

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.

1
2 The focus of this hearing will be on the
3 MOCS budget and key performance indicators, as well
4 as on the City's Fiscal 2016 Contract Preliminary
5 Budget. The MOCS Preliminary Budget totals \$4
6 million for Fiscal Year 2016; this reflects an
7 increase of \$216,000 when compared to the 2015
8 adopted budget. The Fiscal 2016 Preliminary Budget
9 includes \$12.4 billion for all City contracts across
10 the five boroughs. That budget increased by \$440
11 million when compared to Fiscal 2015 adopted budget.
12 The two agencies with the largest contract budgets
13 are the Department of Education and the
14 Administration for Children's Services. The four
15 largest contract categories are payments to corporate
16 schools, transportation of pupils, professional
17 services direct education services and day care of
18 children, all administered by the DOE and ACS.

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

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

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

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

1 Council has received seven cost benefit analyses.
2
3 Considering the volume of the City procurements and
4 their value, the City Council is concerned with the
5 number of received cost benefit analyses; we hope to
6 understand why the received cost benefit analyses are
7 so low and how this information is being used by
8 MOCS.

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

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

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

9 New York is one of the largest
10 contracting jurisdictions in the nation; in Fiscal
11 2014 New York City procured more than \$17.7 billion
12 worth of supplies, services and construction through
13 more than 43,000 transactions, a 14 percent increase
14 over Fiscal 2013. MOCS is the body that ensures that
15 City agencies comply with the regulatory and
16 oversight framework that govern the bulk of the
17 procurement spending. I'll spend a little time now
18 discussing some of the work that we do at MOCS.

19 The Procurement Policy Board whose work
20 MOCS coordinates, promulgates the rules that govern
21 the procurement of goods, services and construction
22 by City agencies. MOCS is charged with monitoring
23 that City agencies are complying with various local
24 laws and the PPB rules; these rules ensure that each
25 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.

1
2 MOCS also manages the VENDEX database,
3 which includes information collected through
4 submissions of vendor and principle questionnaires.
5 Vendors that receive accumulative value of greater
6 than \$100,000 in contracts with the City within a 12-
7 month period are required to file VENDEX
8 questionnaires; that information is gathered and
9 entered by MOCS staff and then made available to City
10 agencies through the VENDEX database; it is one of
11 many tools used by City agencies to determine the
12 responsibility of vendors. MOCS received over 17,000
13 VENDEX submissions packages in Fiscal 2014.

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

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

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

18 In 2008, MOCS created the Capacity
19 Building and Oversight Unit to offer specific support
20 to nonprofit providers, as well as to City's human
21 service agencies; the CBO unit has since provided
22 training and coordination with the Council to over
23 2,000 nonprofit leaders and umbrella organizations.
24 CBO has also provided trainings for Council Members
25 and their staff. CBO responded to over 10,000

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2 hotline requests for assistance, vetted over 6,000
3 discretionary awards annually, completed 450
4 nonprofit governance reviews, and currently oversees
5 15 citywide corrective action plans. The CBO unit
6 also develops and disseminated best practice
7 standards for nonprofits and constantly works with
8 partners at City agencies and HHS accelerator to
9 improve the procurement process for nonprofits.

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

16 MOCS provides hands-on technical
17 assistance to City agencies regarding goal-setting,
18 pre-award waivers, post-award modifications,
19 enforcement actions and other elements of the MWBE
20 program. The technical assistance comes in the form
21 of monthly trainings provided in conjunction with
22 SBS, help desk service and in-person meetings.
23 Additionally, MOCS provides regular reporting of
24 agency MWBE utilization in order to provide as much
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2 transparency as possible as to the status of this
3 program, both to agencies and the public.

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

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

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

1
2 as well as providing technical assistance to City
3 agencies and vendors relating to procurement. In
4 addition to the current work that we do, MOCS is
5 undertaking a thorough review of the procurement
6 process to find ways to provide more transparency and
7 visibility to our stakeholders and to increase the
8 overall efficiency of the process. For example,
9 working with our partners at DoITT, MOCS is
10 developing a method to capture various level of
11 procurement data in real time and for a broad range
12 of information. We hope to be able to provide a more
13 detailed look into citywide and agency cycle times
14 for procurement activities and other indicators later
15 on this year.

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

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

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

10 LISETTE CAMILO: I affirm.

11 COMMITTEE COUNSEL: Thank you.

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

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

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

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

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

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

1 that unit, but that's a fairly large one. We have a
2 unit that is solely dedicated to processing the Doing
3 Business Accountability Database; again, it's a
4 paper-based form, we receive it much like VENDEX, we
5 process; we input all of the information in there as
6 well. We have a labor unit that deals with, as you
7 can imagine, the labor issues that come up regarding
8 PLA administration, prevailing wage administration
9 and apprenticeship directive advice; we do provide a
10 lot of training and support for the City agencies
11 across the board on that. We have the legal unit and
12 their portfolio spans -- they provide support for the
13 entire office, so they provide support for the VENDEX
14 unit, the DBA unit, and as you can imagine, all of
15 the legal issues that arise within our purview that
16 unit addresses and works on. We have a procurement
17 review unit that is dedicated to focusing on
18 reviewing solicitation documents for procurements
19 that go through our office to ensure that they are
20 compliant with all of the regulations and the legal
21 requirements that must be met before solicitations
22 are issued and at award to make sure that the vendors
23 that are chosen are responsible, that agencies are
24 producing thoughtful analyses on price
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2 determinations; that they're fair and reasonable, and
3 to make sure that they've also followed all of the
4 legal and regulatory requirements. We have the
5 Capacity Building and Oversight unit, which I
6 mentioned earlier, that supports human service
7 agencies and vendors in their work with the City that
8 runs a gamut between training and one-on-one
9 assistance to vendors and agencies. We have the
10 Vendor Responsibility and Accountability Unit that
11 provides support for agencies in making
12 responsibility determinations as well as managing the
13 Performance Evaluation Unit; the performance
14 evaluation requirements through City agencies, since
15 agencies have to make performance evaluations on all
16 contracts or most contracts once a year at least.
17 [background comment] We have a very robust Research
18 and IT unit that provides a lot of number crunching
19 and data analysis not only for MOCS and all of the
20 various reporting requirements that we do, but we
21 provide a lot of assistance and analysis for all of
22 the mayoral agencies that will inquire, for example,
23 on how they're doing with MWBE utilization at any
24 given point and any requests citywide, from the
25 Council, from City Hall, from agencies; we try to

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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

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2 that they've omitted for the reasons why because
3 we've determined that they're important and we wanna
4 make sure that they're at least disclosed and
5 inputted into whatever system that we're looking at.
6 Every aspect of review, and checking a box is one
7 thing; it sounds really -- I guess the intimation is
8 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

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

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

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

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2 they will not be allowed the contract award. So
3 there is that discussion, so there are times,
4 particularly with larger, multinational vendors that
5 have trouble answering certain questions; there's a
6 tension, but we'll go back and forth with them and
7 they'll typically relent and provide the information
8 because they want to -- typically it's generally
9 either a misunderstanding of what the requirement is
10 or they'll say it's too difficult and ultimately
11 they'll comply, they'll get the resources to figure
12 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

1
2 MOCS is helping us in that review to see what our
3 needs are and to determine what to do with that
4 system.

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

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

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

23 [crosstalk]

24 LISETTE CAMILO: We...

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

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

12 [background comments]

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

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

18 CHAIRPERSON ROSENTHAL: Okay.

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

21 CHAIRPERSON ROSENTHAL: That's a
22 technical MOCS term?

23 LISETTE CAMILO: Yes.

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

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

18 LISSETTE 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.

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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?

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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

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

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

25

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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.

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

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

11 CHAIRPERSON ROSENTHAL: Got it.

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

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

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

1
2 review, it's called a Pre-solicitation Review and the
3 Request for Award, and with every section of both
4 forms there are subcategories that request
5 information on particular data points. For example,
6 if it's a bid, how are you going to get your bidders;
7 what bidders list is this going to be; how many
8 solicitations did you receive; were there any
9 nonresponsiveness findings -- so all of that
10 information is recorded on this form and we review to
11 make sure that they're sufficient, and then there are
12 documents that back up the information for that form.
13 So we will review all of those forms as well; there
14 are too many to go through and tick them off one by
15 one, there are many and obviously with more
16 complicated procurements there will be more
17 documents.

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

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

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

11 LISETTE CAMILO: Anybody.

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

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

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

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

1
2 Yes, so non-mayoral agencies don't -- NYCHA, HHC,
3 DOE, they don't use APT.

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

6 LISETTE CAMILO: OPA?

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

9 LISETTE CAMILO: Hold on one second.

10 CHAIRPERSON ROSENTHAL: sorry.

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

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

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

19 CHAIRPERSON ROSENTHAL: Oh.

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

24 CHAIRPERSON ROSENTHAL: So no outside
25 contractors anymore?

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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

1 no due date assigned to when that happens..

2 [crosstalk]

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

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

11 CHAIRPERSON ROSENTHAL: Yeah.

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

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

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

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

24 LISETTE CAMILO: What do you mean?
25

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

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

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

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

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

10 LISETTE CAMILO: I believe so, yes.

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

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

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

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

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

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

9 CHAIRPERSON ROSENTHAL: And then what
10 happens?

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

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

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

19 CHAIRPERSON ROSENTHAL: Yeah...

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

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

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

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

LIVETTE 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?

LIVETTE CAMILO: Yes.

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

LIVETTE 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?

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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.

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

20 LISETTE CAMILO: Well I think...

21 [crosstalk]

22 CHAIRPERSON ROSENTHAL: Is it a good
23 thing?

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

1
2 contracts are the same. So the reports are certainly
3 over-inclusive if your focus is [background comment]
4 on the -- you know, what are the bad reasons for cost
5 overruns... [interpose]

6 CHAIRPERSON ROSENTHAL: Yeah.

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

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

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

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

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

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

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

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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

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

7 [crosstalk]

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

1
2 doesn't do the checking, but then tells the City, we
3 need \$25,000 more for that original project?

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

6 CHAIRPERSON ROSENTHAL: Not extra work;
7 they've done the work, the work is done and now the
8 contractor saying you know what, it didn't cost
9 \$50,000, it cost \$75,000, give me the other 75 [sic].

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

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

22 LISETTE CAMILO: Sure.

23 CHAIRPERSON ROSENTHAL: in terms of cost
24 overruns.

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2 Alright. So recently, on December 12,
3 2014, Mayor de Blasio issued Executive Order No. 8
4 for the reestablishment of the Technology Steering
5 Committee; according to Section 2 of the Executive
6 Order, the Technology Steering Committee will consist
7 of three members; the Chief Technology Officer (CTO),
8 Minerva Tantoco, who will serve as the Chair; the
9 Commissioner of the Department of Information
10 Technology and Telecommunications (DoITT), Anne
11 Roest, and the Director of the Mayor's Office of
12 Management and Budget (OMB), Dean Fuleihan. And
13 according to Section 3, the Steering Committee
14 develops, promulgates and monitors the implementation
15 of citywide technology policies, standards and
16 procedures, including those related to the
17 acquisition of technology goods and services, working
18 in conjunction with MOCS, the Law Department and
19 other relevant agencies. Is that correct?

20 LISETTE CAMILO: I believe that's what
21 the EO says, yes.

22 CHAIRPERSON ROSENTHAL: Okay. Has the
23 Steering Committee started working with MOCS on IT
24 contracting issues and policies?
25

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

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]

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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

1
2 whether or not a Cost Benefit Analysis changed the
3 agencies' course of action.

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

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

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

13 LISETTE CAMILO: Of...

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

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

19 CHAIRPERSON ROSENTHAL: As of today. Do
20 you have copies... do you receive those reports...

21 [crosstalk]

22 LISETTE CAMILO: Yes.

23 CHAIRPERSON ROSENTHAL: from the City
24 agencies?

25 LISETTE CAMILO: Yes. Yes.

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

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

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

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

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

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

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...

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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.

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COUNCIL MEMBER DEUTSCH: Okay. And I

3

mean the contracts, it starts from you; right, that's

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where the contract starts from, so... [crosstalk]

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LISETTE CAMILO: Not really.

6

COUNCIL MEMBER DEUTSCH: it begins... it

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begins by, you know, signing the contract; right?

8

LISETTE CAMILO: Well so the process of

9

designing and actually developing the need starts way

10

before us; the Parks will internally have to

11

determine what the needs are, how to design the

12

project... [crosstalk]

13

COUNCIL MEMBER DEUTSCH: Does there need

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to be a contract like written up between the designer

15

and the City or?

16

LISETTE CAMILO: It depends... yeah,

17

sometimes -- Parks I know has a design department;

18

sometimes they design in-house, other times they

19

might have already a designer that's already been

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contracted out for general design services that

21

they'll utilize to do the work. There are a number

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of moving pieces; a lot of work gets done before we

23

see it, so we start seeing things once the need has

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already been determined and the budget has already

25

1
2 been established and the solicitation is being put
3 together to be put out for bid.

4 COUNCIL MEMBER DEUTSCH: So in other
5 words, once it's put out for bid, then it would go to
6 you and you would sign a contract, you would..

7 [crosstalk]

8 LISETTE CAMILO: No..

9 COUNCIL MEMBER DEUTSCH: have a contract
10 with them; right?

11 LISETTE CAMILO: No. So we oversee the
12 solicitation process, but Parks is the one that
13 actually issues the solicitation and awards and signs
14 the contract. So we make sure that all of the
15 procurement process has fulfilled all of the
16 requirements, that the solicitation document has
17 prevailing wage considerations, that they are subject
18 to the PLA, all of those things that have to be
19 included in the solicitation before it can be
20 released; once the awards get back, if there are
21 prevailing wage issues, we work with the agencies to
22 work that out; we work with them to make sure that
23 the vendors that are selected are responsible; once
24 those reviews are done, it is then up to the agencies
25 to negotiate, not in a bid situation, but to sign the

1
2 contract with the vendor. So we work on the process;
3 the agency works on the substance.

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

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

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

16 LISETTE CAMILO: depending on the
17 contract.

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

25 LISETTE CAMILO: No.

1
2 COUNCIL MEMBER DEUTSCH: other agencies
3 or do I need to go... [crosstalk]

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

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

11 LISETTE CAMILO: Right.

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

14 LISETTE CAMILO: You're welcome.

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

1
2 all those different stages that happen in the
3 Parks, you know with the design committee and
4 let's say, just for a second, that it's not even
5 PLA wages, right, or prevailing wage and let's go
6 extreme for one second and say all those costs
7 together are 30 percent, so on a \$1.5 million
8 contract, let's say all those costs together are
9 worth, you know and all the different regulations
10 and rules and VENDEX boxes, let's say that it's
11 worth \$500,000, which is absurd, but let's say it
12 is, then you're left with a million dollar toilet
13 and I'm just wondering, let's say it's not one
14 toilet; let's say it's five, it still seems
15 really high; I mean, Council Member Deutsch said
16 you know he could find somebody off the street
17 who could it for \$100,000; let's say that's an
18 exaggeration; let's say you could find somebody
19 off the street and it costs \$500,000, it's still
20 just on the face of it not passing the smell test
21 and while I don't expect you to have that
22 information today, you should know that this is a
23 question that I'm being asked repeatedly during
24 these preliminary budget hearings and certainly,
25 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.

1
2 CHAIRPERSON ROSENTHAL: Thank you. I
3 think we're looking for a hearing on this topic
4 jointly with the Parks Department; it just really
5 has come up that frequently. Where else was...
6 [background comment] Yeah and... oh and maybe...
7 we'll see if it requires oversight and
8 investigations as well, but that is something
9 that we would be interested in having additional
10 conversations about this year and maybe, you
11 know, we could shoot for the fall... [crosstalk]

12 LISETTE CAMILO: Sure.

13 CHAIRPERSON ROSENTHAL: but really
14 appreciate...

15 LISETTE CAMILO: No, anytime.

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

22 LISETTE CAMILO: Sure. Sure.

23 CHAIRPERSON ROSENTHAL: why in this
24 particular thing. And the truth of the matter is
25 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 hypothetic... 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

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

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

1
2 required to update their report or how would that
3 go?

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

1
2 CHAIRPERSON ROSENTHAL: I'm sorry, but
3 they wouldn't have to wait the 60 days if it
4 doesn't... [interpose]

5 LISETTE CAMILO: Yes, they do.

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

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

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

12 LISETTE CAMILO: That is part of the
13 Local Law.

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

16 LISETTE CAMILO: Great.

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

20 LISETTE CAMILO: Sure.

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

24 LISETTE CAMILO: Sure.

25 CHAIRPERSON ROSENTHAL: Thank you.

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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

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

4 LISETTE CAMILO: Right. Right.

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

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

24

25

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

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

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

19 LISETTE CAMILO: Sure.

20 CHAIRPERSON ROSENTHAL: for this
21 administration and how you're doing in meeting
22 the goals; we look forward to that hearing and
23 seeing no other questions, I wanna thank you very
24 much for your testimony.
25

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