

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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March 27, 2015  
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HELD AT: Committee Room - City Hall

B E F O R E:  
HELEN K. ROSENTHAL  
Chairperson

COUNCIL MEMBERS:  
Peter A. Koo  
Ruben Wills  
Costa G. Constantinides  
Chaim M. Deutsch  
Corey D. Johnson  
I. Daneek Miller

## A P P E A R A N C E S (CONTINUED)

Lisette Camilo

Director

Mayor's Office of Contract Services

[background comments]

[pause]

[background comment]

[pause]

CHAIRPERSON ROSENTHAL: Good morning.

I'm Council Member Helen Rosenthal, Chair of the City Council Committee on Contracts. Welcome to the City Council's first ever Contracts hearing on the Fiscal Year 2016 Preliminary Budget for the Mayor's Office of Contract Services. I'm quite serious about that; thank you so much, Director, for coming to testify here today; we'll continue in a second, but we've never had a hearing on the Office of Contracts budget before and I know I'm supposed to wait, but I really wanna thank my finance staff, Medina Nizamuddin [sp?], who did an amazing job pulling this all together.

Today we will be hearing testimony from the Mayor's Office of Contract Services (MOCS) and others who wish to testify in front of the Council. I'd like to welcome Lisette Camilo to her first budget hearing as Chief Procurement Officer and Director of MOCS and I know we'll have an informative and productive discussion today.

The focus of this hearing will be on the MOCS budget and key performance indicators, as well as on the City's Fiscal 2016 Contract Preliminary Budget. The MOCS Preliminary Budget totals \$4 million for Fiscal Year 2016; this reflects an increase of \$216,000 when compared to the 2015 adopted budget. The Fiscal 2016 Preliminary Budget includes \$12.4 billion for all City contracts across the five boroughs. That budget increased by \$440 million when compared to Fiscal 2015 adopted budget. The two agencies with the largest contract budgets are the Department of Education and the Administration for Children's Services. The four largest contract categories are payments to corporate schools, transportation of pupils, professional services direct education services and day care of children, all administered by the DOE and ACS.

One of the primary roles of MOCS is to track information technology contracting, contract cost overruns and minority and women owned businesses as part of its key performance indicators. The vast majority of the Fiscal 2014 IT purchases were made in two categories; hardware and software, 39 percent, and services only, which was 37 percent. For the

period of three quarters from April 1, 2014 to December 31, 2014 MOCS reported 19 contracts with cost overruns. The majority of the contracts with cost overruns are administered by the Department of Design and Construction, Department of Environmental Protection and the Department of Transportation. I would like to hear more about the cost overrun reports and how thoroughly assessed the reports are by MOCS.

MWBE is another key performance indicator that is tracked by MOCS. The City Council is pleased to see that the dollar amount of the MWBE contracts has increased since 2007, but the MWBE share in City contracts remains somewhat low. The City agencies don't reach the aspirational goals set up by Local Law 1 of 2013 in MWBE prime contracts and subcontracts utilization.

In 2001, the Council passed the Outsourcing Accountability Act in order to increase accountability, cost efficiency and transparency; this act requires agencies to provide cost benefit analyses once they enter, renew or extend a contract valued at more than \$200,000. In the three-and-a-half years since the enactment of Local Law 63, the

Council has received seven cost benefit analyses.

Considering the volume of the City procurements and their value, the City Council is concerned with the number of received cost benefit analyses; we hope to understand why the received cost benefit analyses are so low and how this information is being used by MOCS.

There are several other issues that I'm sure will come up today from other Committee members and from myself; I look forward to the discussion with MOCS after their testimony.

I would like to thank my committee members here today, Council Member Costa Constantinides from Queens and there will be some others who will be coming in and out and I would also like to thank my dedicated committee staff, Medina Nizamuddin, my finance staff who prepared this opening statement, the materials and the questions, Alicia Brown, my legislative staff, and Esteban Duran. I'd also like to thank Lisette Camilo for coming to testify before the Committee today, and I'm actually not gonna -- Now I'm just going to turn the floor over to Lisette to hear her testimony. Thank you very much.

LISETTE CAMILO: Good morning, Chair Rosenthal and members of the City Council Committee on Contracts. My name is Lisette Camilo and I am the Director of the Mayor's Office of Contract Services, as well as the City Chief Procurement Officer. Thank you very much for the opportunity today to testify regarding the Fiscal Year 2016 Preliminary Budget.

New York is one of the largest contracting jurisdictions in the nation; in Fiscal 2014 New York City procured more than \$17.7 billion worth of supplies, services and construction through more than 43,000 transactions, a 14 percent increase over Fiscal 2013. MOCS is the body that ensures that City agencies comply with the regulatory and oversight framework that govern the bulk of the procurement spending. I'll spend a little time now discussing some of the work that we do at MOCS.

The Procurement Policy Board whose work MOCS coordinates, promulgates the rules that govern the procurement of goods, services and construction by City agencies. MOCS is charged with monitoring that City agencies are complying with various local laws and the PPB rules; these rules ensure that each procurement has the most competition possible; 2.

1  
2 that vendors are treated fairly; 3. that agencies  
3 determine the prices that the City receives are fair  
4 and reasonable, and 4. that all contractors not only  
5 have the capacity to perform the work, but also that  
6 they have the requisite business integrity to justify  
7 the use of public tax dollars. MOCS performs this  
8 responsibility through its relationship with the  
9 City's Agency Chief Contracting Officers (ACCOs) who  
10 execute the transactions in accordance with the PPB  
11 rules.

12 In addition to providing procurement  
13 procedural reviews and numerous reports as required  
14 by law, MOCS is also responsible for many activities  
15 relating to contracting. MOCS coordinates public  
16 hearings for all applicable contract awards; last  
17 fiscal year MOCS conducted 18 public hearings for 553  
18 contracts valued at approximately \$10 billion and  
19 assists vendors with the payee information portal  
20 enrollment. MOCS also oversees the Franchise and  
21 Concession Review Committee process, including the  
22 administration of public hearings and meetings that  
23 resulted in approvals of 125 new concession awards  
24 and 4 franchise transactions in Fiscal 2014.



MOCS also manages the VENDEX database, which includes information collected through submissions of vendor and principle questionnaires. Vendors that receive accumulative value of greater than \$100,000 in contracts with the City within a 12-month period are required to file VENDEX questionnaires; that information is gathered and entered by MOCS staff and then made available to City agencies through the VENDEX database; it is one of many tools used by City agencies to determine the responsibility of vendors. MOCS received over 17,000 VENDEX submissions packages in Fiscal 2014.

MOCS provides additional guidance to agencies through its Vendor Responsibility and Accountability Unit, which manages the City's performance evaluation requirements, among other things. This database includes annual contract performance evaluations, which City agencies complete for all contracts, except for good procured via competitive sealed bids, excluding best value, below the small purchase limit.

Local Law 34 of 2007 created the Doing Business Accountability database, which MOCS also manages. The DBA database includes information on

all entities that are doing or seek to do business with the City, as well as their principal officers, owners, senior managers or lobbyists. In order to avoid the actuality or appearance of a connection between governmental decisions and large campaign contributions, MOCS makes available to the public data from City agencies, City affiliated public authorities and similar entities concerning the businesses and nonprofits that were awarded or sought procurement contracts, franchise and concessions, grants, economic development agreements, pension investment contracts, debt contracts, real property transactions and land use actions, as well as the key individuals responsible for such matters at each entity. MOCS processed over 13,000 DBA forms in Fiscal 2014.

In 2008, MOCS created the Capacity Building and Oversight Unit to offer specific support to nonprofit providers, as well as to City's human service agencies; the CBO unit has since provided training and coordination with the Council to over 2,000 nonprofit leaders and umbrella organizations. CBO has also provided trainings for Council Members and their staff. CBO responded to over 10,000

hotline requests for assistance, vetted over 6,000 discretionary awards annually, completed 450 nonprofit governance reviews, and currently oversees 15 citywide corrective action plans. The CBO unit also develops and disseminated best practice standards for nonprofits and constantly works with partners at City agencies and HHS accelerator to improve the procurement process for nonprofits.

One of MOCS' most important duties, as you mentioned in your opening statement, is to jointly administer the City's Minority and Women Owned Business Enterprise program with the Department of Small Business Services and Maya Wiley, Counsel to the Mayor and Director of the MWBE program.

MOCS provides hands-on technical assistance to City agencies regarding goal-setting, pre-award waivers, post-award modifications, enforcement actions and other elements of the MWBE program. The technical assistance comes in the form of monthly trainings provided in conjunction with SBS, help desk service and in-person meetings. Additionally, MOCS provides regular reporting of agency MWBE utilization in order to provide as much

transparency as possible as to the status of this program, both to agencies and the public.

This administration is dedicated to improving the success of this program and we're off to a good start. As you mentioned, Fiscal 2014 sought a nearly 57 percent increase in the number of contracts subject to the program awarded to certified MWBEs, with over \$690 million in awards. Though Fiscal 2014 had a significant increase in contract awards to MWBEs over the previous year, we are working with our partners to see those numbers improve even more.

MOCS also works on some citywide labor compliance issues. MOCS monitors City agency compliance with prevailing and living wage requirements associated with procurements pursuant to Executive Order 102, as well as assisting agencies to comply with the apprenticeship requirements on city contracts. MOCS is also heavily involved in project labor agreement negotiations and work with agencies to ensure proper administration.

As you can see, the activities above share the dual goals of managing compliance with various local laws, regulation and policy directives,

as well as providing technical assistance to City agencies and vendors relating to procurement. In addition to the current work that we do, MOCS is undertaking a thorough review of the procurement process to find ways to provide more transparency and visibility to our stakeholders and to increase the overall efficiency of the process. For example, working with our partners at DoITT, MOCS is developing a method to capture various level of procurement data in real time and for a broad range of information. We hope to be able to provide a more detailed look into citywide and agency cycle times for procurement activities and other indicators later on this year.

At MOCS we are committed to working with all the mayoral agencies to ensure compliance with all of the relevant legal and regulator requirements so that they can further their respective missions. We look forward to working with the Council over the coming year to help us in that aim. At this time I would be happy to answer any questions that you may have.

CHAIRPERSON ROSENTHAL: Thank you so much, Lisette and my legislative counsel will swear you in.

COMMITTEE COUNSEL: Good morning. Please raise your right hand. Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before the committee and to respond honestly to the Council Members' questions?

LISETTE CAMILO: I affirm.

COMMITTEE COUNSEL: Thank you.

CHAIRPERSON ROSENTHAL: Alright. Council Member; do you wanna start off with any questions or you wanna come back... okay.

So thank you very much, Director; I really appreciate it. I have questions in a variety of areas having to do with the capacity of MOCS itself to do the important work that you do, some questions about VENDEX, some questions about the IT contracting cost overruns report, questions about the Outsourcing Accountability Act and then a few questions on MWBEs. And it's my understanding that just given some timing problems, you were not given these questions ahead of time, which is the usual practice of the Council to get them to you, so with

apologies I'll totally understand if there are some specifics that you need to get back to us on.

LISETTE CAMILO: And I will be happy to provide any information that I'm not able to provide today.

CHAIRPERSON ROSENTHAL: Thank you very much. In the Fiscal Year 2016 Preliminary Budget, MOCS headcount included 62 full-time positions of which 37 staff work on contracts related to capital projects and are paid by inter-fund agreement funding, so we're just gonna dive right into the weave here. Additionally, the Technology Development Corporation assigned one full-time employee to help MOCS with a project that we're not quite sure what it is; can we get information about the scope of work for the 62 employees and what their responsibilities are?

LISETTE CAMILO: So we have a number of units at MOCS and every unit covers a discreet amount of topics; the work of some units span office-wide, [background comment] so we have -- let's see, we have a unit dedicated to process VENDEX; they receive, they review, they data enter and they approve. I don't have the exact numbers of the personnel within

that unit, but that's a fairly large one. We have a unit that is solely dedicated to processing the Doing Business Accountability Database; again, it's a paper-based form, we receive it much like VENDEX, we process; we input all of the information in there as well. We have a labor unit that deals with, as you can imagine, the labor issues that come up regarding PLA administration, prevailing wage administration and apprenticeship directive advice; we do provide a lot of training and support for the City agencies across the board on that. We have the legal unit and their portfolio spans -- they provide support for the entire office, so they provide support for the VENDEX unit, the DBA unit, and as you can imagine, all of the legal issues that arise within our purview that unit addresses and works on. We have a procurement review unit that is dedicated to focusing on reviewing solicitation documents for procurements that go through our office to ensure that they are compliant with all of the regulations and the legal requirements that must be met before solicitations are issued and at award to make sure that the vendors that are chosen are responsible, that agencies are producing thoughtful analyses on price



determinations; that they're fair and reasonable, and to make sure that they've also followed all of the legal and regulatory requirements. We have the Capacity Building and Oversight unit, which I mentioned earlier, that supports human service agencies and vendors in their work with the City that runs a gamut between training and one-on-one assistance to vendors and agencies. We have the Vendor Responsibility and Accountability Unit that provides support for agencies in making responsibility determinations as well as managing the Performance Evaluation Unit; the performance evaluation requirements through City agencies, since agencies have to make performance evaluations on all contracts or most contracts once a year at least.

[background comment] We have a very robust Research and IT unit that provides a lot of number crunching and data analysis not only for MOCS and all of the various reporting requirements that we do, but we provide a lot of assistance and analysis for all of the mayoral agencies that will inquire, for example, on how they're doing with MWBE utilization at any given point and any requests citywide, from the Council, from City Hall, from agencies; we try to

1  
2 provide that level of support for data analysis on  
3 contract awards, and a number of other various  
4 points. Did I miss anything? I think I got them;  
5 think I got them all.

6 CHAIRPERSON ROSENTHAL: So in listening  
7 to the different types of groups that you have there,  
8 it sounds like some of them, and just to get a sense;  
9 I was sort of looking at the paper or looking online  
10 at the reports that the paperwork, or the information  
11 that people are submitting and is most of their work  
12 sort of checking the box, making sure, okay, they  
13 have an address, they have -- you know, they do have  
14 a board of directors; here are the resumes of the  
15 board of directs, they're here, check, check, check  
16 or is it anymore in-depth than that, like does this  
17 address really exist?

18 LISETTE CAMILO: So it's more than just  
19 checking a box, because if it's not checked that  
20 means that something that we've determined is  
21 important is missing and if something that we deem is  
22 important is missing, we need to know why and we  
23 typically drill down and engage agencies in  
24 understanding either why that happens or pushing,  
25 whether it be a vendor to disclose certain things

1 that they've omitted for the reasons why because  
2 we've determined that they're important and we wanna  
3 make sure that they're at least disclosed and  
4 inputted into whatever system that we're looking at.  
5 Every aspect of review, and checking a box is one  
6 thing; it sounds really -- I guess the intimation is  
7 it's just check a box... [crosstalk]

9 CHAIRPERSON ROSENTHAL: Trying not to...

10 LISETTE CAMILO: and truthfully, it's  
11 more than that because I think that what we've tried  
12 to do is standardize the process so that everyone's  
13 looking at the same thing, but what you're doing when  
14 you read what's on that box is ensuring that some  
15 analysis, at least for some of the processes, are  
16 thorough. For example, within a procurement review  
17 if discussion in the text box is rather a summary and  
18 not very well thought out at explaining the price  
19 reasonableness, we will go back and say agency, what  
20 does that mean... [interpose]

21 CHAIRPERSON ROSENTHAL: Right. Right.

22 LISETTE CAMILO: spell that out, explain  
23 to me so that I understand where you're coming from  
24 and truthfully, a lot of the times it's not that the  
25 analysis wasn't done, it just wasn't effectively

communicated perhaps. But ultimately that check is there because if that wasn't done, then there's a problem, because the important thing is that the analysis occurred and that it's documented.

CHAIRPERSON ROSENTHAL: I know there are like hundreds of thousands of vendors I'm sure, but are there like a handful that keep popping up as, you know, they're just not providing the information and they pop up again in some other shape or form and I'm wondering when that happens, two things; one, like oh, you know, is there sort of in the office, oh yeah, that guy again and second, is there a mechanism in the VENDEX system -- I'm somewhat familiar, but still a little bit hazy on this -- for saying this guy is a regular, you know red flag, or you know is there some point at which you say this guy just can't work with the City; the City's not gonna work with this vendor anymore?

LISETTE CAMILO: Yeah, I think that the -- it's a complicated question and it's hard for me to answer specifically, but if the VENDEX unit determines that something is missing and the vendor refuses to comply with our request to provide information, we don't process the VENDEX form and

1 they will not be allowed the contract award. So  
2 there is that discussion, so there are times,  
3 particularly with larger, multinational vendors that  
4 have trouble answering certain questions; there's a  
5 tension, but we'll go back and forth with them and  
6 they'll typically relent and provide the information  
7 because they want to -- typically it's generally  
8 either a misunderstanding of what the requirement is  
9 or they'll say it's too difficult and ultimately  
10 they'll comply, they'll get the resources to figure  
11 it out and disclose.

13 CHAIRPERSON ROSENTHAL: That was helpful.  
14 So you have a TDC employee right now and I'm  
15 wondering what kind of service that person provides.

16 LISETTE CAMILO: Sure. So we have  
17 several IT systems at MOCS that assist us in our  
18 reviews; VENDEX, Agency Procurement Tracker (APT) and  
19 obviously we use FMS, so at the end of the last  
20 administration there were decisions or there was a  
21 decision made to make changes to the Agency  
22 Procurement Tracker IT system and when I came over, I  
23 went on a listening tour and really asked a lot of  
24 questions and so it was determined that we need to  
25 review the APT system and so the TDC person who's at

MOCS is helping us in that review to see what our needs are and to determine what to do with that system.

CHAIRPERSON ROSENTHAL: To help me wrap my head around TDC a little bit more, as soon as that work is done and they've worked with you to come up with a new system or implement the system well; would that person then leave, because I know they're on loan, or would they stay to see the implementation through and sort of make sure all the kinds are worked out or how does that work?

LISETTE CAMILO: I mean I think it depends on what we decide to do; we're not there yet; I think they won't be a permanent MOCS employee. By nature I think the resource will be temporary, I just don't -- we're not sure how long that assignment is going to last.

CHAIRPERSON ROSENTHAL: And is that something that you asked for, that you went to TDC or the administration and said, you know we could really use some help on this or did they identify...  
[crosstalk]

LISETTE CAMILO: We...

CHAIRPERSON ROSENTHAL: MOCS as a place  
where... [crosstalk]

LISETTE CAMILO: We were... We were...  
Because when I came in, I really took the time to  
talk to everybody; we engaged them very early on and  
they'd been working with us even before I got there,  
[background comment] and so the more I spoke with  
them, the more valuable -- they're a really good  
resource to have. I can't remember how that actually  
occurred, but yeah, I -- hold on one second.  
[background comments]

CHAIRPERSON ROSENTHAL: That's okay; I'm  
a fan; I was just sort of curious how that  
relationship works. Yeah.

LISETTE CAMILO: They were there when I  
got there and... [crosstalk]

CHAIRPERSON ROSENTHAL: Okay.

LISETTE CAMILO: but it was a good... it's  
a good thing.

CHAIRPERSON ROSENTHAL: That's a  
technical MOCS term?

LISETTE CAMILO: Yes.

CHAIRPERSON ROSENTHAL: Yeah. For the  
contract budget, the Fiscal Year 2016 Preliminary

1 Budget shows \$12.4 billion, representing  
2 approximately 16 percent of the City's total budget;  
3 what's the difference between the \$12.4 and the \$17  
4 billion that you're always talking about... [interpose,  
5 background comment] procurement... [background  
6 comments] Okay. Sorry. The Fiscal Year 2016  
7 Preliminary Budget increases that number by \$440  
8 million, 3.7 percent; what portion of -- just to try  
9 to get a handle of that big number; what of that is  
10 traveling through your agency on an annual basis? So  
11 the way we have the question worded here, if this is  
12 the way to ask it, but you can see what I'm getting  
13 at; what portion of the City contracts does MOCS work  
14 with annually; how many contracts literally went  
15 through MOCS review in Fiscal Year 2014 and then in  
16 Fiscal Year 2015 what's expected?

18 LISETTE CAMILO: I'll have to get back to  
19 you on the number of contracts that went through MOCS  
20 for FY14, but typically we see procurements that  
21 agencies are issuing through the fiscal year; what  
22 those budgets are and how they related to the  
23 agency's contract budget I'm not able to answer...  
24 [interpose]

25 CHAIRPERSON ROSENTHAL: Got it.



LISETTE CAMILO: LISETTE CAMILO:

obviously every contract -- not every contract --  
many contracts are multi-year... [interpose]

CHAIRPERSON ROSENTHAL: Yep.

LISETTE CAMILO: that have different  
portions of those values allocated among different  
fiscal years, so I can't really tell you what portion  
of the allocated yearly budget go through MOCS;  
that's a really difficult thing for us to get a  
handle on... [crosstalk]

CHAIRPERSON ROSENTHAL: Yeah, maybe the  
better statistic is like the number; not the dollar  
value, but then I'm sure there's a complexity level...  
[crosstalk]

LISETTE CAMILO: Right.

CHAIRPERSON ROSENTHAL: like different  
types.

LISETTE CAMILO: Right. We can certainly  
get you the number of contracts that went through  
MOCS in the last fiscal year.

CHAIRPERSON ROSENTHAL: Right. And then  
ostensibly the question is; do you feel you have the  
staff in each of your different areas sufficient to  
do an adequate review of those contracts?

1  
2           LISETTE CAMILO: I mean I think that our  
3 Procurement Review Unit is staffed appropriately,  
4 they work really hard at what they do and they do a  
5 really good job at making sure that when  
6 solicitations go out they all meet the requirements  
7 and go forward.

8           CHAIRPERSON ROSENTHAL: So MOCS works  
9 with and oversees the activities of each agency chief  
10 contracting officer, the ACHOs, which you so  
11 generously gave me an opportunity to meet last year,  
12 in the development and approval of their procurement  
13 actions. So first of all, how is MOCS structured to  
14 be responsive to City agencies' questions?

15           LISETTE CAMILO: So before we get to -- I  
16 just wanna make one plug. So every agency chief  
17 contracting officer and every deputy agency chief  
18 contracting officer must be certified with our  
19 Procurement Training Institute, so there is biannual  
20 training requirement that they have to -- sort of  
21 like the continuing legal education requirements,  
22 that they must maintain a certain level of credits in  
23 order to be an ACHO or a DACHO and our office  
24 provides those trainings. So we're constantly  
25 training folks at every agency. And we hold monthly

ACHO meetings where we provide updates on any changes or refresher courses or information for agencies on all topics spanning procurement. We spent a lot of time working with agencies on training and making sure that they're up-to-date on any and all policy changes and directives. Aside from that, on a day-to-day basis, they are the point of contact for any questions that they may have and they're very familiar with what units at MOCS have the information that they're looking for, so if there is a question on what method to use, they know that they go to their PRU analyst, their Procurement Review analyst; if they have an MWBE question, they know to go to one of our attorneys, Victor Olds, who is the point person for that; if there is a labor issue, we have a point person for that as well. So we field a lot of day-to-day calls; emails, it's fairly robust, everyone knows who everyone is; we try to keep that level of communication open at all times [interpose, background comment] and accessible always.

CHAIRPERSON ROSENTHAL: Right. So are they at the monthly meetings; are they required to attend those?

1  
2           LISETTE CAMILO: Yes, they are and we  
3 track them.

4           CHAIRPERSON ROSENTHAL: Okay. And what  
5 happens if there's delinquency?

6           LISETTE CAMILO: They get a talking to.  
7 [laugh] Typically they're very well-attended and we  
8 don't see that as an issue.

9           CHAIRPERSON ROSENTHAL: Okay, great. So  
10 when you see there are problems with a particular  
11 agency, are there corrective actions where MOCS will  
12 get more engaged with an agency...? [crosstalk]

13          LISETTE CAMILO: Absolutely. I mean this  
14 isn't a perfect system; we will get involved pretty  
15 early on if there's something with -- you know, we'll  
16 come in if there is an issue of -- if the method that  
17 was selected was, what we believe is inappropriate,  
18 we'll go in and reach out and say we think that it  
19 should be done this way; we'll engage them and then  
20 decisions will be made and typically they follow our  
21 lead. It's unusual when, if an agency doesn't heed  
22 our advice on particular issues. But yes, we're  
23 constantly pulled in at all levels.

24

25

CHAIRPERSON ROSENTHAL: Right. And are there ever situations where you might be called in to even write their request for proposal or?

LISETTE CAMILO: We don't typically do that, but we do assist -- we will review and we will make a lot of suggestions, so there are some RFPs where we are a little more heavy-handed in our response, but we typically don't do that from scratch...

CHAIRPERSON ROSENTHAL: Got it.

LISETTE CAMILO: not that it hasn't happened historically, but not -- that's unusual.

CHAIRPERSON ROSENTHAL: So at various stages of the procurement process MOCS must review and approve certain procurement documents and issue what is called a Certificate of Procedural Requisite as required by the Procurement Policy Board Rules and the New York City Charter in order for registration with the comptroller to occur; what type of procurement documents does MOCS review and what's the timeline for MOCS to review these documents?

LISETTE CAMILO: There are many documents... There are many documents that we review, but typically what -- we have a form that guides our

review, it's called a Pre-solicitation Review and the Request for Award, and with every section of both forms there are subcategories that request information on particular data points. For example, if it's a bid, how are you going to get your bidders; what bidders list is this going to be; how many solicitations did you receive; were there any nonresponsiveness findings -- so all of that information is recorded on this form and we review to make sure that they're sufficient, and then there are documents that back up the information for that form. So we will review all of those forms as well; there are too many to go through and tick them off one by one, there are many and obviously with more complicated procurements there will be more documents.

CHAIRPERSON ROSENTHAL: ...next question; how many Certificates of Procedural Requisite does MOCS issue annually and... [interpose]

LISSETTE CAMILO: Anything that we review and we allow to go forward will have that. We will sign off on the Certificate of Procedural Requisite... [crosstalk]

CHAIRPERSON ROSENTHAL: Got it. Got it. Okay. So you recently implemented an automated procurement tracking system; we were just talking about that, allowing the agencies to more accurately develop track and report on agency procurement activity. Also, MOCS operates a Public Access Center that provides access to the VENDEX system; I guess that's -- by public we mean for contractors probably... [crosstalk]

LISETTE CAMILO: Anybody.

CHAIRPERSON ROSENTHAL: Anybody. Cool. How many contracts does APT keep track of?

LISETTE CAMILO: APT is for the procurement part; right, so any solicitation and award resulting from that will typically go through APT; I'll have to get back to you on the number, [background comment] but anything that we review typically is done through APT; there are some that are done outside of APT, but that's a small number.

CHAIRPERSON ROSENTHAL: You anticipated my next question again. Are there any City agencies that don't have access to APT or don't use it?

LISETTE CAMILO: All mayoral agencies use APT; there might be some City agencies that don't --

Yes, so non-mayoral agencies don't -- NYCHA, HHC, DOE, they don't use APT.

CHAIRPERSON ROSENTHAL: How 'bout FISA or OP or O... the personnel... [crosstalk]

LISETTE CAMILO: OPA?

CHAIRPERSON ROSENTHAL: OPFS, OPA... [crosstalk]

LISETTE CAMILO: Hold on one second.

CHAIRPERSON ROSENTHAL: sorry.

LISETTE CAMILO: I can say that FISA does not; I don't know about OPA and will have to get back to you on that.

CHAIRPERSON ROSENTHAL: And so maybe the answer is the TDC guy, but who does the maintenance of APT and VENDEX?

LISETTE CAMILO: So APT is maintained by DoITT personnel... [interpose]

CHAIRPERSON ROSENTHAL: Oh.

LISETTE CAMILO: Yes, and FISA is operated and maintained by FISA. I'm sorry, FMS, which is the data system that supports VENDEX, is supported and maintained by FISA.

CHAIRPERSON ROSENTHAL: So no outside contractors anymore?



LISETTE CAMILO: No.

CHAIRPERSON ROSENTHAL: Got it. We're gonna move on to some VENDEX questions. The Procurement Policy Board Rules require that all opened contracts must be evaluated for evaluated for performance at least once a year; the three major evaluation criteria are timeliness of performance, fiscal administration and accountability and overall quality of performance, agencies complete vendor evaluations online through the VENDEX system and MOCS handles communications with vendors centrally; once the vendor has been given time to review and respond to the valuation, MOCS posts it in the VENDEX system. From these subcategory ratings an overall rating for a vendor is given; ratings can range from excellent to good to fair to poor and unsatisfactory. First of all; is that an accurate statement?

LISETTE CAMILO: I believe so, yes.

CHAIRPERSON ROSENTHAL: What is the timeline for the agency to complete the vendor evaluation?

LISETTE CAMILO: There's no rigid timeline; they have to do it every year, so there's

no due date assigned to when that happens..

[crosstalk]

CHAIRPERSON ROSENTHAL: It could take a month or three months?

LISETTE CAMILO: To complete a performance evaluation? I don't have information on how long it takes. I'm not sure if we... I'd have to double-check to see if we track it within our system about when it's started and when it's completed...

[interpose]

CHAIRPERSON ROSENTHAL: Yeah.

LISETTE CAMILO: but I don't have that information. [interpose]

CHAIRPERSON ROSENTHAL: That would be interesting to know. And then, if there is a timeline for the vendor to fill in the information, to respond.

LISETTE CAMILO: That there is and I'm gonna have to get back to you on how long that is, but there is a timeframe, a turnaround time by when they have to respond. Yes... [interpose]

CHAIRPERSON ROSENTHAL: And what's the flag if evaluations are not completed?

LISETTE CAMILO: What do you mean?

CHAIRPERSON ROSENTHAL: If the evaluations are not done, if they're not received... [interpose]

LISETTE CAMILO: We track any open or missing performance evaluations and then we start poking the agencies and...

CHAIRPERSON ROSENTHAL: Through the agencies. [background comment] And is it ever the case that, as you were describing before, that an agency can't get their vendor to fill in the paperwork and then they're out of the system or... [interpose]

LISETTE CAMILO: No. No. So if the vendor fails to respond to a proposed or a draft performance evaluation, then that performance evaluation is finalized. So it's an opportunity for the vendor to [interpose, background comments] essentially to lay out their case as to why the performance evaluation is inaccurate; then that gives the agency an opportunity to take that into account and adjust accordingly. If the vendor does not respond, then the draft performance evaluation becomes final and that gets uploaded into the database.

CHAIRPERSON ROSENTHAL: Got it. The vendor ratings provide an important resource to agencies that are involved in new contract actions; during Fiscal Year 2014, agencies' completion rate for performance evaluations reached 94 percent and approximately 92 percent of those received such rating with no underlying problems reported; does that sound right?

LISETTE CAMILO: I believe so, yes.

CHAIRPERSON ROSENTHAL: Okay. What are the circumstances when the vendor receives a very low grade; what could...

LISETTE CAMILO: So if there is a vendor that receives -- and remember, there are subcategories, but if the vendor receives an overall unsatisfactory; then that actually becomes a caution in VENDEX.

CHAIRPERSON ROSENTHAL: Right. And can that change over time or does that wait until the next year?

LISETTE CAMILO: That's a good question. I'm not sure how long that caution relating to an overall unsat is on VENDEX; I'll have to get back to you.

CHAIRPERSON ROSENTHAL: Okay. And the completion rate for performance evaluations is 94 percent; what does that mean about the other 6 percent?

LISETTE CAMILO: That there were open contracts that were not evaluated that should have been.

CHAIRPERSON ROSENTHAL: And then what happens?

LISETTE CAMILO: And then the Commissioner gets called and is informed that there is a gap.

CHAIRPERSON ROSENTHAL: So by the end of what time period does it hit 100 percent?

LISETTE CAMILO: Well so we close the books on reporting at the end of the fiscal year... [crosstalk]

CHAIRPERSON ROSENTHAL: Yeah...

LISETTE CAMILO: but we continue to check in and make sure that those are done. So they'll be done; it's just not at that...

CHAIRPERSON ROSENTHAL: At what point could you recognize that they were never done; is it ever the case...? [crosstalk]

LISETTE CAMILO: Well we... we... I'm sorry?

CHAIRPERSON ROSENTHAL: Is that ever the case where...

LISETTE CAMILO: I don't believe so, no. Because we keep pushing until they're complete.

CHAIRPERSON ROSENTHAL: Okay, great. Thank you. Do you track that by agency?

LISETTE CAMILO: Yes.

CHAIRPERSON ROSENTHAL: Okay. Maybe we'll follow up on that one offline.

LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: Okay. So now some questions about IT contracting and cost overrun reports. So on March 26, 2012 Local Law 18 of 2012 was enacted; Local Law 18 requires MOCS to provide a quarterly report of contracts for construction or services originally valued over \$10 million with a contract modification or extension that results in a total revised maximum expenditure that exceeds the original contract maximum expenditure by 20 percent or more -- and this is why lawyers get paid more than the rest of us -- subsequent increases of 10 percent or more must also be reported. How does MOCS use the information from the cost overrun report?

1  
2           LISETTE CAMILO: We think that this law  
3 was good and that it shined the light on or brought  
4 transparency into what contracts have these revised  
5 maximum awards, so we then began sending that  
6 information to the agencies that had contracts that  
7 appeared on these lists; recently we've begun to send  
8 it to more people so that more people involved in  
9 City government know what these contracts are and  
10 what agencies they belong to. So we began sending  
11 them not only the ACHO's office, but now we send them  
12 to the Commissioner directly and we also send them to  
13 the staff of the First Deputy Mayor. More attention  
14 to these contracts by higher level officials will --  
15 the goal was to bring that to their attention so that  
16 when commissioners are looking at their own agency  
17 operations they have these contracts in front of them  
18 and can facilitate discussion about what's going on  
19 in these contracts. And additionally, I think  
20 providing these contracts to the Council also brings  
21 information over to a broader audience that can  
22 facilitate this very discussion. So I think it's  
23 useful in sharing the information with a broader  
24 array of folks who wouldn't have had that information  
25 previously.

CHAIRPERSON ROSENTHAL: I really appreciate that. One of the things that I noticed in reviewing them is that many of the reasons for the cost overruns sort of have to do with the nature of the contract; you know, you'll have a contract sort of without an expiration; you know, the contract will say this is a contract with X, Y, Z Company to do repair work or construction work at fire stations and so of course there are always cost overruns, but it's explained by the fact that they're just doing another fire station. I'm wondering if given that and given that that's then a meaningless, you know, piece of information, if that would -- and this is a new direction, but if that would then make you consider having a different type of contract for that vendor. Like is it still advantageous to have an open-ended contract; does that tell us that -- how do we use that information?

LISETTE CAMILO: Well I think...  
[crosstalk]

CHAIRPERSON ROSENTHAL: Is it a good thing?

LISETTE CAMILO: Well I think it's helpful, I think, in that it highlights that not all



contracts are the same. So the reports are certainly over-inclusive if your focus is [background comment] on the -- you know, what are the bad reasons for cost overruns... [interpose]

CHAIRPERSON ROSENTHAL: Yeah.

LISETTE CAMILO: there are actually very reasonable explanations for some of them. The example that you raised about -- I wouldn't call it an open-ended contract, but these requirement contracts that are awarded to one vendor to do all of the types of work that the contract describes and typically what happens is that once more work is determined post-award, if you have an active open contract and more work needs to be done, it's an avenue that an agency can use and should use in order to get the work done. The case in point is I believe that there were a couple of Department of Transportation contracts where the Mayor's Vision Zero program was a nice fit; we already had an active contract that we could use to promote and further those policies and it's well within the contract terms, so it was a nice fit.

CHAIRPERSON ROSENTHAL: So then the end of the day, love the open contracts... [crosstalk]

LISETTE CAMILO: Well I think... I mean they...

CHAIRPERSON ROSENTHAL: I mean, could there also be a situation where you might say by having an open contract we're not catching irregularities that might exist with this vendor?

LISETTE CAMILO: Well I think if the contract is open and being used and the vendor is fine and is doing good work, and that's typically the case; if the agency is not happy with the vendor and doesn't want to contract with them because the vendor is doing a bad job, the City can always terminate a contract for convenience or for... [interpose]

CHAIRPERSON ROSENTHAL: I get... I hear you. But like I'm wondering; is there sort of... when it's open-ended like that, how do you capture that a specific project might have cost overruns? So in other words, the project -- this is an open-ended contract; each project is supposed to be a million dollars; now you've gone, you know, \$2 million over; how do you know that...

LISETTE CAMILO: Well there's not... It's hard to answer the question without having a specific example... [crosstalk]

CHAIRPERSON ROSENTHAL: Okay.

LISETTE CAMILO: but typically with the...  
a requirements contract was specifically designed to  
be nimble enough to [background comment] provide the  
agencies the ability to do the work without -- if  
it's open and available, it's a good resource to get  
the work done without having to start over again and  
continue doing... [crosstalk]

CHAIRPERSON ROSENTHAL: Sure.

LISETTE CAMILO: procurements, and  
typically the benefits much outweigh any down side.  
A lot of these requirements contracts, and I don't  
wanna get into specifics in terms of how many or how  
-- like the proportion of it, but a lot these are --  
the prices are already fixed priced at the front end,  
so you're paying for the work at an established  
price, so there's not a lot of room for funny  
business and you're adding money in to pay for the  
extra work, if that makes sense.

CHAIRPERSON ROSENTHAL: How do you know  
if the extra work goes over?

LISETTE CAMILO: Typically the agency  
will want 40 miles of lines on a road to be painted;  
if when the contract was registered it was registered

1 at a cap and there's not enough money to pay for the  
2 40 extra miles, you're gonna have to mod money in;  
3 technically it's a cost overrun, which is why it  
4 appears on one of these reports, but it's not an  
5 unfair or a bad reason to add that money in...

6 [crosstalk]

7  
8 CHAIRPERSON ROSENTHAL: Let... So lets you  
9 mod in... let's say you mod in the cost of those 40  
10 miles; let's say it's \$50,000; what if it ends up  
11 costing \$100,000; how will you catch the fact that  
12 it's an additional 50, you've modded in 50...

13 LISETTE CAMILO: You've modded in 50, so  
14 you typically can only... you pay for the amount that  
15 \$50,000 will cost for however... whatever portion of  
16 the road that you're painting, if you need to add  
17 more work you add more... and then, you add more money;  
18 agencies then go out and make sure that there were 40  
19 miles painted to make sure that to reconcile that the  
20 work that was done was at the price and the terms  
21 that the contract was made, established... [crosstalk]

22 CHAIRPERSON ROSENTHAL: Right. So let's  
23 say the contractor, it ends up costing \$75,000, just  
24 keep the numbers simple, so \$25,000 over. And then,  
25 let's say the agency goes out, checks it or does or

doesn't do the checking, but then tells the City, we need \$25,000 more for that original project?

LISETTE CAMILO: So typically if there's extra work that needs to be done that... [crosstalk]

CHAIRPERSON ROSENTHAL: Not extra work; they've done the work, the work is done and now the contractor saying you know what, it didn't cost \$50,000, it cost \$75,000, give me the other 75 [sic].

LISETTE CAMILO: My understanding is that agencies -- before the work gets started, that's worked out in the beginning so that that extra line, that extra costs can't be dumped on if it lopped on later. For this particular scenario of something that's X dollars per mile, that's a controlled [background comment] request.

CHAIRPERSON ROSENTHAL: Okay. Great. Thank you very much. It's just hard for me to sort of decipher that, pull that out within the confines of the cost overrun report, sort of which ones are justifiable and which ones are not...

LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: in terms of cost overruns.

CHAIRPERSON ROSENTHAL: Okay. Has the Steering Committee started working with MOCS on IT contracting issues and policies?

1  
2           LISETTE CAMILO: We have not met -- I'm  
3 not on the committee; we have not -- I'm not sure if  
4 they've met; I'm not sure what they've done; we have  
5 not received any requests for contract information or  
6 other types of information that they may ask in the  
7 future... [crosstalk]

8           CHAIRPERSON ROSENTHAL: Do you...

9           LISETTE CAMILO: we haven't received... I  
10 haven't received any requests for information from  
11 the new Tech Steering Committee.

12          CHAIRPERSON ROSENTHAL: So you've not  
13 been asked to prepare them in any way with baseline  
14 information yet? We're in March.

15          LISETTE CAMILO: Not to my knowledge, we  
16 have not been asked for specifics -- think... not to my  
17 knowledge.

18          CHAIRPERSON ROSENTHAL: Oh, okay. Have  
19 you done internal work, like talks amongst yourself  
20 about what types of information you think would be  
21 helpful for that Steering Committee and what  
22 information you would put together to educate them?

23          LISETTE CAMILO: We have had several  
24 discussions with the CTO about IT contracting and her  
25 office has requested contracting information, which

1 we've provided to her; whether or not that's in  
2 conjunction or related to the new Tech Steering  
3 Committee, I don't know, but that's the extent to  
4 which our office has provided data, but we have had  
5 several discussions with her about that and we're  
6 always talking to the DoITT commissioner about many  
7 things. So you know, we give them a lot of data as  
8 well.  
9

10 CHAIRPERSON ROSENTHAL: Okay. Can you  
11 give me a sense of the nature of the material she  
12 asked you for?

13 LISETTE CAMILO: Who? Which...

14 CHAIRPERSON ROSENTHAL: Anne Roest. No;  
15 the CTO, Minerva.

16 LISETTE CAMILO: The CTO... I'll have to  
17 get back to you; I remember -- I remember producing a  
18 report on, I think all open IT contracts, but I'll  
19 confirm.

20 CHAIRPERSON ROSENTHAL: If you could send  
21 us the -- that'd be great.

22 LISETTE CAMILO: Sure.

23 CHAIRPERSON ROSENTHAL: If you could  
24 confirm that and send us the... you know, the  
25 information... [crosstalk]



LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: that was sent over.

LISETTE CAMILO: Absolutely. She certainly asked for information and we certainly provided it; we'll dig that up.

CHAIRPERSON ROSENTHAL: Okay. Thank you very much. Let's move on; I'd like to acknowledge my colleague, Council Member Chaim Deutsch, who represents Brooklyn; thank you for coming, a member of the Committee.

So we're gonna move on to the Outsourcing Accountability Act. In 2011, the Council enacted Local Law 63, also known as the Outsourcing Accountability Act, which requires City agencies to provide details of their decision-making when they opt to outsource; it also requires a Cost Benefit Analysis of the contracts valued at more than \$200,000. City Council Finance only discovered three Local Law 63 required reports for Fiscal Year 2012, three for Fiscal Year 2013 and one for Fiscal Year 2014. Is that, to your knowledge, accurate?

LISETTE CAMILO: The total number is accurate; the fiscal year distribution, I believe we

1  
2 have different... we have different fiscal year  
3 distributions, but seven Cost Benefit Analyses total,  
4 yes.

5 CHAIRPERSON ROSENTHAL: Got it. Okay.  
6 And maybe we can clarify that offline... [crosstalk]

7 LISETTE CAMILO: Sure.

8 CHAIRPERSON ROSENTHAL: which ones; which  
9 years. So why so few?

10 LISETTE CAMILO: That is something that I  
11 believe is related to the fact that we've been... the  
12 City has contracted out... engages in procurements in  
13 many different respects; a lot of these are... even the  
14 new procurements are recurring procurements; Cost  
15 Benefit Analyses are only required if displacement is  
16 found, so if there's no displacement, there's no  
17 report, so in a small number of contracts  
18 displacement has been found in the reports issued.

19 CHAIRPERSON ROSENTHAL: And did you use  
20 the information in those reports? Do you know if the  
21 agencies changed behavior or?

22 LISETTE CAMILO: I'm not -- one second.  
23 I'm gonna have to get back to you... [background  
24 comment] I'm gonna have to get back to you on  
25

whether or not a Cost Benefit Analysis changed the agencies' course of action.

CHAIRPERSON ROSENTHAL: Thank you. Do you... I'm just not looking at the reports in front of you, but do you have, from the information that you have for each fiscal year, how many City employees were displaced?

LISETTE CAMILO: No, I don't have the reports with me.

CHAIRPERSON ROSENTHAL: So do you have the total number...

LISETTE CAMILO: Of...

CHAIRPERSON ROSENTHAL: f employees that were displaced...? [crosstalk]

LISETTE CAMILO: No, I just know that there were seven reports that were issued; I only have high-level top line information today.

CHAIRPERSON ROSENTHAL: As of today. Do you have copies... do you receive those reports... [crosstalk]

LISETTE CAMILO: Yes.

CHAIRPERSON ROSENTHAL: from the City agencies?

LISETTE CAMILO: Yes. Yes.

CHAIRPERSON ROSENTHAL: Do you use the information that the reports...

LISETTE CAMILO: Other than to ensure that they have done them and sent them to the Council, we don't use them; that is... there's not a... that's not something that MOCS gets involved in, other than were the requirements followed and we help them out with determining whether or not an employee has been displaced and in conjunction with OLR, OMB and the Law Department.

CHAIRPERSON ROSENTHAL: To that end specifically, so do you make sure... what does that mean; do you make sure that the headcount in FISA reflects a decrease and that would be the OMB end or what do you mean..? [crosstalk]

LISETTE CAMILO: I think the group... Right. So OLR, OMB, the Law Department, MOCS and the contracting agency will work together to do the analysis to make sure that the numbers are in line with the records on the personnel side, so yes.

CHAIRPERSON ROSENTHAL: So they are actual reductions, people lose their jobs or... [crosstalk]

1  
2           LISETTE CAMILO: So they determine the  
3 total headcount...

4           CHAIRPERSON ROSENTHAL: That's right.

5           LISETTE CAMILO: right, so... [interpose]

6           CHAIRPERSON ROSENTHAL: Oh, but it could  
7 be through attrition or... [interpose]

8           LISETTE CAMILO: Correct. Correct.

9           CHAIRPERSON ROSENTHAL: How many service  
10 contracts valued at more than \$200,000 were -- Let me  
11 ask you a question; do you think seven is an under  
12 count of how many contracts that had that impact?

13           LISETTE CAMILO: I'm not able to answer  
14 that question. Every contracting agency has very  
15 unique personnel structures and only the agency can  
16 determine with certainty whether or not displacement  
17 has occurred, so we assist in making sure that the  
18 analysis is complete and thorough, but there's no way  
19 for us to be able to make that determination; we  
20 don't have that visibility.

21           CHAIRPERSON ROSENTHAL: Yeah, I'm gonna  
22 turn it over to my colleague, Council Member Deutsch.  
23 Thank you.

24           COUNCIL MEMBER DEUTSCH: Thank you,  
25 Madame Chair. I just have -- I've in the Council now

1 for 15 months as a Council Member and 17 years I've  
2 been working in the Council; there's still one  
3 question I -- there's more than one question that I  
4 need answered, but at this point, when we allocate  
5 money for example to the Parks Department, let's say  
6 \$1.5 million for a comfort station; how does the cost  
7 of a comfort station cost \$1.5 million? I sent out  
8 my newsletter just a few months ago and I described  
9 all the different projects that I funded through my  
10 capital and my constituents called me up; had the  
11 same question I had; I basically stated in my  
12 newsletter that I allocated \$1.5 million for a new  
13 comfort station in one of our parks; why does it cost  
14 \$1.5 million for bathrooms and we keep on asking to  
15 get a breakdown where the money goes to, how the  
16 money gets allocated, who takes the money; how much  
17 does the design of a comfort station cost; I mean I  
18 could probably get a contractor off the street to do  
19 a comfort station, the bathrooms for \$100,000 and  
20 here we're talking about \$1.5, sometimes \$1.8, so is  
21 there any way we could get some type of breakdown of  
22 exactly where that \$1.5 million; how does that get  
23 allocated when we put in the budget for a comfort  
24 station?  
25

1  
2           LISETTE CAMILO: So if your request is to  
3 get that breakdown for a particular comfort station  
4 project, we can certainly work with you and the  
5 Department of Parks and Recreation to provide that  
6 information for you; they'll certainly be able to do  
7 that for you. You know, I don't have that  
8 information readily available, but we can certainly  
9 get that for you.

10           COUNCIL MEMBER DEUTSCH: Yeah, it's not  
11 like a specific project; it's every single -- every  
12 Council Member, when we allocate money, that's what  
13 the cost is, so it's across the board; it's  
14 throughout the City, it's not just one specific  
15 project; every one of the projects, that's how much  
16 it ends up costing; we have to allocate over a  
17 million dollars just for a bathroom, where the money  
18 could be utilized for so many other projects. I just  
19 put in... in one of my parks, Asser Levy Park, I  
20 allocated \$1.5 million and that is going for an  
21 upgrade of the drainage, of the drainage 'cause  
22 there's a lot of ponding in the park and this year I  
23 have to put another, over a million dollars just for  
24 the playground and that's a tremendous amount of  
25 money...

LISETTE CAMILO: Sure.

COUNCIL MEMBER DEUTSCH: So you know I think we need to know exactly you know where it's going and where the money's going to, 'cause it just seems like an awful lot of money.

LISETTE CAMILO: I'm completely sympathetic to that and I understand the frustration; you know we can... we'll certainly work with you and your office and Parks to provide any information that you need. Typically construction projects within the city are guided by a number of requirements and regulations and you know that certainly make things a little more expensive than going to anyone off the street to build anything that can probably be done a lot cheaper. In a private scenario we have prevailing wage requirements and project labor agreements and design work certainly has to be done, so there are a lot of extra considerations that the City has to take into account when putting together these projects; if there is specific information that we can help you get, we can certainly help you with that.



COUNCIL MEMBER DEUTSCH: Okay. And I mean the contracts, it starts from you; right, that's where the contract starts from, so... [crosstalk]

LISETTE CAMILO: Not really.

COUNCIL MEMBER DEUTSCH: it begins... it begins by, you know, signing the contract; right?

LISETTE CAMILO: Well so the process of designing and actually developing the need starts way before us; the Parks will internally have to determine what the needs are, how to design the project... [crosstalk]

COUNCIL MEMBER DEUTSCH: Does there need to be a contract like written up between the designer and the City or?

LISETTE CAMILO: It depends... yeah, sometimes -- Parks I know has a design department; sometimes they design in-house, other times they might have already a designer that's already been contracted out for general design services that they'll utilize to do the work. There are a number of moving pieces; a lot of work gets done before we see it, so we start seeing things once the need has already been determined and the budget has already



contract with the vendor. So we work on the process; the agency works on the substance.

COUNCIL MEMBER DEUTSCH: Okay, so you'll be able to get all the information exactly from A to Z of how the money's being spent or... [crosstalk]

LISETTE CAMILO: We have information, in terms of dollars, of the contract award, so we have information... once the vendor has been selected and the low bid has been selected, we have information on what that number is, the global number and there might be, within the documents, a breakdown of the cost and the labor and such... [crosstalk]

COUNCIL MEMBER DEUTSCH: So you would have it, so...

LISETTE CAMILO: depending on the contract.

COUNCIL MEMBER DEUTSCH: so could we take let's say a project not... could be from the previous years, let's say a comfort station that was already finished and take something, like something that was previously funded and to get us a breakdown from A to Z exactly how the money was spent; will you be able to do that or you would have to contact... [crosstalk]

LISETTE CAMILO: No.

COUNCIL MEMBER DEUTSCH: other agencies  
or do I need to go... [crosstalk]

LISETTE CAMILO: After award we don't  
have any information unless there are change orders  
associated with it; if you want a breakdown of post-  
award, everything that was paid for breakdown; that  
information lives with the agency.

COUNCIL MEMBER DEUTSCH: That's with the  
agency; that would be Parks?

LISETTE CAMILO: Right.

COUNCIL MEMBER DEUTSCH: Okay. Alright.  
Thank you so much.

LISETTE CAMILO: You're welcome.

CHAIRPERSON ROSENTHAL: Actually, if I  
could just follow-up, 'cause you set the stage  
very nicely for that set of questions and in your  
example, and let's go modest for a second and say  
the public toilet costs \$1.5 million; not \$1.8  
million; let's even go down to \$1.2 million,  
although, I think the average is \$1.5, because  
all my colleagues have been talking to me about  
this as well and it's now happened in my district  
too. So let's say that we could take out the  
cost of, the additional cost of what, you know

all those different stages that happen in the Parks, you know with the design committee and let's say, just for a second, that it's not even PLA wages, right, or prevailing wage and let's go extreme for one second and say all those costs together are 30 percent, so on a \$1.5 million contract, let's say all those costs together are worth, you know and all the different regulations and rules and VENDEX boxes, let's say that it's worth \$500,000, which is absurd, but let's say it is, then you're left with a million dollar toilet and I'm just wondering, let's say it's not one toilet; let's say it's five, it still seems really high; I mean, Council Member Deutsch said you know he could find somebody off the street who could do it for \$100,000; let's say that's an exaggeration; let's say you could find somebody off the street and it costs \$500,000, it's still just on the face of it not passing the smell test and while I don't expect you to have that information today, you should know that this is a question that I'm being asked repeatedly during these preliminary budget hearings and certainly, as Council Members are thinking about putting in

1  
2 their own discretionary funds, it's a pretty  
3 outrageous, I think; I think it's safe to say  
4 it's an outrageous sum of money. Now the Parks  
5 Department has put up on their website now a  
6 tracker, a contract tracker; I'm wondering what  
7 you think of their tracker, if you guys have used  
8 it and think it's any good and whether or not it  
9 captures the relevant points in the tracking  
10 system and has it been helpful to you at all?

11 LISETTE CAMILO: I mean I know that the...  
12 I've seen it when it was first rolled out; I'm  
13 sorry say I have not spent a lot of time on it;  
14 you know, this is helpful to know that this is  
15 something that you get asked as the Contracts  
16 Committee Chair; you know, we'll be happy to work  
17 on this with you. I mean we always get the  
18 questions; it's not just about the comfort  
19 station; why does everything cost so much, right  
20 and I think it would probably be helpful to  
21 impact some of that, maybe in particular, taking  
22 Parks as an example and we can work through to  
23 shed more light; we'd be happy to work with you  
24 on that.  
25

CHAIRPERSON ROSENTHAL: Thank you. I think we're looking for a hearing on this topic jointly with the Parks Department; it just really has come up that frequently. Where else was... [background comment] Yeah and... oh and maybe... we'll see if it requires oversight and investigations as well, but that is something that we would be interested in having additional conversations about this year and maybe, you know, we could shoot for the fall... [crosstalk]

LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: but really appreciate...

LISETTE CAMILO: No, anytime.

CHAIRPERSON ROSENTHAL: yeah, that is something that... I mean maybe, if you want, we can pick a different topic; it seems maybe it's an easy target, but I can see the Post headlines now, but... which we're not looking for, we're just looking to really understand... [crosstalk]

LISETTE CAMILO: Sure. Sure.

CHAIRPERSON ROSENTHAL: why in this particular thing. And the truth of the matter is that it's not just Parks, it's NYCHA as well

1 where we've having a similar set of questions.  
2  
3 Okay. Thank you. Anything else, Council Member  
4 at this time? Okay. If I could just go back to  
5 the Outsourcing Accountability Act for just a  
6 little bit more. Do you know for Fiscal Year  
7 2015, and maybe you don't get notice until the  
8 City agency lets you know, but how many service  
9 contracts that will displace workers that are  
10 valued at more than \$200,000 will be awarded by  
11 City agencies for this fiscal year?

12 LISETTE CAMILO: Not to my knowledge, no;  
13 not right now. When agencies put things on their  
14 Local Law 63 plan, they may or may not have  
15 displacement, but not all of the contracts will  
16 proceed to award, so all I can tell you is how  
17 many of those contracts are on there and as the  
18 year goes by... [interpose]

19 CHAIRPERSON ROSENTHAL: Yep.

20 LISETTE CAMILO: you know we'll work on...  
21 and as agencies determine and move forward on  
22 solicitations, we'll learn about them. And I  
23 think that there's one Cost Benefit Analysis that  
24 is currently being worked and of course, I don't  
25 have any more information other than that. So there



1  
2 should be one report coming your way soon, I  
3 believe.

4 CHAIRPERSON ROSENTHAL: And what agency  
5 is that?

6 LISETTE CAMILO: That's all I have.

7 CHAIRPERSON ROSENTHAL: You'll get back  
8 to me. No problem. And could you... so do you  
9 get... by what date do you get... forgive me for not  
10 knowing Local Law 63 as well as I should; by what  
11 date do you get that notification from the City  
12 agencies for whatever the current fiscal year?

13 LISETTE CAMILO: So the plans must be  
14 published by July 31st of every year and the Cost  
15 Benefit Analysis needs to be completed prior to  
16 the solicitation is issued, so it's a rolling  
17 basis about when... the timeline of when these  
18 reports are required to be issued.

19 CHAIRPERSON ROSENTHAL: So hypothetical... so  
20 what the law assumes is that the agency at the  
21 beginning of the fiscal year knows which areas  
22 they might be doing a contract in that would  
23 result in that situation of displacing workers.  
24 Do you think that -- would your office have the  
25 information, and maybe again, as I say, I don't

1 know the Local Law as well as I should, but could  
2 we go back the last three years and see how many  
3 agencies and which agencies notified that they  
4 would be contracting, having those contracts by  
5 July 31st and then at the end of the fiscal year  
6 how many actually did so we could see if those  
7 estimates at the beginning of the year were --  
8 you know as you said, maybe some decide not to  
9 pursue that?  
10

11 LISETTE CAMILO: Yeah, we have  
12 information on all of the contracts that are  
13 posted on the plan and we have the ones that have  
14 proceeded to award and the ones that have shown  
15 displacement are the ones that you receive the  
16 reports... [crosstalk]

17 CHAIRPERSON ROSENTHAL: Do the reports.

18 LISETTE CAMILO: Right.

19 CHAIRPERSON ROSENTHAL: Sure, of course.  
20 And then, would there ever be a situation where  
21 mid year an agency -- you know, budgets get  
22 modified mid year all the time, where mid year if  
23 an agency realizes they're gonna have to have a  
24 contract that displaces workers; would they be  
25

required to update their report or how would that go?

LISETTE CAMILO: Regardless of whether or not there is displacement, if there is a contract that was not on the plan posted by July 31st, agencies are required to amend their plan, post it and wait 60 days before issuing a solicitation, regardless of whether or not there's displacement I will say that that actually is something that agencies are -- that requirement to wait the 60 days for failure to have included in the original plan in July is something that really disrupts the agency's operations, new needs arise throughout the year; sometimes they, you know, need to effectuate contracts rather quickly and there's a hard stop on proceeding with the solicitations and they would have to wait the 60 days before letting the solicitation and then you know, it just... it adds a lot of time to a process, an already lengthy process that's just something; that's just something that we work with agencies a lot and that's an issue that they've raised quite vocally to us and it's an issue that we're dealing with.

CHAIRPERSON ROSENTHAL: I'm sorry, but they wouldn't have to wait the 60 days if it doesn't... [interpose]

LISETTE CAMILO: Yes, they do.

CHAIRPERSON ROSENTHAL: Even if it doesn't displace workers...? [crosstalk]

LISETTE CAMILO: If it does not... even if it does not displace workers there's a hard stop.

CHAIRPERSON ROSENTHAL: Why? That's part of the Local Law?

LISETTE CAMILO: That is part of the Local Law.

CHAIRPERSON ROSENTHAL: Okay, open to further discussions... [crosstalk]

LISETTE CAMILO: Great.

CHAIRPERSON ROSENTHAL: I'm sure there are issues on the other side. Thank you for bringing that up.

LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: Is it too... Okay, that's a little mind-numbing, so let's... let's continue that discussion... [crosstalk]

LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: Thank you.

LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: I'm gonna go on to minority and women owned businesses. These are the last set of questions.

In 2013 a new law revising the MWBE program was enacted following another disparity analysis, Local Law 1 of 2013 revisited the not only the aspirational goals set for City contract awards, but vastly expanded the program's reach by removing the \$1 million cap and allowing agencies to establish participation goals on standardized service contracts. Fiscal Year 2014 is the first full year of the expanded MWBE program established by Local Law 1 and the dollar amount of the MWBE contracts has increased since 2007, but the MWBE share of the total City contract budget remains low. I'm gonna assume that Council Members Johnson's presence is efficient; he has checked in. Okay. So my first question is... first of all, in your mind, is Fiscal Year 2014 the first year of its one full year worth of information or is it Fiscal Year 2015, after which there will be one full year of

informa... I guess 2015 will be one full year with the new administration... [crosstalk]

LISETTE CAMILO: Right. Right.

CHAIRPERSON ROSENTHAL: Okay. Can MOCS play a role in boosting the MWBE share in the City's total contract budget?

LISETTE CAMILO: We are working really, really, really hard at doing that. This is a program that is very important to this administration, to my office; me personally, the Commissioner for the Department of Small Business Services and Maya Wiley, the Director of MWBE program. We are actively working and pushing agencies as much as possible to improve our numbers within the very rigid constraints of State law that frankly really hinder our ability to do more, more than we can at present do. We work with agencies to provide as much information as to their status as possible; we're working with them for creative ways to increase those numbers and constantly working on best practices to share among agencies to do that.

CHAIRPERSON ROSENTHAL: Okay. And is there anything the Council can be doing to help the City attain these goals?

LISETTE CAMILO: I think that the Council does a great job at, you know holding us accountable and keeping us on our toes, that's for sure, but there's a leadership association that the Council funds where partners... when we partner with nonprofit organizations that help us in that aim getting our certification numbers up, that's very helpful, so I think that, you know we can certainly continue collaborating in doing that and further those efforts jointly.

CHAIRPERSON ROSENTHAL: Okay. Thank you and on that note too, we're looking forward to a hearing in November to review the first fiscal year... [crosstalk]

LISETTE CAMILO: Sure.

CHAIRPERSON ROSENTHAL: for this administration and how you're doing in meeting the goals; we look forward to that hearing and seeing no other questions, I wanna thank you very much for your testimony.

1  
2           LISETTE CAMILO:   LISETTE CAMILO:   Thank  
3           you very much for allowing me to spend a lot of  
4           time talking about MOCS, which I like to do, so.

5           CHAIRPERSON ROSENTHAL:   Well  
6           congratulations to all of us on our first...  
7           [crosstalk]

8           LISETTE CAMILO:   Yes.

9           CHAIRPERSON ROSENTHAL:   budget hearing  
10          with MOCS... [crosstalk]

11          LISETTE CAMILO:   Absolutely.

12          CHAIRPERSON ROSENTHAL:   Is there anyone  
13          else who's coming to testify today?   Seeing no  
14          one else, I'm gonna call this hearing closed.

15          [gavel]  
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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date April 13, 2015