal 2013 include the ability of vendors to enroll to do business with the City online and for prime contractors to submit subcontracts for approval electronically.





## I. TAKING INVENTORY: WHAT WE BUY

Overall, procurements increased in Fiscal 2013 by about 50%, as several large human service programs were awarded this year. Highlights from the Fiscal 2013 procurement cycle include:

Eight agencies account for approximately 80% of the City’s total procurement dollar value; and the largest 25 contracts of the year account for 32% of the total dollars awarded. The Administration for Children's Services (ACS) tops the list of awarding agencies, owing to the award of contracts for the EarlyLearn program, two of which are among the Top 25 procurements in Fiscal 2013.

City agencies processed approximately \$10.6 billion in payments on their procurement contracts during Fiscal 2013 – including those initially registered this year and those registered in prior years that are still active this year. While registered award values include multi-year (projected) spending, payments reflect actual dollars spent during the fiscal year.

Human service procurements made up the largest portion of the City’s procurement volume, at 33% of registered awards. City procurement also included goods and commodities (6%), construction (17%), architecture and engineering services (4%), other professional services (10%) and standardized services (30%).

The City procured more through larger contracts compared with prior years. About 83% of all purchasing dollars flowed in contracts that exceeded \$3 million. These larger contracts represented just over 1.6% of the total number of procurements made. By contrast, purchases for \$100,000 or less accounted for only 2% of the total dollar value purchased, but almost 87% of the number of procurements processed.

During Fiscal 2013, City agencies awarded construction contracts valued at more than \$142 million that included at least one of fourteen possible Environmentally Preferable Purchasing specifications. City agencies also registered over \$189 million worth of contracts that were subject to the more comprehensive Green Buildings Law, Local Law 86 of 2005.



The City awarded 192 new concessions and collected nearly \$46 million from 611 operating concessions. The Department of Parks and Recreation (DPR) led in amount raised, with food operations and golf courses as its top revenue-producing concession types. The City approved 10 franchise transactions and collected \$197 million from 60 existing franchises, primarily from franchises held by the Department of Information Technology and Telecommunications (DoITT) for cable television and by the Department of Transportation (DOT) for street furniture. DOT and the Department of Consumer Affairs (DCA) registered agreements valued at \$12.4 million for sidewalk cafés and similar uses.

## II. THE PROCUREMENT PROCESS: BALANCING THOROUGHNESS AND EFFICIENCY

Approximately 36% of City purchasing resulted from competitive procurements, while less than 5% used selection methods controlled by governmental agencies, 28% relied upon methods with limited competition and 30% reflected renewals and continuations of existing contracts, or modifications to enhance those contracts.

To ensure that City agencies have a well-trained procurement staff, MOCS hosts courses on best practices and compliance through its Procurement Training Institute. In Fiscal 2013, 1,171 people attended one or more of the 38 classes offered.

In Fiscal 2013, agencies issued 123 non-responsiveness determinations and 16 non-responsibility determinations.

Competitiveness increased, with 98% of contracts showing high levels of competition (three or more competitors), compared to 95% last year.

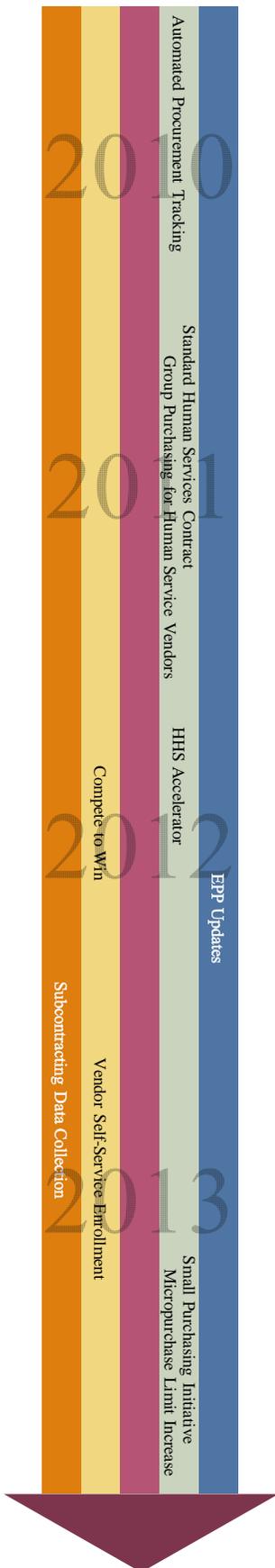
The average time between public solicitation and finalization of award for competitive bids decreased to 162 days, compared to 176 days in Fiscal 2012.

The City used an innovative procurement to pioneer the use of Social Impact Bonds to reduce recidivism in young adults.

## III. HUMAN SERVICES

Human services contracts— i.e., contracts that agencies enter into with vendors (typically nonprofits) to provide services directly to clients and communities throughout the City – amounted to 33% of the total contract-dollars awarded in Fiscal 2013. Agencies hold new competitions for these client services contracts in cycles that generally run from three to six years.

Long-term retroactivity in human service contracting decreased slightly to 11% of continuation contracts. MOCS and the City’s human services agencies ameliorated cash flow problems caused by late contracting and similar challenges.



Through the City’s cash flow loan program – administered by the Fund for the City of New York – MOCS issued 246 loans to 143 vendors in Fiscal 2013, totaling \$38.8 million.

MOCS staff worked with the City Council to vet recipients of discretionary awards worth over \$218 million.

The City’s Nonprofit Capacity Building and Oversight unit held training sessions on best practices in nonprofit management attended by over 553 nonprofit leaders and staff from City agencies.

The HHS Accelerator system went live to simplify and streamline the process of doing business with the City for nonprofit organizations.

#### IV. CONSTRUCTION

To meet the design, construction, and renovation needs of the City’s infrastructure and built environment, the City’s eight primary agencies for construction (DDC, DEP, DPR, DOT, DCAS, DOC, DSNY, and HPD) entered into contracts that made up approximately 17% of all Fiscal 2013 procurements.

During Fiscal 2013 alone, agencies awarded 70 contracts, valued at \$757 million, under cost-saving Project Labor Agreements (PLAs). To date, 213 contracts valued at over \$3 billion have been registered under a PLA. Through these PLAs, the City aims to save more than \$300 million, while preserving approximately 1,500 construction jobs.

For 49 contracts, worth nearly \$507 million, agencies mandated participation in apprenticeship programs to afford opportunities for New Yorkers to obtain well-paying construction jobs. All PLA contracts also provide for apprenticeship opportunities. In total, about 83% of the City’s newly-awarded construction procurements provide for apprenticeships.

Agencies continue to improve their management of design and construction contracts with respect to change orders. For both design and construction change orders, processing times decreased since last year, from 81 to 71 days for design and from 105 to 98 days for construction.

948 contracts, valued at \$2.1 billion, were subject to prevailing wage requirements, and 256 contracts, valued at \$1.9 billion, were subject to the Living Wage Law.

## V. SUPPORTING CITY AGENCIES THROUGH GOODS AND SERVICES

To keep government running, City agencies need to procure everything from office furniture to ambulances, from cleaning services to information technology.

Agencies used 972 requirement contracts and placed just over \$1 billion worth of orders for supplies and services. The most heavily used requirement contracts (by dollar value) were those for vehicles and for fuel. The most frequently used requirement contract was for photocopiers from Canon. A total of 122 new requirement contracts were registered.

In Fiscal Year 2013, seven agencies registered 60 new master agreements. More than half (31) of the newly registered master agreements were Department of Design and Construction (DDC) contracts for architecture/engineering services and construction management services.

DCAS consolidated all City auto part rooms with a \$225 million dollar contract with Genuine Parts Company. This contract will result in a savings of 23% in reduction after-market parts cost to the City.

In Fiscal Year 2013, Citywide Administrative Services' Office of Citywide Purchasing (OCP) registered 19 shared services contracts projected to save the City \$50 million over the next few fiscal years.

## VI. EXPANDING OPPORTUNITY FOR MINORITY- AND WOMEN-OWNED BUSINESS

The M/WBE program has resulted in the awarding of more than \$3.4 billion in procurements for certified M/WBE firms to date.

In Fiscal Year 2013, 877 M/WBE firms were awarded at least one contract or subcontract.

M/WBE certifications rose by 200% since Fiscal Year 2007, to 3,700 certified firms at the end of Fiscal 2013.

During Fiscal Year 2013, agencies awarded 242 prime contracts subject to M/WBE subcontracting goals, valued at about \$1.5 billion, representing an increase from last fiscal year's \$1.2 billion.

During Fiscal 2013, agencies this year approved almost \$41 million worth of subcontracts for certified M/WBE firms to perform construction, A/E or professional services work. M/WBEs received 22% of all subcontracts.

Mayor Michael R. Bloomberg signed Local Law 1 of 2013, strengthening and expanding the M/WBE program. The biggest change is the elimination of the \$1 million cap on contracts subject to the M/WBE program.

The Compete to Win program helped M/WBEs win more contracts with the City with its suite of services, including: NYC Teaming, NYC Construction Mentorship Bond Readiness, Upfront Capital Loan, Technical Assistance, and Corporate Alliance Program.

## VII. HURRICANE SANDY RESPONSE

On October 29, 2012, Hurricane Sandy made landfall in New York City. Its damage was unprecedented in scope and affected the City profoundly. A new chapter in this year's report highlights the critical role procurement played in the City's response.

In the days after the storm, procurement staff worked around the clock to make sure that displaced New Yorkers had the food, clothing and shelter that they needed.

City agencies including the Department of Environmental Protection, the Law Department and MOCS worked collaboratively to develop unique and creative solutions to the crisis. The Rapid Repairs program used a flexible contracting structure and expedited processing to fix 11,800 homes for 54,000 residents in just a few months.

Hurricane Sandy spending totaled over \$807 million, with 85% going to construction.

DHS's emergency declaration authorized \$13.6 million for emergency shelter services for up to 2,319 individuals. DHS opened and operated 12 emergency evacuation sites.

Sandy destroyed many of New York City's beaches. Agencies cleaned up debris, restored sand, repaired piers and facilities, and installed new comfort stations at beaches in three boroughs.

In the pages that follow and in the appendices available online, we expand on each of the topics outlined above. Additional information can be found at the following web sites:

For more information on MOCS and the topics covered in this report, [nyc.gov/mocs](http://nyc.gov/mocs)

For a copy of the City's PPB Rules, [nyc.gov/ppb](http://nyc.gov/ppb)

For information for vendors and potential vendors, [nyc.gov/selltonyc](http://nyc.gov/selltonyc)

For information on assistance available to nonprofits, [nyc.gov/nonprofits](http://nyc.gov/nonprofits)



Municipal Building

Credit: Marcello Rios/MOCS

## I. TAKING INVENTORY: WHAT WE BUY

New York City procures more goods and services than any other municipality in the country, and is one of the largest procurement jurisdictions at any level of government. In Fiscal 2013, the City procured \$16.5 billion of goods and services. This represents an increase of more than 50% relative to Fiscal 2012, reflecting the cyclical nature of multi-year procurements.

Eight agencies account for approximately 80% of the City's total procurement dollar value and approximately 30% of the total number of contract actions in Fiscal 2013. The Administration for Children's Services (ACS) had the highest overall procurement value, led by procurements to provide early education services to young children. The Department of Citywide Administrative Services (DCAS) posted the second-highest procurement value, with significant investments to improve the management of the City's fleet of vehicles and contracts to buy oil, gas and other power generators. The Department of Health and Mental Hygiene (DOHMH) had the third-highest procurement volume, including comprehensive medical and mental health service for inmates in the City's correctional systems.

## 25 LARGEST CONTRACTS

The City's 25 largest contracts collectively represent just under 32% of the overall dollar volume of citywide procurements in Fiscal 2013. The table below ranks the top 25 contracts by dollar value. These large City contracts reflect impressive progress by several agencies towards the Administration's goals for strengthening economic growth and development, meeting human services needs, and improving infrastructure.

**Table I-1: Top 25 Contracts of Fiscal 2013**

#	Agency	Vendor Name	Purpose	Contract Value
1	DOHMH	Covansys Corp.	Fiscal Agent for Early Intervention Program	\$1,011,274,803
2	DSNY	Port Authority of New York and New Jersey	Waste management disposal for various Port Authority facilities	\$754,900,000
3	SBS	New York Economic Development Corporation	Citywide economic development	\$691,163,000
4	DOHMH	Correctional Medical Associates of New York PC	Comprehensive medical and mental health services	\$270,656,452
5	DCAS	Genuine Parts Company	Automotive parts and inventory services	\$225,000,000
6	SBS	New York Economic Development Corporation	Citywide Maritime Economic Development	\$204,975,000
7	DCAS	Castle Oil Corporation	Heating oil, bioblend and bioheat	\$193,647,188
8	DDC	Skanska-Trevcon JV	East 91 <sup>st</sup> St. marine transfer station	\$181,640,000
9	DOT	US Army Corps of Engineers	Hazard mitigation for East River bridges	\$165,518,220
10	DOHMH	Corizon Health Inc.	Comprehensive medical and mental health services	\$126,649,964
11	DCAS	Con Edison	Natural gas	\$122,698,080
12	DCAS	Con Edison	Natural steam	\$119,247,944
13	DDC	Triton Structural Concrete Inc.	Prefabricated modular building units for beachfront recovery	\$105,003,443
14	DOT	CCA Civil Inc.	Construction of Belt Parkway bridges	\$104,227,630
15	DEP	Schiavone Construction Inc.	Bypass tunnel aqueduct shift	\$101,666,665
16	DCAS	National Industries for the Blind	Durable goods	\$99,786,618
17	HRA	Federation Employment Guidance Services	Wellness, comprehensive assessment, and rehabilitation services (WECARE)	\$99,093,089
18	DCAS	The Brooklyn Union Gas Company	Natural gas	\$95,555,902
19	DHS	DOE Fund Inc.	Shelter services for homeless adults	\$91,265,300
20	HRA	FEDCAP Rehabilitation Services Inc.	Wellness, comprehensive assessment, and rehabilitation services (WECARE)	\$84,417,701
21	DCAS	Con Edison	Steam	\$84,314,643
22	DCAS	Con Edison	Natural gas	\$78,875,966
23	ACS	Catholic Charities Neighborhood Services	EarlyLearn services	\$78,773,587
24	ACS	Lutheran Social Services of Metropolitan NY	EarlyLearn services	\$72,685,439
25	DCAS	The Brooklyn Union Gas Company	Natural gas	\$71,716,434
<b>Total Value</b>				<b>\$5,234,753,069</b>

*Human Services* procurements were a priority in Fiscal 2013. The Department of Health and Mental Hygiene (DOHMH) invested \$1 billion in Early Intervention, a program for infants and toddlers with disabilities providing speech therapy, nursing and physical therapy to children under three years old.

Also among the 25 largest contracts, the Department of Homeless Services (DHS) spent \$91 million in shelter services for homeless adults. Together, these efforts reflect the Administration's goal to provide a safe and secure living standard for all New Yorkers.

*Economic growth and development* are best cultivated in an environment with *secure infrastructure*. After Hurricane Sandy, the City took action to bolster its infrastructure. The Department of Transportation (DOT) invested \$165 million in hazard mitigation for East River bridges to ensure safe commutes each day for New Yorkers. At the same time, the Department of Design and Construction (DDC) procured prefabricated modular building units for City beaches (see cover image) to replace structures that were destroyed during Hurricane Sandy.

Taxpayer procurement dollars continue to go towards projects that spur growth and stability in all five boroughs.

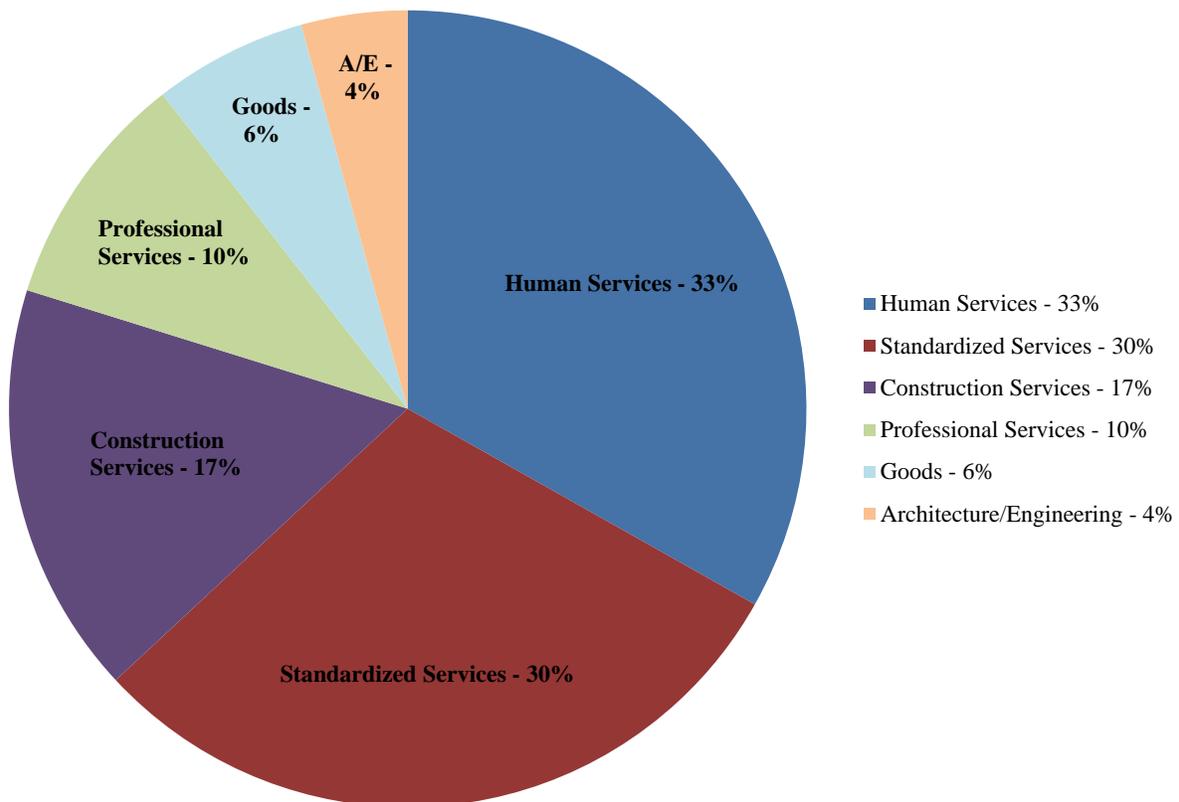


Belt Parkway Bridge  
Credit: Creative Commons

## PROCUREMENT BY INDUSTRY

The Mayor’s Office of Contract Services (MOCS) tracks procurements in six major industry categories: **architecture/engineering**, **goods**, **construction services**, **human services**, **professional services** and **standardized services** (see Glossary for definitions). Chart I-1 below reflects Fiscal 2013 procurement value by industry category. As this chart illustrates, contracts for human services comprised the largest portion of Fiscal 2013 procurement (33%). See Appendix A for agency-by-agency breakdowns of procurement by industry.

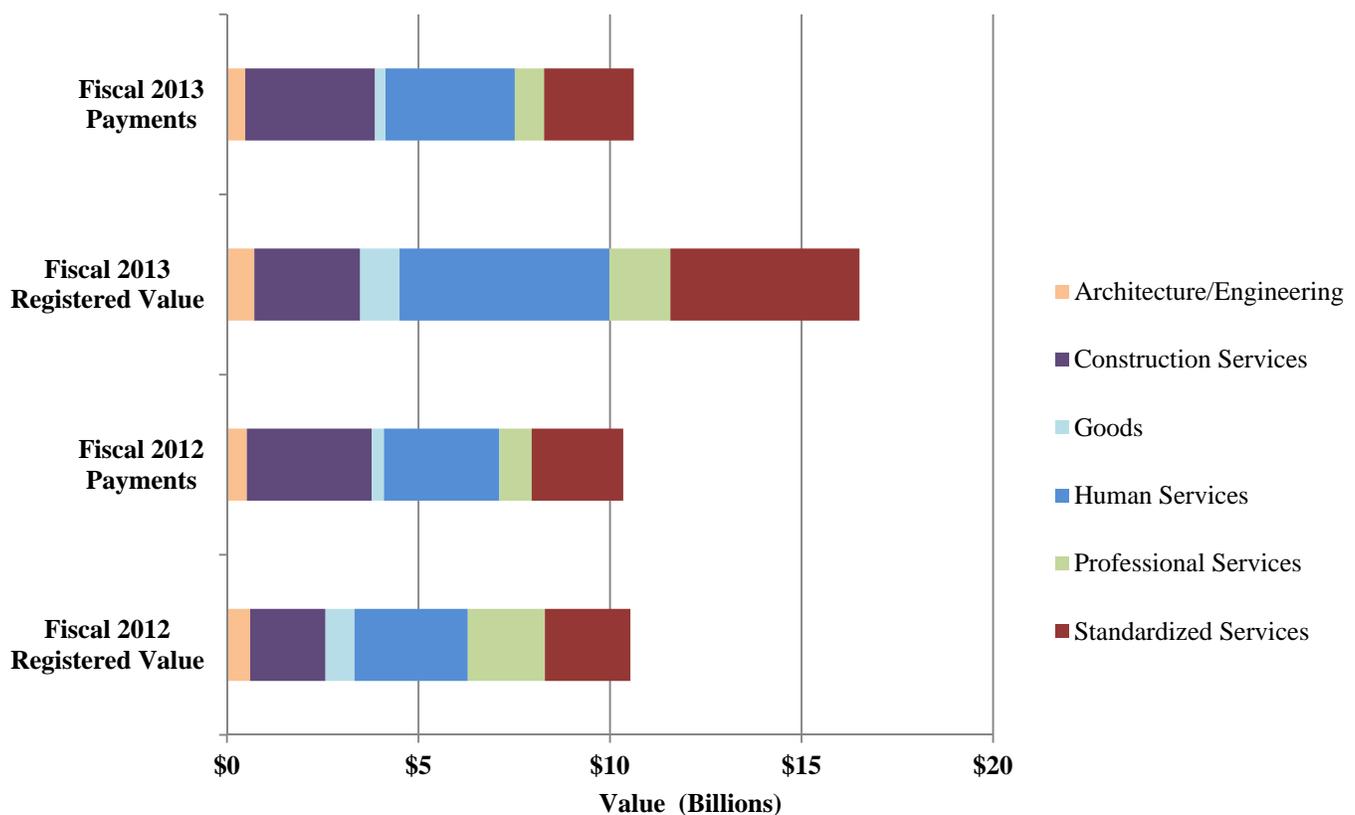
**Chart I-1: Dollar Value of Citywide Procurement By Industry**  
**Total Dollar Value = 16.5 Billion**



This report tracks procurements by fiscal year in which they are registered and counts the full value of the contract in that year, even those contracts that have terms spanning multiple years. Because the proportion of multi-year contracts is generally constant from year to year, this measure provides useful comparative information about procurement volumes. However, the registration of large, multi-year procurements, for a single contract or for a group of contracts within a project or program, can significantly increase the reported annual total. For example, in Fiscal 2013, the largest contract is over \$1 billion and 149 contracts were registered for the EarlyLearn program. See page 43.

The value of contracts paid out each year varies much less than the value of new registrations. Chart I-2 below provides information on the total payments made by City agencies on their contracts – both those contracts initially registered in this year and those registered in prior years but still active in Fiscal 2013. While this year’s procurement total is 50% higher than last year, payments to vendors remained roughly the same, increasing by less than 3%. In addition, while the proportion of contracts registered in the human and standardized service industries increased significantly in Fiscal 2013, the proportion paid out in each industry remained relatively constant.

**Chart I-2: Contract Registrations vs. Contract Payments**



## SIZE OF CONTRACTS

Table I-2 below presents overall procurement volume at various dollar values. See Appendix B for year-to-year totals for individual agencies. In Fiscal 2013, contracts for \$3 million or more totaled 83% of the overall dollar volume of citywide procurements. These larger contracts represented just over 1% of the total number of procurements made.

By contrast, purchases for \$100,000 or less

accounted for only 2% of the total dollar volume purchased but 87% of the number of procurements processed.

As Table I-2 indicates, agency procurement actions also include modifications of existing contracts, such as negative modifications that occur when an agency requires less of a good or service than it initially anticipated.

**Table I-2: Dollar Value of Contracts by Contract Size**

Group	Fiscal 2013		Fiscal 2012		Fiscal 2011		Fiscal 2010	
	Value	%	Value	%	Value	%	Value	%
<\$0	-\$469,831,324	-3%	-\$325,804,384	-3%	-\$494,618,396	-3%	-\$356,175,022	-2%
\$1-\$100K	\$371,033,270	2%	\$383,798,947	4%	\$369,473,060	2%	\$366,369,083	2%
\$100K-\$1M	\$1,168,837,917	7%	\$1,172,425,924	11%	\$1,150,658,936	8%	\$1,264,255,921	7%
\$1M-3M	\$1,759,012,914	11%	\$1,250,493,374	12%	\$1,768,765,335	12%	\$1,537,879,250	9%
\$3M-25M	\$4,726,596,208	29%	\$3,964,757,116	38%	\$5,368,642,883	36%	\$4,749,256,580	28%
>\$25M	\$8,955,989,467	54%	\$4,086,387,495	39%	\$6,803,756,808	45%	\$9,420,432,514	55%
<b>Total</b>	<b>\$16,511,638,451</b>	<b>100%</b>	<b>\$10,532,058,472</b>	<b>100%</b>	<b>\$14,966,678,626</b>	<b>100%</b>	<b>\$16,982,018,326</b>	<b>100%</b>

## ECONOMIC DEVELOPMENT CORPORATION (EDC)

The Economic Development Corporation (EDC), a nonprofit corporation operating under contract with the City, is the primary vehicle through which economic development services are provided by the City.<sup>2</sup> In Fiscal 2013, EDC's procurements totaled nearly \$230 million. EDC's procurement methods are similar to those of City agencies. These methods include public bidding and request for proposal (RFP) awards (57% collectively), sole sources (25%), and small and micropurchases (6%). EDC's other procurements (12%) were done by means of "funding agreements" and interagency agreements, transactions similar to negotiated acquisitions or required source procurements. EDC's selection of the business partner for each procurement is

generally dictated by the commitments the City has made to support particular economic initiatives, specific institutions or redevelopment projects.

Most of EDC's Fiscal 2013 procurements supported professional services, including planning and economic studies, economic development-related services, and architecture and engineering (73%). Another 25% went to support construction and development projects. About 2% of EDC's procurements entailed the purchase of goods or services such as equipment, printing and mailing.

<sup>2</sup> EDC supports these efforts by conducting planning and feasibility studies, performing financial analyses, guiding projects through necessary public approvals and packaging various City programs and financing incentives.

## REVENUE GENERATING AGREEMENTS

City agencies also provide services and amenities through awards that allow private entities the right to use City-owned property in exchange for payment, provision of a public service, or both. These transactions are classified as either franchises, concessions or revocable consents.

The City awards franchises and concessions in a manner similar to the procurement process, mainly using RFPs or CSBs. Many require public hearings; others require approval by the Franchise and Concession Review Committee (FCRC). Revocable consents follow a permitting process; the sponsoring agency conducts public hearings and MOCS oversees compliance with applicable laws and regulations.

### Franchises

A franchise confers the right to occupy or use City property, such as streets or parks, to provide a *public* service, such as telecommunications or transportation. The FCRC approved 10 franchise transactions in Fiscal 2013, including two information services franchises. The City's 60 existing franchises yielded over \$197 million in revenue, including over \$128 million from cable television and \$35 million from street furniture (i.e., bus shelters, newsstands and automatic toilets).



Bryant Park Concession  
Credit: DPR

In addition to the revenue from street furniture, Cemusa, the City's Coordinated Street Furniture franchisee, also offers in-kind services, such as offering ad space to the City on street furniture elements in other parts of the world to promote NYC tourism.

This fiscal year, the Department of Information Technology & Telecommunications (DoITT) completed approvals of two new information services franchisees; both companies are new entrants to the information services market. Information services franchisees such as the ones approved this year will install fiber-optic infrastructure within City rights-of-way for the provision of many types of data transmission, thus improving the City's infrastructure and providing a more competitive broadband environment to support the New York City business community.

For a breakdown of franchise revenue, see Appendix F.

### Concessions

A concession allows a private entity to use City-owned property for *private* use that serves a public purpose. Examples include pushcarts in City parks, recreational facilities such as golf courses and parking lots. In Fiscal 2013, five agencies awarded 192 new concession awards, for which revenue projections were estimated at \$93 million over the course of multi-year terms. Agencies awarded 90% of these concessions through CSBs or RFPs, and the rest by sole source or other methods.

During Fiscal 2013, the City collected more than \$46 million from 611 operating concessions. The Department of Parks and Recreation (DPR) took in more than \$41 million, with 54% coming from sports, recreation and events including 20% from golf courses. Another 32% of DPR's revenue came from food-related concessions including 14%

from restaurants and 11% from pushcarts. DCAS collected nearly \$1.6 million from occupancy permits. EDC collected more than \$2 million from occupancy permits and the City's downtown Manhattan heliport. NYC & Company collected over \$1.1 million in fees for merchandise bearing City-owned trademarks and logos.

Of the new concessions in Fiscal 2013, DPR made over 95% of the awards, representing over 99% of the value, for uses including restaurants and snack bars; sports and recreation facilities and amusement parks; parking lots; and other types of concessions.<sup>3</sup> This fiscal year, DPR awarded a concession to CAI Foods, LLC for the operation and maintenance of the Coney Island Carousel in Steeplechase Park, Brooklyn. During each year of the 10-year term, the City will receive the higher of guaranteed minimum annual fees between \$90,000 (for the first year of operation) and \$117,000 (for the 10<sup>th</sup> year of operation), or 15% of gross receipts derived from the operation of the Licensed Premises.

Various other City agencies also awarded significant concessions this fiscal year. Notably, DOT negotiated a License Agreement with the 34<sup>th</sup> Street Partnership Plaza for the operation, management and maintenance of the Herald Square pedestrian plaza located at Broadway and 6<sup>th</sup> Avenue between West 33<sup>rd</sup> and West 36<sup>th</sup> Streets, in Manhattan. This includes DOT-approved events, sponsorships and subconcessions, including the sale of any of the following: prepared food, flowers, locally grown produce or locally

manufactured products, and merchandise (such as souvenirs or t-shirts) that brand or promote the neighborhood or Herald Square Plaza.



Coney Island Carousel  
Credit: Daniel Avila/DPR

### Revocable Consents

Revocable consents follow a permitting process; the proposed structures tend to be built adjacent to the applicant's property, and for the sole use and benefit of the applicant, such as sidewalk restaurant tables, or a bridge over a street connecting two pieces of private property. The sponsoring agency conducts public hearings, and MOCS oversees compliance with applicable laws and regulations. DOT registered 59 revocable consents, with a total projected value of nearly \$4.9 million, for bridges, conduits and other street and sidewalk obstructions. DCA registered 550 revocable consents for new or renewing sidewalk cafés, with a total projected value of approximately \$7.5 million.

<sup>3</sup> In addition to DPR, four other agencies awarded concessions during Fiscal 2013: EDC, on behalf of SBS, DOT, DCAS, NYC & Co., on behalf of SBS. In addition to the 192 concession awards noted above, DPR also issued 178 short-term (less than 30 days) permits, requiring neither approval nor hearings, yielding \$716,456 in revenue. The FCRC approved seven other requests to negotiate sole source concessions, three by DPR and four by DOT, that had not reached the award stage as of the end of Fiscal 2013.

## Accounting for Revenue Contracts

Ongoing oversight and enforcement of gross receipts reported by concessionaires is a critical part of making sure the City gets the revenue to which it is entitled. David Cerron, the Chief Accountant of the Revenue Division of the Department of Parks & Recreation (DPR), manages the day-to-day operations of the accounting unit. The unit billed and collected \$49 million in concession fees and rent in Fiscal 2013. He also works on reviewing and reporting on concessions for Comptroller audits.

### **What does the accounting division do with respect to concessions in City parks?**

We work closely with our concessionaires to ensure that they understand the requirements of their agreement, and are prepared for future audits by DPR or the New York City Comptroller. When a Comptroller audit occurs, I act as a liaison between the Department of Parks and Recreation and concessionaires.

### **What steps are taken when a concessionaire is not making payments in accordance with their license agreement?**

Often, our division works with concessionaires to arrange payment deferral plans for those experiencing economic hardship. For instance, the aftermath of Hurricane Sandy left many concessionaires in financial ruin. Needless to say, those concessionaires fell behind on their contracted payments to DPR. Deferral payment plans help these concessionaires to get back on their feet and ensure payments are made in accordance with their agreements. We do our best to work with concessionaires when they need help.



**David Cerron, Chief Accountant  
Revenue Division, DPR  
Credit: Marcello Rios/MOCS**

## PLANYC

On April 22, 2007, Earth Day, Mayor Michael R. Bloomberg announced PlaNYC, a broad initiative to enhance New York City's livability and sustainability through 2030 and beyond. Updated in 2011, PlaNYC established ambitious goals in the areas of land, water, transportation, energy, air and climate change, outlining 132 individual initiatives. In Fiscal 2013, the City registered 15 PlaNYC contracts for a total of \$22 million. Highlighted below are examples of Fiscal 2013 PlaNYC contracts.



### *Solar Electricity on Public Buildings*

In Fiscal 2013 DCAS awarded Tangent Energy Solutions, Inc. a competitive sealed bid (CSB) contract for \$17 million for the installation, operation and maintenance of solar arrays. When fully deployed, the arrays will total more than 1.85 megawatts of installed capacity on the roofs of four City buildings in Staten Island and the Bronx. The solar installations are expected to produce more than 2 million kilowatt hours of electricity annually – enough to power 245 residential homes – and decrease greenhouse gas emissions by 1,636 metric tons a year. These savings will help the City towards its PlaNYC goal of reducing City government greenhouse gas emissions by 30% by 2017.

While the City will benefit from cleaner energy, under this contract the City will not be responsible for purchasing, owning, installing or maintaining the photovoltaic system. As a result, the City is set to save more than \$8 million compared to the cost of installing the solar systems through its capital construction program. The project will also help bring more than 40 new green jobs to the City and pave the way for similar projects – both public and private.

### *Street Tree Planting*

DPR, as part of MillionTreesNYC, intends to plant one million trees to improve neighborhoods underserved by parks.

Projects include an ongoing study of street tree planting survival over the long-term, and a pilot project to prune recently planted street trees to improve tree growth structure and vigor.

To learn more about these and other PlaNYC efforts, log on to [www.nyc.gov/PlaNYC](http://www.nyc.gov/PlaNYC).



Street tree planting for MillionTreesNYC  
Credit: Daniel Avila/DPR

## BUYING SUSTAINABLY

Procurement supports in multiple ways the Administration's efforts to promote a sustainable New York. Not only do specific procurements advance the goals of the City's innovative PlaNYC (see above), but various local laws ensure that sustainability is considered for all relevant procurements.



### Environmentally Preferable Purchasing (EPP)

Pursuant to Local Law 118 of 2005, City agencies are required to meet environmental standards, such as minimum recycled content, when purchasing particular categories of goods. Table I-3 details the value of the EPP goods purchased by the City in Fiscal 2013. A detailed listing of goods contracts covered by the EPP standards is included in Appendix E. (See Chapter V, Supporting City Agencies through Goods and Services, for more information on City goods purchasing.)

City agencies also procure EPP goods indirectly, by requiring City construction contractors to use goods that meet EPP standards. During Fiscal 2013, City agencies awarded construction contracts valued

<b>Table I-3: Fiscal 2013 EPP Goods</b>	
<b>Products</b>	<b>Value</b>
Carpeting	\$3,290,750
Paper products	\$4,191,633
Architectural Coatings	\$1,339,815
Miscellaneous Products – Non-Construction	\$1,261,650
<b>Total</b>	<b>\$10,083,848</b>

at more than \$142 million that included at least one of fourteen possible EPP specifications. This total includes more than \$47 million in contracts with specifications for Energy Star products, over \$71 million in contracts with specifications for EPP-compliant lighting equipment, and nearly \$41 million in contracts with specifications minimizing the hazardous content of architectural coatings.<sup>4</sup> A detailed list of these contracts is included in Appendix E.

Although they are not subject to EPP reporting requirements, most of the City's largest capital projects are covered by the more comprehensive Green Buildings Law, Local Law 86 of 2005 (LL 86), with specific requirements for green construction, energy cost reduction and water conservation.<sup>5</sup> In Fiscal 2013, City agencies registered over \$189 million worth of contracts that were subject to LL 86.

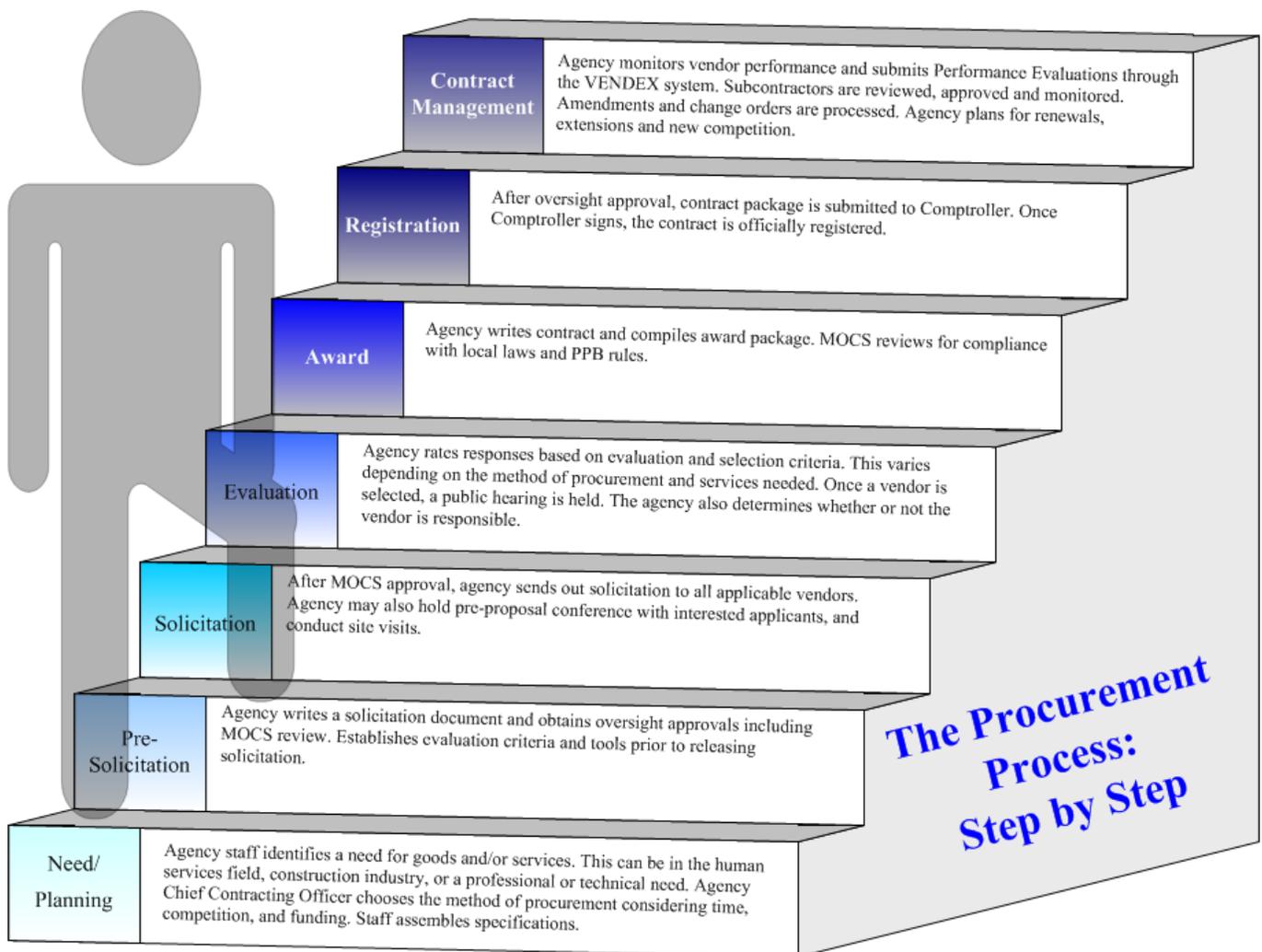
<sup>4</sup> Some contracts use specifications for more than one category.

<sup>5</sup> Projects that cost \$2 million or more and entail new buildings, additions to existing buildings and/or substantial reconstruction, must achieve LEED® Silver certification from the United States Green Building Council (USGBC). Projects costing \$12 million or more must also meet energy cost reduction targets. Projects to install or replace boilers and HVAC comfort controls costing \$2 million or more, and projects to install or replace lighting systems costing \$1 million or more, must meet energy cost reduction targets. Plumbing system projects costing \$500,000 or more must meet water use reduction targets.

## II. THE PROCUREMENT PROCESS: BALANCING THOROUGHNESS AND EFFICIENCY

A well-functioning procurement system is critical to meeting the daily needs of the City. There are a number of key agencies involved with contract processing and awarding, including the Office of Management and Budget (OMB), the Law Department, the Department of Small Business Services (SBS) Division of Labor Services (DLS), MOCS, and the contracting agency involved in the rigorous process of selecting, evaluating, and ultimately awarding a contract to the best vendor for the job. Three overarching goals guide our efforts:

- achieve the best value for the taxpayers' dollar, with high quality goods and services and timely delivery at fair and reasonable prices;
- seek responsible business partners, i.e., vendors whose records of integrity, financial capacity and successful performance justify the use of tax dollars;
- ensure that our contracting process delivers fair treatment to all vendors.



## PROCUREMENTS BY METHOD

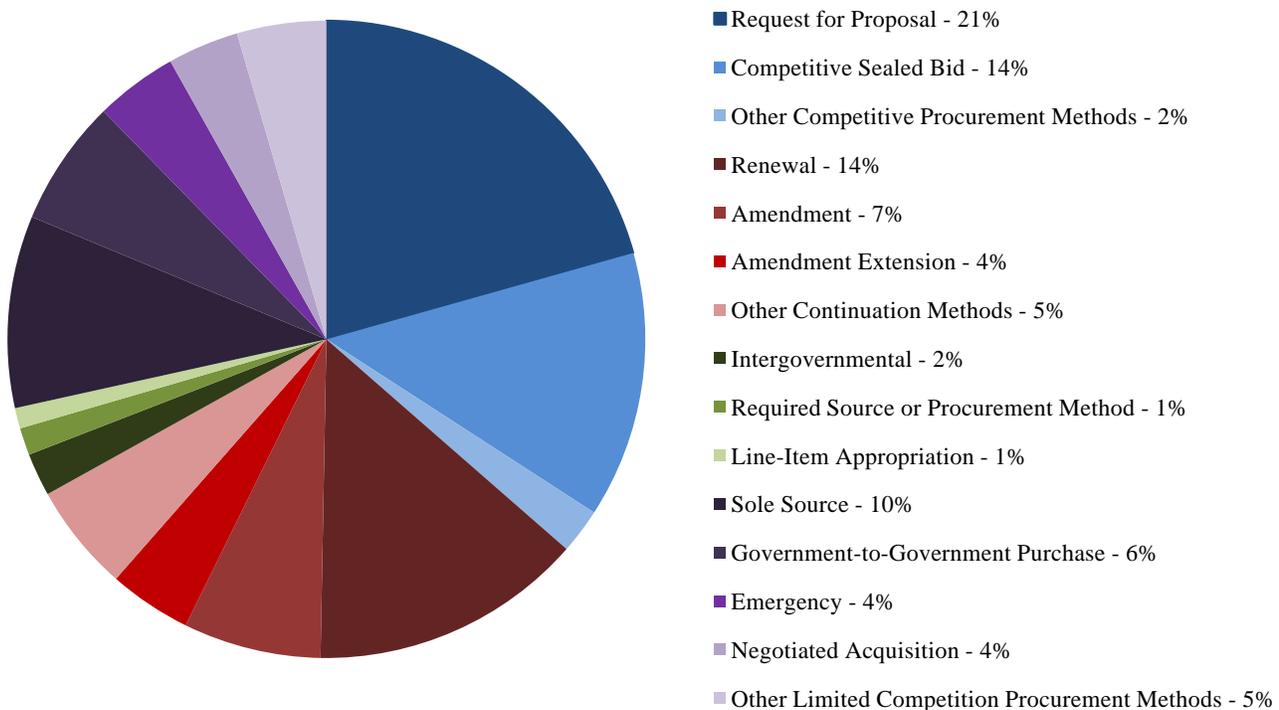
Chart II-1 reflects the total Fiscal 2013 procurement volume by dollar value for each of the procurement method categories tracked in this report. Agencies select the appropriate procurement method based on their business needs and the City’s procurement rules.

By value, more than a third of all City procurements use four competitive methods: **competitive sealed bids**, with vendors selected on a low-bid basis; **accelerated procurements**, a fast-track bid process for commodity purchases such as fuel that must be obtained quickly due to shortages or rapid price fluctuations; **competitive sealed proposals** (also called **requests for proposals** or **RFPs**), with vendors chosen based on price and quality-based factors; and **small purchases**, a less formal competitive process for purchases valued between \$5,000 and \$100,000. (The lower limit of contracts for which this method is applicable will rise to \$20,000 in Fiscal 2014) Year-to-year

comparisons of procurement volumes by various methods of procurement are shown in Appendix C.

The next largest group of procurements, accounting for 30% of Fiscal 2013 procurement value consists of six methods used to continue or enhance existing contracts. These include **renewals**, used when the initial contract provides specific terms for continuation, typically at the City’s option; **amendment extensions**, allowing the addition of up to one year to any current contract; **negotiated acquisition extensions**, allowing a negotiated additional term on the same basis as the initial contract; **amendments**, which allow the addition or subtraction of funds to a current contract to reflect programmatic needs; and change orders, classified as either **construction change orders** or **design change orders**, amending the contracts that support capital construction projects so that ongoing work can be completed.

**Chart II-1: Dollar Value of Contracts Citywide by Method of Procurement**  
**Total Dollar Value = \$16.5 Billion**



Approximately 28% of Fiscal 2013 procurements used methods subject to more limited or no competition. These methods include: **sole source awards**, where only one vendor is available for the needed goods or services; **emergency contracts**, where public health or safety considerations dictate rapid response; **negotiated acquisitions**, where agencies may limit competition based on such considerations as time-sensitivity, confidentiality or the existence of very few competitors in the market; **innovative procurements**, where the City attempts a certain type of contract for the first time (see page 23); **micropurchases**, for purchases valued at no more than \$5,000; **government-to-government contracts**, where the City's vendor is itself a government entity; **task orders**, a contract entered into based on a previously agreed-upon umbrella contract called a master agreement (see below); **buy-against procurements** and **assignments**, which are used when a vendor defaults, fails to fulfill its responsibilities or becomes unable to continue providing services or supplying goods; and **subscriptions** for periodicals, off-the-shelf training events, or memberships in professional organizations.

Agencies also procure goods and services via selection processes based on determinations by other governmental agencies. These procurements account for 5% of Fiscal 2013 procurement value,

## TASK ORDERS

This report now tracks task orders, rather than master agreements, in total procurement volume. Task orders are contracts procured off an underlying master service agreement held by a City agency.

In past reports, we have focused on master agreements because they are awarded through a standard procurement process, overseen by MOCS, whereas the individual task orders are not reviewed

and include: **intergovernmental procurements**, where the City “piggy-backs” on contracts held by other government agencies, typically state or federal entities; **required method and required/authorized source awards**, where an outside entity (also typically a state or federal agency) determines either how the City chooses a vendor or whom the City chooses; and **discretionary awards** (also called line item awards), where elected officials are authorized to designate the vendors and the amounts of the awards (see Vetting Contracts Designated by Elected Officials, page 36).

By far the most frequently used procurement method is micropurchase, which makes up 56% of the total number of Fiscal 2013 procurements, a total of 22,599 actions. Because this method reflects only purchases of \$5,000 or less, micropurchases account for a very small share of overall contract value (0.23%). Competitive sealed proposals (or request for proposals) and competitive sealed bids accounted for 34% of Fiscal 2013 procurements by value, although these two methods account for a far smaller number of procurements.

Detailed definitions of all these methods are included in the Glossary to this report. Appendix C details year-on-year procurements by method totals.

by MOCS. However, by reporting on the task orders we hope to give a clearer picture of what projects the City undertakes each year and the value of those projects. New master agreements entered into in Fiscal 2013 are discussed separately (see page 61) so as not to double count the value of those contracts.

In some cases, a single vendor holds a master agreement for a particular service and task orders

can be awarded whenever the services are needed. This structure is commonly used by an agency when they do not know the full extent to which services will be required, so the vendor can be on call to provide "where and when" services. In other cases, several vendors hold master agreements for the same services. Then a "mini-bid" or "mini-proposal" competition is required to award the task order. These are most frequently employed for citywide contracts, i.e. those held by a single agency but available to all agencies to use. In each case, the master agreement and task order structure allows agencies to procure services more quickly than a full bid or proposal process because many

### PROCUREMENT TRAINING INSTITUTE

In July 2006, the Bloomberg Administration established a Professional Mandatory Certification for Mayoral procurement personnel – the staff responsible for overseeing procurement activities at agencies under Mayoral control. Under this framework, such personnel must be initially certified by MOCS and recertified every five years thereafter through participation in procurement trainings and activities. This program offers City procurement professionals the opportunity to learn procurement procedures and disseminate best practices.

The Procurement Training Institute (PTI) offers a full lineup of training courses on best practices and legal compliance. The curriculum ranges from courses on Project Labor Agreements (PLAs) for Contract Administrators to Topics in IT Contracting to Vendor Responsibility Process. During Fiscal 2013, 1,171 people attended one or

more of 38 courses offered, while 29 Agency Chief Contracting Officers (ACCOs) and other City procurement staff were recertified and 10 were certified for the first time. Since the inception of the program, 40 ACCOs and high-level procurement professionals have been certified, while 83 other procurement staff from City agencies, including MOCS have been certified.

As of the conclusion of Fiscal 2013, 6,055 individuals attended at least one of the 141 PTI courses offered since PTI launched, while 152 individuals achieved their required certifications or re-certifications.

PTI serves to complement extensive professional experience and educational credentials already held by City procurement professionals. Amongst certified City procurement professionals, 59% have at least 10 years of procurement experience and 23% have 20 years of experience or more. City procurement staff also have a high level of educational achievement: 40% have a bachelor's degree, 36% have a master's degree, and 18% have a doctorate.

## PUBLIC HEARINGS

Agencies are required by Section 326 of the City Charter and by Procurement Policy Board (PPB) Rule 2-11 to hold public hearings on proposed contracts valued at more than \$100,000. Hearings provide transparency and give the public an opportunity to comment on the pending action. The major exceptions to the hearing requirement are contracts that are awarded as a result of competitive sealed bids, or by accelerated procurements. In those cases, agencies make contract award decisions based solely on which responsive and responsible bidder offers the lowest price. Because only larger, more significant contracts require public hearing, only about 4% of procurement actions were covered in Fiscal 2013, but they represent almost half of the dollar value of procurement. In an effort to streamline the procurement process, MOCS delegated authority to agencies to hold their own public hearings.

## VENDOR RESPONSIVENESS AND RESPONSIBILITY

City agencies may only make awards to responsive and responsible vendors. A responsive vendor is one whose bid or proposal submission conforms to all the terms set out by the City agency in its solicitation. A responsible vendor is one that has the capability to perform the contract requirements and the business integrity that will assure good faith performance.

### Responsiveness

Prior to awarding contracts, City agencies carefully review bids or proposals that are received to determine if they are “responsive,” i.e. that the contents contain all of the information required by the solicitation. This review ensures fairness in the procurement process. Reasons for non-responsiveness determinations may range from technical deficiencies like bids that are submitted after the due date to substantive deficiencies such as failing to meet minimum experience standards. Once an agency finds a bid or proposal to be non-

responsive, then it can no longer consider that submission for an award.

Agencies made 123 non-responsiveness determinations during Fiscal 2013, significantly down from 340 in Fiscal 2012. These determinations were made due to: failure to comply with material terms, conditions and requirements of the solicitation (49%); procedural flaws in the submission (12%); lack of bonding or insurance (10%), mixed reasons (9%); lack of required experience or capacity (8%), failure to comply with M/WBE subcontracting requirement (8%), past performance (3%); business integrity



MOCS held public hearings for 290 contracts in Fiscal 2013  
Credit: Marcello Rios/MOCS

(1%). If a bid or proposal is determined to be non-responsive, the vendor may appeal to the Agency Head. Agency Heads received a total of 56 appeals during Fiscal 2013; of these, the Agency Heads upheld 48 non-responsiveness determinations and reversed eight.

### **Responsibility**

Pursuant to the PPB rules, Concession Rules, the New York City Charter and New York State law, the City may award contracts only to responsible vendors. A responsible vendor is defined as one that has the integrity and financial capacity to fully perform the requirements of the contract, as well as the business integrity to justify the award of public tax dollars. Prior to the award of each contract, a contracting agency must make a determination of vendor responsibility based on factors such as business integrity, financial resources, technical qualifications and performance history.

Determinations of responsibility or non-responsibility are made by the ACCO on a contract by contract basis. If a vendor is found to be responsible, the contract award may proceed. If the vendor is found to be non-responsible, the agency may either reissue the solicitation or choose another vendor by following the selection procedure of the relevant procurement method, or if there are no other responsive, responsible vendors, reissue the solicitation.

Negative information, whether self-disclosed by the vendor on a VENDEX<sup>6</sup> questionnaire, provided by the Department of Investigation (DOI) in its "Vendor Name Check" letter,<sup>7</sup> or uncovered by an

agency's own research, does not automatically result in an agency finding that the vendor is not a responsible business partner. Assessing vendor responsibility requires the awarding agency to balance the seriousness of the negative information, the evidence (if any) that the vendor has remedied the problem and the City's own needs for particular expertise the vendor may bring to a project. In some circumstances, DOI, MOCS and the contracting agencies protect the City's interest by negotiating detailed responsibility agreements with vendors to allow them to receive contract awards, while providing for monitoring and other specific protections for the City.

Agencies have the obligation to find bidders or proposers for City contracts to be non-responsible when the facts warrant such a finding. A vendor may appeal an ACCO's determination of non-responsibility to the respective Agency Head within 10 days of receipt of the decision. If an Agency Head upholds the ACCO's determination of non-responsibility, the vendor may appeal to the City Chief Procurement Officer (CCPO) within 10 days of the receipt of the Agency Head's decision. The CCPO, who is also the Director of MOCS, is the final administrative appeal available for a finding of non-responsibility.

Agencies made 16 non-responsibility findings in Fiscal 2013 based on issues related to performance history and business integrity. In total, vendors appealed three non-responsibility findings to the Agency Head during Fiscal 2013. Two of the appeals to the Agency Head were upheld and one was reversed. See Appendix P for a breakdown by agency.

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<sup>6</sup> VENDEX is a public database that tracks vendor information as provided by vendors, City agencies and law enforcement organizations.

<sup>7</sup> When an agency is preparing to make an award, the VENDEX system generates a referral to DOI for a "Vendor Name Check," commonly referred to as a "VNC." DOI determines whether the prospective vendor or those affiliated

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with it have been the subject of a DOI investigation and summarizes any relevant information in a response letter sent to the agency for consideration when making a responsibility determination.

## PERFORMANCE EVALUATIONS

Documenting how a vendor performs is critical to successful contract management, as well as determining whether a vendor should receive future contract dollars. Under the City's procurement rules, a prospective vendor that has performed unsatisfactorily in the past is presumed to be non-responsible. The vendor will not receive any future contracts unless the agency determines either that the circumstances surrounding the unsatisfactory performance were beyond the vendor's control, or that the vendor has appropriately corrected the problems.

The PPB rules require that all open contracts must be evaluated for performance at least once per year. The three major performance evaluation (PE) criteria are 1) timeliness of performance; 2) fiscal administration and accountability; and 3) overall quality of performance. Agencies complete evaluations online through the VENDEX system, and MOCS distributes the evaluations to vendors. Once the vendor has been given time to review and respond to the evaluation, MOCS posts the evaluation to the VENDEX system as a resource to all agencies in determining prospective contract actions.

Overall performance across all of the City's vendors in Fiscal 2013 matched last year's level, with 98% receiving an overall rating of satisfactory or better. Approximately 95% of those vendors received such a rating with no underlying problems reported. However, 7% of vendors had at least one sub-criterion rating of less than satisfactory. The most frequently identified shortcoming was overall quality of performance.

### Vendor Report Card

In 2010, the Department of Information Technology and Telecommunications (DoITT) created the Vendor Management Office (VMO),

and implemented the Vendor Monitoring Assessment (VMA) program to manage its IT vendors.

The VMA program utilizes Survey-Gizmo, an off-the-shelf product to collect survey responses from project stakeholders. The MOCS VENDEX performance evaluation framework is used as a basis for gauging performance. Expanding on VENDEX's broad categories (timeliness, fiscal administration, and performance) the VMA focuses on several criteria: timeliness of deliverables, commercial/contractual relationship, financial relationship, accuracy of deliverables, quality of product/ service support, quality of information security, technology/ strategy transparency, quality of resources and quality of customer service/care.

The VMA program collects this information from Survey-Gizmo on a contract-by-contract basis and then aggregates the information into a cumulative score for the vendor. The surveys are sent out twice a year for contracts that support critical IT services and are compared over time to show progress.



## COMPETITIVENESS

Competition in City contracting benefits the City in several ways. Agencies benefit from a diverse pool of experiences and technical approaches, and they realize savings when vendors compete to do the work at the lowest cost to the City. Competition increases as the number of vendors proposing or bidding on procurements increases. In this section, we'll look at competition in two types of City procurements, competitive sealed bids and request for proposals which are both solicited from citywide bidders' lists.

Competitiveness levels have fluctuated over the past few fiscal years. However, the City has continued to perform well. Table II-1 provides a summary of the citywide competition level by industry.<sup>8</sup> The level of competitive procurements is at 98%, higher than the past four fiscal years.

(See Appendix D for agency details.)

<b>Table II-1: Citywide Competition Level by Industry (Dollar Value)</b>					
<b>Industry Sector</b>	<b>% of Highly Competitive Procurements</b>				
	<b>Fiscal 2013</b>	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>	<b>Fiscal 2010</b>	<b>Fiscal 2009</b>
Architecture/Engineering	100%	100%	99%	91%	87%
Construction Services	97%	97%	98%	88%	62%
Goods	92%	89%	87%	98%	95%
Human Services	100%	99%	82%	95%	69%
Professional Services	99%	92%	99%	69%	74%
Standardized Services	92%	90%	91%	89%	97%
<b>Total</b>	<b>98%</b>	<b>95%</b>	<b>88%</b>	<b>89%</b>	<b>80%</b>

<sup>8</sup> A "highly competitive" procurement is defined as one with at least three responses.

## VENDOR REHABILITATION

The City is required to do business only with responsible contractors, which means that a contractor must have the capability in all respects to fully perform the contract requirements and must also have the business integrity to justify the award of public tax dollars.<sup>9</sup> If a vendor has any cautionary information in the VENDEX database that might raise questions regarding its business integrity, MOCS is permitted to note in the VENDEX database any corrective actions that the vendor has taken in order to rehabilitate itself, and to address the issues to the satisfaction of the City. This process allows the contracting agency to address responsibility issues, while also retaining the valuable services of particular vendors.

Corrective actions taken can include: retaining an auditor, monitor, technical consultant, or an independent private sector inspector general (IPSIG) to review the vendor's business practices, oversee its performance, or develop specific remedies with respect to the cautionary information in VENDEX; dismissing employees whose actions were the subject matter of the cautionary information in VENDEX; or entering into agreement on a corrective action plan (CAP) with DOI prescribing corrective actions or otherwise remedying the subject matter of the cautionary information in VENDEX. Vendors in a wide variety of business areas, such as professional services and human services, engaged in these types of corrective actions during Fiscal 2013 in response to cautionary information in the VENDEX database:

- An IT services firm entered into a certification agreement with the City during Fiscal 2013 in response to information uncovered by a DOI investigation. The

investigation revealed that the company improperly paid for City employees to attend a professional sporting event in a luxury suite, as well as expensive lunches in five-star restaurants. The IT services firm agreed to adopt a “zero tolerance” policy prohibiting company employees from offering or giving anything of value to any City employee or official. The company also agreed to appoint a compliance auditor to review the company's adoption of and compliance with the “zero tolerance” policy and its code of ethics. As a result of this settlement agreement, the IT services firm was able to continue its work on City projects and to remain eligible for future contract awards from the City.

- A human services provider with a long-standing positive track record as a City vendor that provides foster care services entered into a CAP with the City during Fiscal 2013 to address problems with the organization's fiscal administration. The human services provider agreed that it would take several corrective measures, such as procuring and engaging a new independent auditor (to be approved by the City) to conduct fiscal audits for its contracts with the City for the prior four years; completing the CBO Nonprofit Vendor Review process; and developing and implementing new corporate governance plans and a code of ethics. After entering into the CAP, the City was able to continue contracting with the provider for provide foster care services.
- Another human services vendor that provides important educational services to

<sup>9</sup> PPB Rule 2-08(b)(1)

the community entered into a CAP with the City during Fiscal 2013 to address problems with the organization’s fiscal administration. The provider agreed that it would take several corrective measures, such as paying all current and past due payroll taxes to the Internal Revenue Service; entering into a Management Services Agreement with an outside company to furnish a number of

management functions on behalf of the organization; completing the CBO Nonprofit Vendor Review process; developing and implementing new corporate governance plans and a conflict of interest policy. As a result of this CAP, the City was able to continue contracting with the provider.

## CYCLE TIME

The City typically procures goods, standardized services and construction services by competitive sealed bid. Of the \$16.5 billion procured by the City in Fiscal 2013, these three industries accounted for 53% of the procurements by value. Since CSBs account for a large portion of our procurements and facilitate the purchase of essential goods and services for the City, it is imperative that we strive to process these procurements in a timely fashion. The cycle time indicator tracks how long agencies take to process CSBs. The cycle time for a CSB is calculated from the date when an agency posts an open advertisement in the City Record to the date the contract is submitted for the Comptroller’s Office for registration.<sup>10</sup>

Cycle times may be affected by various factors, such as complicated vendor integrity issues, insurance requirements, labor law compliance, and budget challenges that delay final contracting decisions. MOCS works with City agencies to help address these issues, balancing the overall goal of efficient procurement processing

with the need to resolve these vendor issues with care and thoroughness. In addition, MOCS continues to work with agencies in addressing new local laws, policies and procedures. See page 105

Agency	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
ACS	281	221	310	N/A	218
DCAS	160	163	168	135	116
DDC	135	166	141	150	151
DEP	172	187	169	130	154
DHS	137	145	136	139	120
DOT	211	197	167	150	127
DPR	157	136	98	124	140
DSNY	229	215	190	162	192
FDNY	212	210	220	157	188
HPD	162				
HRA	159				
NYPD	158				
<b>Citywide</b>	<b>162</b>	<b>176</b>	<b>165</b>	<b>137</b>	<b>136</b>

<sup>10</sup> In order for this indicator to reflect only typical processing times and provide a meaningful average, information is included where the agency handled more than five CSBs. The cycle time for contracts awarded from “atypical” procurements, such as those delayed by litigation or investigation, is excluded.

for a timeline of procurement reforms.

As Table II-2 shows, in Fiscal 2013, the average cycle time for competitive bids was 162 days, compared to 176 days in Fiscal 2012. Part of this decrease stems from a lower percentage of large bid contracts, which may take additional time for agencies to finalize. Large bid contracts (contracts over \$10 million) made up only 9% of the contracts in the Fiscal 2013 citywide average, compared to 14% in Fiscal 2012. For contracts valued at less than \$10 million, the average cycle time in Fiscal 2013 was 160 days, down from an average of 166 days in Fiscal 2012.

While cycle time is higher than a few years ago, it is important to note that the inclusion of additional local laws and policies required additional oversight review and due diligence on the part of the contracting agencies. Nonetheless, the City's commitment to timely processing led to an internal study of cycle time in Fiscal 2013. MOCS and the Mayor's Office of Operations conducted a study that considered more than 4,000

CSBs that were registered during the past six years. The analysis showed that a longer bid cycle time was associated with a decreased probability that the cost of the contract would rise by more than 10% of its original value over its lifetime. The model took into account outliers, differences across agencies and industries, as well as the amount of each project that had been completed to date and was determined to be successfully predictive of almost 90% of the observations. While a statistical study of this sort cannot conclusively prove causes, it is possible that extra time spent vetting vendors leads to both long cycle times and positive cost-control outcomes. Further, no single bottleneck in the procurement process was identified with statistical significance. While we are continuing to work to reduce cycle times in order to procure goods and services in a timely manner, we are mindful of the need for procurement to proceed at an appropriate pace to ensure good contracting outcomes.

## INNOVATIVE PROCUREMENTS

The Human Resources Administration (HRA), pursuant to the procedures provided for in PPB Rule 3-12, Innovative Procurement Methods, requested and received CCPO approval to test the use of Social Impact Investment funding. On behalf of the City HRA initiated a demonstration project, pursuant to PPB Rule 3-11, to pilot the use of Social Impact Investments as start-up funding for social improvement programs.

Social Impact Investing is a recently developed method for funding client-based human services.

“As the first city in the nation to launch a Social Impact Bond, we are taking our efforts to new levels and we are eager to see the outcome of this groundbreaking initiative.”

– Mayor Michael R. Bloomberg,

August 2, 2012<sup>11</sup>

The concept builds off the ideas in impact investing, which combines the creation of both a potential financial return and social value, in exchange for the transfer of risk to the private sector. Although Social Impact Investments include both Social Impact Bond (SIB) and Pay for Success (PFS) projects, the model is most commonly referred to as a SIB.

The SIB model utilizes private funding to fund certain social service initiatives, which are intended to have cost savings for government. In a SIB setting, government funds are utilized only if the human services-related initiatives meet pre-established outcomes, and actual government funds are saved due to that initiative meeting the

outcomes. If the outcomes are met, the resultant cost savings are used to not only fund the initiatives in the long term, but also to return the private investors’ outlay of initial funding.

In the United States, the first project established using this contracting structure is the Adolescent Behavioral Learning Experience (ABLE) program, which provides education, counseling, and training with the goal of reducing the likelihood of recidivism for young adults, and is a part of the Mayor’s Young Men’s Initiative.

The program began at Rikers Island on January 2, 2013, and the Vera Institute of Justice is verifying initial results for reporting. Goldman Sachs provided initial

financing, and Bloomberg Philanthropies provided grant support. The City contracted with MDRC, a non-profit organization, to coordinate and manage the program’s implementation.

Payment to the vendors selected by MDRC will come from the initial private investment. Continued payment from the City to MDRC and through to vendors and investors such as Goldman Sachs is contingent on MDRC meeting pre-established milestones throughout the six-year duration of the demonstration project. In Fiscal 2014, pursuant to PPB Rule 3-12(f) governing the use of innovative procurements, MOCS, along with HRA, will submit interim and final reports to the PPB recommending whether it is in the City’s best interest to codify this procurement method within the Rules for future use.

<sup>11</sup> Press Release, Mayor Bloomberg, Deputy Mayor Gibbs and Corrections Commissioner Schriro Announce Nation’s First Social Impact Bond Program (August 2, 2012).

## AUTOMATED PROCUREMENT TRACKING (APT)

Automated Procurement Tracking (APT) is a document management system that forms the core of the City's electronic procurement process. APT is designed to bring efficiency, accountability and transparency to City procurement. With APT, the procurement process now includes electronic storage of procurement forms that can be continually edited, electronic signature options for documents, and reports on system data.

In 2010, MOCS rolled out the initial version of APT. In Fiscal 2013, MOCS and DoITT initiated

## BEST VALUE

In April 2013, the PPB adopted amendments to its rules pursuant to recent changes in the amendments made to the New York State General Municipal Law (GML) Section 103. Prior to the modifications to GML Section 103, contracts for goods and most standard services contracts had to be procured, generally, by publicly advertised, low sealed bid. The changes to GML Section 103 gives the City the option to procure most of these contracts based on best value to the City. Best value, as defined in State Finance Law Section 163, is the basis for awarding contracts to vendors optimizing quality, cost and efficiency.

As part of the adopted changes, the City must make clear in the bid that an award will be made on the basis of best value to the City. The bid must set forth the criteria that an agency will consider when an award is to be made on the basis of best value. Some factors that an agency may take into consideration include:

- Features of the offered product and services set forth in detailed specification for the product offered;

the City's upgrade to a newer version of the software platform to upgrade system performance and processing times. At the same time, the City has begun updating forms and workflows to accommodate changes in procurement law, such as those governing minority and women-owned business procurement and the new Best Value process (see below).



- Warranties and maintenance to be provided with the product or service;
- References, past performance and reliability, including durability of the product being offered and current or past experience with the provision of similar goods or services;
- Organization, staffing and ability to undertake the type and complexity of the work;
- Financial capability; and
- Record of compliance with all federal, state and local laws, rules, licensing requirements, where applicable, and executive orders, including but not limited to compliance with existing labor standards and prevailing wages law.

The best value standard will provide the City with additional procurement options that expedite the procurement process. It also ensures that taxpayers obtain the highest quality goods and services at the lowest potential cost.



The City procured \$5.5 billion of human services in Fiscal 2013

Credit: Marcello Rios/MOCS

### III. HUMAN SERVICES

The human services programs offered by the City are diverse, ranging from homeless shelters to children’s educational programs and senior centers. These services serve to meet the critical needs of some of the City’s most vulnerable populations, thus having a major impact on communities that are often at risk. The sensitive nature of most human client services dictates a need for a flexible, thorough and transparent contracting process. Programmatic needs warrant a process that allows the City to award contracts with consideration to qualitative factors in addition to price. In order to effectively serve the needs of the City’s constituents and deliver high quality services, these vendors are often selected with a consideration of vendors’ experience delivering services, their connections to the community they will serve and the approach by which a vendor intends to meet programmatic goals.

One prominent example of the City’s innovative approach to the delivery of human services is in the provision of health services for inmates. In New York City, the annual inmate admission is over 80,000 individuals with an average daily inmate population of approximately 12,000. Providing comprehensive health services to a correctional population of this size is a challenge. Large municipalities, including Los Angeles and Chicago, administer correctional health care services

through their correctional agencies. In New York City, unique among municipalities nationwide, the Department of Health and Mental Hygiene (DOHMH) oversees the provision of these services. Inmate health services to prevent illness include conducting pap smears and mammograms for women and providing education on preventing sexually transmitted diseases for men and women. In Fiscal 2013,

## NYC will be the first city in the nation to monitor inmates after they leave the correctional system.

DOHMH entered into a \$270 million contract with Correctional Medical Associates of New York. Services include a complete examination at intake with screenings for infectious diseases. After the examination, inmates are assigned their own electronic health record so that their care can be properly delivered and monitored. DOHMH is in the

process of connecting these records to a state-wide health information exchange which will allow for continuity of care as patients leave the jail system. This will make New York the first city in the nation to ensure that health care monitoring for inmates continues after they are released from the system.

In the City's efforts to obtain the best quality of services at a fair and reasonable price, most human services contracts are competitively procured through requests for proposals (RFP). As mentioned above, RFPs allow the City the flexibility to consider both quantitative and qualitative factors. In Fiscal 2013, 67% of new human services contracts were procured through an RFP. One major initiative that accounted for a significant percentage of all human services RFPs in Fiscal 2013 was ACS's EarlyLearn Program. These contracts represented 66% of human services RFPs by volume. EarlyLearn is an education program for children between six months and five years old. The competitive process resulted in over 250 proposals and the selection of 154 vendors to provide these crucial education services Citywide. For more information, please see the EarlyLearn section on page 43. EarlyLearn illustrates how RFPs allow the City to maximize quality and efficiency by evaluating factors including programmatic approach and organizational capacity, in addition to cost.

The City has continued to implement changes to streamline procurement in this industry. Through the Health and Human Services (HHS) Accelerator program, the City is making it easier for vendors to propose on solicitations and for agencies to procure services efficiently. For example, this initiative reduced redundancy by creating a centralized database for vendors to store frequently requested documents and share these documents across multiple City agencies. For more information, please see the Faces of Procurement feature about the Accelerator program on page 42.

Continuity of services is important when working with sensitive and at-risk clients. City agencies strive to register contract actions to extend, renew or replace existing human services contracts on time to avoid a gap in services and undue hardship on the nonprofit vendors.<sup>12</sup> Of all the human services contracting actions in Fiscal 2013, 26% went towards modifying or extending existing contracts, including 16% for renewals of contracts. For example, in Fiscal 2013, the Department for the Aging (DFTA) processed a \$1.1 million contract with Visions to provide specialized services for the blind and visually impaired. The renewal allows the City to continue providing such services while also granting adequate

<sup>12</sup> When contracts are registered by the City Comptroller after the set start date for services, the contract is considered retroactive. Retroactivity is discussed in greater length on page 31.

time to coordinate a new competitive solicitation to expand opportunities for new providers to do business with the City.

Human service contracts account for a significant part of citywide procurements at 33%, or \$5.5 billion. The highest volumes of these actions are attributed to ACS (41%), DHS (14%), DOHMH (14%), and HRA (10%). During Fiscal 2013, agencies continued to show the City's commitment to essential services. DOHMH registered a \$1.8 million contract with Lantern Community Services Inc. to operate NY/NY III Congregate Supportive Housing. This contract, which stems from a standing Open-Ended Request for Proposal (RFP) for this type of congregate housing, provides supportive housing to homeless single adults who have completed some level of substance abuse treatment as well as for chronically homeless families.

Through an RFP, the Department of Youth and Community Development (DYCD) entered into contracts totaling approximately \$22 million for the 2013 summer youth program.<sup>13</sup> These vendors provide youth workforce services. The Summer Youth Employment Program is a critical resource for youth seeking work and provides an avenue for gaining the competencies that will help them transition to responsible adulthood. The rest of this chapter discusses in more detail how the City continues to provide critical human services and strives to improve the provision of services.

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<sup>13</sup> 98 providers received awards from the RFP, 97 contracts were registered in Fiscal 13, 1 was registered in Fiscal 2014.

## CONCEPT REPORTS

As per Section 3-03(b)(1) of the PPB rules, when an agency decides to initiate or substantially change a human services program, it issues a “concept report” for the purpose of soliciting feedback from stakeholders and the community. A concept report includes the purpose of the program, the procurement timeline, the method by which all proposals will be evaluated, the proposed term of the contract, funding information and proposed requirements for vendor performance reporting.

One particular concept paper of note in Fiscal 2013 has been the Department of Probation’s (DOP) Every Child Has an Opportunity to Excel and Succeed (ECHOES) program. In September 2012, DOP released a concept report for the new ECHOES program, with anticipated annual funding of \$300,000. Part of Mayor Bloomberg’s Young Men’s Initiative (YMI), ECHOES combines intensive case management provided directly by DOP Probation Officers and a life readiness component (“Be Ready”) provided under contract to youth on probation citywide who are at risk of out-of-home placement.

ECHOES strives to provide youth with a trusting relationship to support and motivate them to perform well in school, learn marketable

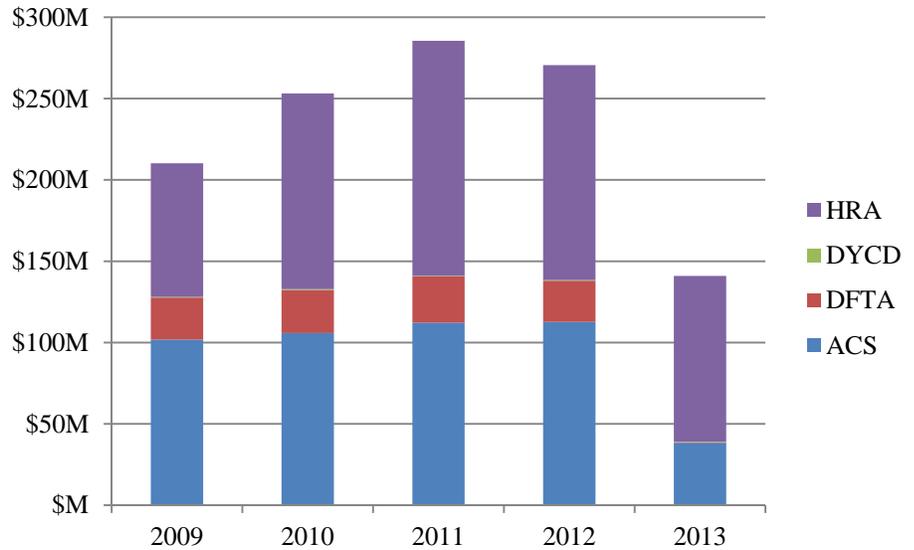
skills, and make behavioral changes that will enable a successful transition into adulthood. This program encourages a transformational relationship between the Probation Officer and youth in both one-on-one and group settings, while engaging youth in rigorous structured programming which includes service learning projects, life skills classes, and internships/externships through the “Be Ready” contract. DOP initially sought a single contractor to provide services citywide from one site in Harlem to approximately 70 youth annually on probation.

Between the release of the concept report and the drafting of the RFP, nine organizations sent comments to DOP. Taking this feedback into consideration, DOP reduced the number of estimated participants from 70 to 40 youth and separated the program into two geographic service options – Manhattan, and Brooklyn or Queens – allowing for two program vendors. Offering the program in two areas will make services more accessible to youth residing in all five boroughs. DOP released the ECHOES RFP on June 19, 2013 and they anticipate awarding the contracts in early fall.

## CENTRAL INSURANCE PROGRAM

The City has long been at the forefront of innovative approaches to support the nonprofit sector. Over thirty years ago, the City's Department for Social Services provided a number of programs, including children's services, home attendant services and services for the aging. When the City began to contract out for these services, they needed to support the nonprofits in that transition. At that time, the City established the Central Insurance Program (CIP) to pool the insurance needs of certain programs and purchase insurance on nonprofits' behalf. Coverage included comprehensive general liability (GL), workers' compensation (WC), disability, property and, in some cases, health insurance. The City's portfolio has changed over the years and CIP has been an effective partner throughout. Recently, in light of programmatic changes and the availability of insurance to the nonprofit sector on the open market, the City has begun to transition out of pooled insurance. In Fiscal 2012, DFTA stopped providing insurance through CIP and assisted nonprofits with accessing insurance coverage through Essensa, the City's group purchasing organization (GPO). HRA followed suit in Fiscal 2013 when New York State shifted to a Managed Care approach and ceased providing coverage as of April 2013. As a result of continuous changes,

**Chart III-1: Central Insurance Program Costs by Agency 2009-2013**



total coverage provided through the CIP program has decreased. See Charts III-1 and III-2.

All told, in Fiscal 2013, the City spent \$140.5 million to provide insurance coverage to nonprofits through CIP, 48% less than the \$270.6 million spent in Fiscal 2012. CIP's Fiscal 2013 agency portfolio, which covered more than 500 nonprofit providers operating at more than 1,100

**Chart III-2: Central Insurance Program Costs by Type 2009-2013**

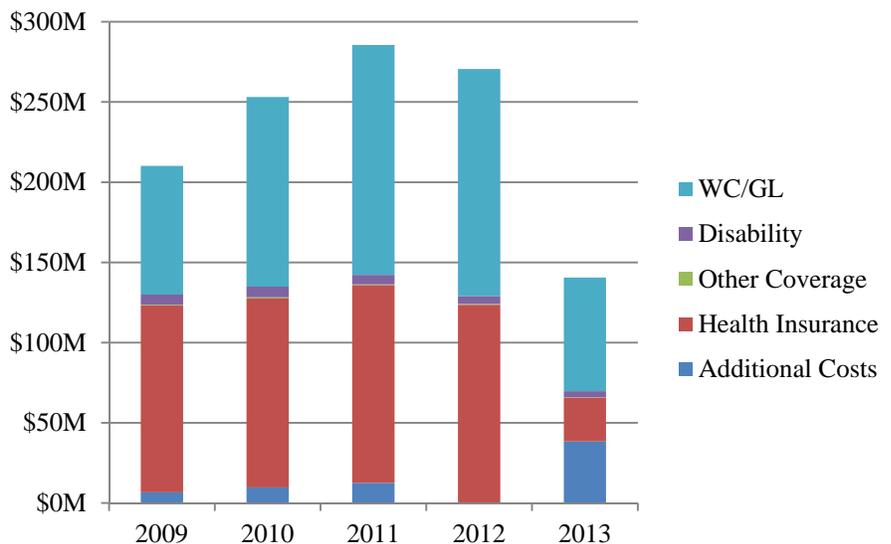


Table III-1: Fiscal 2013 Central Insurance Program Costs					
Program	ACS	DFTA	DYCD	HRA	Total by Category
WC/GL <sup>14</sup>	\$7,577,959	n/a	\$204,360	\$63,091,614	\$70,873,933
Disability	\$762,549	n/a	\$22,170	\$3,055,223	\$3,839,942
Other Coverage	\$54,850	n/a	\$2,000	\$95,177	\$152,027
Health Insurance	\$27,286,775	n/a	n/a	n/a	\$27,286,775
Additional Costs <sup>15</sup>	\$2,605,818	\$412,386	\$73,844	\$35,736,705	\$38,416,367
<b>Total by Agency</b>	<b>\$38,287,951</b>	<b>\$412,386</b>	<b>\$302,374</b>	<b>\$101,978,719</b>	<b>\$140,569,044</b>

sites, included specific programs of ACS, DYCD and HRA. All covered nonprofit providers received coverage for workers' compensation and general liability (WC/GL) and disability at a total cost of over \$74.7 million. Within those costs, HRA's home attendant program accounted for more than 89% of citywide WC/GL costs and more than 80% of citywide disability costs. As mentioned above, the HRA Home Attendant Program moved to a Managed Care environment in Fiscal 2013 which meant that CIP coverage was in effect for only three fiscal quarters. This resulted in a decline of 49% of the HRA WC/GL costs in Fiscal 2013 from \$128 million to \$63 million.

Health insurance, only offered to a small fraction of employees covered by other CIP insurance in Fiscal 2013, accounted for \$27.2 million or 19% of the total CIP expenditures. This is much lower than \$123.3 million in Fiscal 2012. DFTA, which opted out of the insurance pool on July 1, 2012, still incurs some expense related to active WC/GL claims that carry a retroactive dollar value.

As expected with a retrospective insurance plan, the cost of insurance increased over the years. In 2007, the New York State Workers' Compensation reforms brought additional instability into the market and it has taken some years for the market to stabilize. CIP took the

proactive step in 2007 to work towards long term mitigation of higher costs as a result of the state reforms and implemented the **Workers' Compensation Settlement Initiative (WCSI)**. This initiative covered claims from 2004 to present. This initiative empowers City claims adjustors to actively pursue settlement and closure options on claims. In 2012, the insurance carrier had secured settlements and closures on 449 claims with a savings of \$14.8 million. In 2013, the number of closed claims has increased to 600 with a reduction of claims reserves in the amount of \$20.4 million. Closing claims and reducing reserves is crucial to eliminating future retrospective cost.

In Fiscal 2013, CIP also implemented the **Claim Inventory Workout (CIW)** in an effort to reduce costs. Working in conjunction with the insurance broker, CIP reviewed Workers' Compensation claims with the purpose of seeking settlement opportunities for claims developed prior to 2004. As of June 1, 2013 over 1,000 files were assessed, resulting in 50 claims closed with dollar savings of \$2.1 million. In addition, there are 181 claims pending settlement approval which could result in an additional savings of \$8.03 million.

<sup>14</sup> Includes budgeted amounts for retrospective claims.

<sup>15</sup> Additional costs refer to the costs associated with the Citywide broker contract

## MONITORING AND REMEDYING RETROACTIVITY IN HUMAN SERVICES CONTRACTING

The City seeks to achieve 100% timeliness in contracting. A contract is considered late or “retroactive” when its start date occurs before the contract is registered by the City Comptroller. Retroactivity may cause cash flow and service continuity problems for human services vendors because the City cannot pay the vendors prior to registration, although the vendors are providing services.

MOCS evaluates agencies for compliance with timeliness benchmarks for renewals and extensions (amendment extensions and negotiated acquisition extensions), as well as RFP awards for existing programs, i.e., awards that are not for new or substantially-modified programs. In all cases, when agencies fail to register contracts on time, the nonprofit providers must find the resources to pay salaries, rent and insurance as they continue to serve clients, even though their City payments are late because their contract has not been registered.

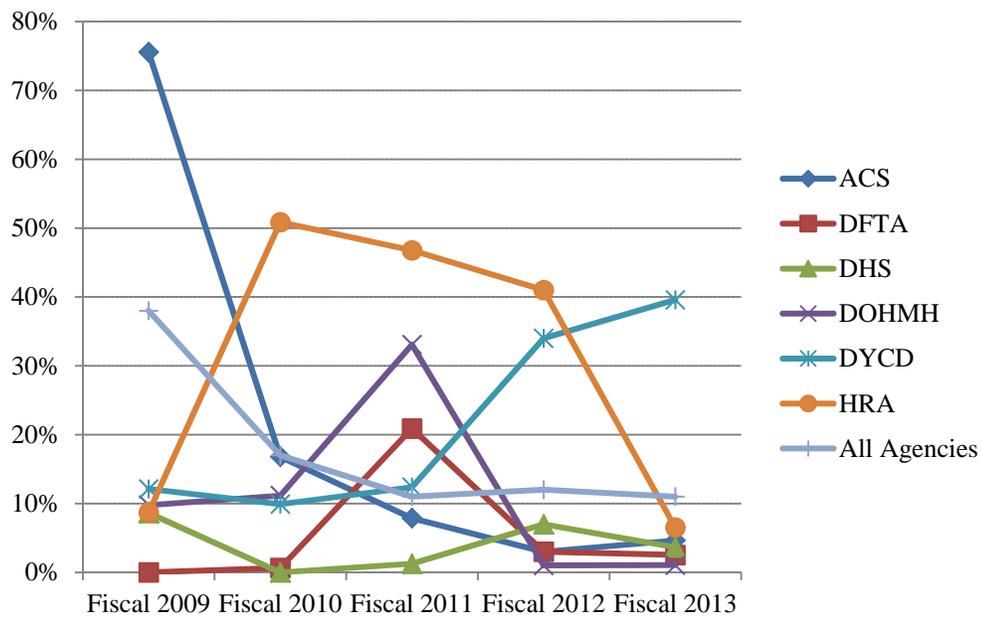
<b>Table III-2: Major Human Service Agencies Overall Retroactivity for Contract Continuations</b>									
Agency	Fiscal 2013					Percent Retroactive by Dollar Value			
	All Continuations		Retroactive Continuations			Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
	Count	\$ Value	Count	\$ Value	Average Days Retro				
ACS	60	\$70,106,488	42	\$27,574,007	14	39%	83%	23%	69%
DFTA	160	\$83,600,962	82	\$41,698,313	8	50%	44%	36%	9%
DHS	54	\$413,498,605	3	\$22,480,710	20	5%	43%	37%	34%
DOHMH	95	\$533,192,072	9	\$12,300,260	56	2%	17%	44%	43%
DYCD	707	\$312,758,303	464	\$273,246,499	75	87%	64%	29%	64%
HRA	85	\$500,909,067	31	\$260,507,433	90	52%	56%	69%	91%
All Other Agencies	62	\$121,626,989	35	\$67,988,576	51	56%	81%	55%	73%
<b>Total</b>	<b>1,223</b>	<b>\$2,035,692,486</b>	<b>666</b>	<b>\$705,795,798</b>	<b>61</b>	<b>35%</b>	<b>55%</b>	<b>29%</b>	<b>61%</b>

Agency performance on this indicator as compared with last year shows mixed improvement and continued challenges. As shown in Table III-2, for contract continuations that were retroactive, the average number of days of retroactivity was 61 days which represents a 35% increase from Fiscal 2012. The increase is mainly attributable to a few agencies that continue to struggle with retroactivity. DOHMH, DYCD and HRA all had a higher number of continuations in terms of both contract count and contract value compared to last year.

However, a more significant indicator than overall retroactivity is the level of long-term retroactivity, defined as delays longer than 30 days. When agencies are able to register their contracts very soon after their start dates (i.e., within the first 30 days), payments to vendors typically do not lapse. Thus, to more accurately review agencies’ performance, MOCS focuses on the rates of “long-term retroactivity,” i.e., delays of longer than 30 days.

Here, the results are mostly favorable. As Chart III-3 shows, overall across all of the agencies, long term retroactivity decreased to 11% in Fiscal 2013 from 12% last year. DFTA and DOHMH were successful in maintaining the low levels of long term retroactivity they accomplished last year with rates of 3% and 1% respectively. ACS and DHS also maintained a solid performance compared to last year. HRA has previously struggled with managing long-term retroactivity levels, but has consistently improved. In Fiscal 2013, HRA brought its long term retroactivity down to 7%, representing an 84% decrease from last year.

**Chart III-3: Major Human Services Agencies:  
Long-Term (>30 Days) Contract Retroactivity**

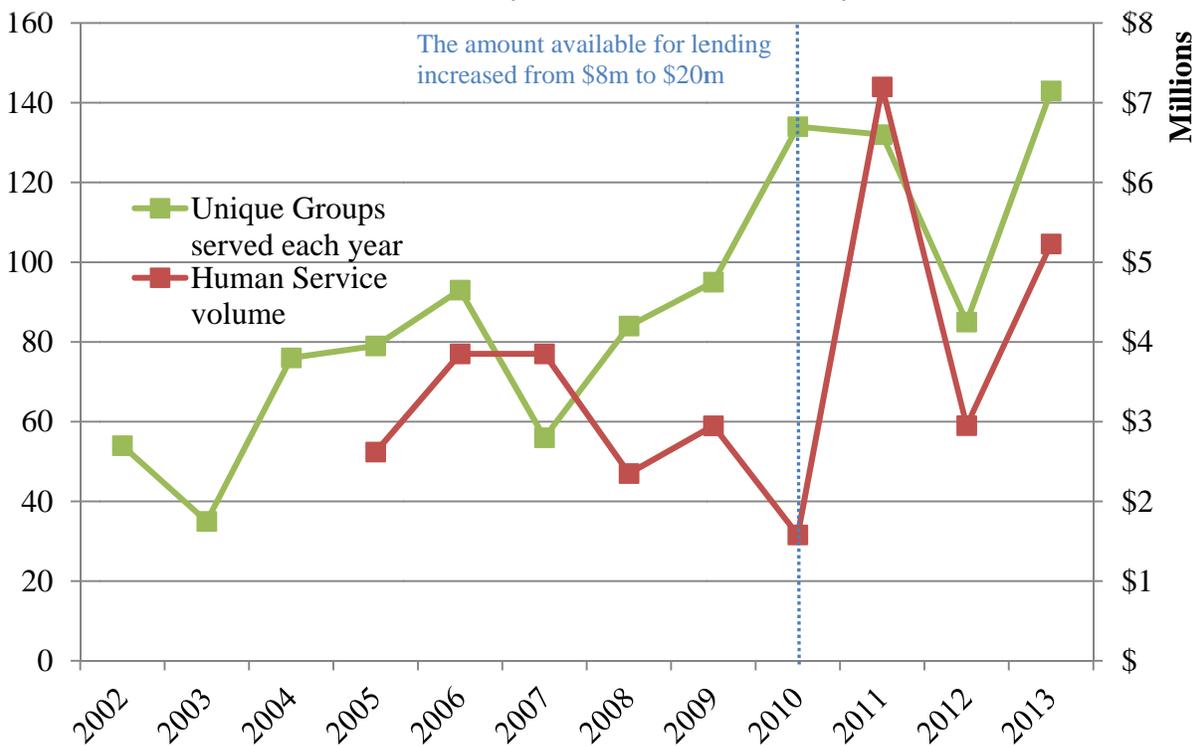


Unfortunately DYCD did not perform as well on their long term retroactivity. In Fiscal 2013, DYCD’s long term retroactivity increased to 40% from last year’s 34%. Of the large human services agencies, DYCD manages the largest portfolio of contract actions. The funding sources for many of DYCD’s programs are secured late in the fiscal year; as a result, DYCD has struggled with processing contracts in a timely fashion. MOCS will continue to work closely with all of the human services agencies to mitigate and correct late contracting patterns to ensure that any shortfalls that burden nonprofit providers can be swiftly addressed via the use of the City’s now much-expanded cash flow loan fund, administered through the Fund for the City of New York.

## VENDOR LOAN FUND

The City's commitment to the nonprofit sector has been a specific focus of the Bloomberg Administration. The Returnable Grant Fund (RGF), which is administered by the Fund for the City of New York (FCNY) in conjunction with the Mayor's Office of Contract Services (MOCS), is one of many valuable tools utilized to assist nonprofits that have a contractual relationship with the City. Over a decade ago, the City created the RGF to help nonprofit organizations avoid short term cash flow deficits caused by delays in the contracting process. This revolving loan fund program provides interest free loans to vendors experiencing short term cash flow needs. The eligibility criteria and loan process has evolved over the years in response to the diversity of the City's human services portfolio; however, the premise of the loan program has remained the same and most loans provide funding for essential operational costs such as payroll, rent and utilities.

**Chart III-4: Total Monetary Value of RGF Loans by Year, 2002-2013**



In response to economic hardships caused by the recent recession, in 2009 Mayor Michael R. Bloomberg launched the Mayor's Nonprofit Assistance Initiative to expand the City's support to the nonprofit sector. The initiative included expanding the RGF. On July 1, 2009, the amount available for lending increased by 150%, from \$8 million to \$20 million. Furthermore, the eligibility criteria for loans were substantially expanded. For example, vendors experiencing funding delays from sources other than a City contract, or delays in payments on registered contracts, can now obtain a short-term interest free loan. These expansions in available funding and eligibility criteria reflect the City's commitment to the strength of its nonprofit sector and the value of its partnership to provide essential services to New Yorkers.

As detailed in Table III-3, in Fiscal 2013, the RGF made 246 loans to 143 vendors totaling \$38.7 million, representing a 47% increase in the total value of all loans when compared to Fiscal 2012. The size of an individual loan ranged from \$2,237 to \$2.3 million, showing diversity in program size and vendor need. The need for loans tends to correlate to the human services contracting volume in any given year (see Chart III-4). In Fiscal 2013, there was a 15% increase in the number of human services contracts, up to 33% of the total contracting volume compared to 28% in Fiscal 2012. The upward trend in contracting volume resulted in an upward trend in the number of loans given as well; in Fiscal 2013, 246 loans were disbursed compared to 126 in Fiscal 2012.

<b>Table III-3: Fiscal 2013 Returnable Grant Fund Loans Top Five Processing Agencies by Dollar Value</b>								
<b>Fiscal 2013</b>			<b>Fiscal 2012</b>			<b>Fiscal 2011</b>		
<b>Agency</b>	<b>Value</b>	<b>Count</b>	<b>Agency</b>	<b>Value</b>	<b>Count</b>	<b>Agency</b>	<b>Value</b>	<b>Count</b>
ACS	\$20,063,624	79	DHS	\$8,348,783	16	HRA	\$10,343,771	22
DYCD	\$6,495,633	106	DYCD	\$4,727,090	40	ACS	\$8,276,006	61
DHS	\$4,143,157	20	DFTA	\$4,470,237	22	CJC	\$7,095,039	17
HRA	\$3,187,625	3	CJC	\$2,854,096	12	DHS	\$5,501,036	13
DFTA	\$2,521,023	14	DOHMH	\$2,015,283	7	DYCD	\$4,583,862	35
Top Five	\$36,411,061	222	Top Five	\$22,415,489	97	Top Five	\$35,799,714	148
All Others	\$2,351,669	24	All Others	\$3,992,638	29	All Others	\$6,975,086	56
<b>Total</b>	<b>\$38,762,730</b>	<b>246</b>	<b>Total</b>	<b>\$26,408,126</b>	<b>126<sup>16</sup></b>	<b>Total</b>	<b>\$42,774,800</b>	<b>204</b>

Among the RGF loans granted to non-profits during Fiscal 2013 are:

- A \$254,830 loan to the Brooklyn Kindergarten Society to alleviate cash-flow problems while they awaited the registration of a \$18.9 million contract for services within the Administration for Children’s Services’ innovative EarlyLearn program;
- A \$40,000 loan to Hudson Guild to alleviate cash-flow problems while they awaited the registration of a \$180,000 City Council discretionary contract to provide services within the Department of Youth and Community Development’s “Out of School Time” program.

<sup>16</sup> The total value and number of loans in Fiscal 2012 have been updated since publication of the Fiscal 2012 Indicators Report. The numbers here reflect the most accurate available values for Fiscal 2012.

## Helping with Startup Costs

Ken Jockers is the Executive Director of Hudson Guild, a multi-service community center and settlement house that provides programming for children, adults and the elderly in the Chelsea district of Manhattan. Hudson Guild has an annual budget of approximately \$9 million, and receives funding from federal, state, and City sources, as well as private foundations, corporations, individuals, and earned income. In Fiscal 2013, the City entered into several contracts with Hudson Guild, totaling \$9.6 million over multi-year terms. The contracting agencies included DFTA, ACS, DYCD, the Department of Housing Preservation & Development (HPD) and DOHMH.

Ken spoke with MOCS about how the Returnable Grant Fund (RGF) supported Hudson Guild by loaning the nonprofit vendor a total of \$40,000.

### **What was the cash flow need that prompted you to apply for cash flow assistance through the Returnable Grant Fund in Fiscal 2013?**

We received this great discretionary grant from the City Council for our Out of School Time after-school program, which started in July of 2012. However, the contract was not registered until after the services needed to be in place, so there were various costs – including staffing and insurance – that we needed to cover while waiting for the registration process to finish. By asking for loans from the RGF, we were able to cover those costs and keep our program running.

### **What was the process like to apply for and receive loans through the RGF?**

It was a very smooth, straightforward process. We contacted the Fund for the City of New York (FCNY), who told us to submit a loan application through the Department of Youth and Community Development (DYCD), which went to the Mayor's Office of Contract Services (MOCS) for approval. The entire process, from when we contacted FCNY to when we received the loan funds, took only, approximately, two weeks. When the contract was registered, our loans were immediately repaid in full.



Ken Jockers,  
Executive Director of Hudson Guild  
Credit: Marcello Rios/MOCS

## VETTING CONTRACTS DESIGNATED BY ELECTED OFFICIALS

Some nonprofits receive contract awards because they are directly designated for such awards, termed “discretionary” or “line item” contracts, by the City Council or a borough president.<sup>17</sup> Although the value of these awards is a small percentage of the total procurement volume, these awards support large institutions and small nonprofits alike with expense funding that is processed via line item contracts or grants, or capital funding that results in a grant, contract or funding agreement. Strict requirements apply to every award and the vendors are extensively vetted to ensure the integrity of each vendor with which the City contracts, no matter how small.

Sometimes discretionary funds can go to large programs to provide additional support to already funded providers. In Fiscal 2013, \$51 million was allocated through the Department of Youth and Community Development (DYCD) for the Out of School Time programs. Out of School Time programs provide a mix of academic, recreational and cultural activities during holidays and summer vacation for children in grades K-12 across all five boroughs.

Agency	Expense Awards from Fiscal 2013		Expense Awards from Prior Years		Capital Awards		Total	
	\$	#	\$	#	\$	#	\$	#
<b>EDC<sup>18</sup></b>	N/A	N/A	N/A	N/A	\$113,085,771	21	\$113,085,771	21
<b>DYCD</b>	\$53,859,293	937	\$5,132,578	460	N/A	N/A	\$58,991,871	1,397
<b>DFTA</b>	\$30,900,252	925	\$1,157,081	104	N/A	N/A	\$32,057,333	1,029
<b>DHMH</b>	\$22,891,275	287	\$3,871,944	40	N/A	N/A	\$26,763,218	327
<b>CJC</b>	\$12,106,850	44	\$5,558,654	15	N/A	N/A	\$17,665,504	59
<b>DHS</b>	\$14,746,889	3	N/A	N/A	N/A	N/A	\$14,746,889	3
<b>HRA</b>	\$11,174,006	22	N/A	N/A	N/A	N/A	\$11,174,006	22
<b>ACS</b>	\$10,878,181	30	\$3,500	1	N/A	N/A	\$10,881,681	31
<b>DDC</b>	\$0	0	\$0	0	\$10,000,000	19	\$10,000,000	19
<b>DCLA</b>	\$8,429,895	499	N/A	N/A	\$206,035	2	\$8,635,930	501
<b>Other</b>	\$15,894,345	414	269219	17	\$0	0	\$16,163,564	431
<b>Total</b>	\$180,880,986	3,161	\$15,992,976	637	\$123,291,806	42	\$320,165,767	3,840

The City Council, through the Criminal Justice Coordinator (CJC) and SBS, allocated \$111,000 to The Hope Program. Since 1984, The Hope Program has been empowering New Yorkers to achieve economic self-sufficiency through employment and advancement. The awards provided Brooklyn residents with work readiness training and job placement services. In 2013, 255 Brooklynites were

<sup>17</sup> Section 1-02(e) of the PPB rules authorizes awards “community-based not-for-profit organizations or other public service organizations identified by elected City officials other than the Mayor and the Comptroller.”

<sup>18</sup> The figures presented for EDC reflect the total registered value of the award, aggregating funding from sources in addition to City Council members and borough presidents.

enrolled across all programs. These programs also helped residents retain positions and advance. Jamall, a graduate of the GROCERYworks program, went from a prison sentence to completing an internship in the food industry and transitioning into a new career as a line cook.

Another example of line item expense funding can be found in the seven awards allocated to Reach Out And Read of Greater New York totaling \$47,000 administered through DYCD. Founded with the mission to partner with doctors and communities to “prescribe books” and “promote interest and awareness about the importance of early exposure to books and the enjoyment that reading can bring,” Reach Out and Read used its discretionary awards to sustain programs at 191 hospitals and pediatric offices, reaching over 270,000 children annually. This award went to purchase 17,745 books for children.



Reach Out and Read serves over 270,000 children annually  
Credit: Reach Out and Read



Out of the Box donates ticket proceeds to senior centers  
Credit: Out of the Box Theatre Company

Out of the Box Theatre Company presents new interpretations of period plays and contemporary classics featuring working professionals at their peak and in their prime: seasoned actors, directors & designers primarily past 50 years of age. The Company used its Fiscal 2013 Manhattan Borough President award to put on a production of 45 Seconds from Broadway. Out of the Box Theatre Company also donates up to 30% of ticket proceeds to senior centers in Manhattan.

6/15 Green was awarded \$3,000 in discretionary funding in Fiscal 2013 for its Brooklyn Alliance of Neighborhood Gardens (BANG) Project. 6/15 Green was created in an effort to take back control of a vacant lot in its members’ neighborhood. With the award, 6/15 Green created a new urban land trust, purchased hardware and lumber for welcome signs and installed a new solar powered water feature.

Since discretionary award recipients are chosen directly by elected officials, the competition requirements of the PPB rules do not apply. This makes the vetting process crucial. As part of this process, the City Council requires nonprofits seeking more than \$10,000 to demonstrate that they are qualified to provide services. This “prequalification” process is initiated through a filing with DYCD, and is overseen by MOCS. The pertinent agencies overseeing each program area make the substantive determinations as to whether each applicant is qualified. Organizations receiving \$10,000 or less are vetted by Council staff. To facilitate contract processing, MOCS maintains and distributes a consolidated list of all cleared awards to agencies as reviews are completed.



Brooklyn Alliance of Neighborhood Gardens Project  
Credit: 6/15 Green

In Fiscal 2013, the City Council allocated \$218 million in expense budget dollars in over 5,000 awards. Agencies processed these awards as efficiently as possible. To speed contract processing for qualified organizations, those that were prequalified in a prior year were required simply to certify to their contracting agency that no material changes in programming or key staff have occurred since their last submission of an application. Any changes that could affect prequalification status must be disclosed.

MOCS clears these awards as quickly as possible, but delays may occur. Delays commonly occur when awardees become delinquent with applicable State Attorney General Charities Bureau registration and annual filing requirements. Nevertheless, by the end of Fiscal 2013 MOCS had succeeded in clearing 98% of that year's discretionary awards and agencies had completed registration of 88% of the value of those awards, coming in above last year's 84% completion rate.

Beginning in Fiscal 2011, as a result of a new directive from the Speaker of the City Council, each funded organization receiving over \$10,000 in cumulative City Council discretionary funding must have a member of its senior staff or board of directors attend a MOCS-sponsored Capacity Building Training session.<sup>19</sup> These sessions bring together experts to help nonprofits expand their capacity in fundraising, leadership skills, board development, internal controls, the City contracting process, legal compliance, nonprofit lobbying and leadership development.

Discretionary funding and these programs to support nonprofits serve an important role in affording City Council members and borough presidents the opportunity to identify the needs of their communities and fulfill them through quality service providers.

<b>Table III-5: Fiscal 2013 Top Five Agencies Discretionary Council Expense Allocations</b>			
<b>Agency</b>	<b>Council Allocation Value</b>	<b>Cleared Allocation Value</b>	<b>Value Processed in Fiscal 2013</b>
DYCD	\$93,717,544	\$91,864,990	\$83,396,844
ACS	\$42,120,389	\$42,001,389	\$40,066,492
DHMH	\$25,078,384	\$23,761,519	\$20,944,418
DFTA	\$16,034,001	\$15,337,518	\$15,263,359
CJC	\$12,523,219	\$12,523,219	\$6,536,141
Top 5 subtotal	189,473,537	\$185,488,635	\$166,207,254
Other Agencies	\$29,099,575	\$28,923,668	\$26,178,180
<b>Total</b>	<b>\$218,573,112</b>	<b>\$214,412,303</b>	<b>\$192,385,434</b>

<sup>19</sup> Nonprofit organizations that receive over \$1 million in programmatic funding from City agencies are exempt from the training mandate as they are reviewed by MOCS's Capacity Building and Oversight unit (see page 39). In addition, large nonprofits may apply for a waiver of the mandate based on their in-house expertise in the areas covered by the training.

## NONPROFIT CAPACITY BUILDING



There are over 30,000 nonprofit organizations in New York City registered with the IRS under Section 501(c)(3) of the Internal Revenue Code. Approximately six percent (1,800) of these organizations receive contract or grant funds from the City. These City-funded nonprofits provide many of the client and community services that New Yorkers rely on in tough times. In fact, government-funded fee-for-service contracts constitute the largest source of funding for nonprofits throughout New York City. City agencies alone processed a total of 4,522 contracts and grants for \$4 billion in Fiscal 2013.

The Capacity Building and Oversight (CBO) initiative, launched by MOCS in 2007, provides dedicated technical assistance to the City's nonprofit vendors. Over the last six years, MOCS has supported the City's nonprofit partners through a free training program, the CBO Review program, as well as a helpdesk for nonprofits to access instant assistance. In Fiscal 2013, CBO staff responded to over 7,000 phone and email requests for nonprofit assistance and over 2,200 visitors came to the CBO website to obtain information on its programs.

Immediately after Hurricane Sandy, CBO added a new initiative to assist the many organizations that were reeling from the effects of the storm, either because their offices were damaged and/or there was an increased need for their services. Over 600 nonprofit representatives attended information sessions organized by the Mayor's Office to learn about the FEMA Public Assistance program, which offers recovery grants to nonprofits. CBO then convened a multi-agency task force to provide ongoing assistance to nonprofits throughout the application process. CBO also serves to link FEMA, the NYS Office of Emergency Management and the NYC nonprofit sector, advocating on behalf of organizations that faced difficulties with the process. Approximately 700 NYC nonprofits ultimately applied for FEMA assistance and, with CBO's leadership, the task force reached out to each organization to assist with the application process.

<b>Table III-6: Attendance at Fiscal 2013 Capacity Building Trainings</b>	
<b>Training Topic</b>	<b>Attendees</b>
Discretionary Clearance and Prequalification	24
Client Service Contracts	11
Building Infrastructure to Support Organizational Development	10
Competitive Contracts	29
Discretionary Contracts	23
Internal Controls	20
Capacity Building Training for Council Funded Community Partners <sup>20</sup>	436
<b>Total</b>	<b>553</b>

<sup>20</sup> This class was offered six times during Fiscal 2013.

"I think this was better than I expected, a great way to keep all orgs, small and big, accountable. Please continue the great work!"

-Program staff,  
social service agency  
in Manhattan

CBO conducted 12 nonprofit training sessions during Fiscal 2013, attended by a total of 553 nonprofit leaders and staff from City agencies charged with working with nonprofits, an increase of 119 (or 27%) over last year. Two types of trainings were provided: (1) full-day "Capacity Building Trainings," which are funded by the New York City Council and combine comprehensive compliance information with skill-building workshops, and (2) half-day topical trainings through the Procurement Training Institute ([see page 15](#)). Training topics and attendee numbers are listed in Table III-6.

As part of the CBO initiative, MOCS conducts reviews of nonprofit providers' internal controls, governance structures, and fiscal oversight practices. To avoid imposing delays in the contracting process, reviews are not linked to particular contract awards. Nonprofits holding \$1 million or more in City contracts are selected by CBO through a randomized process, although CBO also reviews smaller organizations that request a review, or that are referred to CBO by City agencies. Of the 1,473 nonprofit human service providers holding contracts in Fiscal 2013, only 376 met the \$1 million CBO threshold. However, the value of

contracts held by these 376 nonprofits comprises nearly 97% of the value of all open contracts with the nonprofit sector.

In Fiscal 2013, CBO opened four new reviews and completed or closed 66 reviews, most of which had been opened in prior years. Additional reviews remained active as of the close of Fiscal 2013 as organizations were still in the process of implementing CBO recommendations. Recommendations may include improved board structure and governance policies, stronger financial controls, stricter conflicts of interest and other organizational policies and improved executive compensation based on best practices. Many recommendations are intended to be implemented over a period of time, particularly those that require adoption by a board of directors. Since the program began, CBO has opened reviews of 480 nonprofits and completed 230 of those reviews.

In addition to its regular reviews, CBO provides an important oversight function when the City has serious integrity concerns about a vendor. In such cases, MOCS, CBO and the contracting agencies may work with the vendor to establish a Corrective Action Plan (CAP) that addresses the City's concerns. (Often the CAP requires a nonprofit vendor to complete a CBO review.) Once the CAP is in place, CBO helps make sure the vendor stays in compliance with the CAP's terms. In Fiscal 2013, MOCS and CBO helped develop four new CAPs. In total, CBO is currently overseeing compliance for eight CAPs, including CAPs put in place in prior fiscal years.

## CBO Highlight: Merrill Park Civic Association

CBO reviews are conducted at random for vendors that hold City human service contracts valued at \$1 million or more in aggregate, and generally involve correspondence and conversations over a significant length of time, depending on the type of recommendations the nonprofit agrees to implement. In Fiscal 2013, CBO completed a review of Merrill Park Civic Association/Robert Couche Senior Citizen Center. Established in 1957, this Queens-based nonprofit organization provides senior services in the Springfield Gardens neighborhood in Queens.

CBO staff found that the organization was providing quality services, but was not adhering to best practices related to board oversight and several important internal controls. CBO made a recommendation

consisting of an twelve point plan to strengthen the organization's financial controls, board structure, and legal compliance. Recommendations included such things as documenting financial policies and procedures; getting the board more involved in oversight of finances

*“The Robert Couche Senior Citizen Center has had a very productive year thus far, however, it is very encouraging to know your organization CBO continues to be available to offer sound advice and insightful information when needed as in the past. We look forward to a continued relationship.”*

*-Eleanor Kelly, Executive Director*

and auditing; and implementing policies on whistleblowers, conflict of interest, and nepotism.

CBO provided policies to assist Merrill Park Civic Association such as a sample budget, financial policies and procedures manuals and guidance on nepotism, conflict of interest, whistle blower and document retention policies. CBO also referred Merrill Park Civic Center to other technical assistance resources. Merrill Park Civic Association's board was instrumental in the completion of the CBO Review process and took the lead in ensuring full implementation of the best practices CBO recommended.



Robert Couche Senior Citizen Center  
Credit: Merrill Park Civic Association

## **HHS Accelerator: Simplifying the process**

HHS Accelerator was created to simplify and speed the contracting process for human services providers. Through a deliberate and collaborative multi-year planning process with providers, redundant paper-based requirements were removed, processes reengineered, and contract documents standardized. HHS Accelerator rolled out its first phases to the public in Fiscal 2013. Ryan Murray and Vincent Perneti from the HHS Accelerator team discussed the project with MOCS. The team is led by Executive Director Louisa Chafee and First Deputy Director Dan Symon.

### **How did this initiative begin?**

We rely heavily on providers to deliver critical client and community services to New York City residents, Deputy Mayor Linda Gibbs took up the charge to collaboratively improve procurement for human services and the concept for Accelerator was born.

### **How does HHS Accelerator impact contracting for nonprofits and the City?**

HHS Accelerator improves the provider experience by establishing the Document Vault – a central, online system that allows providers to electronically store and submit frequently requested procurement documents to agencies and a Prequalification Application – a simple electronic questionnaire focused on organizational capacity, compliance with filings regulations and experience delivering relevant services all in one convenient portal system.

### **What are the next phases of the project?**

Starting in Fall 2013, providers will also benefit from a new RFP format that places more emphasis on program approach and a Financial Management module that creates a common user interface for providers and City agencies to manage budgets, invoices and payments.

### **What challenges have you faced along the way?**

One challenge we have faced is defining services across a range of sectors. We produced the new NYC Client and Community Services Catalog, defining all services the City administers. Nonprofit and agency program staff and policy leaders worked together to simplify and clarify definitions, and the City will use these clearer, consistent definitions to delineate types of services.



**HHS Accelerator Team**  
Credit: Marcello Rios

[www.nyc.gov/hhsaccelerator](http://www.nyc.gov/hhsaccelerator).

To learn more about HHS Accelerator, visit

## EARLYLEARN

EarlyLearn NYC is the City's investment in a publicly-funded early childhood education system designed to raise educational standards, increase family supports and strengthen professional development for teachers. Studies show that 90% of brain development occurs before age five, and that children who are enrolled in quality early care are more likely to succeed academically, graduate from high school, and become part of the workforce. These contracts account for the majority of spending for ACS in Fiscal 2013; additionally, EarlyLearn accounts for 15% of contract actions across the City and 70% of contract actions for ACS in Fiscal 2013.

In order to provide these services, the City reached out to organizations across all boroughs through a request for

proposal. The City received over 250 proposals in response to the solicitation to provide EarlyLearn services. Most importantly, the majority of vendors are located in communities where early



EarlyLearn serves over 42,000 NYC children annually  
Credit: Tyler Ocon/MOCS

childhood education services are most needed.

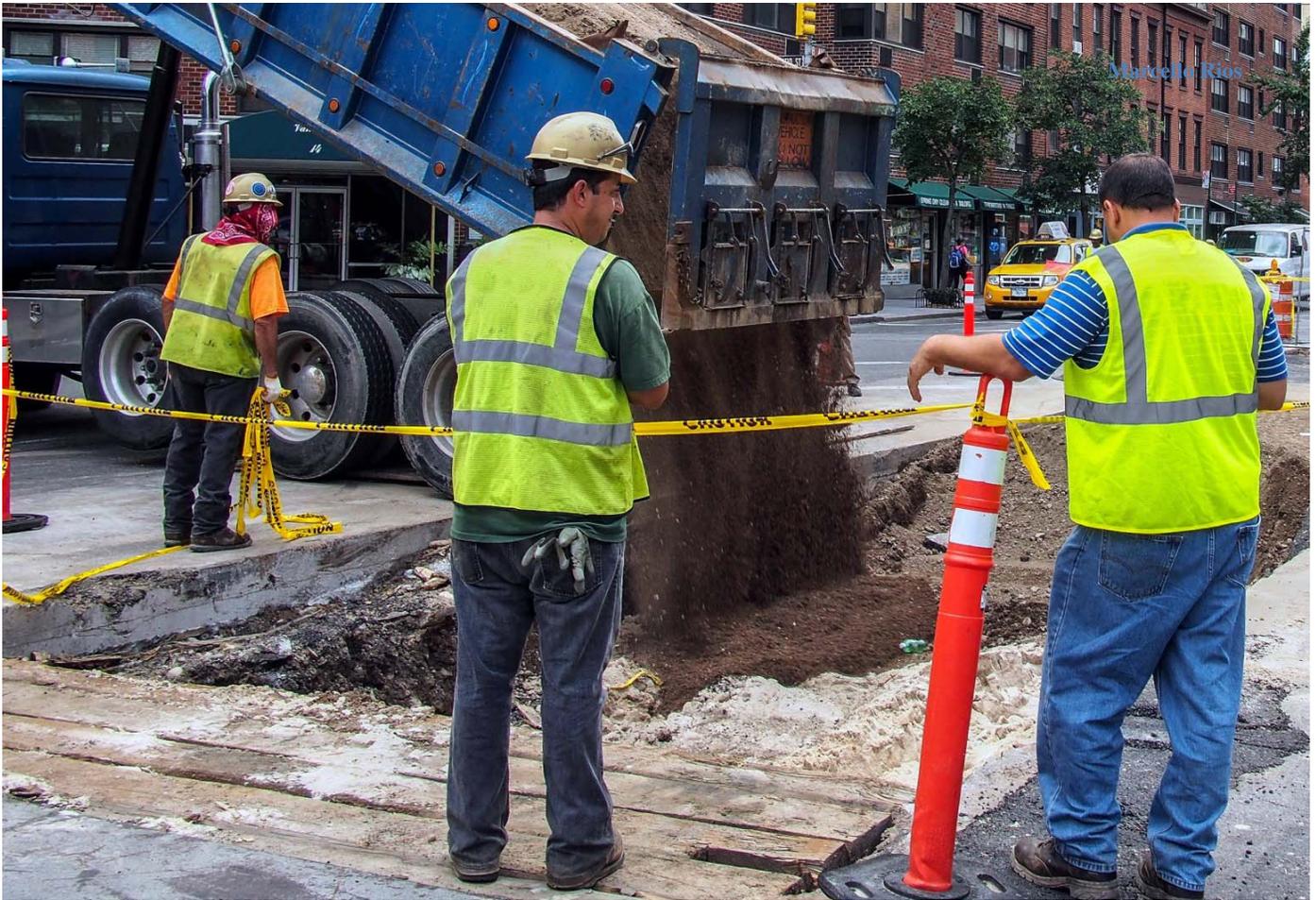
This initiative currently serves over 42,000 children across 149 registered contracts.

## PROMPT PAYMENT

As part of implementing a fair and transparent contracting process, the City has measures in place to make sure vendors are paid in a timely fashion. A consistent cash flow is critical to the stability of business operations. Delayed payments can have a negative impact on project completion and milestone timeliness. With this in mind, Section 4-12 of the PPB rules works as an incentive for City agencies by authorizing interest payments for late registration of human services contracts. For example, a provider may have to take out a loan as a result of a late registration of a contract. The City would then be

required to reimburse the provider for interests incurred on such loan.

Similarly, PPB Rule 4-06 prescribes protections and requirements under City contracts that allow for assessments of interest on late payments due to pre-established criteria. Each of these claims must be substantiated and subject to strict requirements in line with protecting tax dollars. Overall, these interests constitute a nominal amount across City agencies. In Fiscal 2013, the net interest paid on justified claims was \$2,232.



The City procured close to \$3 billion in construction services

Credit: Tyrone McFarlane/MOCS

## IV. CONSTRUCTION

Over the last decade, the City has transformed its approach to construction. Major changes in the City’s practices have embraced social responsibility, environmentally sound policies, and progressive design. This undertaking is significant considering the diversity, scale and complexity of public construction projects. Municipal construction projects are funded through City expense dollars, capital money and grants. Capital projects are financed by selling bonds and involve the construction, reconstruction, acquisition or installation of “a physical public improvement” such as a bridge. Therefore, agencies must carefully plan for the scopes of projects while ensuring that funds are in place on time for the procurement process. The City’s presence in this industry is notable; by way of illustration, in Fiscal 2013 the City awarded approximately \$2.6 billion in construction work. Construction services accounted for 17% of all City procurement. These programs will continue to have an important role in municipal construction in the short and long term.

The City has transformed its physical plant and developed mechanisms to better respond to a continuously evolving construction portfolio. Prior to the creation of the Department of Design and Construction (DDC) City agencies had carried out their own construction projects. By consolidating these



NYC bike lane  
Credit: Robert Katz/MOCS

efforts, the City was able to use its resources more efficiently. Under the current administration, the City began to adopt and build upon innovative concepts in construction procurement such as Quality Based Selection (QBS), Sustainable Design and Active Design. For instance, the Design and Construction Excellence Initiative paved the way for the codification of improvements in procurement practices such as QBS. Modeled after the U.S. General Services Administration (GSA) Design Excellence program, QBS allows the City to prioritize quality by focusing on a company's experience and technical approach, as opposed to price, when awarding contracts. For an in-depth discussion on QBS, please see page 57.

The City has embarked on progressive design by engaging in research, partnering with expert entities, and passing legislation. Earlier this year, the City committed to the concept of Active Design. The idea, based on substantive research, is that urban design and building code changes can improve health conditions by supporting physical activity. For example, agencies will be required to review the design of covered capital projects to identify opportunities to incorporate active design elements. On page 58, Joanna Frank, Executive Director of the Center for Active Design, discusses how changes in the built environment can help to address obesity and related chronic diseases.

The City has also positioned itself at the vanguard of procurement legislation and policy reform to promote fair practices and improve contracting in this industry. In 2009, the City announced a series of PLAs with provisions to help small, minority- and women-owned construction firms and to promote careers in the field of construction. These agreements engage the City and the Building Trades unions in common labor provisions that apply to all contractors and subcontractors working on a project. See a discussion of PLAs on page 48. The City estimates that this program will result in approximately \$300 million in gained savings, and over 1,500 new construction jobs.

Similarly, in 2009, the PPB rules were changed to grant agencies more flexibility in using a Prequalification list (PQL) for construction. Prequalification allows an agency to review the qualifications of a company, deem it qualified to compete, and then compile a list which is then used in the award competition. PQLs save agencies time in their contract award process. In Fiscal 2013, DDC used this procurement approach for seven construction projects including beach restoration after Hurricane Sandy and citywide sewer reconstruction.

In comparison to other municipalities, public construction projects in New York City are unique in many ways including industry diversity and size. These factors present special challenges for us. To give some perspective, Phoenix, Arizona is a large, fast-growing city making substantial investments in new construction. According to its 2013-2018 Preliminary Capital Improvement Program (CIP) report, Phoenix manages a localized portfolio of new construction, renovation and improvements of existing infrastructure and land acquisition valued at approximately \$2.8 billion over five years. That's the same amount as the New York City's portfolio this year.

Moreover, the types of projects managed by New York City are quite diverse even within the industry. The City's public construction contracts can be classified into 10 general categories: Sewers, Water Mains, Water Pollution Control, Watershed, New Buildings, Building Renovations, Housing, Roads, Bridges and Parks. On one end of the spectrum, the City uses small contractors to work on housing renovations and other similar projects. For example, in Fiscal 2013 HPD awarded a \$17,509 contract to Bijoy Construction Group for roof replacement. Similarly, A. Russo Wrecking, Inc., a certified Women-owned Business Enterprise (WBE), also won several small demolition jobs through competitive sealed bids at this dollar range.

On the other end, the City also has regional and national firms competing for large projects in key water supply projects and water pollution control plants. For instance, DDC awarded a \$45 million contract to C & L Contracting Corp. to build an athletic center on Staten Island. These contracts illustrate the breadth of publicly funded construction in the City.



**Kensico Dam**  
Credit: NYC Water



**Public Safety Answering Center II Bronx, NY**  
Credit: Marcello Rios/MOCS

deal with densely populated work sites. In order to respond to unexpected conditions, agencies process change orders to modify the terms of contracts. Change orders can add or subtract money from the value of the contract as well as address immediate needs including design changes or unexpected site conditions. For example, a change order was necessary when additional materials were unexpectedly needed to remove and dispose materials containing lead and asbestos at Bowne House in Weeping Beech Park. In

Fiscal 2013, agencies processed over 2,700 construction and design change orders worth almost \$633 million. Delays in capital projects can result in significant losses for the City. Therefore, the City has continued to make efforts to control escalation in construction costs. Page 53 discusses change order cycle time in greater depth, and provides an insight into construction agencies' performance in this area.

Ultimately, all the construction contract categories introduced earlier permeate the lives of New York City residents. For this reason, the City has worked diligently to deliver the highest quality of construction projects and related services. The Department of Environmental Protection (DEP) oversees work on sewers, water mains, water pollution control, and the watersheds. These projects allow the City to maintain an adequate supply of clean, fresh drinking water for all New Yorkers, and prevent the spread of waterborne disease. In Fiscal 2013, for example, DEP began work with Schiavone Construction to build a bypass tunnel for the Delaware aqueduct. This \$101 million contract and similar projects will help maintain crucial watersheds.

The City routinely conducts maintenance and construction to ensure safety as millions of people enter New York City each day by bridges and use sidewalks and roads. In Fiscal 2013, DOT awarded a \$104 million contract to CCA Civil Inc., for the construction of 3,000 feet of the Belt Parkway in Brooklyn, which includes replacement of bridge parts over Gerritsen Inlet. This contract is highlighted in



DEP oversees work on sewers, water mains, water pollution control, and the watersheds.

Credit: DEP

DDC contracted with Skanska-Trevcon JV for \$181 million to build this new structure in Manhattan. Within the facility, waste is packaged into containers and transported away from the City by barge. The work completed through this contract is an important part of the solid waste management plan of the Department of Sanitation (DSNY) for the next 20 years. As you read through the rest of this section, you'll learn about how the City remains a key player and driving force behind many innovative approaches to procurement in the construction industry.

this fiscal year's top 25 procurements. (see page 2). DPR awards numerous contracts in order to maintain playgrounds, tennis courts, and ball fields. DPR's site work is performed by vendors such as TBO Sitescapes, which reconstructed basketball courts, paved tennis facilities, and performed general site work throughout Brooklyn for \$2.5 million in Fiscal 2013.

This year 50% of the construction universe can be attributed to new buildings (12%), renovations (17%), and housing (21%). One example of these building projects is the East 91st Street Marine Transfer Station. In Fiscal 2013,

## PROJECT LABOR AGREEMENTS

Project Labor Agreements (PLAs) are agreements between a property owner and relevant unions that establish labor provisions that will apply to all work done on a project. Since Fiscal 2010, the Bloomberg Administration has engaged in a series of PLAs with the Building and Construction Trades Council of Greater New York (BCTC) aimed at realizing potential cost savings of more than \$300 million, while preserving 1,500 construction jobs during the economic downturn. The PLAs lower construction costs and promote job stability by providing common labor provisions for contractors and subcontractors, such as standard work hours and holidays, and lower overtime and shift premiums. In addition, when utilizing a PLA, the City can save time and money by awarding construction work to a single general contractor, instead of multiple contractors as would otherwise be required by the State's Wicks Law.<sup>21</sup>

To date, 213 contracts valued at over \$3 billion have been registered under PLA. In Fiscal 2013 alone a total of 70 contracts valued at \$757 million were registered under a PLA. 58 of these PLA contracts were construction contracts, with the others falling under professional services.

Three contracts accounted for over 50% of the dollar value of PLA work registered in Fiscal 2013. The East 91<sup>st</sup> Street Marine Transfer Station new construction project was registered for \$182 million. DDC procured prefabricated modular units in response to Hurricane Sandy at a cost of \$105 million. The first phase contract for the DEP water bypass tunnel in the Hudson Valley, negotiated in Fiscal 2012 with the Hudson Valley Building and Construction Trades Council, was also registered for \$102 million.

<sup>21</sup> The Wicks Law requires separate specifications and bidding for plumbing, HVAC, and electrical work on public construction projects over a certain threshold amount determined geographically: \$3 million in Bronx, Kings, New York, Queens and Richmond counties, \$1.5 million in Nassau, Suffolk, and Westchester, counties and \$500,000 in all other counties.

## FISH PASSAGE



This year, the Department of Parks and Recreation awarded a contract for construction on the East 182<sup>nd</sup> Street Dam Fish Passage through a competitive sealed bid. This project will install a specially built passage to help fish swim upstream.

The East 182<sup>nd</sup> St. Dam is approximately 2.9 miles upstream from where the Bronx River meets the Long Island Sound. The passage will provide anadromous fish access to a freshwater spawning habitat, which will help establish a sustainable herring population on the river.

This contract will also fund reconstruction of parts of the dam, fencing, a new picnic area, and restoration of the surrounding ecosystem. Work is scheduled to be completed in Spring 2015.

This project is partially funded through a grant jointly by the Wildlife Conservation Society-the National Oceanic and Atmospheric Administration (NOAA) South Bronx Waterfront Partnership. Support was also from received from the NYS Environmental Protection Fund and the National Fish and Wildlife Foundation.



Fish passage installation  
Credit: DPR

## PLA Workforce

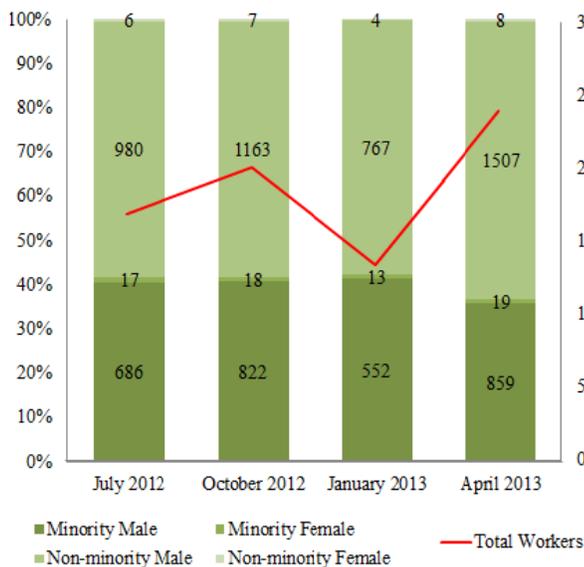
The PLAs also contain provisions to promote M/WBE contractor participation. MOCS and SBS continue to participate in the Mayor’s Committee on Construction Opportunity to look at both contractor and workforce diversity on PLA projects on an ongoing basis. In Fiscal 2013, 24 contracts under PLA, valued at \$97 million, were awarded to M/WBE firms, 77 active PLA projects had 123 subcontracts awarded to M/WBE firms, with a total value of \$28.7 million.



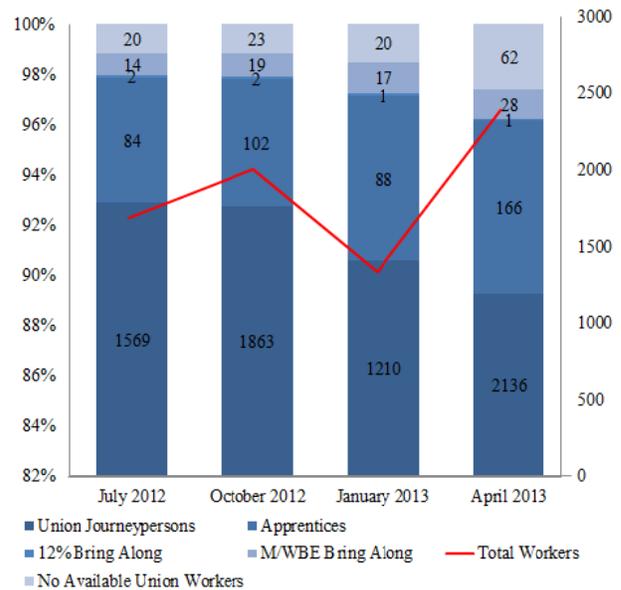
A snap shot census of the trade workforce on each PLA project<sup>22</sup> is taken the first week of each quarter (i.e. the first week of January, April, July and October) giving a picture of workforce diversity, apprentice utilization and use of ‘bring along’ hiring provisions for regular workers of nonunion contractors.

Chart IV-1 presents data from this census that breaks down the worker participation by gender and ethnicity. Chart IV-2 breaks down the worker participation by union status. The chart shows that the vast majority of workers on PLA projects are union members followed by apprentices in a union sponsored apprenticeship program. M/WBE contractors and other contractors may ‘bring along’ some of their own workforce if no union workers are available, or under other conditions specified in the PLA.

**Chart IV-1: PLA Workforce by Gender & Ethnicity**



**Chart IV-2: PLA Workforce by Union Status**



<sup>22</sup> Projects with NYC BCTC do not include a PLA project in the Hudson Valley.

## APPRENTICESHIP

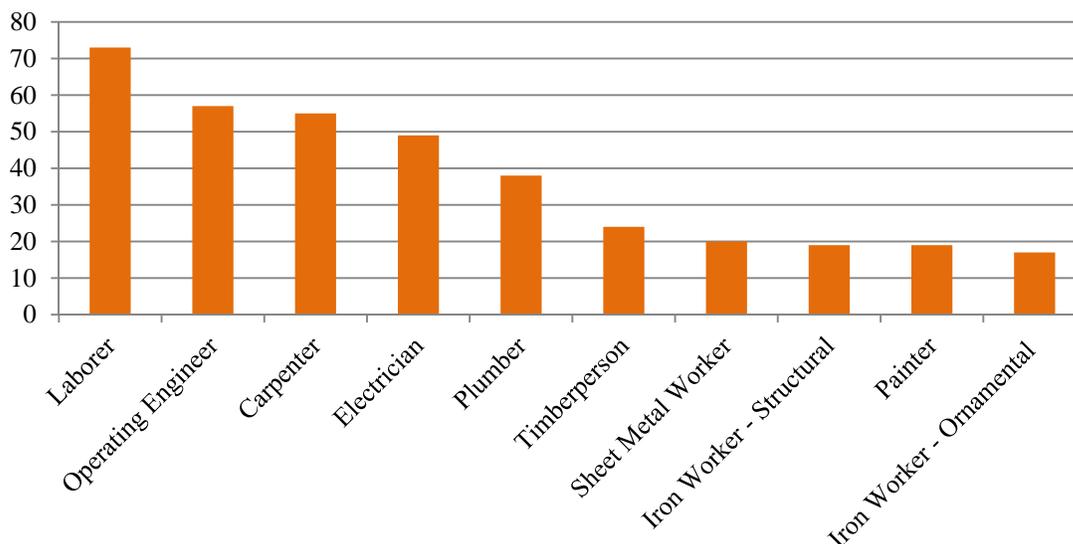
Apprenticeship programs provide for education and training in a skilled trade through a combination of on the job training under the guidance of experienced workers and classroom instruction. These programs provide New Yorkers with a path to advance into well paying careers in the construction industry. Under a directive issued by MOCS (the Apprenticeship Directive), the City requires nearly all vendors awarded construction contracts over \$3 million to show participation in apprenticeship programs that have been approved by the State Department of Labor and have successfully operated and passed probationary status.

**Table IV-1 Fiscal 2013 Newly-Awarded Construction Contracts – Apprenticeship Program Coverage**

Agency	Total \$	App. Dir.		PLA		Union		Gov't/Non-Profit/Utility		Uncategorized	
		\$ Value	%	\$ Value	%	\$ Value	%	\$ Value	%	\$ Value	%
DCAS	\$90,916,648	\$14,600,000	16%	\$48,261,128	53%	\$502,110	1%	\$19,846,800	22%	\$7,706,610	8%
DDC	\$1,019,917,899	\$342,723,097	34%	\$475,292,798	47%	\$177,657,725	17%	\$1,456,653	0%	\$22,787,626	2%
DEP	\$689,931,262	\$3,000,000	0%	\$163,060,508	24%	\$352,963,930	51%	\$42,976,000	6%	\$127,930,824	19%
DOT	\$144,309,579	\$108,602,630	75%	\$0	0%	\$7,831,854	5%	\$15,760,095	11%	\$12,115,000	8%
DPR	\$195,706,293	\$32,075,264	16%	\$10,852,955	6%	\$42,664,131	22%	\$32,563,158	17%	\$77,550,785	40%
DSNY	\$2,797,069	\$0	0%	\$0	0%	\$2,275,000	81%	\$0	0%	\$522,069	19%
HPD	\$24,408,434	\$5,825,000	24%	\$0	0%	\$10,132,440	42%	\$0	0%	\$8,450,994	35%
All Others	\$68,214,324	\$0	0%	\$30,281,474	44%	\$5,060,037	7%	\$28,090,794	41%	\$4,782,019	7%
<b>Citywide</b>	<b>\$2,236,201,508</b>	<b>\$506,825,992</b>	<b>23%</b>	<b>\$727,748,863</b>	<b>33%</b>	<b>\$599,087,227</b>	<b>27%</b>	<b>\$140,693,500</b>	<b>6%</b>	<b>\$261,845,927</b>	<b>12%</b>

In Fiscal 2013, City agencies registered 49 construction contracts that fell under the Apprenticeship Directive, representing a total value of nearly \$507 million. In addition to these contracts, the City awarded 58 construction contracts (valued at just under \$728 million) under the City's PLAs. While contracts subject to a PLA are technically exempt from the Apprenticeship Directive, the terms of the PLA require all contractors working on PLA projects to participate in the union-affiliated apprentice programs. Thus, an additional \$728 million in construction contracts had apprenticeship participation via the PLAs. An additional \$599 million of construction contracts went to firms that participate in apprentice programs, although the specific procurements did not require apprentice participation. The number of emergency contracts related to Hurricane Sandy dramatically increased the volume of contracts which were not subject to the Apprenticeship Directive or the PLAs.

**Chart IV-3: Fiscal 2013 Apprenticeship Primes  
Top Ten Trades**



During Fiscal 2013, virtually all vendors covered by the Apprenticeship Directive complied by participating in programs affiliated with a union, usually a union associated with the Building Trades unions. The trades most commonly included in those prime contracts are those associated with heavy, highway or site construction, as distinct from work within a building.

Agency	#	\$ Value
DCAS	12	\$1,852,500
DDC	24	\$27,220,278
DEP	116	\$29,914,619
DOC	3	\$1,010,000
DOT	3	\$613,000
DPR	89	\$12,222,645
DSNY	13	\$3,034,671
FDNY	10	\$1,967,910
HPD	12	\$2,243,800
NYPD	2	\$99,800
<b>Total</b>	<b>284</b>	<b>\$80,179,224</b>

During Fiscal 2013, there were a total of 284 subcontracts, valued at \$80 million, on projects covered by the apprenticeship directive but not a PLA. Subcontracts involving apprenticeable trades are only required where the value is one million dollars or more. Many subcontracts are for services that do not involve trades such as professional engineering, laboratory testing and construction photography. In Fiscal 2013, 22% of the value of subcontracts under the Apprentice Directive was awarded to M/WBE firms.

<b>Table IV-3: Fiscal 2013 Subcontracting on Non-PLA Construction Contracts Subject to Apprenticeship Requirements</b>								
<b>Type of Goals Program</b>	<b>Total Subcontracts</b>		<b>M/WBE Subcontracts</b>			<b>Non-M/WBE Subcontracts</b>		
	Count	Value	Count	Value	% Value	Count	Value	% Value
State/Federal Goals	113	\$55,744,627	37	\$8,866,746	15%	76	\$46,877,881	84%
LL129 Goals	167	\$24,366,097	58	\$9,820,509	40%	109	\$14,545,587	60%
Apprenticeship Only	4	\$68,500	0	\$0	0%	4	\$68,500	100%
<b>Total</b>	<b>284</b>	<b>\$80,179,223</b>	<b>95</b>	<b>\$18,687,255</b>	<b>22%</b>	<b>189</b>	<b>\$61,491,968</b>	<b>77%</b>

Table IV-4 below shows the trades associated with the subcontracts of contracts under the apprenticeship directive.

<b>Table IV-4: Trades Listed in Fiscal 2013 Apprenticeship Subcontracts</b>			
<b>Trade Classification</b>	<b># Subcontracts Including Listed Trade</b>	<b>Trade Classification</b>	<b># Subcontracts Including Listed Trade</b>
Boilermaker	1	Operating Engineer	23
Bricklayer/Mason	9	Ornamental Iron	20
Carpenter	17	Painter	10
Derrickperson/Rigger	2	Painter - Structural	7
Dockbuilder	2	Paver	3
Electrician	54	Plumber	25
Engineer	6	Pointer	4
Floor Coverer	2	Roofer	9
Glazier	6	Sheet Metal	16
Heat & Frost Insulator	7	Steamfitter	13
Laborer	85	Stone Mason	4
Mason	3	Structural Iron	11
Metallic Lather	3	Tile Layer	2
Millwright	3	Timberperson	1

## CHANGE ORDERS

Change orders are amendments to construction contracts to authorize additional work necessary to complete the project or to add work that does not materially change the original contract scope. To accurately report processing timeliness and change orders as a percent of the original contract, we categorize change orders into either design change orders (DCOs) on architectural and engineering contracts relating to such projects or construction change orders (CCOs) for those on the actual construction services component of the projects.

In Fiscal 2013, design change orders averaged 17% of the original contract value, slightly lower than Fiscal 2012. Although this represents a significant portion of the original contract value, it is important to note that often revised designs can help mitigate increases to the construction costs. Further, almost 90% of change orders were 5% or less of the original contract amount. We continued to improve processing times for DCOs. In Fiscal 2013 the average processing time decreased by 12%, from an average of 81 to 71 days.

**Table IV-5: Fiscal 2013 Design Change Order (DCO) Processing**

Agency	Count	Original Contract Value	DCO Value	DCOs as a % of Contracts				Processing Time (Days)			
				Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
DDC	68	\$208,965,015	\$34,435,226	16%	13%	9%	23%	75	81	89	196
DEP	53	\$376,065,541	\$73,835,649	20%	33%	9%	20%	85	87	123	158
DOT	33	\$164,063,802	\$14,526,576	9%	6%	8%	17%	39	64	89	156
DPR	10	\$13,552,449	\$1,337,974	10%	6%	10%	17%	103	91	144	97
All Others	7	\$19,702,315	\$5,149,282	26%	3%	7%	22%	49	75	153	93
<b>Total</b>	<b>171</b>	<b>\$782,349,123</b>	<b>\$129,284,707</b>	<b>17%</b>	<b>19%</b>	<b>9%</b>	<b>20%</b>	<b>71</b>	<b>81</b>	<b>109</b>	<b>156</b>

For construction change orders, most agencies performed comparably to last year. With the continued economic downturn leading to lower construction prices, City agencies benefitted as the value of construction change orders relative to original contract values remained low, at 3%, slightly less than Fiscal 2012. Construction change order processing times continued to show improvement in Fiscal 2013, as the average processing time declined by 7% from an average of 105 days to 98 days.

**Table IV-6: Fiscal 2013 Construction Change Order (CCO) Processing**

Agency	Count	Original Contract Value	CCO Value	CCOs as a % of Contracts				Processing Time (Days)			
				Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
				DCAS	121	\$102,315,105	\$6,438,284	6%	13%	5%	3%
DDC	812	\$2,667,384,531	\$119,300,979	4%	4%	7%	5%	98	152	112	105
DEP	966	\$8,557,010,106	\$236,848,282	3%	3%	3%	3%	110	74	132	179
DOT	103	\$2,019,766,832	\$45,232,751	2%	2%	3%	4%	49	60	76	141
DPR	366	\$421,835,027	\$46,169,931	11%	14%	7%	11%	86	131	155	179
DSNY	147	\$735,341,350	\$1,564,247	0.2%	2%	0%	3%	80	145	121	81
All Others	49	\$97,555,109	\$48,263,924	49%	21%	6%	3%	119	106	94	108
<b>Total</b>	<b>2,564</b>	<b>\$14,601,208,060</b>	<b>\$503,818,398</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>98</b>	<b>105</b>	<b>125</b>	<b>150</b>

There are a number of specific reasons an agency will decide to move forward with a change order. Reasons for change orders include non-material scope change, field condition, design omission, design error and administrative change. Many times there are multiple concurrent reasons that an agency must proceed with a change order. According to data from the citywide Automated Procurement Tracking system (APT), 43% of construction change orders in Fiscal 2013 resulted from a field condition, 19% resulted from administrative changes, and another 19% resulted from design omission.

## PREVAILING & LIVING WAGE LAWS

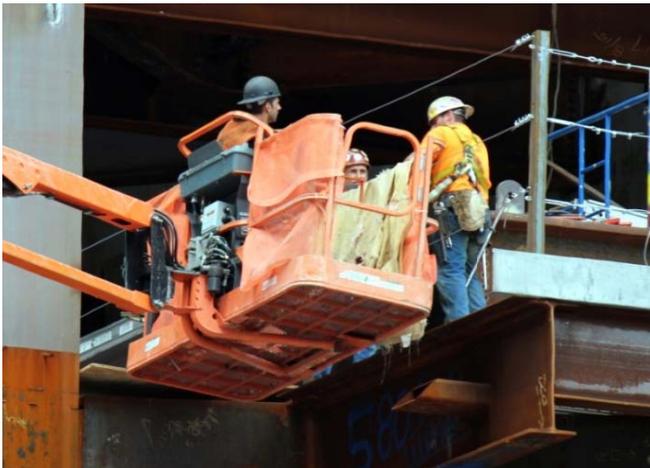
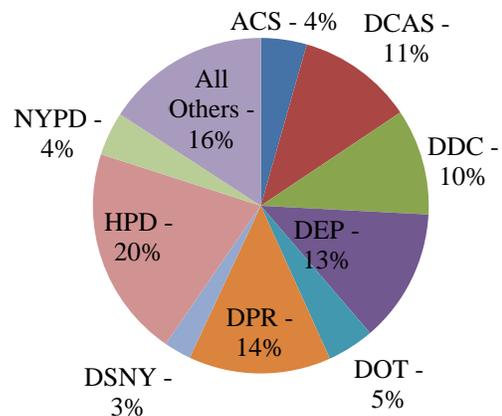
Agencies also evaluate a vendor’s compliance with federal, state and City labor laws that secure the wage rights of the vendor’s employees. Under the State Labor Law, prevailing wage requirements apply to public work projects and building services.<sup>23</sup> City law establishes Living Wage requirements for certain types of contracts such as contracts for building services, day care, Head Start programs, home care, food services, temporary workers and services to persons with cerebral palsy. In Fiscal 2013, the City awarded 948 contracts, valued at \$2.1 billion, subject to prevailing wage requirements and 256 contracts, valued at \$1.9 billion, subject to the Living Wage Law. EDC also processed 29 contract actions, valued at \$157 million, for work subject to prevailing wage requirements.

Pursuant to Executive Order No. 102 (EO 102), MOCS and City agencies are required to oversee and ensure compliance by City vendors with prevailing and living wage laws. In particular, EO



102 triggers enhanced agency inspection of bids when the price difference between the apparent low bid and the next lowest responsive bid exceeds specified thresholds. The agency must obtain detailed information from the low bidder to make sure that the low bid has not been made in disregard of the obligation to pay all workers their legally mandated wages. For contract awards subject to EO 102, MOCS must review the contracting agencies’ determinations before such contracts can be awarded.

**Chart IV-4: Prevailing Wage Contracts by Agency**  
Total Number of Contracts = 948



The City awarded 948 prevailing wage contracts in Fiscal 2013  
Credit: Marcello Rios/MOCS

MOCS conducted 25 such reviews during Fiscal 2013, approving all of the relevant awards. Agencies that have been delegated this responsibility reviewed and approved an additional 21 awards. Of the 46 approved awards, 39 resulted in registered contracts during Fiscal 2013; the other seven contracts remained pending as of the end of the fiscal year.<sup>24</sup>

<sup>23</sup> Projects for construction, reconstruction or maintenance on behalf of a public entity are generally considered public work. Building services are defined as work, on behalf of a public entity, which is associated with care and upkeep of an existing building (e.g., cleaners, gardeners and security guards) and valued at more than \$1,500.

<sup>24</sup> Nine awards were approved in Fiscal 2012 but not reported as registered in last year’s Procurement Indicators Report. Eight of these awards were registered in Fiscal 2013, the low bidder on the remaining contract withdrew from the job and the contract was awarded to another vendor.

## FACES OF PROCUREMENT

# John Spavins – MOCS Coordinator for Labor Initiatives

### How has citywide construction changed under the Bloomberg Administration?

The Bloomberg Administration made a number of decisions related to the importance of labor in construction. First, prevailing wage enforcement on public work and building service contracts is important because it levels the competitive playing field on bids that require the use of skilled trade labor. The pre-award process has agencies looking at the low bidder for prevailing wage compliance (originally mandated by Executive Order No. 73 and updated by Executive Order No. 102). We also created several kinds of training in prevailing wage compliance at all levels of City government.

In addition, this Administration developed a policy on apprenticeship participation which balances the needs of small contractors with our interest in a skilled construction workforce and opportunities for New Yorkers in apprenticeship training. The use of project labor agreements since the adoption of the Wicks Law Reform Act by the State Legislature has provided for labor cost savings and streamlined construction primarily within the categories of new building, repair of public buildings, and water pollution control plants.



John Spavins, Labor Initiatives Coordinator, MOCS  
Credit: Marcello Rios/MOCS

### You worked with MOCS on the Wicks Law Reform Act. Why is it so important to the City?

The Wicks Reforms were signed into law in April 2008 and took effect at the beginning of Fiscal 2009. This act accomplished several key objectives, the most important being the ability to bid to a single fully accountable contractor when building or renovating an above ground structure. The Wicks Law prior to the 2008 reforms required separate bidding of electrical, plumbing and HVAC work resulting in four contractors (three ‘Wicks trades’ plus a general construction contractor) each having a piece of responsibility for the delivery of a single project.

### What changes would you like to see in construction in the years ahead?

I would like to see the public agencies add additional alternative construction procurement models to the toolbox, and to continue streamlining the existing procurement and payment processes.

## QUALITY-BASED SELECTION (QBS)

Quality Based Selection (QBS) is a methodology, typically used when procuring construction related services, when evaluating proposals from a RFP. The method focuses on the technical merit of proposals, after which the City enters directly into price negotiations with the highest rated proposer. For this type of professional service, and other approved procurements where it is in the City's best interest to contract with the best qualified vendor for a particular project, QBS is the preferred selection method as per PPB Rule 3-03(g). From Fiscal 2009 to Fiscal 2013, the City has procured 230 contracts using QBS for approximately \$1.4 billion.

QBS was introduced to the City's contracting process in 2004 under the Innovative Procurement rule (PPB Rule 3-12), whereby new procurement methods are piloted and reviewed before being considered for PPB rule codification. As part of Mayor Michael R. Bloomberg's Design + Construction Excellence Initiative, DDC began implementation of its Design Excellence program under Commissioner David Burney. The priorities of DDC's program aligned with the principles of QBS and so, in partnership with MOCS, DDC and DPR tested the viability of using QBS to select consultants for architectural and engineering design work.

**“Each year...our administration demonstrates its commitment to fostering good design in our city.”**

**- Mayor Michael R. Bloomberg,**

July 12, 2004<sup>25</sup>

The goals of adopting QBS were to increase competition for City projects by attracting highly qualified firms which may otherwise have been reluctant to pursue City contracts, improve the quality of design for public construction work, and realize cost savings over the life of the project.

The first two procurements testing QBS were RFPs for master service agreements for architectural and engineering services, and attracted the largest number of proposals ever received by DDC as well as new vendors in two solicitations. One was directed at smaller firms with no more than 10 professional staff to work on projects of smaller scope (estimated up to \$5 million, not to exceed \$10 million at one time); the other RFP was directed at larger firms with no limit on firm or project size. The first solicitation resulted in 171 proposals; 94% of those firms had never contracted with the City. The second drew 135, of which 73% had never contracted with the City. DDC successfully awarded a variety of projects using QBS, and the selection method was adopted into the RFP evaluation process by the PPB in 2006.

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<sup>25</sup> Press Release, Mayor Michael R. Bloomberg Announces the 22nd Annual Art Commission Awards For Excellence In Design (July 12, 2004).

## Getting New Yorkers Moving

Joanna Frank is the Executive Director of the Center for Active Design ([centerforactivedesign.org/](http://centerforactivedesign.org/)), a nonprofit organization based in New York City that promotes changes in the built environment as means to combat obesity and related chronic diseases.



**Can you describe how the Active design guidelines were developed and what sorts of development they encourage?**

Active Design, the principle of having the built environment promote public health goals, was years in the making. There is a precedent for this; in the early 20th century, before the development and widespread use of antibiotics, infectious disease was pandemic. The City addressed the crisis by upgrading the water distribution systems (reservoirs, piping, etc.) to ensure clean water, and passing housing laws to reduce overcrowding. So historically, the built environment has played a role in impacting public health.

The Active Design Guidelines are a set of strategies aimed at creating healthier neighborhoods, buildings, streets, and outdoor spaces that encourage walking, bicycling, and active transportation and recreation. Published in 2010, they are the result of a multidisciplinary collaboration between City agencies, design and health professionals, developers, and academic partners. Then, in 2012, a multi-agency Obesity Task Force convened as part of the Mayor’s public health initiative and published “Reversing the Epidemic: The New York City Obesity Task Force Plan to Prevent and Control Obesity,” recommending the full scale implementation of the Active Design Guidelines.

The Guidelines highlight a wide range of projects in NYC that encourage active recreation (such as parks, playgrounds, and places like the High Line), active transportations (such as pedestrian plazas and bicycle infrastructure), healthy food access (including farmers markets and community gardens), and active circulation within buildings (for example in the new Cooper Union building, or the Via Verde mixed- housing development in the Bronx.)

**What role do you envision the Center will play in urban design and new construction in New York City moving forward?**

Over the next year, we expect to hold at least a dozen training sessions targeting City agency staff in order to support implementation of Executive Order No. 359. We plan to host quarterly public workshops with the design community and community-based organizations. We want to build awareness on many levels – with the agencies who oversee built environment initiatives, with the designers who can directly shape the health impacts of specific projects, and with the users of public spaces and buildings so they know what is possible and understand the potential health benefits.



*Joanna Frank, Executive Director,  
Center for Active Design  
Credit: Marcello Rios/MOCS*



The City procured over \$1 billion in goods in Fiscal 2013

Credit: Marcello Rios/MOCS

## V. SUPPORTING CITY AGENCIES THROUGH GOODS AND SERVICES

The City provides many services due to the hard work and dedication of its thousands of employees. In order to keep City government running, those employees need vital support services, often provided by contracted vendors. These vendors provide the pens and pencils for every office, the ambulances and fire engines, cleaning services for City buildings, maintenance and repair of vital machinery, laboratory testing, specialized legal services, information technology services and meet many other vital needs. Procurements of this type fall mainly into three industries: professional services, standardized services, and goods.

Professional services include contracts for the provision of various kinds of expert advice and consulting, including legal services, medical services and information technology consulting. Sometimes, professional services vendors support City initiatives in other areas as well. Consultants help design better, more efficient human service programs and construction management firms assist the City with organizing the complexity of large construction projects.

Contracts for economic development are also considered to be professional services, and so the very large contracts funding EDC and Governors Island held by SBS make the agency the largest purchaser in this industry, with 79% of the

procurement in professional services in Fiscal 2013. Because there is only one unique vendor to perform the economic development services required by these large contracts, the sole source method accounts for 79% of the new procurements in this category. Because professional services require the vendor to exercise discretion, they are often procured through the RFP method (9% of new professional services contracting in Fiscal 2013). DDC used the RFP method to procure several new contracts for construction management. DoITT is also a major procurer of professional services, primarily for IT consulting. These contracts were primarily procured as task orders off master agreements (themselves procured mostly as RFPs) or through the intergovernmental method.

Standardized services are defined as those services that do not require the exercise of discretion on the part of the vendor. The major purchasers of standardized services are DCAS (27%) and DSNY (23%). DCAS procures many standardized services as requirements contracts (see page 61) for the use of all City agencies. DCAS also contracts for utilities, including gas and electricity, for City buildings. DSNY holds many contracts for the export of solid waste from the City. In Fiscal 2013, half of the portfolio of standardized services contracts consisted of renewals and extensions of existing contracts, including the renewal of much of DSNY's contracts for solid waste export.

The most self-explanatory of all industry classifications is goods. Durable goods purchased for use by City workers are all grouped in this category. Goods procured in Fiscal 2013 include consumables such as food and fuel, vehicles including heavy duty trucks, fire engines and Police Department (NYPD) scooters, asphalt for

road repair, portable radios computers and software and office supplies.

While virtually every agency made some goods purchases during Fiscal 2013, by far the largest purchaser was DCAS, with 78% of the total volume. When only goods purchases over \$100,000 are considered, that share goes up to 86%.

Because goods are commoditized, they are generally procured by finding the provider willing to offer the best price. As such, 67% of new purchases of goods in Fiscal 2013 were procured through a competitive sealed bid or accelerated method. Sometimes agencies find it advantageous to leverage the buying power of the state or federal government to achieve lower pricing and so an additional 16% of new goods purchases were made using the intergovernmental method. Although they only account for 8% of goods purchasing by dollar value, 83% of all goods purchasing actions used the small or micropurchase methods.

For all these types of contracts, procurement efficiency is a major concern. To that end, the City also makes use of other contracting processes discussed in this chapter to leverage the City's buying power and expedite procurement processing. Requirements contracts and master agreements allow agencies to register a single large contract with a provider and then use a streamlined ordering procedure to procure goods or services on an as-needed basis. Procurement cards allow agencies to make purchases up to \$5,000 using an agency credit card, saving time and money (see page 75). Although these alternative structures are not counted with new procurement volumes, they constitute an increasingly important way that agencies support their day to day activities.

## REQUIREMENT CONTRACTS AND MASTER AGREEMENTS

To acquire necessary goods and services quickly, efficiently, and at the lowest possible cost, the City often enters into a single contract used by one or more agencies on an “as needed” basis.

### Requirement Contracts

A requirement contract is entered into by one of the City’s two major goods purchasing agencies – DCAS for most types of goods and services and DoITT for some information technology (IT) goods. Each DCAS or DoITT requirement contract is made available to multiple agencies, often including both Mayoral and non-Mayoral agencies. Through this vehicle, a vendor contracts to supply the City’s entire “requirement” for a particular good or service. When an item is available through a requirement contract, City policy requires agencies to use that contract rather than procure the item separately.

The City benefits from requirement contracts in several ways. First, rather than having each agency perform market research, develop specifications and release solicitations separately, these functions are performed centrally, yielding multi-year contracts that meet all agencies’ needs. Additionally, economies of scale are obtained since requirement contract pricing is based on the total purchases the City expects to make, rather than on smaller single agency totals. Moreover, requirement contracts allow agencies to place orders without going through the more lengthy procurement process that would be required for one-time purchases.

Both DCAS and DoITT maintain a complete online list of all requirement contracts available to agencies. For purchases against DCAS requirement contracts, agencies use “release orders” to purchase a single product or set of items, or “blanket orders” if the agency

anticipates multiple purchases from a particular vendor throughout the year. During Fiscal 2013, agencies created 7,405 orders against multi-agency requirement contracts.



In Fiscal 2013, DCAS began a pilot program to use "Punch-Out" ordering within FMS for six participating agencies. This new procedure makes the ordering experience comparable to online shopping. After logging into FMS, the agency buyer selects the ‘Punch-Out-enabled’ contract and is directed to the vendor’s website, where a shopping cart is filled. Upon proceeding to checkout, the shopper is automatically redirected back to FMS. The shopping cart will then ‘copy forward’ into a purchase order which will be sent electronically to the vendor, after requisite approvals have been applied. This will make shopping for these products more user friendly and allow the City to capture detailed information about items that are purchased citywide. Historically, the City has had to rely on the vendor for this information.

The City's contract with Staples, which covers a variety of office supplies, is the first requirements contract in the pilot program. This contract was chosen as the pilot due to its high volume of orders and applicability to all City agencies. If successful, the City hopes to create this functionality with more of its commonly used catalog requirements contracts and roll out the program citywide to all agencies.

DCAS purchases most goods valued at more than \$100,000 on behalf of all City agencies; DoITT offers a set of citywide information technology contracts. Mayoral and non-Mayoral agencies used 972 requirement contracts in Fiscal

**Table V-1: Fiscal 2013 Top 10 Requirement Contract Encumbrances**

Vendor	Purpose	Orders
Castle Oil Corp.	Heating oil, bioblend and bioheat	\$76,638,017
FIA Card Services	Procurement card	\$69,464,350
Allied Barton Security Svcs.	Unarmed security guards	\$38,804,433
Sprague Energy	Diesel & biodiesel, bulk delivery & rack pick-up	\$21,922,000
Mythics Inc.	Oracle software maintenance	\$14,252,250
Sprague Energy	Diesel & biodiesel, bulk delivery & rack pick-up	\$14,132,367
Allied Barton Security Svcs.	Unarmed security guards	\$12,884,526
Hertz Equipment Rental	Rental of various equipment	\$12,497,767
Major Chevrolet Inc	Vehicles	\$11,712,592
Manhattan Ford Lincoln	Hybrid vehicles	\$10,540,371
<b>Total (Top 10)</b>		<b>\$282,848,673</b>

2013, placing orders valued at just over \$1 billion.<sup>26</sup>

DCAS holds 963 contracts and accounted for 97% of requirement contracts usage. DoITT holds nine requirement contracts, accounting for \$28 million, or approximately 3% of usage. Nearly all requirement contracts have multi-year terms, and 92% were competitively bid. A total of 122 new requirement contracts were registered during Fiscal 2013.

Of the approximately \$519 million in purchasing from multiple agency DCAS and DoITT requirement contracts, 67% was for the purchase of goods, with the largest portion of that going for fuel and vehicles. As the table above shows, the top 10 most heavily used requirement contracts (by amount encumbered) account for \$283 million, or 55% of all such contract usage. The most frequently used requirement contract (by number of orders) was for photocopiers from Canon Business Solutions, with 321 orders totaling \$1.9 million.

<sup>26</sup> This total includes single agency requirement contracts, e.g. specialized chemicals used only by DEP. DCAS holds 788 such single agency use requirement contracts. During Fiscal 2013 agencies made payments totaling approximately \$556 million through single agency requirement contracts.

### Master Agreements

Master agreements for services allow agencies to use a fast-track solicitation process to obtain the specific services needed from firms that already hold a general or “master” contract with the City, providing flexibility when the scope of a project or task cannot be defined in advance or the nature of services needed cannot be determined at the time the contract is solicited and registered. At the time the services are needed, a scope is prepared and the agency creates a task order for the vendor. Master agreements are often awarded to multiple vendors that provide a similar service. When an agency has a need for this type of service, these vendors re-compete to win the task order for such work.

Single agency master agreements afford flexibility for an agency to rapidly respond to needs that may occur suddenly or unpredictably, e.g., for small repairs or upgrades. They also have the advantage of allowing the agency to defer commitment of funding until the task order is created. City procurement rules also provide for multiple agency task order contracts in which one agency registers and administers a master agreement and assists other agencies with the processing of individual task orders as their needs arise. Having multiple City agencies utilize the

same master agreement to fulfill their collective requirements saves time and resources in the procurement process.

Because this report now tracks task orders in the total procurement volume (see Task Orders, page 14), in order to avoid double counting, master agreements newly registered in the fiscal year are no longer included in total procurement volume. In Fiscal 2013, seven agencies registered 60 new master agreements. More than half (31) of the newly registered master agreements were DDC contracts for architecture/engineering services and construction management services. Also notable are ten new DCAS master agreements for translation services (see page 66) and four DoITT master agreements to provide geographical information systems. All the master agreements registered this year were the result of an RFP process or the renewal of a contract previously procured through an RFP.

### **CEO Anti-Poverty Program Evaluation and Research Master Agreements**

The Center for Economic Opportunity is part of the Mayor's Office established in 2006 by Mayor Michael R. Bloomberg to develop and implement innovative new anti-poverty programs. CEO programs are developed in collaboration with the City agencies that implement and operate them.

The CEO, in partnership with HRA, procured independent evaluation, monitoring, and program research from eight research organizations for its wide range of anti-poverty programs. CEO needed these services on an as-needed basis and, as such, established master agreements through an RFP.

Each CEO anti-poverty program requires a unique evaluation strategy, informed by the program's focus, the availability of data, and the timing of expected program outcomes. To maintain a high level of effectiveness and accountability, CEO assesses the impact of its programs through an in-house team and in partnership with the City agencies that implement and manage those programs.

To complement the CEO team and the agencies, HRA/CEO awarded these eight master agreements to research organizations with varying areas of expertise. Each individual task order will be awarded through a mini-competition to those contractors which have the necessary expertise in the required area of interest. The eight contractors are Abt Associates Inc., Branch Associates, Inc., Chapin Hall Center for Children, Fund for the City of New York, MDRC, The Urban Institute, Vera Institute of Justice, Inc. and Westat, Inc.

## SHARED SERVICES

Since January 2011, DCAS's Office of Citywide Purchasing (OCP) has created an expanded portfolio of "shared services" contracts that can be accessed by any City agency. This allows the City to save money by leveraging the City's purchasing power and reducing administrative costs. In Fiscal Year 2013, OCP registered 19 shared services contracts projected to save the City \$50 million over the next few fiscal years:

- A \$24 million contract with Michael Stapleton Associates, Ltd., for citywide K-9 explosives detection services;
- A \$20 million contract extension with Allied Barton Security Services, LLC, for unarmed security guards;
- A \$10 million contract with E.J. Ward for a citywide Fuel Tracking system that feeds data into the Fleet Management System;
- Four requirements contracts, totaling \$4.8 million, with Sid Tool Company, Inc., W.W. Grainger, Inc., Fastenal Company, and B&F Electric Motors, Inc., for the provision of Maintenance, Repair, & Operation Supplies (such as hand/power tools, paints, HVAC and refrigeration, etc.).

This list also includes the fleet management, language services, and auto parts contracts discussed below.

The Department of Citywide Administrative Services also anticipates the registration of, or has already registered, additional Shared Services contracts in Fiscal 2014, including:

- Two contracts, totaling \$7.2 million, with Partners in Safety, Inc., and North Shore Medical Labs, Inc., for citywide drug testing services;
- A \$3.1 million requirements contract with Yaboo Fence Company, Inc. for the installation

and repair of fencing at City-owned locations across the five boroughs;

- Six contracts, totaling \$684 million, with Allied Barton Security Services LLC, Securitas Security Services USA, Inc., and FJC Security Services, Inc., for the provision of fire safety personnel, and both armed and unarmed security guards for City agencies and City-owned buildings;
- A \$2 million contract with Nuenergen LLC for demand response services at City agency facilities to help reduce energy demand at peak times, reduce emissions, and ensure a robust and reliable energy infrastructure;
- A no cost contract with U.S. Bank National Association for the provision and servicing of Purchasing Cards (P-Cards);
- A \$1.7 million contract with Maximum Security Group, Inc. for the provision of locksmithing services;
- An \$18.2 million contract with Xerox Corporation for citywide enterprise print management services;
- A \$30 million contract with Wright Express Financial Services for the provision and servicing of universal fuel cards for the City Fleet;
- A \$3.3 million contract with Culver Floor Covering Company, Inc. for the provision and installation of carpeting for all City agencies, as well as removal of old carpeting and other flooring; and
- A \$3 million contract for flooring tile furnishing and installation, which has not yet been awarded.

By using the collective purchasing power of all agencies, the City provides and will continue to provide premium services to its residents at the lowest cost possible.

## GENUINE PARTS

In Fiscal 2013, the City, through DCAS, started to consolidate all of the City auto part rooms used to maintain the City's Fleet of vehicles with a \$225 million contract with Genuine Parts Company. Historically, the City, through contracts managed by DCAS, had kept over \$50 million in on-hand inventory through over 125 concurrent parts contracts valued at over \$148 million.

As part of a five-year contract with a five-year renewal option, Genuine Parts Company will become the sole parts supplier ("one-stop shop") and parts room operator for the entire City Fleet. This will result in an estimated 23% reduction in after-market parts costs by enabling the City to avoid paying for or taking risk on inventory. The contract requires Genuine Parts to stock parts as needed and supply them on aggressive turn-around schedules, usually the same day. The City only pays for the parts it uses on its vehicles, not for inventory.

Having completed its initial roll-out, Genuine Parts Company is currently operating at seven agencies, which are DSNY, DPR, DOT, the Fire Department (FDNY), NYPD, Department of Correction (DOC), and DCAS. The company is servicing the parts needs of 10 City garages and 12 mobile repair trucks, with plans to implement the service at several additional facilities.

## Translating Public Services

In New York City there are more than 800 languages spoken every day, which lends vibrancy to the City but presents difficulties providing public services. Executive Order No. 120 of 2008 and Local Law 73 of 2003 label the six most common non-English languages spoken in the City (Chinese, Russian, Korean, Spanish, Italian and Creole) and specifically require agencies to implement language assistance plans. In Fiscal 2013, DCAS's Office of Citywide Purchasing (OCP) registered 10 master agreements, totaling \$61 million, for language interpretation, translation, and transcription services with Language Line, Inc., Voiance Language Services LLC, Accurate Communication, Inc., Geneva Worldwide, Inc., and Interpreters Unlimited, Inc. - a significant accomplishment for the Shared Services initiative. MOCS spoke with Liana Patsuria, the DCAS purchase director, about these services.



Liana Patsuria, Purchase Director, DCAS  
Credit: Marcello Rios/MOCS

### What are Language Services?

Language services are a portfolio of citywide contracts that will cover all of the City's language translation and interpretation needs, allowing agencies to effectively provide telephonic interpretation, document translation, in-person interpretation, transcription, sign language, and Communication Access Realtime Translation (CART). CART serves many with hearing loss that might not be proficient in Sign Language, as well as individuals whose first languages are different from the language used on the phone, and helps them understand speakers by providing a real-time "transcript" of what is being said.

In Fiscal 2013, OCP consolidated language contracts into a central set of contracts covering 175 languages. This leverages the City's huge buying power to achieve the most competitive pricing available. Agencies issue a service request to the pool of vendors and then award the task order based on the lowest price. This gives agencies an opportunity to establish a scope of services that's specific to their agency.

### Can you give an example of how these contracts will save money for the City?

A great example is telephonic interpretation, which is heavily used due to 311. Our rough estimate of the City's usage for these services is 12.5 million minutes. A prior contract had a unit price of 90 cents per minute. Under this Master Agreement, we brought that cost down to 57 cents per minute. At 12.5 million minutes, this could equal a substantial savings of around \$4 million.

### What were the biggest challenges that you faced in procuring these contracts?

The consolidation of specifications and requirements during the development of the RFP was the most challenging aspect of this process. Every agency has different needs specifically geared to the demographics they serve. For example, DOHMH needs accurate interpretation of medical terms while the Law Department needs accurate interpretation of legal terms. Once all of these requirements were consolidated, vetted, and approved by the agencies, the rest just becomes a routine process.

## FLEET MANAGEMENT

Historically, City agencies used over 200 contracts for parts, Fleet servicing, and leasing. While the City has been working on identifying savings opportunities in its Fleet operations since 2009, these efforts were formalized in April 2012 when Mayor Michael R. Bloomberg signed Executive Order 161. This executive order initiated a series of reforms to the City's Fleet operations of almost 26,484 City-owned and leased vehicles and appointed the City's first Chief Fleet Management Officer to oversee these reforms. The goal of these reforms is to save costs by consolidating Fleet services in one agency (DCAS), reducing the number of gasoline-only light-duty City vehicles while investing in hybrid and electric-only light-duty vehicles, and improving the tracking of vehicles and fuel. As of today, these reforms are progressing as intended: the City is anticipated to save an estimated \$415 million in Fleet operation costs from the date of the Executive Order through Fiscal 2015, including \$192 million in one-time capital projects and nearly \$45 million per year for Fleet

operations and maintenance. Through Fiscal 2013, approximately \$239 million in savings, or 50% of the total estimated savings, has already been achieved.

The City has made immense progress in consolidating Fleet services. Through service level performance agreements between City agencies, the NYPD has become the primary maintenance provider for light-duty Fleet units, while the DSNY has agreed to service additional heavy units from other agencies. DPR and DOT have also opened their doors to provide maintenance services to other agencies. In total, the City has consolidated Fleet service facilities from 47 to 37 locations, including the transfer of a major repair shop in Queens from DEP to FDNY, eliminating the need to build FDNY a new ambulance repair shop. Furthermore, the City closed the in-house Fleet auction yard at the Brooklyn Navy Yard and is in contract with Property Room to conduct City vehicle auctions online, increasing gross revenues from auctions by 19%. Meanwhile, the City has generated over \$700,000 per year in revenue at the former in-house auction yard site while using it for short-term parking and movie shoots while negotiating long-term development options.

The City has committed to reduce fuel costs by eliminating gasoline-only City vehicles, replacing some of them with their environmentally-friendly counterparts. Much progress has been made in this area – since Fiscal 2009, the City has reduced its non-emergency light duty Fleet by 1,367 units. DCAS helped eliminate over 250 leased vehicles at DPR over the last two years, which will save \$13.4 million in leasing



DOT hybrid truck  
Credit: DCAS

costs over four years, and is working with OMB and DOT to find up to \$5 million in annual savings from their leasing programs. In July 2012, the City established an agreement with Zipcar to provide City agencies access to over 2,800 private vehicles for official use, which will save nearly \$100 million over the next 10 years. Zipcar will also reduce costs, as part of a \$2 million contract, by providing car-share technology on over 650, or 15%, of the City's remaining non-emergency light-duty vehicles.

A big part of these reforms is introducing environmentally-friendly vehicles to the Fleet. Currently, the City operates over 5,500 hybrid or all-electric vehicles, including 103 Chevrolet Volts, 293 electric carts, 60 Ford Fusions, Nissan Leaf(s), Toyota Priuses, or hybrid diesel-electric trucks. Furthermore, the City operates over 1,100 alternative fuel units, such as compressed natural gas and biodiesel, making the City's Fleet the greenest and most sustainable municipal fleet in the country. In Fiscal 2013, DCAS registered three contracts for additional environmentally-friendly vehicles:

- A \$1.5 million requirements contract with DiFeo Nissan Partnership (d/b/a Hudson Nissan) for additional Nissan Leaf vehicles;
- A \$1.8 million requirements contract with Tower Ford, Inc. for the provision of additional Ford Focus vehicles; and

- An \$84,000 contract with Green Power Technology, LLC for Electric Vehicle (EV) charging units.

The introduction of automated fuel tracking and continued investments in hybrid vehicles helped the City, from Fiscal 2011 to Fiscal 2013, successfully reduce total fuel use within its Fleet by 2.4 million gallons, or 4%. Additionally, in Fiscal 2014, DCAS will roll out an automated fuel tracking system at DSNY, FDNY, DOT, DEP, and DOC, as well as upgrade the system at DPR, as part of a \$10 million contract with E.J. Ward. Through this new contract, the City anticipates an additional 5% reduction in fuel use.

The City has also found savings by replacing its current Fleet Maintenance Control and Management System (MCMS) with a new citywide Fleet Enterprise Management System, through an \$8.6 million contract with AssetWorks, Inc. The system will improve tracking of all Fleet vehicles by incorporating data on fuel consumption, auto parts consumption, and vehicle inspection schedules into one comprehensive, easy-to-use interface. This new system will allow all City agencies to easily share Fleet and fuel services, and will improve the City's ability to monitor performance and costs in all areas.

The City, through cooperation between DCAS and other City agencies, will continue to streamline Fleet operation, improve services, and reduce costs.

## IT CONTRACTING

Government increasingly relies on information technology (IT) to improve services, connect with citizens, and make operations more efficient. Outside contractors are a key component of the way the City delivers IT services – often the City relies on their specialized expertise in the short term to help build a new system that will remain in use by the City for years, or to help maintain hardware and software originally created by that particular vendor.

**Chart V-1: IT Spending by Type by Volume**

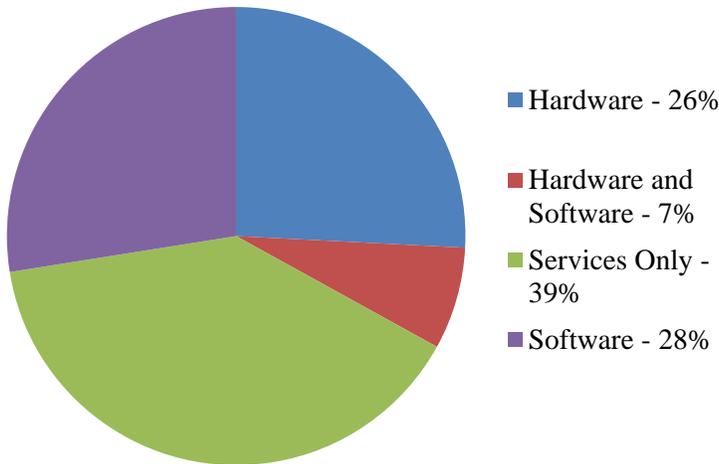
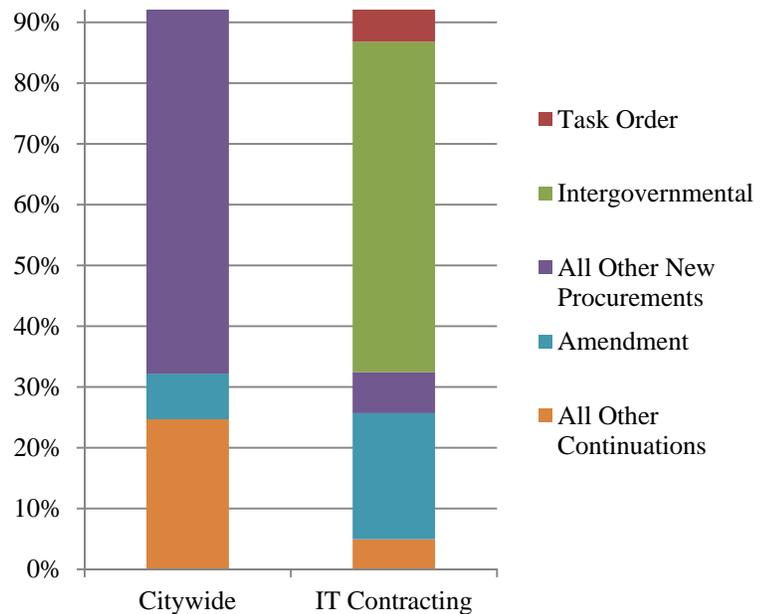


Chart V-1 presents all Fiscal 2013 IT procurements by type: hardware, software, and services.<sup>27</sup> There is some overlap between the categories but this chart represents a reasonable estimate of where the City spends IT dollars.

To save time and administrative costs, City agencies often procure IT using the intergovernmental method to “piggy back” on an existing state or federal contract. City agencies issue a solicitation to all of the vendors who hold a relevant contract, and select the proposal that is either the most advantageous to the City, and/or offers the lowest price (depending on the type of solicitation that was issued and the criteria stated in the solicitation). Chart V-2 illustrates the procurement methods City agencies used most heavily for IT, compared to the percentage of all City contracts. IT procurement emphasizes task orders, intergovernmental and amendments.

**Chart V-2: Citywide Spending by Method vs. IT Spending by Method**



<sup>27</sup> Many IT contracts include multiple types of goods and services. For instance, often software contracts support on-call support services. The data in Chart V-1 categorizes these procurements according to the primary type.

## TECHNOLOGY DEVELOPMENT CORPORATION (TDC)

The Technology Development Corporation (TDC) is a nonprofit corporation that was formed in late 2012 to maximize efficient and effective implementation of City IT projects. TDC provides senior project management services to critical, complex and/or high cost IT projects. In general, such projects have budgets of over \$25 million, involve multiple agencies or constitute Mayoral priorities. In addition, TDC provides a host of other IT support services to agencies managing their own projects.

TDC employees are highly qualified and experienced IT professionals who perform many of the project management and quality assurance (PMQA) consulting services traditionally delivered by expensive, private for-profit firms. The TDC has already had a significant impact on IT projects across the City and, even at its current staffing level of just nine full-time IT employees, it is expected to save the City up to \$5 million annually compared to the cost of engaging private PMQA vendors. In addition, using TDC employees to perform these services helps to ensure that knowledge is retained and shared across current and future IT projects.



Credit: TDC

## REINVENT NYC.GOV

NYC.gov, the City's official website, serves nearly 30 million visitors each year. To ensure that the site can provide increasingly important features such as video, business transactions, and other interactive applications, DoITT registered a \$684,000 contract with Huge, Inc. in Fiscal 2013 to upgrade and modernize the site's design to improve the user experience. This contract will significantly improve the City's ability to serve the public by providing faster access to information.

## VENDOR ENROLLMENT

Attracting a wide range of vendors for City work helps ensure the City receives the best quality services at the lowest prices. When soliciting vendors, the City publicly advertises opportunities. The Vendor Enrollment Center (VEC) at MOCS enrolls businesses wishing to sell goods or services to the City. Many vendors offer goods or services in more than one category, and they are enrolled for all goods and services they offer. When an agency needs to procure a good or service, they use the citywide bidders list to obtain vendors for the solicitation.



In Fiscal 2013, MOCS worked together with DCAS, FISA and the Comptroller's Office to create a new process for vendors to manage their own enrollments. The Payee Information Portal (PIP), which already allowed vendors to update their contact information and view information about their contracts with the City, now allows them to enroll to do business with the City and manage the types of goods and/or services they offer. Allowing vendors to manage their own enrollment will lead to more accurate City bidders' lists, which will in turn improve competition in procurement.

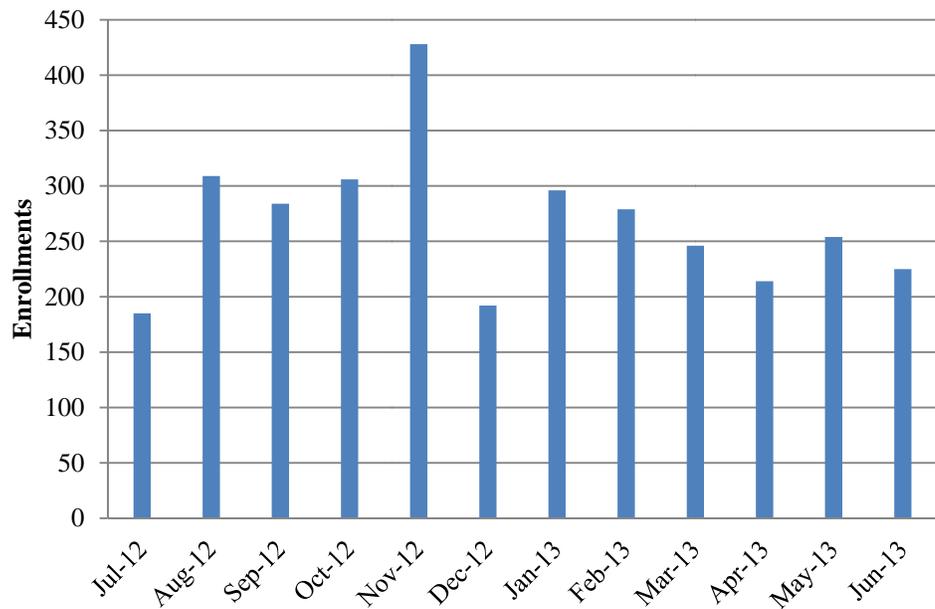
In order to ensure that all enrolled vendors are actively seeking to do business with the City, and as a part of the roll-out of the vendor self enrollment system, vendors who did not have an active address on file and who had no recent business with the City were removed from the enrollment database. These vendors were alerted to

the changes and the new functionality through a mailing campaign as well as postings on City websites and were encouraged to re-enroll. In May 2013, 20,097 vendors were removed. At the end of Fiscal 2013, there were 49,164 individual vendors enrolled to do business with the City, down from 66,025 enrolled in Fiscal 2012. Although the total number of

vendors went down, over 3,000 new or returning vendors enrolled during the year, a number comparable to years past. Further, the new database, free of wrong addresses and vendors who are no longer in business, contains much more accurate information.

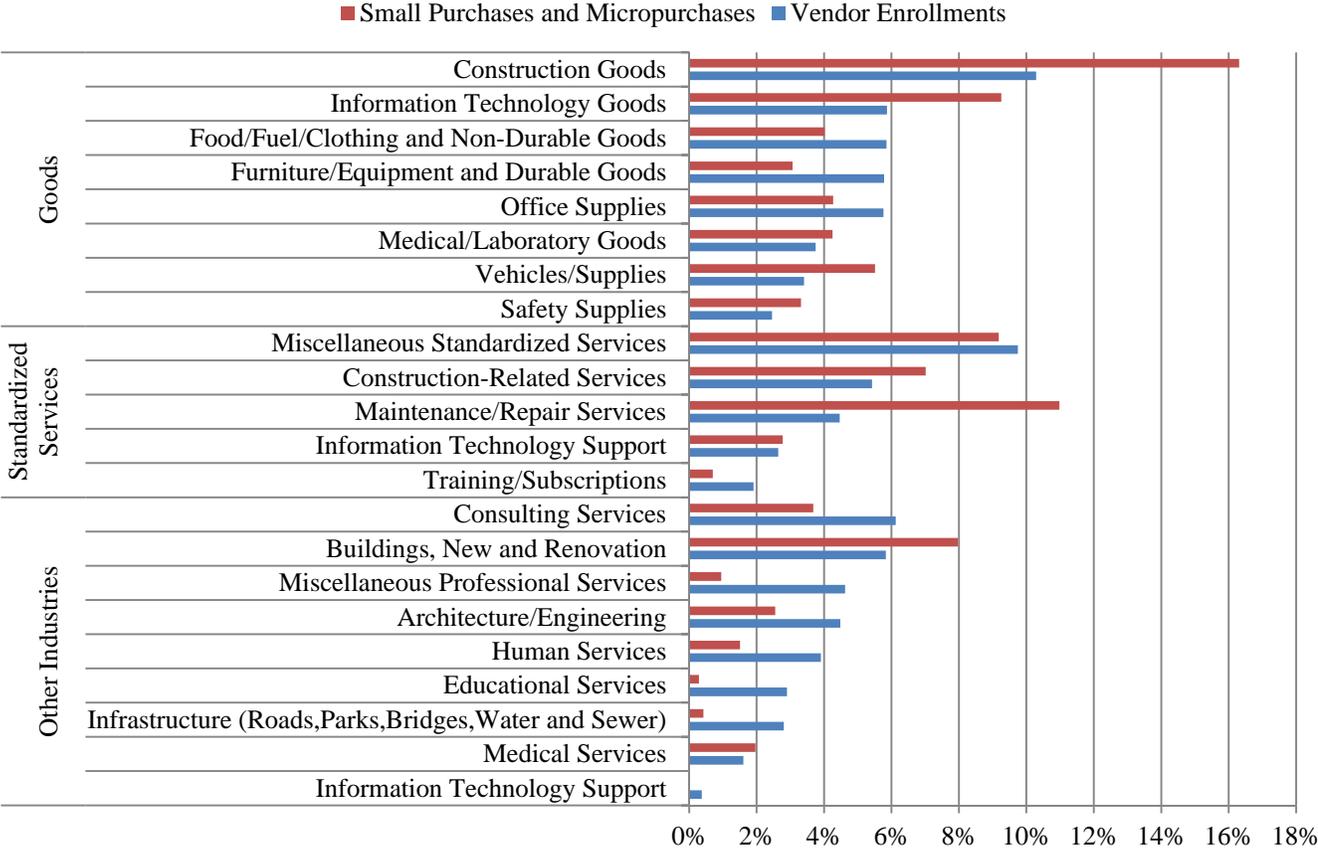
Almost half of all vendors are enrolled in seven areas: construction goods (10%); miscellaneous standardized services, (10%); consulting services (6%); information technology goods (6%); food/fuel/clothing and non-durable goods (6%); buildings, new and renovation (6%); and

**Chart V-3: New Vendor Enrollments by Month**



furniture/equipment and durable goods (6%). As shown in Chart V-4, these areas of high enrollment correspond to many of the top areas reflected in agency small purchase and micropurchase volumes, indicating a match between the products and services vendors are seeking to sell to the City and actual patterns of agency purchasing.

**Chart V-4: Vendor Enrollment by Industry Detail with Small Purchases and Micropurchases  
Percentage of Total Enrollment**



To enroll to do business with the City, vendors can go directly to PIP at [www.nyc.gov/PIP](http://www.nyc.gov/PIP). Once enrolled, vendors should contact agencies directly to make them aware of their interest and capacity to do business with the City. Agency contact information is available at [www.nyc.gov/selltonyc](http://www.nyc.gov/selltonyc) or by calling 311.

## SMALL AND MICROPURCHASES

Available for smaller dollar value procurements, the small purchase and micropurchase methods allow City agencies to secure needed goods and services swiftly. These contracting methods help agencies fulfill their immediate or high-priority operational needs when requirement contracts are not available for particular items.

Small purchases are contracts that are valued between \$5,000 and \$100,000 and are procured using the small purchase method. (The lower limit of contracts for which this method is applicable will rise to \$20,000 in Fiscal 2014.) The small purchase method involves soliciting at least five randomly selected vendors from the citywide bidders' lists along with a matching number of certified M/WBE firms. Small purchases in Fiscal 2013 totaled just over \$111 million, less than 1% of procurement dollars but 10% of the total number of contracts. Five categories account for 57% of the value: construction goods (16%); maintenance/repair services (11%); information technology goods (9%); miscellaneous standardized services (9%); and buildings, new and renovation (8%)

In Fiscal 2013, the City rolled out the Small Purchase Procurement Module in the City's Financial Management System (FMS), allowing agencies to conduct the procurement process for small purchases electronically. The use of the module had been piloted by a few agencies over the past several years, but during Fiscal 2013, it was rolled out to 42 City agencies. This change standardized and streamlined small purchasing throughout the City. It also helps with the management of bidders' list data by having agencies record bid response data directly into FMS. More accurate and active lists will reduce re-soliciting and help to expedite procurements. The new system also allows the tracking of the cycle time of small purchase procurement from initiation through registration. Of the 4,042 small purchases made in Fiscal 2013, 1,468 (36%) were able to be clearly tracked using the new module.<sup>29</sup> Those procurements had an average cycle time of just less than 27 days. MOCS will continue to monitor this data.



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<sup>29</sup> Due to differing agency practices, some small purchases were made only partially using the new module and therefore may not have been properly linked to their procurement documents.

Micropurchases are restricted to contracts under \$5,000. The micropurchase method permits agencies to choose vendors based on convenience, efficiency and price, without formal competition, for non-recurring purchases. Almost 23,000 micropurchases accounted for \$37 million during Fiscal 2013. These purchases made up 56% of all procurement actions during Fiscal 2013, but much less than 1% of spending.

In April of 2013, the PPB rules adopted new rules raising the micropurchase limit from \$5,000 to \$20,000. This change, which required concurrent action by the City Council<sup>30</sup> in May of 2013, will grant agencies greater flexibility to award micropurchase contracts to responsible vendors, especially M/WBEs. In Fiscal 2013, 25% of all micropurchases were awarded to certified M/WBEs.

<b>Highlights of Micropurchasing</b>	
	<p>Abrahams Consulting LLC, an IT goods and services firm and certified MBE based in Queens received 13 micropurchases totaling \$46 thousand. Abrahams supplied seven different agencies with various computer supplies.</p>
<p>Calderon Locksmiths, based in Manhattan, received 10 micropurchases totaling \$34 thousand. Calderon provided locksmith services and supplies to six different agencies.</p>	
	<p>Unique Woodworking, a carpentry firm and certified MBE based in the Bronx, received eight micropurchases totaling \$9000. They supplied various construction goods to five agencies.</p>
<p>Planning to Succeed, a certified MBE based in Brooklyn received one micropurchase for \$5000 in Fiscal 2013 from DLCA. The firm helped the City to plan a marketing campaign for the Afrikan Poetry Theater.</p>	

<sup>30</sup> Although the PPB rule change became effective in May 2013, the City Council's resolution was not effective until July 2013. The increased limit will therefore be reflected in the Fiscal 2014 Indicators.

## PURCHASING CARD PROGRAM

In Fiscal 2013 the City's Purchasing Card Program (p-card program) continued to expand and provided critical support to the City prior to, during, and following Hurricane Sandy. A p-card is an agency-issued credit card that facilitates quick processing of micropurchases at a reduced administrative cost, while providing financial controls, oversight and transparency. An online card management system assists agencies in monitoring and managing card usage, and displays detailed transaction information.

During Hurricane Sandy, 27 agencies used their P-card to purchase needed goods and services quickly to serve those in need. In Fiscal Year 2013, P-cards were used to procure a total of \$56.4 million worth of Hurricane Sandy-related goods and services from more than 650 vendors.

Aside from Hurricane Sandy, during Fiscal Year 2013 Mayoral and non-Mayoral agencies made \$21.7 million in P-card purchases, an increase of 19% from the prior fiscal year total of \$18.3 million. The largest agency utilization was the DOT at \$4.5 million, followed by FDNY at \$4 million, DEP at \$3.5 million and the Department of Parks and Recreation (DPR) just short of \$2 million. Citywide spending using the card amounted to 40% of total agency micropurchase spending, up significantly from 30% the prior fiscal year. This increase reflects a continued move by agencies to place more micropurchases on P-cards, but also a change to the way the universe of P-card eligible purchases is calculated. This year, HPD construction-related micropurchases are not included in the calculations, as they are procured through HPD's own system that authorizes, tracks and issues payment. These transactions are not P-card eligible because there is no means by which a cardholder could use a card to pay for the

purchase. The data reflects the removal of these P-card ineligible micropurchases.

In Fiscal 2013, 14 agencies met or exceeded the City's long-term goal of using P-cards for 33% of all micropurchases, up from eight agencies in Fiscal 2012. At four of those agencies, more than 70% of all micropurchases are made with P-cards. FDNY utilizes their P-card the most, placing 89% of their micropurchases on P-cards, followed by DOT at 84% and DHS at 73%.

Overall, agencies made 30,353 purchases from 6,694 vendors, representing a 14% and 8% increase, respectively, from Fiscal 2012. The total number of P-cards used to make purchases was 623, an 11% increase from the prior fiscal year (559). FDNY had the largest number of active P-card users with 118, followed by DEP with 100, DOT with 93 and DOHMH with 60. These four agencies together have 60% of all active City cardholders.

The average transaction size across all agencies was \$715, an increase from \$683 the prior fiscal year. Two-thirds of all P-card transactions were for \$500 or less but were only 14% of P-card spending. In contrast, transactions greater than \$2,500 constituted 9% of all transactions but 47% of all P-card spending. On average, agencies made 116 P-card transactions totaling \$83,000 per day and each active cardholder made an average of 49 transactions per year.

P-cards continue to be an effective mechanism to introduce new vendors into agency procurement portfolios, and this shift continued in Fiscal 2013. P-card purchases with vendors used no more than 10 times represented 50% of all P-card vendors used, down from 53% the prior fiscal year and down from 59% in Fiscal 2011. The largest category of P-card utilization was with vendors in the construction field (29%),

followed by membership/association charges and interactions with other government entities (i.e., “non-procurements”).

P-cards also facilitate entry by vendors new to City business, particularly M/WBE vendors. Agencies are strongly encouraged to use M/WBE vendors for their micropurchases. This fiscal year, 215 M/WBE vendors were used in 3,351 P-card transactions. This represents a slight decrease in the number of M/WBE vendors used, despite an increase in the number and value of those transactions. Continuing trends established in

prior fiscal years, five of the top 10 P-card vendors by dollar value were certified M/WBEs. The NYPD used M/WBE vendors for 58% of all their P-card purchases. The average P-card transaction with an M/WBE vendor was almost \$1,260, significantly higher than the non-M/WBE average transaction value.

Lastly, the City released a new solicitation to prepare for the expiration of the current P-card provider contract. DCAS/OCP is working to complete the contracting process.

## INTERGOVERNMENTAL

The City uses contracts procured by the federal or New York State government. These contracts give the City access to price advantages available at volume discounts and pre-established contract terms.

### General Services Administration

The Federal Government’s General Services Administration (GSA) allows state and local governments to purchase goods and services using federal contracts. New York City participates in the Cooperative Purchasing Program and the Disaster Purchasing Program.

#### *Cooperative Purchasing Program*

Section 211 of the E-Government Act of 2002 authorized the Cooperative Purchasing Program, whereby state and local governments can purchase IT goods and services through GSA’s Schedule 70 contracts. The GSA’s Cooperative Purchasing

Program was expanded in 2008 under the Local Preparedness Acquisition Act to include Schedule 84, which the City uses to purchase security and law enforcement equipment. The discounts that the City is able to access through federal contracts are particularly beneficial when purchasing fast evolving technology and high-tech equipment used for law enforcement to support investigation, prevention, and search and rescue efforts.

#### *Disaster Purchasing Program*

The Disaster Purchasing Program, authorized by Section 833 of the John Warner National Defense Authorization Act of 2006 and by the Federal Supply Schedules Usage Act of 2010, allows state and local governments to buy from all federal supply schedules in preparation for, response to and recovery from major disasters. This program greatly expands access to Federal contracts for the purposes of homeland security and critical life and safety missions, facilitating disaster management planning and bolstering recovery efforts.



Credit: Creative Commons

## **Office of General Services**

The New York State Office of General Services (OGS) is the state's central procurement office and establishes and manages contracts for use by local governments and entities statewide. Section 163 of the State Finance Law and Sections 100 and 104 of the General Municipal Law authorize New York City to purchase through OGS commodity, information technology, and services-centralized contracts. The City benefits from pricing and contract terms by using OGS contracts for large aggregate quantities. OGS contracts can provide savings of 10 to 40% of average purchase prices. Additionally, the City saves administrative costs

by spending less time researching vendors, searching specifications, and reviewing responses.

OGS awards contracts on the basis of lowest price and/or best value to a responsive and responsible vendor, in compliance with the New York State Finance Law and the City's PPB rules.

In the past, the City used OGS backdrop contracts to procure IT professional services for systems integration (SI) and project management and quality assurance (PMQA). OGS has since transitioned away from these types of contracts and now offers Hourly Based Information Technology Services (HBITS), which has led to the City establishing its own SI and PMQA citywide contracts through DoITT in their place.

## NEW YORK STATE FOOD PURCHASING

On August 17, 2011, Mayor Michael R. Bloomberg signed Local Law 50 of 2011, which helps City agencies provide New Yorkers with fresh, healthy, and delicious food produced in New York State. New York City was one of the first major cities to develop a specific initiative on local food procurement. Pursuant to this law, MOCS, in consultation with the City's Food Policy Coordinator, promulgated guidelines for City agencies with strategies to procure food from New York State (available at [www.nyc.gov/MOCS](http://www.nyc.gov/MOCS)).



Table V-2: Results of Food Sourcing Survey		
From NYS Source	Other Source - During NYS Availability	Other Source - Outside NYS Availability
\$5,491,103	\$10,401,769	\$853,667

City agencies purchase food both directly, such as DCAS's purchases of food that DOC serves in correctional facilities, and indirectly, such as DFTA's contracts for senior centers, which often include provision of food for clients within the contracted scope of work.



Agencies provide fresh, healthy food produced in NYS

Credit: Marcello Rios/MOCS

To determine the sources from which the City buys food, agencies distribute an annual survey to their vendors and to City contracting agencies. Table V-3 summarizes the total volume of food reported by respondents as purchased during Calendar 2012 from New York State sources. Respondents also report the volume of food purchased outside the state when the product is in season or available, and the volume purchased

when the product is not. This year's data shows \$5.49 million of reported food purchasing from a NYS source.

Calendar year 2012 is the second year that data from vendors has been collected. The City will continue to make efforts to increase the quantity of data available. For further information, including totals broken down by food type and a list of vendors who completed the sourcing survey at the City's request, please see Appendix O<sup>31</sup>.

<sup>31</sup> The data presented here also include "other" food types not tracked pursuant to Local Law 50. These food types are not included in Appendix O.



Compete to Win Graduation Ceremony

Credit: Jennifer MacFarlane Photography

## VI. EXPANDING OPPORTUNITY FOR MINORITY- AND WOMEN-OWNED BUSINESS

The City’s M/WBE program was established by Local Law 129 of 2005 (LL 129) and this year was expanded by Local Law 1 of 2013 (LL 1). The program has resulted in the awarding of more than \$3.4 billion in procurements for certified M/WBE firms to date. In Fiscal 2013, 877 M/WBE firms (almost one quarter of those certified) were awarded at least one contract or subcontract.

While the City’s overall procurement volume increased by over 50% in Fiscal 2013, the sharpest increase occurred in contracts that are not subject to LL 129.

Accordingly, the portion of the Fiscal 2013 portfolio that was subject to the program (which includes prime contracts in all relevant industries valued at under \$1 million and prime contracts with M/WBE participation goals) decreased to 11%, from 15% in Fiscal 2012.<sup>32</sup> In Fiscal 2013, \$328 million in prime contracts were subject to LL 129, down from \$389 million in Fiscal 2012.<sup>33</sup>



**Table VI-1: Awards to M/WBEs Since LL 129**

Fiscal Year	Prime Contracts	Subcontracts	All Contracts
2013	\$330,286,233	\$109,044,989	\$439,331,222
2012	\$400,933,417	\$128,769,973	\$529,703,390
2011	\$376,384,185	\$186,473,196	\$562,857,381
2010	\$332,453,548	\$381,946,178	\$714,399,726
2009	\$306,969,169	\$180,378,560	\$487,347,729
2008	\$340,184,159	\$127,505,932	\$467,690,091
2007	\$194,840,881	\$59,182,856	\$254,023,737
<b>All Years</b>	<b>\$2,282,051,592</b>	<b>\$1,173,301,684</b>	<b>\$3,455,353,276</b>

<sup>32</sup> The program covers \$1.8 billion which includes the value of all prime contracts within the relevant industry categories valued under \$1 million (\$328 million) and all prime contracts with a TSP valued over \$1 million (\$1.5 billion).

<sup>33</sup> See Table VI-2, All Industries <= \$5K, >\$5K - \$100K, and \$100K - <\$1M. The table excludes contracts procured with federal or state goals, and those excluded from the goals program (human services, sole source and emergency contracts). For a summary of M/WBE Prime contracting over the past four fiscal years, see Appendix G.

## Prime Contracting Opportunities

**Table VI-2: Fiscal 2013 M/WBE Prime Contracts**

Industry / Size	Total	African American		Asian American		Hispanic American		Caucasian Female		Total M/WBE	
		\$	%	\$	%	\$	%	\$	%	\$	%
Architecture/ Engineering	\$538,383,696	\$4,000,000	0.7%	\$29,956,280	5.6%	\$4,098,000	0.8%	\$30,229,042	5.6%	\$68,283,322	12.7%
<=\$5K	\$5,000	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
>\$5K, <=\$100K	\$375,500	\$0	0.0%	\$0	0.0%	\$98,000	26.1%	\$0	0.0%	\$98,000	26.1%
>\$100K, <\$1M	\$3,407,246	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$229,042	6.7%	\$229,042	6.7%
>=\$1M	\$534,595,950	\$4,000,000	0.7%	\$29,956,280	5.6%	\$4,000,000	0.7%	\$30,000,000	5.6%	\$67,956,280	12.7%
Construction Services	\$1,570,968,731	\$12,694,096	0.8%	\$38,581,525	2.5%	\$51,584,418	3.3%	\$13,213,152	0.8%	\$116,073,191	7.4%
<=\$5K	\$5,010,236	\$457,977	9.1%	\$1,463,240	29.2%	\$40,735	0.8%	\$6,280	0.1%	\$1,968,233	39.3%
>\$5K, <=\$100K	\$8,216,286	\$653,936	8.0%	\$1,364,082	16.6%	\$315,330	3.8%	\$936,992	11.4%	\$3,270,339	39.8%
>\$100K, <\$1M	\$33,791,178	\$0	0.0%	\$5,488,128	16.2%	\$1,285,521	3.8%	\$3,308,880	9.8%	\$10,082,529	29.8%
>=\$1M	\$1,523,951,030	\$11,582,183	0.8%	\$30,266,075	2.0%	\$49,942,832	3.3%	\$8,961,000	0.6%	\$100,752,090	6.6%
Goods	\$691,517,664	\$2,861,103	0.4%	\$4,549,515	0.7%	\$3,653,186	0.5%	\$16,907,019	2.4%	\$27,970,823	4.0%
<=\$5K	\$13,385,754	\$388,220	2.9%	\$760,316	5.7%	\$486,117	3.6%	\$1,788,563	13.4%	\$3,423,216	25.6%
>\$5K, <=\$100K	\$67,890,679	\$2,343,943	3.5%	\$3,789,199	5.6%	\$2,713,169	4.0%	\$10,945,657	16.1%	\$19,791,968	29.2%
>\$100K, <\$1M	\$47,745,172	\$128,940	0.3%	\$0	0.0%	\$453,900	1.0%	\$372,290	0.8%	\$955,130	2.0%
>=\$1M	\$562,496,059	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$3,800,509	0.7%	\$3,800,509	0.7%
Professional Services	\$215,931,115	\$1,387,616	0.6%	\$3,967,382	1.8%	\$1,181,578	0.5%	\$3,546,336	1.6%	\$10,082,911	4.7%
<=\$5K	\$1,333,748	\$21,490	1.6%	\$5,000	0.4%	\$6,508	0.5%	\$33,149	2.5%	\$66,146	5.0%
>\$5K, <=\$100K	\$9,747,893	\$616,126	6.3%	\$333,798	3.4%	\$175,070	1.8%	\$347,187	3.6%	\$1,472,181	15.1%
>\$100K, <\$1M	\$19,550,136	\$750,000	3.8%	\$628,584	3.2%	\$0	0.0%	\$1,666,000	8.5%	\$3,044,584	15.6%
>=\$1M	\$185,299,339	\$0	0.0%	\$3,000,000	1.6%	\$1,000,000	0.5%	\$1,500,000	0.8%	\$5,500,000	3.0%
Standardized Services	\$2,124,521,210	\$3,026,289	0.1%	\$37,149,149	1.7%	\$3,856,089	0.2%	\$18,334,074	0.9%	\$62,365,600	2.9%
<=\$5K	\$18,850,548	\$421,906	2.2%	\$675,260	3.6%	\$537,141	2.8%	\$2,238,591	11.9%	\$3,872,897	20.5%
>\$5K, <=\$100K	\$42,168,362	\$2,152,986	5.1%	\$2,451,369	5.8%	\$1,318,948	3.1%	\$2,233,989	5.3%	\$8,157,292	19.3%
>\$100K, <\$1M	\$56,209,376	\$451,397	0.8%	\$559,584	1.0%	\$0	0.0%	\$1,427,938	2.5%	\$2,438,919	4.3%
>=\$1M	\$2,007,292,923	\$0	0.0%	\$33,462,937	1.7%	\$2,000,000	0.1%	\$12,433,555	0.6%	\$47,896,492	2.4%
<b>All Industries</b>	<b>\$5,141,322,415</b>	<b>\$23,969,103</b>	<b>0.5%</b>	<b>\$114,203,850</b>	<b>2.2%</b>	<b>\$64,373,271</b>	<b>1.3%</b>	<b>\$82,229,623</b>	<b>1.6%</b>	<b>\$284,775,847</b>	<b>5.5%</b>
<=\$5K	\$38,585,286	\$1,289,593	3.3%	\$2,903,816	7.5%	\$1,070,500	2.8%	\$4,066,583	10.5%	\$9,330,492	24.2%
>\$5K, <=\$100K	\$128,398,720	\$5,766,990	4.5%	\$7,938,447	6.2%	\$4,620,518	3.6%	\$14,463,825	11.3%	\$32,789,780	25.5%
>\$100K, <\$1M	\$160,703,109	\$1,330,337	0.8%	\$6,676,296	4.2%	\$1,739,421	1.1%	\$7,004,151	4.4%	\$16,750,205	10.4%
>=\$1M	\$4,813,635,301	\$15,582,183	0.3%	\$96,685,291	2.0%	\$56,942,832	1.2%	\$56,695,065	1.2%	\$225,905,370	4.7%

As reflected in Table VI-2, during Fiscal 2013 M/WBE vendors obtained over 24% of the City’s micropurchases, a slight decrease from the almost 26% in Fiscal 2012. M/WBEs were awarded over 25% of small purchases, slightly lower than 29% in Fiscal 2012. Although there were slight decreases for both types of purchases, M/WBE awards for procurements at these levels remain robust with about a quarter of micro and small purchases being awarded to M/WBE firms.

For prime contracts between \$100,000 and one million dollars, M/WBEs also received over \$16.8 million worth of business in Fiscal 2013, which amounts to over 10% of that category, slightly lower than Fiscal 2012’s 13%. Similarly, for prime contracts valued at over \$1 million (which fell outside of the City’s current M/WBE goals), M/WBEs won nearly 5% of the awards, slightly lower than almost 6% in Fiscal 2012. M/WBEs also won prime contracts – another \$46 million – in areas that fell outside of the coverage of the goals programs. Thus, while results in specific categories fluctuated, M/WBEs obtained over \$439 million worth of City procurements in Fiscal 2013, including over \$330 million worth of prime contract awards.<sup>34</sup>

The number of M/WBE vendors certified by SBS increased by 5%, rising to 3,700 from 3,526 at the end of Fiscal 2012.<sup>35</sup> While the City continues to strive for ever-increasing levels of participation, M/WBE procurement success rates to date demonstrate that the goals program has

substantially increased opportunities for new M/WBE firms to participate in City procurement.

## SAFECO CONSTRUCTION



SAFECO employees

Credit: SAFECO Corp.

SAFECO Construction Corp. is a heavy construction company based in Staten Island and owned by Dan Pretto. SAFECO has been in business since January 2011 and certified with the City as an M/WBE firm since 2012. SAFECO had been previously awarded two sidewalk contracts by DDC, for a total of \$3.1 million, but were paying very high premiums to their surety agent. Mr. Pretto decided to participate in the City’s Compete to Win Bond Readiness program. As a result of participating in the Bond Readiness program, SAFECO was bonded by a new surety agent at a much more competitive rate and received a \$4 million bond line. This new bonding line now enables SAFECO to compete on multiple City contracts at once.

<sup>34</sup> Agency-by-agency tables for prime contracts are included in Appendix G. Year-to-year comparisons of prime contracts for the entire period of the City’s M/WBE program to date (Fiscal 2007 through 2013) are included in Appendix H.

<sup>35</sup> The data reported reflect City contracts won by *certified* M/WBEs, i.e., approved by SBS. Other “minority-owned” or “women-owned” companies that may qualify to be certified but have not yet sought to do so are not included in these totals.

## Subcontracting Opportunities

Under the City's program, M/WBE participation goals are set for each construction, professional services and A/E services contract that will generate subcontracts valued below \$1 million for construction, A/E or professional services work. City agencies determine the percentage of the prime contract likely to be awarded for those three types of work in respective subcontracts valued below \$1 million. That amount is termed the "target subcontracting percentage" (TSP). Agencies apply the appropriate M/WBE goals to the dollar value of the TSP, based on the estimated value of the prime contract. To set goals, agencies consider such factors as the scope of work and availability of M/WBEs able to perform the required work. M/WBE participation goals become contract terms of the prime contract. During Fiscal 2013, City agencies registered 242 prime contracts valued at about \$1.5 billion within the industries for which subcontractor goals are authorized: construction, professional services and A/E services, representing an increase from last fiscal year's \$1.2 billion.<sup>36</sup>

## SUBCONTRACTING ONLINE

In March 2013, the City rolled out a comprehensive new subcontract tracking database. The new system was praised as "an important step forward"<sup>37</sup> by the Citizens Budget Commission. Leveraging the existing Payee Information Portal (PIP), prime contractors can now enter all relevant information on subcontractors they would like to use into a convenient, online form. Agencies then apply their approval of the subcontracts electronically. Prime contractors also report their payments to subcontractors through the same system. This new process will save time and effort for both vendors and City agencies by reducing paperwork. It will also provide essential transparency into the subcontracting process and more seamlessly track the utilization of M/WBEs as subcontractors.



**Table VI-3: Fiscal 2013 Primes Targeted for M/WBE Subcontractors**

Primes Contracts with Target Subcontracting Percentage			Target Sub-K % Value	Goals					
Industry	Total Value	#		African American	Asian American	Hispanic American	Caucasian Women	Unspecified M/WBE	Total M/WBE
Architecture/Engineering	\$341,962,947	57	\$73,423,912	\$174,224	\$0	\$96,791	\$319,296	\$37,074,443	\$37,664,753
Construction Services	\$1,101,699,664	163	\$135,346,548	\$672,973	\$2,816,574	\$747,764	\$0	\$52,165,621	\$56,402,933
Professional Services	\$84,842,277	22	\$8,290,122	\$16,320	\$0	\$9,067	\$29,920	\$3,228,625	\$3,283,932
<b>Total</b>	<b>\$1,528,504,888</b>	<b>242</b>	<b>\$217,060,582</b>	<b>\$863,517</b>	<b>\$2,816,574</b>	<b>\$853,622</b>	<b>\$349,216</b>	<b>\$92,468,689</b>	<b>\$97,351,618</b>

<sup>36</sup> The City program treats A/E as a component of professional services. MOCS tracks A/E separately, as utilization rates differ somewhat between A/E and other professional services.

<sup>37</sup> Press Release, Mayor Bloomberg and Comptroller Liu Announce Sweeping Reforms to City Subcontracting Requirements (March 19, 2013)

Much of the dollar value of prime contracts awarded during Fiscal 2013 (or any given fiscal year) is expended over a multi-year period. For this reason, the subcontracts intended to meet the goals for those prime contracts will typically be awarded incrementally over several years. As shown in Table VI-3, for the 242 Fiscal 2013 prime contracts within the universe to which M/WBE participation goals could be assigned, based on the TSPs and goals identified at the time of bid, M/WBE subcontractors are slated to receive approximately \$97 million, or about 45% of the target subcontracting amounts projected for those prime contracts. This amount is consistent with, and indeed ahead of, the citywide goals. The TSPs for these contracts average about 14% of the contract value, which falls within industry norms for how much subcontracting typically occurs, how much of that would occur in subcontracts valued below one million dollars and how much would occur in the covered industries, i.e., construction, A/E and professional services.

In Fiscal 2013, the vast majority of the \$2.2 billion value of prime contracts in industries for which participation goals could be established was, in fact, subject to participation goals either under the City’s program (69%) or under applicable federal and state participation programs (23%). Of the 357 total prime contracts, some 289 fell into one of those two categories. For the 69% of the Fiscal 2013 prime contracts covered by the City goals program, the prime contractor must submit a subcontractor utilization plan to meet its goals as part of its bid or proposal, although the subcontractors to be retained need not be identified until the agency orders work to commence. Thus, most of the 242 prime contracts that were awarded with goals have not yet progressed to a point where substantial amounts of work are underway, making them too premature to generate substantial subcontracting opportunities.

**Table VI-4: Fiscal 2013 Construction, Professional Services, and Architecture/Engineering Contracts >\$100,000**

Industry	Total	Goals Established		No Relevant Subcontracting Anticipated		State/Federal Goals		Waiver/ Non Profit/ Other		
		#!/\$	%	#!/\$	%	#!/\$	%	#!/\$	%	
Architecture/ Engineering	#	80	57	71%	3	4%	19	24%	1	1%
	\$	\$501,124,992	\$341,962,947	68%	\$10,563,178	2%	\$141,106,955	28%	\$7,491,912	1%
Construction Services	#	220	163	74%	29	13%	23	10%	5	2%
	\$	\$1,523,226,419	\$1,101,699,664	72%	\$73,092,568	5%	\$331,570,630	22%	\$16,863,556	1%
Professional Services	#	57	22	39%	20	35%	5	9%	10	18%
	\$	\$175,348,355	\$84,842,277	48%	\$23,827,215	14%	\$38,620,009	22%	\$28,058,853	16%
<b>Total</b>	#	<b>357</b>	<b>242</b>	<b>68%</b>	<b>52</b>	<b>15%</b>	<b>47</b>	<b>13%</b>	<b>16</b>	<b>4%</b>
	\$	<b>\$2,199,699,765</b>	<b>\$1,528,504,888</b>	<b>69%</b>	<b>\$107,482,962</b>	<b>5%</b>	<b>\$511,297,594</b>	<b>23%</b>	<b>\$52,414,321</b>	<b>2%</b>

**Subcontracting Not Covered by LL 129**

Many large contracts are exempt from the City’s M/WBE program, as they are supported by state or federal funds, which are covered by state or federal goals programs instead. Twenty three percent of the dollar value of Fiscal 2013

construction, professional services and A/E services contracts were exempt for this reason. State and federal programs assign goals for minority or women-owned business enterprises

<b>Table VI-5: Federal &amp; State Goals</b>						
<b>Goals</b>	<b>Fiscal 2013</b>	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>	<b>Fiscal 2010</b>	<b>Fiscal 2009</b>	<b>Fiscal 2008</b>
MBE	\$31,522,409	\$52,292,810	\$40,870,886	\$232,301,799	\$237,639,669	\$444,000,000
WBE	\$14,503,294	\$34,493,256	\$29,360,766	\$79,591,744	\$71,897,396	\$131,000,000
DBE	\$39,765,335	\$9,453,384	\$20,108,175	\$156,067,788	\$18,627,540	\$69,000,000
<b>Total Subcontract Value</b>	<b>\$85,791,038</b>	<b>\$96,239,449</b>	<b>\$90,339,826</b>	<b>\$467,961,331</b>	<b>\$328,164,605</b>	<b>\$644,000,000</b>
<b>Total Prime Contract Value</b>	<b>\$511,297,594</b>	<b>\$418,428,777</b>	<b>\$547,081,217</b>	<b>\$2,603,158,839</b>	<b>\$1,570,900,701</b>	<b>\$3,340,779,736</b>
<b>Goals as % of Total Values</b>	<b>17%</b>	<b>23%</b>	<b>17%</b>	<b>18%</b>	<b>21%</b>	<b>19%</b>

(MBE or WBE), and/or for “disadvantaged business enterprise” (DBE) firms. Agencies registered \$511 million of prime contracts subject to state or federal goals. These are projected to generate almost \$86 million in MBE, WBE or DBE work, about 17% of the total value.<sup>38</sup> Additionally, for 52 of the contracts in the covered industries, agencies concluded there would be no relevant subcontracting.<sup>39</sup> These contracts tended to be smaller in value; they amounted to only 5% of the total.

EDC also provides work for many M/WBE subcontractors. While not covered by the City’s M/WBE program directly, EDC implements similar participation goals for its contracts and also procures a significant amount of work subject to state and federal goals. In Fiscal 2013, EDC had almost \$81 million in prime contracts

subject to M/WBE subcontractor participation goals, which are projected to generate just over \$6.6 million (8.2%) in subcontract awards to City-certified M/WBEs. In addition, EDC has another \$18 million in prime contracts with DBE goals, which are projected to result in \$2 million (11%) of subcontract awards to DBEs. Like those of its City agency counterparts, EDC’s contracts will continue to generate additional subcontracts awards for M/WBEs and DBEs as work continues on projects registered in Fiscal 2013.

### **Subcontracting on Prime Contracts Awarded in Prior Years**

Agencies continued to approve subcontractors on prime contracts that were subject to M/WBE goals established in Fiscal 2007-2013, as work under those contracts progressed. As Table VI-6 reflects, for goals-covered prime contracts that were either first awarded and/or remained open during Fiscal 2013, agencies this year approved almost \$41 million worth of subcontracts for certified M/WBE firms to perform construction, A/E or professional services work. This amounts to more than 42% of the total subcontracting dollars approved on those contracts within the

<sup>38</sup> Some of the contracts shown as subject to state or federal subcontracting goals in Table VI-4 belong to categories not covered by the City’s goals program, and thus are not included in Table VI-3 above.

<sup>39</sup> Types of contracts which typically do not result in subcontracting are litigation support; medical services and other specialized professional services; street lighting installation and maintenance; and tree planting. Agencies may not set M/WBE goals for anticipated subcontracts for goods or standardized services, even if the prime contract falls within the construction or professional services arena.

**Table VI-6: Fiscal 2013 Subcontracting Subject to LL 129 on All Primes with TSP**

Prime Ind.	Total Value of Primes	Avg. TSP	Sub. Ind.	Total Value of Subs	African American		Asian American		Hispanic American		Caucasian Female	
					\$	%	\$	%	\$	%	\$	%
A/E	\$89,154,085	23%	Const.	\$4,929,603	\$2,866,206	58%	\$224,884	5%	\$1,050,271	21%	\$782,842	16%
			Prof.	\$1,544,550	\$0	0%	\$142,847	9%	\$33,238	2%	\$870,665	56%
Const.	\$1,705,439,096	15%	A/E	\$21,500	\$0	0%	\$0	0%	\$0	0%	\$0	0%
			Const.	\$87,542,136	\$11,874,664	14%	\$10,730,959	12%	\$8,190,707	9%	\$3,063,633	3%
			Prof.	\$1,572,814	\$148,857	9%	\$35,592	2%	\$88,500	6%	\$471,400	30%
Prof.	\$18,392,074	24%	Prof.	\$870,000	\$0	0%	\$0	0%	\$0	0%	\$0	0%
<b>Total</b>	<b>\$1,812,985,255</b>	<b>16%</b>	<b>Total</b>	<b>\$96,480,602</b>	<b>\$14,889,727</b>	<b>15%</b>	<b>\$11,134,282</b>	<b>12%</b>	<b>\$9,362,715</b>	<b>10%</b>	<b>\$5,188,541</b>	<b>5%</b>

**Table VI-7: All Subcontracts Approved in Fiscal 2013**

Subcontract Size	Prime/Sub Industry	Value	African American		Asian American		Hispanic American		Caucasian Female		All M/WBEs (%)
			\$	%	\$	%	\$	%	\$	%	
< \$1M	Goals Industry	\$161,498,410	\$19,714,004	12%	\$19,878,409	12%	\$13,126,815	8%	\$11,121,043	7%	40%
	Non-Covered	\$22,479,139	\$1,880,433	8%	\$807,215	4%	\$1,265,539	6%	\$1,739,704	8%	25%
	<b>Subtotal</b>	<b>\$183,977,548</b>	<b>\$21,594,437</b>	<b>12%</b>	<b>\$20,685,624</b>	<b>11%</b>	<b>\$14,392,354</b>	<b>8%</b>	<b>\$12,860,747</b>	<b>7%</b>	<b>38%</b>
\$1M & Over	Goals Industry	\$226,400,143	\$3,321,000	1%	\$21,530,773	10%	\$6,194,194	3%	\$6,580,000	3%	17%
	Non-Covered	\$87,892,327	\$0	0%	\$0	0%	\$0	0%	\$1,885,859	2%	2%
	<b>Subtotal</b>	<b>\$314,292,470</b>	<b>\$3,321,000</b>	<b>1%</b>	<b>\$21,530,773</b>	<b>7%</b>	<b>\$6,194,194</b>	<b>2%</b>	<b>\$8,465,859</b>	<b>3%</b>	<b>13%</b>
All Sizes	Goals Industry	\$387,898,553	\$23,035,004	6%	\$41,409,183	11%	\$19,321,009	5%	\$17,701,043	5%	26%
	Non-Covered	\$110,371,466	\$1,880,433	2%	\$807,215	1%	\$1,265,539	1%	\$3,625,563	3%	7%
	<b>Grand Total</b>	<b>\$498,270,019</b>	<b>\$24,915,437</b>	<b>5%</b>	<b>\$42,216,398</b>	<b>8%</b>	<b>\$20,586,548</b>	<b>4%</b>	<b>\$21,326,606</b>	<b>4%</b>	<b>22%</b>

relevant dollar range and industries.<sup>40</sup> These subcontracts are detailed in Appendix I. Based on an average TSP of 16%, these prime contracts will eventually yield about \$290 million worth of subcontract work in the categories to which the M/WBE goals apply. Many of these, particularly

<sup>40</sup> \$12.4 million of the \$41 million in subcontracts were awarded to M/WBEs that did not have goals established in their respective gender and ethnic category and therefore cannot count toward the City's M/WBE goals. Additionally, within that universe of prime contracts, certified M/WBEs obtained over \$2 million worth of subcontracts in non-covered industries (primarily standardized services) and over \$30 million worth of subcontracts valued at or above one million dollars regardless of industry, although the City's M/WBE program does not provide for goals for those categories.

the large construction contracts, will generate work for as long as a decade.

Finally, to provide a more comprehensive picture of the rate of progress the City is achieving in providing procurement opportunities to certified M/WBEs, Table VI-7 presents data on subcontractors newly approved during Fiscal 2013 for all prime contracts open during Fiscal 2013. The table above includes contracts that are both covered by the City's M/WBE goals program and those that are not. It presents information on all of the subcontracts approved for certified M/WBEs for all City contracts, including those under state or federal participation goals and those that are not subject

to any goals program. Certified M/WBEs were awarded 22% of all subcontracts approved during Fiscal 2013. For subcontracts below one million dollars in the construction, professional services and A/E industries targeted by the City’s goals program, that proportion rose to 40% for M/WBEs.

As the table below indicates, the M/WBE share of the City’s total subcontracting volume

below \$1 million has continued to represent a significant portion of all subcontract awards since the program was created. Fiscal 2013 showed a robust level of M/WBE subcontract awards (38%) valued under \$1 million. Similarly, the total subcontracting volume regardless of value has remained vigorous. In Fiscal 2013, M/WBEs received 22% of all subcontracts.

**Table VI-8: M/WBE Subcontracting**

Dollar Range	Fiscal 2013			Fiscal 2012			Fiscal 2011			Fiscal 2010		
	Total	M/WBE		Total	M/WBE		Total	M/WBE		Total	M/WBE	
		%	\$		%	\$		%	\$		%	\$
<\$1M	\$183,977,548	38%	\$69,533,162	\$204,921,816	42%	\$85,177,627	\$247,429,327	38%	\$93,973,366	\$268,342,772	33%	\$89,575,033
>=\$1M	\$314,292,470	13%	\$39,511,827	\$211,711,298	21%	\$43,592,346	\$796,996,083	12%	\$92,499,830	\$984,746,997	30%	\$292,371,145
<b>Total Subs</b>	<b>\$498,270,019</b>	<b>22%</b>	<b>\$109,044,989</b>	<b>\$416,633,114</b>	<b>31%</b>	<b>\$128,769,973</b>	<b>\$1,044,425,411</b>	<b>18%</b>	<b>\$186,473,196</b>	<b>\$1,253,089,769</b>	<b>30%</b>	<b>\$381,946,178</b>

### ONLY THE BEST FOR LESS

Only The Best for Less is a wholesale electronics company based in Manhattan. Donald Williams has owned and operated the company since 2006. The company has been a certified MBE since March 2010. Though the company was successful in winning several small purchase contracts with the NYPD and the Department of Cultural Affairs (DCLA), they wanted to do more business with the City. One challenge the company faced was that it did not have the funds to purchase the supplies needed to perform on larger projects. With the help from the City’s Upfront Capital Loan program, a part of the Compete to Win program administered by SBS (see page 90 for more details), Only The Best for Less received 8 mobilization loans totaling over \$300,000. The loans, which use City contracts as collateral, have all been repaid. Due to the company’s receipt of the loans, Only The Best for Less has been able to do more business with the City and looks forward to doing more in the future.



**Donald Williams, Owner**  
**Only the Best for Less**  
**Credit: Marcello Rios/MOCS**

## Large-Scale Contract Approvals

Local Law 129 requires City agencies to obtain MOCS approval before they solicit procurements anticipated to be valued at over \$10 million, in order to evaluate whether they are designed to maximize competition and M/WBE participation. In Fiscal 2013, there were 161 registered contracts for which MOCS conducted such large-scale procurement reviews.<sup>41</sup> Of these, 14 were both solicited and awarded in Fiscal 2013; the other 147 were registered in Fiscal 2013 based on approvals that occurred earlier. The value of the 161 registered contracts is over \$4.7 billion. Approximately 30% of the contracts were solicited via competitive sealed bid and accelerated procurements, and 63% via competitive sealed proposal.

<b>Basis for Determination</b>	<b># of Contracts</b>	<b>Dollar Value</b>	<b>% of Total</b>
Human Services	88	\$2,527,524,565	53%
Indivisible Purchase, Project or Service	22	\$667,576,093	14%
Large Scale Construction	12	\$377,433,742	8%
Multiple Site Contract	10	\$265,170,930	6%
PLA	1	\$10,000,000	0%
Requirements Contract	20	\$697,540,950	15%
Unique/unusual good or service	8	\$204,520,977	4%
<b>Total</b>	<b>161</b>	<b>\$4,749,767,258</b>	<b>100%</b>

<sup>41</sup> A full list of these determinations is included in Appendix J. Approvals that occurred in Fiscal 2013 but have not yet resulted in the release of any solicitation are reported only after the contract is awarded, in order to protect the integrity of the bidding/proposal process.

Over half of the approvals were for human services contracts with anticipated awards to nonprofit providers, which are not covered under LL 129. About 14% of the total dollar value of large-scale approvals was for indivisible projects or services, which, due to the nature of the projects, could not be broken up into smaller contracts.

## Waivers, Modifications and Complaints

A vendor that plans to submit a bid or proposal in response to a solicitation for a construction or professional services contract that contains M/WBE participation goals may seek to request a reduction in the Target Subcontracting Percentage (TSP)<sup>42</sup> by filing a waiver request with the contracting agency during the pre-bid or pre-proposal stage. The agency and MOCS then evaluate the extent to which the vendor's business model and history of subcontracting construction and professional services is consistent with the request. In order to qualify for a waiver, a vendor must show both the capacity to execute the contract with less subcontracting than projected and legitimate business reasons to do so. A vendor that has received a full waiver has demonstrated that they will not award any qualifying subcontracts if awarded the contract. A vendor that obtains a partial waiver has demonstrated that they will subcontract at a lower amount than the TSP.

In Fiscal 2013, only 10 contracts were awarded to vendors that qualified for full waivers and 22 contracts were awarded to vendors that qualified for partial waivers. The total dollar value of contracts awarded to vendors that obtained full waivers was \$45 million while \$11 million represented the total dollar value for contracts awarded to vendors that were awarded partial waivers. Vendors filed a total of 150

<sup>42</sup> See "Subcontracting Opportunities" on page 83.

requests for waivers in Fiscal Year 2013. Of those, 14 were denied, 29 were approved as full waivers and 107 were approved as partial waivers. However, the vast majority of the vendors who received waivers did not win the contracts for which they were bidding. Additionally, some of the waivers involved repeated requests from the same firms. Of the 136 full or partial waivers that were granted, 110 waivers went to a total of 17 individual firms.<sup>43</sup> Waiver determinations are detailed in Appendix K.

Unlike waivers, which are granted or denied before a contract is awarded, modifications occur after a contract is already in place. A vendor may seek a modification if it finds itself unable to meet the M/WBE participation goals due to circumstances encountered during the life of the contract, such as limited M/WBE availability or elimination of work by a contracting agency. Vendors seeking modifications must show that they have made reasonable, good faith efforts to meet the goals set by agencies and must detail why those efforts have been unsuccessful.

MOCS approved one modification request during Fiscal 2013. On a FDNY contract, the prime contractor was unable to fulfill the M/WBE subcontracting requirement on an on-call asbestos abatement services contract. Initially, the contractor determined that it was able to self-perform the asbestos abatement work and in good faith identified that it would subcontract thermal insulation and carpentry work to certified M/WBEs. However, none of the work orders issued by FDNY required thermal

insulation or carpentry. As there were no opportunities to subcontract work, the contractor was unable to fulfill its M/WBE goals.

During Fiscal 2013, no complaints were made regarding compliance with LL 129 by certified M/WBE vendors. Additionally, there were no LL 129 findings of non-compliance made against prime contractors who failed to fulfill M/WBE requirements on specific contracts.

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<sup>43</sup> Full waivers are those in which vendors provide documentation that they plan to do no subcontracting. Partial waivers allow firms to do less subcontracting than the target subcontracting percentage and thus retain partial M/WBE goals.

## Managing M/WBE Contracts

Alicia Williams, who joined DPR in February 2012, serves as the M/WBE Program Manager for Capital Construction Projects. She is responsible for helping to ensure that prime contractors fulfill their M/WBE subcontracting participation goals. Prior to that, Alicia served as an M/WBE analyst at the Department of Design and Construction (DDC) for three and half years. Her experience at DDC prepared her for the challenge at DPR.

Before Alicia began working at DPR, management of the M/WBE program was decentralized; there was no single point of contact for vendors and other agency personnel to discuss issues related to M/WBE compliance. Now that Alicia is the M/WBE point person at DPR, she addresses all M/WBE issues directly. She helps prime contractors find M/WBE firms to fulfill their M/WBE subcontracting goals. If the agency eliminates work that was originally slated for M/WBEs, she works with prime contractors to find substitute work for them. She is able to quickly address problems that arise because she has developed a strong relationship with vendors, who contact her for guidance. Alicia says that addressing these issues at the outset often prevents larger problems from developing, such as having prime contractors fail to meet their M/WBE subcontracting goals. Alicia's hard work and efforts have yielded positive results: DPR did not receive a single M/WBE subcontracting goals modification request in Fiscal 2013.

In Fiscal 2013, Alicia also worked to educate vendors and other DPR personnel about the changes to the M/WBE program resulting from the passage of Local Law 1 (LL 1). (See page 92.) "I feel it is very important with LL 1 to educate as many people as possible," says Alicia. "The more people know about why they need to adhere to the law, the more of a success the program will be." Alicia held three internal LL 1 training sessions within DPR for construction contract directors and contract staff, as well as one training session for prime contractors. Alicia's trainings included information regarding M/WBE program requirements, how M/WBE goals are to be established and how vendors can use both the pre-contract award waiver and modification processes. Alicia's strong relationship with vendors, helped to achieve a high attendance rate at the contractor session. "Typically if I call, they show up," says Alicia.

Alicia's continued efforts to effectively communicate the requirements of the M/WBE program as well as her work with vendors are sure to promote the success of the M/WBE program at DPR.



Alicia Williams, M/WBE Program Manager, DPR  
Credit: Marcello Rios/MOCS

## ASSISTING M/WBES: COMPETE TO WIN

**Compete to Win** is a set of capacity building programs for M/WBES and small businesses administered by SBS. This set of services is designed to help M/WBES win more contracts with the City and consists of the following services:

Through **Technical Assistance**, firms receive assistance on submitting bids and proposals for City contracts through workshops and one-on-one assistance. Firms receive an introduction to specific industry requirements and standards for the submission of bids and proposals. One-on-one assistance provides firms with guidance on how to improve unsuccessful submissions. SBS has worked with several city agencies, including the HPD, DPR, HRA and DCAS to help M/WBES submit stronger bids and proposals to increase certified firms' chances of winning. In Fiscal 2013, SBS assisted 617 firms.

**Upfront Capital Loan** helps address the challenge that small businesses have in funding initial expenses, or mobilization costs, relating to City contracts (regardless of industry), such as labor and equipment costs. Short-term working capital loans are made available to firms that are awarded City contracts through partnerships with New York Business Development Corporation and Business Outreach Center Capital. In Fiscal 2013, five M/WBE firms were pre-qualified for loans valued at \$486,292.

**Bond Readiness** provides construction companies with financial management skills to help them secure surety bonds necessary to compete on City contracts. The service consists of eight months of classroom training and one-on-one assistance. In June, 38 firms graduated from the first class. Four of these firms are bonded at a total of \$8 million, and 19 of these firms are bond ready for a total of \$11 million.

**NYC Construction Mentorship** provides certified construction firms with greater access to City construction opportunities. In June, 39 firms

graduated from the first class. These firms received a customized curriculum of classroom instruction, one-on-one assistance, and an assessment to help them grow their business. The program provided access to over \$30 million in contracting opportunities. The participating agencies in Fiscal 2013 were HPD and DPR. In Fiscal 2013, firms that participated in this program won 18 contracts with HPD valued at \$110,000 and 3 contracts with DPR valued at \$2 million.

Through **NYC Teaming**, M/WBES and other small businesses learn how to partner with other firms to bid on larger or new markets contract opportunities. In partnership with American Express OPEN, the division of American Express that provides assistance to small business owners, SBS offers a series of workshops and webinars that cover topics such as different types of teaming arrangements, financial and legal issues, responding to RFPs and bids and marketing to potential partners. The series culminates in a matchmaking event that facilitates industry-specific networking, brings firms together with City agency procurement representatives and prime contractors, and provides open RFPs and bids for participants to review with potential partners. In Fiscal 2013, 129 participants attended four webinars, 166 participants attended four workshops, and 127 attended two business matchmaking events.

The **Corporate Alliance Program (CAP)** helps connect firms with contracting opportunities in the private sector in collaboration with eleven corporate partners. Becoming a supplier to a large corporation is a major step forward for any small

business, providing not only income but credibility, stability, and business relationships that come with experience. With its CAP partners, SBS launched a training series that addresses key issues small businesses face when trying to break into the corporate supply chain. Since the program launched, CAP has held eleven workshops on “Navigating the Corporate Supply Chain” attended by more than 300 minority and women-owned businesses. In September 2012, eleven professional service firms graduated from the Corporate Coaching pilot program, which connected each participant with an executive coach from a participating corporation. 77 firms have graduated from the CAP/Columbia University Construction Mentorship Program launched in 2008.

**Strategic Steps for Growth** is a nine-month executive education program designed for M/WBEs, offered in partnership with the Berkley Center for Entrepreneurship & Innovation at the NYU Stern School of Business. An industry-

specific class is also offered for business owners in the media & entertainment fields. The program provides participants with a new professional network, including business experts, university professors, and other business owners, and offers support for every aspect of business operations as well as a focus on capacity-building for City and government contract opportunities for the enrolled M/WBEs and on private-sector opportunities for the enrolled media & entertainment firms. Participants learn the strategic skills needed to run a growing company, and create a custom, three-year growth plan for their businesses. Since the program began in 2010, based on self-reported data from an annual survey conducted each calendar year, 55 M/WBE graduates of four classes have collectively reported securing \$6.4 million in new financing (including loans and lines of credit), creating over 330 new jobs and winning more than \$92 million in government contract awards (City, state and federal) as of December 31, 2012.

## WELCOME LOCAL LAW 1

In Fiscal 2013, Mayor Michael R. Bloomberg signed into law Local Law 1 of 2013 (LL 1). LL 1 takes significant steps to strengthen and expand the City’s M/WBE program. The new law also heightens oversight and reporting provisions to increase accountability to further ensure that City agencies meet M/WBE performance goals.

### Program Changes

LL 1 brought changes to the City’s M/WBE program.<sup>44</sup> The biggest change to the program is the elimination of the \$1 million cap on contracts subject to the M/WBE program, which significantly increases the overall number and value of contracts subject to the program requirements. Accordingly, prime and subcontracts valued over \$1 million may now be counted towards the fulfillment of M/WBE participation goals.

Additional program changes include:

- Updating the goals for ethnic and gender categories;
- Adding standardized services to the types of industries that may be subject to M/WBE participation goals;
- Eliminating M/WBE participation goals for goods valued above \$100,000;
- Changing the way participation goals are established by eliminating the TSP<sup>45</sup> and allowing M/WBE participation goals to be established on the value of the entire contract rather than a portion of the contract;
- Allowing businesses owned by women of all racial and ethnic groups to count toward the

Industry	Asian Americans	African Americans	Hispanic Americans	Women
Construction Services	8%	8%	4%	18%
Goods (< \$100,000)	8%	7%	5%	25%
Professional Services	No Goals	12%	8%	17%
Standardized Services	3%	12%	6%	10%

participation goal for Women-Owned Business Enterprises (WBEs);

- Allowing certified M/WBE prime contractors to count their own work toward their M/WBE participation goals.

### New Oversight Provisions

*Annual Agency Procurement Plans:* LL 1 requires agencies to create annual procurement plans. These plans must include: (i) procurement schedules for contracts that will be subject to the M/WBE program for the upcoming fiscal year; (ii) detailed information such as the type and scale of the services and/or goods to be procured; (iii) the term of the proposed contract; (iv) the method of solicitation; and (v) the anticipated fiscal quarter of the planned solicitation.

*Designation of Director:* LL 1 requires the designation of a “Director” to perform enhanced oversight functions that are further detailed below. Deputy Mayor Caswell Holloway was designated as the Director. As such, he will work with MOCS and SBS to regularly review agency compliance reports and meet with agencies to address performance improvement and non-compliance issues.

<sup>44</sup> The changes to the M/WBE program took effect the first day of Fiscal 2014 - July 1, 2013.

<sup>45</sup> The Target Subcontracting Percentage (TSP) is the percentage of a contract which an agency anticipates a typical prime contractor in the relevant industry would award in subcontracts valued at less than \$1 million. M/WBE participation goals were then set on the TSP.

### M/WBE Outreach

Gregorio Mayers serves as the Senior M/WBE Policy Advisor for Cas Holloway, Deputy Mayor for Operations, at City Hall. Gregorio works closely with SBS and MOCS to oversee the City's initiatives for minority and women-owned businesses.

On January 7, 2013, Mayor Michael R. Bloomberg signed Local Law 1 (LL 1) which was enacted to expand the City's M/WBE program, building on the achievements of the initial legislation, Local Law 129 of 2005. LL 1 also established the position of the City M/WBE Director. The Mayor designated Deputy Mayor Holloway as the City's M/WBE Director, who now oversees citywide program compliance. Gregorio believes that the Director helps ensure the program's success. Gregorio states, "The key is that the external community knows that City Hall is serious about M/WBEs. There is now a point person working with the agencies on a daily basis and issues are being heard on a higher level to ensure that policies are adhered to."

Gregorio played a key role in developing and passing LL 1, alongside Deputy Mayor Holloway. Among its provisions, LL 1 strengthens the City's M/WBE program through heightened oversight, new participation goals, and an increased number and scope of contracts available to firms. Gregorio worked closely with elected officials to communicate the benefits of these proposed changes. Additionally, he built a broad base coalition of interest groups, including small business leaders, clergy, key M/WBE advocates and various chambers of commerce, all of whom eagerly supported legislative reform.

One of the challenges that vendors faced, according to Gregorio, was finding the capacity

or the necessary tools to compete on the larger, more complicated contracts that would be subject to M/WBE participation goals through the new legislation. To address that challenge and others, the City developed supportive services for M/WBEs and other small businesses, including Compete to Win (see page 91), a suite of capacity building programs which Gregorio helped promote through a multi-media outreach



Gregorio Mayers, Senior M/WBE Policy Advisor, Office of the Mayor

Credit: Marcello Rios/MOCS

campaign, including advertisements in various newspapers, TV programs, and bus shelters. "What is important to know is that M/WBEs will have all the necessary resources from the City to ensure that they are able to compete successfully in the marketplace," says Gregorio. It has since become one of the centerpieces of the Administration's efforts to support certified firms and prepare them for new opportunities available through LL 1.

*Required Reports:* LL 1 requires agencies to report more often on prime and subcontracts awarded to M/WBE firms (M/WBE Utilization Reports), changing from biannually to quarterly. The new law also requires Performance Improvement Plans for agencies that do not achieve their utilization goals. Agencies must submit their plans to the Director, MOCS, SBS and the Speaker of the City Council.

*Quarterly Meetings:* LL 1 requires that the Director convene agency M/WBE Officers for quarterly meetings to: (i) discuss the results of the quarterly agency M/WBE Utilization Reports; (ii) check agencies' implementation of performance improvement plans and any additional efforts undertaken to meet their goals; (iii) share the practices helpful in increasing M/WBE participation; and (iv) devise plans to improve the performance of agencies that do not meet the goals established in agency utilization

plans. Agency commissioners are required to attend at least two of the quarterly meetings.

### **Improved M/WBE Directory and Certification Site Visits**

As is also required under LL1, in Fiscal 2013, SBS began developing an improved online directory of certified M/WBE firms to make it easier for prime contractors to identify potential partners and subcontractors. Additional information in the directory includes bonding capacity of the business and union affiliation, if applicable. SBS will be adding information on: (i) the market sector in which the business operates; and (ii) contract price and specific tasks performed by the business for its last three contracts. SBS will also begin performing site visits when certifying M/WBE firms.

## IMPACT OF LOCAL LAW 129 OF 2007

Since the M/WBE program began in Fiscal 2007, the City has been committed to ensuring the program's success by increasing contracting opportunities for minority and women-owned businesses. As LL 1 of 2013 will significantly change the City's M/WBE program beginning in Fiscal 2014, we take a look at LL 129's impact on City contracting and certified firms.

### Certified Firms

The City's M/WBE program depends on the number of M/WBE firms that are certified by SBS. In order for M/WBE firms to obtain the benefits of the program, they must be certified by SBS and in order for the City and prime contractors to meet M/WBE subcontracting goals, contracts and subcontracts must be awarded to certified M/WBE firms. As shown in Chart VI-1, since LL 129 became effective, the City has seen a steady rise in the number of certified M/WBE firms. In Fiscal 2007, there were a total 1,236 certified firms, while at the end of Fiscal 2013, there were a 3,700 certified firms, a 200% increase.

**Chart VI-1: Certified M/WBE Firms Over Time**

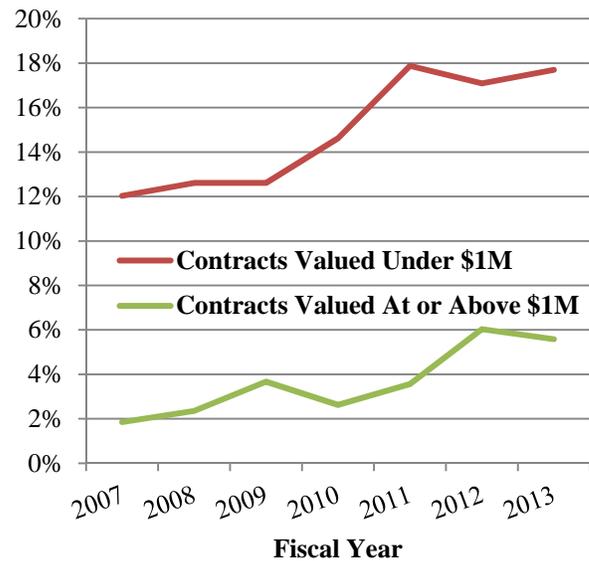


### Prime Contract Awards to M/WBEs

Since Fiscal 2007, the year that LL 129 began, M/WBEs have been awarded over \$2 billion in prime contracts from competitive solicitations under the relevant industry categories. As Chart

VI-2 shows, since LL 129 became effective, the number of M/WBEs awarded prime contracts has steadily increased. The sharpest increase was in awards for contracts valued under \$1 million – the types of contract awards covered under the City's M/WBE program. Additionally, there was also an increase in prime contract awards valued at \$1 million or more that were awarded to certified firms.

**Chart VI-2: Percentage of Prime Contracts Awarded to M/WBEs by Value**



### Subcontract Awards to M/WBEs

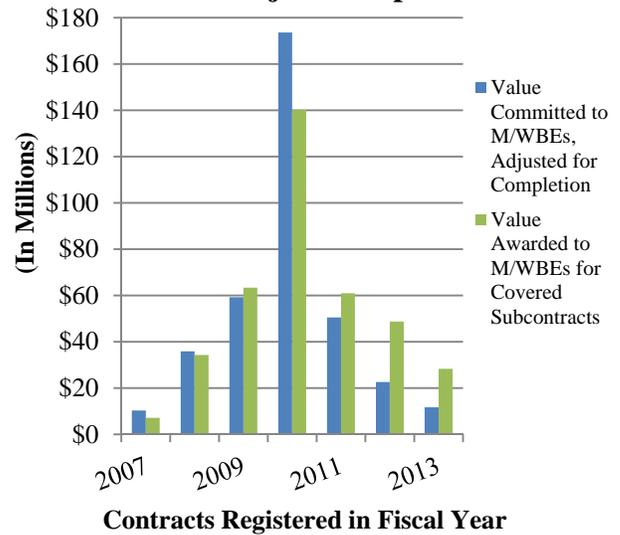
Since LL 129 became effective, over \$9.4 billion worth of prime contracts have been registered that were subject to M/WBE subcontracting goals. Of those contracts, over \$652 million worth of subcontracts were committed to M/WBEs through goals requirements. As contracts generally take several

years to complete, many of the prime contracts subject to M/WBE goals that have been awarded since Fiscal 2007 are, in fact, not yet complete. As subcontracts are awarded throughout the life of a prime contract, whether or not a prime contractor has fulfilled the M/WBE subcontracting goals will not be known until the prime contract's completion.

An analysis of the data reveals that the City is on track to meet its citywide M/WBE subcontracting goals. Payment data indicates that for all of the prime contracts subject to M/WBE participation goals since Fiscal 2007, the City has paid, to date, approximately, \$5.2 billion (or 56%) of the over \$9.4 billion worth of prime contracts subject to M/WBE subcontracting requirements. Additionally, data for the same time frame shows that a total of \$381 million (or 58%) of the over \$652 million worth of subcontracts in the covered industry categories

have been awarded to M/WBEs, exceeding the pay out rate for prime contracts (see Chart VI-3 below).

**Chart VI-3: Projected and Actual M/WBE Subcontracting, Adjusted for Project Completion**



## VII. HURRICANE SANDY RESPONSE

On October 29, 2012 Hurricane Sandy made landfall in New York City. The storm was unprecedented in both scope and intensity and affected the City in profound ways. The storm flooded the City’s low lying areas, knocking out power to approximately two million people. Neighborhoods in Southern Queens, Brooklyn and Staten Island were hit the hardest and faced the most destruction, with tens of thousands of homes devastated, many rendered uninhabitable. Elsewhere throughout the City, the storm damaged crucial infrastructure, knocked down trees and strewed debris on sidewalks and streets. This section tells the story of how the City’s emergency procurement process helped City staff launch one of the most complex and thorough recovery and restoration efforts in the City’s history.

### Emergency Procurements

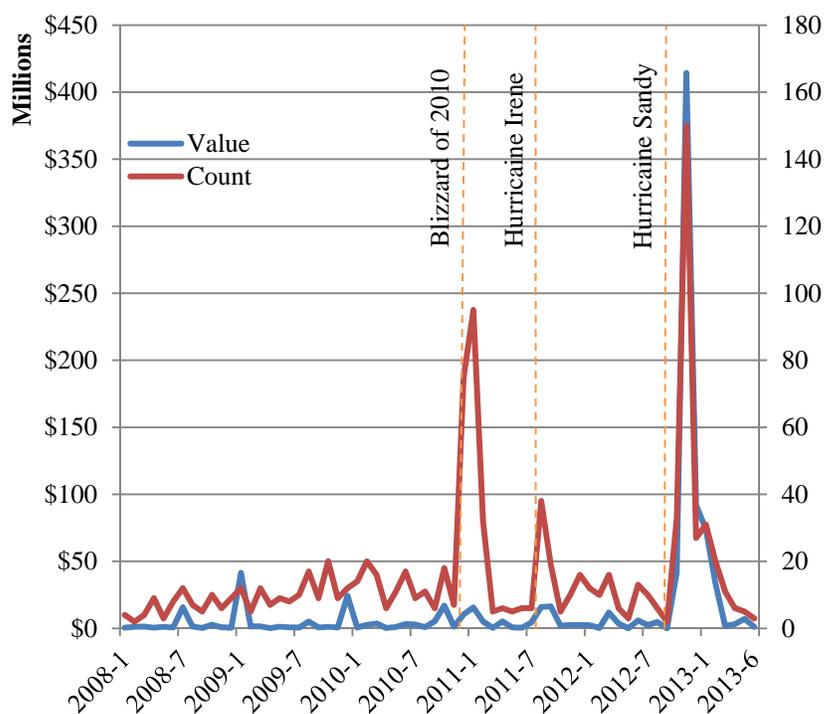
Emergency procurements played a bigger role in Fiscal 2013 than in recent years. When an agency must respond quickly to address unforeseen dangers to life, safety or property, the emergency procurement process allows it to meet an immediate need for goods or services that other procurement methods cannot quickly fulfill. This method has been utilized to address unanticipated situations that have been brought upon by natural or man-made disasters to ensure the swift delivery of much needed goods and services to City residents.

To initiate an emergency procurement, an agency first submits an emergency declaration and provides the scope of goods or services required.

Before the agency can enter into the contract, the prior approval of the Comptroller and the Corporation Counsel is required. The agency selects the contractor with as much competition as is possible and practicable given the facts of the emergency.

Hurricane Sandy resulted in more emergency contracts by count and by value compared to other weather-related emergencies in the City within the past three years. See Chart VII-1.

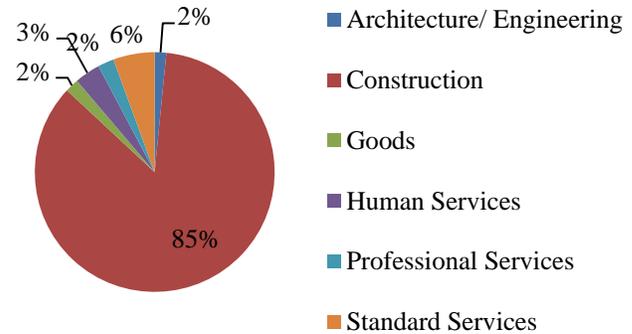
**Chart VII-1: Volume of Emergency Contracts**



## HURRICANE SANDY OVERVIEW

In anticipation of the storm, City agencies used existing contracts for emergency goods and services where they were available. When there were no existing contracts, agencies initiated emergency procurements. The first agency emergency declaration was made on October 26 to raise the limit on the Citywide Purchase Card (P-card) from \$5,000 to \$10,000 to give agencies greater flexibility in making small-dollar emergency purchases. (For more information regarding the P-card please see page 75.)

**Chart VII-2: Sandy Spending by Industry**



Method	Count	Value
<b>New Contracts</b>		
Emergency	198	\$792,229,589
Micro Purchase	4	\$12,287
Small Purchase	3	\$50,099
<i>New Contracts Total</i>	205	\$792,291,974
<b>Modifications</b>		
Amendment	16	\$6,210,484
Construction Change Order	9	\$8,649,000
<i>Modifications Total</i>	25	\$14,859,484
<b>Total (New Construction and Modifications)</b>	<b>230</b>	<b>\$807,151,458</b>

After the storm, agencies moved quickly to procure goods, standard, human and construction services. Seventeen City agencies made 130 emergency declarations authorizing \$1.2 billion to be spent on relief. Pursuant to these declarations, agencies processed 205 new emergency procurements, small purchases and micropurchases totaling \$792 million. In addition, agencies made a combination of 25 amendments and construction change orders pursuant to the declarations, valued at approximately \$15 million. These modifications to existing contracts leveraged the capacity of already engaged vendors towards relief efforts. See Table VII-1. Altogether for all contract actions, approximately \$807 million out of the authorized amount in emergency declarations was registered as of the close of Fiscal 2013. The remaining balance is expected to be spent over the coming fiscal years for on-going Sandy-related projects.

The majority of Sandy related spending was on emergency construction or repairs. Over 85% of spending or \$689 million was on construction services, primarily due to the citywide Rapid Repairs program set up after the storm. Standard services, the next largest category, accounted for \$45 million. Most of the standard services are attributed to DSNY debris clean up after the storm. Chart VII-2 displays the breakdown of spending by industry.

DEP had by far the highest volume of Sandy related procurements; the agency spent approximately \$628 million on new emergency contracts alone. The Rapid Repairs program accounts for much of that spending. DPR had the second-largest spend committing \$45 million to make parks safe after the storm and reconstruct City beaches. DHS processed 51 contracts, accounting for the greatest number of procurement actions. DHS’s contracts provided relief for evacuees, including emergency shelter and food. Table VII-2 lists the count and value of Sandy-related contracts among City agencies.

Some of the contracts that provided help to New Yorkers affected by the storm are described below.

**Restoration**

The Mayor’s Office and the Human Resources Administration (HRA) led a multiagency effort to open seven Restoration Centers in the hardest hit communities throughout the city. HRA executed an emergency procurement for case management services, including client intake, help navigating the services within each Restoration Center exit interviews, and referrals to additional services available in the community. The nonprofit providers worked alongside the City, State and Federal Agencies to staff the Centers and provide essential information and referral services such as financial assistance, benefit registration, Rapid Repairs and other housing resources, business loan information and federal individual assistance. Restoration Centers saw more than 40,000 visits from opening on November 13, 2012 to the closing of the last three centers in Coney Island, Arverne, and Staten Island on February 23, 2013.

**Shelter**

DHS contracted with 13 vendors, including Samaritan Village, to open annexes and emergency shelters that provided food and medical supplies for residents displaced from their homes.

**Building Assessment**

The Department of Buildings (DOB) contracted with Ove Arup and Partners to rapidly assess damaged buildings to determine if they were habitable.

<b>Table VII-2: Hurricane Sandy Spending by Agency</b>		
<b>Agency</b>	<b>#</b>	<b>Value</b>
DEP	24	\$628,128,643
DPR	13	\$45,471,212
DHS	51	\$26,606,436
DOT	8	\$26,538,098
DSNY	45	\$14,439,071
DCAS	12	\$13,873,420
DDC	6	\$12,085,228
HRA	10	\$6,559,920
NYPD	18	\$5,821,174
DOB	6	\$5,006,400
HPD	13	\$3,917,290
All other Agencies	24	\$18,704,568
<b>Total</b>	<b>230</b>	<b>\$807,151,458</b>

**Emergency Supplies**

The Office of Emergency Management (OEM) and DCAS moved swiftly to provide emergency supplies from Innotech Products such as ready to eat meals, water and medical equipment including oxygen tanks. In addition, OEM procured contracts for emergency supplies including generators and water pumps. DCAS also procured vehicles, generators, light towers, boilers, heavy equipment, and debris removal services.



Emergency food relief services  
Credit: OEM

## Transportation services

OEM worked with vendors including Mr. Transportation Inc. and Quality Transportation Corp. to transport elderly citizens from nursing homes to evacuation shelters and transferring evacuees between shelters. DOT procured ferry service between Staten Island and Lower Manhattan after the storm disabled the use of one of the Staten Island ferry terminals. The service was provided by New York Water Taxi and was up and running by November 26.<sup>46</sup> The storm caused traffic light outages throughout the five boroughs and vendors including Hellman Electric were instrumental in restoring traffic lights.



Staten Island Ferry  
Credit: Anthony DePrimo/DOT

## Information Technology

The City also procured various IT goods and services to assist in disaster relief. For example, DHS procured Voice over Internet Protocol (VoIP) phones from Consolidated Tech. DHS also contracted with King TeleServices for a web-based tracking and management system to monitor victims staying in hotels. In addition, OEM worked with Derive Technologies to provide staffing for both the Restoration Centers and the City's Emergency Operations Center to ensure that all IT operations ran smoothly and helped agency staff and residents.



Storm debris clean-up  
Credit: Michael Anton/DSNY

and the Rockaways. DPR used an existing contract with Lewis Tree Service to provide emergency tree pruning services to remove branches made dangerous by the storm. DPR also contracted with Delaney Associates LP to repair park facilities.

## Debris Removal

DSNY contracted out for debris removal services, which helped to clear streets and sidewalks. Generated, LTD was one of 41 vendors to provide this service.

## Parks Repair

Sandy impacted City parkland, including beaches in Coney Island



Emergency tree pruning  
Credit: Malcolm Pinckney/DPR

<sup>46</sup>See Press Release, NYC DOT Selects New York Water Taxi To Operate New, Temporary Commuter Ferry Service From Great Kills to Manhattan, With Service to Begin Monday, Nov. 26, at [http://www.nyc.gov/html/dot/html/pr2012/pr12\\_66.shtml](http://www.nyc.gov/html/dot/html/pr2012/pr12_66.shtml)

## MOBILIZATION OF EMERGENCY RESOURCES

Hurricane Sandy caused widespread damage to homes throughout the City. According to the Federal Emergency Management Agency (FEMA), nearly 70,000 housing units were damaged by the storm. The City's coastal communities, primarily in Staten Island, Brooklyn and Queens, experienced the bulk of the destruction. In those areas, the storm surge seeped into houses, flooding basements, soaking electrical and heat systems and destroying personal possessions. Thousands of New Yorkers faced the prospect of going into winter in damaged homes that did not have proper protection from the cold.

Relief after other similar disasters usually comes in the form of trailers or temporary housing for residents; however, many residents chose to remain in their homes, despite the damage. After Hurricane Sandy, the City worked with FEMA

to implement a first-of-its-kind program, testing the premise that the best shelter in the aftermath of a disaster is one's one home. Working with FEMA, the City's goal was to allow residents to stay safely in their homes by quickly providing urgent repairs.<sup>47</sup>

Mayor Bloomberg announced the NYC Rapid Repairs program on November 9, 2013, appointing Kathryn Mallon, DEP's Deputy Commissioner for capital construction, to lead it. Kathryn worked closely with DEP's ACCO Mary Pazan, and Howard Friedman and Lori Barrett from the Law Department to write solicitation documents for a program to quickly make repairs necessary to restore homes to a habitable condition. In one day, the group drafted a request for expression of interest document that included a term sheet with many of the features of forthcoming emergency construction contract.



Howard Friedman, NYC Law Department  
Credit: Marcello Rios/MOCS

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<sup>47</sup> This program was based on a FEMA program, the Sheltering and Temporary Essential Power (STEP) Pilot Program that the agency designed immediately after the Hurricane.

Repairs had to begin as soon as possible. To get work started, the team put together a payment structure that had never before been used in City procurement and that allowed a contractor to be paid for time and materials until the City and the contractors agreed to a set of unit prices for the work. The contract also contained an opt-out clause so that if the vendor did not accept the later payment agreement, they could leave the program. This agreement enabled contractors to start work on repairs immediately with the confidence that the payment terms would ultimately reflect the needs of the program.



**Kathryn Mallon, Deputy Commissioner, DEP**  
Credit: DEP

Registration opened to homeowners soon thereafter via 311, nyc.gov, and the Restoration Centers. Working as a team, Rapid Repairs staff and contractors restored heat, electricity, and hot running water. Kathryn's team was responsible for handling the intake and referral of repair requests and overseeing the contractors in the field. According to Kathryn, the biggest challenge was coordinating on-going construction work in thousands of homes simultaneously and providing up-to-date daily reporting on progress. Each prime contractor created its own system to coordinate the various subcontractors and trades and to track progress. By the end of December, Rapid Repairs had repaired 3,000 homes. By the end of January that figured tripled to 9,000 homes citywide. By the end of the program in March, 11,800 homes had been repaired and approximately 54,000 residents were able to return home.

All of this was achieved using nine prime construction contractors and 185 subcontractors, divided into nine geographic regions in affected areas. Subcontracts covered a variety of trades including electricians, plumbers, steamfitters, laborers, carpenters and experts in asbestos abatement. Of the 185 subcontractors, 22%, were City certified Minority or Women-Owned Businesses (M/WBEs).

Staff at the Mayor's Office of Contract Services (MOCS) vetted every contractor and subcontractor for the required credentials and business integrity. MOCS also screened for appropriate business licenses, Occupational Safety and Health Administration violations, outstanding taxes, New York State Department of Labor debarments, negative VENDEX information and other adverse information. In all, MOCS reviewed 433 vendors and typically provided a determination within 48 hours.

The quick work of Rapid Repairs is a new model for disaster recovery, and FEMA has hailed it as an example of close coordination between different levels of government “to fit the needs of survivors “ rather than make people fit FEMA’s existing programs.<sup>48</sup>

Getting people quickly back into their homes required close coordination amongst City agencies, contractors, and utilities. Thanks to Kathryn, Mary, Howard, and Lori’s teamwork and effectiveness, the Rapid Repairs program has been an example of successful disaster relief and an example of City officials making the procurement process work leading to successful disaster relief.

## HURRICANE RECOVERY/BEACHES

Hurricane Sandy devastated New York City’s beaches. Although the damage was far reaching, the City committed to restore fourteen miles of swimming beaches across the Bronx, Brooklyn, Queens, and Staten Island in time for Memorial Day 2013. DPR partnered with the DDC and other City agencies to clean up debris, restore sand, repair piers and facilities, and install modular facilities, including comfort stations, lifeguard stations, and maintenance and operation facilities in three boroughs. DDC awarded a contract to Triton Structural Concrete for the furnishing and installation of these prefabricated modular facilities (see cover art). In addition to the new modular facilities, DDC also procured the services of Mongiove Associates to repair and renovate existing buildings in Brooklyn and Staten Island, which were damaged by the storm. The renovations included elevating the mechanical and electrical systems from the ground floor to higher elevations to minimize potential for damage in future floods.

To carry out this work, the City utilized contracts with architectural and engineering firms and construction companies, who offered their expertise and manpower to complete restoration before Memorial Day Weekend. Hundreds of contractors were hired, some days working around the clock. Additionally, the debris removal work created more than 1,000 seasonal City jobs across the boroughs. The collaborative work over five months resulted in a successful opening on Friday, May 24. In addition to the citywide installation of the prefabricated modulares, as well as the renovation of existing facilities, see, on the following page, some of the the City’s efforts to reopen the beaches in time for the beach season.

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<sup>48</sup>See Rapid Repairs Program Hailed as Model, *Crain’s New York Business*, at [http://www.crainsnewyork.com/article/20130322/REAL\\_ESTATE/130329955](http://www.crainsnewyork.com/article/20130322/REAL_ESTATE/130329955)

## Rockaway Beach

Much of the boardwalk in the Rockaways was completely destroyed, leaving only concrete piers in some areas. DPR issued emergency contracts for demolition and removal of damaged structures, as well as installation of protective measures such as security fencing. Through a DDC contract, Padilla Construction Services constructed boardwalk islands around beach amenities, added a new concrete platform, outdoor showers, drinking fountains, benches, shade structures and railing and stadium seating.



Rockaway Beach  
Credit: Daniel Avila/DPR



Coney Island Boardwalk  
Daniel Avila/DPR

## Coney Island

Triton Structural Concrete for construction on the Steeplechase Pier. New concrete support beams were added to the existing concrete structure. The new and improved pier boasts a viewing area at one end and an observation ramp that rises above the pier to provide views of the ocean.

## Staten Island Beaches

Many beaches on Staten Island required emergency contracts for clean up. Work by Lomma Construction and William A. Gross Construction included sand moving and re-grading, debris removal, fence installation, ball field repairs, and repairs to the FDR Boardwalk.



Debris removal at Staten Island Beaches  
Credit: Daniel Avila/DPR

## PROCUREMENT INITIATIVES – A TIMELINE OF PROCUREMENT REFORM

2002	<p><b>Agency Procurement Indicators Report</b> The Mayor’s Office of Contracts (MOC) publishes the first annual Agency Procurement Indicators Report, separate from the Mayor's Management Report, in September.</p>
2003	<p><b>Consolidation of Procurement Offices</b> In January 2003, the Administration consolidates staff from MOC, the Procurement Policy Board (PPB), and the Office of Construction, allowing the City to improve monitoring of the procurement process. The City Chief Procurement Officer (CCPO) becomes the Director of the combined entity.</p> <p><b>New York City Procurement: A <i>Blueprint for Change</i></b> In October 2003, the Administration publishes <i>A Blueprint for Change</i>, which lays out a commitment to procurement reform, focusing on seven key initiatives to effect a more efficient procurement system: charter revision; management reforms; innovative purchasing opportunities; targeted technology investment; accountability for performance; ensuring vendor responsibility; and legislative reforms.</p> <p><b>Small Purchase 5+5 System</b> The solicitation software for small purchases is modified so that each solicitation opportunity, in addition to going to five random vendors from the citywide bidders list, goes to five randomly selected vendors from the M/WBE, LBE and small business pool, giving them added access to that universe of business.</p>
2004	<p><b>Renaming the Mayor’s Office of Contracts</b> On June 17, 2004, Executive Order No. 48 changes the name of the Mayor’s Office of Contracts to the Mayor’s Office of Contract Services, emphasizing a commitment to customer service.</p> <p><b>Delegation</b> In keeping with the Administration’s emphasis on agency accountability, MOCS delegates substantial additional procurement approval authority to each of the Mayoral agencies, enabling expedited contract processing.</p> <p><b>Posting RFPs Online</b> In order to increase procurement transparency and ensure that solicitations are available to the greatest number of potential competitors, Local Law 11 is enacted, requiring agencies to post all RFP documents on the City’s website (<a href="http://www.nyc.gov">www.nyc.gov</a>).</p>
2005	<p><b>M/WBE Program</b> On September 9, 2005, Executive Order No. 71 of 2005 establishes a program to enhance meaningful participation of Minority and Women-Owned Business Enterprises (M/WBEs) as prime contractors and subcontractors on City contracts.</p>

2005	<p><b>Prevailing Wage</b> On October 6, 2005, Executive Order No. 73 of 2005 strengthens the enforcement of the prevailing wage requirements of Section 220 of the New York State Labor Law. When letting contracts for public works or building services, agencies must require vendors that bid significantly below their competitors to provide proof that they and their subcontractors will pay employees the prevailing wage.</p>
2006	<p><b>M/WBE Program</b> Local Law 129 of 2005 take effect establishing Citywide participation goals by race, ethnicity, and gender for utilization of M/WBEs on contracts of less than \$1 million dollars.</p> <p><b>Environmentally Preferable Purchasing (EPP)</b></p> <ul style="list-style-type: none"> <li>• Passed by the City Council in 2005, and effective in 2006, a package of local laws establishes environmentally preferable standards for products purchased by the City. The purchase of such products protects the environment by reducing the City’s energy consumption, air pollution, hazardous releases, and water use.</li> <li>• Local Law 118 of 2005 establishes a Director of Citywide Environmental Purchasing (DCEP) to implement the City’s EPP program. Mayor Michael R. Bloomberg appoints the CCPO as DCEP on April 24, 2006.</li> <li>• Local Laws 119, 120, 121, and 123 of 2005 establish the standards for the EPP program by requiring the City to purchase products that comply with ENERGY STAR® requirements; requiring City agencies to follow the Comprehensive Procurement Guidelines established by the Federal Environmental Protection Agency; requiring the City to purchase electronic equipment and fluorescent lighting with low levels of potentially hazardous substances; and authorizing the City to develop a pilot program to test environmentally preferable cleaning products and establish standards requiring the purchase and use of “green cleaning” products.</li> </ul> <p><b>Procurement Training Institute</b> MOCS promulgates new rules on training for all City procurement professionals. The new standards require that all agency procurement staff assigned authority above the micropurchase level take at least one course every two years. All ACCOs at large agencies and DACCOs at very large agencies require training certification from the CCPO and recertification every five years.</p>
2007	<p><b>Apprenticeship Training</b> The CCPO issues a directive to agencies to ensure that City construction projects provide the maximum opportunities possible for apprenticeship training, which offers real career opportunities for New Yorkers to advance toward well-paying jobs in the industry.</p> <p><b>Purchasing Card Program</b> In July 2007, the Purchasing Card (P-card) Program commences. The P-card is a credit card issued to agencies for making micropurchases of goods and services. The P-card benefits agencies by providing user convenience, eliminating the intermediate steps required by the traditional procurement process.</p>

2007	<p><b>Doing Business Database</b>          In July 2007, Local Law 34 of 2007, also known as the City’s “Pay-to-Play” statute, is enacted. The Doing Business Database is later developed to enforce this statute. MOCS collects data from City agencies, City-affiliated public authorities, and similar entities on the companies and nonprofits they do business with, as well as the key individuals at each entity. The information is shared with the Campaign Finance Board to increase transparency and to appropriately limit donations from those individuals.</p> <p><b>Capacity Building and Oversight</b>          In November 2007, MOCS adds a new team for Capacity Building and Oversight (CBO) of nonprofit entities. CBO assists nonprofit vendors with their internal controls, governance structures, and financial practices.</p>
2008	<p><b>Discretionary Awards</b>          In Spring 2008, at the request of the Speaker of the City Council, MOCS and the City Council establish a prequalification process for vendors receiving Council designations of discretionary awards valued at more than \$10,000 cumulatively. This process protects the integrity of discretionary awards and guards against conflicts of interest while ensuring the timely award of funds to organizations that provide high quality services to their communities.</p> <p><b>Green Cleaning Pilot</b>          In May 2008, 10 agencies begin testing environmentally-friendly cleaning products to replace products previously used. Under the guidance of MOCS and DCAS, staff evaluate each product on its effectiveness, ease of use, and safety.</p>
2009	<p><b>NYCStat Stimulus Tracker</b>          In February 2009, President Barack Obama signs the American Reinvestment and Recovery Act (ARRA) of 2009 into law as a response to the nation’s economic crisis. As a major recipient of ARRA funding, New York City develops the NYCStat Stimulus Tracker website (<a href="http://www.nyc.gov/stimulustracker">www.nyc.gov/stimulustracker</a>), which provides transparency into the funding that the City receives. Using the website, viewers are able to see information including the number of jobs created or retained through stimulus funding, contract status, and payments to vendors.</p> <p><b>New Vendor Information Exchange (VENDEX) System</b>          In April 2009, MOCS launches a new and improved VENDEX system with increased functionality and oversight. The new web-based system replaces an outdated mainframe and allows agencies to see the progress of vendors’ VENDEX questionnaire submissions.</p> <p><b>Vendor Performance Evaluation Oversight</b>          In April 2009, upon the launch of the new VENDEX system, MOCS takes responsibility for overseeing the performance evaluation process for all Mayoral agencies. By centralizing this task, MOCS ensures that all performance evaluations are accurately completed, they are sent to vendors in a timely manner, and that vendor responses are considered by the contracting agency.</p>

### **Nonprofit Contract Facilitator**

In April 2009, Mayor Michael R. Bloomberg outlined new initiatives to help New York City's more than 40,000 cultural, health and social service nonprofit organizations survive the economic downturn. To address these challenges, the City seeks to reduce nonprofit organizations' fixed costs, expand loan programs, enhance the responsiveness and efficiency of City contracting procedures to speed payments, and build new partnerships to help foster stronger nonprofits. The head of the CBO unit at MOCS is designated as the citywide Nonprofit Contract Facilitator, a point-person for all of the City's nonprofits needing special assistance with City rules, regulations or policies affecting their ability to obtain City funding.

### **Enhancements to the M/WBE Program**

- In May 2009, the PPB Rules are changed to require agencies to provide notice to vendors of M/WBE requirements in invitations for bids and requests for proposals.
- Changes to the PPB Rules require agencies to obtain CCPO approval to solicit additional vendors for small purchases other than those randomly drawn from the citywide bidder list. The objective is to promote fairness and competition by allowing M/WBEs to have increased access to small purchase opportunities.

### **Streamlining the Procurement Process**

In May 2009, changes to the PPB Rules increase the threshold for cumulative contract changes requiring CCPO approval to whichever is greatest, of 10% of the original contract amount or \$500,000.

### **Longer Contract Terms**

In July 2009, a PPB Rule change allows longer contract terms for human services. City agencies now have the opportunity to identify programs such as senior centers and homeless shelters that would be operated more efficiently with up to a nine year contract term.

### **Returnable Grant Fund**

In July 2009, Mayor Michael R. Bloomberg expands the Returnable Grant Fund (RGF) by 150%, from \$8 million to \$20 million. This enhancement enables the City to provide loans to additional not-for-profits receiving City funds to assist them during times of cash flow difficulties.

### **Damages for Delay**

In July 2009, the City pilots new contract language to share the risk of costs stemming from construction project delays, providing vendors and City agencies with clear incentives to minimize delays and complete projects.

### **Terms of Demonstration Projects**

In August 2009, changes to the PPB Rules extend the standard length of the initial term of a demonstration project from one year to three years, and provide for contract extensions of up to two years with CCPO approval.

2009	<p><b>Project Labor Agreements</b>          In December 2009 and January 2010, the Bloomberg Administration engages in a series of Project Labor Agreements with the Building and Construction Trades Council of Greater New York (BCTC), aimed at realizing potential savings of more than \$300 million, while preserving approximately 1,800 construction jobs during one of the worst economic downturns the City and the construction industry have faced in recent years.</p>
2010	<p><b>Purchasing Card Program Enhancements</b>          An online card management system is implemented to assist agencies in monitoring and managing P-card usage, quickly identifying purchases that have been declined and showing real-time information about authorized transactions. This suite of tools assists agencies with fraud prevention and detection. MOCS also begins conducting quarterly audits of P-card transactions to ensure that each agency's purchases are consistent with authorized program usage.</p> <p><b>Automated Procurement Tracking (APT)</b>          In Spring 2010, the City rolls out its Automated Procurement Tracking System (APT), which provides a paperless procurement workflow. By creating a common platform linking 40 contracting agencies and six oversight agencies, APT saves paper and ink, reduces contract processing time, improves reporting capabilities, and offers greater visibility into the procurement pipeline.</p>
2011	<p><b>City Record Online</b>          In February the City Record, the official paper of New York City government, becomes available for free through the DCAS website (<a href="http://www.nyc.gov/cityrecord">www.nyc.gov/cityrecord</a>). The City Record contains news about opportunities to bid for government contracts, announcements for upcoming contract public hearings and other news on government business. The new website also includes a searchable online database of procurement notices.</p> <p><b>Standard Human Services Contract</b>          In July 2011, the Administration rolls out the Standard Human Services contract making it easier for City agencies to contract with human services vendors by significantly decreasing the amount of time that it takes to write contract language.</p> <p><b>SBS Division of Labor Services</b>          In August 2011, in conjunction with Executive Order No. 159, SBS amends the rules governing its Division of Labor Services. These amendments extend to 36 months the period of time for which an equal employment opportunity certificate remains valid and exempt contractors entering into emergency contracts or contracts for human services with the City from the Employment Report submission requirement.</p> <p><b>Group Purchasing for Human Services Vendors</b>          In October 2011, the City enters into a group purchasing contract with Essensa. This contract allows the nonprofit vendors to leverage the City's buying power to purchase goods for discounted prices.</p>

### **HHS Accelerator**

In April 2012, Executive Order No. 160 authorizes HHS Accelerator, an initiative that had previously been announced in July 2010. Under the direction of the Deputy Mayor for Health and Human Services, this initiative will centralize human service procurement with a new, simplified contracting process; create a web portal for human service vendors with a document repository to eliminate duplicative filing of paperwork with the City; and standardize contract terms, financial management, and auditing across City agencies.

### **Assisting M/WBEs: Compete to Win**

MOCS and the Department of Small Business Services (SBS) launch “Compete to Win,” a new package of five initiatives designed to help M/WBEs do business with the City.

- *NYC Teaming*: This program helps firms create partnerships that allow them to bid on larger contracts or pursue new contracting opportunities.
- *NYC Construction Loan*: This program provides short-term working capital loans from the New York Business Development Corporation to M/WBE firms in the construction sector.
- *Technical Assistance*: This program provides free workshops and one-on-one assistance to prepare firms to compete for and perform on City contracts.
- *Bonding Readiness*: This program helps small businesses, including M/WBEs, secure surety bonds for NYC construction projects.
- *NYC Construction Mentorship*: This program provides certified construction firms with greater access to City construction opportunities, a customized growth plan developed with a construction management firm, management classes, and on-the-job training services for contract winners.

### **Environmentally Preferable Procurement (EPP)**

MOCS updates the rules for EPP. New standards are established for energy efficiency, water efficiency, and use of recycled content. The results of the green cleaning pilot program are codified.

### **Enhancements to the M/WBE Program**

In January 2013, Local Law 1 strengthens the City’s M/WBE program. The new law significantly expands the coverage of the program by eliminating the \$1 million cap on covered contracts and adding standardized services to the covered industries. The law also heightens oversight and reporting provisions, allows all businesses owned by women to count toward the participation goal for Women-Owned Business Enterprises (WBEs) and allows certified M/WBE prime contractors to count their own work toward fulfillment of goals.

### **HHS Accelerator**

In March 2013, the City officially launches the HHS Accelerator website, making it available for nonprofits to open accounts, begin uploading documents, and submit both business and service applications.

### **Subcontracting Data Collection**

MOCS and the Comptroller’s Office launch a new application to collect information on subcontracts directly from prime contractors through the City’s Payee Information Portal (PIP). The new system allows agencies to review and approve the use of subcontractors electronically, reduces the need for paper forms, and improves the quality of data the City collects on subcontractors.

**Vendor Self-Service Enrollment**

MOCS and DCAS roll out a new application to allow vendors to update their enrollment in citywide bidders' lists using PIP's new online, self-service management features.

**Small Purchasing Initiative**

The Small Purchasing Initiative standardizes and streamlines small purchasing throughout the City. The collection of solicitation responses and other elements of the process are centralized and streamlined by generating bidders' lists and recording response data for each small purchase directly in FMS.

**Micropurchase Limit Increase**

In April of 2013, the Procurement Policy Board adopts new rules raising the micropurchase limit from \$5,000 to \$20,000. This change, which required concurrent action by the City Council in May of 2013 and will be effective in Fiscal 2014, grants agencies greater flexibility to award micropurchase contracts to responsible vendors, especially M/WBEs.

# MAJOR LEGISLATIVE AND REGULATORY REFORMS

## Legislative Reforms

Local Law 1 of 2013: A Local Law to amend the New York City charter and the administrative code of the city of New York, in relation to opportunities for minority and women owned business enterprises and emerging business enterprises in city procurement. Please see page 79 for more detail.

### New York City Procurement Policy Board Rules

In Fiscal 2013, the Procurement Policy Board (PPB) voted to adopt a number of changes to the PPB Rules, which govern procurement actions for City agencies. The following changes were adopted by the Board this year:

PPB 1-01: Provides a definition for standard services”, “human services”, and “professional services.” These definitions are needed in light of the Best Value law. The amendments also deleted the definition for “multi-step sealed bidding” because, in light of the Best Value Law, this process (set forth in rule 3-02) is proposed for repeal.

PPB 2-07: Adds that bids or proposals that fail to perform to standards set in Rule 2-07 shall be rejected unless the ACCO determines in writing that waiving the non-performance would not deprive the agency of the assurance that the contract will be performed according to its specified requirements and would not adversely affect the competition.

PPB 3-01: Requires agencies to make a special case determination where contracts are to be awarded by competitive sealed bidding on the basis of best value to the City.

PPB 3-02: Sets forth the rules governing competitive sealed bids to be awarded on the basis of best value to the City. Best value is defined in terms of the optimization of quality, cost and efficiency.

PPB 3-03: Sets forth the rules governing the purchase of goods and standard services through competitive sealed proposals. Requires all awards based on competitive sealed proposals will be made based on the best value to the City as defined in the State finance law.

PPB 3-08: The amendment increases the dollar amount below which procurement and award of contracts may be made without competition from \$5,000 to \$20,000.

PPB 4-01: Requires performance evaluations for goods procured by competitive sealed bids on the basis of best value to the City.

## GLOSSARY – AGENCY PROCUREMENT INDICATORS FISCAL 2013

***Accelerated Procurement.*** A procurement method used to buy commodities, such as fuel, that must be obtained quickly due to significant shortages and/or short-term price fluctuations.

***Agency Chief Contracting Officer (ACCO).*** A position delegated authority by the Agency Head to organize and supervise the procurement activity of subordinate agency staff in conjunction with the CCPO (See City Chief Procurement Officer). The DACCO is the Deputy Agency Chief Contracting Officer and works under the ACCO.

***Amendment.*** A change made to a contract. For purposes of this report, amendments are considered to be changes to contracts that add or subtract funds to reflect programmatic needs, and do *not* extend the contract's term. See Amendment Extension).

***Amendment Extension.*** A procurement method to continue a contract for up to one year, most often for a human services program, that would otherwise expire but has no renewal provisions available. These extensions ensure that services can continue without interruption.

***Apprenticeship Programs.*** Apprenticeship agreements appropriate for the type and scope of work to be performed that have been registered with and approved by the New York State Commissioner of Labor. The City mandates that contractors and subcontractors required to use apprentices show that such programs have three years of current, successful experience in providing career opportunities.

***Architecture/Engineering Services.*** A class of services specifically related to the preparation of plans and specifications for construction projects. This category does not include construction management or construction management and build contracts, nor the preparation of environmental studies. Contracts to hire licensed architects or professional engineers are included.

***Assignment.*** An agreement to transfer from one vendor to another the right to receive payment and the responsibility to perform fully under the terms of the contract. For purposes of this report, assignments are considered to be such transfers that occur under circumstances such as when a vendor defaults, fails to fulfill its responsibilities or otherwise becomes unable to continue, and *not* transfers that occur when a vendor undergoes a corporate change such as a merger, acquisition or name change.

***Buy-Against.*** The process by which an agency may obtain from a successor vendor, selected with competition to the maximum practical extent, the goods and services needed to fulfill its requirements after a vendor defaults or fails to fulfill its contract responsibilities.

**Capital Project.** Capital projects are funded by a budget covering a single fiscal year and involve physical infrastructure used in support of government operations or for general public use. These projects are valued at or over \$35,000 and are expected to be utilized for at least five years.

**Change Order.** An agency-authorized, written modification of a contract that adjusts price or time for performance. A change order permits the vendor to complete work that is included in the scope of the contract and permits the agency to make non-material changes to the scope.

**City Chief Procurement Officer (CCPO).** Position delegated authority by the Mayor to coordinate and oversee the procurement activity of mayoral agency staff, including ACCOs. The Mayor has designated the Director of MOCS as the CCPO.

**Competitive Sealed Bid (CSB).** The most frequently used procurement method for purchasing goods, construction and standardized services, as well as concessions. CSBs are publicly solicited. Contracts are awarded to the responsive and responsible vendor that agrees to provide the goods or services at the lowest price, or in the case of concessions, the highest amount of revenue to the City.

**Competitive Sealed Proposal.** Also known as a Request for Proposals (RFP), this method is used when an agency must consider factors in addition to price, such as the vendor's experience and expertise. RFPs are most frequently used when procuring human services, professional services, architecture/engineering services; RFPs are also used for some concessions, where the agency, in determining which proposal is most advantageous to the City, wishes to consider both the revenue to the City and such other factors or criteria as are set forth in the RFP. RFPs are publicly solicited.

**Competitiveness.** Competitiveness is achieved when multiple vendors contend for a contract. For competitive sealed bids, requests for proposals and competitive innovative procurements a contract is competitive when the agency receives three or more responses.

**Comptroller.** An elected official whose position is similar to a chief financial officer. The Comptroller is authorized to audit the City's financial condition and to advise on fiscal operations, policies, and transactions. The Comptroller is also required to register all contracts before payments can be made to vendors.

**Concept Report.** City agencies are required to issue a detailed concept report prior to the release of a Request For Proposals (RFP) that establishes a new client services programs or a substantial reorganization of an existing program. These reports must describe anticipated changes in the number or types of clients, geographic areas to be served, evaluation criteria, service design, price maximums and/or ranges per participant. Concept reports, together with the comments received from the public, are used by agencies to draft the subsequent RFP.

**Concession.** Income generating contract for the *private* use of City-owned property to serve a public purpose. Examples include pushcarts, recreational facilities such as golf courses and tennis courts, parking lots, etc. Concessions do not include franchises, revocable consents or leases.

**Construction Change Order.** Amendments to construction contracts, used to implement necessary changes to ongoing construction projects, e.g., unanticipated conditions discovered in the field.

**Construction Services.** Construction services provide construction, rehabilitation and/or renovation of physical structures. This category includes Construction Management and Build contracts as well as other construction related services such as: painting, carpentry, plumbing and electrical installation, asbestos and lead abatement, carpet installation and removal, and demolition.

**Construction Trades.** This term refers to classifications of work in construction that have historically defined by the labor unions. New York State defines trades for both the purposes of prevailing wage classifications and apprenticeship program qualifications similarly but not always identically. For example, operating engineers cover a wide variety of work in operating and maintaining equipment, timber persons are a type of carpenter associated with heavy/highway construction, ornamental iron workers do work with metal that is not a structural component of a building and cement masons do formwork and finishing associated with poured concrete.

**Contract Dispute Resolution Board (CDRB).** Pursuant to the PPB Rules, CDRB panels arbitrate and resolve most types of disputes that arise under contracts between vendors and City agencies. A CDRB panel is made up of the City Chief Procurement Officer, an Administrative Law Judge from the Office of Administrative Trials and Hearings (OATH) and an independent panel participant chosen from a pre-qualified list reflecting persons with expertise. The CDRB makes final administrative determinations of City contract disputes in cases where vendors' claims have been rejected by the contracting agency and the City Comptroller.

**Cycle Time.** The length of time it takes agencies to process procurements.

**Default.** Inability of a contractor to fulfill the requirements of a contract, usually a result of poor performance, inability to perform, unreasonable delays, loss of insurance or bond or other deviation from the contract.

**Demonstration Project.** A short-term, carefully planned pilot exercise to test and evaluate the feasibility and application of an innovative product, approach or technology not currently used by the City. At the conclusion of the contract term, based upon the documented results of the project, the agency determines whether to competitively acquire or to discontinue the use of the product, approach or technology.

**Design Change Order.** An amendment to a design consultant contract, i.e., architecture or engineering.

**Discretionary Award.** See *Line Item Appropriation*.

**Emergency Declaration.** An official declaration of the scope of goods or services required by an Agency before initiating an emergency procurement. This request must be given verbal approval from both the Law Department and the Comptroller, at which point the Agency can immediately begin contracting out using the most competitive means available.

**Emergency Procurement.** Method of procurement used to obtain goods and services very quickly, in many instances without competition, when an agency must address threats to public health or safety, or provide a necessary service on an emergency basis.

**Emerging Business Enterprise (EBE).** Local Law 12 of 2006 establishes participation goals for EBEs, defined as businesses owned and operated by individuals who have experienced social disadvantage as a result of causes not common to those who are not disadvantaged, and whose ability to compete in the market has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. EBE goals for prime contracts and subcontracts apply to the same industries as M/WBE goals. SBS certifies participating businesses as EBEs.

**Encumbrance.** An action to earmark budgeted funds for a stated purpose.

***Environmentally Preferable Purchasing Laws (EPP).*** Local Law 118 of 2005 establishes a Director of Citywide Environmental Purchasing (DCEP) to implement the City’s EPP program. Mayor Bloomberg appointed the City’s Chief Procurement Officer as DCEP. Local Law 119 of 2005 requires energy-using products purchased by the City to comply with ENERGY STAR<sup>®</sup> requirements, and meet the federal Energy Management Program energy and water efficiency standards. The law also requires that the City purchase more energy efficient lighting. Local Law 120 of 2005 requires City agencies to follow the Comprehensive Procurement Guidelines established by the federal EPA to ensure the use of products with recycled content. Local Law 121 of 2005 requires the City to purchase electronic equipment and fluorescent lighting with low levels of potentially hazardous substances. Local Law 123 of 2005 authorizes the City to develop a pilot program to test environmentally preferable cleaning products and establish standards requiring the purchase and use of such “green cleaning” products.

***Expense Contract.*** Contracts not funded from the capital budget. These contracts are for routine agency operating expenses. Most human, standardized and professional services as well as purchases of non-durable goods are procured through expense contracts.

***Federal Emergency Management Agency (FEMA).*** An entity that coordinates the Federal government’s role in preparing for, preventing and recovering from all domestic disasters, both natural and man-made.

***Fiscal Year.*** The City’s fiscal year runs from July 1<sup>st</sup> of the preceding year to June 30<sup>th</sup> of the given year. Fiscal 2012 runs from July 1, 2011 through June 30, 2012.

***Franchise.*** An income generating contract that confers the right to occupy or use City property, such as streets or parks, to provide a *public* service, such as telecommunications or transportation services.

***Franchise and Concession Review Committee (FCRC).*** FCRC has six members: two appointees of the Mayor, one each of the Corporation Counsel, Office of Management and Budget and the Comptroller, and one voting seat shared by the five Borough Presidents, who rotate voting control based on the location of the item under consideration. MOCS oversees agency compliance with the applicable laws and regulations on behalf of the Mayor. Concession awards solicited by competitive sealed bid require neither a hearing nor a FCRC approval vote. For concessions other than those procured by CSB, the awarding agency and FCRC hold joint public hearings for any award that has a total potential term of at least ten years *or* will result in annual revenue to the City of more than \$100,000 *or* is considered to have major land use impacts. Concessions awarded by RFP do not require an approval vote. Concessions awarded pursuant to methods such as a sole source or negotiated concession typically require two FCRC approvals, one to authorize the agency to proceed with the concession and one to approve the resulting agreement.

**Goods.** This category includes all purchases of physical items. Most purchases of goods above the small purchase limit of \$100,000 are made by the Department of Citywide Administrative Services (DCAS).

**Government to Government Procurement.** The procurement of goods, services, construction or construction-related services directly from another governmental entity.

**Group Purchasing Organization (GPO).** A type of organization that leverages the purchasing power of a large group of entities in order to benefit from discounted pricing on various name-brand products and services.

**Green Buildings Law.** Local Law 86 of 2005 sets standards designed to reduce the City's electricity consumption, air pollution and water use, as well as improve occupant health and worker productivity for certain capital projects. Capital projects that cost \$2 million or more and entail new buildings, additions to existing buildings and/or substantial reconstruction, must achieve Leadership in Energy and Environmental Design (LEED®) Silver certification from the United States Green Building Council (USGBC). In addition, the law requires higher standards for energy and water consumption depending upon the project type or other alternations.

**Green Cleaning Products.** Environmentally preferable cleaning products.

**Human Services.** A class of services that are provided directly to clients in various at-need groups. This category includes homeless shelters, counseling services, youth programs, after-school programs, homes for the aged, home care and other similar services. Vendors in this category are primarily nonprofit; some services, such as home care, also have for-profit providers.

**Innovative Procurement.** Agencies are permitted by the PPB Rules to experiment with new procurement methods. They may test any new method on a limited number of procurements. Once the tested methods are evaluated, PPB determines whether to codify the new methods for future use.

**Intergovernmental Purchase.** A fast-track method that enables City agencies to buy goods or services using pre-existing contracts between vendors and other government agencies, typically New York State.

**Job Order Contracts (JOCS).** A type of requirement contract for repair and building renovation where contractors bid a cost multiplier that applies to a whole book of unit items of work. It is distinct from unit price requirement contracts where a price is given for each item specified.

**Joint Bidding.** This term applies to the letting of public work by the City for infrastructure work such as streets, water mains and sewers, where the work of private utilities such as electricity, steam and telecommunications is in one contract, along with the City work, and the winning bidder is responsible for all of the work, public and private.

**Line Item Appropriation.** As part of the City's budget process, the City Council and Borough Presidents provide funding to specific vendors, typically community-based human services organizations, cultural institutions or other nonprofit groups. The contracts through which those funds flow are classified as line item or discretionary appropriations.

**Living Wage Law.** New York City establishes a pay rate requirement for certain types of contracts for building services, day care, Head Start, home care, food services, temporary workers and services to persons with cerebral palsy. See NYC Administrative Code 6-109.

**Master Service Agreement.** A type of contract under which a vendor or pool of vendors hold a master agreement defining a general scope of services, with specific assignments determined through subsequently-issued task orders.

**Mayor's Management Report (MMR).** The MMR provides elected officials, oversight entities and the public with information about agency performance at key points in the planning and budgetary process.

**Micropurchase.** A method used to buy goods, services or construction valued at up to \$5,000. Agencies may buy from any available vendor at a fair price, without formal competition.

**Minority- and Women-Owned Businesses (M/WBEs).** **Local Law 129 of 2005** establishes citywide participation goals by race, ethnicity and gender for vendors that are certified to be owned by women and/or minorities for contracts less than \$1 million dollars. The citywide goals for Black Americans, Hispanic Americans, Asian Americans and Caucasian Women represent the anticipated percentage of contracts by dollar value between City agencies and M/WBE firms during the course of the year. Prime contract participation goals exist in four industry categories: construction, professional services, standardized services and goods. Local Law 129 also establishes participation goals for subcontracts under \$1 million for construction and professional services. Each City agency that does at least \$5 million in procurement annually is responsible for developing an M/WBE utilization plan and meeting the citywide participation goals. SBS certifies participating businesses as M/WBEs through an application process in order to prevent fraudulent claims under this program.

***Negotiated Acquisition.*** A method of contracting used when only a few vendors are available to provide the goods or services needed, when there is limited time available to procure necessary goods or services or when a competitive procurement is otherwise not feasible. This method is often used for a variety of litigation support services.

***Negotiated Acquisition Extension.*** The only option to extend a contract when renewal terms have been exhausted or are unavailable, and after the one year maximum amendment extension has been used, in order to provide an agency sufficient time to draft, issue and make new awards under an RFP. These extensions ensure that services may continue uninterrupted. Negotiated acquisition extensions are also used to ensure the completion of ongoing construction projects that are not finished by the contract's expiration date, and may extend the amount of time, money or both allocated to complete a project.

***Negotiated Concession.*** A method of soliciting concessions generally used only when use of a CSB or RFP is not practicable and/or advantageous due to the existence of a time-sensitive situation, where an agency has an opportunity to obtain significant revenues that would be lost or substantially diminished should the agency be required to proceed via a competitive award method. In addition, DCAS may award a negotiated concession to an owner of property that is adjacent to the concession property, or to a business located on such adjacent property, where due to the layout or some other characteristic of the property, or because of some unique service that can be performed only by the proposed concessionaire, it is in the best interests of the City to award the concession to the adjacent owner.

***Non-Responsible.*** A vendor that lacks the business integrity, financial capacity and/or ability to perform the requirements of a particular contract will be determined by the ACCO to be a “non-responsible bidder/proposer” and thus ineligible for a contract award. A vendor that is found non-responsible may appeal that determination to the head of the City agency responsible for the contract, and if the determination is upheld by the agency head, the vendor may appeal again to the CCPO.

***Non-Responsive.*** A vendor that submits a bid or proposal that fails to conform to the requirements for documentation/information specified in a Request for Bids or Proposals for a particular solicitation will be determined to be “a non-responsive bidder/proposer” and will not be considered for the contract. A vendor may appeal a finding of non-responsiveness to the head of the agency responsible for the contract.

***Prequalification.*** Process used by agencies to evaluate the qualifications of vendors for provision of particular categories of goods, services, construction or construction-related services, based on criteria such as experience, past performance, organizational capability, financial capability and track record of compliance and business integrity.

***Prevailing Wages.*** Wage schedules mandated by New York State Labor Law (§220 and §230) that define the wages to be paid for certain types of work under construction and building service contracts and subcontracts.

***Procurement.*** The City’s purchasing process, which includes vendor selection, contract registration, payment, performance evaluation and contract administration.

***Procurement Policy Board (PPB).*** Pursuant to the New York City Charter, the PPB establishes the rules that govern the methods of selecting procurement types, soliciting bids and proposals, awarding and administering contracts, determining responsibility, retaining records and resolving contract disputes. The PPB must review its rules, policies and procedures on an annual basis and submit a report to the Mayor, Comptroller, and City Council with recommendations on agency organization and personnel qualifications in order to facilitate efficient procurement. The PPB consists of five members, three of whom are appointed by the Mayor and two of whom are appointed by the Comptroller.

***Procurement Training Institute.*** The Procurement Training Institute (PTI) of DCAS’s Citywide Training Center (CTC) is responsible for the training and certification of NYC procurement professionals ensuring they are well trained to meet their complex responsibilities. PTI is overseen by MOCS. The PTI develops a full curriculum of classes on best practices and compliance with City procurement laws and regulations; schedules classes on various topics; assists agencies with registration; and, tracks the certification of those requiring certification.

***Project Labor Agreement.*** An agreement between an owner of real property and building trades unions that provides for common labor provisions applicable to all bidders (contractors) and their subcontractors.

***Protest.*** Vendors that object to any aspect of a procurement and/or the resulting award, such as the qualifications of the winning vendor, may file a vendor protest with the head of the City agency responsible for the contract. This does not apply to accelerated procurements, emergency procurements and small purchases.

***Public Hearing.*** Public hearings are held on contract awards to make the process transparent and give the public an opportunity to comment on proposed terms. The City conducts hearings on most contracts valued above \$100,000. Agencies may cancel a public hearing if, after notice is published, no member of the public indicates an interest in testifying. For concessions procured through a method other than CSB, the awarding agency and FCRC hold joint public hearings on any proposed concession that has a total potential term of at least ten years *or* will result in annual revenue to the City of more than \$100,000 *or* is considered to have major land use impacts as determined by the Department of City Planning.

**Purchasing Card (P-Card).** An agency-issued credit card that facilitates quick processing of micropurchases at a reduced administrative cost, while providing financial controls, oversight and transparency.

**Public Work.** Construction, reconstruction or maintenance work done by a public entity that takes place on public property with the primary objective of benefiting the public.

**Registration.** The process through which the Comptroller (1) encumbers or holds funds to insure payment to the vendor on successful completion of the contract; (2) records all City contracts and agreements; (3) tracks City payments and revenue associated with each contract or agreement; and (4) objects if there is evidence of corruption related to the procurement process itself or with the selected vendor. After a City agency submits a contract package the Comptroller has 30 days to either register or reject the contract.

**Renewal Contract.** Method used to continue operation of a registered contract beyond its initial terms, as stipulated in the original contract.

**Request for Proposals (RFP).** See *Competitive Sealed Proposal*.

**Required/Authorized Source or Method.** On occasion, a state or federal agency or a private entity (such as a nonprofit) that is funding a particular purchase through a City agency mandates either the specific vendor to be used for the provision of goods or services, or a specific process for selecting a vendor. In other instances, state law provides a “preferred source” procurement method for particular types of vendors, e.g., those employing disabled New Yorkers.

**Requirement Contract.** A contract entered into by a City agency, usually DCAS or DoITT, with a vendor that agrees to supply the City’s entire requirement for a particular good or standardized service.

**Responsible Bidder or Proposer.** A vendor that has the capability in all respects to perform all contract requirements, and the business integrity and reliability that will assure performance in good faith.

**Responsive Bidder or Proposer.** A vendor whose bid or proposal conforms to the terms set out by the City in the solicitation.

**Retroactive.** A retroactive contract is one registered by the Comptroller after the contractual start date.

**Revocable Consent.** Grant for the private use of City-owned property for purposes authorized in the City Charter (e.g., for cafés and other obstructions), which may be revoked at the City’s discretion.

**Small Purchase.** Method used for buying goods, services and construction valued at up to \$100,000.

**Sole Source.** For contracts, this procurement method may only be used when only one vendor is available to provide the required goods or services. This method is also used to “pass through” funds that support the NYC Economic Development Corporation and the capital construction projects of City-owned cultural institutions. For concessions, agencies may award without competition when it is determined that there is either only one source for the required concession or that it is to the best advantage of the City to award the concession to one source.

**Solicitation.** The process of notifying potential vendors that an agency wishes to receive bids or proposals for furnishing goods, services or construction. The process may include public advertising, mailing invitations for bids and requests for proposals, posting notices and/or delivery of telephone or fax messages to prospective vendors.

**Subscription.** A method used by agencies to purchase periodicals, off-the-shelf trainings, or memberships in professional organizations. Pursuant to PPB Rule 1-02, this method does not require agencies to perform a competition (as there is usually only one possible provider), however the procurement is subject to review and approval by MOCS.

**Standardized Services.** Services that typically do not require the provider to have experience in a specialized field or hold an advanced degree. A standardized service is clearly defined and highly commoditized; procurements for these services are generally awarded based on the lowest price. Examples include: security, janitorial, secretarial, transportation, collection and food related services. Contracts for services such as plumbing, electrical and HVAC for maintenance and repair not related to new construction also fall into this category.

**Task Order Contract.** See *Master Service Agreement*.

**Task Order.** A contract awarded off a master service agreement. See *Master Service Agreement*.

**Vendor Enrollment Center (VEC).** Any business wishing to sell goods or services to the City may complete an enrollment form and be added to the citywide bidder lists used by all Mayoral agencies to distribute notices of City procurement opportunities.

**VENDEX (Vendor Information Exchange System).** A public database that tracks vendor information as provided by vendors in City administered questionnaires, as well as information provided by City Agencies and law enforcement organizations. Vendors are required to file both Business Entity Questionnaires and Principal Questionnaires every three years if they have done \$100,000 or more worth of business with the City (contracts, franchises and concessions) during the preceding twelve months, or if they have sole source contracts totaling more than \$10,000.

***Vendor Rehabilitation.*** An administrative proceeding available to vendors that have negative information indicated in VENDEX, but can demonstrate that they have adequately addressed those problems and can prove their readiness to be awarded new contracts.

***Vendor.*** An actual or potential contractor.

<b>List of Mayoral Agencies and Acronyms</b>	
<b>Acronym</b>	<b>Agency</b>
ACS	Administration for Children's Services
BIC	Business Integrity Commission
CCHR	City Commission on Human Rights
CCRB	Civilian Complaint Review Board
CJC	Criminal Justice Coordinator
DCA	Department of Consumer Affairs
DCLA	Department of Cultural Affairs
DCAS	Department of Citywide Administrative Services
DCP	Department of City Planning
DDC	Department of Design & Construction
DEP	Department of Environmental Protection
DFTA	Department for the Aging
DHS	Department of Homeless Services
DOB	Department of Buildings
DOC	Department of Correction
DOF	Department of Finance
DOHMH	Department of Health and Mental Hygiene
DOI	Department of Investigation
DoITT	Department of Information Technology & Telecommunications
DOP	Department of Probation
DOT	Department of Transportation
DPR	Department of Parks & Recreation
DSNY	Department of Sanitation
DYCD	Department of Youth & Community Development
FDNY	Fire Department
HPD	Department of Housing Preservation & Development
HRA	Human Resources Administration
Law	Law Department
LPC	Landmarks Preservation Commission
NYPD	Police Department
OATH	Office of Administrative Trials and Hearings
OEM	Office of Emergency Management
SBS	Department of Small Business Services
TLC	Taxi & Limousine Commission



