

The Council of the City of New York

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Report on the Fiscal Year 2015 Executive Contract Budget

June 6, 2014

Contract Budget Highlights

Fiscal 2015 Contract Budget: \$11.94 billion for 17,074 contracts

- \$627 million or 5.48 percent more than the \$11.31 billion Fiscal 2014 Adopted Contract Budget.
- Contracts constitute 16 percent of the \$73.9 billion Fiscal 2015 Executive Budget.
- The Department of Education has the largest Contract Budget totaling \$5.27 billion.
- The Administration for Children's Services has the second largest totaling \$1.78 billion.
- The largest category of contracts is "Payments to Contract Schools" with a budget of \$2.67 billion, of which approximately half of this is for Charter Schools.
- The second largest category is "Transportation of Pupils" which totals \$1.12 billion.

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services.¹ The Charter defines "contractual services" as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget three times each fiscal year and submits it to the Council with the Preliminary, Executive and Adopted Budgets.

The Contract Budget sets forth anticipated contractual spending for each agency by unit of appropriation, broken down by object codes, and shows the number of contracts per category and the corresponding dollar value anticipated to be expended in each category. The Contract Budget is a plan -- an agency's blueprint or forecast of what services it anticipates it will need to purchase during the next fiscal year.

The Fiscal 2015 Executive Contract Budget totals \$11.94 billion for 17,074 contracts. These planned contract expenditures constitute 16 percent of the total Fiscal 2015 Executive Budget of \$73.9 billion. Overall, the Fiscal 2015 Executive Contract Budget is \$627 million or 5.48 percent more than the Fiscal 2014 Adopted Contract Budget of \$11.31 billion.

Contract Budget by Object Code						
Object Code	Fiscal 2012 Actual	Fiscal 2013 Actual	Fiscal 2014 Adopted	Fiscal 2015 Executive	Change Fiscal 2014-2015	
600- Contractual Services-General	\$601,128	\$1,321,119	\$547,037	\$598,052	51,015	9.33%
602- Telecommunications Maintenance	44,752	47,626	53,236	51,083	(2,153)	-4.04%
607- Maintenance. & Repairs Motor Vehicles	17,248	17,330	13,440	13,575	135	1.00%
608- Maintenance & Repairs General	147,320	161,131	127,346	140,675	13,329	10.47%
612- Office Equipment Maintenance	12,662	13,880	13,743	13,783	40	0.29%
613- Data Processing Equipment	184,029	173,460	208,994	223,018	14,024	6.71%
615- Printing Contracts	36,273	34,084	34,749	32,109	(2,641)	-7.60%
616- Community Consultants	29,981	26,127	18,920	18,748	(172)	-0.91%
617- Payments to Counterparties	34,859	34,005	66,617	65,506	(1,111)	-1.67%
618- Financing Contracts	78,175	91,020	92,221	100,451	8,230	8.92%
619- Security Services	132,346	136,787	94,858	119,274	24,416	25.74%
620- Waste Disposal	303,171	304,319	336,483	350,096	13,613	4.05%
622- Temporary Services	61,810	53,569	36,620	38,681	2,061	5.63%
624- Cleaning Services	28,390	29,376	22,056	24,541	2,485	11.27%
626- Investment Costs	7,715	7,709	7,779	13,484	5,705	73.34%
629- In-Rem Maintenance	1,546	913	1,916	1,614	(302)	-15.77%
633- Transportation Expenditures	17,545	17,313	13,387	13,420	33	0.25%
641- Protective Services For Adults	19,460	19,606	19,613	19,262	(351)	-1.79%
642- Children's Charitable Institutions	490,089	465,299	452,559	452,559	(0)	0.00%
643- Child Welfare Services	210,888	210,754	210,660	211,144	484	0.23%
647- Home Care Services	284,604	212,459	263,407	263,392	(15)	-0.01%
648- Homemaking Services	18,486	17,486	18,486	18,486	(0)	0.00%
649- Non-Grant Charges	8,820	10,305	12,151	11,042	(1,109)	-9.12%
650- Homeless Family Services	440,360	483,402	423,402	456,704	33,302	7.87%
651- Aids Services	232,888	245,793	268,014	259,211	(8,803)	-3.28%
652- Day Care of Children	712,553	763,495	729,464	762,726	33,262	4.56%
653- Head Start	158,066	180,153	122,771	217,189	94,418	76.91%
655- Mental Hygiene Services	639,566	648,726	424,067	440,573	16,506	3.89%
657- Hospital Contracts	124,782	128,686	134,344	150,373	16,029	11.93%

¹ City Charter §§100.h and 104.

Object Code	Fiscal 2012 Actual	Fiscal 2013 Actual	Fiscal 2014 Adopted	Fiscal 2015 Executive	Change Fiscal 2014-2015	
658- Special Clinical Services	8,159	10,317	11,968	12,721	753	6.29%
659- Homeless Individual Services	277,552	306,156	299,752	317,747	17,995	6.00%
660- Economic Development	17,622	27,058	20,810	22,158	1,348	6.48%
662- Employment Services	\$176,190	\$155,729	\$149,347	141,347	(8,000)	-5.36%
665- Legal Aid Society	93,031	98,576	97,896	105,849	7,953	8.12%
667- Payment to Cultural Institutions	43,101	43,564	42,840	40,373	(2,467)	-5.76%
668- Bus Transportation-Reimbursable	59	53	53	53	0	0.21%
669- Transportation of Pupils	1,102,839	1,091,043	1,157,086	1,116,711	(40,375)	-3.49%
670- Payments to Contract Schools	2,094,881	2,061,203	2,360,795	2,670,232	309,437	13.11%
671- Training for City Employees	21,178	27,823	15,444	15,724	280	1.81%
676- Maintenance & Oper. of Infrastructure	256,414	242,363	189,015	236,114	47,099	24.92%
678- Payments to Delegate Agencies	358,127	373,662	373,614	362,695	(10,919)	-2.92%
681- Prof Services Accounting/Auditing	25,958	22,052	26,398	27,470	1,072	4.06%
682- Professional Services-Legal	100,055	108,003	112,207	117,321	5,114	4.56%
683- Professional Services-Engineering	17,082	41,274	9,656	8,757	(899)	-9.31%
684- Professional Services-Computers	146,184	134,110	109,904	103,520	(6,384)	-5.81%
685- Professional Services-Education	831,446	793,216	1,059,571	997,694	(61,877)	-5.84%
686- Professional Services-Other	256,744	308,068	197,455	252,182	54,727	27.72%
688- Bank Charges Public Assistance Account	580	483	395	278	(117)	-29.55%
689- Prov. Svcs Curriculum & Development	84,328	61,678	71,415	99,856	28,441	39.83%
695- Youth Programs	179,420	203,085	234,650	205,987	(28,663)	-12.22%
Total Contract Budget	\$11,473,551	\$12,195,394	\$11,308,614	\$11,935,562	626,948	5.54%

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Largest Contract Budget Categories

The following table shows the Contract Budget object codes with the greatest projected spending levels for Fiscal 2015. Displayed are the eleven categories with projected spending levels above \$300 million in Fiscal 2015. These contract categories constitute 71 percent of the total contract budget. The largest single category is Payments to Contract Schools, approximately \$2.67 billion, which constitutes 22.3 percent of the budget and is entirely within the Department of Education. The Department of Education is also responsible for the second and third largest contract categories, Transportation of Pupils \$1.12 billion and Professional Services -Education \$997.7 million.

Largest Contract Budget Categories

Dollars in Thousands

Obj. Code	Category	Fiscal 2014 Adopted	Fiscal 2015 Executive	% of Total Contract Budget	Major Agency/ies
670	Payments to Contract Schools	\$2,360,795	\$2,670,232	22.38%	DOE
669	Transportation of Pupils	1,157,086	1,116,711	9.36%	DOE
685	Professional Services-Education	1,059,571	997,376	8.36%	DOE
652	Day Care of Children	729,464	761,921	6.38%	ACS
600	Contractual Services-General	547,037	598,052	5.01%	Various
650	Homeless Family Services	423,402	413,792	3.47%	DHS
642	Children's Charitable Institutions	452,559	452,559	3.79%	ACS
655	Mental Hygiene Services	424,067	440,571	3.69%	DOHMH
620	Waste Disposal	336,483	350,096	2.93%	DSNY
678	Payments to Delegate Agencies	373,614	362,695	3.04%	Various
659	Homeless Individual Services	299,752	317,747	2.66%	DHS
Subtotal		\$8,163,831	\$8,482,751	71.07%	
Total Contract Budget		\$11,308,614	\$11,776,846	\$11,935,562	100.00%

Largest Contract Budget Agencies

In the Fiscal 2015 Executive Budget ten agencies constitute 95 percent of the total Contract Budget. The Department of Education alone accounts for 44 percent of the total. Below is a list of the top ten agency contract budgets, which total approximately \$11.27 billion.

Largest Contract Budgets by Department

Dollars in Thousands

	Department	FY12 Actual	FY13 Actual	FY14 Adopted	FY15 Exec	% of Total Contract Budget
040	Education	\$4,550,878	\$4,380,036	\$4,997,731	\$5,274,801	44.19%
068	Children's Services	1,628,761	1,719,937	1,624,134	1,778,370	14.90%
071	Homeless Services	748,666	828,822	730,668	779,466	6.53%
816	Health & Mental Hygiene	991,822	1,014,107	772,675	789,426	6.61%
069	Social Services	765,167	684,304	713,091	728,921	6.11%
827	Sanitation	350,281	356,005	427,758	453,913	3.80%
098	Miscellaneous	258,787	308,484	298,612	294,221	2.47%
260	Youth & Community Development	255,778	274,747	330,458	293,361	2.46%
125	Aging	209,071	230,081	215,931	215,949	1.81%
841	Transportation	216,072	248,730	134,861	200,732	1.68%
858	Information Tech. & Tele.	164,558	168,247	168,290	191,855	1.61%
099	Debt Service	86,054	90,030	131,245	133,215	1.12%
826	Environmental Protection	\$116,514	\$803,075	\$124,739	\$136,787	1.15%
Fiscal 2015 Largest Department Contract Budgets Subtotal:					\$11,271,017	94.90%
All Other Departments					\$664,545	5.10%
Total Fiscal 2015 Executive Contract Budget					\$11,935,562	100.00%